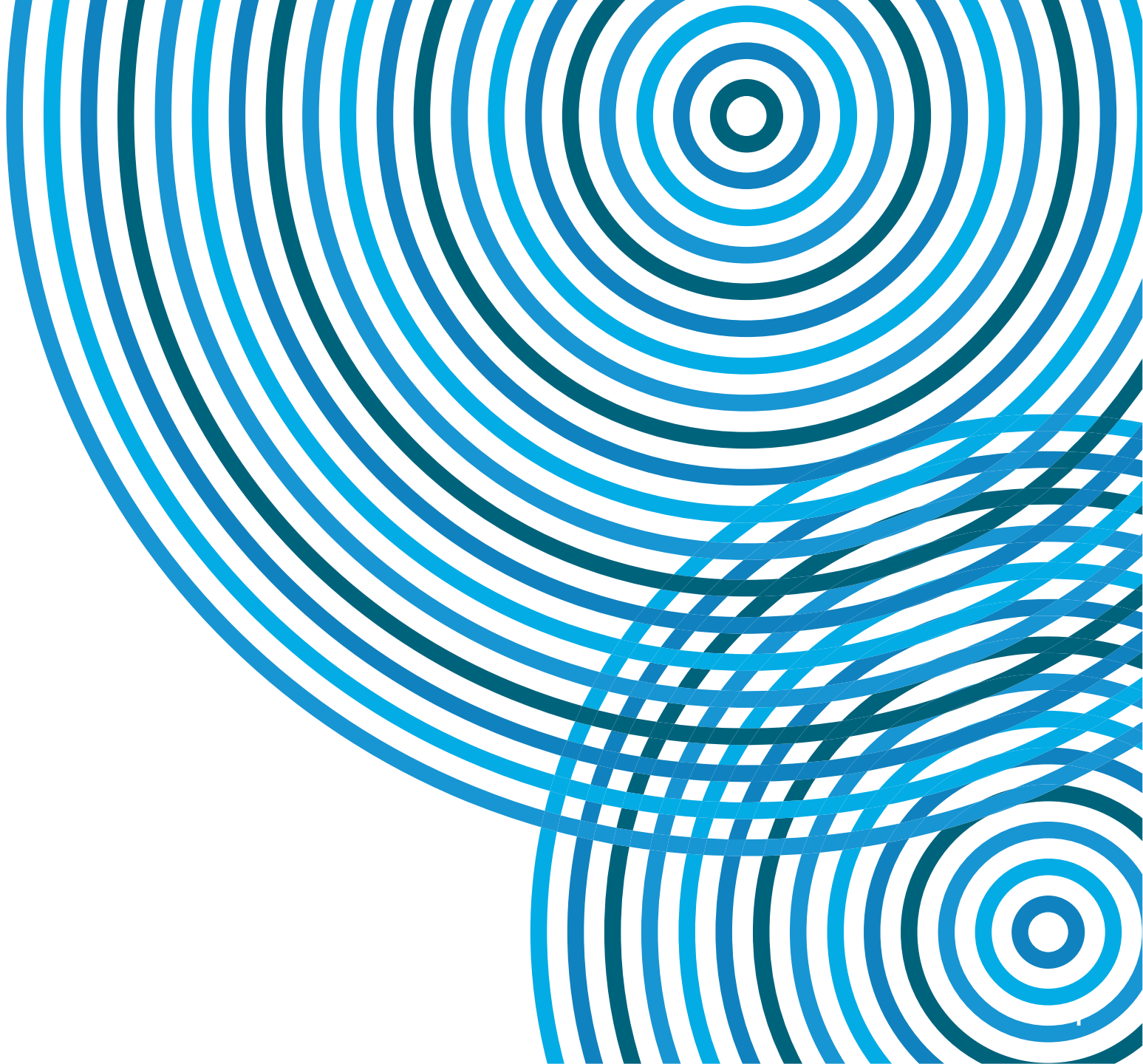


5 August 2024

IR Newsletter 27/2024



Press review

Rp.pl, 23 July 2024

by Urszula Zielińska

Orange subscribers are paying more, but it wasn't enough. The management has made a decision

Orange Polska reported a decline in revenue for the second consecutive quarter. Consequently, the management, led by Liudmila Climoc, revised the annual forecast, predicting no growth or a single-digit decline in revenue instead of the previously expected low single-digit growth. Thanks to cost-cutting measures, including a reduction in the workforce by about 400 employees, the company raised its EBITDAal forecast, predicting mid-single-digit growth.

In the second quarter of 2024, Orange Polska's revenue amounted to PLN 3.12 billion, a decrease of 3.1% YoY. EBITDAal increased by 3.8% to PLN 854 million, and the operating profit amounted to PLN 360 million (an increase of 5%). Net profit fell by 3% to PLN 231 million.

The revenue decline was due to decisions such as withdrawing from energy sales, a slowdown in IT orders, and lower rates in wholesale settlements. Smartphone sales were also weaker than last year. Despite this, the company's core telecommunications business is growing, with the number of individual customers with Orange Love convergent packages increasing to 1.74 million. The number of subscribers to internet and television services also increased.

Press review

Pap.pl, 25 July 2024

Gdańsk: Four hydrogen-powered vehicles join the bus fleet

Gdańsk received four out of ten ordered NesoBus hydrogen-powered buses, which will be used by GAIT for 10 years under a lease agreement with full service support. Gdańsk's Mayor, Aleksandra Dulciewicz, emphasized that this is a historic moment for the city, which is consistently modernizing its bus fleet by eliminating high-emission vehicles. The Gdańsk fleet already includes 21 electric buses, and by September, six more hydrogen buses will join.

NesoBus buses, produced by Polsat Plus Group in Świdnik, are powered by green hydrogen obtained from renewable energy, making them environmentally friendly. Katarzyna Piec from PAK PCE explained that these vehicles do not emit exhaust gases and purify the air. The guaranteed range of the buses is 330 km on a single refueling, allowing for all-day transport tasks. The vehicles are adapted to the needs of people with disabilities and equipped with modern systems such as monitoring, air conditioning, USB ports, and AED defibrillators.

The buses will be refueled at a newly opened station on Jabłoniowa Street. The first routes will start on Monday, and over the weekend, there will be an event called "Hydrogen to the Water" with free rides. Last year, city authorities stated that the 10-year lease agreement for hydrogen buses with service support would cost PLN 171 million gross.

Press review

ISBiznes.pl, 25 July 2024

ISBNews

Senate passes Electronic Communications Act without amendments, concerning, among other things, AML and USB ports

The Senate passed the Electronic Communications Act without amendments, implementing the provisions of the European Electronic Communications Code. The new regulations introduce uniform USB Type-C ports for smartphones, tablets, and laptops, as well as the Advanced Mobile Location (AML) service, enabling precise location of callers to the emergency number 112.

The law allows pre-paid subscribers to refund their top-up balances after the account validity expires. Operators will be required to provide consumers with simple information about the contract terms before signing. The new regulations aim to provide better consumer protection against unscrupulous telecommunications service providers.

The law also regulates the management of frequencies and numbering resources, including the conditions for their allocation and renewal of reservations. The President of the Office of Electronic Communications (UKE) will be able to issue area decisions regarding access to telecommunications networks, replacing individual permits. Frequencies for broadband systems will be reserved for a period of 15 to 20 years, with the possibility of extension by a maximum of 5 years.

The new regulations are intended to reward operators replacing copper infrastructure with fiber-optic networks, which is expected to maintain healthy competition in the telecommunications market and protect user rights. The Ministry of National Defense will manage allocations for government users, while the UKE president will manage allocations for civil-government users.

The Electronic Communications Act introduces a new fee system for issuing permits, replacing the existing stamp duty. The UKE president will collect the fee independently, and half of the amount for base stations will go to the municipality where the station is located.

Press review

Press.pl, 29 July 2024

by MAK

Sejm adopts the Senate's amendments that are favorable for publishers. UKE President will be mediating in the disputes with big techs

Sejm (the Lower House of Polish Parliament) has adopted all the changes proposed by the Senate (the Upper House of Polish Parliament) to the Act on copyrights and related rights (DSM). The main purpose of the amendments was to align Polish law with the two European Directives from 2019 which concerned copyright and related rights on the digital single market as well as broadcasting of programs by radio and TV organizations, including online broadcasts.

The amended law introduces a mediation mechanism in the disputes between publishers and major Internet platforms. If reaching an agreement in the course of negotiations proves unsuccessful, then the President of the Office of Electronic Communications (UKE) will act as a mediator. By indulging in amicable negotiations, publishers and technology firms will be trying to determine the compensation for use of the content developed by publishers. If that proves futile, mediation will be started by UKE President.

Deadlines will be specified for the actions taken by the parties to a dispute and by UKE President. Andrzej Wyrobiec, the Vice Minister of Culture, assures that the proceedings will not take longer than a dozen or so months.

If publishers disagree with the outcome of the mediation process, they will have the option of bringing a case to a court of law. Courts will be required to issue rulings at shortened deadlines: 18 months for the court of first instance and 12 months for the court of second instance.

The earlier version of the amended law, passed by Sejm, did not include the mechanisms of compensation for the publishers for the content used by big Internet platforms. While responding to this proposal, the media carried out a protest.

Press review

Parkiet, 30 July 2024

by Urszula Zielińska

Polsat sees a successful quarter

Last week reports regarding Cyfrowy Polsat were published by the experts of Biuro Maklerskie BDM and Santander Brokerage Poland. Maciej Bobrowski of BDM raised the target price for Cyfrowy Polsat from PLN 13.39 to PLN 14.05 and maintained “buy” recommendation. Paweł Puchalski of Santander currently forecasts the highest target price of PLN 16.1 with an overweight rating for the company’s shares. A week earlier the recommendations were raised by Dominik Niszczyński of Trigon Dom Maklerski and Dawid Górczyński of PKO BP Securities.

Thus the average target price for Cyfrowy Polsat shares, based on analyst forecasts, is PLN 13.56. It is worth remembering that the three so far unchanged share price valuations come from 2023.

Press review

Businessinsider.com.pl, 30 July 2024

by Barbara Oksińska

Green energy has overshadowed fossil fuels. First such a situation in the EU's history

For the first time in history the wind and solar farms in EU countries generated more power than the gas or coal-powered power plants, as has been indicated by the latest analysis developed by Ember think tank. It has been the first such a half-year period in the European Union's history. Poland, even though it is still far from achieving such a result, has also joined the race.

“The new data show that investments in energy generated from the sun and wind are not just a passing fad but a permanent trend and the new foundation of the European power generation industry. It is worth taking a look at the biggest EU economy, namely Germany. For the first time in history Germany generated more electricity from RSE than from fossil fuels, and it has reduced the total volume of energy produced from burning coal and gas,” notes Aleksander Śniegocki, an energy policy expert and the CEO of the Reform Institute.

“As we can see Poland is starting to join the race by increasing the share of energy produced from solar and wind power. However, we cannot rest easy. To be able to maintain the good dynamics of the transformation we have to make further investments in the grid and energy storage capabilities as well as switch our heating systems, transportation and industry to electrical power. Wind turbines face administrative restrictions: it is high time to bring to completion the work related to amending the so-called “distance act,” and to accelerate the procedures related to environmental permits in the next step, while focusing on these areas where the risks of adverse impact on natural environment is the lowest,” adds Śniegocki.

According to Ember's report, the share of solar energy increased by 37% yoy in the first half of this year. In May alone wind and solar farms generated one-third of total energy produced in Poland while the share of the energy generated from coal reached the historically lowest level of 57%.

Press review

Press.pl, 1 August 2024

by MNIE

UOKiK wins against Vectra at court. The court maintained the PLN 22 million fine

Office of Competition and Consumer Protection (UOKiK) won the court case against Vectra cable network operator as regards monthly access fee increase. The Competition and Consumer Protection Court repealed Vectra's appeal and maintained in force the fine of more than PLN 22 million that was imposed on the company. Consumers will be paid back part of the access fees they paid.

Vectra stated it would appeal, while not agreeing with the ruling. The matter concerns UOKiK's decision from 2022 according to which Vectra illegally amended the terms of the contracts and increased the fees for Internet access and TV in the years 2019-2020. The operator introduced a modification clause in their contracts which enabled it to unilaterally increase the fees. Vectra explained that it informed customers of the amendments and the underlying reasons of their decision.

Recent events

Press release, 25 July 2024

The first hydrogen refueling station under the NESO brand in Gdansk has been launched

The publicly accessible hydrogen refueling station commissioned today is the first in Gdansk, and the third NESO station in our country, built and launched by Polsat Plus Group and ZE PAK Group. Buses, cars and hydrogen trucks will be able to refuel at the station. Already, the first of 10 NesoBuses produced by Polsat Plus Group and ZE PAK Group for the city of Gdansk will be refueled at the station. The ultra-ecological hydrogen buses will join the fleet of eco-friendly vehicles of Gdansk Buses and Trams.

The first hydrogen refueling station in Gdansk is located at Jabłoniowa Street in Gdansk and is the third location of a NESO station in Poland, after Warsaw and Rybnik. It will be available for use by Gdansk's public transport buses, whose fleet has already expanded by 4 NesoBus hydrogen buses. A total of 10 NesoBus hydrogen buses, produced in Świdnik by Polsat Plus Group and ZE PAK, will be delivered. The station is open to the public and will be available to all users of hydrogen cars.

"I'm bursting with pride that we have just opened another hydrogen filling station in Pomerania, an area known for the best air quality. Gdansk has joined the ranks of our hydrogen sites, which for many years have been committed to sustainable development, green investment and improving the quality of life for its residents. I'm glad that our Group can play its part in this and actively support the development of the city's green transport to make it even cleaner," says **Zygmunt Solorz, the main shareholder of Polsat Plus Group and ZE PAK S.A. Group.**

Recent events

“Hydrogen is the green fuel of the future, completely emission-free and safe for people and the environment. Now the residents of Gdansk will be able to use such urban transport on a permanent basis and enjoy all its advantages,” he adds.

“This is a historic moment for Gdansk. On the one hand, today we are opening a publicly accessible hydrogen station, and on the other hand we are presenting 4 new buses powered by green hydrogen. More than 2 years ago we said that we don't want any more new buses in our fleet that will be high-emission, so we are consistently changing our bus fleet. We already have 21 electric buses, today the first 4 are being added, and by mid-September we will have another 6 hydrogen-powered buses,” said **Aleksandra Dulkiewicz, mayor of Gdansk**. *“The station we are opening is also needed, and our buses will be refueled here”*. [>> more](#)

Recent events

Press release, 31 July 2024

Additional 2.1 million houses and apartments with 1 Gbps fixed Internet access from Plus and Netia through cooperation with Polski Światłowód Otwarty

Netia (part of Polsat Plus Group) and wholesale operator Polski Światłowód Otwarty have entered into a cooperation agreement that will allow Polsat Plus Group to sell its services based on the Internet infrastructure owned by PŚO. As a result, the availability of high-speed fixed-line Internet from Netia and Plus will increase by another 2.1 million houses and apartments in the coming months.

The agreement provides Netia (the competence center for fixed Internet access services for the entire Polsat Plus Group), as well as the Plus network operator and other Polsat Plus Group companies, with access to the entire network, which belongs to the PŚO. Wholesale services on both types of network will be made available under the bitstream access (BSA) model.

"We are very proud that Polsat Plus Group has become our new customer. Through our network, its member companies will be able to reach millions of new customers, providing them with a high-quality retail offer. For us, in turn, this agreement is another milestone in our development as a wholesale operator, offering retail operators open access to the broadband network in Poland," **says Ignacio Irurita, CEO of Polski Światłowód Otwarty.**

Recent events

Thanks to the cooperation with Polski Światłowód Otwarty, more than 10 million houses and apartments, or nearly 23 million Polish residents, will be within the reach of Plus' fixed-line Internet, of which more than 8 million households, home to more than 19 million of our country's population, will have access to a connection with speeds of up to 1 Gbps.

"Plus is constantly working on the development of its Internet offering, so as to guarantee the largest possible number of customers stable and uninterrupted access to the network. The agreement with Polski Światłowód Otwarty is another step in the implementation of our strategy in this regard. This is great news for all those interested in the best entertainment, sports and reliable information, which are offered in bundled offers together with Plus' fiber Internet. Bundling the services of Plus and Polsat Box significantly affects convenience and at the same time reduces their costs," **says Michal Sobolewski, Vice President of the Management Board of Polkomtel, responsible for B2C and B2B Marketing and Sales.**

Each month, Polski Światłowód Otwarty consistently follows its plan to expand its network by more than 2 million households by 2028, with the ultimate goal of covering more than 6 million households in Poland. At the same time, the company is upgrading its HFC network to the latest FTTH standard, on which, using XGS-PON technology, retail operators can offer fixed-line Internet services with speeds of up to 5 Gbps.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2024-07-22	11.89	11.51	11.74	1.91	5.5
2024-07-23	11.97	11.54	11.62	-0.98	7.9
2024-07-24	11.88	11.50	11.72	0.82	4.8
2024-07-25	12.90	11.58	12.90	10.12	32.0
2024-07-26	13.15	12.63	12.91	0.08	12.8
2024-07-29	13.00	12.53	12.70	-1.63	7.0
2024-07-30	13.50	12.72	12.89	1.46	28.7
2024-07-31	13.15	12.74	12.97	0.62	12.4
2024-08-01	13.05	12.72	12.72	-1.89	6.1
2024-08-02	13.30	12.46	13.28	4.40	22.4



Investor's calendar

Date

Event

7 – 21 August 2024

Closed period prior to the publication of H1 2024 results

21 August 2024

Consolidated semi-annual report for the 1st half of 2024

6 – 20 November 2024

Closed period prior to the publication of Q3 2024 results

20 November 2024

Quarterly report for Q3 2024