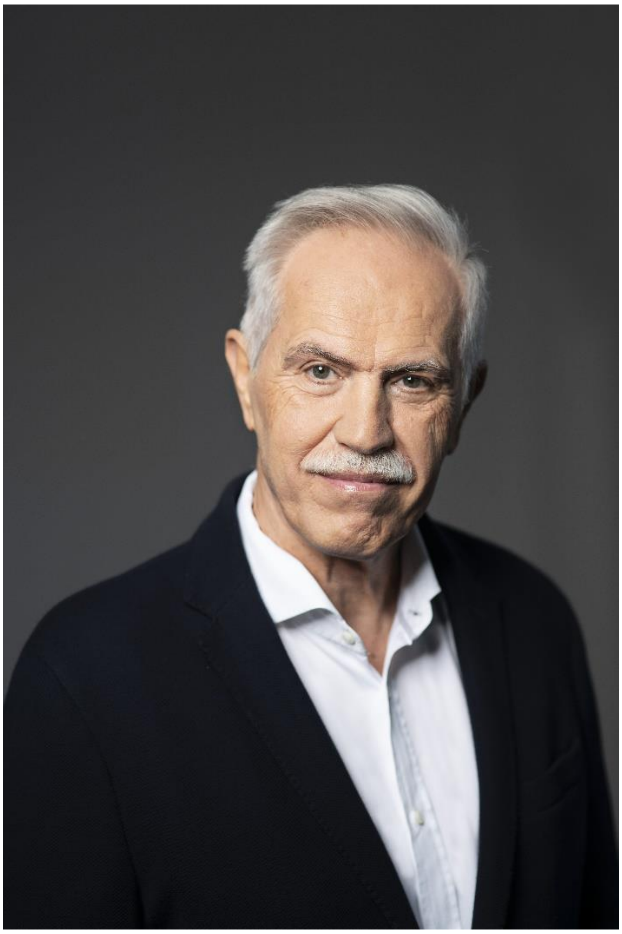
Grupa Polsat Plus

Cyfrowy Polsat S.A. Capital Group

Annual Consolidated Report for the financial year ended December 31, 2024

Table of Contents

Letter of the Chairman of the Supervisory Board



Ladies and Gentlemen,

The report presented to you summarises the activities of Polsat Plus Group in 2024.

For Polsat Plus Group, it was a very good year during which all strategic objectives and assumptions were effectively and consistently implemented. The Group continuously developed, focusing its activities on three basic pillars: telecommunications, content production, and green energy.

In 2024, the Group achieved very good operational and financial results while simultaneously realizing its strategic investments. This allowed it to smoothly and promptly – and in some cases, even ahead of schedule – meet its obligations. Among other things, the Group decided to prepay a term loan, which will save it several tens of millions zlotys in interest costs. The prepayment was made possible by the sale of Asseco shares.

In the telecommunications sector, thanks to the rationally acquired frequencies, both in terms of purpose and finance, the Group will be able to develop its 5G network, providing users with even better coverage and service quality. The Group strengthened its position in the content area – both in production and broadcasting, as well as distribution. The internet segment is functioning very well – Polsat-Interia Group, whose main portal Interia.pl and a number of thematic services are leaders in their categories.

Regarding the green energy segment, undoubtedly the key is achieving the goals set by the Group several years ago and transitioning from funding and implementing investments to their operational functioning and monetization. The Group has already completed most of the expenditures for the construction and development of this segment, and a large part of the "green" power plants are already operational – thanks to the free "resources" such as wind and sun.

Thus, the Group has secured very strong and solid foundations for the coming years of operation. However, we must remember our local and international macroeconomic environment. For the Group's situation, a reduction in interest rates would certainly be beneficial, and it could also support the entire Polish economy and business activities in Poland. The ongoing Russian aggression against Ukraine remains a significant global issue. Like all business people, I also observe the turmoil in global trade. Although our Group does not conduct international operations, no economic entity operates in isolation from such events. However, as we have demonstrated many times over the past 30 years, we are prepared for such scenarios, and I am confident that we will continue to conduct our business effectively for the benefit of our shareholders, customers, and employees.

I would like to express my special appreciation and thanks to all the employees of the Group for their commitment, diligence, motivation and efficiency in their daily work.

I would also like to thank our investors for their trust and willingness to continue to participate with me in building the future of the Polsat Plus Group as shareholders.

Yours faithfully,

Zygmunt Solorz

Chairman of the Supervisory Board, Cyfrowy Polsat S.A.

Letter of the President of the Management Board

Ladies and Gentlemen,

2024 was a year of notable success for Polsat Plus Group. I am pleased with the operational performance achieved in all business segments, which, combined with cost discipline, resulted in strong financial results. In addition, I am proud to report that we are close to achieving the objectives of our Strategy 2023+ and completing the construction of our new business pillar – green energy and hydrogen. Last year, we also worked intensively on the implementation of our ESG strategy, including the adoption of new reporting standards - the European Sustainability Reporting Standards (ESRS).

It is with great pleasure that I present to you Polsat Plus Group's annual report for 2024, which includes the Group's first sustainability report prepared in accordance with the new standards. However, before inviting you to read the publication, I would like to share with you the most important achievements and events in a telegraphic summary.

26 million people within the reach of Plus 5G network

Last year, Polsat Plus Group expanded the reach of its high-speed 5G network to cover 26 million people and plans to continue its development using newly acquired frequencies. Additionally, almost 17 million Poles can now access the 5G Ultra network, offering maximum technological speed of up to 1 Gbps. Netia and Plus fixed line Internet services are available to nearly 11 million households.

In the context of sustainable development and social responsibility, Plus's involvement in providing mountain and water rescue numbers and the Ratunek (Rescue) application, promoting safety, introducing the Stop Hejt (Stop Hate) and Bezpieczna Rodzina (Safe Family) services and providing emergency assistance to flood victims in the form of a free 250 GB Internet package cannot be overlooked.

Significant strengthening of the sports offering

In the media segment, our TV channels achieved very good viewership figures thanks to our attractive program scheduling, and we also have a strong position in the TV advertising market. To provide our viewers with the best content, we have strengthened our sports offering with prestigious events from a variety of disciplines, including the UEFA Europa League and Conference League, the German Bundesliga, Ligue 1 McDonald's, and Formula 1. We are also looking forward to the return of the national men's and women's handball teams to Polsat.

Polsat-Interia Group has consistently expanded its position in the online segment and was the number one online publisher in Poland. In 2024, it achieved the highest reach in terms of number of users five times, the most of any online publisher. It was also the leader in the mobile category - it ranked No. 1 in this category nine times.

Sports sponsorship and charity work have a firm place in our hearts and in our social mission. The Polish national volleyball team achieved another great success by winning the silver medal at the Olympic Games in Paris. As we have been supporting Polish volleyball for 27 years, this makes us very proud. For the 21st year in a row, we realised the "Santa's Advertising Block" for the benefit of children under the care of the Polsat Foundation and a special advertising block of Telewizja Polsat and the Polsat Foundation "Advertising to the rescue. Together for the flood victims!"

More than 1 TWh of energy from our own renewable sources

In my view, it is the green energy sector that positions Polsat Plus Group as one of the leaders in sustainable development activities. Thanks to dynamic investments, which are nearing completion, we have become a leading producer of clean energy and have built a complete hydrogen economy chain. At the same time, we are maintaining our strategic goal of generating EBITDA of around PLN 500 million from this business segment already in 2026, which, remarkably, will be achieved with investments more than PLN 1 billion lower than originally expected.

The most significant events of the past year in this pillar were primarily the commissioning of two more wind farms in Człuchów and Przyrów, the dynamic construction of a new 139 MW wind farm in Drzeżewo, the start of green hydrogen production in Konin, the commissioning of additional NESO hydrogen refueling stations and the winning of additional tenders for the supply of Nesobus buses to various cities in Poland.

For the sake of the environment, our green energy sources produced more than 1 TWh of energy in 2024, an increase of more than 50% over the previous year. 95% of the electricity consumed by our Group came from renewable sources.

Growth in key financial indicators

We ended last year with exceptionally good financial results. I would like to highlight the strong growth we achieved - Group revenue increased by 4.7% year-on-year to PLN 14.3 billion, while adjusted EBITDA grew by a robust 9.6% to PLN 3.3 billion. Our priority remains to effectively manage cash flow across our broad portfolio of strategic investments and to tightly control our costs.

About sustainability

2024 has also been a challenging year in terms of sustainability. During this time, we have developed and updated key policies, procedures and documents that strengthen our corporate governance.

It is worth noting that we are once again disclosing information in line with the EU taxonomy. We also continue to monitor our greenhouse gas emissions across all three scopes.

Acknowledgements

I am proud of all the projects completed and the successes achieved in 2024. I would like to thank the employees of Polsat Plus Group for their commitment, perseverance, and many ideas. The preparation of this report was possible thanks to the excellent cooperation of many people from different business areas.

I would like to take this opportunity to thank all stakeholders for their participation in the dialogue and in the double materiality study, which helped us to identify the environmental impact of our organization for the sustainability statement. I would also like to thank our shareholders, financial partners and the representatives of the Supervisory Boards and Management Boards of the Group companies - thanks to your tremendous support and trust, we are consistently achieving our goals.

To our customers and viewers, thank you for being with us, for appreciating the quality of our services and for motivating us to do even more. Our priorities will always be to develop and increase the value of each of our businesses so that our customers benefit from ever better services and our shareholders enjoy the satisfaction of being part of our Group.

Yours faithfully,

Mirosław Błaszczyk

President of the Management Board, Cyfrowy Polsat S.A.

This document is a conversion to pdf format of the official consolidated financial statements issued in xhtml format.

Cyfrowy Polsat S.A. Capital Group

Consolidated Financial Statements
for the year ended 31 December 2024

Prepared in accordance
with International Financial Reporting Standards
as adopted by European Union

Table of contents

Approval of the Consolidated Financial Statements

On 9 April 2025, the Management Board of Cyfrowy Polsat S.A. approved the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group prepared in accordance with International Financial Reporting Standards as adopted by the European Union, which include:

Consolidated Income Statement for the period

from 1 January 2024 to 31 December 2024 showing a net profit for the period of:	PLN 777.3

Consolidated Statement of Comprehensive Income for the period

from 1 January 2024 to 31 December 2024 showing a total comprehensive income for the period of:	PLN 776.8

Consolidated Balance Sheet as at

31 December 2024 showing total assets and total equity and liabilities of:	PLN 37,468.0

Consolidated Cash Flow Statement for the period

from 1 January 2024 to 31 December 2024 showing a net decrease in cash and cash equivalents amounting to:	PLN 629.3

Consolidated Statement of Changes in Equity for the period

from 1 January 2024 to 31 December 2024 showing an increase in equity of:	PLN 764.1

Notes to the Consolidated Financial Statements

The consolidated financial statements have been prepared in million of Polish zloty ('PLN') except where otherwise indicated.

Mirosław Błaszczyk
President of the Management Board

Maciej Stec
Vice-President of the Management Board

Jacek Felczykowski
Member of the Management Board

Aneta Jaskólska
Member of the Management Board

Agnieszka Odorowicz
Member of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Warsaw, 9 April 2025

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Consolidated Income Statement

		for the year ended	
	Note	31 December 2024	31 December 2023 *(restated data)*
Continuing operations			
Revenue	9	14,265.9	13,626.3
Financing component of revenue from installment sales		*189.0*	*186.1*
Operating costs	10	(12,629.3)	(12,488.8)
Cost of debt collection services and bad debt allowance and receivables written off		*(90.6)*	*(121.0)*
Gain on disposal of a subsidiary and an associate		10.0	219.7
Other operating income/(cost), net		119.6	(45.6)
Profit from operating activities		**1,766.2**	**1,311.6**
Finance income	11	426.2	452.7
Finance costs	12	(1,112.2)	(1,372.2)
Expected credit losses on loans		*(18.6)*	-
Share of the profit/(loss) of associates accounted for using the equity method		(0.7)	29.7
Gross profit for the period		**1,079.5**	**421.8**
Income tax	13	(302.2)	(110.2)
Net profit for the period		**777.3**	**311.6**
Net profit attributable to equity holders of the Parent		710.5	278.5
Net profit attributable to non-controlling interest		66.8	33.1
Basic earnings per share (in PLN)	15	**1.41**	**0.57**
Diluted earnings per share (in PLN)	15	**1.41**	**0.57**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Consolidated Statement of Comprehensive Income

	for the year ended	
	31 December 2024	31 December 2023
Net profit for the period	**777.3**	**311.6**
Items that may not be reclassified subsequently to profit or loss:		
Actuarial gain/(loss)	0.7	(2.6)
Items that may be reclassified subsequently to profit or loss:		
Valuation of hedging instruments	(0.2)	(23.3)
Share of other comprehensive income of subsidiaries and associates	(1.0)	(23.1)
Other comprehensive income/(loss), net of tax	**(0.5)**	**(49.0)**
Total comprehensive income for the period	**776.8**	**262.6**
Total comprehensive income attributable to equity holders of the Parent	710.2	234.4
Total comprehensive income attributable to non-controlling interest	66.6	28.2

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Consolidated Balance Sheet - Assets

	Note	31 December 2024	31 December 2023
Property, plant and equipment	16	7,423.3	6,494.3
Goodwill	17	10,975.3	10,980.2
Customer relationships	20	120.1	300.2
Brands	18	1,906.3	1,979.7
Other intangible assets	20	4,993.0	4,835.8
Right-of-use assets	21	724.8	644.6
Non-current programming assets	22	335.7	304.8
Investment property	23	700.3	700.0
Non-current deferred distribution fees	24	92.2	85.0
Non-current receivables	25	903.8	968.1
Non-current loans granted	26	2.2	10.9
Other non-current assets, includes:	25	83.6	702.8
shares in associates and joint ventures accounted for using the equity method		*-*	*10.1*
shares in third parties valued in fair value through profit or loss		*5.5*	*615.9*
derivative instruments	41	*40.2*	*35.2*
Deferred tax assets	13	180.5	142.8
Total non-current assets		**28,441.1**	**28,149.2**
Current programming assets	22	641.0	678.2
Contract assets	27	342.0	349.0
Inventories	28	1,028.0	1,215.6
Trade and other receivables	29	3,052.7	2,947.1
Current loans granted	26	22.8	116.2
Income tax receivables		34.3	20.0
Current deferred distribution fees	24	245.4	227.4
Other current assets, includes:	30	970.3	139.7
shares in other investments held for trading		*808.6*	*-*
derivative instruments	41	*40.4*	*21.6*
Cash and cash equivalents	31	2,653.0	3,306.0
Restricted cash	31	34.1	19.7
Total current assets		**9,023.6**	**9,018.9**
Assets held for sale, includes:		**3.3**	**8.6**
cash and cash equivalents		*-*	*1.2*
Total assets		**37,468.0**	**37,176.7**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Consolidated Balance Sheet - Equity and Liabilities

	Note	31 December 2024	31 December 2023
Share capital	32	25.6	25.6
Share premium	32	7,174.0	7,174.0
Share of other comprehensive income of associates		-	-
Other reserves	32	2,790.8	2,752.8
Retained earnings		8,987.4	8,334.1
Treasury shares	32	(2,854.7)	(2,854.7)
Equity attributable to equity holders of the Parent		**16,123.1**	**15,431.8**
Non-controlling interests	32	946.2	873.4
Total equity		**17,069.3**	**16,305.2**
Loans and borrowings	34	9,142.7	9,534.3
Issued bonds	35	3,670.8	3,955.4
Lease liabilities	36	502.8	444.6
Deferred tax liabilities	13	1,087.5	1,035.0
Other non-current liabilities and provisions, includes:	38	301.6	385.6
derivative instruments	41	*10.8*	*24.0*
Total non-current liabilities		**14,705.4**	**15,354.9**
Loans and borrowings	34	1,315.1	1,069.7
Issued bonds	35	366.9	393.7
Lease liabilities	36	181.9	166.2
Contract liabilities		678.0	682.2
Trade and other payables, includes:	39	3,090.9	3,172.6
derivative instruments	41	*8.2*	*20.2*
Income tax liability		60.5	31.4
Total current liabilities		**5,693.3**	**5,515.8**
Liabilities held for sale		-	0.8
Total liabilities		**20,398.7**	**20,871.5**
Total equity and liabilities		**37,468.0**	**37,176.7**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Consolidated Cash Flow Statement

		for the year ended	
	Note	31 December 2024	31 December 2023
Net profit		**777.3**	**311.6**
Adjustments for:		**2,783.3**	**2,316.6**
Depreciation, amortization, impairment and liquidation	10	1,671.4	1,919.6
Payments for film licenses and sports rights		(571.7)	(654.0)
Amortization of film licenses and sports rights		519.7	660.5
Interest expense		1,031.1	1,078.2
Change in inventories		117.5	150.1
Change in receivables and other assets		(153.5)	(32.1)
Change in liabilities and provisions		445.8	(268.5)
Change in contract assets		7.0	13.9
Change in contract liabilities		(4.2)	(38.0)
Foreign exchange (gains)/losses, net		(41.2)	(119.8)
Income tax		302.2	110.2
Net increase in reception equipment		(141.1)	(145.8)
Share of the (profit)/loss of associates accounted for using the equity method		0.7	(29.7)
Gain on sale of shares in a subsidiary/ associate		(10.0)	(219.7)
Cost of premium for scheduled early redemption of bonds		0.4	10.1
Cumulative catch-up		(2.5)	(20.8)
One-time loans repayment		-	20.8
Valuation of hedging instruments		(0.2)	(28.8)
(Profit)/loss on derivatives, net		(67.8)	6.7
Dividend income		(30.8)	-
Change in value of Asseco Poland S.A. shares		(194.2)	(0.8)
Gain on disposal of IP		(198.7)	-
Other adjustments		103.4	(95.5)
Cash from operating activities		**3,560.6**	**2,628.2**
Income tax paid		(271.8)	(342.1)
Interest received from operating activities		138.4	106.3
Net cash from operating activities		**3,427.2**	**2,392.4**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Acquisition of property, plant and equipment		(1,465.9)	(1,289.4)
Acquisition of intangible assets		(318.3)	(312.5)
Concessions payments		(564.6)	(1,345.9)
Acquisition of subsidiaries, net of cash acquired	40	(237.4)	(84.9)
Proceeds from disposal of a subsidiary and an associate		13.3	913.8
Proceeds from sale of property, plant and equipment		258.0	26.2
Loans granted		(11.3)	(343.4)
Repayment of loans granted		96.0	133.0
Acquisition of bonds		-	(20.0)
Bonds redemption with interest		21.9	22.0
Dividends received from associate		30.8	73.8
Other inflows/(outflows)		3.5	11.6
Net cash from/(used in) investing activities		**(2,174.0)**	**(2,215.7)**
Bonds issue[1]		-	2,145.3
Loans and borrowings inflows	34	565.8	3,885.1
Repayment of loans and borrowings	34	(730.5)	(2,327.0)
Bonds redemption	35	(311.9)	-
Payment of interest on loans, borrowings, bonds, and commissions[2]		(1,200.4)	(1,203.3)
Payment of lease liabilities	36	(210.3)	(195.5)
Payment of interest on lease liabilities	36	(36.0)	(27.4)
Hedging instrument effect		24.7	60.8
Other inflows/(outflows)		16.1	(1.8)
Net cash from/(used in) financing activities		**(1,882.5)**	**2,336.2**
Net increase/(decrease) in cash and cash equivalents		**(629.3)**	**2,512.9**
Cash and cash equivalents at the beginning of the period		**3,325.7[3]**	**817.8[4]**
Effect of exchange rate fluctuations on cash and cash equivalents		(9.3)	(3.8)
Transfer to assets held for sale		-	(1.2)
Cash and cash equivalents at the end of the period		**2,687.1[5]**	**3,325.7[3]**

(1) Value of bonds issue reduced by bond interest and early redemption premium settled in conversion.
(2) Includes amount paid for costs related to the new financing.
(3) Includes restricted cash amounting to PLN 19.7.
(4) Includes restricted cash amounting to PLN 9.3.
(5) Includes restricted cash amounting to PLN 34.1.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Consolidated Statement of Changes in Equity for the year ended 31 December 2024

	Share capital	Share premium	Share of other comprehensive income of associates	Other reserves	Retained earnings[1]	Treasury shares	**Equity attributable to equity holders of the Parent**	Non-controlling interests	**Total equity**
Balance as at 1 January 2024	**25.6**	**7,174.0**	**-**	**2,752.8**	**8,334.1**	**(2,854.7)**	**15,431.8**	**873.4**	**16,305.2**
Dividend approved and share of profits	-	-	-	-	-	-	**-**	(8.6)	**(8.6)**
Option valuation	-	-	-	39.5	-	-	**39.5**	(44.9)	**(5,4)**
Acquisition/disposal of subsidiaries/associates	-	-	-	(1.2)	(57.2)	-	**(58.4)**	59.7	**1.3**
Total comprehensive income/(loss)	-	-	-	(0.3)	710.5	-	**710.2**	66.6	**776.8**
Hedge valuation reserve	-	-	-	*(0.2)*	-	-	***(0.2)***	-	***(0.2)***
Share of other comprehensive income of subsidiaries and associates	-	-	-	*(0.8)*	-	-	***(0.8)***	*(0.2)*	***(1.0)***
Actuarial gains/(losses)	-	-	-	*0.7*	-	-	***0.7***	-	***0.7***
Net profit for the period	-	-	-	-	*710.5*	-	***710.5***	*66.8*	***777.3***
Balance as at 31 December 2024	**25.6**	**7,174.0**	**-**	**2,790.8**	**8,987.4**	**(2,854.7)**	**16,123.1**	**946.2**	**17,069.3**

[1] 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. As at 31 December 2024 the capital excluded from distribution amounts to PLN 8.5.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Consolidated Statement of Changes in Equity for the year ended 31 December 2023

	Share capital	Share premium	Share of other comprehensive income of associates	Other reserves	Retained earnings[1]	Treasury shares	**Equity attributable to equity holders of the Parent**	Non-controlling interests	**Total equity**
Balance as at 1 January 2023	**25.6**	**7,174.0**	**51.9**	**2,815.9**	**8,057.6**	**(2,854.7)**	**15,270.3**	**540.5**	**15,810.8**
Dividend approved and share of profits	-	-	-	-	(2.0)	-	**(2.0)**	(9.3)	**(11.3)**
Increase in capital of subsidiaries	-	-	-	-	-	-	**-**	1.6	**1.6**
Option valuation	-	-	-	(39.5)	-	-	**(39.5)**	-	**(39.5)**
Acquisition/disposal of subsidiaries/associates	-	-	(39.4)	8.0	-	-	**(31.4)**	312.4	**281.0**
Total comprehensive income/(loss)	-	-	(12.5)	(31.6)	278.5	-	**234.4**	28.2	**262.6**
Hedge valuation reserve	-	-	-	*(23.3)*	-	-	***(23.3)***	-	***(23.3)***
Share of other comprehensive income of subsidiaries and associates	-	-	*(12.5)*	*(5.7)*	-	-	***(18.2)***	*(4.9)*	***(23.1)***
Actuarial gains/(losses)	-	-	-	*(2.6)*	-	-	***(2.6)***	-	***(2.6)***
Net profit for the period	-	-	-	-	*278.5*	-	***278.5***	*33.1*	***311.6***
Balance as at 31 December 2023	**25.6**	**7,174.0**	**-**	**2,752.8**	**8,334.1**	**(2,854.7)**	**15,431.8**	**873.4**	**16,305.2**

[1] 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. As at 31 December 2023 the capital excluded from distribution amounts to PLN 8.5.

Notes to the Consolidated Financial Statements for the year ended 31 December 2024

General information

Name of reporting entity or other means of identification:	Cyfrowy Polsat S.A.
Domicile of entity:	Poland
Legal form of entity:	joint stock company
Country of incorporation:	Poland
Address of entity's registered office:	Łubinowa 4a, 03-878 Warsaw
Principal place of business:	Poland

1. The Parent Company

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

The Parent 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.

These consolidated financial statements comprise the Parent and its subsidiaries ('the Group') and joint ventures. The Group operates in four segments:

- B2C and B2B services which relates mainly to the provision of services to the general public, including digital television transmission signal, Internet access services, mobile TV services, online TV services, mobile services, production of set-top boxes,
- media which consist mainly of production, acquisition and broadcasting of information and entertainment programs as well as TV series and feature films broadcasted on television channels in Poland,
- real estate segment, which mainly includes the implementation of construction projects as well as the sale, rental and management of own or leased real estate,
- green energy segment, which mainly includes production and sale of energy from renewable sources, construction of a complete hydrogen-based value chain as well as investments in projects focused on the production of energy from photovoltaics and wind farms.

2. Composition of the Management Board of the Company

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

3. Composition of the Supervisory Board of the Company

- Zygmunt Solorz — Chairman of the Supervisory Board,
- Justyna Kulka — Vice-Chairman of the Supervisory Board (since 20 June 2024),
- Piotr Żak — Vice-Chairman of the Supervisory Board (until 3 July 2024),
- Tobias Solorz — Vice-Chairman of the Supervisory Board (until 8 October 2024),
- Józef Birka — Member of the Supervisory Board,
- Marek Grzybowski — Member of the Supervisory Board,
- Alojzy Nowak — Member of the Supervisory Board,
- Tomasz Szeląg — Member of the Supervisory Board,
- Jarosław Grzesiak — Member of the Supervisory Board (until 8 October 2024).

4. Basis of preparation of the consolidated financial statements

Statement of compliance

These consolidated financial statements for the year ended 31 December 2024 have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU (IFRS EU). The Group applied the same accounting policies in the preparation of the financial data for the year ended 31 December 2024 and the consolidated financial statements for the year 2023, presented in the consolidated annual report, except for the EU-endorsed standards and interpretations which are effective for the reporting periods beginning on or after 1 January 2024.

During the year ended 31 December 2024 the following become effective:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current,
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback,
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements.

Amendments and interpretations that apply for the first time in 2024 do not have a material impact on the consolidated financial statements of the Group.

Standards published but not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability,
- Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures: Classification and Measurement of Financial Instruments,
- IFRS 18 Presentation and Disclosure in Financial Statements,
- IFRS 19 Subsidiaries without Public Accountability: Disclosures,
- Annual improvements (volume 11) – includes clarifications, simplifications, corrections and changes of IFRS standards: IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosures, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements, IAS 7 Statement of Cash Flows,
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity – changes in assessment of own use, hedge accounting and disclosure requirements.

The Group has not early adopted the new or amended standards in preparing these consolidated financial statements.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The Group is currently analyzing the impact of the published standards that have not entered into force and believes that, apart from additional disclosures, they should not have a significant impact on the consolidated financial statements.

5. Group structure

These consolidated financial statements for the year ended 31 December 2024 include the following entities:

			Share in voting rights (%)*	
	Entity's registered office	Activity	31 December 2024	31 December 2023
Parent Company:				
Cyfrowy Polsat S.A.	Łubinowa 4a, 03-878 Warsaw	radio, TV and telecommunication activities	n/a	n/a
Subsidiaries accounted for using full method:				
Telewizja Polsat Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	television broadcasting and production	100%	100%
Polsat Media Sp. z o.o. (formerly Polsat Media Biuro Reklamy Sp. z o.o. Sp.k.)	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polsat License Ltd.	Alte Landstrasse 17, 8863 Buttikon, Switzerland	media	100%	100%
Polsat Investments Ltd.	3, Krinou Agios Athanasios, 4103 Limassol, Cyprus	media	100%	100%
Polsat Ltd.	238A King Street, W6 0RF London, United Kingdom	media	100%	100%
naEKRANIE.pl Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	media	60%	60%
4FUN Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	media	60%	60%
Muzo.fm Sp. z o.o.[f]	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	media	-[f]	100%
INFO-TV-FM Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	radio and TV activities	100%	100%

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

			Share in voting rights (%)*	
	Entity's registered office	Activity	31 December 2024	31 December 2023
Subsidiaries accounted for using full method (cont):				
CPSPV1 Sp. z o.o.[(g)]	Łubinowa 4a, 03-878 Warsaw	technical services	-[(g)]	100%
CPSPV2 Sp. z o.o.[(g)]	Łubinowa 4a, 03-878 Warsaw	technical services	-[(g)]	100%
Polkomtel Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	telecommunication activities	100%	100%
Liberty Poland S.A.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	telecommunication activities	100%	100%
Polkomtel Business Development Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	other activities supporting financial services, gaseous fuels trading activities	100%	100%
Orsen Holding Ltd.	Level 2 West, Mercury Tower, Elia Zammit Street, St. Julian's STJ 3155, Malta	holding activities	100%	100%
Orsen Ltd.	Level 2 West, Mercury Tower, Elia Zammit Street, St. Julian's STJ 3155, Malta	holding activities	100%	100%
Dwa Sp. z o.o.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	holding activities	100%	100%
Interphone Service Sp. z o.o.	Inwestorów 8, 39-300 Mielec	production of set-top boxes	100%	100%
Teleaudio Dwa Sp. z o.o. Sp.k.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	call center and premium rate services	100%	100%
IB 1 FIZAN	Mokotowska 49, 00-542 Warsaw	financial activities	**	**
Sferia S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	51%	51%
Altalog Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	software	66%	66%
Plus Flota Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	management and rental services	100%	100%

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

			Share in voting rights (%)*	
	Entity's registered office	Activity	31 December 2024	31 December 2023
Subsidiaries accounted for using full method (cont):				
Netia S.A.	Poleczki 13, 02-822 Warsaw	telecommunication activities	100%	100%
Netia 2 Sp. z o.o.	Poleczki 13, 02-822 Warsaw	telecommunication activities	100%	100%
TK Telekom Sp. z o.o.	Kijowska 10/12A, 03-743 Warsaw	telecommunication activities	100%	100%
Petrotel Sp. z o.o.	Chemików 7, 09-411 Płock	telecommunication activities	100%	100%
Eleven Sports Network Sp. z o.o.	Plac Europejski 2, 00-844 Warsaw	media	100%	100%
Netshare Media Group Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	advertising activities	100%	100%
TVO Sp. z o.o.	Kielecka 5, 81-303 Gdynia	retail sales	75.96%	75.96%
Plus Finanse Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	other monetary intermediation	100%	100%
Plus Pay Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	monetary intermediation	100%	100%
Esoleo Sp. z o.o.(p)	Al. Wyścigowa 6, 02-681 Warsaw	technical services	100%	51.25%
Alledo Express Sp. z o.o.(p)	Broniwoja 3/85, 02-655 Warsaw	rental services	100%	51.25%
Alledo Parts Sp. z o.o.(p)	Broniwoja 3/85, 02-655 Warsaw	wholesale	100%	51.25%
Alledo Parts Sp. z o.o. Sp.k.(p)	Broniwoja 3/85, 02-655 Warsaw	wholesale	100%	51.25%
Alledo Setup Sp. z o.o.(p)	Broniwoja 3/85, 02-655 Warsaw	technical services	100%	51.25%
Alledo Setup Sp. z o.o. Sp.k.(p)	Broniwoja 3/85, 02-655 Warsaw	technical services	100%	51.25%
Grupa Interia.pl Sp. z o.o.	Os. Teatralne 9a, 31-946 Cracow	holding activities	100%	100%
Interia.pl Sp. z o.o. (formerly Grupa Interia.pl Media Sp. z o.o. Sp.k.)	Os. Teatralne 9a, 31-946 Cracow	web portals activities	100%	100%
Mobiem Polska Sp. z o.o. in liquidation(r)	Fabryczna 5a, 00-446 Warsaw	holding activities	100%	100%

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

			Share in voting rights (%)*	
	Entity's registered office	Activity	31 December 2024	31 December 2023
Subsidiaries accounted for using full method (cont):				
Mobiem Sp. z o.o. (formerly Mobiem Polska Sp. z o.o. Sp.k.)	Fabryczna 5a, 00-446 Warsaw	advertising activities	100%	100%
TV Spektrum Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polot Media Sp. z o.o.	Ludwika Solskiego 55, 52-401 Wroclaw	consulting	60%	60%
Polot Media Sp. z o.o. Sp.k.	Ludwika Solskiego 55, 52-401 Wroclaw	movie and TV production	60%	60%
BCAST Sp. z o.o.[e]	Rakowiecka 41/21, 02-521 Warsaw	telecommunication activities	80.01%	70.02%
Polsat Talenty Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	cooperation with artists and presenters	100%	100%
Premium Mobile Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	100%	100%
Saveadvisor Sp. z o.o.[m]	Warszawska 18, 35-205 Rzeszów	call center services	-[m]	100%
Stork 5 Sp. z o.o.	Łubinowa 4A, 03-878 Warsaw	holding activities	100%	100%
Swan 5 Sp. z o.o.	Łubinowa 4A, 03-878 Warsaw	agricultural activities	100%	100%
Vindix S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	100%
Vindix Investments Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	100%
Direct Collection Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	100%
Vindix Sp. z o.o.	Heroiv UPA 73 ż, 79018, Lviv	call center services	100%	100%
Vindix NSFIZ	Mokotowska 49, 00-542 Warsaw	financial services	**	**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Entity's registered office	Activity	Share in voting rights (%)* 31 December 2024	31 December 2023
Subsidiaries accounted for using full method (cont):				
Mag7soft Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	software activities	100%	100%
Port Praski Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	66.94%	66.94%
Port Praski Nowe Inwestycje Sp. z o.o.	Krowia 6, 03-711 Warsaw	real estate management	66.94%	66.94%
Port Praski Office Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City III Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City IV Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Sp. z o.o. S.K.A.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Education Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Doki Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Doki II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Entity's registered office	Activity	Share in voting rights (%)* 31 December 2024	Share in voting rights (%)* 31 December 2023
Subsidiaries accounted for using full method (cont):				
Port Praski Media Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Hotel Sp. z o.o.	Krowia 6, 03-711 Warsaw	hotel services	77.52%	77.52%
Pantanomo Limited	3 KRINOU, Limassol 4103, Cyprus	holding activities	77.52%	77.52%
Laris Investments Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	real estate rental	66.94%	66.94%
Laris Development Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	66.94%	66.94%
Laris Technologies Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	property rental and management	66.94%	66.94%
SPV Baletowa Sp. z o.o.(c)	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	-(c)	66.94%
Megadex Development Sp. z o.o.(n),(q)	Gdańska 14/1, 01-691 Warsaw	property rental and management	-(n),(q)	66.94%
Megadex Expo Sp. z o.o.(n)	Adama Mickiewicza 63, 01-625 Warsaw	property rental and management	66.94%	66.94%
Centrum Zdrowia i Relaksu Verano Sp. z o.o.	Sikorskiego 8, 78-100 Kołobrzeg	hotel services	66.94%	66.94%
Enterpol Sp. z o.o.(b)	Braci Wieniawskich 5, 20-844 Lublin	telecommunication activities	-(b)	100%
Oktawave S.A.	Poleczki 13, 02-822 Warsaw	website management	100%	100%
Antyweb Sp. z o.o.	Sarmacka 12C/14, 02-972 Warsaw	web portal activities	79.88%	79.88%

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Entity's registered office	Activity	Share in voting rights (%)* 31 December 2024	Share in voting rights (%)* 31 December 2023
Subsidiaries accounted for using full method (cont):				
PAK-Polska Czysta Energia Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	50.5%	50.5%
PAK-PCE Człuchów Sp. z o.o. (formerly Great Wind Sp. z o.o.)[j]	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Farma Wiatrowa Okonek Sp. z o.o. [d]	Kazimierska 45, 62-510 Konin	holding activity	-[d]	50.5%
PAK-PCE Farma Wiatrowa Jastrowie Sp. z o.o.[d]	Kazimierska 45, 62-510 Konin	holding activity	-[d]	50.5%
Eviva Lębork Sp. z o.o.[a]	Kazimierska 45, 62-510 Konin	production of electricity	-[a]	50.5%
Eviva Drzeżewo Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
Mese Sp. z o.o.[d]	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	movie and TV production	-[d]	55.45%
PCE OZE 1 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 2 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 3 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 4 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 6 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
Exion Hydrogen Polskie Elektrolizery Sp. z o.o.	Ku Ujściu 19, 80-701 Gdańsk	manufacture of electrical equipment	50.4%	50.4%
Exion Hydrogen Belgium BV	Slachthuisstraat 120, bus 12, 2300 Turnhout Belgium	manufacture of electrical equipment	50.4%	50.4%
PAK-PCE Fotowoltaika Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-VOLT S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	trade of electricity	50.5%	50.5%

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Entity's registered office	Activity	Share in voting rights (%)* 31 December 2024	Share in voting rights (%)* 31 December 2023
Subsidiaries accounted for using full method (cont):				
PG Hydrogen Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	manufacture of engines and turbines	26.26%	26.26%
PAK-PCE Biopaliwa i Wodór Sp. z o.o.	Przemysłowa 158, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Wiatr Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Polski Autobus Wodorowy Sp. z o.o.	Kazimierska 45, 62-510 Konin	manufacture of buses	50.5%	50.5%
PAK-PCE Stacje H2 Sp. z o.o.	Kazimierska 45, 62-510 Konin	retail of hydrogen	50.5%	50.5%
PAK-PCE Przyrów Sp. z o.o. (formely Farma Wiatrowa Przyrów Sp. z o.o.)[(k)]	Częstochowska 7A, 42-428 Przyrów	production of electricity	50.5%	50.5%
PAK-PCE Dobra Sp. z o.o. (formerly Elektrownie Wiatrowe Dobra Sp. z o.o.)[(i)]	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Kazimierz Biskupi Sp. z o.o. (formerly Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.)[(l)]	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Miłosław Sp. z o.o. (formely Park Wiatrowy Pałczyn 1 Sp. z o.o.)[(h)]	Al. Wojska Polskiego 68, 70-479 Szczecin	production of electricity	50.5%	50.5%
Global Continental Sp. z o.o.[(o)]	Legionów 18, 97-200 Tomaszów Mazowiecki	production of electricity	50,5%	-
Port Praski Medical Center Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City II Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	77.52%	77.52%

* including direct and indirect shares
** Cyfrowy Polsat S.A. indirectly holds 100% of certificates.
[(a)] On 3 January 2024 merger of Eviva Drzeżewo Sp. z o.o. (acquiring company) with Eviva Lębork Sp. z o.o. (acquired company) was registered.
[(b)] On 5 January 2024 merger of Netia S.A. (acquiring company) with Enterpol Sp. z o.o. (acquired company) was registered.
[(c)] On 18 January 2024 merger of Laris Development Sp. z o.o. (acquiring company) with SPV Baletowa Sp. z o.o. (acquired company) was registered.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

(d) On 31 January 2024 merger of PAK-PCE Wiatr Sp. z o.o. (acquiring company) with companies: PAK-PCE FW Jastrowie Sp. z o.o., PAK-PCE FW Okonek Sp. z o.o. and Mese Sp. z o.o. (acquired companies) was registered.
(e) On 14 March 2024 Cyfrowy Polsat S.A. aquired additional 10% shares in BCAST Sp. z o.o. Following the transaction, Cyfrowy Polsat S.A. held 80.01% shares in BCAST Sp. z o.o. as at 31 December 2024. On 24 January 2025 Cyfrowy Polsat S.A. aquired additional 10% shares in BCAST Sp. z o.o. Following the transaction, Cyfrowy Polsat S.A. holds 90.01% shares in BCAST Sp. z o.o
(f) On 27 March 2024 Telewizja Polsat Sp. z o.o. sold 100% of shares in Muzo.fm Sp. z o.o.
(g) On 30 April 2024 merger of Polkomtel Business Development Sp. z o.o. (acquiring company) with companies: CPSPV1 Sp. z o.o. and CPSPV2 Sp. z o.o. (acquired companies) was registered.
(h) On 6 May 2024 name change from Park Wiatrowy Pałczyn 1 Sp. z o.o. to PAK-PCE Miłosław Sp. z o.o. was registered.
(i) On 6 August 2024 name change from Elektrownie Wiatrowe Dobra Sp. z o.o. to PAK-PCE Dobra Sp. z o.o. was registered.
(j) On 7 August 2024 name change from Great Wind Sp. z o.o. to PAK-PCE Człuchów Sp. z o.o. was registered.
(k) On 7 August 2024 name change from Farma Wiatrowa Przyrów Sp. z o.o. to PAK-PCE Przyrów Sp. z o.o. was registered.
(l) On 26 August 2024 name change from Farma Wiatrowa Kazimierz Biskupi Sp. z o.o. to PAK-PCE Kazimierz Biskupi Sp. z o.o. was registered.
(m) On 30 August 2024 merger of Premium Mobile Sp. z o.o. (acquiring company) with Saveadvisor Sp. z o.o. (acquired company) was registered.
(n) On 15 October 2024 merger of Megadex Development Sp. z o.o. (acquiring company) with Megadex Expo Sp. z o.o. (acquired company) was registered.
(o) On 4 November 2024, PAK-PCE Sp. z o.o. acquired 100% of shares in Global Continental Sp. z o.o.
(p) On 5 December 2024, Cyfrowy Polsat S.A. acquired 48.75% of shares in Esoleo Sp. z o.o. After this transaction, Cyfrowy Polsat holds 100% of shares in Esoleo Sp. z o.o. and its subsidiaries.
(q) On 30 December 2024, the merger of Laris Investments Sp. z o.o. (acquiring company) with Megadex Development Sp. z o.o. (acquired company) was registered.
(r) On 7 March 2025, the court decided to remove Mobiem Polska Sp. z o.o. in liquidation from the National Court Register.

Investments accounted for under the equity method:

			Share in voting rights (%)*	
	Entity's registered office	**Activity**	**31 December 2024**	**31 December 2023**
Polski Operator Telewizyjny Sp. z o.o.	Wiertnicza 166, 02-952 Warsaw	technical services	50%	50%
Polsat Boxing Promotion Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	movie and TV production	24%	24%
Pollytag S.A.	Wielopole 6, 80-556 Gdańsk	sale of wood and construction materials	31.12%	31.12%

* including indirect shares

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Additionally, the following entities were included in these consolidated financial statements for the year ended 31 December 2024:

			Share in voting rights (%)	
	Entity's registered office	Activity	31 December 2024	31 December 2023
Karpacka Telewizja Kablowa Sp. z o.o.[(1)]	Warszawska 220, 26-600 Radom	dormant	99%	99%
Polskie Badania Internetu Sp. z o.o.[(2)]	Al. Jerozolimskie 65/79, 00-697 Warsaw	web portals activities	21.43%	21.43%
Pluszak Sp. z o.o.	Domaniewska 47, 02-672 Warsaw	retail sales	9%	9%
Towerlink Poland Sp. z o.o.	Marcina Kasprzaka 4, 01-211 Warsaw	telecommunication activities	0.01%	0.01%
Megadex SPV Sp. z o.o.	Adama Mickiewicza 63, 01-625 Warsaw	other financial services	7.02%	7.02%
Stocznia Remontowa NAUTA S.A.	Budowniczych 10, 81-336 Gdynia	repair and maintenance of ships and boats	0.03%	0.03%
Asseco Poland S.A.	Olchowa 14, 35-322 Rzeszów	software activities	10.13%	10.13%
Neo Energia Przykona X Sp. z o.o.[(3)]	Franciszka Klimczaka 1, 02-797 Warsaw	other consulting	0.51%	-
Energia Przykona Sp. z o.o.[(4)]	Franciszka Klimczaka 1, 02-797 Warsaw	electricity distribution	0.51%	-

(1) Investment accounted for at cost less any accumulated impairment losses.
(2) Not included in investments accounted for under the equity method due to immateriality.
(3) On 27 June 2024, PAK-Polska Czysta Energia Sp. z o.o. acquired 1% shares in Neo Energia Przykona X Sp. z o.o.
(4) On 27 June 2024, PAK-Polska Czysta Energia Sp. z o.o. acquired 1% shares in Energia Przykona Sp. z o.o.

6. Accounting and consolidation policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements by all entities within the Group.

a) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for derivative financial instruments, which are stated at fair value and other financial instruments valued at fair value through profit or loss.

b) Going concern

These consolidated financial statements have been prepared assuming that the Group's entities will continue as a going concern in the foreseeable future, not shorter than 12 months from 31 December 2024.

c) Functional and presentation currency

These consolidated financial statements are presented in the Polish zloty, rounded to million, the Group's functional currency.

d) Use of estimates and judgments

The preparation of consolidated financial statements in conformity with EU IFRS 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. Information about critical estimates and judgments in applying accounting policies is included in note 52.

e) Comparative financial information

Comparative data or data presented in previously published financial statements has been updated, if necessary, in order to reflect presentational changes introduced in the current period. The changes had no impact on previously reported amounts of net income or equity.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The company made presentational changes to the statement of profit or loss in order to restructure finance income and expenses.

Finance Income

	for the year ended		
	31 December 2023 *(reported data)**	change of presentation	31 December 2023 *(restated data)*
Leasing interest	(29.5)	29.5	-
Interest on loans granted	31.8	-	31.8
Other interest income	76.1	26.7	102.8
Other exchange differences, net	(19.6)	19.6	-
Valuation of PAK-PCE shares held	151.3	-	151.3
Valuation of existing relationships in connection with the acquisition of PAK-PCE	(83.9)	83.9	-
Change in the value of shares of Asseco Poland S.A.	0.8	-	0.8
Exchange differences from loan valuation	-	82.1	82.1
One-off revenue resulting from modification of cash flows in result of conversion/redemption of bonds	-	20.8	20.8
Realization and valuation of hedging instruments - hedging the cost of exchange rate differences	-	(0.3)	(0.3)
Realization and valuation of instruments for which hedge accounting was not applied - hedging the cost of exchange rate differences	-	(0.2)	(0.2)
Other income	35.4	28.2	63.6
Total	**162.4**	**290.3**	**452.7**

* data reported as gain/(loss) on investing activities, net and finance costs, net

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Finance costs

	for the year ended		
	31 December 2023 *(reported data)**	change of presentation	31 December 2023 *(restated data)*
Interest on loans and credits	796.0	-	796.0
Interest on issued bonds	347.4	-	347.4
Exchange differences from loan valuation	(82.1)	82.1	-
One-time income resulting from the modification of cash flows resulting from the conversion of bonds	(20.8)	20.8	-
Effect of one-off loan repayment	20.8	-	20.8
Realization and valuation of hedging instruments - interest cost hedging	(14.4)	(0.3)	(14.7)
Realization and valuation of instruments for which hedge accounting was not applied - interest cost hedging	28.5	(0.2)	28.3
Valuation of existing relationships in connection with the acquisition of PAK-PCE	-	83.9	83.9
Leasing interest	-	29.5	29.5
Other interest costs	-	26.7	26.7
Guarantee costs, bank commissions and other fees	6.5	-	6.5
Exchange rate differences	-	19.6	19.6
Other costs	-	28.2	28.2
Total	**1,081.9**	**290.3**	**1,372.2**

* data reported as finance costs, net and gain/(loss) on investing activities, net

f) Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by the Parent. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The financial statements of subsidiaries are prepared for the same period as the financial statements of the Company and using the accounting policies that are consistent with those of the Company for like transactions and events.

Equity transactions between a parent entity and the non-controlling interests are treated as transactions between shareholders, provided that the transactions do not result in a change of control. No gains or losses are recognised in consolidated profit or loss for transactions between the parent entity and the non-controlling interest, unless control is lost. Transactions where control is not lost are recorded within equity.

Put options granted in business combinations to holders of non-controlling interest in the subsidiary (ie. obligating the Group to acquire non-controlling interests in particular circumstances in the future for a particular price) give rise to a financial liability recognised in the consolidated balance sheet.

As at 31 December 2024 the Group recognized long-term financial liabilities in relation to put option, granted at the moment of obtaining control over companies.

While such put option remains unexercised, at the end of each reporting period the Group determines the amount of non-controlling interest (including share of profit/losses attributable to the non-controlling interest), de-recognises the controlling interest as if was acquired at that balance sheet date and recognises a financial liability measured at present value of the redemption amount. The difference is accounted for as a transaction between a parent entity and the non-controlling interests as described above.

On expiry of an unexercised put option the Group derecognises the financial liability in full and recognises non-controlling interest as if the put option was never granted.

Associates and Joint arrangements

Associates are all entities over which the Group has significant influence but not control or joint control, over the financial and operating policies. This is generally the case where the Group hold between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method.

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in an equity-accounted investment equals or exceeds its interests in the entity (which includes any long term interests that, in substance, form part of the Group's net investment), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates or joint venture.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses or income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Business combinations under common control

IFRS 3 scopes out business combinations under common control and is not prescriptive otherwise as to the method of accounting for such transactions.

Group assessed that in case of the acquisition of control over Port Praski Group it acquired control over significant processes including the development of construction projects as well as the sale, rental and management of owned or leased properties. Moreover, the expenditures and processes significantly lead to Port Praski Group's ability to generate results. In light of the above it was determined that the acquisition method as defined in IFRS 3 is appropriate to account for the acquisition of control over Port Praski Group.

In case of the transaction of acquiring control over PAK-PCE Group, the acquisition was part of the implementation of the Group's strategy (as a result of the acquisition, a new operating segment "Green Energy" was identified). This transaction was carried out at fair values, and the consideration under the transaction was paid in cash. Furthermore external parties were involved in this transaction, in case of both Cyfrowy Polsat and ZE PAK S.A. (the entity from which the PAK-PCE shares were purchased) the beneficiaries of this transaction were their non-controlling shareholders. In light of the above facts and circumstances, the Group concluded that the transaction of acquiring control over the PAK-PCE Group has economic substance, therefore the most appropriate method to account for this transaction is the acquisition method as defined in IFRS 3.

g) Foreign currency transactions

Foreign currency transactions

Transactions in foreign currencies are translated to the Polish zloty at exchange rates in effect one day prior to the recording of these transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Polish zloty at the average exchange rate quoted by the National Bank of Poland ("NBP") for that date. The foreign currency exchange differences arising on translation of transactions denominated in foreign currencies and from the reporting date retranslation of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss. Non-monetary assets and liabilities in a foreign currency that are measured in terms of historical cost are translated using the average NBP exchange rate in effect at the date of the initial recognition. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated at the average NBP foreign exchange rate in effect at the date the fair value was determined.

h) Financial instruments

Non-derivative financial instruments

Financial assets

Financial assets are classified in the following measurement categories depending on the business model in which assets are managed and their cash flow characteristics:

- assets measured at amortized cost - if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of this financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- financial asset measured at fair value through other comprehensive income – if the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of this financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding;
- assets measured at fair value through profit or loss - all other financial assets.

Financial assets at initial recognition are measured at fair value plus, in the case of financial assets not measured at fair value through profit or loss, directly attributable transaction costs. Trade receivables that do not have a significant financial component are initially measured at their transaction price.

Financial assets measured at amortized cost

Financial assets measured at amortized cost include trade and other receivables, loans granted and cash and cash equivalents. Interest income from these financial assets is calculated using the effective interest rate method and is presented within Finance Income on investment activities.

Financial asset measured at fair value through other comprehensive income

Financial asset measured at fair value through other comprehensive income include investments in equity instruments for which at initial recognition Group make an irrevocable election to present in other comprehensive income subsequent changes in their fair value. Gains and losses on these financial assets are never recycled to profit or loss.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include derivative instruments not designated as hedging instruments, and equity instruments for which the Group made such choice (shares of Asseco Poland S.A.). Financial assets classified to this category are measured at fair value and the subsequent changes in their fair value are recognized in profit or loss. The subsequent changes in their fair value of derivative instruments not designated as hedging instruments are presented in Finance income or Finance costs depending on the economic substance of hedged transaction.

A financial asset is derecognised when the contractual rights to receive cash flows from the asset have expired or the Group has transferred substantially all the risks and rewards of the asset.

Financial liabilities

Financial liabilities include financial liabilities measured at amortized cost and financial liabilities measured at fair value through profit or loss.

Financial liabilities are recognised initially at fair value and, in case of financial liabilities which are not measured at fair value through profit or loss, net of directly attributable transaction costs.

Financial liabilities measured at amortized cost

Financial liabilities measured at amortized cost include loans and borrowings, issued bonds, trade and other payables and lease liabilities. Interest expense related to these financial liabilities is calculated using the effective interest rate method and is presented as Finance costs.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include derivative instruments not designated as hedging instruments. Financial liabilities classified to this category are measured at fair value and the subsequent changes in their fair value are recognized in profit or loss. The subsequent changes in their fair value of derivative instruments not designated as hedging instruments are presented in Finance income or Finance costs depending on the economic substance of hedged transaction.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss. In early repayment case, the difference between the carrying amount of the repaid liability and the carrying amount of the new liability is recognized in profit or loss.

Accounting policies related to gains and losses on investment activities and finance costs are presented in 6u.

Derivative financial instruments

Hedge accounting

The Group may use derivative financial instruments such as forward currency contracts, foreign exchange call options, interest rate swaps and cross-currency interest rate swaps to hedge its foreign currency and interest rate risks.

For the purpose of hedge accounting, the Group's hedges are classified as cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

For cash flow hedges the effective portion of the gain or loss on the hedging instrument is recognized directly as other comprehensive income in the hedge valuation reserve, while any ineffective portion is recognized immediately in profit or loss.

The amounts recognized within other comprehensive income are transferred from equity to the income statement when the hedged transaction affects profit or loss, such as when the related gain or loss is recognized in Finance income or costs or when a forecast sale occurs.

Gains and losses from the settlement of derivative instruments that are designated as, and are effective hedging instruments, are presented in the same position as the impact of the hedged item. The derivative instrument is divided into a current portion and a non-current portion only if a reliable allocation can be made.

In accordance with IFRS 9, the Group chose to apply hedge accounting requirements as in IAS 39 instead of those included in IFRS 9.

i) Equity

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity.

Preference share capital

Preference share capital is classified as equity, if it is non-redeemable, or redeemable only at the Company's option, and any dividends are discretionary. Dividends thereon are recognized as distributions within equity.

Costs attributable to issue and public offering of shares

Costs attributable to a new issue of shares are recognized in equity while costs attributable to a public offering of existing shares are recognized directly in finance costs. These costs relating to both new issue and sale of existing shares are recognized on a pro-rata basis in equity and finance costs.

Share premium

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

Retained earnings

In accordance with the provisions of article 396 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. This capital is excluded from distribution, however, it can be utilised to cover accumulated losses.

j) Property, plant and equipment and investment property

Property, plant and equipment owned by the Group

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes purchase price of the asset and other expenditure that is directly attributable to the acquisition and bringing the asset to a working condition for its intended use, including initial delivery as well as handling and storage costs. The cost of purchased assets is reduced by the amounts of vendor discounts, rebates and other similar reductions received.

The cost of self-constructed assets and assets under construction includes all costs incurred for their construction, installation, adoption, and improvement as well as borrowing costs incurred until the date they are accepted for use (or until the reporting date for an asset not yet accepted for use). The above cost also may include, if necessary, the estimated cost of dismantling and removing the asset and restoring the site.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Investment property

Investment property is defined as a property (land, building, or both) held by the Group to earn rentals or for capital appreciation or both.

Investment property is also property (land) whose purpose as of balance sheet date is not specified or the investment process will not begin within three years from the balance sheet date.

Investment property is measured initially at cost.

Once recognized all investment property held by the Group are measured using the cost model as set out in IAS 16. This means that the assets are recognized at cost model as presented in Property, plant and equipment owned by the Group above.

Investment property is removed from the balance sheet on disposal or when it is permanently withdrawn from use and no further economic benefits are expected from its disposal.

Subsequent costs

Subsequent cost of replacing a component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group and the amount of the cost can be measured reliably. Replaced item is derecognized. Other property, plant and equipment related costs are recognized in profit and loss as incurred.

Depreciation

Depreciation expense is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The following are estimated useful lives of respective group of property, plant and equipment:

Reception equipment	2 or 3 or 5	years
Buildings and structures	2-61	years
Technical equipment and machinery	2-30	years
Vehicles	2-10	years
Other	2-26	years

Depreciation methods, useful lives and residual values of material assets are reviewed at each financial year-end.

Leased assets

Assets used under lease, tenancy, rental or similar contracts which meet lease criteria, are classified separately in the balance sheet as right-of-use assets.

Set-top boxes, modems and routers that are provided to customers under operating lease agreements are recognized within non-current assets (Reception equipment in the balance sheet) and depreciated as described in Depreciation above. The set-top boxes are depreciated over a period that exceeds the period the lease agreements are entered into.

Carrying amounts of reception equipment and other items of property, plant and equipment as well as right-of-use assets may be reduced by impairment losses whenever there is any indication that an asset may be impaired and there is uncertainty as to those assets' revenue generating potential or their future use in the Group's operations. The accounting policies relating to impairment are presented in note 6n.

Detailed accounting policies related to lease contracts are described in point 6v.

k) Intangible assets

Goodwill

Goodwill represents the excess of the sum of consideration transferred and payable, the amount of non-controlling interest in the acquiree and the fair value as at the date of acquisition of any previously held equity interest in the acquiree over the fair value of the identifiable net assets acquired.

Goodwill is presented at purchase price less accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if possible impairment is indicated. Goodwill is allocated to acquirer's cash-generating units for the purpose of testing for impairment. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose, but not higher than segment.

Customer relationships

Customer relationships acquired as a result of the acquisition of subsidiaries are amortized on a straight-line basis over their useful lives, i.e. over the period of 2.5 to 17.5 years.

Brands

Brands acquired as a result of the acquisition of subsidiaries are amortized on a straight-line basis over their useful lives, except where an indefinite period of use is justified. Brands with an indefinite useful life are tested annually for impairment or more frequently if impairment indicators exist. The estimated useful lives for respective brands are as follows:

- Polsat, TV4, TV6 and Polo TV brands: 20 years (i.e. 2042),
- Plus brand: 51 years (i.e. 2065),
- Netia brand: 10 years (i.e. 2028),
- Eleven Sports brand: 15 years (i.e. 2035),
- Interia brand: 30 years (i.e. 2050),
- Premium Mobile brand: 30 years (i.e. 2051),
- 4FUN brand: 20 years (i.e. 2042),
- naEKRANIE.pl brand: 20 years (i.e. 2042).

Other intangible assets

The Group capitalizes costs of IT software internally generated, including employee-related expenses, directly resulting from generating and preparing an asset to be capable of operating, if the Group is able to measure reliably the expenditure attributable to such development and when it can reliably establish the commencement as well as the completion date of the software development activities.

Other intangible assets acquired by the Group are measured at cost less accumulated amortization and impairment losses.

Subsequent expenditure on existing intangible assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in the profit or loss as incurred.

Amortization expense is based on the cost of an asset or production cost less its residual value.

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The recoverable amounts of intangible assets which are not yet available for use are measured as at each balance sheet date.

The estimated useful lives for respective intangible assets groups are as follows:

- Computer software: 2-15 years,
- Concessions: period resulting from an administrative decision,
- Other: 2-7 years.

l) Programming assets

Programming assets comprise acquired formats, licenses and copyrights for broadcasting feature films, series, news and shows, capitalized costs of commissioned external productions ordered by the Group, capitalized sports rights and advance payments made (including advance payments for sports rights).

Initial recognition

Programming rights, other than sports rights, are recognized at cost as programming assets when the legally enforceable license period begins and all of the following conditions have been met:

- the cost of each program is known or reasonably determinable,
- the program material has been accepted by the licensee in accordance with the conditions of the license agreement,
- the program is available for its first showing.

Capitalized costs of productions include costs of programs ordered by the Group, including productions made based on licenses purchased from third parties. Capitalized costs of productions are measured individually for each program at their respective production or acquisition costs, not to exceed their recoverable amounts.

Sports broadcasting rights are recognized at purchased price at the time of TV transmission. Broadcasting rights to seasonal sport events, acquired under long-term contracts (frequently multi-seasonal), are recognized at the relative value determined by internal experts and allocated to each of the sport events' season as part of the purchased programming package. The Group's method of recognition of sports broadcasting rights is dependent on the type of sports channel on which the use of these rights is planned:

- sports broadcasting rights for premium sports channels are recognized in relation to all seasons contracted by the Group at the start of the first of them,
- sports broadcasting rights for other channels are recognized separately for each season at the start of each of them.

Advance payments for acquired programming assets, prior to license begin date, are recognized as prepayments for programming assets.

Signed and binding contracts for purchase of programming, which do not meet recognition criteria for programming assets are not recognized in the balance sheet and are instead disclosed as contractual commitments in the amount of the outstanding contract liability at the reporting date.

Programming assets are classified as non-current or current based on the estimate timing of the broadcast. A programming asset is recognized as current when the expected broadcast falls within 1 year from the reporting date. Sport rights and prepayments for sport rights are classified as current or non-current based on dates of related sport events (or start of the sport season).

Amortization

Programming assets are amortized using the method reflecting the manner of consuming the economic benefits embodied in the licenses acquired within their estimated useful lives limited by the term of the respective license agreements.

The depreciation method and rate depend on the asset category and the allowable number of emissions:

- Films are amortized on a straight-line basis over the months of their broadcast, generally no more than over the first 4-10 runs (depending on the nature of the television program in which they are broadcast and the number of available runs).
- Licenses purchased for series are amortized on a straight-line basis over the months of their broadcast, generally no more than for the first 4-5 broadcasts (depending on the nature of the television program in which they are broadcast).
- Series produced for the Group are amortized in the months of their broadcast, depending on the television program in which they are broadcast:
  - 80% in the first broadcast and 20% in the second broadcast – for titles produced for the Polsat program;

    - 25% in each of the first 4 broadcasts – for titles produced for the TV4 program;
    - 100% in the first broadcast – for titles produced for other thematic programs.
- Sports broadcasting rights - 100% of the right's value is recognized as an expense in the income statement at the time of the first broadcast, however acquired rights to game seasons or rights to many seasons or a series of competitions are amortized on a straight-line basis over the period between the beginning of the first season and the end of the last season in respect to sports broadcasting rights primarily intended for premium sports channels or over the duration of the season or series of competitions in respect to sports broadcasting rights intended for other channels.
- Commissioned external productions intended for only one run are fully amortized on their first broadcast.
- News programming is fully amortized at its first broadcast.
- General entertainment shows are fully amortized at their first broadcast.

Amortization of programming assets is presented in Content costs line in the operating costs of the income statement.

Impairment

Programming assets are reviewed for impairment at least annually and whenever there is any indication that the carrying amount may not be recoverable. Impairment losses are recognized on each license in case of withdrawal from broadcasting an item in the expected future (resulting from changes in strategic program scheduling, changing audience tastes, media law restrictions on the usability of films) or expected future losses anticipated on disposal of the rights.

Impairment write downs on programming assets are recognized as increase in the content costs. Impairment of programming assets is reversed if the reason for the original impairment ceases to exist. The reversals are recorded as content cost reductions.

m) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of acquisition or production cost of inventories is determined by using the weighted average cost method.

The cost of inventories includes expenditure incurred in acquiring the inventories and other costs incurred in making them available for use or sale. In case of finished products and work in progress, cost includes an appropriate share of production overheads determined based on normal operating capacity.

Net realizable value is the current market price in the ordinary course of business, less the estimated costs of completion and selling expenses. In case of set-top boxes, mobile phones, modems and tablets, which under the business model applied by the Group are sold below cost, the loss on the sale is recorded when transferred to the customer.

The Group creates an allowance for slow-moving or obsolete inventories.

Inventories also include real estate built for sale (work in progress) and ready-to-sell properties (finished products) as part of development activities. Capitalized expenditures include, but are not limited to, construction planning and design costs, costs of land acquisition or perpetual usufruct of land for construction, remuneration payable to contractors and construction financing costs.

In companies engaged in development activities, the way investment properties are classified depends on the advancement of the investment process. The companies assume that all investments in which a significant portion will be residential units, and whose investment process is likely to begin within the next three years, will be presented in the Balance Sheet under the item "inventories".

Certificate of origin

Included in the inventory are certificates of origin purchased for redemption, resale, as well as self-generated. These rights are tradable and are a subject to exchange trading.

Certificates of energy origin received free of charge for production from renewable sources are recognized on initial recognition at fair value at the time it becomes probable that they will be received, i.e. at the end of the month in which they were produced. The fair value is a reflection of the market situation, i.e. quotations on the commodity energy exchange (POLPX). Unpaid acquisition of certificates is recognized in correspondence with other income. The Group sells surplus certificates, which are presented in inventory.

Acquired energy certificates of origin are recognized as inventory at the purchase price. The outflow of energy certificates of origin is valued according to the method of detailed identification.

The Group is required to obtain energy certificates of origin and submit them for redemption by June 30 of the year following the accounting year. If, as of the reporting date, there are not enough certificates required to fulfill the obligations imposed by the Energy Law and the Energy Efficiency Law, the Group creates reserves for the redemption of energy origin and energy efficiency certificates or the payment of replacement fees.

n) Impairment of assets

Financial assets measured at amortized cost

The Group measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables (including loans granted) and contract assets. The trade receivables are assessed for impairment collectively in groups that share similar credit risk characteristics. The expected credit losses are estimated based on historical pattern for repayment and collection efficiency adjusted with currently available forward-looking information. The credit risk characteristics of contract assets correspond to the credit risk characteristics of trade receivables for a particular type of contract.

The Group considers financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full.

The Group considers a financial asset to be credit impaired when events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred, including significant financial difficulty of the debtor or a breach of contract, such as a default or past due event.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

The carrying amounts of non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated by the Group. The recoverable amount of intangible assets which are not yet available for use as well as of goodwill and brands with indefinite useful life is estimated at each reporting date.

An impairment loss is recognized when the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount. A cash-generating unit represents the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of thereof. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of a cash-generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of units), and then to reduce the carrying amounts of the other assets in the cash-generating unit on a pro rata basis.

The recoverable amount of an asset or a cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In case of assets that do not generate independent cash inflows, the value in use is estimated for the smallest identifiable cash-generating unit to which the asset belongs.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recorded in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

o) Employee benefits

Defined contribution plan

All Group entities that act as employers have an obligation, under applicable legislation, to collect and remit contributions to the state pension fund. According to IAS 19 Employee Benefits such benefits represent state plans that are classified as defined contribution plans. Therefore, the Group's obligations for a given period are estimated as the amount of contributions to be remitted for that period.

Defined benefit plan – retirement benefits

The Group entities have an obligation, under applicable legislation, to pay retirement benefits calculated in accordance with the relevant provisions of the Polish labor code. The minimum retirement benefit is as per the labor code provisions at the moment of payment.

The calculation is carried out using the Projected Unit Credit Method. Employee turnover is estimated based on historical experience and expected future employment levels.

Changes in the amount of the retirement benefits liability are recognized in the income statement. Actuarial gains and losses are recognized in the equity, in other comprehensive income in full in the period they originated.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as an expense as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term bonus, if the Group has a present legal or constructive obligation to make such payments as a result of past services provided by the employees and the obligation can be estimated reliably.

p) Provisions

A provision is recognized if, as a result of past event, the Group has a present obligation, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation. When the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Certain disclosures may not be included in these consolidated financial statements as they relate to sensitive information.

Warranties

A provision for warranties is recognized when the underlying products or goods are sold. The amount of the provision is based on historical warranty data and a weighting of all possible outflows against their associated probabilities.

Onerous contracts

A provision for onerous contracts is recognized when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of fulfilling the contract. Before a provision is established, the Group recognizes any impairment loss on the assets dedicated to that contract.

Provision for presentation for redemption of certificates of energy origin

The provision for the obligation to present for redemption certificates of origin for electricity generated from renewable energy sources or from high-efficiency cogeneration is recognized • in the part covered by certificates of origin held as of the balance sheet date - at the value of the certificates held, • in the part not covered by certificates of origin as of the balance sheet date - at the lower of the market value of the certificates required to meet the obligation as of the balance sheet date and the possible penalty. The cost of the established provision is presented in the income statement in the cost of sales.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events, but its amount cannot be estimated reliably or it is not probable that there will be an outflow of resources embodying economic benefits.

The Group does not recognize a contingent liability, except for contingent liability assumed in a business combination.

Unless the possibility of any outflow of resources embodying economic benefits is remote, the Group discloses for each class of contingent liability at the end of the reporting period a brief description of the nature of the contingent liability and, where practicable:

- an estimate of its financial effect,
- an indication of the uncertainties relating to the amount or timing of any outflow,
- the possibility of any reimbursement.

r) Revenue

Identification of the contract

The Group applies contract-by-contract approach, meaning that transaction price and separate performance obligations and rights arising under the contract are determined at the level of distinct contract with subscriber. Group does not apply portfolio approach.

Determination of the transaction price

The estimation regarding transaction price is updated during contract period. When variable consideration is present in a contract, Group always recognizes the minimum value of consideration at the moment of concluding the contract. As far as the contract length is concerned, the nominal basic period resulting from the contract terms is assumed.

In case of prepaid services, the value of the balance unused by the customer is recognized as revenue when the grace period of the account expires.

The time value of money is included in the transaction price if the contract contains a material financing factor. This factor is considered at the contract level. Group recognizes a significant financing factor only within installment sales. Identification of the discount causes a reduction in nominal sales revenues by the financing factor value and recognition of interest during the term of the contract. To calculate the significant financing factor, Group uses a discount rate that reflects the customer's credit risk at the moment of concluding the contract.

Group adopted the following hierarchy of methods for determining the fair price (unit price) of equipment (the preferred method is the method of prices obtained from the sale of similar goods):

(a) Price obtained from the sale of similar goods,
(b) Price based on accounting cost.

Group adopted the following hierarchy of methods for determining the unit price of a service:

(a) Price obtained from the sale of similar goods,
(b) Residual approach (in the B2B area).

Revenue recognition

Revenues are recognized in the value of transaction price for the sale of services and equipment net of any discounts, refunds and rebates in the ordinary course of business. Revenues are recognized only when there is a high probability that the subscriber makes payment, the associated expenses can be reliably assessed and the revenue amount can be reliably measured. If it is probable that rebates are granted and their value can be precisely measured, then such rebates decrease sales revenue when it is recognized.

In order to properly recognize revenue, Group assesses at the contract inception whether each separate performance obligation is satisfied over time or at a point in time.

The Group's main sources of revenue are recognized as follows:

- Retail revenues from residential and business customers include revenues resulting from the provision of telecommunications and television services and equipment rental services to post-paid customers, recognized over the nominal term of the contract. Retail revenues from residential and business customers also include revenues from the unused balance of prepaid customers whose grace period has expired, recognized in a given point in time. Activation and installation fees do not represent a separate service obligation, so there is no revenue recognition for these categories.

- Wholesale revenue comprises advertising and sponsorship revenue, revenue from cable and satellite operator fees, revenue from the lease of infrastructure, interconnect revenue, revenue from roaming, revenue from the sale of broadcasting and signal transmission services and revenue from the sale of licenses, sublicenses and property rights and revenue from premium rate services.

  Advertising and sponsorship revenue is derived primarily from broadcasting of advertising content and is recognized in the period when the advertising is broadcast. Revenue is recognized in profit or loss in the amount due from customers net of value added tax, taxes on revenue from advertising of alcohol beverages and any rebates granted. Advertising and sponsorship revenue also comprises revenue on commissions on sales of commercial airtime when the Group acts as an agent on behalf of third parties. The commissions are recognized at amounts due from the buyers of advertising airtime or sponsorship services, less of any amounts due to television broadcasters. Revenue from commissions on sales of commercial airtime and from sponsorship is recognized in the consolidated income statement when these services are rendered.

Revenue from services provided to cable and satellite operators includes fees from cable and satellite operators for reemission (rebroadcasting) of programs broadcasted by the Group. Revenue is recognized when the related programs are broadcast.

Services revenues are recognized in profit and loss in the period when related services are rendered, net of any discount given.

- Revenue from sale of equipment is measured at the fair value of the consideration received or receivable, in case of multi-element contracts after the allocation of the transaction price based on the standalone selling price net of discounts, rebates and returns. Revenue from the sale of goods is recognized in profit or loss when control has been transferred to the customer.

- Other revenue is recognized, net of any discount given, when the relevant goods or service are provided.

  Other revenue includes, among others revenue from interest on installment sales, revenue from the sale of electricity, revenue from the sale of real estate and other sales revenue.

The Group's process for revenue recognition from multi-element contracts (e.g. mobile contract and handset) consists of:

- assessment of all goods and services provided to the client under the contract and identifying separate performance obligations in that contract,
- determining and allocating the transaction prices to separate performance obligations in the contract; the allocation is based on the reference to their relative standalone selling prices that could be obtained if the promised goods and services were sold individually in a separate transaction.

Contract asset is Group's right to consideration in exchange for goods or services that the Group has transferred to a customer. It includes the correction of consideration due according to the contract with customer regarding promotional offer that compose initial discounted periods.

Contract liabilities is Group's obligation to transfer services to a customer in exchange for remuneration Group received (or the remuneration is due). It includes the correction of consideration due according to the contract with customer for the current or previous periods, allocated to obligations not completely fulfilled or partially unfulfilled.

Revenue from sales of goods in the real estate segment

Revenue from the sale of residential units is recognized when the performance obligation is fulfilled. The Group considers this moment to be the transfer to the customer of control over the unit, parking space, garage locker, storage unit or other building element sold, i.e. at the moment of delivery under condition the customer has paid 100% price of the real estate. Sales are reported net of value added tax and after taking into account any discounts granted.

Energy, gas sales

Revenues from the sale of energy and gas are recognized at the time of their delivery to the Group's customers. The amount of energy and gas delivered is determined based on metering data provided by distribution network operators, and in the absence of metering data, the amount is subject to estimation by the Group. At the same time, the Group creates cost provisions for the value of energy and gas consumed by its customers and not invoiced by the supplier, as well as for the value of energy certificates of origin, the obligation to redeem of which is related to sales made to customers. Sales prices result from signed contracts, tariffs or their amount on the Polish Power Exchange.

Revenue from the power market

Beginning 1 January 2024, the Group recognizes revenues from the power market. Revenues from the power market are revenues from the performance of power contracts (obligations) concluded as a result of the 2019, 2023 and 2024 Auctions (primary market) and the performance of power obligations resulting from agreements concluded in the secondary market. The power market is a market mechanism aimed at ensuring stable electricity supply in the long-term horizon. The Group is entitled to remuneration from PSE S.A. after the end of each month for the performance of the power obligation. Accordingly, Group companies that are power suppliers to PSE S.A. recognize revenue from power market transactions each month.

s) Distribution fees

Commissions payable to distributors for acquiring new subscribers and for retention of existing subscribers are recognized over the minimum base period of the subscription agreement and presented in Income Statement in Distribution, marketing, customer relation management and retention costs.

Commissions for distributors which will be settled within 12 months of the reporting date are classified as other current assets, while the commissions, which will be settled more than 12-months after the reporting date, are classified as non-current assets.

t) Barter revenue and cost

Barter revenue for dissimilar services or goods is recognized when the services are rendered or goods delivered. Programming licenses, products and services received are expensed or capitalized when received or used. The Group recognizes barter transactions at the estimated fair value of the programming licenses, products or services received. When products or services are received before related advertising is broadcast, a liability is recognized by the Group. Conversely, when advertising is broadcast before products or services are received, a receivable is recognized by the Group.

u) Finance income and finance costs

Finance income include interest income on funds invested, dividends income, gains on financial instruments at fair value through profit or loss, net foreign exchange gains/losses and results on completed forward exchange contracts and call options.

Interest income and expense (other than interest expense on borrowings) is recognized as it accrues in profit or loss using the effective interest rate's method. Dividends income is recognized in profit or loss on the date that the Group's right to receive payment is established.

Finance costs comprise interest expense on borrowings (including bank loans and bonds) and leasing liabilities, realization and valuation costs of hedging instruments and instruments not under hedge accounting related to finance activities, bank and other charges on borrowings as well as guarantee fees resulting from the indebtedness. Borrowing costs are recognized in profit or loss using the effective interest rate's method. Finance costs also include impairment losses on financial assets.

v) Lease payments

Group as a lessor

Agreements which meet the lease definition are classified as finance lease or operating lease. The main criterion is the extent to which the risks and rewards associated with the leased asset are transferred between the Group and the lessee.

Similarly to agreements in which the Group acts as a lessee, the Group as a lessor also determines for each agreement: commencement date, lease term, lease payments and interest rate. At the commencement date lessor accounts for the finance lease by:

- excluding carrying amount of the underlying asset,
- recognizing net investment in the lease,
- recognizing selling profit or loss in profit and loss statement (if applicable).

For operating lease, Group recognize revenue in profit and loss statement on a straight line basis over the lease term.

Group as lessee

Assets

Assets used under agreements which meet the leasing definition are recognized as right-of-use assets and lease liabilities representing the Group's obligation to make payments for the underlying asset on the day when the leased assets are available for use by the Group.

At the commencement date, the right-of-use assets are measured at cost and consist of the following:

- the amount of the initial measurement of the lease liability,
- any lease payments made to the lessor at or before the commencement date, less any lease incentives received from the lessor,
- any initial direct costs incurred by the lessee,
- an estimate of the costs to be incurred by the lessee in dismantling, removing and restoring the underlying assets and/or the site where it is located.

After the commencement date, the right-of-use assets are measured at cost less accumulated depreciation, accumulated impairment losses and adjusted for remeasurement of the lease liability resulting from reassessment or lease modification which does not require recognition of a separate lease component.

Right-of-use assets are depreciated on a straight-line basis over the shorter of: the term of the lease agreement or the useful life of the underlying asset. If the Group is reasonably certain that ownership of the underlying asset will be transferred to the lessee by the end of the lease term – then the right-of-use asset shall be depreciated from the commencement date to the end of its useful life.

The Group depreciates the right-of-use assets as follows:

- technical infrastructure - premises for telecommunications equipment installations: 2-24 years,
- telecommunications infrastructure, including links ("dark fibers"): 2-13 years,
- office space, other premises and perpetual usufruct: 1.5-100 years,
- point of sales premises: 2-7 years,
- vehicles: 3-5 years.

Right-of-use assets are subject to impairment based on the accounting policies as presented in note 6n.

Liabilities

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,

- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option,
- payments of penalties for terminating the lease (understood as any economic factors discouraging the Group from terminating the contract), if the lease term reflects that the lessee will exercise the option to terminate the lease,
- amounts expected to be payable by the lessee under residual value guarantees.

Lease payments are discounted using the interest rate implicit in the lease if that rate can be readily determined. Otherwise the incremental borrowing rate is used.

After the commencement date, the Group shall measure the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability,
- reducing the carrying amount to reflect the lease payments made,
- remeasuring the carrying amount to reflect any reassessment or lease modifications, e.g. change in the lease term or the amount of future lease payments.

Interest expenses on lease liabilities are recognized in profit or loss over the term of the lease.

w) Income tax

Income tax expense/benefit comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized in other comprehensive income.

Current tax is the tax payable on the taxable income for the year, using tax rates enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet approach, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred taxes are measured based on the expected manner of recovery or settlement of the carrying amounts of assets and liabilities, respectively, using tax rates that are enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. An amount of deferred tax assets is reduced to the extent that it is no longer probable that the related tax benefit will be partly or wholly realized. When not recognized deferred tax asset becomes recoverable, it is recognized to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be recovered. The Group recognizes a deferred tax asset used to carry over unused tax losses to the extent that it is probable that the future taxable profits will be available and unused tax losses may be utilized. While assessing whether the future taxable profits available will be sufficient, the Group takes into account inter alia forecasted future tax revenues.

Deferred tax assets and liabilities are offset by the Group companies.

x) Non-current assets held for sale

The Group classifies non-current assets (or disposal group of assets) as held for sale when their carrying value will be recovered principally through a sale transaction rather than through continuing use. In such case the asset must be available for immediate sale in its present condition and its sale must be highly probable. The fact of classifying an asset as held for sale means that the Group's management intends to complete the sale transaction within 12 months from the date of such classification.

Non-current assets that have been classified as held for sale are measured at the lower of (i) their carrying value and (ii) their fair value less costs to sell.

Non-current assets that are classified as held for sale are not depreciated.

y) Earnings per share

The Group presents basic and diluted earnings per share for its ordinary and preference shares. Basic earnings per share are calculated by dividing the period's profit or loss from continuing operations attributable to ordinary and preference shareholders of the Company by the weighted average number of ordinary and preference shares outstanding during the period. Diluted earnings per share are calculated by dividing the period's profit or loss from the continuing operations attributable to ordinary and preference shareholders by the weighted average number of ordinary and preference shares, adjusted by the effects of all dilutive potential ordinary and preference shares.

z) Segment reporting

An operating segment is a component of the Group:

- that is engaged in business activities from which it may earn revenues and incur expenses (including revenues and expenses that relate to transactions with other components of the same unit);
- whose operating results are reviewed on regular basis by the main responsible authority for making operational decisions in the unit and using those results when making decisions on the resources allocated to the segment and when assessing the results of the segment's activities;
- when separate financial information are available.

The Group presents operating segments according to its internal management accounting principles applied in the preparation of periodical management reports. These reports are analyzed on regular basis by the Management Board of Cyfrowy Polsat S.A., which was identified as the chief operating decision maker.

zz) Cash flows statement

Cash and cash equivalents in the cash flow statement are equal to cash and cash equivalents presented in the consolidated balance sheet.

Purchases of set-top boxes to be provided to customers under operating lease contracts are classified in the cash flows statement within operating activities. The purchases and disposals of these set-top boxes are classified in the cash flows statement within operating activities and presented as Net disposals/(additions) of reception equipment provided under operating lease.

Acquisition of items of property, plant and equipment or intangible assets are presented in their net amount (net of related value added tax).

Payments for film licenses and sport rights are presented on a net basis (net of related value added tax) within operating activities. Expenditures on the acquisition of programming assets also include the amount of withholding tax paid to the relevant tax authorities.

7. Determination of fair values

A number of accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The methods for determining fair values are described below. When applicable further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Derivatives

The fair value of derivatives is calculated based on their quoted closing bid price at the balance sheet date or, in the lack thereof, other inputs that are observable for the asset or liability, either directly (i. e. as prices) or indirectly (i. e. derived from prices). In the second case, the fair value of derivatives is estimated as the present value of future cash flows, discounted using the market interest rate at the reporting date. Information on the structure of Polish and Eurozone interest rates and Polish zloty exchange rate are used in order to estimate future cash flows and market interest rate.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Non-derivative financial assets

The fair value of non-derivative financial asset for disclosure purposes is estimated as the present value of future cash flows discounted using the market interest rate as at the balance sheet date. If the instruments are quoted, the fair value is estimated based on market prices.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on liabilities' quoted closing bid price at the balance sheet date or, in the lack thereof, estimated on the present value of future principal and interest cash flows, discounted using the market interest rate at the reporting date. Market interest rate is estimated as interbank interest rate for a given currency zone (WIBOR, EURIBOR) plus a margin regarding the Group's credit risk. A market interest rate for a lease contract is estimated based on interest rates for similar lease contracts.

8. Approval of the Consolidated Financial Statements

These consolidated financial statements were approved for publication by the Management Board of Cyfrowy Polsat S.A. on 9 April 2025.

Explanatory notes

9. Revenue

	for the year ended	
	31 December 2024	**31 December 2023**
Retail revenue	7,181.8	6,987.1
Wholesale revenue	3,260.4	3,379.9
Sale of equipment	1,794.5	1,921.7
Energy revenue	1,230.0	557.6
Other revenue	799.2	780.0
Total	**14,265.9**	**13,626.3**

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

Wholesale revenue mainly consists of advertising and sponsorship revenue, settlements with mobile network operators, revenue from rental of infrastructure, roaming revenues, revenue from cable and satellite operator fees, sales of broadcasting and signal transmission services and sales of licenses, sublicenses and property rights.

Energy revenue mainly consists of revenue from the sale of produced electricity and revenue from the sale of traded electricity, revenue from the sale of heat, as well as revenue from the sale of property rights.

Other revenue mainly consists of revenue from interest on installment plan purchases, revenue from the lease of premises and facilities, revenue from the sale of photovoltaic installations, revenue from the sale of apartments, revenue from the sale of hydrogen, revenue from the sale of gas and sale of buses.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

10. Operating costs

		for the year ended	
	Note	31 December 2024	31 December 2023
Technical costs and cost of settlements with telecommunication operators		3,364.7	3,332.7
Depreciation, amortization, impairment and liquidation		1,613.1	1,900.4
Cost of equipment sold		1,431.9	1,539.9
Content costs		2,073.8	2,126.1
Cost of energy sold, includes:		961.5	523.3
*Depreciation**		*53.9*	*17.8*
Distribution, marketing, customer relation management and retention costs		1,079.1	1,026.9
Salaries and employee-related costs	a)	1,243.4	1,158.2
Cost of debt collection services, bad debt allowance and receivables written off		90.6	121.0
Other costs, includes:		771.2	760.3
*Depreciation**		*4.4*	*1.4*
Total		**12,629.3**	**12,488.8**

*depreciation costs included within energy and bus production costs.

a) Salaries and employee-related costs

	for the year ended	
	31 December 2024	31 December 2023
Salaries	1,022.5	953.7
Social security contributions	162.2	149.4
Other employee-related costs	58.7	55.1
Total	**1,243.4**	**1,158.2**

*excludes production employees

Average headcount of non-production employees*

	for the year ended	
	31 December 2024	31 December 2023
Employment contracts (full-time equivalents)	8,219	8,020

*excluding workers who did not perform work in the reporting period due to long-term absences

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

11. Finance income

	for the year ended	
	31 December 2024	**31 December 2023 (restated data)**
Interest on loans granted	6.4	31.8
Interest income from leasing	1.1	-
Other interest income	140.6	102.8
Change in the value of shares of Asseco Poland S.A.	194.2	0.8
Foreign exchange differences on loans and borrowings	38.0	82.1
One-time income resulting from the modification of cash flows as a result of the conversion/redemption of bonds	2.5	20.8
Realization and valuation of hedging instruments - hedging the cost of foreign exchange differences	(0.8)	(0.3)
Realization and valuation of instruments not used in hedge accounting - hedging the cost of foreign exchange differences	(0.2)	(0.2)
Valuation of PAK-PCE shares held*	-	151.3
Other income	44.4	63.6
Total	**426.2**	**452.7**

* impact of accounting for the purchase price allocation of PAK-PCE under IFRS 3 requirements

12. Finance costs

	for the year ended	
	31 December 2024	**31 December 2023 *(restated data)***
Interest expense on loans and credits	682.5	796.0
Interest expense on issued bonds*	380.0	347.4
Realization and valuation of hedging instruments - interest cost hedging**	(6.3)	(14.7)
Realization and valuation of instruments not used in hedge accounting - interest cost hedging	(64.7)	28.3
One-time loans repayment	-	20.8
Valuation of existing relationships in connection with the acquisition of PAK-PCE***	-	83.9
Interest on lease	41.3	29.5
Other interest costs	20.0	26.7
Expected credit losses on loans	18.6	-
Exchange rate differences	12.1	19.6
Guarantee fees, bank commissions and other fees	10.6	6.5
Other costs	18.1	28.2
Total	**1,112.2**	**1,372.2**

* includes early redemption bonuses
** includes hedging of interest costs on loans and bonds
*** impact of accounting for the purchase price allocation of PAK-PCE under IFRS 3 requirements

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Financing costs

Net financing costs, i.e. costs directly related to the financing obtained, consisted of the following costs and income:

	for the year ended	
	31 December 2024	31 December 2023
Interest expense on loans and credits	682.5	796.0
Interest expense on issued bonds*	380.0	347.4
Foreign exchange differences on loans and borrowings	(38.0)	(82.1)
One-time income resulting from the modification of cash flows as a result of the conversion/redemption of bonds	(2.5)	(20.8)
One-time loans repayment	-	20.8
Realization and valuation of hedging instruments	(5.5)	(14.4)
Realization and valuation of instruments not used in hedge accounting - interest cost hedging	(64.5)	28.5
Total	**952.0**	**1,075.4**

* includes early redemption bonuses

13. Income tax

Income tax expense

	for the year ended	
	31 December 2024	31 December 2023
Current tax expense	289.4	285.6
Change in deferred tax	14.8	(175.4)
Other	(2.0)	-
Income tax expense in the income statement	**302.2**	**110.2**

Change in deferred income tax

	for the year ended	
	31 December 2024	31 December 2023
Tax losses carried forward	12.7	7.4
Receivables and other assets	111.9	(62.4)
Liabilities	(75.9)	17.9
Other property, plant and equipment and intangible assets	(45.9)	(132.9)
Other	12.0	(5.4)
Change in deferred tax recognized in income statement – total	**14.8**	**(175.4)**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Income tax recognized in the statement of other comprehensive income

	for the year ended	
	31 December 2024	31 December 2023
Change in deferred income tax on hedge valuation	-	(5.5)
Income tax expense recognized in other comprehensive income - total	**-**	**(5.5)**

Effective tax rate reconciliation

	for the year ended	
	31 December 2024	31 December 2023
Gross profit	1,079.5	421.8
Income tax at applicable statutory tax rate of 19%	**205.1**	**80.1**
Excess financing costs	51.6	53.8
Other	45.5	(23.7)
Tax expense for the year	**302.2**	**110.2**
Effective tax rate	**28.0%**	**26.1%**

Deferred tax assets

	31 December 2024	31 December 2023
Tax losses carried forward	15.1	27.8
Liabilities	568.0	467.1
Tangible and intangible assets	49.8	26.4
Receivables and other assets	120.0	129.0
Other	(4.2)	3.4
Total deferred tax assets	**748.7**	**653.7**
Set off of deferred tax assets and liabilities	(568.2)	(510.9)
Deferred tax assets in the balance sheet	**180.5**	**142.8**

Tax loss

	31 December 2024	31 December 2023
2024 tax loss carried forward	65.8	-
2023 tax loss carried forward	66.1	68.9
2022 tax loss carried forward	39.6	42.2
2021 tax loss carried forward	43.8	53.9
2020 tax loss carried forward	32.8	37.8
2019 tax loss carried forward	40.7	34.8
2018 tax loss carried forward	-	24.2
Tax losses carried forward – total	**288.8**	**261.8**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Tax losses recognized

	31 December 2024	31 December 2023
2024 tax loss carried forward	16.6	-
2023 tax loss carried forward	19.3	70.5
2022 tax loss carried forward	9.1	8.5
2021 tax loss carried forward	15.0	23.4
2020 tax loss carried forward	20.2	18.5
2019 tax loss carried forward	1.9	25.6
Tax losses carried forward – total	**82.1**	**146.5**

As at 31 December 2024 the Group recognized deferred tax asset on tax losses to the extent that it was probable that they would be utilized in the future.

According to Art. 7 of the Polish Corporate Income Tax Act dated 15 February 1992, tax losses incurred in a given financial year can be utilized in the subsequent five fiscal years. However, no more than 50% of a tax loss for any given year can be utilized in a single subsequent fiscal year.

Deferred tax liabilities

	31 December 2024	31 December 2023
Receivables and other assets	613.8	510.9
Liabilities	70.4	45.4
Tangible and intangible assets	929.0	951.5
Other	42.5	38.1
Total deferred tax liabilities	**1,655.7**	**1,545.9**
Set off of deferred tax assets and liabilities	(568.2)	(510.9)
Deferred tax liabilities in the balance sheet	**1,087.5**	**1,035.0**

The tax authorities may at any time inspect the books and records within 5 years from the end of the year when a tax declaration was submitted, and may impose additional tax assessments with penalty interest and penalties. Furthermore, on 15 July 2016 provisions of General Anti-Avoidance Rule (GAAR) were introduced, which aim at preventing establishing and using artificial legal arrangements with tax savings as its principal purpose. Frequent amendments in the tax laws and contradicting legal interpretations among the tax authorities result in uncertainties and lack of consistency in the tax system, which in fact lead to difficulties in the judgement of the tax consequences in the foreseeable future.

International Tax Reform - Global Minimum Tax Rate

In light of the obligation to incorporate the provisions of Council Directive (EU) 2022/2523 dated 14 December 2022, concerning the establishment of a global minimum tax rate for international corporate groups and large domestic groups within the European Union, which aims to mitigate competition regarding corporate income tax rates by instituting a global minimum tax rate, Poland has enacted the law dated 6 November 2024, regarding the taxation of equalization for components of international and domestic groups (hereinafter referred to as "the Law"). This Law took effect on 1 January 2025.

Pursuant to the Law, the tax may encompass components of international and domestic groups operating in Poland, whose revenues reported in the consolidated financial statements of the ultimate parent company amounted to no less than EUR 750 in at least two of the four tax years immediately preceding the relevant tax year.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Groups subject to the global equalization tax framework are mandated to compute the effective tax rate (ETR) on income derived from each jurisdiction in which they operate. Should this rate fall below 15%, there arises an obligation to remit the equalization tax.

The principles of Pillar 2 have introduced a transitional simplification for the years 2024-2026, stipulating that if a group meets at least one of three tests (termed "safe harbors") in a given country during a particular year, the equalization tax is deemed zero, and the group is only required to submit a simplified declaration.

Within the Cyfrowy Polsat Capital Group, a project has been initiated aimed at assessing the implications of the Law's provisions on the Company's obligations within the Capital Group, particularly regarding the potential application of the so-called transitional safe harbors, which facilitate simplified calculations of the equalization tax, as well as the administrative duties arising from the Law.

The Group has implemented the mandatory exception concerning the recognition and disclosure of information regarding deferred tax assets and liabilities associated with income tax under Pillar 2, in accordance with the amendments to IAS 12 issued in May 2023.

14. EBITDA (unaudited)

EBITDA (earnings before interest, taxes, depreciation, amortization, impairment and liquidation) presents the Group’s key measure of earnings performance. The level of EBITDA measures the Group’s ability to generate cash from recurring operations, however it is neither a measure of liquidity nor cash level. The Group defines EBITDA as operating profit adjusted by depreciation, amortization, impairment and liquidation (including depreciation costs within energy and bus production costs). EBITDA is not an IFRS EU measure, and as such can be calculated differently by other entities.

	for the year ended	
	31 December 2024	**31 December 2023 *(restated data)***
Net profit for the period	777.3	311.6
Income tax	302.2	110.2
Finance income	(426.2)	(452.7)
Finance costs	1,112.2	1,372.2
Share of the (profit)/loss of associates accounted for using the equity method	0.7	(29.7)
Depreciation, amortization, impairment and liquidation (note 10)	1,613.1	1,900.4
Depreciation and amortization within energy and bus production costs (note 10)	58.3	19.2
EBITDA (unaudited)	**3,437.6**	**3,231.2**
Profit from the sale of a subsidiary and an associate	(10.0)	(219.7)
EBITDA adjusted (unaudited)	**3,427.6**	**3,011.5**

15. Basic and diluted earnings per share

At the reporting date, the Company did not have any financial instruments that could have a dilutive effect, therefore the diluted earnings per share are equal to basic earnings per share.

	for the year ended	
	31 December 2024	**31 December 2023**
Net profit	777.3	311.6
Weighted average number of ordinary and preference shares in the period	550,703,531	550,703,531
Earnings per share in PLN (not in millions)	**1.41**	**0.57**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

16. Property, plant and equipment

	Reception equipment	Land	Buildings and structures	Technical equipment and machinery	Vehicles	Other	Tangible assets under construction	**Property, plant and equipment**
Cost as at 1 January 2024	**1,315.7**	**169.3**	**1,204.2**	**4,005.6**	**221.2**	**318.9**	**1,832.2**	**9,067.1**
Additions	141.1	0.4	214.8	688.5	39.9	17.4	591.3	**1,693.4**
Transfer between groups	-	(7.4)	(0.4)	0.8	-	0.1	(43.2)	**(50.1)**
Transfer to assets held for sale	-	-	(2.4)	-	-	-	-	**(2.4)**
Transfer from assets under construction	-	-	259.3	514.2	2.3	14.5	(789.2)	**1.1**
Disposals	(103.7)	(2.4)	(6.9)	(94.5)	(48.6)	(11.1)	(4.8)	**(272.0)**
Cost as at 31 December 2024	**1,353.1**	**159.9**	**1,668.6**	**5,114.6**	**214.8**	**339.8**	**1,586.3**	**10,437.1**
Accumulated impairment losses as at 1 January 2024	**4.9**	**-**	**0.4**	**2.4**	**-**	**0.2**	**21.2**	**29.1**
Recognition	0.1	-	-	1.0	-	-	2.5	**3.6**
Reversal	(0.7)	-	(0.3)	(0.6)	-	-	(4.5)	**(6.1)**
Accumulated impairment losses as at 31 December 2024	**4.3**	**-**	**0.1**	**2.8**	**-**	**0.2**	**19.2**	**26.6**
Accumulated depreciation as at 1 January 2024	**996.8**	**-**	**169.2**	**1,122.3**	**65.8**	**189.6**	**-**	**2,543.7**
Additions	129.0	-	54.5	425.7	24.8	30.0	-	**664.0**
Transfer between groups	-	-	-	-	-	(0.1)	-	**(0.1)**
Disposals	(102.3)	-	(3.6)	(90.8)	(13.2)	(10.5)	-	**(220.4)**
Accumulated depreciation as at 31 December 2024	**1,023.5**	**-**	**220.1**	**1,457.2**	**77.4**	**209.0**	**-**	**2,987.2**
Carrying amount as at 1 January 2024	**314.0**	**169.3**	**1,034.6**	**2,880.9**	**155.4**	**129.1**	**1,811.0**	**6,494.3**
Carrying amount as at 31 December 2024	**325.3**	**159.9**	**1,448.4**	**3,654.6**	**137.4**	**130.6**	**1,567.1**	**7,423.3**

The Group recognized impairment losses on fixed assets whose carrying amount exceeded their recoverable amount. Impairment losses on property, plant and equipment are recognized under 'depreciation, impairment and liquidation'. As of 31 December 2024, the net value of tangible assets under construction includes the value of capitalized interest in the amount of PLN 125.1.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Reception equipment	Land	Buildings and structures	Technical equipment and machinery	Vehicles	Other	Tangible assets under construction	**Property, plant and equipment**
Cost as at 1 January 2023	**1,251.2**	**148.6**	**572.7**	**2,870.3**	**195.6**	**284.4**	**652.4**	**5,975.2**
Acquisition of subsidiaries	-	77.6	238.8	583.3	7.1	3.2	917.9	**1,827.9**
Additions	145.8	0.5	84.5	131.3	12.5	18.3	1,077.3	**1,470.2**
Transfer between groups	-	(55.7)	114.5	10.7	1.0	0.6	(21.3)	**49.8**
Transfer to assets held for sale	-	-	-	-	-	-	(1.0)	**(1.0)**
Transfer from assets under construction	-	-	269.6	469.4	17.3	21.8	(778.1)	**-**
Disposals	(81.3)	-	(15.3)	(59.4)	(12.3)	(9.4)	(15.0)	**(192.7)**
Disposal of a subsidiary	-	(1.7)	(60.6)	-	-	-	-	**(62.3)**
Cost as at 31 December 2023	**1,315.7**	**169.3**	**1,204.2**	**4,005.6**	**221.2**	**318.9**	**1,832.2**	**9,067.1**
Accumulated impairment losses as at 1 January 2023	**4.0**	**-**	**0.1**	**1.1**	**-**	**-**	**18.2**	**23.4**
Recognition	0.9	-	0.3	1.7	-	0.1	4.0	**7.0**
Transfer between groups	-	-	-	(0.1)	-	0.1	-	**-**
Reversal	-	-	-	(0.3)	-	-	(1.0)	**(1.3)**
Accumulated impairment losses as at 31 December 2023	**4.9**	**-**	**0.4**	**2.4**	**-**	**0.2**	**21.2**	**29.1**
Accumulated depreciation as at 1 January 2023	**965.2**	**-**	**135.2**	**755.6**	**51.3**	**161.6**	**-**	**2,068.9**
Additions	111.7	-	38.3	412.1	23.8	34.8	-	**620.7**
Transfer between groups	-	-	7.5	6.6	-	0.7	-	**14.8**
Disposals	(80.1)	-	(11.7)	(52.0)	(9.3)	(7.5)	-	**(160.6)**
Disposal of a subsidiary	-	-	(0.1)	-	-	-	-	**(0.1)**
Accumulated depreciation as at 31 December 2023	**996.8**	**-**	**169.2**	**1,122.3**	**65.8**	**189.6**	**-**	**2,543.7**
Carrying amount as at 1 January 2023	**282.0**	**148.6**	**437.4**	**2,113.6**	**144.3**	**122.8**	**634.2**	**3,882.9**
Carrying amount as at 31 December 2023	**314.0**	**169.3**	**1,034.6**	**2,880.9**	**155.4**	**129.1**	**1,811.0**	**6,494.3**

The Group recognized impairment losses on fixed assets whose carrying amount exceeded their recoverable amount. Impairment losses on property, plant and equipment are recognized under 'depreciation, impairment and liquidation'. As of 31 December 2023, the net value of tangible assets under construction includes the value of capitalized interest in the amount of PLN 81.7

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

17. Goodwill

	2024	2023
Balance as at 1 January	**10,980.2**	**10,818.1**
Acquisition of 69 Specialist Sales and Customer Service Points	-	0.1
Acquisition of 60% shares of 4FUN Sp. z o.o. (see note 40)[1]	(3.5)	26.0
Acquisition of 60% shares of naEKRANIE.pl Sp. z o.o. (see note 40)[1]	(0.7)	10.3
Acquisition of 50.5% shares of PAK-Polska Czysta Energia Sp. z o.o. (see note 40)	-	125.7
Disposal of 100% shares of Muzo.fm Sp. z o.o.[2]	(4.8)	-
Acquisition of 100% shares of Global Continental Sp. z o.o (see note 40)	4.1	-
Balance as at 31 December	**10,975.3**	**10,980.2**

[1] Goodwill has been adjusted to reflect the effect of the final purchase price allocation and the fair value assessment of identified net assets.
[2] On 27 March 2024, Telewizja Polsat Sp. z o.o. sold 100% shares in Muzo.fm Sp. z o.o.

Impairment tests performed on goodwill balances as at 31 December 2024 did not indicate impairment (see note 19 for impairment test assumptions).

18. Brands

	2024	2023
Balance as at 1 January	**1,979.7**	**2,060.9**
Aquisition of 4FUN brand	7.1	-
Aquisition of naEKRANIE.pl brand	1.4	-
Amortisation of TV4, TV6 brands	(2.2)	(2.2)
Amortisation of Polsat brand	(42.0)	(42.0)
Amortisation of Polo TV brand	(0.2)	(0.2)
Amortisation of Plus brand	(24.1)	(24.1)
Amortisation of Netia brand	(8.9)	(8.8)
Amortisation of Eleven Sports brand	(0.1)	(0.1)
Amortisation of Interia brand	(2.8)	(2.8)
Amortisation of Premium Mobile brand	(1.0)	(1.0)
Amortisation of 4FUN brand	(0.5)	-
Amortisation of naEKRANIE.pl brand	(0.1)	-
Balance as at 31 December	**1,906.3**	**1,979.7**

Plus

Following the acquisition of Metelem Holding Company Ltd. in 2014, the Group recognized a value of the Plus brand. The brand is amortized over the useful life of 51 years (until the year 2065). The carrying amount of the brand was allocated to ”B2C and B2B services” cash-generating unit.

Polsat

The value of the Polsat brand is recognized following the acquisition of Telewizja Polsat S.A. (currently Telewizja Polsat Sp. z o.o.) in 2011. Group disclosed brand value in consolidated financial statements in amount of PLN 840.0.

The Group recognized that there is a foreseeable period in which the Polsat brand will be beneficial to the Group, and for this reason a specific useful life was assumed starting in 2023. The Polsat brand is amortized over usufel life of 20 years (until the year 2042). The carrying amount of the brand was allocated to “Media: television and online” cash-generating unit.

TV4 and TV6

In the consolidated financial statements, as a result of acquisition of Polskie Media S.A., the Group has recognized in 2013 among others goodwill and TV4 and TV6 brands. Group disclosed brand value in consolidated statements in amount of PLN 43.0.

The Group recognized that there is a foreseeable period during which the TV4 and TV6 brands will benefit the Group, and for this reason a specific useful life was assumed starting in 2023.The TV4 and TV6 brands are amortized over usufel life of 20 years (until the year 2042). The carrying amount of the brand was allocated to ”Media: television and online” cash-generating unit.

Polo TV

The value of the Polo TV brand is recognized following the acquisition of Lemon Records Sp. z o.o. on 4 December 2017. Group disclosed brand value in consolidated financial statements in amount of PLN 4.7.

The Group recognized that there is a foreseeable period during which the Polo brand will benefit the Group, and for this reason a specific useful life was assumed starting in 2023.The Polo TV brand is amortized over its useful life of 20 years (until the year 2042). The carrying amount of the brand was allocated to ”Media: television and online” cash-generating unit.

Netia

The value of the Netia brand is recognized following obtaining control by the Group over Netia S.A. on 22 May 2018. The value of Netia brand recognized in the consolidated financial statements amounted to PLN 88.5.

The brand is amortized over the useful life of 10 years (until the year 2028). The carrying amount of the brand was allocated to ”B2C and B2B services” cash-generating unit.

Interia

The value of the Interia brand is recognized following obtaining in 2020 control by the Group over Interia Group, i.e. Grupa Interia.pl Sp. z o.o., Grupa Interia.pl Sp. z o.o. Sp.k., Grupa Interia.pl Media Sp. z o.o. Sp.k., Mobiem Polska Sp. z o.o. and Mobiem Polska Sp. z o.o. Sp.k. In 2021 the Group finalized the purchase price allocation and recognized among others Interia brand in the amount of PLN 82.7. The brand is amortized over the useful life of 30 years (until the year 2050).

The carrying amount of the brand was allocated to ”Media: television and online” cash-generating unit.

Premium Mobile

The value of the Premium Mobile brand is recognized following obtaining in 2021 control by the Group over Premium Mobile Group, i.e. Premium Mobile Sp. z o.o., Visignio Sp. z o.o., Saveadvisor Sp. z o.o. and Mobi Dealer Sp. z o.o. In 2022 the Group finalized the purchase price allocation and recognized among others Premium Mobile brand in the amount of PLN 28.7. The brand is amortized over the useful life of 30 years (until the year 2051).

The carrying amount of the brand was allocated to ” B2C and B2B services” cash-generating unit.

4FUN

As a result of the acquisition on 21 July 2023 of 60% of shares in 4FUN Sp. z o.o., the Group finalized the allocation of the purchase price in 2024 and recognized the value of the 4FUN brand in the amount of PLN 7.1. The 4FUN brand, for which the useful life was established at almost 20 years, i.e. until 2042, is subject to amortization.

The carrying amount was assigned to the cash-generating unit "Media: television and online".

naEKRANIE.pl

As a result of the acquisition on 20 July 2023 of 60% of shares in naEKRANIE.pl Sp. z o.o., the Group finalized the allocation of the purchase price in 2024 and recognized the value of the naEKRANIE.pl brand in the amount of PLN 1.4. The naEKRANIE.pl brand, for which the useful life was established at almost 20 years, i.e. until 2042, is subject to amortization.

The carrying amount was assigned to the cash-generating unit "Media: television and online".

19. Impairment test (including goodwill and intangible assets with indefinite useful life)

The Group recognized goodwill in the consolidated financial statements. Their carrying amounts were allocated to the cash-generating units which also represent the Group’s operating segments.

Goodwill is tested for impairment annually or more frequently if possible impairment is indicated. Goodwill is allocated to the below cash-generating units for the purpose of testing for impairment. The allocation was made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose.

The Group tests the total carrying amount of the cash-generating units and any impairment identified is recognized in the profit or loss immediately with respect to goodwill first and is not subsequently reversed. If goodwill is fully impaired the remaining amount of the impairment loss is allocated to the brands and other assets of the cash-generating unit on a pro rata basis.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Goodwill allocated to:

	2024
“B2C and B2B services” cash-generating unit	
Cash-generating unit as at 1 January	7,826.4
Cash-generating unit as at 31 December	7,826.4
“Media: television and online” cash-generating unit	
Cash-generating unit as at 1 January	3,010.7
Adjustment recognized on the acquisition of 4FUN Sp. z o.o.*	(3.5)
Adjustment recognized on the acquisition of naEKRANIE.pl Sp. z o.o.*	(0.7)
Allocated goodwill on disposal of 100% of shares in Muzo.fm Sp. z o.o.	(4.8)
Cash-generating unit as at 31 December	3,001.7
“Real Estate” cash-generating unit	
Cash-generating unit as at 1 January	17.4
Cash-generating unit as at 31 December	17.4
“Green Energy” cash-generating unit	
Cash-generating unit as at 1 January	125.7
Goodwill recognized on the acquisition of Global Continental Sp. z o.o.	4.1
Cash-generating unit as at 31 December	129.8

* Adjustment resulting from the completion of the final purchase price allocation of acquisitions of shares.

The recoverable amounts of all the cash generating units have been determined based on the value-in-use calculations. These calculations were based on discounted free cash flows and involved the use of estimates related to cash flow before tax projections based on actual financial business plans covering the 5-year period until 2029 or 10-year period until 2034, taking into account the benefits and factors (including transfers between individual CGUs) that a rational market participant would take into account. Cash flow projections after 5-year or 10-year forecast period are estimated using the terminal growth. Terminal growth rate does not exceed the long-term average growth rate for the country in which the Group operates.

The key financial assumptions used in the value-in-use calculations

The most sensitive key financial assumptions used in the value-in-use calculations of “Media: television and online” cash-generating unit, “B2C and B2B Services” cash-generating unit, “Real Estate” and “Green energy” cash-generating unit were as follows:

- discount rates,
- terminal growth rate used for estimating the cash flows beyond the period of financial plans,
- energy prices,
- profile and and volume of energy production.

Discount rate – the discount rate reflects the management’s estimation of the risks specific to each cash-generating unit, taking into account the time value of money and risks specific to the asset. The discount rate was estimated on the basis of weighted average cost of capital method (WACC) and considered Group’s and its operating segments’ business environment. WACC considers both debt and equity. Cost of equity is based on the return on investment expected by the Group’s investors while cost of debt is based on the interest bearing debt instruments. Operating segment- specific risk is considered by the estimation of beta. Beta is estimated annually and is based on the market data.

Terminal growth rate – growth rates are based on widely available published market data.

Energy prices – most of the revenues in the Green energy segment come from the sale of energy produced from RES sources and from trading electricity on the market, and are largely dependent on the level of market energy prices and their volatility. Market prices will largely determine the level of revenues generated from the production and sale of electricity. In order to reduce exposure to energy price fluctuations, some of the PAK-PCE Group's solar and wind generation companies have entered into Power Purchase Agreement (PPA) contracts.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Energy production volume – the peak period of energy production from photovoltaic farms is in the spring and summer, while wind farms record the highest production levels during the first and fourth quarters. An important factor influencing the level of energy production in a given period, and thus the revenues generated, from wind and photovoltaic installations are meteorological conditions, in particular wind power and sunshine levels. The volume of production of RES sources also affects the level of electricity prices. Periods with high windiness or a high level of insolation can lead to an overproduction of RES energy and, as a result, a temporary drop in market energy prices. On the other hand, unfavorable wind or solar conditions combined with high energy demand (e.g., due to low temperatures) cause shortages of energy produced from PV and wind sources and translate into temporary increases in market energy prices.

The key financial assumptions used for value-in-use calculations in 2024 and 2023 are as follows:

	Media: television and online		B2C and B2B services		Real Estate		Green Energy	
	2024	2023	2024	2023	2024	2023	2024	2023
Terminal growth	2.5%	2.5%	2.0%	2.0%	2.0%	2.0%	2.5%	2.5%
Discount rate before tax	12.8%	11.6%	9.8%	8.9%	9.6%	9.0%	11.4%	11.3%

The impairment tests for goodwill allocated to “Media: television and online”, “B2C and B2B services”, “Real Estate” and “Green Energy” cash-generating units did not indicate impairment as at 31 December 2024.

The Group believes that the key assumptions made in testing for impairment of the “Media: television and online”, “B2C and B2B services”, “Real Estate” and “Green Energy” cash-generating units as at 31 December 2024 are reasonable and are based on our experience and market forecasts that are published by the industry experts.

Sensitivity analysis of key financial assumptions in the “Media: television and online”, “B2C and B2B services” and “Green energy”

Media segment

The CGU’s value-in-use amounted to PLN 6,350.1 as at 31 December 2024 and exceeded its carrying amount by PLN 1,356.7, therefore no impairment of the CGU and the goodwill assigned to it were identified.

Had any of the key assumptions changes as follows, the CGU’s value-in-use would equal its carrying amount as at 31 December 2024:

- decrease in the cash flows after the 5-year forecast period by 30.5% or

- decrease in the terminal growth rate by 3.2 p.p. or

- increase of the discount rate by 2.8 p.p.

Unfavorable exemplary changes in the key assumptions adopted in the test (without changing its other parameters) would result in decrease in value-in-use of assets assigned to the CGU by:

- PLN 560.6, had the discount rate (before tax) increased by 1 p.p.; or

- PLN 406.2, had the terminal growth rate decreased by 1 p.p.; or

- PLN 445.5, had the cash flows after the 5-year forecast period decreased by 10%.

B2C and B2B services

The CGU's value-in-use amounted to PLN 22,764.1 as at 31 December 2024 and exceeded its carrying amount by PLN 4,197.5, therefore no impairment of the CGU and the goodwill assigned to it were identified.

Had any of the key assumptions changes as follows, the CGU's value-in-use would equal its carrying amount as at 31 December 2024:

- decrease in the cash flows after the 5-year forecast period by 23.9% or

- decrease in the terminal growth rate by 1.8 p.p. or

- increase of the discount rate by 1.7 p.p.

Unfavorable exemplary changes in the key assumptions adopted in the test (without changing its other parameters) would result in decrease in value-in-use of assets assigned to the CGU by:

- PLN 293.7, had the discount rate (before tax) increased by 0.1 p.p.; or

- PLN 1,124.8, had the terminal growth rate decreased by 0.5 p.p.; or

- PLN 351.0, had the cash flows after the 5-year forecast period decreased by 2%.

Green energy

The CGU's value-in-use amounted to PLN 6,041.0 as at 31 December 2024 and exceeded its carrying amount by PLN 1,070.6, therefore no impairment of the CGU and the goodwill assigned to it were identified.

Had any of the key assumptions changes as follows, the CGU's value-in-use would equal its carrying amount as at 31 December 2024:

- decrease in the cash flows after the 10-year forecast period by 23.9% or

- decrease in the terminal growth rate by 1.9 p.p. or

- increase of the discount rate by 1.6 p.p.

Unfavorable exemplary changes in the key assumptions adopted in the test (without changing its other parameters) would result in decrease in value-in-use of assets assigned to the CGU by:

- PLN 370.7, had the discount rate (before tax) increased by 0.5 p.p.; or

- PLN 187.4, had the terminal growth rate decreased by 0.5 p.p.; or

- PLN 224.4, had the cash flows after the 10-year forecast period decreased by 5%.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

20. Customer relationships and other intangible assets

	31 December 2024	31 December 2023
Customer relationships	120.1	300.2
Customer relationships total	**120.1**	**300.2**
Software and licenses	756.4	741.3
Concessions	2,403.2	2,372.7
Other	955.5	956.5
Other intangible assets under development	877.9	765.3
Other intangible assets total	**4,993.0**	**4,835.8**

The customer relationships and telecommunication concessions (900 MHz, 1800 MHz and 2100 MHz) were recognized in the balance sheet following the acquisition of Metelem Holding Company Limited based on the Group's acquisition accounting. The carrying amount of the customer relationships and concessions was allocated to ”B2C and B2B services” cash-generating unit.

The telecommunication concessions (800 MHz, 900 MHz, 1800 MHz and 2600 MHz) were recognized in the balance sheet following the acquisition of Midas S.A. based on the Group's acquisition accounting. The carrying amount of the customer relationships and concessions was allocated to ”B2C and B2B services” cash-generating unit.

Customer relationships as at 31 December 2024 include the following:

	Amortization period
Customer relationships with retail clients	8 or 10 years
Customer relationships – roaming	13 years
Customer relationships on energy market	2.5 or 17.5 years

Concessions as at 31 December 2024 include the following:

	Expiry date
License for frequencies in the 900 MHz band	24.02.2026
License for frequencies in the 1800 MHz band	14.09.2029
License for frequencies in the 2600 MHz FDD band	24.01.2031
License for frequencies in the 420 MHz band	31.12.2035
License for frequencies in the 2600 MHz TDD band	31.12.2024
License for frequencies in the 1800 MHz band	31.12.2037
License for frequencies in the 2100 MHz band	31.12.2037
License for frequencies in the 3.6 GHz band	30.11.2038
License for frequencies in the 900 MHz band	31.12.2038

Additionally, in 2024 the following license decisions were issued, the period of which is after 31 December 2024:

	Expiry date
License for frequencies in the 2600 MHz band	31.12.2039

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Customer relationships	Software and licenses	Concessions	Other	Other intangible assets under development	Other intangible assets
Cost						
Cost as at 1 January 2024	**4,882.7**	**2,368.8**	**5,699.9**	**1,032.6**	**766.4**	**9,867.7**
Additions	**-**	16.6	14.1	4.4	641.2	**676.3**
Transfer from intangible assets under development	**-**	244.7	284.7	12.7	(542.1)	**-**
Disposals	**-**	(9.8)	(26.2)	(18.0)	-	**(54.0)**
Transfer between groups	**-**	0.1	-	(4.2)	17.3	**13.2**
Cost as at 31 December 2024	**4,882.7**	**2,620.4**	**5,972.5**	**1,027.5**	**882.8**	**10,503.2**
Accumulated impairment losses						
Accumulated impairment losses as at 1 January 2024	**-**	**1.2**	**-**	**0.5**	**1.1**	**2.8**
Recognition/(reversal)	**-**	-	-	(0.1)	3.8	**3.7**
Accumulated impairment losses as at 31 December 2024	**-**	**1.2**	**-**	**0.4**	**4.9**	**6.5**
Accumulated amortization						
Accumulated amortization as at 1 January 2024	**4,582.5**	**1,626.3**	**3,327.2**	**75.6**	**-**	**5,029.1**
Additions	**180.1**	245.7	268.6	17.3	-	**531.6**
Disposals	**-**	(9.2)	(26.5)	(17.9)	-	**(53.6)**
Transfer between groups	**-**	-	-	(3.4)	-	**(3.4)**
Accumulated amortization as at 31 December 2024	**4,762.6**	**1,862.8**	**3,569.3**	**71.6**	**-**	**5,503.7**
Carrying amounts						
Carrying amount as at 1 January 2024	**300.2**	**741.3**	**2,372.7**	**956.5**	**765.3**	**4,835.8**
Carrying amount as at 31 December 2024	**120.1**	**756.4**	**2,403.2**	**955.5**	**877.9**	**4,993.0**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Customer relationships	Software and licenses	Concessions	Other	Other intangible assets under development	Other intangible assets
Cost						
Cost as at 1 January 2023	**4,794.6**	**2,049.5**	**4,931.4**	**118.1**	**768.3**	**7,867.3**
Additions	**-**	23.7	781.6	14.8	338.0	**1,158.1**
Acquisition of subsidiaries	**88.1**	0.3	-	892.2*	9.9	**902.4**
Transfer from intangible assets under development	**-**	340.8	-	7.7	(348.5)	**-**
Disposals	**-**	(45.5)	(12.8)	(0.2)	-	**(58.5)**
Transfer between groups	**-**	-	-	-	(1.3)	**(1.3)**
Transfer to assets held for sale	**-**	-	(0.3)	-	-	**(0.3)**
Cost as at 31 December 2023	**4,882.7**	**2,368.8**	**5,699.9**	**1,032.6**	**766.4**	**9,867.7**
Accumulated impairment losses						
Accumulated impairment losses as at 1 January 2023	**-**	**2.1**	**-**	**0.5**	**0.8**	**3.4**
Recognition/(reversal)	**-**	(0.9)	-	-	0.3	**(0.6)**
Accumulated impairment losses as at 31 December 2023	**-**	**1.2**	**-**	**0.5**	**1.1**	**2.8**
Accumulated amortization						
Accumulated amortization as at 1 January 2023	**4,150.9**	**1,448.8**	**3,011.6**	**62.9**	**-**	**4,523.3**
Additions	**431.6**	221.3	328.5	12.7	-	**562.5**
Disposals	**-**	(43.8)	(12.9)	-	-	**(56.7)**
Accumulated amortization as at 31 December 2023	**4,582.5**	**1,626.3**	**3,327.2**	**75.6**	**-**	**5,029.1**
Carrying amounts						
Carrying amount as at 1 January 2023	**643.7**	**598.6**	**1,919.8**	**54.7**	**767.5**	**3,340.6**
Carrying amount as at 31 December 2023	**300.2**	**741.3**	**2,372.7**	**956.5**	**765.3**	**4,835.8**

* The position includes the value of intangible assets recognized as a result of the acquisition of PAK-PCE Group, regarding wind farms and covering inter alia the value of power supply connection and energy production concession.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

21. Right-of-use assets

	Technical infrastructure	Dark fibers	Vehicles	Points of sale premises	Office space and other premises	Right-of-use assets
Cost						
Cost as at 1 January 2024	**305.7**	**223.9**	**31.0**	**348.0**	**551.0**	**1,459.6**
Additions	60.8	35.3	19.4	70.2	132.1	**317.8**
Disposals	(32.9)	(16.9)	(6.0)	(11.9)	(15.4)	**(83.1)**
Cost as at 31 December 2024	**333.6**	**242.3**	**44.4**	**406.3**	**667.7**	**1,694.3**
Accumulated impairment losses						
Accumulated impairment losses as at 1 January 2024	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated impairment losses as at 31 December 2024	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation						
Accumulated depreciation as at 1 January 2024	**182.6**	**146.5**	**7.8**	**221.0**	**257.1**	**815.0**
Additions	41.3	35.1	5.3	51.5	71.4	**204.6**
Disposals	(18.3)	(9.6)	(4.5)	(8.4)	(9.3)	**(50.1)**
Accumulated depreciation as at 31 December 2024	**205.6**	**172.0**	**8.6**	**264.1**	**319.2**	**969.5**
Carrying amount						
Carrying amount as at 1 January 2024	**123.1**	**77.4**	**23.2**	**127.0**	**293.9**	**644.6**
Carrying amount as at 31 December 2024	**128.0**	**70.3**	**35.8**	**142.2**	**348.5**	**724.8**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	Technical infrastructure	Dark fibers	Vehicles	Points of sale premises	Office space and other premises	**Right-of-use assets**
Cost						
Cost as at 1 January 2023	**280.2**	**192.2**	**26.0**	**299.5**	**409.8**	**1,207.7**
Acquisition of subsidiary	-	-	-	-	89.9	**89.9**
Additions	66.4	48.9	17.0	71.8	75.7	**279.8**
Disposals	(40.9)	(17.2)	(12.0)	(23.3)	(24.4)	**(117.8)**
Cost as at 31 December 2023	**305.7**	**223.9**	**31.0**	**348.0**	**551.0**	**1,459.6**
Accumulated impairment losses						
Accumulated impairment losses as at 1 January 2023	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated impairment losses as at 31 December 2023	**-**	**-**	**-**	**-**	**-**	**-**
Accumulated depreciation						
Accumulated depreciation as at 1 January 2023	**160.1**	**123.1**	**11.3**	**186.8**	**199.4**	**680.7**
Additions	41.1	32.6	4.5	52.5	62.5	**193.2**
Disposals	(18.6)	(9.2)	(8.0)	(18.3)	(4.8)	**(58.9)**
Accumulated depreciation as at 31 December 2023	**182.6**	**146.5**	**7.8**	**221.0**	**257.1**	**815.0**
Carrying amount						
Carrying amount as at 1 January 2023	**120.1**	**69.1**	**14.7**	**112.7**	**210.4**	**527.0**
Carrying amount as at 31 December 2023	**123.1**	**77.4**	**23.2**	**127.0**	**293.9**	**644.6**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

22. Programming assets

	31 December 2024	31 December 2023
Acquired film licenses	210.1	277.2
Capitalized cost of external production and sports rights	420.5	500.6
Co-productions	-	2.5
Prepayments	346.1	202.7
Total	**976.7**	**983.0**
Of which: Current	*641.0*	*678.2*
Non-current	*335.7*	*304.8*

Change in programming assets

	2024	2023
Net carrying amount as at 1 January	**983.0**	**1,201.0**
Increase*	560.1	416.2
Change in impairment losses:	(4.3)	(0.1)
Film licenses	-	*(0.1)*
Internal production	*(4.3)*	-
Change in internal production*	(41.5)	29.3
Amortization of film licenses and sports rights	(519.7)	(660.5)
Disposals:	(0.6)	(2.9)
Sale of film licenses	*(0.6)*	*(2.9)*
Liquidation:	(0.2)	-
Liquidation of film licenses	*(0.2)*	-
Other decrease	(0.1)	-
Net carrying amount as at 31 December	**976.7**	**983.0**

* includes change in prepayments

Commitments related to acquisition of programming assets by the Group are presented in note 51.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

23. Investment property

	2024	2023
Cost as at 1 January	**724.8**	**690.8**
Acquisitions	-	184.6
Additions	14.5	19.6
Disposals	(1.0)	(73.6)
Transfer between groups	(4.1)	(96.6)
Cost as at 31 December	**734.2**	**724.8**
Write-offs as of 1 January	**0.8**	**-**
Additions	6.0	0.8
Transfer between groups	(2.4)	-
Write-offs as of 31 December	**4.4**	**0.8**
Accumulated depreciation as at 1 January	**24.0**	**43.8**
Additions	8.3	19.3
Disposals	-	(3.5)
Transfer between groups	(2.8)	(35.6)
Accumulated depreciation as at 31 December	**29.5**	**24.0**
Carrying amount as at 1 January	**700.0**	**647.0**
Carrying amount as at 31 December	**700.3**	**700.0**

24. Deferred distribution fees

	31 December 2024	31 December 2023
Deferred distribution fees	**337.6**	**312.4**
Of which: Current	*245.4*	*227.4*
Non-current	*92.2*	*85.0*

Deferred distribution fees include commissions for distributors for contracts effectively concluded with subscribers. These costs are expensed by the Group to profit or loss over the minimum base period of the subscription contracts.

As at 31 December 2024, the balance of distribution fees relating to agreements whose basic period as at the date of signing was more than 12 months amounted to PLN 334.3 (as at 31 December 2023: PLN 308.6).

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

25. Non-current receivables and other non-current assets

	31 December 2024	31 December 2023
Non-current lease receivables	30.6	-
Non-current trade receivables	873.2	968.1
Non-current receivables total	**903.8**	**968.1**
Shares in associates and joint ventures accounted for using the equity method	-	10.1
Bonds	-	20.8
Deferred costs	10.0	9.7
Deposits paid	26.4	9.8
Other shares	7.0	617.2
Derivative instruments (note 41)	40.2	35.2
Total	**83.6**	**702.8**

As at 31 December 2024 and 31 December 2023 Non-current trade receivables include receivables from installment plan purchases.

Non-current trade receivables are denominated in PLN.

26. Loans granted

Loans granted	31 December 2024	31 December 2023
Current loans granted	22.8	116.2
Non-current loans granted	2.2	10.9
Total	**25.0**	**127.1**

Loans granted as of 31 December 2024 mainly include loans to Dystrybucja Mówi Serwis Sp. z o.o. Sp.k. and Epicom Ltd. with a maturity date in 2025. Loans granted as of 31 December 2023 mainly include a loan to Goalscreen Holdings Limited with a maturity date in 2024.

Change in loans granted	2024	2023
Loans granted as at 1 January	**127.1**	**576.1**
Repayment of granted loans – capital	(96.0)	(133.0)
Repayment of granted loans – interests	(4.5)	(16.0)
Granting new loans	11.3	343.4
Interest accrued	6.4	31.8
Foreign exchange	(0.7)	(25.3)
The effect of gaining control over PAK-PCE Group and consolidation	-	(645.5)
The effect of gaining control over Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. and consolidation	-	(4.4)
Expected credit losses	(18.6)	-
Loans granted as at 31 December	**25.0**	**127.1**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

27. Contract assets

Change in contract assets

Contract assets	31 December 2024	31 December 2023
Contract assets as at 1 January	**363.2**	**377.1**
Additions	249.8	236.6
Disposals (invoiced amounts transferred to trade receivables)	(256.8)	(250.5)
Contract assets as at 31 December	**356.2**	**363.2**
Write-off	(14.2)	(14.2)
Contract assets as at 31 December	**342.0**	**349.0**

28. Inventories

Types of inventories	31 December 2024	31 December 2023
Mobile phones	111.3	125.0
Laptops, tablets and modems	26.7	40.2
Set-top boxes and disc drives	66.6	101.7
Apartments	474.7	480.3
Certificates of origin	20.7	24.2
Other inventories	328.0	444.2
Total net book value	**1,028.0**	**1,215.6**

Other inventories consisted mainly of components for photovoltaic installations and related products (such as heat pumps and energy storage systems) as well as materials for the production of decoders.

Write-offs of inventories	2024	2023
Opening balance	**7.3**	**6.0**
Increase	76.7	5.2
Utilisation	(3.5)	(3.1)
Decrease	(0.2)	(0.8)
Effect of selling a subsidiary	(0.5)	-
Closing balance	**79.8**	**7.3**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

29. Trade and other receivables

	31 December 2024	31 December 2023
Trade receivables from related parties	7.3	11.5
Trade receivables from third parties	2,766.6	2,650.1
Tax and social security receivables	183.8	182.4
Other receivables	95.0	103.1
Total	**3,052.7**	**2,947.1**

Trade receivables from third parties include primarily receivables from individual customers, media houses and distributors.

Trade receivables by currency

Currency	31 December 2024	31 December 2023
PLN	2,706.9	2,501.4
EUR	51.0	143.4
USD	14.5	15.0
Other	1.5	1.8
Total	**2,773.9**	**2,661.6**

Movements in the allowance for impairment of accounts receivable (trade and other receivables)

	2024	2023
Opening balance	**205.1**	**206.3**
Increase	89.2	124.4
Reversal	(7.3)	(7.2)
Utilisation	(117.8)	(118.3)
Closing balance	**169.2**	**205.1**
Of which: Short-term	*128.9*	*150.4*
Long-term	*40.3*	*54.7*

30. Other current assets

	31 December 2024	31 December 2023
Shares in other investments held for trading	808.6	-
Derivative instruments (note 41)	40.4	21.6
Unbilled revenue	48.6	46.0
Other deferred costs	60.9	52.7
Other	11.8	19.4
Total	**970.3**	**139.7**

31. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash on hand	2.7	2.1
Current accounts	367.3	318.1
Cash in transit	0.6	0.4
Deposits*	2,282.4	2,985.4
Total	**2,653.0**	**3,306.0**

* with maturity of up to 3 months from the date of establishing the deposit

The Group places its cash and cash equivalents in banks and financial institutions with reliability proven by ratings awarded by widely recognized agencies Standard & Poor's, Moody's or Fitch, in Plus Bank or EFG, required by the loan agreement and policies adopted therein.

Currency	31 December 2024	31 December 2023
PLN	1,891.3	2,191.9
EUR	748.3	1,104.8
USD	13.3	9.2
CHF	0.1	0.1
Total	**2,653.0**	**3,306.0**

As the Group cooperates with well-established Polish and international banks, the risks relating to deposited cash are considerably limited.

Restricted cash in the amount of PLN 34.1 includes mainly funds held in an escrow account in accordance with the Developers Act (Act of 20 May 2021 on the Protection of the Rights of the Purchaser of a Residential Unit or a Single-Family House and the Developer's Guarantee Fund) and guarantee deposits.

32. Equity

Share capital

Presented below is the structure of the Company's share capital as at 31 December 2024 and at 31 December 2023:

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

* not in millions

The shareholders' structure as at 31 December 2024 and 31 December 2023 was as follows:

	Number of shares *	Nominal value of shares	% of share capital held	Number of votes *	% of voting rights
Zygmunt Solorz, through	396,802,022	15.9	62.04%	576,219,523	70.36%
TiVi Foundation, including through:	386,745,257	15.5	60.47%	566,162,758	69.13%
Reddev Investments Ltd., including through:	386,745,247	15.5	60.47%	566,162,738	69.13%
Cyfrowy Polsat S.A.[1]	88,842,485	3.6	13.89%	88,842,485	10.85%
Tobias Solorz[2], including through:	10,056,765	0.4	1.57%	10,056,765	1.23%
ToBe Investments Group Ltd.	4,449,156	0.2	0.70%	4,449,156	0.54%
Others	242,743,994	9.7	37.96%	242,743,994	29.64%
Total	**639,546,016**	**25.6**	**100%**	**818,963,517**	**100%**

* not in millions

[1] Own shares acquired under the buy-back program announced on 16 November 2021. Pursuant to Art. 364 Item 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights attached to own shares.

[2] Person under the presumption of the existence of an agreement referred to in article 87 section 1 item 5 of the Public Offering Act.

Proceedings concerning TiVi Foundation, the Company's shareholder

To the Company's best knowledge, proceedings are pending in the Liechtenstein court to determine who is entitled to the rights set forth in the Articles of Association of TiVi Foundation. TiVi Foundation is an indirect shareholder of the Company, holding a block of 60.47% of the Company's shares entitling to 69.13% of votes at the Company's general meeting.

In the opinion of the Company's Management Board, the aforementioned proceedings have no impact on the operational and financial activities of the Company and the Group. Cyfrowy Polsat and its Group are operating stably, according to plan and in a normal operational mode. The Group's financial position is stable and it consistently executes its strategy while meeting its obligations to financial institutions and bondholders on time.

On 17 October 2024, the Company received a notification letter from a shareholder of the Company – Reddev Investments Limited, informing that Reddev had been served with temporary injunctions obtained *ex parte* by advocates acting for Piotr Żak, Aleksandra Żak and Tobias Solorz. Concurrently, the notification states that the temporary injunctions have no force or effect in Poland and do not affect or in any way alter the ownership or management of the Company and they do not in any way affect the day-to-day operational activities of the Company or its subsidiaries.

The Company will report, to the best of its knowledge, by way of relevant reports, any further material developments in the case.

Share premium

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

Retained earnings

On 20 June 2024 the Annual General Meeting of the Company adopted a resolution on the distribution of the Company's net profit for the financial year 2023. In accordance with the provisions of the resolution, the total amount of the net profit was allocated to the supplementary capital amounted to PLN 639.6.

Other reserves

Other reserves as at 31 December 2024 include mainly the reserve capital created for the purposes of the share buyback program in the amount of PLN 2,914.8.

Treasury shares

Treasury shares as at 31 December 2024 and as at 31 December 2023 include a total of 88,842,485 (not in millions) own shares, representing in total 13.89% of the share capital of the Company and entitling to exercise 88,842,485 (not in millions) votes at the general meeting of the Company, constituting 10.85% of the total number of votes at the general meeting of the Company.

Non-controlling interests

Non-controlling interests relate primarily to interests attributable to non-controlling shareholders of PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries and Port Praski Sp. z o.o. and its subsidiaries. PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries are included in Green energy segment. Port Praski Sp. z o.o. and its subsidiaries are included in Real Estate segment.

The table below shows aggregate data for PAK-PCE Group subsidiaries that have project financing:

	For the year ended 31 December 2024	For the period from July to December 2023
Revenue from sales	735.5	345.5
Operating costs	(531.5)	(348.8)
Including: depreciation	*(62.2)*	*(20.7)*
Operating profit/(loss)	206.7	(5.5)

	31 December 2024	31 December 2023
Cash	171.1	250.4
Loan liabilities*	(1,421.2)	(1,226.5)
Lease liabilities	(85.7)	(59.0)

* excludes inter-company loans

33. Hedge valuation reserve

The Company concluded the following interest rate swap transactions, which consisted in exchange of interest payments based on a floating rate WIBOR 3M or WIBOR 6M into interest payments based on a fixed interest rate:

Conclusion date	Contractor	Nominal amount secured	Hedge start date	Hedge end date	Fixed interest rate
29.04.2022	Santander Bank Polska S.A.	125.0	31.03.2023	31.03.2025	6.5750%
19.05.2022	Santander Bank Polska S.A.	125.0	31.03.2023	31.03.2025	6.2450%
22.07.2022	BNP Paribas	125.0	31.03.2023	30.06.2025	6.0600%
20.05.2024	BNP Paribas	250.0	28.06.2024	30.06.2027	5.1470%
06.06.2024	PKO Bank Polski S.A.	250.0	28.06.2024	30.06.2027	5.0800%

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The Company concluded the following currency interest rate swap transactions, which consisted in exchange of interest payments denominated in euro based on a floating rate EURIBOR 3M into interest payments based on a fixed interest rate:

Conclusion date	Contractor	Nominal amount secured	Hedge start date	Hedge end date	Fixed interest rate
26.09.2023	Societe Generale	25.0	29.09.2023	30.09.2026	3.6350%
17.11.2023	Societe Generale	25.0	28.03.2024	31.03.2027	3.1020%

The Company concluded the following forward transactions, which consisted on the purchase by the Company of euro currency at a fixed date in the future at the exchange rate determined on the date of the transaction:

Conclusion date	Contractor	Nominal amount	Maturity date	Forward exchange rate
13.08.2024	PKO Bank Polski S.A.	0.55	31.01.2025	4.3504
06.09.2024	PKO Bank Polski S.A.	0.40	28.02.2025	4.3338
05.12.2024	PKO Bank Polski S.A.	0.30	30.05.2025	4.3424
10.10.2024	Bank Pekao S.A.	0.35	28.02.2025	4.3473
10.10.2024	Bank Pekao S.A.	0.40	31.03.2025	4.3592
07.11.2024	Bank Pekao S.A.	0.25	31.01.2025	4.3569
07.11.2024	Bank Pekao S.A.	0.35	30.04.2025	4.3929

Impact of hedging instruments valuation on assets and liabilities as at 31 December 2024

	IRS	CIRS	Forward transactions
Assets			
Short-term	2.3	-	-
Liabilities			
Long-term	(2.9)	(2.7)	-
Short-term	(0.9)	(2.7)	(0.1)
Total	**(1.5)**	**(5.4)**	**(0.1)**

Impact of hedging instruments valuation on assets and liabilities as at 31 December 2023

	IRS	CIRS	Forward transactions
Assets			
Short-term	4.3	-	-
Liabilities			
Long-term	(2.0)	(5.2)	-
Short-term	(3.7)	(0.6)	(0.4)
Total	**(1.4)**	**(5.8)**	**(0.4)**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Impact of hedging instruments valuation on hedge valuation reserve

	2024	2023
Balance as at 1 January	**(5.1)**	**18.2**
Valuation of cash flow hedges	(0.2)	(28.8)
Deferred tax	0.0	5.5
Change for the period	**(0.2)**	**(23.3)**
Balance as at 31 December	**(5.3)**	**(5.1)**

34. Loans and borrowings

	31 December 2024	31 December 2023
Short-term liabilities	1,315.1	1,069.7
Long-term liabilities	9,142.7	9,534.3
Total	**10,457.8**	**10,604.0**

Change in loans and borrowings liabilities:

	2024	2023
Balance as at 1 January	**10,604.0**	**8,137.4**
Loans and borrowings on acquisition of Global Continental Sp. z o.o. (see note 40)	1.3	-
Loans and borrowings on acquisition of PAK-Polska Czysta Energia Sp. z o.o.	-	1,704.2
Effect of obtaining control over PAK-Polska Czysta Energia Sp. z o.o. and consolidation	-	(645.5)
Loans and borrowings on acquisition of Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o.	-	8.8
Effect of obtaining control over Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o.	-	(4.4)
Loans and borrowings inflows*	610.2	12,157.0
Loan conversion	-	(8,255.0)
Repayment of capital	(730.5)	(2,327.0)
Repayment of interest and commissions**	(857.0)	(1,018.6)
One-time loans repayment	-	20.8
Interest accrued and commissions	867.8	908.4
Foreign exchange	(38.0)	(82.1)
Balance as at 31 December	**10,457.8**	**10,604.0**

* includes capital increase due to capitalization of accrued interest
** includes interest settled under capitalization of interest on principal

Security

Pursuant to the Facilities Agreement, certain members of the Company's capital group are to grant guarantees under the English law to each of the financing parties under the Senior Facilities Agreement and other finance documents executed in relation thereto (in the amount of the facility increased by all fees and receivables contemplated in the Senior Facilities Agreement or other finance documents executed in relation thereto). The guarantees secure:

(i) the timely discharge of the obligations under the Senior Facilities Agreement and other finance documents executed in relation thereto;

(ii) a payment of amounts due under the Senior Facilities Agreement and other finance documents executed in relation thereto and

(iii) an indemnification of the financing parties against any liabilities, costs and losses that such financing parties may incur in relation to the unenforceability, ineffectiveness or unlawfulness of any obligation secured by the guarantee described above.

The period of the guarantees has not been specified. The guarantors will be remunerated at arm's length for granting the guarantees.

The Senior Facilities Agreement provides for the establishment by the Company and other entities of the Polsat Plus Group of security for the repayment of loans granted under it. If the debt ratio is equal to or lower than 3.30:1, the Company may request the release of security established in connection with the Senior Facilities Agreement. The released security will have to be re-established if the debt ratio is higher than 3.30:1. Moreover, if certain entities from the Group incur a secured debt, the same security will be established on an equivalent basis (pari passu) in favor of the Security Agent (acting, among others, on behalf of the lenders under the Senior Facilities Agreement).

In order to secure the repayment of receivables under the Senior Facilities Agreement, the Company and the Security Agent concluded and signed agreements and other documents providing for the establishment of the following security:

(i) registered pledges on sets of movables and property rights of variable composition constituting the Company's enterprise;

(ii) financial and registered pledges on all shares held by the Company in Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Polsat Media Sp. z o.o. as well as all shares held by the Company in Netia S.A. for which the applicable law is Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the aforementioned companies;

(iii) financial and registered pledges over the receivables related to the bank accounts of the Company for which the applicable law is the Polish law;

(iv) powers of attorney to the bank accounts of the Company which the applicable law is the Polish law;

(v) registered pledges over the rights to the trademarks of the Company for which the applicable law is Polish law;

(vi) assignment of receivables for security under hedging agreements payable to the Company, for which the applicable law is English law;

(vii) assignment of rights for security under insurance agreements for real properties and assets made by the Company;

(viii) statements of the Company on submission to enforcement under a notarial deed, for which the applicable law is Polish law;

(ix) a joint contractual mortgage, governed by Polish law, over the following real properties owned by or in perpetual usufruct of the Company: (a) land property located in Warsaw, Targówek district, in the area of Łubinowa, land and mortgage register No. WA3M/00104992/7, (b) land property located in Warsaw, Targówek district, in the area of Łubinowa, land and mortgage register No. WA3M/00102149/9, (c) land property located in Warsaw, Targówek district, in the area of Łubinowa, land and mortgage register No. WA3M/00103400/4, (d) land property located in Warsaw, Targówek district, in the area of Zabraniecka, land and mortgage register No. WA3M/00131411/9, (e) land property located in Warsaw, Praga Północ district, in the area of Zabraniecka, land and mortgage register No. WA3M/00100110/3, (f) land property located in Warsaw, Praga Północ district, in the area of Zabraniecka, land and mortgage register No. WA3M/00100109/3, (g) land property located in Warsaw, Praga Północ district, land and mortgage register No. WA3M/00102615/7, (h) land property located in Warsaw, Praga Północ district, in the area of Zabraniecka, land and mortgage register No. WA3M/00132063/1, (i) land property located in Warsaw, Targówek district, in the area of Zabraniecka, land and mortgage register No. WA3M/00101039/8, (j) land property located in Warsaw, Targówek district, in the area of Zabraniecka, land and mortgage register No. WA3M/00136943/2, (k) land held in perpetual usufruct and a building constituting a separate property located in Warsaw, Targówek district, in the area of Utrata, land and mortgage register No. WA3M/00186120/2.

In order to secure the repayment of claims under the Senior Facilities Agreement, other Group subsidiaries of the Company and the Security Agent have entered into and signed agreements and other documents providing for the establishment of the following collateral:

(i) registered pledges over collections of movables and property rights of variable composition, included in the enterprises of the Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A. and Polsat Media Sp. z o.o.;

(ii) financial and registered pledges over all shares of Polsat Media Sp. z o.o. held by Telewizja Polsat Sp. z o.o., for which the applicable law is Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the aforementioned companies;

(iii) financial and registered pledges over the receivables related to the bank accounts of the Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A. and Polsat Media Sp. z o.o., for which the applicable law is the Polish law;

(iv) powers of attorney to the bank accounts of the Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A. and Polsat Media Sp. z o.o., for which the applicable law is the Polish law;

(v) registered pledges over the rights to the trademarks of the Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A., Polsat Media Sp. z o.o., for which the applicable law is Polish law;

(vi) assignment of receivables for security under hedging agreements payable to the Polkomtel Sp. z o.o., for which the applicable law is English law;

(vii) assignment of rights for security under insurance agreements for real properties and assets made by the Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A. and Polsat Media Sp. z o.o.;

(viii) statements of the Polkomtel Sp. z o.o., Telewizja Polsat Sp. z o.o., Netia S.A. and Polsat Media Sp. z o.o. on submission to enforcement under a notarial deed, for which the applicable law is Polish law;

(ix) a contractual mortgage, governed by Polish law, over land property located in Warsaw, Ursynów district, in the area of Baletowa and Puławska, land and mortgage register No. WA5M/00478842/7, owned by Polkomtel Sp. z o.o.;

(x) a joint contractual mortgage, governed by Polish law, over the following properties owned or co-owned by Netia S.A.: (a) land property located in Jawczyce, Ożarów Mazowiecki commune, land and mortgage register WA1P/00133706/7, (b) land property located in Kraków, Podgórze district, in the area of Luciany Frassati-Gawrońskiej, land and mortgage register KR1P/00359665/5, (c) land property located in Warsaw, Ursynów district, in the area of Poleczki, land and mortgage register WA2M/00142936/8, (d) land property located in Warsaw, Ursynów district, in the area of Poleczki, land and mortgage register WA5M/00468204/0, (e) land property located in Warsaw, Ursynów district, in the area of Tango, land and mortgage register WA2M/00138733/4.

Financing of projects related to the production of green Energy

In 2021-2024, the companies of the PAK-PCE Group concluded investment loan agreements to finance the implementation of investment projects related to renewable energy sources.

PAK-PCE Biopaliwa i Wodór Sp. z o.o.

On 1 July 2022, an amendment agreement to the loan agreement of 29 January 2021 was made between ZE PAK S.A., PAK-PCE Biopaliwa i Wodór Sp. z o.o. (PAK-PCE BiW) and Bank Polska Kasa Opieki S.A., on the basis of which a loan in the total amount of up to PLN 160.0 was transferred to PAK-PCE BiW intended to finance an investment project aimed at adapting an existing coal-fired unit, located at the Konin power plant, to burn biomass. The loan is repayable in quarterly installments of equal amount starting from 30 June 2022 and the final repayment date is 31 December 2030. The loan bears interest at a variable rate which is the sum of the WIBOR rate for the relevant interest period and a margin. The carrying value of the loan as of 31 December 2024 was PLN 109.1.

In order to secure the repayment of the loan granted, the following were established and signed: (i) a mortgage on the indicated properties of PAK-PCE BiW, (ii) financial and registered pledge on bank accounts maintained by the PAK-PCE BiW in Bank Pekao S.A. and power of attorney for each of the aforementioned bank accounts, (iii) transfer for collateral from insurance policies of assets of PAK-PCE BiW as well as assignment of receivables from heat supply contracts for the city Konin and (iv) a statement of submission of PAK-PCE BiW to execution pursuant to Article 777 § 1 point 5 of the Code of Civil Procedure.

On 23 June 2022 PAK-PCE BiW entered with Bank Polska Kasa Opieki S.A. into a credit limit agreement with maximum amount of PLN 25.0 to finance the company's general corporate purposes. Credit limit agreement expires on 30 November 2025. The loan bears interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest period and a margin. As of 31 December 2024, the company has not used the limit.

PAK-PCE Kazimierz Biskupi Sp. z o.o. (formerly Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.)

On 20 September 2022 PAK-PCE Kazimierz Biskupi Sp. z o.o. (formerly Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.) (FW Kazimierz Biskupi) entered into an investment loan agreement with Bank Gospodarstwa Krajowego intended for the construction of a wind farm. The loan agreement provides for a term loan up to a maximum amount of PLN 135.0 and VAT loan up to maximum amount of PLN 30.0. The interest rate on the loans is variable and is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan is repaid in quarterly installments starting from 20 June 2024 and the final repayment date is 20

December 2038 for term loan. The total carrying amount of investment loan as at 31 December 2024 was PLN 119.7.

In order to secure the repayment of the loan granted, the following were established and signed: (i) financial and registered pledge (subject to its registration) on all shares in the share capital of FW Kazimierz Biskupi together with a power of attorney to exercise the corporate rights of such shares, (ii) financial and registered pledge (subject to its registration) on receivables from bank account agreements of FW Kazimierz Biskupi, (iii) financial pledge (subject to its registration) on collection of property and property rights belonging to FW Kazimierz Biskupi, (iv) assignment as collateral to the bank of rights and receivables inter alia, an electricity sales contract, a construction contract, and loan agreements, (v) a debt subordination agreement, according to which claims of PAK-PCE against FW Kazimierz Biskupi were subordinated to the bank's claims under the loan agreement, (vi) power of attorney over bank accounts FW Kazimierz Biskupi and (vii) declarations of FW Kazimierz Biskupi and PAK-PCE on submission to execution under Article 777 of the Code of Civil Procedure.

PAK-PCE Miłosław Sp. z o.o. (formerly Park Wiatrowy Pałczyn 1 Sp. z o.o.)

On 20 April 2023 PAK-PCE Miłosław Sp. z o.o. (formerly Park Wiatrowy Pałczyn 1 Sp. z o.o.) (PW Pałczyn) entered into a investment loan agreement with Bank Polska Kasa Opieki S.A. intended for the construction of a wind farm Miłosław. The loan agreement provides for a term loan up to a maximum amount of PLN 95.5 and VAT loan up to maximum amount of PLN 5.0. On 15 March 2024 unused amount of PLN 18.8 was cancelled. The interest rate on the loans is variable and is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan is repaid in quarterly installments (equal installments) starting from 20 June 2024 and the final repayment date is 20 December 2038 for term loan. The total carrying amount of investment loan as at 31 December 2024 was PLN 75.6.

In order to secure the repayment of the loan granted, the following were established and signed: (i) financial and registered pledge on shares of PW Pałczyn, (ii) financial and registered pledge on bank accounts of PW Pałczyn and power of attorney for each of the aforementioned bank accounts, (iii) registered pledge on assets, (iv) assignment from contracts that are essential project documentation, (v) assignment of insurance policies, and (vi) declarations of PW Pałczyn on submission to execution under Article 777, paragraph 1 points 5 and 6 of the Code of Civil Procedure.

PAK-PCE Fotowoltaika Sp. z o.o.

On 12 March 2021 PAK-PCE Fotowoltaika Sp. z o.o. concluded with a consortium of banks consisting of: PKO BP S.A., Bank Pekao S.A. and mBank S.A. credit agreement, under which an investment loan was made available to the company up to a maximum amount of PLN 175.0 to finance the construction of a photovoltaic farm, of which the term loan is PLN 138.0 and the loan to finance VAT is PLN 37.0. The VAT loan was repaid on 30 June 2022. Pursuant to an amendment agreement dated 31 March 2023, the term loan limit was raised to a maximum amount of PLN 182.0. The loan bears interest at a variable rate that is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan is repayable in quarterly installments according to the payment schedule starting from 31 March 2022 while the final repayment date is 31 December 2035. The total carrying amount of investment loan as at 31 December 2024 was PLN 140.8.

In order to secure the repayment of the loan granted, the following were established and signed: (i) mortgage on the property, (ii) financial and registered pledge on bank accounts, (iii) financial and registered pledge on shares in PAK-PCE Fotowoltaika Sp. z o.o., (iv) registered pledge on movable assets, (v) assignment of receivables from the main contracts of the project, including the insurance policies, (vi) declarations on submission to execution under

Article 777 of the Code of Civil Procedure, (vii) ZE PAK surety up to PLN 10.0, (viii) power of attorney for PAK-PCE Fotowoltaika Sp. z o.o. bank accounts.

In addition, PAK-PCE Fotowoltaika Sp. z o.o. signed 3 loan agreements with ZE PAK S.A. (on 8 March 2021, 9 March 2021 and 29 March 2022) for a total maximum amount of up to PLN 9.5. The funds from the loans received were used to build a photovoltaic farm and finance the company's current operations. The loans bear interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest periods and a margin. The loans mature on 31 December 2035. Total debt under the loans as of 31 December 2024 was PLN 12.1.

PAK-PCE Polski Autobus Wodorowy Sp. z o.o.

On 22 December 2022 PAK-PCE Polski Autobus Wodorowy Sp. z o.o. (PAK-PCE PAW) concluded with the National Environmental Protection and Water Management Fund an agreement on financing in the form of a loan for the construction of a production plant for innovative hydrogen buses in Świdnik. The loan was granted for a maximum amount of PLN 50.0. The loan bears interest at a variable rate of the WIBOR rate with a minimum rate limitation. The term loan is repayable in quarterly equal installments according to the payment schedule starting from 20 December 2025 while the final repayment date is 20 December 2037. The total carrying amount of investment loan as at 31 December 2024 was PLN 40.0.

In connection with the loan agreement, the following were signed: (i) a blank promissory note with a promissory note declaration, (ii) a promissory note guarantee of ZE PAK S.A. along with a promissory note declaration, (iii) a mortgage on the real estate on which the project is implemented, (iv) a declaration of submission to execution on the subject of the mortgage, and (v) a pledge on a set of property and rights - once the project is implemented.

On 10 May 2024 PAK-PCE Polski Autobus Wodorowy signed 10 loan agreements with PKO Leasing, each for the amount of approx. PLN 2.9. Their goal is to refinance the production costs of NesoBus hydrogen-powered buses. The loan bears variable interest - WIBOR and margin. All 10 loans were disbursed on 16 September 2024. All loans will be repaid in monthly installments in accordance with the payment schedule starting from 30 October 2024, and the final repayment date will be no later than 30 September 2034. As at 31 December 2024, the carrying amount of all 10 loans was PLN 28.4.

The loans are secured by: (i) in blanco promissory note issued by PAK-PCE Polski Autobus Wodorowy with a promissory note declaration, (ii) a guarantee by ZE PAK S.A., (iii) transfer of ownership to secure movable property, i.e. buses, on the basis of an agreement on transfer of ownership as security, (iv) transfer to secure rights under an insurance policy, and (v) submission by ZE PAK S.A. rigor of execution under Art. 777.

PAK-Volt S.A.

PAK-Volt S.A. entered into two loan agreements with ZE PAK S.A. to finance the company's current operations: on 15 December 2020 in maximum amount of PLN 13.0 and on 24 November 2022 in maximum amount of PLN 120.0. The loans bore interest at a variable rate that was the sum of the WIBOR rate for the relevant interest periods and a margin. The 15 December 2020 loan was repaid with interest on 2 October 2023. The 24 November 2022 loan matures on 31 December 2025, and as of 31 December 2024, it had not been utilized.

PAK-PCE Przyrów Sp. z o.o. (formerly Farma Wiatrowa Przyrów Sp. z o.o.)

On 16 October 2023, PAK-PCE Przyrów Sp. z o.o. (formerly Farma Wiatrowa Przyrów Sp. z o.o.) (FW Przyrów) entered into a loan agreement with EFG Bank (Luxembourg) S.A. providing for the granting of financing in the form of a term loan up to the amount of PLN 360.0, bearing interest at a variable rate representing the sum of the WIBOR rate for the relevant interest periods and a margin. The funds raised are used to implement the "Przyrów" wind power project with a target estimated installed capacity of 50.4 MW. The loan amount is secured by a third party entity related to the main shareholder. The loan repayment date was set for 16 October 2028. On 20 December 2024, the loan was partially repaid in the amount of PLN 220.0. The carrying amount of the loan as at 31 December 2024 was PLN 77.4.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

On 19 December 2024 FW Przyrów concluded an agreement with IB Towarzystwo Funduszy Inwestycyjnych S.A. a loan agreement providing for financing in the form of a loan up to PLN 220.0, bearing interest at a variable interest rate constituting the sum of the WIBOR rate for the relevant interest periods and the margin. The funds obtained are used to implement the "Przyrów" wind farm project with a target estimated installed capacity of 50.4 MW. The loan repayment date was set for 16 October 2028. On 19 December 2024 the loan was disbursed in the amount of PLN 220.0. The carrying amount of the loan as at 31 December 2024 was PLN 220.5.

PAK-PCE Człuchów Sp. z o.o. (formerly Great Wind Sp. z o.o.)

On 9 November 2023 PAK-PCE Człuchów Sp. z o.o. (formerly Great Wind Sp. z o.o.) (Great Wind) concluded with a consortium of banks consisting of: BGK, mBank S.A., Santander Bank Polska S.A. and PKO BP S.A. credit agreement, on the basis of which a term loan up to the maximum amount of PLN 656.0 revolving credit up to a maximum amount of PLN 44.0 and VAT revolving credit up to a maximum amount of PLN 100.0 was made available to the company. The loans will be used to finance the construction of a Człuchów wind farm. The loan bears interest at a variable rate that is the sum of the WIBOR rate for the relevant interest periods and a margin. The term loan is repayable in quarterly installments according to the payment schedule starting from 20 March 2025 while the final repayment date is 20 December 2039. The revolving credit will be repaid by 31 December 2029. The VAT revolving credit will be repaid by 30 June 2025. As of 31 December 2024, the carrying amount of the term loan and VAT loan (combined) was PLN 605.7. The revolving credit facility had not been used as of 31 December 2024.

In order to secure the repayment of the loan granted, the following were established and signed: (i) registered pledge on a collection of movables and property rights of variable composition, which are part of an enterprise Great Wind, (ii) financial pledges and registered pledges on all shares in Great Wind held by PAK-PCE, together with a power of attorney to exercise corporate rights from shares in Great Wind; (iii) financial and registered pledges on claims under Great Wind's bank account agreements; (iv) powers of attorney to Great Wind's bank accounts; (v) guarantee of contribution by PAK-Polska Czysta Energia Sp. z o.o.; (vi) guarantee of cost overruns by ZE PAK S.A.. In addition, subordination and assignment by way of security of certain claims of PAK-Polska Czysta Energia Sp. z o.o. against Great Wind with respect to the claims of the financing parties under the loan agreement and related documents, assignment by way of security of claims under the project documents and guarantees owed to Great Wind, agreements for the sale of electricity generated at the renewable energy source and financial settlement agreement (contract for difference) were concluded with the contractors; and declarations of submission to execution were made by Great Wind and PAK-PCE.

35. Issued bonds

	31 December 2024	31 December 2023
Short-term liabilities	366.9	393.7
Long-term liabilities	3,670.8	3,955.4
Total	**4,037.7**	**4,349.1**

Change in issued bonds:

	2024	2023
Balance as at 1 January	**4,349.1**	**2,076.4**
Bonds issue (series D bonds)	-	2,670.0
Bonds issue (series E bonds)	-	799.5
Bond issue (series F bonds)	-	400.0
Bonds redemption (series B and C bonds*)	(311.9)	(1,688.1)
Repayment of interest and commissions**	(379.3)	(254.8)
One-time income resulting from cash flow modification as a result of the conversion/redemption of bonds	(2.5)	(20.8)
Interest accrued and commissions	382.3	366.9
Balance as at 31 December	**4,037.7**	**4,349.1**

* redemption through conversion into series D and E bonds
** incl. interests and premium for early redemption of bonds settled as part of the conversion

Early redemption of Series B and C Bonds

On 17 January 2024, the Management Board has decided to carry out an early redemption ("Early Redemption") of all bonds outstanding:

- 223,798 (not in millions) Series B bearer bonds with a total nominal value of PLN 223.8, issued by the Company on 26 April 2019 with redemption date set for 24 April 2026, and
- 88,053 (not in millions) Series C bearer bonds with a total nominal value of PLN 88.1, issued by the Company on 14 February 2020, with a redemption date set for 12 February 2027.

Early Redemption was executed by the Company on 5 February 2024 by payments:

- for each series B bond, the cash amount at its nominal value, i.e. PLN 1,000 (not in millions), plus accrued interest of PLN 20.46 (not in millions) and
- for each series C bond, the cash amount at its nominal value, i.e. PLN 1,000 (not in millions), plus accrued interest of PLN 39.41 (not in millions) and bonus for Early Redemption in amount of PLN 5.00 (not in millions).

In connection with the Early Redemption, all Series B bonds and Series C bonds were cancelled.

In accordance with Article 35 Paragraphs 1a and 1c of the Bond Law, the Company presented on its website in the investor relations section forecasts of the development of financial liabilities, including the estimated value of financial liabilities and the estimated structure of financing understood as the value and percentage of liabilities from loans and borrowings, issuance of debt securities, leases in the total equity and liabilities of the Company's balance sheet and of the Group's consolidated balance sheet.

The following table compares the forecast with actual results based on the Company's standalone balance sheet and the Group's consolidated balance sheet as at 31 December 2024.

	31 December 2024 forecast[1)] [PLN billion]	31 December 2024 actual results [PLN billion]
Cyfrowy Polsat S.A.		
Value of financial liabilities (from loans and borrowings, issuance of debt securities and leases)	6.3	6.2
Share in total equity and liabilities	33%	31%
Cyfrowy Polsat S.A. Capital Group		
Value of financial liabilities (from loans and borrowings, issuance of debt securities and leases)	16.9	15.2
Share in total equity and liabilities	44%	41%

[1)] Forecast published in December 2023

On a standalone basis, at the end of 2024, the value of financial liabilities (for loans and borrowings, bonds and leases) and the share in the Company's total liabilities were in line with the forecast published in December 2023.

On a consolidated basis, the deviation from the estimate of the actual value of the Group's financial liabilities (due to loans and borrowings, issued bonds and leasing) at the end of 2024 amounted to approximately PLN 1.7 billion (not in millions) and resulted mainly from: the repayment of the entire debt under the revolving facility loan in the amount of PLN 1 billion (not in millions) in December 2023, (ii) lower than expected demand for external financing for investments related to the development of the green energy segment, and (iii) the appreciation of PLN, which affected the balance sheet debt valuation denominated in EUR.

36. Lease liabilities

	31 December 2024	31 December 2023
Short-term liabilities	181.9	166.2
Long-term liabilities	502.8	444.6
Total	**684.7**	**610.8**

Change in lease liabilities:

	2024	2023
Balance as at 1 January	**610.8**	**524.2**
Acquisition of a subsidiary	-	76.4
Changes	281.6	214.2
Interest accrued	41.3	29.5
Repayment of capital and interest	(246.3)	(222.9)
Foreign exchange differences	(2.7)	(10.6)
Balance as at 31 December	**684.7**	**610.8**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

37. Group as a lessor

Operating lease

The Group entered into contracts with third parties, which are classified as operating leases based on their economic substance. The contracts relate to the rental of reception equipment and lease of office and other premises. Assets connected with such contracts are presented as either reception equipment or other property, plant and equipment.

Lease contracts for set-top boxes were concluded for a base contractual period ranging from 12 to 24 months. After each base period, the contracts are converted into contracts with indefinite term, unless terminated by the subscribers or new contracts are signed.

Future minimum lease payments with respect to operating lease are as follows.

	31 December 2024	31 December 2023
less than 1 year	209.8	217.6
between 1 and 5 years	153.0	146.1
more than 5 years	147.7	41.4
Total	**510.5**	**405.1**

The Group generated revenues from operating leasing agreements in the amount of PLN 323.4 in 2024 and in the amount of PLN 320.9 in 2023.

Finance lease

The Group entered into contract in 2024, which is classified as finance lease based on their economic substance. The contract relates to the leasing of 10 hydrogen buses. Assets connected with such contract is presented as non-current and current receivables.

Lease contract for hydrogen buses was concluded for 10 years.

Future minimum lease payments with respect to finance lease are as follows.

	31 December 2024	31 December 2023
less than 1 year	4.8	-
between 1 and 5 years	19.3	-
more than 5 years	22.1	-
Total	**46.2**	**-**

In 2024, the Group generated revenues from finance leasing agreement in the amount of PLN 36.5, including the initial recognition of lease revenue from buses amounting to PLN 33.4.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

38. Other non-current liabilities and provisions

	31 December 2024	31 December 2023
Payables relating to purchase of programming rights	34.6	108.7
Provisions	77.5	73.4
Other	189.5	203.5
includes: derivative instruments	*10.8*	*24.0*
Total	**301.6**	**385.6**

39. Trade and other payables

	31 December 2024	31 December 2023
Trade payables to related parties	17.5	9.0
Trade payables to third parties	699.3	541.2
Taxation and social security payables	223.1	173.0
Payables relating to purchase of programming rights to related parties	1.0	1.0
Payables relating to purchase of programming rights to third parties	281.0	281.4
Payables relating to purchases of tangible and intangible assets	186.9	456.7
Accruals	1,390.4	1,213.7
Short-term provisions	35.2	67.2
Derivative instruments liabilities (note 41)	8.2	20.2
Other	248.3	409.2
Total	**3,090.9**	**3,172.6**

Accruals

	31 December 2024	31 December 2023
Salaries	185.3	176.1
License fees and royalties for copyright management organizations	96.7	102.5
Distribution costs	58.3	61.1
Costs of settlements with telecommunication operators	73.1	70.3
Network maintenance costs	393.8	305.4
Investment purchases	223.2	114.4
Other	360.0	383.9
Total	**1,390.4**	**1,213.7**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Short-term and long-term provisions

	2024	2023
Balance as at 1 January	**140.6**	**131.2**
Acquisition of a subsidiary	-	9.3
Increases	15.3	43.8
Reversal	(16.9)	(16.5)
Utilisation	(26.3)	(27.2)
Balance as at 31 December	**112.7**	**140.6**
Of which: Short-term	*35.2*	*67.2*
Long-term	77.5	*73.4*

Provisions comprise *inter alia* of provision for license fees, litigation and disputes and retirement.

Trade payables and payables relating to purchases of programming rights and non-current assets by currency

Currency	31 December 2024	31 December 2023
PLN	871.1	1,028.3
EUR	228.6	174.1
USD	71.4	83.2
Other	14.6	3.7
Total	**1,185.7**	**1,289.3**

Accruals by currency

Currency	31 December 2024	31 December 2023
PLN	1,316.7	1,087.3
EUR	21.9	83.3
USD	15.8	15.0
Other	36.0	28.1
Total	**1,390.4**	**1,213.7**

Other notes

40. Acquisition of subsidiaries

Acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o. – final settlement of the purchase of shares

On 27 July 2022, Cyfrowy Polsat acquired 40.41% of shares in PAK-Polska Czysta Energia Sp. z o.o.

On 3 July 2023 Cyfrowy Polsat acquired an additional 10.1% of shares in PAK-Polska Czysta Energia Sp. z o.o. and took control of PAK-Polska Czysta Energia Sp. z o.o. together with its subsidiaries ("PAK-PCE Group").

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

As of the date of taking control, i.e. 3 July 2023 Cyfrowy Polsat and PAK-Polska Czysta Energia Sp. z o.o. were under common control. The Group used the acquisition method in accordance with the provisions of IFRS 3 when settling the acquisition of the PAK-PCE Group.

CONSIDERATION TRANSFERRED

	Final value of consideration transferred
Cash transferred for 10.1% shares	117.0
Fair value of previously held shares	618.3
Final value as at 3 July 2023	**735.3**

The fair value of previously held shares as at the acquisition date was determined using methods adequate to the specific nature and scope of activities of individual entities belonging to the PAK-PCE Group. The fair value of entities conducting operating activities was determined using the income approach using the discounted cash flow method, while the fair value for entities not conducting operating activities or in the initial phase of development was determined using the adjusted net assets method. The result from the revaluation of previously held shares to fair value was recognized in the profit and loss account as at the acquisition date.

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 10.1% shares	(117.0)
Cash and cash equivalents received	269.5
Cash increase in the period of 12 months ended 31 December 2023	**152.5**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Final fair value valuation of net assets and goodwill as at the acquisition date

The table below presents final fair value of identified assets and liabilities of the acquired company, as at the acquisition date, and goodwill accounted for an acquisition.

Final fair value of assets and liabilities as at 3 July 2023:

	Fair value as at the acquisition date (3 July 2023)
Net assets:	
Property, plant and equipment	1,827.9
Customer relations	88.1
Other intangible assets	900.1
Right of use	89.9
Other long-term assets	117.1
Deferred tax assets	16.5
Inventories	129.1
Trade receivables and other receivables	214.3
Income tax receivables	0.8
Other current assets	64.9
Cash and cash equivalents	269.5
Credit and loan liabilities	(1,704.2)
Lease liabilities	(76.4)
Deferred tax liabilities	(211.1)
Other long-term liabilities and provisions	(87.5)
Contract liabilities	(113.4)
Trade liabilities and other short-term liabilities	(318.5)
Value of identified net assets (100%) [A]	**1,207.1**
Value of identified net assets attributable to non-controlling interests (49.5%) [B]	**597.5**
Value of identified net assets attributable to the Group (50.5%)	**609.6**
Purchase price [C]	**735.3**
Goodwill [C]-([A]-[B])	**125.7**

As part of the transaction, the previously existing connections between the Cyfrowy Polsat Capital Group and the PAK-PCE Group were settled at an estimated fair value of PLN 569.1, which corresponded to the net value of unsettled items of mutual receivables and liabilities between companies from both capital groups as at 3 July 2023, resulting mainly from loan agreements and ongoing contracts for the purchase of electricity. The fair value of contracts for the purchase of electricity was estimated using the income approach, based on discounted future cash flows from concluded contracts, calculated based on the difference between the forecast market price and the price resulting from the concluded contract. The effect of valuation of the previously existing relationship was recognized by the Group in the profit and loss account as of the acquisition date.

During the purchase price allocation process, the Group identified and valued intangible assets related to wind and photovoltaic farms (including the value of obtained permits for the construction of wind and photovoltaic farms and their connection to the grid ("Permits")) and customer relations.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The fair value of the Permits in the amount of PLN 880.2 (included in Other intangible assets) was estimated using the cost approach using the residual method and corresponds to the difference between the fair value of the farm and the value of the adjusted net assets of the farm as at the valuation date. The Management Board concluded that there is a predictable period during which the Permits will bring benefits to the Group and therefore a specific useful life was adopted. The permits are subject to depreciation over a period equal to the depreciation period of the farms for which the permits were obtained.

The fair value of customer relationships in the amount of PLN 88.1 was estimated using the income approach using the multi-period excess earnings method.

Goodwill was allocated to the "Green Energy" segment and mainly concerns the synergy effect and economies of scale that can be achieved through further development of the business.

Net revenues and loss for the period from 3 July 2023 to 31 December 2023 attributable to the PAK-PCE Group included in the consolidated profit and loss account amounted to PLN 771.6 and PLN 48.2, respectively. If the share purchase transaction took place on 1 January 2023 the pro forma revenues and profit recognized by the Group in the consolidated profit and loss account would amount to PLN 14,362.8 and PLN 284.7, respectively, for the 12-month period ended 31 December 2023.

Acquisition of shares in naEKRANIE.pl Sp. z o.o. – final settlement of the purchase of shares

On 20 July 2023 Polsat Investments Ltd. (a subsidiary of the Company) acquired 60% of shares in naEKRANIE.pl Sp. z o.o.

The remuneration for 60% of the shares amounted to PLN 11.1 (including price adjustments in accordance with the agreement).

As a result of the transaction, the Group holds 60% of shares in naEKRANIE.pl Sp. z o.o. and exercises control over the company.

FINAL CONSIDERATION TRANSFERRED

	Final value of consideration transferred
Consideration	11.1
Final value as at 20 July 2023	**11.1**

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 60% of shares	(11.1)
Cash and cash equivalents received	0.3
Cash decrease in the period of 12 months ended 31 December 2023	**(10.8)**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Final fair value valuation of net assets as at the acquisition date

The table below presents the fair value of the identified assets and liabilities of the acquired company as well as the goodwill determined as at the acquisition date.

The finally determined fair value of the acquired assets and liabilities as of 20 July 2023:

	Fair value as at the acquisition date (20 July 2023)
Net assets:	
naEKRANIE.pl brand	1.4
Other intangible assets	0.6
Trade receivables and other receivables	0.5
Cash and cash equivalents	0.3
Deferred tax liabilities	(0.3)
Trade liabilities and other short-term liabilities	(0.1)
Value of identified net assets	**2.4**
Value of identified net assets attributable to non-controlling interests	**0.9**
The value of identified net assets attributable to the Group	**1.5**
Purchase price	**11.1**
Goodwill	**9.6**

Goodwill was allocated to the "Media" segment.

Due to the completion of the fair value measurement process, the fair value of acquired and identified assets and liabilities was adjusted for the impact of the final valuation, including, among others: the naEKRANIE.pl brand was identified.

The Group did not restate depreciation or income tax in the income statement for previous periods due to the fact that this impact would be immaterial.

Revenues and net profit for the period from 20 July 2023 to 31 December 2023 attributable to naEKRANIE.pl Sp. z o.o. recognized in the consolidated profit and loss account amounted to PLN 1.7 and PLN 0.7, respectively. If the share purchase transaction took place on 1 January 2023, the pro forma revenues and profit recognized by the Group in the consolidated profit and loss account would amount to PLN 13,629.8 and PLN 313.0, respectively, for the 12-month period ended 31 December 2023.

Acquisition of shares in 4FUN Sp. z o.o. – final settlement of the purchase of shares

On 21 July 2023, Polsat Investments Ltd. (a subsidiary of the Company) acquired 60% of shares in 4FUN Sp. z o.o.

The remuneration for 60% of the shares was PLN 37.5 (including price adjustments in accordance with the agreement).

As a result of the transaction, the Group holds 60% of the shares of 4FUN Sp. z o.o. and exercises control over the company.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

FINAL CONSIDERATION TRANSFERRED

	Final value of consideration transferred
Consideration	37.5
Final value as at 21 July 2023	**37.5**

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 60% shares	(37.5)
Cash and cash equivalents received	16.5
Cash decrease in the period of 12 months ended 31 December 2023	**(21.0)**

FINAL FAIR VALUE VALUATION OF NET ASSETS AS AT THE ACQUISITION DATE

The table below presents the fair value of the identified assets and liabilities of the acquired company as well as the goodwill determined as at the acquisition date.

The finally determined fair value of the acquired assets and liabilities as of 21 July 2023:

	Fair value as at the acquisition date (21 July 2023)
Net assets:	
4FUN brand	7.1
Other intangible assets	1.7
Trade and other receivables	2.0
Income tax receivables	0.8
Cash and cash equivalents	16.5
Deferred tax liabilities	(1.7)
Trade liabilities and other short-term liabilities	(1.2)
Value of net assets	**25.2**
Value of net assets attributable to non-controlling interest	**10.2**
Value of net assets attributable to the Group	**15.0**
Consideration transferred	**37.5**
Goodwill	**22.5**

Goodwill was allocated to the "Media" segment.

Due to the completion of the fair value measurement process, the fair value of acquired and identified assets and liabilities was adjusted for the impact of the final valuation, including, among others: the 4FUN brand was identified.

The Group did not restate depreciation or income tax in the income statement for previous periods due to the fact that this impact would be immaterial.

Net revenues and loss for the period from 21 July 2023 to 31 December 2023 attributable to 4FUN Sp. z o.o. recognized in the consolidated profit and loss account amounted to PLN 10.6 and PLN 3.0, respectively. If the share purchase transaction took place on 1 January 2023, the pro forma revenues and profit recognized by the Group in the consolidated profit and loss account would amount to PLN 13,645.8 and PLN 320.2, respectively, for the 12-month period ended 31 December 2023.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Acquisition of shares of Global Continental Sp. z o.o. – provisional purchase price allocation

On 4 November 2024, PAK-Polska Czysta Energia Sp. z o.o. acquired 100% of shares in Global Continental Sp. z o.o.

The purchase price was PLN 4.1.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Cash transferred for 100% of shares	2.5
Contractual payment obligation	1.6
Provisional value as at 4 November 2024	**4.1**

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 100% of shares	(4.1)
Cash and cash equivalents received	0.0
Cash decrease in the period of 12 months ended 31 December 2024	**(4.1)**

PROVISIONAL FAIR VALUE VALUATION OF NET ASSETS AND GOODWILL AS AT THE ACQUISITION DATE

The table below presents provisional fair value of identified assets and liabilities of the acquired organized part of the enterprise, as at the acquisition date, and goodwill accounted for an acquisition.

Provisional fair value of assets and liabilities as at 4 November 2024:

	Provisional fair value as at the acquisition date (4 November 2024)
Net assets:	
Inventories	0.0
Trade receivables and other receivables	1.3
Cash and cash equivalents	0.0
Credit and loan liabilities	(1.3)
Provisional value of net assets	**0.0**
Provisional consideration transferred	**4.1**
Provisional goodwill	**4.1**

The provisional goodwill was allocated to the "Green Energy" segment.

Net revenues and loss for the period from 4 November 2024 to 31 December 2024 attributable to Global Continental Sp. z o.o. recognized in the consolidated profit and loss account amounted to PLN 0.0 and PLN 0.0, respectively. If the share purchase transaction took place on 1 January 2024, the pro forma revenues and profit recognized by the Group in the consolidated profit and loss account would amount to PLN 14,265.9 and PLN 777.2, respectively, for the 12-month period ended 31 December 2024.

41. Financial instruments

Overview

Cyfrowy Polsat S.A. Capital Group has exposure to the following risks from its use of financial instruments:

- credit risk,
- liquidity risk,
- market risk:
    - currency risk,
    - interest rate risk.

The Group's risk management policies are designed to reduce the impact of any adverse conditions on the Group's results.

The Management Board has overall responsibility for the oversight and management of the risks that the Group is subjected to in its activities. Therefore, the Management Board has established an overall risk management framework as well as specific risk management policies with respect to market, credit and liquidity risks.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are also included throughout these consolidated financial statements.

Bank loans, bonds, cash, forwards, interest rate swaps, currency interest rate swaps and short-term bank deposits are the main financial instruments used by the Group, with the intention of securing the financing for the Group's activities. The Group also holds other financial instruments including trade receivables and payables, payables relating to purchases of programming rights and payables relating to purchases of tangible and intangible assets which arise in the course of its business activities.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

FINANCIAL ASSETS	Carrying amount	
	31 December 2024	31 December 2023
Financial assets measured at amortized cost	**6,511.4**	**7,196.6**
Loans granted	25.0	127.1
Trade and other receivables from related parties	16.7	13.4
Trade and other receivables from third parties	3,782.6	3,729.2
Cash and cash equivalents	2,653.0	3,307.2
Restricted cash	34.1	19.7
Financial assets measured at fair value through profit or loss	**819.8**	**630.3**
Investments in equity instruments	808.6	614.4
Other assets	11.2	15.9
Financial assets measured at fair value through other comprehensive income	**5.5**	**1.5**
Investments in equity instruments	5.5	1.5
Hedging derivative instruments	**2.3**	**4.3**
Interest rate swaps	2.3	4.3
Derivative instruments not designated as hedging instruments	**78.3**	**52.5**
Interest rate swaps	46.9	24.0
Financial PPA	31.4	28.5

FINANCIAL LIABILITIES	Carrying amount	
	31 December 2024	31 December 2023
Financial liabilities measured at amortized cost	**18,077.9**	**18,704.8**
Loans and borrowings	10,457.8	10,604.0
Issued bonds	4,037.7	4,349.1
Lease liabilities	684.7	610.8
Trade and other payables to third parties and deposits	1,481.0	1,707.8
Trade and other payables to related parties	26.3	219.4
Accruals	1,390.4	1,213.7
Hedging derivative instruments	**9.3**	**11.9**
Interest rate swaps	3.8	5.7
Currency interest rate swaps	5.4	5.8
Forward transactions	0.1	0.4
Derivative instruments not designated as hedging instruments	**9.7**	**32.3**
Interest rate swaps	4.0	26.3
Currency interest rate swaps	5.5	5.9
Forward transactions	0.2	0.1
Put option	**44.9**	**39.5**

Credit risk

Credit risk is defined as the risk that counterparties of the Group will not be able to meet their contractual obligations, resulting in a financial loss to the other party. Exposure to credit risk is related to three main areas:

- the creditworthiness of the customers with whom physical sale transactions are undertaken,
- the creditworthiness of the financial institutions (banks/brokers) with whom hedging transactions are undertaken,
- the creditworthiness of the entities in which investments are made, or whose securities are purchased.

The Group's exposure to credit risk is associated primarily with trade receivables and contract assets. The Parent's customer base includes a large number of individual subscribers who are dispersed geographically over the entire country, and who are required to prepay their subscription fees. Receivables from Parent's sales network are covered with commission liabilities or deposits. Receivables from subscribers are continuously monitored and recovery actions are taken, including blocking the signal transferred to subscribers or termination of services to mobile and Internet subscribers. Telewizja Polsat and its subsidiaries provide services with deferred payment which may cause the risk of delays. Assessment of the creditworthiness of the counterparties is regularly carried out and in principle the company does not require security in relation to the financial assets. Polkomtel's customer base is dispersed geographically over the entire country. In case of key postpaid clients services are rendered following positive credit approval while in case of individual retail clients the verification process is automatized and based on IT-supported customer relationship management system and features of the billing systems. Receivables from Polkomtel's sales network are continuously monitored, sales limits and utilization limits are used.

The Group pursues a credit policy under which credit risk exposure is constantly monitored.

Due to diversification of risk in terms of the nature of individual entities, their geographical location and cooperation with highly-rated financial institutions, also taking into consideration the fair value of liabilities arising from derivative transactions, the Group is not materially exposed to credit risk as a result of derivative transactions entered into.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk as at the reporting date was as follows:

Maximum exposure to credit risk

	Carrying amount	
	31 December 2024	31 December 2023
Loans granted	25.0	127.1
Trade and other receivables from related parties	16.7	13.4
Trade and other receivables from third parties	3,782.6	3,729.2
Contract assets	342.0	349.0
Cash and cash equivalents	2,653.0	3,307.2
Restricted cash	34.1	19.7
Hedging derivative instruments	**2.3**	**4.3**
Interest rate swaps	2.3	4.3
Derivative instruments not designated as hedging instruments	**78.3**	**52.5**
Interest rate swaps	46.9	24.0
Financial PPA	31.4	28.5
Total	**6,934.0**	**7,602.4**

The concentration of credit risk for trade and other receivables, loans granted and contract assets is presented in the tables below:

	Carrying amount	
	31 December 2024	31 December 2023
Receivables from subscribers	2,931.4	3,018.5
Receivables from media companies	421.8	381.0
Receivables from satellite and cable operators	21.2	39.1
Roaming and interconnect receivables	347.9	299.9
Receivables from distributors	64.2	72.2
Receivables and loans granted to related parties	29.5	40.9
Other receivables and loans granted to third parties	350.3	367.1
Total	**4,166.3**	**4,218.7**

	Carrying amount	
	31 December 2024	31 December 2023
Company A	69.1	79.8
Company B	57.1	36.4
Company C	46.3	32.5
Company D	31.5	28.2
Company E	29.3	26.7
Other	3,933.0	4,015.1
Total	**4,166.3**	**4,218.7**

Note: for each year 5 largest debtors are presented, not necessarily the same entities in both periods.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The ageing of trade and other receivables, loans granted and contract assets at the reporting date was:

	31 December 2024			31 December 2023		
	Gross	Impairment	Net	Gross	Impairment	Net
Not past due	3,402.8	48.6	3,354.2	3,507.2	49.1	3,458.1
Past due 1-30 days	319.5	10.6	308.9	314.9	12.8	302.1
Past due 31-60 days	87.8	11.4	76.4	49.5	11.6	37.9
Past due more than 60 days	237.7	152.9	84.8	235.1	163.5	71.6
Total	**4,047.8**	**223.5**	**3,824.3**	**4,106.7**	**237.0**	**3,869.7**
Contract assets	356.2	14.2	342.0	363.2	14.2	349.0
Total	**4,404.0**	**237.7**	**4,166.3**	**4,469.9**	**251.2**	**4,218.7**

Liquidity risk

The Group's objective in liquidity management is to ensure that it always has sufficient funds to meet its liabilities when due. Any surplus cash is invested mainly into bank deposits.

The Group prepares, on an ongoing basis, analyses and forecasts of its cash requirements based on projected cash flows.

The following are the contractual maturities of the Group's financial liabilities, that will be settled net in the appropriate age ranges, based on the remaining period until the contractual maturity date as at the balance sheet date.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	31 December 2024						
	Carrying amount	Contractual cash flows	6 months and less	6-12 months	1-2 years	2-5 years	Over 5 years
Loans and borrowings	10,457.8	13,414.5	743.1	730.6	1,571.5	9,200.4	1,168.9
Issued bonds	4,037.7	5,939.4	189.4	186.4	375.8	1,128.4	4,059.4
Lease liabilities	684.7	989.3	115.4	106.2	165.3	248.0	354.4
Trade and other payables to third parties and deposits	1,481.0	1,481.0	1,481.0	-	-	-	-
Trade and other payables to related parties	26.3	26.3	26.3	-	-	-	-
Accruals	1,390.4	1,390.4	1,390.4	-	-	-	-
Hedging derivative instruments:							
IRS[1]	3.8	4.1	0.9	-	1.9	1.3	-
CIRS	5.4						
- inflows		(8.9)	(2.6)	(2.1)	(3.7)	(0.5)	-
- outflows		15.1	3.8	3.9	6.6	0.8	-
Forward transactions	0.1						
- inflows		(11.1)	(11.1)	-	-	-	-
- outflows		11.3	11.3	-	-	-	-
Derivative instruments not designated as hedging instruments:							
IRS[1]	4.0	4.3	1.6	-	0.6	2.1	-
CIRS	5.5						
- inflows		(9.0)	(2.6)	(2.1)	(3.7)	(0.6)	-
- outflows		15.4	3.9	3.9	6.7	0.9	-
Forward transactions	0.2						
- inflows		(17.3)	(17.3)	-	-	-	-
- outflows		17.5	17.5	-	-	-	-
	18,096.9	**23,262.3**	**3,951.0**	**1,026.8**	**2,121.0**	**10,580.8**	**5,582.7**

[1] According to the agreements cash flows will be in net amount.

Undiscounted future cash flows related to lease agreements for an indefinite period equal PLN 165.6 as at 31 December 2024.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	31 December 2023						
	Carrying amount	Contractual cash flows	6 months and less	6-12 months	1-2 years	2-5 years	Over 5 years
Loans and borrowings	10,604.0	11,681.5	148.6	513.3	1,297.0	8,331.5	1,391.1
Issued bonds	4,349.1	6,817.0	193.9	210.0	421.0	1,524.3	4,467.8
Lease liabilities	610.8	819.2	102.5	94.9	164.6	197.9	259.3
Trade and other payables to third parties and deposits	1,707.8	1,707.8	1,707.8	-	-	-	-
Trade and other payables to related parties	219.4	219.4	219.4	-	-	-	-
Accruals	1,213.7	1,213.7	1,213.7	-	-	-	-
Hedging derivative instruments:							
IRS[1]	5.7	5.9	1.0	2.8	2.1	-	-
CIRS	5.8						
- inflows		(14.9)	(3.1)	(3.1)	(4.5)	(4.2)	-
- outflows		22.1	3.0	3.9	7.7	7.5	-
Forward transactions	0.4						
- inflows		(16.3)	(16.3)	-	-	-	-
- outflows		16.7	16.7	-	-	-	-
Derivative instruments not designated as hedging instruments:							
IRS[1]	26.3	29.3	4.6	6.2	9.7	8.8	-
CIRS	5.9						
- inflows		(15.1)	(3.1)	(3.2)	(4.5)	(4.3)	-
- outflows		22.4	3.0	4.0	7.8	7.6	-
Forward transactions	0.1						
- inflows		(6.1)	(6.1)	-	-	-	-
- outflows		6.3	6.3	-	-	-	-
	18,749.0	**22,508.9**	**3,591.9**	**828.8**	**1,900.9**	**10,069.1**	**6,118.2**

[1] According to the agreements cash flows will be in net amount.

Undiscounted future cash flows related to lease agreements for an indefinite period equal PLN 162.0 as at 31 December 2023.

Market risk

The Group has an active approach to managing its market risk exposure. The objectives of market risk management are:

- to limit fluctuations in profit/loss before tax,
- to increase the probability of meeting budget assumptions,
- to maintain the healthy financial condition and
- to support the process of undertaking strategic decisions relating to investing activity, with attention to sources of capital for this activity.

All the market risk management objectives should be considered as a whole, while their realisation is dependent primarily upon the internal situation and market conditions.

The Group applies an integrated approach to market risk management. This means a comprehensive approach to the whole spectrum of identified market risks, rather than to each of them individually. The primary technique for market risk management is the use in the Group of hedging strategies involving derivatives. Apart from this, natural hedging is also used to the extent available.

All of the potential hedging strategies and the selection of those preferred reflect the following factors: the nature of identified market risk exposures of the Group, the suitability of instruments to be applied and the cost of hedging, current and forecasted market conditions. In order to mitigate market risk, derivatives are primarily used. The Group transacts only those derivatives for which it has the ability to assess their value internally, using standard pricing models appropriate for a particular type of derivative, and also these which can be traded without significant loss of value with a counterparty other than the one with whom the transaction was initially entered into. In evaluating the market value of a given instrument, the Group relies on information obtained from particular market leading banks, brokers and information services.

It is permitted to use the following types of instruments:

- Swaps (IRS/CIRS),
- Forwards and futures,
- Options.

Currency risk

One of the main risks that the Group is exposed to is currency risk resulting from fluctuations in exchange rate of the Polish zloty against other currencies. Revenues generated by the Group are denominated primarily in the Polish zloty, while a portion of operating costs and capital expenditures are incurred in foreign currencies. The Parent's currency risk is associated mainly to royalties to TV broadcasters (USD and EUR), transponder capacity agreements (EUR), fees for conditional access system (EUR and USD) and purchases of reception equipment and accessories for reception equipment (USD and EUR). After the purchase of Telewizja Polsat Sp. z o.o. currency risk exposure is also associated to purchases of foreign programming licenses (EUR and USD). After the purchase of Metelem Holding Company Ltd. currency risk exposure is also associated to agreements with suppliers of stock, mainly mobile phones, and suppliers of telecommunication network equipment (EUR and USD), roaming and interconnect agreements and rental of office space (various currencies).

In respect of license fees and transponder capacity agreements, the Group partly reduces its currency risk exposure by means of an economic hedge as it denominates receivables from signal broadcast and marketing services in foreign currencies.

The Group does not hold any assets held for trading denominated in foreign currencies.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The Group's exposure to foreign currency was as follows based on currency amounts:

	31 December 2024		
	EUR	USD	XDR
Trade receivables	11.9	3.5	0.3
Cash and cash equivalents	175.1	3.2	-
Loans and borrowings	(506.0)	-	-
Lease liabilities	(36.4)	(0.1)	-
Trade payables	(61.6)	(17.4)	(2.4)
Accruals	(5.1)	(3.9)	(6.6)
Gross balance sheet exposure	**(422.1)**	**(14.7)**	**(8.7)**
Forward transactions	6.7	-	-
CIRS	2.8	-	-
Net exposure	**(412.6)**	**(14.7)**	**(8.7)**

	31 December 2023		
	EUR	USD	XDR
Loans granted	22.0	-	-
Trade receivables	33.0	3.8	0.3
Cash and cash equivalents	254.1	2.3	-
Loans and borrowings	(506.0)	-	-
Lease liabilities	(35.8)	(0.5)	-
Trade payables	(65.0)	(21.2)	(0.5)
Accruals	(19.2)	(3.8)	(5.1)
Gross balance sheet exposure	**(316.9)**	**(19.4)**	**(5.3)**
Forward transactions	5.2	-	-
CIRS	3.8	-	-
Net exposure	**(307.9)**	**(19.4)**	**(5.3)**

The following foreign exchange rates were applied in the presented periods:

	Average rate		Rates at the reporting date	
(in PLN)	2024	2023	31 December 2024	31 December 2023
1 EUR	4.3064	4.5430	4.2730	4.3480
1 USD	3.9812	4.2021	4.1012	3.9350
1 CHF	4.5226	4.6760	4.5371	4.6828
1 XDR	5.2834	5.6055	5.3618	5.2938

For the purposes of the exchange rate sensitivity analysis as at 31 December 2024 and 31 December 2023, exchange rate volatility in the +/- 5% range was assumed as probable. This analysis assumes that all other variables, in particular interest rates, remain constant.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	2024					2023				
	As at 31 December 2024		Estimated change in exchange rate	Estimated change in profit	Estimated change in other comprehensive income	As at 31 December 2023		Estimated change in exchange rate	Estimated change in profit	Estimated change in other comprehensive income
	in currency	in PLN	in %	in PLN	in PLN	in currency	in PLN	in %	in PLN	in PLN
Loans granted										
EUR	-	-	5%	-	-	22.0	95.7	5%	4.7	-
Trade receivables										
EUR	11.9	51.0	5%	2.4	-	33.0	143.4	5%	7.3	-
USD	3.5	14.5	5%	0.6	-	3.8	15.0	5%	0.7	-
XDR	0.3	1.5	5%	0.2	-	0.3	1.6	5%	0.1	-
Cash and cash equivalents										
EUR	175.1	748.3	5%	37.3	-	254.1	1,104.8	5%	55.3	-
USD	3.2	13.3	5%	0.5	-	2.3	9.2	5%	0.3	-
CHF	-	-	5%	-	-	0.0	0.1	5%	0.0	-
Loans and borrowings										
EUR	(506.0)	(2,162.1)	5%	(108.1)	-	(506.0)	(2,200.1)	5%	(110.0)	-
Lease liabilities										
EUR	(36.4)	(155.5)	5%	(7.8)	-	(35.8)	(155.7)	5%	(7.7)	-
USD	(0.1)	(0.4)	5%	(0.0)	-	(0.5)	(2.0)	5%	(0.1)	-
Trade payables										
EUR	(61.6)	(263.2)	5%	(13.2)	-	(65.0)	(282.6)	5%	(14.2)	-
USD	(17.4)	(71.4)	5%	(3.5)	-	(21.2)	(83.3)	5%	(4.3)	-
XDR	(2.4)	(12.9)	5%	(0.6)	-	(0.5)	(2.6)	5%	(0.2)	-

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

cont.										
Accruals										
EUR	(5.1)	(21.7)	5%	(1.2)	-	(19.2)	(83.5)	5%	(4.2)	-
USD	(3.9)	(15.8)	5%	(1.0)	-	(3.8)	(15.0)	5%	(0.7)	-
XDR	(6.6)	(35.4)	5%	(1.8)	-	(5.1)	(27.0)	5%	(1.3)	-
Forwards										
EUR	6.7	28.6	5%	0.9	0.6	5.2	22.6	5%	0.3	0.8
CIRS										
EUR	2.8	12.0	5%	0.3	0.3	3.8	16.6	5%	0.4	0.4
Change in operating profit				**(95.0)**	**0.9**				**(73.6)**	**1.2**
Income tax				18.1	(0.2)				14.0	(0.2)
Change in net profit				**(76.9)**	**0.7**				**(59.6)**	**1.0**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	2024					2023				
	As at 31 December 2024		Estimated change in exchange rate	Estimated change in profit	Estimated change in other comprehensive income	As at 31 December 2023		Estimated change in exchange rate	Estimated change in profit	Estimated change in other comprehensive income
	in currency	in PLN	in %	in PLN	in PLN	in currency	in PLN	in %	in PLN	in PLN
Loans granted										
EUR	-	-	-5%	-	-	22.0	95.7	-5%	(4.7)	-
Trade receivables										
EUR	11.9	51.0	-5%	(2.4)	-	33.0	143.4	-5%	(7.3)	-
USD	3.5	14.5	-5%	(0.6)	-	3.8	15.0	-5%	(0.7)	-
XDR	0.3	1.5	-5%	(0.2)	-	0.3	1.6	-5%	(0.1)	-
Cash and cash equivalents										
EUR	175.1	748.3	-5%	(37.3)	-	254.1	1,104.8	-5%	(55.3)	-
USD	3.2	13.3	-5%	(0.5)	-	2.3	9.2	-5%	(0.3)	-
CHF	-	-	-5%	-	-	0.0	0.1	-5%	(0.0)	-
Loans and borrowings										
EUR	(506.0)	(2,162.1)	-5%	108.1	-	(506.0)	(2,200.1)	-5%	110.0	-
Lease liabilities										
EUR	(36.4)	(155.5)	-5%	7.8	-	(35.8)	(155.7)	-5%	7.7	-
USD	(0.1)	(0.4)	-5%	0.0	-	(0.5)	(2.0)	-5%	0.1	-
Trade payables										
EUR	(61.6)	(263.2)	-5%	13.2	-	(65.0)	(282.6)	-5%	14.2	-
USD	(17.4)	(71.4)	-5%	3.5	-	(21.2)	(83.3)	-5%	4.3	-
XDR	(2.4)	(12.9)	-5%	0.6	-	(0.5)	(2.6)	-5%	0.2	-

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

cont.										
Accruals										
EUR	(5.1)	(21.7)	-5%	1.2	-	(19.2)	(83.5)	-5%	4.2	-
USD	(3.9)	(15.8)	-5%	1.0	-	(3.8)	(15.0)	-5%	0.7	-
XDR	(6.6)	(35.4)	-5%	1.8	-	(5.1)	(27.0)	-5%	1.3	-
Forwards										
EUR	6.7	28.6	-5%	(0.9)	(0.6)	5.2	22.6	-5%	(0.3)	(0.8)
CIRS										
EUR	2.8	12.0	-5%	(0.3)	(0.3)	3.8	16.6	-5%	(0.4)	(0.4)
Change in operating profit				**95.0**	**(0.9)**				**73.6**	**(1.2)**
Income tax				(18.1)	0.2				(14.0)	0.2
Change in net profit				**76.9**	**(0.7)**				**59.6**	**(1.0)**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

	2024		2023	
	Estimated change in profit in PLN	Estimated change in other comprehensive income in PLN	Estimated change in profit in PLN	Estimated change in other comprehensive income in PLN
Estimated change in exchange rate by 5%				
EUR	(72.3)	0.7	(55.2)	1.0
USD	(2.8)	-	(3.3)	-
XDR	(1.8)	-	(1.1)	-
Estimated change in exchange rate by -5%				
EUR	72.3	(0.7)	55.2	(1.0)
USD	2.8	-	3.3	-
XDR	1.8	-	1.1	-

Had Polish zloty strengthened 5% against the basket of currencies as at 31 December 2024 and 31 December 2023, the Group's net profit would have decreased by PLN 76.9 and by PLN 59.6, respectively and other comprehensive income would have been PLN 0.7 higher in 2024 and would have been PLN 1.0 higher in 2023. Had the Polish zloty appreciated 5%, the Group's net profit would have increased by PLN 76.9 in 2024 and by PLN 59.6 in 2023 and other comprehensive income would have been by PLN 0.7 lower in 2024 and would have been lower by PLN 1.0 in 2023, assuming that all other variables remain constant. Estimated future revenue and costs denominated in foreign currencies are not taken into consideration.

Interest rate risk

Changes in market interest rates have no direct effect on the Group's revenues, however, they do have an effect on net cash from operating activities due to interest earned on overnight bank deposits and current accounts, and on net cash from financing activities due to interest charged on bank loans and bonds.

The Group regularly analyses its level of interest rate risk exposure, including refinancing and risk minimising scenarios. Based on these analyses, the Group estimates the effects of changes in interest rates on its profit and loss.

In order to reduce interest rate risk exposure resulting from Parent's interest payments on floating rate senior facility, the Group stipulated interest rate swaps and currency interest rate swaps for which hedge accounting was adopted (see note 33). In order to reduce interest rate risk exposure resulting from Metelem Holding Company Ltd. group (currently Polkomtel Sp. z o.o. group) interest payments on floating rate senior facilities, the Group also uses interest rate swaps and currency interest rate swaps and for them hedge accounting was not adopted.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

At the reporting date, the interest rate risk profile of interest-bearing financial instruments was:

	Carrying amount	
	31 December 2024	31 December 2023
Fixed rate instruments		
Financial assets	1,548.4	300.0
Variable rate instruments		
Financial assets*	619.3	1,308.7
Financial liabilities*	(15,420.5)	(15,730.6)
Net interest exposure	**(14,801.3)**	**(14,421.9)**

* nominal debt

The Group classifies Term Loans as variable rate instruments. Changes in the interest rate components do not result in a change in the carrying amount of the loan liability. The changes are reflected prospectively in the interest expense on loans and borrowings.

Cash flow sensitivity analysis for variable rate instruments (pre-tax effect):

	Income statement		Other comprehensive income		Equity	
	Increase by 100 bp	Decrease by 100 bp	Increase by 100 bp	Decrease by 100 bp	Increase by 100 bp	Decrease by 100 bp
31 December 2024						
Variable rate instruments*	(81.1)	81.1	17.0	(17.0)	(64.1)	64.1
Cash flow sensitivity (net)	**(81.1)**	**81.1**	**17.0**	**(17.0)**	**(64.1)**	**64.1**
31 December 2023						
Variable rate instruments*	(68.8)	68.8	14.5	(14.5)	(54.3)	54.3
Cash flow sensitivity (net)	**(68.8)**	**68.8**	**14.5**	**(14.5)**	**(54.3)**	**54.3**

* include sensitivity in fair value changes of hedging instruments (interest rate swaps and currency interest rate swaps) due to changes in interest rates

For some instruments the Group applies cash flow hedge model under IAS 39 for interest rate exposure from floating rate interest payments in PLN on senior facility hedged by interest rate swap and variable-rate interest payments in EUR backed by currency interest rate swaps transactions.

Fair value vs. carrying amount

The Group 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

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

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

			31 December 2024		31 December 2023	
	Category according to IFRS 9	The level of the fair value hierarchy	Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	25.0	25.0	127.4	127.1
Trade and other receivables	A	*	3,799.3	3,799.3	3,742.6	3,742.6
Cash and cash equivalents and short-term deposits	A	*	2,653.0	2,653.0	3,307.2	3,307.2
Restricted cash	A	*	34.1	34.1	19.7	19.7
Loans and borrowings	B	2	(10,756.3)	(10,457.8)	(11,150.1)	(10,604.0)
Issued bonds	B	1	(4,124.6)	(4,037.7)	(4,433.7)	(4,349.1)
Lease liabilities	B	2	(684.7)	(684.7)	(610.8)	(610.8)
Accruals	B	*	(1,390.4)	(1,390.4)	(1,213.7)	(1,213.7)
Trade and other payables and deposits	B	*	(1,507.3)	(1,507.3)	(2,096.3)	(2,096.3)
Total			**(11,951.9)**	**(11,566.5)**	**(12,307.7)**	**(11,677.3)**
Unrecognized loss				(385.4)		(630.4)

A – assets measured at amortized costs

B – liabilities measured at amortized costs

* 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 lease liabilities, forecasted cash flows from the reporting date to assumed dates of lease agreements termination were analyzed. The discount rate for each payment was calculated as an interest rate plus a margin regarding the Group's credit risk.

Trade and other receivables, 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 into account the time value of money, would approximately be equal to their nominal 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.

As at 31 December 2024 and 31 December 2023 loans and borrowings comprised bank loans and other loans. The discount rate for each payment was calculated as a sum of implied WIBOR or EURIBOR interest rate and a margin regarding the Group's credit risk.

The fair value of issued bonds as at 31 December 2024 and 31 December 2023 was estimated as a last purchase price at the balance sheet date according to GPW Catalyst quotations.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

As at 31 December 2024, the Group held the following financial instruments carried at fair value on the statement of financial position:

Assets measured at fair value

	31 December 2024	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		**-**	**46.9**	**31.4**
IRS		-	46.9	-
Financial PPA		-	-	31.4
Hedging derivative instruments		**-**	**2.3**	**-**
IRS		-	2.3	-
Other		**-**	**11.2**	**-**
Investments in equity instruments		**808.6**	**5.5**	**-**
Total		**808.6**	**65.9**	**31.4**

Liabilities measured at fair value

	31 December 2024	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		**-**	**(9.7)**	**-**
IRS		-	(4.0)	-
CIRS		-	(5.5)	-
Forward		-	(0.2)	-
Hedging derivative instruments		**-**	**(9.3)**	**-**
IRS		-	(3.8)	-
CIRS		-	(5.4)	-
Forward		-	(0.1)	-
Put option		**-**	**-**	**(44.9)**
Total		**-**	**(19.0)**	**(44.9)**

As at 31 December 2023, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	31 December 2023	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		**-**	**24.0**	**28.5**
IRS		-	24.0	-
Financial PPA		**-**	-	28.5
Hedging derivative instruments		**-**	**4.3**	**-**
IRS		-	4.3	-
Other		**-**	**15.9**	**-**
Investments in equity instruments		**614.4**	**1.5**	**-**
Total		**614.4**	**45.7**	**28.5**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

LIABILITIES MEASURED AT FAIR VALUE

31 December 2023	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments	**-**	**(32.3)**	**-**
IRS	-	(26.3)	-
CIRS	-	(5.9)	-
Forward	-	(0.1)	-
Hedging derivative instruments	**-**	**(11.9)**	**-**
IRS	-	(5.7)	-
CIRS	-	(5.8)	-
Forward	-	(0.4)	-
Put option	**-**	**-**	**(39.5)**
Total	**-**	**(44.2)**	**(39.5)**

The fair value of forwards, interest rate swaps and currency interest rate swaps is determined using financial instruments valuation models, based on generally published currency exchange rates, interest rates, forward rate curves and volatility curves for foreign currencies taken from active markets. 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.

The fair value of financial PPA transactions was determined using financial instrument valuation models, using industry studies of energy prices over the long term, taking into account seasonality and the production profile for a given source as well as using generally available interest rates. Fair value is determined based on the discounted future cash flows of the transactions calculated based on the difference between the market price over the contract horizon and the settlement price set in the contract (plus the inflation rate).

The fair value of put option was determined in the amount of estimated future cashflows related to the exercise of the option, as at the reporting date.

Items of income, costs, profit and losses recognized in profit or loss generated by loans and borrowings and issued bonds (including hedging transactions)

For the period from 1 January 2024 to 31 December 2024	Loans and borrowings	Bonds	Hedging instruments	Derivative instruments not designated as hedging instruments	Total
Interest expense on loans and borrowings	(682.5)	-	5.5	64.5	(612.5)
Interest expense on bonds	-	(377.5)	-	-	(377.5)
Exchange rate differences	38.0	-	-	-	38.0
Total finance costs	(644.5)	(377.5)	5.5	64.5	(952.0)
Total gross profit/(loss)	**(644.5)**	**(377.5)**	**5.5**	**64.5**	**(952.0)**
Hedge valuation reserve	**-**	**-**	**(0.2)**	**-**	**(0.2)**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

For the period from 1 January 2023 to 31 December 2023	Loans and borrowings	Bonds	Hedging instruments	Derivative instruments not designated as hedging instruments	Total
Interest expense on loans and borrowings	(816.8)	-	14.4	(28.5)	(830.9)
Interest expense on bonds	-	(326.7)	-	-	(326.7)
Exchange rate differences	82.1	-	-	-	82.1
Total finance costs	(734.7)	(326.7)	14.4	(28.5)	(1,075.5)
Total gross profit/(loss)	**(734.7)**	**(326.7)**	**14.4**	**(28.5)**	**(1,075.5)**
Hedge valuation reserve	**-**	**-**	**(28.8)**	**-**	**(28.8)**

Hedge accounting and derivatives

Cash Flow Hedge of interest rate risk of interest payments

As at 31 December 2024, the Group held a number of interest rate swaps not designated as hedges in order to reduce the risk of floating interest payments on senior facilities denominated in PLN. Hedge accounting has not been implemented for the interest rate swaps.

The table below presents the basic parameters of IRS not designated as hedging instruments, including the periods in which cash flows occur, periods they will affect the financial results and their fair value in PLN as at the balance sheet date.

	31 December 2024	31 December 2023
Type of instrument	Interest rate swap	Interest rate swap
Exposure	Floating rate interest payments in PLN	Floating rate interest payments in PLN
Hedged risk	Interest rate risk	Interest rate risk
Notional value of hedging instrument	3,058.8	3,822.7
Fair value of hedging instruments	42.9	(2.3)
Hedge accounting approach	Hedge accounting not adopted	Hedge accounting not adopted
Expected period the hedge item affect income statement	Until 31 December 2030	Until 31 December 2030

As at 31 December 2024, the Group held a number of interest rate swaps designated as hedges of floating interest payments on senior facility denominated in PLN. Hedge accounting has been implemented for the interest rate swaps.

The terms of the interest rate swaps have been negotiated to match the terms of the floating rate financing in PLN. The hedge ineffectiveness identified during the reporting period was recognized in the income statement.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below presents the basic parameters of IRS designated as hedging instruments, including the periods in which cash flows occur due to cash flow hedges, periods they will affect the financial results and fair value in PLN of hedging instruments as at the balance sheet date.

	31 December 2024	31 December 2023
Type of instrument	Interest rate swap	Interest rate swap
Exposure	Floating rate interest payments in PLN	Floating rate interest payments in PLN
Hedged risk	Interest rate risk	Interest rate risk
Notional value of hedging instrument	875.0	750.0
Fair value of hedging instruments	(1.5)	(1.4)
Hedge accounting approach	Cash Flow Hedge	Cash Flow Hedge
Expected period the hedge item affect income statement	Until 30 June 2027	Until 30 June 2025

Cash Flow Hedge of interest rate and currency risk of interest payments

As at 31 December 2024, the Group held a number of currency interest rate swaps designated as hedges of floating interest payments on senior facility denominated in EUR. Hedge accounting has not been implemented for the currency interest rate swaps.

The table below presents the basic parameters of CIRS designated as non-hedging instruments, including the periods in which cash flows occur due to cash flow hedges, periods they will affect the financial results and fair value of hedging instruments as at the balance sheet date.

	31 December 2024	31 December 2023
Type of instrument	Currency interest rate swap	Currency interest rate swap
Exposure	Floating rate interest payments in EUR	Floating rate interest payments in EUR
Hedged risk	Interest rate and currency risk	Interest rate and currency risk
Notional value of hedging instrument	50.0	50.0
Fair value of hedging instruments	(5.5)	(5.9)
Hedge accounting approach	Hedge accounting not adopted	Hedge accounting not adopted
Expected period the hedge item affect income statement	Until 31 March 2027	Until 31 March 2027

As at 31 December 2024, the Group held a number of currency interest rate swaps designated as hedges of floating interest payments on senior facility denominated in EUR. Hedge accounting has been implemented for the currency interest rate swaps.

The terms of the currency interest rate swaps (including schedule) have been negotiated to match the terms of the floating rate financing in EUR. The hedge ineffectiveness identified during the reporting period was recognized in the income statement.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below presents the basic parameters of CIRS designated as hedging instruments, including the periods in which cash flows occur due to cash flow hedges, periods they will affect the financial results and fair value of hedging instruments as at the balance sheet date.

	31 December 2024	31 December 2023
Type of instrument	Currency interest rate swap	Currency interest rate swap
Exposure	Floating rate interest payments in EUR	Floating rate interest payments in EUR
Hedged risk	Interest rate and currency risk	Interest rate and currency risk
Notional value of hedging instrument	50.0	50.0
Fair value of hedging instruments	(5.4)	(5.8)
Hedge accounting approach	Cash Flow Hedge	Cash Flow Hedge
Expected period the hedge item affect income statement	Until 31 March 2027	Until 31 March 2027

Cash Flow Hedge of currency risk of interest payments

As at 31 December 2024, the Group held a number of forwards designated as hedges of interest payments on senior facility denominated in EUR. Hedge accounting has not been implemented for the currency interest rate swaps.

The table below presents the basic parameters of forwards not designated as hedging instruments, including the periods in which cash flows occur, periods they will affect the financial results and their fair value as at the balance sheet date.

	31 December 2024	31 December 2023
Type of instrument	Forward	Forward
Exposure	Interest payments in EUR	Interest payments in EUR
Hedged risk	Currency risk	Currency risk
Notional value of hedging instrument	1.0	1.4
Fair value of hedging instruments	(0.1)	(0.1)
Hedge accounting approach	Hedge accounting not adopted	Hedge accounting not adopted
Expected period the hedge item affect income statement	Until 30 April 2025	Until 31 May 2024

As at 31 December 2024, the Group held a number of forwards designated as hedges of interest payments on senior facility denominated in EUR. Hedge accounting has been implemented for the forwards.

The terms of the forwards have been negotiated to match the terms of the floating rate financing in EUR. The ineffectiveness of forward contracts during the reporting period was not identified and recognized in the income statement.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below presents the basic parameters of forwards designated as hedging instruments, including the periods in which cash flows occur due to cash flow hedges, periods they will affect the financial results and fair value in EUR of hedging instruments as at the balance sheet date.

	31 December 2024	31 December 2023
Type of instrument	Forward	Forward
Exposure	Interest payments in EUR	Interest payments in EUR
Hedged risk	Currency risk	Currency risk
Notional value of hedging instrument	2.6	3.7
Fair value of hedging instruments	(0.1)	(0.4)
Hedge accounting approach	Cash Flow Hedge	Cash Flow Hedge
Expected period the hedge item affect income statement	Until 30 May 2025	Until 31 May 2024

Change in fair value of cash flow hedges is presented below (pre-tax):

	2024	2023
Opening Balance	**(7.6)**	**22.4**
Effective part of gains or losses on the hedging instrument recognized in equity	7.1	(16.8)
Amounts recognized in equity transferred to the profit and loss statement, of which:	(6.6)	(13.2)
• adjustment of interest costs	(5.5)	(14.4)
• recognition of inefficiencies	(1.1)	1.2
Closing Balance	**(7.1)**	**(7.6)**

Derivatives relating to electricity sales prices

As at 31 December 2024 the Group held a financial PPA to hedge the proceeds from electricity sales transactions based on current market prices. Under the financial PPA, the Group receives/pays the difference between the agreed fixed price and current market energy prices. No hedge accounting was implemented for these instruments.

The table below presents the basic parameters of financial PPA agreements not designated as hedging instruments, including the periods in which cash flows occurred, periods they affected the financial results and their fair value in PLN as at the balance sheet date.

	31 December 2024	31 December 2023
Type of instrument	Financial PPA	Financial PPA
Exposure	Proceeds from electricity sales based on current market prices	Proceeds from electricity sales based on current market prices
Hedged risk	Energy price risk	Energy price risk
Fair value of hedging instruments	31.4	28.5
Hedge accounting approach	Hedge accounting not adopted	Hedge accounting not adopted
Expected period the hedge item affect income statement	Until November 2034	Until September 2034

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Derivatives relating to currency risk of operational payments

As at 31 December 2024, the Group had financial instruments: forwards to secure operational payments in EUR. Hedge accounting has not been implemented for these instruments.

The table below presents the basic parameters of forwards classified as non-hedging instruments, including: periods in which cash flows from the instruments occurred and in which these instruments affected the profit and loss account, as well as the fair value of the instruments as at the balance sheet date.

	31 December 2024	31 December 2023
Type of instrument	Currency forward contract	-
Exposure	Operational payments in EUR	-
Hedged risk	Exchange rate risk	-
Nominal value of hedging instruments (EUR)	8.0	-
Fair value of hedging instruments	(0.1)	-
Hedge accounting approach	Hedge accounting not adopted	-
Expected period the hedge item affect income statement	Until 28 February 2025	-

42. Capital management

This note presents information about the Group's management of capital. Further quantitative disclosures are also included throughout these financial statements.

The goal of capital management is to maintain the Group's ability to operate as a going concern in order to provide the shareholders return on investment as well as benefits for other stakeholders. The Group might issue shares, increase debt or sell assets in order to maintain or improve the equity structure.

The Group monitors capital on the basis of leverage ratio, which is calculated as a ratio of net debt to sum of equity and net debt. Net debt represents interest-bearing loans and borrowings and issued bonds less cash and cash equivalents (including restricted cash).

	Carrying amount	
	31 December 2024	31 December 2023
Loans and borrowings	10,457.8	10,604.0
Issued bonds	4,037.7	4,349.1
Cash and cash equivalents and restricted cash	(2,687.1)	(3,325.7)
Net debt	**11,808.4**	**11,627.4**
Equity	17,069.3	16,305.2
Equity and net debt	**28,877.7**	**27,932.6**
Leverage ratio	**0.41**	**0.42**

43. Operating segments

The Group operates in the following four segments:

- B2C and B2B services segment which relates to the provision of services to the general public, including digital television transmission signal, mobile services, the Internet access services, the mobile TV services, the online TV services, set-top boxes production and assembly of photovoltaic installations,
- Media segment,
- Real Estate segment,
- Green energy segment (starting from 3 July 2023).

The Group conducts its operating activities primarily in Poland.

The activities of the Group are grouped into segment with distinguishable scope of operations where services are rendered and merchandise delivered in a specific economic environment. Activities of defined segments are characterized by different risk levels and different investment returns from those of the Group's other segments. The operating segments also represent reportable segments of the Group.

B2C and B2B services segment includes:

- digital pay television services which primarily relate to direct distribution of technologically advanced pay-TV services and revenues are generated mainly by pay-TV subscription fees,
- mobile telecommunication services (postpaid and mix) which generate revenues mainly from interconnect revenues, traffic revenues and subscription fees,
- mobile telecommunication prepaid services which generate revenues mainly from interconnect and traffic revenues,
- fixed telecommunication services, which generate revenues mainly from subscription fees, traffic and interconnect revenues,
- providing access to broadband Internet in mobile and fixed-line technologies which generates revenues mainly from traffic and subscription fees,
- telecommunication wholesale services, including international and domestic roaming as well as telecommunication infrastructure sharing services,
- lease of optical fibers and infrastructure,
- online TV services (Polsat Box Go) available on computers, smartphones, tablets, SmartTV, game consoles and other TV equipment which generate revenues mainly from subscription fees and advertising on the Internet,
- Premium Rate services based on SMS/IVR/MMS/WAP technology and subscription fees,
- production of set-top boxes,
- sale of telecommunication equipment,
- sale of photovoltaic installations.

Media segment consists mainly of production, acquisition and broadcasting of information and entertainment programs as well as TV series and feature films broadcasted on television, radio and Internet channels in Poland. The revenues generated by the media segment relate mainly to advertising and sponsorship revenues as well as revenues from cable and satellite operators.

Real Estate segment consists mainly of implementation of construction projects as well as sale, rental and management of own or leased real estate.

Green energy segment consists mainly of:

- production and sale of electricity from renewable sources especially from solar and wind,
- construction of a complete hydrogen-based value chain, including hydrogen stations, hydrogen-powered buses and sale of hydrogen,
- investments in renewable energy sources projects such as photovoltaic and wind farms.

Management evaluates the operating segments' results based on EBITDA. The EBITDA reflects the Group's ability to generate cash in a stable environment. The Group defines EBITDA as profit from operating activities increased by depreciation, amortization, impairment and liquidation (including depreciation included in the energy and buses production costs). The EBITDA is not an EU IFRS measure and thus its calculations may differ among the entities.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the year ended 31 December 2024:

The year ended 31 December 2024	B2C and B2B services	Media: TV and online	Real Estate	Green energy	Consolidation adjustments	Total
Revenues from sales to third parties	10,628.9	2,197.0	220.6	1,219.4	-	**14,265.9**
Inter-segment revenues	(52.2)	294.6	37.6	228.9	(508.9)	**-**
Revenues	**10,576.7**	**2,491.6**	**258.2**	**1,448.3**	**(508.9)**	**14,265.9**
EBITDA adjusted (unaudited)	**2,560.0**	**486.4**	**99.2**	**282.0**	**-**	**3,427.6**
Gain on disposal of a subsidiary and an associate	-	10.0	-	-	-	10.0
EBITDA (unaudited)	**2,560.0**	**496.4**	**99.2**	**282.0**	**-**	**3,437.6**
Depreciation, amortization, impairment and liquidation	1,409.7	153.8	17.9	31.7	-	**1,613.1**
Depreciation included in energy and buses production costs	-	-	-	58.3	-	**58.3**
Profit from operating activities	**1,150.3**	**342.6**	**81.3**	**192.0**	**-**	**1,766.2**
Acquisition of property, plant and equipment and other intangible assets	755.9	78.0	24.7	925.6	-	**1,784.2**
Acquisition of reception equipment	141.1	-	-	-	-	**141.1**
Balance as at 31 December 2024						
Assets, including:	26,329.0	4,133.7	1,437.7	5,803.3	(235.7)	**37,468.0**
Investments in joint venture and shares in associates	-	-	-	-	-	**-**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

All material revenues are generated in Poland.

It should be noted that the data for 12 months ended 31 December 2024 allocated to the “B2C and B2B services” segment, “Media” segment, “Real Estate” segment and “Green energy” segment are not comparable to the data for 12 months ended 31 December 2023 due to changes in the Group’s structure described in notes 5, 40, and 49.

The table below presents a summary of the Group’s revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the year ended 31 December 2023:

The year ended 31 December 2023	B2C and B2B services	Media: TV and online	Real Estate	Green energy	Consolidation adjustments	Total
Revenues from sales to third parties	10,646.6	2,206.2	133.6	639.9	-	**13,626.3**
Inter-segment revenues	65.6	263.8	48.6	131.7	(509.7)	**-**
Revenues	**10,712.2**	**2,470.0**	**182.2**	771.6	**(509.7)**	13,626.3
EBITDA adjusted (unaudited)	**2,493.1**	**472.0**	**27.0**	**24.5**	**(5.1)**	**3,011.5**
Gain on disposal of a subsidiary and an associate	219.7	-	-	-	-	219.7
EBITDA (unaudited)	**2,712.8**	**472.0**	**27.0**	**24.5**	**(5.1)**	**3,231.2**
Depreciation, amortization, impairment and liquidation	1,713.2	155.3	22.5	9.4	-	**1,900.4**
Depreciation included in energy and buses production costs	-	-	-	19.2	-	**19.2**
Profit/(loss) from operating activities	**999.6**	**316.7**	**4.5**	**(4.1)**	**(5.1)**	**1,311.6**
Acquisition of property, plant and equipment and other intangible assets	792.7	74.0	24.6	710.6	-	**1,601.9**
Acquisition of reception equipment	145.8	-	-	-	-	**145.8**
Balance as at 31 December 2023						
Assets, including:	26,461.4	6,520.1*	1,471.2	4,603.0	(1,879.0)	**37,176.7**
Investments in joint venture and shares in associates	-	-	10.1	-	-	**10.1**

* Includes non-current assets located outside of Poland in the amount of PLN 5.7

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Reconciliation of EBITDA and Net profit for the period:

	for the year ended	
	31 December 2024	31 December 2023
EBITDA adjusted (unaudited)	**3,427.6**	**3,011.5**
Gain on disposal of a subsidiary and an associate	10.0	219.7
EBITDA (unaudited)	**3,437.6**	**3,231.2**
Depreciation, amortization, impairment and liquidation (note 10)	(1,613.1)	(1,900.4)
Depreciation included within energy and bus production costs (note 10)	(58.3)	(19.2)
Profit from operating activities	**1,766.2**	**1,311.6**
Other foreign exchange rate differences, net (note 11 and 12)	25.9	62.5
Interest costs, net (note 11 and 12)	(905.7)	(1,099.9)
Share of the profit/(loss) of associates accounted for using the equity method	(0.7)	29.7
Cumulative catch-up (note 11)	2.5	20.8
Valuation of PAK-PCE shares held	-	151.3
Valuation of existing relationships in connection with the acquisition of PAK-PCE	-	(83.9)
Change in value of Asseco Poland S.A. shares	194.2	0.8
Other	(2.9)	28.9
Gross profit for the period	**1,079.5**	**421.8**
Income tax	(302.2)	(110.2)
Net profit for the period	**777.3**	**311.6**

44. Barter transactions

The Group is a party to barter transactions. The table below presents revenues and costs of barter transactions executed on an arm's-length basis. Revenue comprise revenue from services, products, goods and materials sold, costs comprise selling expenses.

	for the year ended	
	31 December 2024	31 December 2023
Revenues from barter transactions	59.8	53.0
Cost of barter transactions	60.8	53.0

	31 December 2024	31 December 2023
Barter receivables	11.2	15.5
Barter payables	1.4	11.9

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

45. Transactions with related parties

Receivables

	31 December 2024	31 December 2023
Joint ventures and associates	4.0	0.2
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	12.7	13.2
Total*	**16.7**	**13.4**

* amounts presented above do not include deposits paid (31 December 2024 – PLN 3.5, 31 December 2023 – PLN 3.4)

Receivables due from related parties have not been pledged as security.

Other assets

	31 December 2024	31 December 2023
Joint ventures and associates	-	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.	5.9	-
Total	**5.9**	**0.3**

Liabilities

	31 December 2024	31 December 2023
Joint ventures and associates	-	10.6
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	214.0	209.6
Total	**214.0**	**220.2**

As at 31 December 2024, liabilities mainly include liabilities related to the purchase of software and IT services.

As at 31 December 2023, liabilities included mainly liabilities related to the purchase of shares by Cyfrowy Polsat, liabilities due to lease of space and services related to the construction of wind farms.

Loans granted

	31 December 2024	31 December 2023
Associates	-	15.0
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.	12.8	12.5
Total	**12.8**	**27.5**

Loans granted as at 31 December 2024 include mainly loans to Dystrybucja Mówi Serwis Sp. z o.o. Sp.k.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Loans received

	31 December 2024	31 December 2023
Associates	-	11.3
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.	232.6	6.6
Total	**232.6**	**17.9**

Loans received as at 31 December 2024 mainly include loans from IB Towarzystwo Funduszy Inwestycyjnych S.A. and ZE PAK S.A.

Revenues

	for the year ended	
	31 December 2024	31 December 2023
Subsidiaries*	-	9.9
Joint ventures and associates	0.1	6.6
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	79.4	226.6
Total	**79.5**	**243.1**

* Applies to transactions with subsidiaries concluded before taking over control.

In the period of 12 months ended 31 December 2024 the most significant transactions include IT and telemarketing shared services.

In the period of 12 months ended 31 December 2023 the most significant transactions include income from the sale of real estate and the sale of shares by Polkomtel Sp. z o.o.

Expenses and purchases of programming assets

	for the year ended	
	31 December 2024	31 December 2023
Subsidiaries*	-	137.9
Joint ventures and associates	-	15.4
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.	505.7	160.6
Total	**505.7**	**313.9**

* Applies to transactions with subsidiaries concluded before taking over control.

In the period of 12 months ended 31 December 2024 and 12 months ended 31 December 2023 the most significant transactions include *inter alia* cost of electrical energy, property rental and advertising services.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Finance income

	for the year ended	
	31 December 2024	31 December 2023 *(restated data)*
Subsidiaries*	-	27.1
Joint ventures and associates	1.3	1.5
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.	34.5	8.5
Total	**35.8**	**37.1**

* Applies to transactions with subsidiaries concluded before taking over control.

Finance costs

	for the year ended	
	31 December 2024	31 December 2023 *(restated data)*
Joint ventures and associates	2.4	7.0
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.	5.4	1.1
Total	**7.8**	**8.1**

46. Contingent liabilities

Management believes that the provisions as at 31 December 2024 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Group's financial situation.

Proceedings before the Office of Competition and Consumer Protection („UOKiK")

On 24 February 2011 the President of UOKiK imposed penalty on Polkomtel (Company's subsidiary) in the amount of PLN 130.7 for the alleged lack of cooperation during an inspection carried out by UOKiK in Polkomtel. Polkomtel appealed against the decision of the President of UOKiK to the Consumer and Competition Protection Court ("SOKiK"). According to management, during the inspection the company had fully and at all times cooperated with UOKiK within the scope provided by the law. On 18 June 2014 the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 4.0 (i.e. EUR 1.0). On 20 October 2015 SOKiK's verdict has been revoked and the case has been transferred for re-examination. On 28 April 2017 the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 1.3. Polkomtel and President of UOKiK appealed against the verdict. On 3 April 2020 both Polkomtel's and the President's of UOKiK appeals have been dismissed. The Court of Appeal upheld the SOKiK's decision. On 20 April 2020 Polkomtel made a payment in the amount of PLN 1.3. Polkomtel and the President of UOKiK filed cassation appeals against the Court of Appeal's verdict. On 28 September 2022 the cassation appeal of the President of the UOKiK was dismissed, the appeal of Polkomtel was accepted in the scope dismissing the plaintiff's appeal, and the appealed judgment of the Court of Appeal in Warsaw dated 3 April 2020 was revoked and referred - in accordance with the Polkomtel's cassation appeal - to be reconsidered. On 29 March 2023, the Court of Appeal issued a judgment, whereby the Court agreed with the company's position that the fine was imposed in euros and then incorrectly converted into PLN. As a result the Court changed the appealed judgment of the first instance, reducing the penalty to PLN 1.2.

On 30 December 2014 the President of UOKiK issued a decision ending investigations related to Polkomtel's (Company's subsidiary) alleged practices which infringed upon the collective interests of consumers by not providing its telecommunication clients (which entered into a written agreement) with terms and conditions of the preferential sales offer as well as not informing about the termination of the preferential sales offer. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 6.0. The company appealed to SOKiK against the decision. On 5 March 2018, SOKiK issued a decision where the penalty has been annulled and dismissed the appeal in remaining scope. Both parties appealed to the Court of Appeal in Warsaw. The Court of Appeal annulled in full the verdict of the first instance court and returned the case back to the first instance court. On 1 April 2021 SOKiK dismissed Polkomtel's appeal. On 24 January 2022 Polkomtel's appeal was dismissed. On 7 February 2022 Polkomtel paid the penalty in the amount of PLN 6.0. Polkomtel filed a cassation appeal against the judgment of the Court of Appeal. On 18 December 2024, the Supreme Court refused to accept the cassation appeal.

On 29 April 2019 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by charging for activating the services to consumers, despite not obtaining an explicit approval of the additional payment associated with these services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 39.5. Polkomtel appealed to SOKiK against the decision. On 26 May 2021 SOKiK dismissed Polkomtel's appeal. Polkomtel appealed against the SOKiK judgment. On 8 November 2022, the Court of Appeal dismissed the appeal. On 22 November 2022, Polkomtel paid a penalty of PLN 39.5. Polkomtel filed a cassation complaint. Complaint was accepted for consideration by the Supreme Court. On 8 August 2024, the Supreme Court refused to accept the cassation appeal.

On 19 December 2019 the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and by giving incomplete and unreliable information to consumers in response to claims regarding unavailability of the above programs. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 34.9. The company appealed against this decision to SOKiK. On 14 February 2022 First Instance Court dismissed the Company's appeal in its entirety. The Company submit a cassation appeal to the Court of Appeal in Warsaw. The appeal hearing took place on 21 October 2022. On 21 November 2022, the Court of Appeal in Warsaw repealed the appealed judgment in its entirety and referred the case to the Regional Court in Warsaw for examination and resolution. On 24 July 2023 Company's appeal was again dismissed. On 6 September 2023 the Company filed an appeal against the judgment. At the hearing on 5 June 2024, the Court of Appeal annulled part of the decision of the President of UOKiK, including that related to the fine of PLN 20.1. On 12 July 2024 Company complied with the judgment in terms of paying the fine of PLN 14.8. The company filed a cassation appeal.

On 22 January 2020 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 20.4. Polkomtel appealed to SOKiK against the decision. On 8 April 2022, SOKiK dismissed Polkomtel's appeal. On 31 May 2022 Polkomtel submitted appeal against the SOKiK verdict. On 28 March 2023 the Court of Appeal dismissed the appeal. On 11 April 2023 Polkomtel paid a penalty of PLN 20.4. After receiving written justification of the judgment of the Court of Appeal, on 30 June 2023 Polkomtel filed a cassation complaint. On 7 March 2024, Polkomtel received a decision of the Supreme Court refusing to accept the cassation appeal in this case for consideration.

By decision of 27 December 2023, the President of UOKiK recognized the actions of Telewizja Polsat Sp. z o.o. and Teleaudio Dwa Sp. z o.o Sp.k., (subsidiaries of the Company) as a practice violating the collective interests of consumers. The violations allegedly consisted in misleading SMS information sent to customers as to the rules and costs of participation in the New Year's Eve edition of the SMS competition in the content of verbal and graphic messages as part of the broadcast "New Year's Eve Power of Hits 2021 - New Year's Eve of Happiness" and as to the course of the competition and the prizes that could be won at its individual stages. As a consequence, the President of UOKiK imposed fines on both entities in the total amount of PLN 9.9. The decision is not final, each company filed an appeal to the Regional Court in Warsaw on 26 January 2024. As of the date of this report, no hearing date has been set.

Proceedings brought by Tobias Solorz

On 7 November 2024 the shareholder Tobias Solorz filed a lawsuit against the Company to establish the non-existence or, alternatively, to declare the invalidity or, alternatively, to revoke the resolutions adopted by the Extraordinary General Meeting of Cyfrowy Polsat S.A. on 8 October 2024, on the subject of: (i) changing the number of members of the Company's Supervisory Board (Resolution No. 7); (ii) dismissing Mr. Tobias Solorz from the Company's Supervisory Board (Resolution No. 9). The text of the aforementioned resolutions was published by the Company in its current report No. 19/2024 dated 8 October 2024. The Company has filed a response to the complaint on 10 January 2025 in which it requested that the complaint be dismissed in its entirety. On 29 January 2025, Tobias Solorz applied to the court to file a reply to the statement of defence. The court has not yet ruled on Tobias Solorz's application or set a date for the first hearing.

Other proceedings

In September 2015, Polkomtel (Company's subsidiary) received a claim from P4 Sp. z o.o., in which the company demands compensation of PLN 316 (including interest of PLN 85), for the alleged actions relating to the pricing of the mobile services rendered between July 2009 and March 2012. The claim assumes payment of the above amount jointly by Orange Poland S.A., Polkomtel and T-Mobile Poland S.A. On 27 December 2018 Court dismissed the entire claim. P4 Sp. z o.o. appealed against the decision. On 28 December 2020, the Court of Appeal referred the case to the District Court for reconsideration, Polkomtel appealed to the Supreme Court against this decision. On 13 November 2020, the P4 sp. z o.o. claim for payment of PLN 313, including interest of PLN 85, was delivered by the court. This lawsuit constitutes an "extension" of P4 Sp. z o.o claim dated September 2015 and concerns a further period of the acts alleged against the defendants, i.e. from April 2012 to December 2014.

Management believes that the claim is unfounded, as Polkomtel's conduct alone or with other tort entities was not wrongful, in particular relating to the pricing of retail mobile services directed to the telecommunications network of P4 Sp. z o.o. In management's opinion, there is no legal basis for the overall assessment of the alleged actions of each of the operators on the telecommunications market, which is fully a competitive market, and each of the operators has its own business and pricing strategy. The claim of P4 Sp. z o.o. indicates neither nature (premises liability) nor the amount.

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 write-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. Mediations 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, containing the mediator's position summarizing the course of the mediation, with a request to refer to its content. On 25 May 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The hearing took place on 20 October 2021. At the end of March 2022, the Company received a letter extending the previous claim by the period from 1 January 2010 to 31 December 2020, the value of the lawsuit was increased by over PLN 120.0. The court set hearing dates for 15 December 2023 and 17 April 2024. The both hearings, scheduled for 15 December 2023 and 17 April 2024 have been canceled. The court set new hearing dates for 25 November 2024 and 9 December 2024, which were also canceled.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

By lawsuit, delivered to the Company on 16 December 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information and a 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 filled for the dismissal entirely. The last hearing took place on 17 January 2024. The hearing was postponed without a date.

In addition to the matters described above, there are also other proceedings, for which provisions have been made according to the best estimates of the management board members as to potential future outflows of the economic benefits required for their settlement. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Group's Management, such disclosure could prejudice the outcome of the pending cases.

47. Remuneration of the Management Board

The table below presents the Management Board’s remuneration for management functions in the Parent Company and its subsidiaries.

Name	Function	2024	2023
Mirosław Błaszczyk	President of the Management Board	1.0	1.0
Maciej Stec	Vice-President of the Management Board	0.4	0.4
Jacek Felczykowski	Member of the Management Board	1.1	1.0
Aneta Jaskólska	Member of the Management Board	1.0	0.9
Agnieszka Odorowicz	Member of the Management Board	0.7	0.6
Katarzyna Ostap-Tomann	Member of the Management Board	1.1	1.0
Total		**5.3**	**4.9**

The amounts of bonuses payable to each member of the Management Board for 2024 and 2023 are presented below:

Name	Function	2024	2023
Mirosław Błaszczyk	President of the Management Board	3.0	2.5
Maciej Stec	Vice-President of the Management Board	1.3	1.3
Jacek Felczykowski	Member of the Management Board	1.5	1.5
Aneta Jaskólska	Member of the Management Board	2.5	1.9
Agnieszka Odorowicz	Member of the Management Board	0.8	1.0
Katarzyna Ostap-Tomann	Member of the Management Board	2.9	3.4
Total		**12.0**	**11.6**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

48. Remuneration of the Supervisory Board

The Supervisory Board receives remuneration based on the resolution of the Extraordinary General Shareholders' Meeting of Cyfrowy Polsat S.A. dated 5 September 2007. On 29 June 2016 the Annual General Meeting adopted the resolution concerning changes in remuneration of members of the Supervisory Board.

Presented below is the total remuneration payable to the Supervisory Board members of the Parent Company in 2024 and 2023:

Name	Function	2024	2023
Zygmunt Solorz	Chairman of the Supervisory Board	0.24	0.24
Justyna Kulka	Vice-Chairman of the Supervisory Board (since 20 June 2024)	0.10	-
Piotr Żak	Vice-Chairman of the Supervisory Board (until 3 July 2024)	0.09	0.18
Tobias Solorz	Vice-Chairman of the Supervisory Board (until 8 October 2024)	0.14	0.18
Marek Kapuściński	Vice-Chairman of the Supervisory Board (until 31 May 2023)	-	0.08
Józef Birka	Member of the Supervisory Board	0.18	0.18
Marek Grzybowski	Member of the Supervisory Board	0.18	0.18
Tomasz Szeląg	Member of the Supervisory Board	0.18	0.18
Jarosław Grzesiak	Member of the Supervisory Board (until 8 October 2024)	0.14	0.18
Total		**1.25**	**1.40**

49. Important agreements and events

Sale of intangible assets

On 25 January 2024, Polkomtel entered into a sale agreement regarding the sale of intangible assets, consisting of a portion of its Internet Protocol version 4 (IPv4) communications protocol address package, to an unrelated party for a total consideration of USD 56.1. The transaction took place as part of and as a result of an ongoing asset review process, and the intangible assets divested were non-strategic assets.

The agreed schedule provides for the completion of the above transaction and payment in three tranches. The three payments in total of PLN 198.7 net of transaction costs, were recognised under 'Other operating income' in the consolidated income statement for the period from 1 January 2024 to 31 December 2024.

Sale of shares in Muzo.fm Sp. z o.o.

On 27 March 2024 Telewizja Polsat Sp. z o.o. sold 100% of shares in Muzo.fm Sp. z o.o. The total sale price amounted to PLN 13.3.

Acquisition of shares in project companies: Energia Przykona Sp. z o.o. and Neo Energia Przykona X Sp. z o.o.

On 27 June 2024, the Group and ZE PAK made a joint investment in which they acquired all of the shares in the companies implementing the wind power complex project with a total capacity of about 500 MW. PAK-Polska Czysta Energia acquired 1% of the project companies' share capitals for no more than EUR 1.2 in total, while 99% of the shares were acquired by ZE PAK for no more than EUR 110.0 in total. The consideration for the acquisition of shares will be payable in instalments as the project progresses and the final amount will depend on the final parameters of the project. In addition, the sellers and the buyer have entered into an agreement providing for the right to sell and, respectively, repurchase the shares of the project companies, should the project fail to achieve certain parameters.

Grant agreement with The European Climate, Infrastructure and Environment Executive Agency (CINEA)

In August 2024, two Group companies, PAK-PCE Biopaliwa i Wodór Sp. z o.o. and PAK-PCE Stacje H2 Sp. z o.o., signed a grant agreement with The European Climate, Infrastructure and Environment Executive Agency (CINEA) for a hydrogen project. It includes the construction of 5 publicly accessible hydrogen refueling stations located along the roads of the TEN-T network (Trans-European Transport Network) and green hydrogen production facilities with a total capacity of 5 MW. The grant amounts to EUR 14.9 and was awarded under the CEF Transport - Alternative Fuels Infrastructure Facility program.

Decisions of the Head of the Małopolska Tax Office in Cracow

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

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

On 10 July 2018 the Tax Office upheld the previous decision dated 15 February 2018. The Company did not agree with the decision of the Tax Office in question and appealed against it to the Voivodship Administrative Court in Cracow. The Voivodship Administrative Court in Cracow dismissed the complaint in the ruling as of 21 February 2019. The Company does not agree with this decision and filled a cassation complaint to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court upheld the complaint and transferred the case to the Voivodship Administrative Court for re-examination in its decision on 17 August 2022. The Voivodship Administrative Court, at the hearing on 15 March 2023, revoked the decision of the Head of the Małopolska Tax Office in Cracow and referred the case for reconsideration by this authority. On 23 January 2024, the Company received the decision of the tax authority discontinuing the proceedings in the case.

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

The Head of the Małopolska Tax Office in Cracow issued a decision on 19 July 2019 in respect to the year 2013. The decision assessed the Company’s tax liability from uncollected withholding corporate income tax in 2013 in the amount of PLN 25.1 increased by interest on tax arrears. The Company appealed against the decision, but on 14 February 2020 the Tax Authority maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 15 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgements of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. As a result, on 17 June 2024, the Head of the Małopolska Tax Office issued a new decision in which - after analyzing the position and guidelines of the Supreme Administrative Court - it repealed the decision of 19 July 2019 and decided on the Company's liability for the uncollected flat-rate corporate tax in the amount of PLN 1.3 (the amount does not include interest). Although this is a significantly lower amount than original penalty, the Company does not agree with the position of the authorities and filed a complaint to the Voivodship Administrative Court. On 25 November 2024, a hearing was held during which the Voivodship Administrative Court in Cracow repealed the decision of the Head of the Małopolska Tax Office in Cracow. The Company has not created any provisions encumbering its financial results.

The Head of the Małopolska Tax Office in Cracow issued a decision on 20 September 2019 in respect to the year 2014. The decision assessed the Company's tax liability from uncollected withholding corporate income tax in 2014 in the amount of PLN 1.7 increased by interest on tax arrears. The Company appealed against the decision of the Tax Authority. In a second instance decision issued on 8 June 2020, the Tax Authority fully maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 20 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgments of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. As a result, after analyzing the content of the judgment of the Supreme Administrative Court, the Head of the Małopolska Tax Office issued a decision on 17 June 2024, in which he upheld the decision of 20 September 2019. The Company does not agree with the position of the authority and filed a complaint to the Voivodship Administrative Court. On 25 November 2024, a hearing was held during which the Voivodship Administrative Court in Cracow repealed the decision of the Head of the Małopolska Tax Office in Cracow. According to the information obtained, a cassation appeal was filed against the judgment by the Head of the Małopolska Tax Office. The Company has not created any provisions encumbering its financial results.

Renewal of the frequency reservations

Due to the expiry of the frequency reservation in the 2600 MHz band at the end of 2024, the current holder of which was Aero2 Sp. z o.o. (on 30 November 2021, Polkomtel Sp. z o.o. and Aero2 Sp. z o.o. merged, as a result of which Polkomtel entered the rights and obligations of Aero2, thus taking over the right to use Aero2 frequencies), pursuant to the provisions of the Telecommunications Law, in December 2023, Polkomtel Sp. z o.o. submitted an application to the President of UKE for a frequency reservation in the 2600 MHz band for the next period.

On 28 November 2024, the President of UKE extended the reservation decision in the 2600 MHz band for Polkomtel for another 15 years.

Due to the upcoming expiry of the frequency reservation in the 900 MHz band (in February 2026), Polkomtel Sp. z o.o. submitted an application to the President of the UKE in November 2024 for a frequency reservation in the 900 MHz band for the next period.

It is estimated that the issuance of a decision by the President of the UKE regarding the above-mentioned frequency reservation in the 900 MHz band for the next period will take place in the second quarter of 2025.

Auction for frequency reservation in the 3.6 GHz band

On 19 December 2023, the President of the UKE issued a reservation decision for Polkomtel regarding the acquired frequency block in the 3.6 GHz band.

As part of the auction, Polkomtel acquired block A (3400-3500 MHz range) for the price of PLN 450, where on 4 August 2023, it submitted an initial offer and paid a deposit in the required amount of PLN 182, the remaining fee of PLN 268 was paid on 10 January 2024.

Each of the auction winners was obliged to develop the network by launching at least 3,800 (not in millions) base stations using the assigned frequencies within 48 months from the date of delivery of the reservation decision. In addition, the auction winners were obliged to provide a throughput (using any frequency range) of 95 Mbps for 99% of households throughout the country within 60 months, for 90% of the country's territory within 60 months, for 95% of national roads within 84 months, for 95% of provincial roads within 84 months, for 95% of railways lines within 84 months, and for 24-hour road border crossings within 24 months from the date of delivery of the reservation decision.

Auction for frequency reservation in the 700 and 800 MHz band

On 8 November 2024, the President of the UKE launched an auction for seven frequency reservations from bands below 1 GHz - the frequency resources in the auction are 6 blocks of 5 MHz FDD in the 700 MHz band and one block of 5 MHz FDD in the 800 MHz band. The auction ended on 25 March 2025, and Polkomtel purchased one frequency block from the 700 MHz band at a price of PLN 363.1 - Reservation D in the 718-723 MHz and 773-778 MHz ranges.

According to the auction documentation, the commencement of commercial offering of services using the obtained frequencies must take place within 4 months from the date of delivery of the reservation, which all auction participants should receive in May this year. All frequency blocks were allocated with a period of use until 31 May 2040.

In addition, the holders of the reservations obtained in the auction will be required to: provide a capacity of 95 Mb/s for 90% of the entire country by 28 December 2028, a capacity of 120 Mb/s for 99% of households throughout the country by 28 December 2030, a capacity of 95 Mb/s for 95% of national, provincial roads and railway lines by 28 December 2030, and a capacity of 95 Mb/s for 24-hour road border crossings by 28 December 2025. These obligations may be fulfilled using all frequencies to which the Disposer has the right to use the frequencies.

The legal dispute in respect to the telecommunication concession

The legal dispute in respect to the telecommunication concession for the 1800 MHz frequency granted in 2007 to Mobyland Sp. z o.o. (currently Polkomtel Sp. z o.o.) and CenterNet S.A. (currently Polkomtel Sp. z o.o.) has ended. Proceedings to invalidate the 1800 MHz frequency allocation tender have been instigated by T-Mobile and Orange. Supreme Administrative Court (NSA), in its ruling dated 8 May 2014, sustained the decision of the Court of First Instance and repealed the decision issued by the President of the Office of Electronic Communications (UKE) on 23 September 2011 which partially invalidated the above mentioned tender. Following the decision of the Supreme Administrative Court, UKE informed that “the decisions regarding re-running the tender will be taken by the Office upon careful analysis of the written justification of NSA’s rulings and the Court’s guidelines regarding further procedure as well as upon analysis of the legal situation”. UKE also stated that the “reservation decisions issued by UKE President remained valid while the operators could continue providing their services while using these frequencies”. On 23 December 2016 President of UKE notified the parties that the tender annulment proceedings relating to the 1800 MHz frequency have been adopted. Pursuant to the decision dated 4 August 2017 President of UKE notified the parties that the tender dated 2007 has been annulled. On 13 October 2017 Aero 2 Sp. z o.o. (a successor of CenterNet S.A. and Mobyland Sp. z o.o., currently Polkomtel Sp. z o.o.) filed a motion to reconsider the decision of the President of UKE dated 4 August 2017 concerning the annulment of the tender procedure. On 31 January 2018 the President of UKE upheld its decision dated 4 August 2017. On 7 March 2018 Aero2 (currently Polkomtel Sp. z o.o.) filed a complaint with the Provincial Administrative Court in Warsaw, on 4 October 2018 complaint was dismissed. On 27 December 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a cassation appeal against judgment, which was dismissed by the Supreme Administrative Court on 25 November 2022.

The decision issued by UKE President does not affect reservation decisions issued following the administrative tender. Moreover, on 5 December 2022, Aero2 (currently Polkomtel Sp. z o.o.) obtained the decision of the President of UKE to grant a frequency reservation in the 1800 MHz range for the next period.

In the proceedings instigated by T-Mobile Polska S.A., the President of UKE resumed the proceedings which were terminated on 23 April 2009 by the issuance of a final decision by the President of UKE which sustained the decision of the President of UKE dated 30 November 2007 concerning the frequency reservation in the 1710-1730 MHz and 1805-1825 MHz range. Under these proceedings, in the decision dated 28 November 2017 the President of UKE refused, after resuming the proceedings, to annul the reservation decision of the President of UKE dated 23 April 2009. This decision was upheld by the decision of the President of UKE dated 4 June 2018. In connection with complaints filed against this decision, in the ruling of 11 March 2019 the Voivodship Administrative Court in Warsaw annulled the decision of the President of UKE dated 4 June 2018. On 10 October 2023, the Supreme Administrative Court overturned the contested judgment and referred the case to the Court of First Instance for reconsideration. On 3 April 2024, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska S.A. T-Mobile Polska S.A. appealed against this judgement in a cassation appeal, which is pending.

On 4 October 2018, T-Mobile Polska filed a complaint with the Voivodship Administrative Court in Warsaw against the announcement dated 5 September 2018 issued by the President of UKE in respect to the activities necessary to remove the breach constituting the reason for invalidating two frequency reservations (each including 48 duplex radio channels with a duplex spacing of 95 MHz each, ranges 1710-1730 MHz and 1805-1825 MHz). On 20 November 2018, Voivodship Administrative Court in Warsaw rejected the complaint of T-Mobile Polska S.A. On 4 July 2019, the Supreme Administrative Court annulled the decision of the Voivodship Administrative Court in Warsaw dated 20 November 2018, as a result of a cassation appeal filed by T-Mobile Polska S.A. On 18 August 2020, the announcement of the President of UKE dated 5 September 2018 was considered ineffective by the Voivodship Administrative Court in Warsaw. NSA annulled that judgment on 9 December 2021. The case was remanded for re-examination to Voivodship Administrative Court in Warsaw. On 25 October 2022, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska S.A. On 13 October 2023, the Supreme Administrative Court dismissed the cassation appeal of T-Mobile Polska S.A., as a result of which the proceedings were legally terminated.

The initiation by the European Commission of the procedure based on Art. 108 sec. 2 of the European Union Treaty

In the beginning of October 2020, Cyfrowy Polsat S.A. and Sferia S.A. (Sferia), a company owned by the Cyfrowy Polsat Group in 51% since 29 February 2016, received from the Ministry of Digital Affairs a copy of the European Commission's decision dated 21 September 2020 regarding the initiation of the formal investigation procedure against the Republic of Poland concerning the alleged illegal state aid provided to Sferia. The alleged illegal state aid relates to granting in 2013 to Sferia the right to use a frequency block of 800 MHz range in place of the frequency 850 MHz range previously held by Sferia. According to the decision, the European Commission intends to investigate, whether the state aid was granted, and if so, whether it can be considered compatible with the internal market. On 4 February 2022, the European Commission began consultations on this matter and Cyfrowy Polsat and Sferia submitted their comments. Both companies believe that no illegal state aid was granted.

Acquisition of shares in Global Continental Sp. z o.o.

On 4 November 2024 PAK-Polska Czysta Energia Sp. z o.o. (a subsidiary of the Company) acquired 100% of shares in the share capital of Global Continental Sp. z o.o. for the amount of PLN 4.1.

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

In the Management Board's view, the Company and Group's core business is relatively resistant to the adverse impact of the political and economic situation in Ukraine. More information is presented in note 5.1 in the Management Report for 2024.

50. Events subsequent to the reporting date

Acquisition of shares of Archiplex Sp. z o.o.

On 17 January 2025 Cyfrowy Polsat S.A. purchased 100% of the shares of Archiplex Sp. z o.o.

Sale of shares of Asseco Poland S.A.

On 31 January 2025 and 5 February 2025 the Company sold the entirety of shares held in Asseco Poland S.A. The total proceeds from the sale of shares amounted to PLN 718.0.

Sale of shares of Alledo Express Sp. z o.o.

On 31 January 2025 Esoleo Sp. z o.o. sold 100% of the shares of Alledo Express Sp. z o.o.

Partial early repayment of term credit

On 21 February 2025 the Company and Polkomtel (a subsidiary of the Company) made a voluntary early repayment of part of the term credit granted to the Company and Polkomtel in PLN under a credit agreement dated 28 April 2023. The total amount of the prepayment amounted PLN 681.4 and was allocated to capital installments due in 2025 and in the first quarter of 2026.

51. Other disclosures

Other securities

In connection with the implementation of investment projects by its subsidiaries involving the construction of renewable energy installations, the Company has granted guarantees of significant value for the performance of agreements for the implementation of individual wind farm projects, in particular agreements for the supply and installation of wind turbines concluded with Vestas Poland S.A. As of 31 December 2024, the total value of sureties and guarantees granted to the above-mentioned Vestas Poland S.A. for wind farm projects amounted to EUR 175.7 with expiration dates falling on various dates in 2024-2026.

The Company granted corporate guarantees and sureties in EUR and USD, which guarantee the trade payables of its subsidiary Polkomtel Sp. z o.o. to its suppliers. As of 31 December 2024, the total value of granted guarantees, converted into PLN at the exchange rate as of the balance sheet date, amounted to PLN 207.4. The guarantees expire 2025-2026.

The Company granted corporate guarantee in EUR, to its subsidiary Telewizja Polsat Sp. z o.o., in connection with the performance of an agreement under which UEFA granted Telewizja Polsat the right to broadcast matches played in the UEFA Europa League and UEFA Conference League in the years 2024-2027. As of 31 December 2024, the total value of granted guarantees, converted into PLN at the exchange rate as of the balance sheet date, amounted to PLN 106.8.

The financial terms of the granted guarantees and warranties do not differ from market terms.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Commitments to purchase programming assets

As at 31 December 2024 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments:

	31 December 2024	31 December 2023
within one year	332.9	225.4
between 1 to 5 years	491.4	287.3
more than 5 years	128.4	162.8
Total	**952.7**	**675.5**

The table below presents commitments to purchase programming assets from related parties not included in the consolidated financial statements:

	31 December 2024	31 December 2023
within one year	11.4	15.8
Total	**11.4**	**15.8**

Contractual liabilities related to purchases of non-current assets

Total amount of contractual liabilities resulting from agreements on the production and purchasing of property, plant and equipment was PLN 740.8 as at 31 December 2024 (PLN 1,383.0 as at 31 December 2023). Total amount of contractual liabilities resulting from agreements for the purchases of intangible assets was PLN 102.8 as at 31 December 2024 (PLN 78.4 as at 31 December 2023).

Future contractual obligations

As at 31 December 2024 and 31 December 2023 the Group had future liabilities due to transponder capacity agreements.

The table below presents future payments (total):

	31 December 2024	31 December 2023
within one year	114.1	116.1
between 1 to 5 years	-	116.1
Total	**114.1**	**232.2**

52. Judgments, financial estimates and assumptions

The preparation of consolidated 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.

The most significant estimates and assumptions made are primarily related to the following:

- Classification of lease agreements

For contracts in which the Group acts as a lessor, the Group classifies leasing agreements as operating or financial based on the assessment as to what extent the risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The assessment is based on the economical substance of each transaction. The Group concludes agreements for the rental of reception equipment (set-top boxes, modems and routers) to its customers in the course of its business operations. These lease agreements are classified as operating leases as the Group holds substantially all the risks and rewards incidental to ownership of the reception equipment.

The Group entered into leases of office and other premises which are classified as operating leases. For more information see note 37.

- Lease term

For agreements which meet the lease definition, the Group determines the lease term as the non-cancellable period of a lease, together with both: periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option. While determining the lease term the Group considers all relevant facts and circumstances, which could indicate that the Group will exercise the option to extend the lease. Lessee shall reassess an extension option, upon the occurrence of either a significant event or a significant change in the circumstances that are within control of the lessee. In terms of contracts with an indefinite period, the lease term is determined based on a professional judgment regarding the contract term. Contracts with indefinite periods for which the Group estimates reasonable certain lease terms include mainly the following:

- premises for technical infrastructure – estimated lease term is 2-10 years,
- dark fibers – estimated lease term is 2-10 years,
- points of sale premises – estimated lease term is 2 years,
- premises for wind farms – estimated lease term is up to 30 years.

- Discount rate used by the lessee

Discount rate is understood as the interest rate implicit in the lease (if that rate can be readily determined) or the incremental borrowing rate of the Group, determined as the cost of interest on the loan, which the Group would have to incur when taking a loan to purchase a given asset with adequate security. The incremental borrowing rate can be defined as the sum of the risk free rate and the Group’s credit risk premium. Discount rates applied by the Group take into account the maturity and the currency of lease contracts.

- Depreciation rates of property, plant and equipment, investment property and intangible assets with definite useful lives

Depreciation rates are based on the expected economic useful lives of property, plant and equipment (including reception equipment provided to customers under lease agreements), investment property and intangible assets (including customer relationships and Plus, Netia, Interia and Premium Mobile brands). The expected economic useful lives are reviewed on an annual basis based on the experience of the entity.

The process of verification also accounts for climatic factors, including physical and transition risks. In particular, the Group defines whether the climate-related legislation and regulations can potentially have impact on the useful life of assets, e.g. by introducing bans, restrictions, or by imposing additional requirements, e.g. such as energy performance with regard to the Group's buildings.

The economic useful lives of the set-top boxes rented to customers under operating lease agreements are estimated for 5 years, modems and routers 3 years. For information on the useful lives of property, plant and equipment, investment property and other intangible assets with definite useful lives see notes 6j and 6k. For information on the depreciation charge for the period by the category of property, plant and equipment and intangible assets with definite useful lives see notes 16, 18, 20 and 23.

- Economic useful lives and amortization method of programming assets

Economic useful life of programming assets is based on the shorter of the expected consumption of future economic benefits from the underlying asset and the license period. Amortisation method of programming assets reflects how these economic benefits are consumed. The estimation of the useful life and the amortization method requires assessment of the timing during which the Group is expecting to obtain the income from the acquired programming assets and the percentage apportionment of this income in the given period. For more information about the amortization method and amortization charge for the period by programming assets' category see notes 6l and 22.

- Definite useful life of Polsat, TV4, TV6 and Polo TV brands

The Group has reviewed whether relevant factors continued to indicate indefinite useful life of Polsat, TV4, TV6 and Polo TV brands recognised in 2011-2017 on the acquisition of Telewizja Polsat S.A., Polskie Media S.A. and Lemon Records Sp. z o.o.

The Group has reviewed the following factors which are essential for estimating the economic useful life of the Polsat, TV4, TV6 and Polo TV brands:

- the expected usage of the asset by the entity and whether the asset could be managed more efficiently,
- technical, technological, commercial or other types of obsolescence,
- the stability of the industry in which the asset operates and changes in the market demand for media services,
- expected actions by competitors or potential competitors,
- the level of maintenance expenditure required to obtain the expected future economic benefits from the asset,
- whether the useful life of the asset is dependent on the useful life of other asset of the entity.

Having analyzed the above factors, the Group has concluded that there is foreseeable limit to the period over which the Polsat, TV4, TV6 and Polo TV (Lemon Records) brands are expected to generate net cash inflows for the Group and thus the definite useful life was assumed since 2023. This means that the above brands are subject to amortization for a period of 20 years.

As at the balance sheet date the Management states there are no plans to cease using or significantly modify Polsat, TV4, TV6 or Polo TV (Lemon Records) brands. The value assigned to the brands relate to the name “Polsat”, "TV4", “TV6” and “Polo TV” respectively and the related logotypes both of which are reserved trademarks. In case the Group decides about discontinuance of use or significant modification of the name or logotype the Management would assess whether there are indications of impairment of the Polsat, TV4, TV6 and Polo TV brands.

- Provisional fair value of assets and liabilities of PAK-PCE Group, naEkranie.pl Sp. z o.o. and 4FUN Sp. z o.o.

The Group identified assets and liabilities and initially estimated their fair value under the purchase price allocation process relating to the acquisition of PAK-PCE Group, naEkranie.pl Sp. z o.o. and 4FUN Sp. z o.o. For more information see note 40.

- Initial fair value of assets and liabilities of Global Continental Sp. z o.o.

The Group identified assets and liabilities and initially estimated their fair value under the purchase price allocation process relating to the acquisition of Global Continental Sp. z o.o. For more information see note 40.

- The impairment of goodwill

The Group performed impairment test of a goodwill. The impairment test was based on the value-in-use calculations of the cash-generating unit to which the goodwill and brands have been allocated on the initial recognition. Goodwill has been allocated to the following cash-generating units, which also represent the Group's business segments:

- “B2C and B2B services” - goodwill recognized on the acquisition of M.Punkt Holdings Ltd., goodwill recognized on the acquisition of INFO-TV-FM Sp. z o.o., the goodwill recognized on the acquisition of entities comprising the IPLA platform, the goodwill recognized on the acquisition of Metelem Holding Company Ltd., the goodwill recognized on the acquisition of Orsen Holding Ltd., the goodwill recognized on the acquisition of Litenite Ltd., the goodwill recognized on the acquisition of IT Polpager S.A., the goodwill recognized on the acquisition of 65.98% shares of Netia S.A., the goodwill recognized on the acquisition of Coltex ST Sp. z o.o., the goodwill recognized on the acquisition of Netshare Media Group Sp. z o.o., the goodwill recognized on the acquisition of 51.22% shares of TVO Sp. z o.o., the goodwill recognized on the acquisition of ISTS Sp. z o.o., the goodwill recognized on the acquisition of 51.25% shares of Esoleo Sp. z o.o., the goodwill recognized on the acquisition of IST Sp. z o.o., the goodwill recognized on the acquisition of data center in the form of an organised part of the enterprise, the goodwill recognized on the acquisition of 70.02% shares of BCAST Sp. z o.o., the goodwill recognized on the acquisition of Premium Mobile Sp. z o.o., the goodwill recognized on the acquisition of Logitus Sp. z o.o., the goodwill recognized on the acquisition of CKS Ossa Sp. z o.o., the goodwill recognized on the acquisition of Ossa Medical Center Sp. z o.o., the goodwill recognized on the acquisition of Stork 5 Sp. z o.o., the goodwill recognized on the acquisition of Vindix S.A., the goodwill recognized on the acquisition of Enterpol Sp. z o.o. and the goodwill recognized on the acquisition of Oktawave S.A.
- “Media: television and online” - goodwill recognized on the acquisition of Telewizja Polsat S.A., goodwill of TV4 and TV6 recognized on the acquisition of Polskie Media S.A., goodwill recognized on the acquisition of Radio PIN S.A., goodwill recognized on the acquisition of ESKA TV S.A., goodwill recognized on the acquisition of Lemon Records Sp. z o.o., the goodwill recognized on the acquisition 99,99% share of Eleven Sports Network Sp. z o.o., the goodwill recognized on the acquisition of Superstacja Sp. z o.o., the goodwill recognized on the acquisition of TV Spektrum Sp. z o.o., the goodwill recognized on the acquisition of 60% shares of Polot Media Sp. z o.o. and Polot Media Sp. z o.o. Sp.k, goodwill arising from the acquisition of 70% of shares in Antyweb Sp. z o.o., goodwill arising from the acquisition of 60% of shares in naEKRANIE.pl Sp. z o.o. as well as the goodwill recognized on the acquisition of 60% shares of 4FUN Sp. z o.o.
- “Real Estate” - goodwill recognized on the acquisition of 66.94% shares of Port Praski Sp. z o.o.
- "Green energy" - goodwill recognized as a result of the acquisition of a total of 50.51% of shares in PAK-Polska Czysta Energia Sp. z o.o. and goodwill recognized as a result of the acquisition of Global Continental Sp. z o.o.

The value-in-use calculations included estimation of discounted cash flows for the given cash-generating unit and the relevant discount rate. The value of goodwill tested at each cash-generating unit, the key assumptions used in the value-in-used calculations for each cash-generating unit, impairment test results and sensitivity analysis of reasonably possible changes in the key assumptions are presented in note 19.

- The impairment of non-financial non-current assets

The Group analyzed whether, as of the balance sheet date, there were indications of potential impairment of fixed assets, intangible assets or rights to use with a definite useful life and recognized an impairment loss for fixed assets in the amount of the difference between the recoverable amount and the carrying amount.

It is also climatic factors, such as climate-related legislation, that can affect the residual value of fixed assets. Additionally, extreme weather such as thunderstorms, torrential rains or hurricanes may lead to shutdowns or even cause physical damage to the wind farms. Similar damage can be potentially caused to photovoltaic farms as well as to the telecommunication infrastructure. At the same time these assets are designed and constructed in a way which minimizes such threats. Extreme weather conditions can also cause damage to the broadcasting infrastructure, the antenna dishes in particular. Nonetheless these antennas are designed and built in a way to allow the antenna dishes to withstand hurricane-force winds. Hence even hurricanes, which have become more frequent in Poland, should not cause damage to antenna dishes.

At the same time, weather phenomena, which are accompanied by heavy clouds which accumulate big volumes of water, can interfere with satellite signal transmission. Bearing such threats in mind, two redundant transmission centers were built – in Warsaw and in Radom. If weather conditions are unfavorable in one location, the other one will seamlessly take over. The solution can also help continue trouble-free operations in case of other problems (e.g. persisting power outages).

The amounts of depreciation and amortization charges are presented in notes 16, 20 and 21. As of 31 December 2024 no reasons existed which could lead to impairment of fixed assets due to climate-related factors.

- Impairment of receivables

The value of receivables is updated taking into account the expected credit losses for trade receivables and contract assets in the amount corresponding to the expected credit losses throughout the life of the instrument. The amount of expected losses is calculated on the basis of historical data regarding the repayment of receivables and the effectiveness of debt collection, taking into account current expectations regarding the future values of these parameters. For more information see notes 6n, 29 and 41.

- Impairment of inventories

The Group provides impairment for slow-moving or obsolete inventories based on inventory turnover ratios and current marketing plans. The purchase cost or production cost is determined based on weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less selling expenses. For more information see notes 6m and 28.

- Provisions for pending litigation

During the normal course of its operations the Group participates in several court proceedings, usually typical and repeatable and which, on an individual basis, are not material for the Group, its financial standing and operations. The provisions are estimated based on the court documentation and the expertise of the Group's lawyers who participate in the current litigations and who estimate Group's possible future obligations taking the progress of litigation proceedings into account. The Group also recognizes provisions for potential unreported claims resulting from past events, should the Management Board find that the resulting outflow of economic benefits is likely. Provisions regarding probable claims are recognized as a result of Management Board's estimates based on accessible information regarding market rates for similar claims. Management believes that the provisions as at 31 December 2024 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Group's financial situation.

- Deferred tax

Deferred taxes are recognised for all temporary differences, as well as for unused tax losses. The key assumption in relation to deferred tax accounting is the assessment of the expected timing and manner of realization or settlement of the carrying amounts of assets and liabilities held at the reporting date. In particular, assessment is required of whether it is probable that there will be suitable future taxable profits against which any deductible temporary differences can be utilized. At the end of the reporting period unrecognised deferred tax assets are re-assessed. A previously unrecognised deferred tax asset is recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. For further details refer to note 6w and 13.

- Fair value of financial instruments

Fair value of financial instruments for which there is no active market is estimated using appropriate techniques of measurements. The techniques are chosen based on the professional judgment. For more information about the method of establishing the fair value of financial instruments and key assumption made see note 6h.

- Loan liabilities measured at amortized cost

The Cyfrowy Polsat Term Facility, the Polkomtel Term Facility, the Cyfrowy Polsat Revolving Facility and the Polkomtel Revolving Facility bear interest at a variable rate equal to WIBOR for the relevant interest period plus margin. The margin on the Cyfrowy Polsat Term Facility, the Polkomtel Term Facility, the Cyfrowy Polsat Revolving Facility and the Polkomtel Revolving Facility depends on the ratio of net consolidated indebtedness to consolidated EBITDA, as well as on the achievement by the Group of certain targets with respect to green energy production and zero-carbon energy consumption by certain Group entities. Accordingly, the Company's management classifies loan liabilities as variable rate instruments.

- Valuation of Financial PPA contracts

Financial PPAs are valued at fair value through profit or loss, in according with MSSF 9. The fair value of financial PPAs for which there is no active market is determined using appropriate valuation techniques. The Company uses judgment in selecting appropriate assumptions. The valuation model takes into account: (i) technical data from market reports on the seasonality of renewable energy production, (ii) market prices based on futures contracts on POLPX with maturities of up to 2 years, (iii) expert energy price paths for periods of more than 2 years available from an external party, (iv) inflation forecasts published by the National Bank of Poland, (v) a discount rate based on the market interest rate curve adjusted for counterparty credit risk.

- Presentation of Asseco Poland S.A. shares

Asseco Poland S.A. shares are presented as short-term assets as they are treated as held for trading due to the change in the time perspective in which, in the opinion of the Management Board, the shares in Asseco Poland SA will be sold (see note 30).

- Presentation of the result from disposal of shares in associates accounted for using the equity method

Management Board considered facts and circumstances related to investments accounted for using the equity method. In Management Board's opinion, disposal of the shares in associates does not have any characteristics of an one-off transaction. Consequently, the result of this transaction is presented as operational activity.

- Put options to purchase the remaining shares

The Management Board assessed that, in cases where put options for non-controlling shares of subsidiaries were granted, there was no transfer of ownership of the remaining shares at the moment of taking control over the companies. Therefore, a put option liability was recognized.

- Revenue from the sale of real estate

Revenues from the sale of real estate (residential units, commercial space, etc.) are recognized when control over the acquired real estate and the significant risks and rewards inherent in the ownership rights pass to the buyer of the real estate. According to the assessment of the Company's management, this occurs at the time of delivery of the real estate to the buyer based on a handover protocol signed by the parties, provided that the buyer settles 100% of the purchase price of the real estate.

- Costs of sale of real estate

The purchase price or production cost in development projects includes all purchase costs, processing costs and other costs, direct and indirect, incurred in bringing the inventories to their current location and condition.

Expenditures incurred on infrastructure elements, e.g. roads, which were built in connection with the housing investments in the Porty Praskie companies, without which it would have been impossible to obtain a construction permit and put the investment into use, were incurred by the company implementing the investment and settled when selling the apartments. In the future, in the case of construction of infrastructure that will serve several investments, the construction costs will be settled based on the investment property area share allocation key.

The allocation of expenditures on the lock and the quay is based on the value of individual lands from the valuation report according to which the proportion was calculated, on the basis of which individual companies participate in the costs incurred for these structures.

The owned water plots are assigned in their entirety to inventory and allocated to individual companies. The allocation was calculated on the basis of the market value of the real estate in individual companies.

- Climate issues and impact on the financial statements

Being aware of the importance and the scale of climatic changes, while using various scenarios the Group carried out the analysis of the climate-related risks affecting its own operations, as well as the operations of the Company’s capital group as a whole. The analysis led to identification of climate change-related physical risks and transition risks in the respective areas of the Group’s operations, while also identifying the sources of actual and potential greenhouse gas emissions. The approach applied in the analysis is consistent with TCFD recommendations (Recommendations of the Task Force on Climate related Financial Disclosures, TCFD, June 2017), i.e. with the logic of climatic risk analysis at the qualitative level presented by TCFD (including in the scope related to division into physical and transition risks, as well as in the scope of their further categorization and description).

The full analysis of climate-related risk factors, including analysis of climate-development scenarios and the climate resilience of the business models used in respective segments of the Group’s operations, is found in the Group’s management report in section “Sustainability Report”.

Wherever necessary, the Group has included the climate-related issues in its estimates and assumptions. The assessment includes a wide scope of potential impacts on the Group, both in terms of physical and transition risks.

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Financial results for the 3 months ended 31 December 2024 and 31 December 2023

53. Consolidated Income Statement

		for the 3 months ended	
	Note	31 December 2024 unaudited	31 December 2023 unaudited *(restated data)*
Operations continued			
Revenue		3,827.1	3,681.5
Financing component of revenues from installment sales		*46.4*	*47.9*
Operating costs		(3,439.4)	(3,486.7)
Costs of debt collection, write-offs and the cost of written off receivables		*(21.4)*	*(26.2)*
Gain on disposal of a subsidiary and an associate		-	(0.4)
Other operating income/(costs), net		(39.7)	(22.2)
Profit from operating activities		**348.0**	**172.2**
Finance income		122.2	368.8
Finance costs		(246.4)	(414.6)
Share of the profit/(loss) of associates accounted for using the equity method		-	-
Gross profit for the period		**223.8**	**126.4**
Income tax		(56.1)	3.9
Net profit for the period		**167.7**	**130.3**
Net profit attributable to equity holders of the Parent		135.1	100.5
Net profit attributable to non-controlling interest		32.6	29.8
Basic earnings per share (in PLN)		**0.30**	**0.24**
Diluted earnings per share (in PLN)		**0.30**	**0.24**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

54. Consolidated Statement of Comprehensive Income

	for the 3 months ended	
	31 December 2024 unaudited	31 December 2023 unaudited
Net profit for the period	**167.7**	**130.3**
Items that may not be reclassified subsequently to profit or loss :		
Actuarial (loss)/gain	0.7	(2.6)
Items that may be reclassified subsequently to profit or loss :		
Valuation of hedging instruments	5.0	1.1
Share of other comprehensive income of subsidiaries and associates	(0.1)	(2.7)
Other comprehensive income/(loss), net of tax	**5.6**	**(4.2)**
Total comprehensive income for the period	**173.3**	**126.1**
Total comprehensive income attributable to equity holders of the Parent	140.7	98.6
Total comprehensive income attributable to non-controlling interest	32.6	27.5

55. Revenue

	for the 3 months ended	
	31 December 2024 unaudited	31 December 2023 unaudited
Retail revenue	1,809.6	1,763.7
Wholesale revenue	898.7	929.3
Sale of equipment	478.6	506.7
Sale of energy	340.0	285.6
Other revenue	300.2	196.2
Total	**3,827.1**	**3,681.5**

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

56. Operating costs

		for the 3 months ended	
	Note	31 December 2024 unaudited	31 December 2023 unaudited
Technical costs and cost of settlements with telecommunication operators		872.3	862.1
Depreciation, amortization, impairment and liquidation		373.2	494.2
Cost of equipment sold		404.8	415.2
Content costs		590.3	565.6
Cost of energy sold, including:		263.4	268.2
*Depreciation**		*17.6*	*9.3*
Distribution, marketing, customer relation management and retention costs		290.5	277.4
Salaries and employee-related costs	a)	352.9	335.6
Cost of debt collection services, bad debt allowance and receivables written off		21.4	26.2
Other costs, including:		270.6	242.2
*Depreciation**		*1.1*	*1.0*
Total		**3,439.4**	**3,486.7**

* depreciation costs included in energy and bus production costs

a) Salaries and employee-related costs

	for the 3 months ended	
	31 December 2024 unaudited	31 December 2023 unaudited
Salaries	294.9	278.5
Social security contributions	42.6	38.6
Other employee-related costs	15.4	18.5
Total	**352.9**	**335.6**

*excludes production employees

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

57. Finance income

	for the 3 months ended	
	31 December 2024 unaudited	31 December 2023 unaudited (restated data)
Interest on loans granted	0.6	2.6
Lease interest	0.7	-
Other interest income	32.9	37.5
Exchange differences from loan valuation	3.2	145.7
Valuation of shares held in PAK-PCE*	-	151.3
Change in the value of shares of Asseco Poland S.A.	78.2	11.7
Realization and valuation hedging instruments to hedge the cost of exchange rate differences	(0.1)	(0.3)
Realization and valuation of instruments for which hedge accounting was not applied, to hedge the cost of exchange rate differences	(0.1)	(0.2)
Other income	6.8	20.5
Total	**122.2**	**368.8**

* impact of accounting for the purchase price allocation of PAK-PCE under IFRS 3 requirements

58. Finance costs

	for the 3 months ended	
	31 December 2024 unaudited	31 December 2023 unaudited (restated data)
Interest on loans and credits	162.9	185.0
Interest on issued bonds*	96.0	97.6
Realization and valuation of hedging instruments to hedge the cost of interest**	(1.9)	(0.9)
Realization and valuation of instruments for which hedge accounting was not applied - interest hedging	(41.8)	(13.0)
Valuation of existing relationships in connection with the acquisition of PAK-PCE***	-	83.9
Interest on leasing	10.8	8.3
Other interest costs	5.8	4.6
Estimated future losses on loans granted	2.4	-
Exchange rate differences	8.0	40.2
Guarantee costs, bank commissions and other fees	3.4	3.0
Other costs	0.8	5.9
Total	**246.4**	**414.6**

* includes early redemption bonus
** includes hedging of interest costs on loans and bonds
*** impact of accounting for the purchase price allocation of PAK-PCE under IFRS 3 requirements

(all cash amounts presented in text are in million with currency specification, all amounts are in PLN million, except where otherwise stated)

Financing costs

	for the 3 months ended	
	31 December 2024 unaudited	31 December 2023 unaudited
Interest on loans and credits	162.9	185.0
Interest on issued bonds*	96.0	97.6
Exchange differences from loan valuation	(3.2)	(145.7)
Execution and valuation of hedging instruments	(1.8)	(0.6)
Realization and valuation of instruments for which hedge accounting was not applied	(41.7)	(12.8)
Total	**212.2**	**123.5**

* includes early redemption bonus

Shape the future
with confidence

Ernst & Young Audyt Polska spółka z ograniczoną
odpowiedzialnością sp. k.
Rondo ONZ 1
00-124 Warszawa

+48 (0) 22 557 70 00
+48 (0) 22 557 70 01
www.ey.com/pl

INDEPENDENT AUDITOR'S REPORT ON THE AUDIT

To the General Meeting and Supervisory Board of Cyfrowy Polsat S.A.

Audit report on the annual consolidated financial statements

Opinion

We have audited the annual consolidated financial statements of Cyfrowy Polsat S.A. Group (the 'Group'), for which the parent company is Cyfrowy Polsat S.A. (the 'Parent Company') located in Warsaw at Łubinowa 4A, which comprise the consolidated balance sheet as at 31 December 2024, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement, the consolidated statement of changes in equity for the period from 1 January 2024 to 31 December 2024 and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (the 'consolidated financial statements').

In our opinion, the consolidated financial statements:

- give a true and fair view of the consolidated financial position of the Group as at 31 December 2024 and its consolidated financial performance and its consolidated cash flows for the period from 1 January 2024 to 31 December 2024 in accordance with required applicable rules of International Financial Reporting Standards approved by the European Union and the adopted accounting policies,
- comply in respect of the form and content with laws applicable to the Group and the Parent Company's Statute.

The opinion is consistent with the additional report to the Audit Committee issued on 9 April 2025.

Basis for opinion

We conducted our audit in accordance with the National Standards on Auditing in the version of International Auditing Standards ("NAS") and pursuant to the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors') and the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (the 'Regulation 537/2014'). Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report.

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' (IESBA) International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), adopted by the National Council of Statutory Auditors and other ethical responsibilities in accordance with required applicable rules of the audit of financial statements in Poland. We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. While conducting the audit, the key certified auditor and the audit firm remained independent of the Group in accordance with the independence requirements set out in the Act on Statutory Auditors and the EU Regulation 537/2014.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Shape the future
with confidence

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They include the most significant assessed risks of material misstatement, including the assessed risks of material misstatement due to fraud. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we have summarized our reaction to these risks and in cases where we deemed it necessary, we presented the most important observations related to these types of risks. We do not provide a separate opinion on these matters.

Key audit matter	How our audit responded to this matter
<u>Revenue recognition and accounting</u> Revenues from sales of the Group for the year ended 31 December 2024 amounted to PLN 14.265,9 million. Revenue recognition was assessed as a key audit matter due to the fact that the accuracy of the revenue recognition is an inherent industry risk. This is because of the complexity of the billing and other IT systems, that process large volumes of data, combination of different products and services offered, including bundled offers. The Group also enters into significant agreements with other telecommunication companies as far as access to telecommunication network and wholesale is concerned. This requires specific attention due to complexity of contractual provisions and is interpreted for the purpose of revenue recognition as well as due to its value. Furthermore, the application of International Financial Reporting Standard *15 'Revenue from contracts with customers'* ('IFRS 15'), involves a number of key judgements and estimates, that are related among others to identification of the performance obligations, determination of the transaction price or identification of material rights. Taking into account the above, we considered revenue recognition and accounting as a key audit matter. *Reference to related disclosures in the consolidated financial statements* Disclosure related to applied accounting policies and key judgements related to revenue recognition are included in note 6 'Accounting	In the course of performed audit procedures, we have documented our assessment of Group's accounting policies in regards to revenue recognition and accounting in accordance with IFRS 15 and related key judgements and estimates applied by the Company's Management. Additionally, our procedures included, among others: • understanding of the processes of revenue recognition, as well as identification and assessment of key controls mechanisms; • testing of controls over revenue related processes; • evaluation of relevant IT systems, including testing of controls in place, engaging our IT audit experts, which included manage changes as well as logical access controls in IT systems used in the revenue recognition processes; • analysis of contractual provisions terms and understanding of the nature and key contractual terms of concluded contracts; • analytical procedures, including analysis of monthly trends and data for significant revenue streams versus budgets and forecasts; • reconciliation of balances of contract assets, contract costs and contract liabilities to source documentation; • substantive testing on sample of agreements and invoices for customers in respect of revenue recognition and verification of payments received. We also assessed the adequacy of the Company's disclosures in respect of the revenue recognition and accounting in the consolidated financial statements.

and consolidation policies' to the consolidated financial statements.

Disclosures on revenue are included in note 9 'Revenue' to the consolidated financial statements. Disclosure on revenue contract asset is included in note 27 'Contract assets' to the consolidated financial statements. Disclosure on contract cost is included in note 24 'Deferred distribution fees' to the consolidated financial statements.

<u>Non-current assets (including goodwill) impairment analysis</u>

As at 31 December 2024 the Group presents non-current assets in the amount of PLN 28.441,1 million, including goodwill of PLN 10.975,3 million, which constitute 75,9% and 29,3% of total assets respectively.

Under requirements of International Accounting Standard 36 *'Impairment of assets'* ('IAS 36'), the Group tested the amount of non-current assets, including goodwill.

For the purpose of impairment tests the Company's Management used certain judgements and assumptions in determining the recoverable amount such as:

- identification of cash generating units ('CGU') and allocation of goodwill to these cash generating units;
- continuance of current and expected market and economics conditions;
- expected revenue and costs levels;
- planned CAPEX;
- discount rate;
- terminal growth rate used for estimating the cash flows beyond the period of financial plans.

This matter was considered key audit matter from the consolidated financial statements perspective, due to the following:

- significance of the non-current assets;
- intangible nature of significant part of the these assets;
- significance of the impact of Company's Management judgement necessary to establish the carrying amounts of non-current assets based on discounted cash flows, which are generally uncertain.

Our audit procedures in relation to the described key audit matter, included among others:

- understanding and assessment of the accounting policies and procedures applied (including internal control environment) in the area of assessment of impairment indicators, identification of the events indicating the impairment as well as impairment tests;
- understanding and assessment of the judgements and estimates used by the Company's Management in relation to grouping the assets within CGUs and goodwill allocation;
- assessment, with involvement of the valuation specialists, of assumptions and estimates made by the Company's Management and used for the purposes of defining the recoverable amount, including:
  - applied future key macroeconomic assumptions (including: discount rate, forecasted growth rate) by benchmarking to market data and observable external data,
  - assumptions applied to determine the cash flows;
  - assumptions applied for establishing terminal values i.e. cash flows and interest rate after the forecast period;
- verification of mathematical accuracy of the model to determine the residual value;
- analysis and inquiries of the financial personnel and Company's Management about historical accuracy of assumptions made, including validity and applicability of these key assumptions;

Reference to related disclosures in the consolidated financial statements

Disclosure related to applied accounting policies and key judgements related to the impairment of assets are included in note 6 'Accounting and consolidation policies' to the consolidated financial statements.

Disclosures related to key estimates and assumptions, including sensitivity analysis as well as results of impairments tests of assets, goodwill and intangible assets with indefinite useful life, which were prepared by the Company's Management, are included in note 19 'Impairment test (including goodwill and intangible assets with indefinite useful life)' and in the note 52 'Judgments, financial estimates and assumptions' to the consolidated financial statements.

- analysis of information from external sources such as industry press in reference to potential risks related to realization of the assumptions made by the Company's Management;
- reconciliation of the source data being the basis for the impairment test models and assessment of impairment indicators based on forecasts and budgets;
- assessing the sensitivity analysis of the models prepared by the Company's Management to changes in significant assumptions.

We also assessed the adequacy of the disclosures made in the consolidated financial statements describing the impairment test and sensitivity analysis.

Responsibilities of the Company's Management and members of the Supervisory Board for the consolidated financial statements

The Parent Company's Management Board is responsible for the preparation the consolidated financial statements that give a true and fair view of the consolidated financial position and the consolidated financial performance in accordance with applicable International Financial Reporting Standards adopted by the European Union, the applied accounting policies, other applicable laws, as well as the Parent Company's Statute, and is also responsible for such internal control as the Parent Company's Management Board determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Parent Company's Management Board is responsible for assessing the Group's (the parent company and significant components) ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Parent Company's Management Board either intends to liquidate the Group (the parent company or significant components) or to cease operations, or has no realistic alternative but to do so.

The Company's Management and the members of the Company's Supervisory Board are required to ensure that the consolidated financial statements meet the requirements of the Accounting Act dated 29 September 1994 (the 'Accounting Act'). The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process.

Auditor's responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement due to fraud or error, and to issue an independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with NAS will always detect material misstatement when it exists. Misstatements may arise as a result of fraud or error and are considered material if they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users taken on the basis of these consolidated financial statements.

The concept of materiality is applied by the auditor both in planning and performing the audit, and in evaluating the effect of identified misstatements on the audit and of uncorrected misstatements, if any, on the consolidated financial statements and in forming the opinion in the auditor's report. Hence all auditor's opinions and statements contained in the auditor's report are made with the contemplation of the qualitative and quantitative materiality levels established in accordance with auditing standards and auditor's professional judgment.

The scope of the audit does not include assurance on the future profitability of the Group nor efficiency or effectiveness of conducting business matters now and in the future by the Parent Company's Management.

As part of an audit in accordance with NAS, we exercise professional judgment and maintain professional skepticism and we also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or override of internal control,
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control,
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Group's Management,
- conclude on the appropriateness of the Company's Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our independent auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our independent auditor's report, however, future events or conditions may cause the Group to cease to continue as a going concern,
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation,
- we obtain sufficient appropriate audit evidence regarding the financial information of entities and business activities within the Group for the purpose of expressing an opinion on the consolidated financial statements. We are solely responsible for the direction, supervision and performance of the audit of the Group and we remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the Directors' Report

The Other information comprises the consolidated management report of the Group for the period from 1 January 2024 to 31 December 2024 („Directors' Report") together with the statement on corporate governance and the sustainability report that are presented in dedicated sections therein as well as other documents comprising the consolidated annual financial report for the financial year ended 31 December 2024 ('Consolidated Annual Report') excluding the consolidated financial statements and the independent auditor's report on the audit ('Other Information').

Responsibilities of the Company's Management and members of the Supervisory Board

Parent Company's Management is responsible for the preparation of the Other Information in accordance with the law.

The Parent Company's Management and members of the Parent Company's Supervisory Board are required to ensure that the Directors' Report with separate elements meets the requirements of the Accounting Act.

Auditor's responsibilities

Our opinion on the consolidated financial statements does not include the Other Information. In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether it is materially inconsistent with the consolidated financial statements or our knowledge obtained during the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other information, we are required to report that fact in our independent auditor's report. Our responsibility in accordance with the Act on Statutory Auditors is also to issue an opinion on whether the Directors' Report was prepared in accordance with relevant laws excluding the requirements on sustainability reporting and that it is consistent with the information contained in the consolidated financial statements.

In addition, we are required to issue an opinion on whether the Parent Company has included the required information in the consolidated statement on corporate governance.

Opinion on the Directors' Report

Based on the work performed during our audit, in our opinion, the Directors' Report:

- has been prepared in accordance with the article 49 of the Accounting Act and paragraph 71 of the Decree of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and conditions for recognition as equivalent the information required by laws of non-EU member states (the 'Decree on current and periodic information'),
- is consistent with the information contained in the consolidated financial statements.

Statement on Other information

Based on our knowledge of the Group and its environment obtained during our audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report with respect to the remaining Other information.

Opinion on the corporate governance statement

In our opinion, in the representation on application of corporate governance, the Group has included information stipulated in paragraph 70, section 6, point 5 of the Decree on current and periodic information.

Moreover, in our opinion, the information stipulated in paragraph 70, section 6, point 5 letter c-f, h and i of the Decree included in the consolidated statement on corporate governance is in accordance with applicable laws and information included in the consolidated financial statements.

Shape the future
with confidence

Report on other legal and regulatory requirements

Opinion on the compliance of marking up of the consolidated financial statements prepared in the single electronic reporting format with the requirements of the regulation on technical standards on the specification of a single electronic reporting format

As part of our audit of the consolidated financial statements we were engaged to perform a reasonable assurance engagement to express an opinion on whether the consolidated financial statements of the Group as at and for the year ended 31 December 2024, prepared in the single electronic reporting format, included in the file named „GK_Cyfrowy Polsat_2024-12-31_PL.zip" ('consolidated financial statements in ESEF format'), was marked up in accordance with the requirements stipulated in the Commission Delegated Regulation (EU) of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the 'ESEF Regulations').

Identification of the applicable criteria and description of the subject matter

The consolidated financial statements in ESEF format were prepared by the Company's Management in order to meet the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations.

The subject matter of our assurance engagement is the compliance of marking up of consolidated financial statements in ESEF format with the requirements of the ESEF Regulations, while the requirements specified in these regulations represent, in our opinion, applicable criteria for us to express an opinion.

Responsibilities of the Company's Management and members of the Supervisory Board

The Company's Management is responsible for the preparation of the consolidated financial statements in ESEF format in accordance with the tagging requirements and technical requirements of a single electronic reporting format which are specified in the ESEF Regulations. Such responsibility includes the selection and application of appropriate XBRL tags using the taxonomy specified in these regulations.

The responsibility of Management also includes the design, implementation and maintenance of such internal control as Management determines is necessary to enable the preparation of the consolidated financial statements in ESEF format that are free from any material incompliances with the ESEF Regulations.

The members of the Company's Supervisory Board are responsible for overseeing the Company's financial reporting process, which include also the preparation of financial statements in the format required by applicable regulations.

Auditor's responsibilities

Our objective is to express an opinion, based on the performed reasonable assurance engagement, that the consolidated financial statements in ESEF format have been tagged in accordance with ESEF Regulations.

We have performed our assurance engagement in accordance with the National Standard on Assurance Engagements Other than Audit and Review 3001 PL on audit of financial statement prepared in the single electronic reporting format ('NSAE 3001PL') and when applicable in accordance with National Standard on Assurance Engagements Other than Audit and Review 3000 (R) in the form of the International Standard on Assurance Engagements 3000 (revised) – 'Assurance Engagements Other than Audits or Reviews of Historical Financial Information' ('NSAE 3000 (R)').

The standard requires us to design and perform procedures to obtain reasonable assurance that the consolidated financial statements in ESEF format have been prepared in accordance with the applicable criteria.

Reasonable assurance is a high level of assurance, but it is not a guarantee that the assurance engagement conducted in accordance with NSAE 3001PL and, when appropriate, in accordance with NSAE 3000 (R), will always detect material misstatement when it exists.

The selection of procedures depends on the auditor's professional judgment, including the auditor's assessment of risks of material misstatements, whether due to fraud or error. When performing risk assessment the auditor takes account of internal controls related to preparation of the consolidated financial statements in ESEF format, to design procedures responsive to those risks in order to obtain evidence that is sufficient and appropriate. The assessment of internal control was not performed for the purpose of expressing an opinion on its operational effectiveness.

Summary of work performed

Procedures that were designed and performed by us included among others:

- obtaining an understanding of the process of preparation of the consolidated financial statements in ESEF format, including the process of selection and application of XBRL markups and maintaining compliance with the ESEF Regulations,
- reconciling the tagged information in consolidated financial statements in ESEF format to the audited consolidated financial statements;
- assessment of the compliance with the technical standards on the specification of a single electronic reporting format with the use of specialistic IT tools and IT expert;
- assessment of the completeness of tagging of information in the consolidated financial statements in ESEF format with XBRL tags with the use of specialistic IT tools and IT expert;
- assessment whether XBRL tags from the taxonomy specified by the ESEF Regulations have been applied appropriately and whether extension taxonomy elements have been used when there are no appropriate elements in the core taxonomy specified in the ESEF Regulations;
- evaluating of the anchoring of the extension taxonomy elements to the core taxonomy elements specified by the ESEF Regulations.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the compliance of marking up with ESEF Regulations.

Ethical requirements, including independence

While performing the assurance engagement, the key statutory auditor and the audit firm have complied with the independence and other ethical requirements as specified by the IESBA Code. The IESBA Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We have also complied with other independence and ethical requirements applicable to this assurance engagement in Poland.

Quality control requirements

The audit firm applies National Standard of Quality Control 1 in the wording of International Standard on Quality Management (PL) 1 - 'Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements', which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Opinion on compliance with the ESEF Regulations

Our opinion has been formed on the basis of the matters outlined in this report and therefore should be read in conjunction with these matters.

In our opinion, the consolidated financial statements in ESEF format have been marked up, in all material respects, in accordance with the requirements of the ESEF Regulations.

Statement on the provision of non-audit services

To the best of our knowledge and belief, we represent that services, which we have provided to the Group, are compliant with the laws and regulations applicable in Poland, and that non-audit service, which are prohibited under article 5 item 1 of Regulation 537/2014 and article 136 of the Act on Statutory Auditors, were not provided. The non-audit services, which we have provided to the Group in the audited period, have been disclosed in the Directors' Report.

Appointment of the audit firm

We were appointed for the audit of the Group's consolidated financial statements initially based on the resolution of Supervisory Board from 23 January 2018 and reappointed based on the resolution from 26 February 2020 and resolution from 10 July 2023 . The consolidated financial statements of the Group have been audited by us uninterruptedly starting from the financial year ended on 31 December 2018, i.e. for the past seven consecutive years.

Warsaw, 9 April 2025

Key Certified Auditor

Anna Sirocka

certified auditor

no in the register: 9626

on behalf of:

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp. k.

Rondo ONZ 1, 00-124 Warsaw
no on the audit firms list: 130

Grupa Polsat Plus

This document is a conversion to pdf format of the official consolidated financial statements issued in xhtml format.

Report of the Management Board on the activities of Cyfrowy Polsat S.A. and Cyfrowy Polsat S.A. Capital Group for the financial year ended December 31, 2024

Warsaw, April 10, 2025

Table of contents

Disclaimers

General information

Cyfrowy Polsat S.A. (the "Company", "Cyfrowy Polsat"), with its registered office in Warsaw, 4a Łubinowa Street, is entered in the Register of Entrepreneurs of the National Court Register kept by the District Court for the City of Warsaw, XIV Economic Department of the National Court Register, KRS number KRS 0000010078. The Company is the parent company of Cyfrowy Polsat S.A. Capital Group ("Polsat Plus Group").

This constitutes the report of Cyfrowy Polsat Capital Group S.A. (the "Report") prepared as required by Article 60 sections 1(3) and (2) and Articles 70 and 71 of the Ordinance of the Minister of Finance of March 29, 2018 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations (the "Ordinance"). Pursuant to Article 71 section 8 of the Ordinance, the information required for the report on the activities of the parent company referred to in Article 70 section 1 (4) of the Ordinance is also included in this report of the Management Board on the activities of Polsat Plus Group.

Presentation of financial data and other information

References to the Company or Cyfrowy Polsat contained in this Management Board's report on the activities of the Company and Polsat Plus Group apply to Cyfrowy Polsat S.A., while all references to the Group or Polsat Plus Group apply to Cyfrowy Polsat S.A. and its consolidated subsidiaries. Expressions such as "we," "us," "our" and similar apply generally to the Group, unless it is clear from the context that they apply only to the Company. A glossary of terms used in this document is presented at the end of this Report.

This Report contains financial statements and financial information relating to the Company and the Group. In particular, this Report contains consolidated and standalone financial statements for the year ended December 31, 2024, prepared in accordance with International Financial Reporting Standards as approved for use in the European Union ("IFRS") and are presented in millions of zlotys. The financial statements attached to this Report have been audited by an independent auditor.

Certain financial data contained in this Report have been subject to rounding adjustments. Accordingly, certain numbers presented as the sum may not conform exactly to the arithmetical sum of their components.

Forward-looking statements

This Report contains forward looking statements relating to future expectations, 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). These statements are expressed, without limitation, through words such as "may," "will," "expect," "anticipate," "believe," "estimate" and similar words used in this Report. 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. Accordingly, actual results may differ materially from those expressed or implied by the 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 Report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We expressly disclaim any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained herein 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 Report.

In this Report, we disclose important factors which may impact our future operating activities and financial results that could cause our actual results to differ materially from our expectations.

Industry and market data

In this Report, we set out information relating to our business and the markets in which we and our competitors operate. The information regarding the market, its size, the market share, the market position, the growth rates and other industry data relating to our business and markets in which we operate consists of data and reports compiled by various third-party entities, including other operators present on the Polish market, and our internal estimates. We believe that industry publications, surveys and forecasts we use are reliable, but we have not independently verified them and cannot guarantee their accuracy or completeness.

Moreover, in numerous cases we have made statements in this Report regarding our industry and our position in the industry based on our own experience and our examination of market conditions. We cannot guarantee that any of these assumptions properly reflect our market position. Our internal surveys have not been verified by any independent sources.

Financial data overview

The following tables set out selected consolidated and standalone financial data for the three- and twelve-month periods ended December 31, 2024 and December 31, 2023. This information should be read in conjunction with the consolidated and standalone financial statements for the year ended December 31, 2024 (including notes thereto) and the information included in item 4 of this Report – *Operating and financial review*.

Selected financial data:

- from the consolidated income statement and the consolidated cash flow statement for the three-month periods ended December 31, 2024 and December 31, 2023 have been converted into euro at a rate of PLN 4.3070 per EUR 1.00 (average exchange rate in the period from October 1, 2024 to December 31, 2024 announced by the NBP);
- from the consolidated and standalone income statement and the consolidated cash flow statement for the twelve-month periods ended December 31, 2024 and December 31, 2023 have been converted into euro at a rate of PLN 4.3064 per EUR 1.00 (average exchange rate in the period from January 1, 2024 to December 31, 2024 announced by the NBP);
- from the consolidated and standalone balance sheet data as of December 31, 2024 and December 31, 2023 have been converted into euro at a rate of PLN 4.2730 per EUR 1.00 (average exchange rate on December 31, 2024 published by the NBP).

Such recalculations shall not be viewed as a representation that such zloty amounts actually represent such euro amounts or could be or could have been converted into euro at the rates indicated or at any other rate.

It should be noted that the consolidated financial data for the three- and twelve-month periods ended December 31, 2024 and December 31, 2023 are not comparable due to acquisitions and changes to the Group’s structure in the period from January 1, 2023 to December 31, 2024, which are described in detail in item 1.4. - *Changes in the organizational structure of Polsat Plus Group and their effects* – of this Report, as well as in item 1.5. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023.

Consolidated income statement

	12 months ended December 31			12 months ended December 31	
	2024	2023		2024	2023
	mPLN	mPLN		mEUR	mEUR
Revenue	14,265.9	13,626.3		3,312.7	3,164.2
Operating costs	(12,629.3)	(12,488.8)		(2,932.7)	(2,900.0)
Gain on disposal of a subsidiary and an associate	10.0	219.7		2.3	51.0
Other operating income/(cost), net	119.6	(45.6)		27.8	(10.6)
Profit from operating activities	**1,766.2**	**1,311.6**		**410.1**	**304.6**
Finance income	426.2	452.7	(1)	99.0	105.1
Finance costs	(1,112.2)	(1,372.2)	(1)	(258.2)	(318.6)
Share of the profit of associates accounted for using the equity method	(0.7)	29.7		(0.2)	6.9
Gross profit for the period	**1,079.5**	**421.8**		**250.7**	**98.0**
Income tax	(302.2)	(110.2)		(70.2)	(25.6)
Net profit for the period	**777.3**	**311.6**		**180.5**	**72.4**
Net profit attributable to equity holders of the Parent	710.5	278.5		165.0	64.7
Net profit attributable to non-controlling interest	66.8	33.1		15.5	7.7
Basic and diluted earnings per share in PLN (not in millions)	**1.41**	**0.57**		**0.33**	**0.13**
Weighted number of issued shares (not in millions)	550,703,531	550,703,531		550,703,531	550,703,531
EBITDA[(2)]	**3,437.6**	**3,231.2**		**798.3**	**750.3**
EBITDA margin	24.1%	23.7%		24.1%	23.7%
Headcount[(3)]	8,219	8,020		n/a	n/a

	3 months ended December 31			3 months ended December 31	
	2024	2023		2024	2023
	mPLN	mPLN		mEUR	mEUR
Revenue	3,827.1	3,681.5		888.6	854.8
Operating costs	(3,439.4)	(3,486.7)		(798.6)	(809.5)
Gain on disposal of a subsidiary and an associate	-	(0.4)		-	(0.1)
Other operating income/(cost), net	(39.7)	(22.2)		(9.2)	(5.2)
Profit from operating activities	**348.0**	**172.2**		**80.8**	**40.0**
Finance income	122.2	368.8	(1)	28.4	85.6
Finance costs	(246.4)	(414.6)	(1)	(57.2)	(96.3)
Gross profit for the period	**223.8**	**126.4**		**52.0**	**29.3**
Income tax	(56.1)	3.9		(13.0)	0.9
Net profit for the period	**167.7**	**130.3**		**39.0**	**30.2**
Net profit attributable to equity holders of the Parent	135.1	100.5		31.4	23.3
Net profit attributable to non-controlling interest	32.6	29.8		7.6	6.9
Basic and diluted earnings per share in PLN (not in millions)	**0.30**	**0.24**		**0.07**	**0.05**
Weighted number of issued shares (not in millions)	550,703,531	550,703,531		550,703,531	550,703,531
EBITDA[(2)]	**739.9**	**676.7**		**171.8**	**157.1**
EBITDA margin	19.3%	18.4%		19.3%	18.4%
Headcount[(3)]	8,246	8,202		n/a	n/a

(1) In 2024, there was a change in the presentation of finance income and finance costs, resulting in a restatement of the comparative figures. This change did not affect the previously reported net profit amounts.

(2) We define EBITDA as net profit/(loss) as determined in accordance with IFRS, before depreciation and amortization (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, net value of disposed property, plant and equipment and intangible assets, revenue obtained from interest, finance costs, positive/(negative) exchange rate differences, income taxes and share of net results of joint ventures. The reconciling item between EBITDA and reported operating profit/ (loss) is depreciation and amortization expense and impairment charges and reversals on property, plant and equipment and intangible assets and net value of disposed property, plant and equipment and intangible assets.

(3) Average employment presented in full time equivalents excluding workers who did not perform work in the reporting period due to long-term absences.

Consolidated cash flow statement

	12 months ended December 31			
	2024	2023	2024	2023
	mPLN	mPLN	mEUR	mEUR
Net cash from operating activities	3,427.2	2,392.4	795.8	555.5
Net cash used in investing activities, incl.:	(2,174.0)	(2,215.7)	(504.8)	(514.5)
Capital expenditures(1)	*(1,784.2)*	*(1,601.9)*	*(414.3)*	*(372.0)*
Net cash used in financing activities	(1,882.5)	2,336.2	(437.1)	542.5
Net increase/(decrease) in cash and cash equivalents	(629.3)	2,512.9	(146.1)	583.5
Cash and cash equivalents at the end of the period	**2,687.1**	**3,325.7**	**624.0**	**772.3**

(1) Capital expenditures represent payments for our investments in property, plant and equipment and intangible assets. Excludes expenditures on purchase of reception equipment leased to our customers, which are reflected in the cash flow from operating activities, or payments for concessions, which are reported in a separate line of our cash flow statement.

Consolidated balance sheet

	Dec. 31 2024	Dec. 31 2023	Dec. 31 2024	Dec. 31 2023
	mPLN	mPLN	mEUR	mEUR
Cash and cash equivalents(1)	2,687.1	3,325.7	628.9	778.3
Assets	37,468.0	37,176.7	8,768.6	8,700.4
Non-current liabilities, incl.:	14,705.4	15,354.9	3,441.5	3,593.5
Non-current financial liabilities(2)	13,316.3	13,934.3	3,116.4	3,261.0
Current liabilities, incl.:	5,693.3	5,515.8	1,332.4	1,290.8
Current financial liabilities(2)	1,863.9	1,629.6	436.2	381.4
Equity	17,069.3	16,305.2	3,994.7	3,815.9
Share capital	25.6	25.6	6.0	6.0

(1) Includes Cash and cash equivalents, Deposits and Restricted cash.
(2) Includes Loans and borrowings, Issued bonds and Lease liabilities.

Standalone income statement

	12 months ended December 31			12 months ended December 31	
	2024	2023		2024	2023
	mPLN	mPLN		mEUR	mEUR
Revenue	2,242.1	2,245.3		520.6	521.4
Operating costs	(2,089.8)	(2,064.1)		(485.3)	(479.3)
Other operating income/(cost), net	9.8	(9.6)		2.3	(2.3)
Profit from operating activities	**162.1**	**171.6**		**37.6**	**39.8**
Finance income	1,074.3	1,163.3	(1)	249.5	270.1
Finance costs	(785.1)	(677.1)	(1)	(182.3)	(157.2)
Gross profit for the period	**451.3**	**657.8**		**104.8**	**152.7**
Income tax	(45.5)	(18.2)		(10.6)	(4.2)
Net profit for the period	**405.8**	**639.6**		**94.2**	**148.5**
Basic and diluted earnings per share in PLN (not in millions)	**0.74**	**1.16**		**0.17**	**0.27**
Weighted number of issued shares (not in millions)	550,703,531	550,703,531		550,703,531	550,703,531
EBITDA[(2)]	**364.2**	**348.7**		**84.6**	**81.0**
EBITDA margin	16.2%	15.5%		16.2%	15.5%
Headcount[(3)]	962	966		n/a	n/a

(1) In 2024, there was a change in the presentation of finance income and finance costs, resulting in a restatement of the comparative figures. This change did not affect the previously reported net profit amounts.

(2) We define EBITDA as net profit/(loss) as determined in accordance with IFRS, before depreciation and amortization (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, net value of disposed property, plant and equipment and intangible assets, revenue obtained from interest, finance costs, positive/(negative) exchange rate differences, income taxes and share of net results of joint ventures. The reconciling item between EBITDA and reported operating profit/ (loss) is depreciation and amortization expense and impairment charges and reversals on property, plant and equipment and intangible assets and net value of disposed property, plant and equipment and intangible assets.

(3) Average employment presented in full time equivalents excluding workers who did not perform work in the reporting period due to long-term absences.

Standalone cash flow statement

	12 months ended December 31			
	2024	2023	2024	2023
	mPLN	mPLN	mEUR	mEUR
Net cash from operating activities	366.3	241.4	85.1	56.1
Net cash used in investing activities, incl.:	6.1	(1,282.0)	1.4	(297.7)
Capital expenditures[(1)]	*(59.5)*	*(61.6)*	*(13.8)*	*(14.3)*
Net cash used in financing activities	(895.3)	2,803.5	(207.9)	651.0
Net increase/(decrease) in cash and cash equivalents	(522.9)	1,762.9	(121.4)	409.4
Cash and cash equivalents at the end of the period	**1,352.1**	**1,883.6**	**314.0**	**437.4**

(1) Capital expenditures represent payments for our investments in property, plant and equipment and intangible assets. Excludes expenditures on purchase of reception equipment leased to our customers, which are reflected in the cash flow from operating activities, or payments for concessions, which are reported in a separate line of our cash flow statement.

Standalone balance sheet

	Dec. 31 2024	Dec. 31 2023	Dec. 31 2024	Dec. 31 2023
	mPLN	mPLN	mEUR	mEUR
Cash and cash equivalents(1)	1,352.1	1,883.6	316.4	440.8
Assets	19,798.3	19,732.9	4,633.3	4,618.0
Non-current liabilities, incl.:	5,922.1	6,116.3	1,385.9	1,431.4
Non-current financial liabilities(2)	5,669.3	6,017.3	1,326.8	1,408.2
Current liabilities, incl.:	1,360.7	1,506.7	318.5	352.6
Current financial liabilities(2)	564.2	583.5	132.0	136.6
Equity	12,515.5	12,109.9	2,929.0	2,834.0
Share capital	25.6	25.6	6.0	6.0

(1) Includes Cash and cash equivalents, Deposits and Restricted cash.
(2) Includes Loans and borrowings, Issued bonds and Lease liabilities.

1. Characteristics of Polsat Plus Group

1.1. Who we are

Polsat Plus Group is Poland's largest media and telecommunications group and the leader in the Polish entertainment and telecommunications markets. We are the leading pay TV provider and one of the leading telecommunications operators in the country. We are also one of Poland's largest content producers and hold a leading position among TV broadcasters in terms of both audience and advertising market shares. We offer a complete package of multimedia services designed for the entire family and a wide array of wholesale services to other telecommunications and television operators, and broadcasters. In addition, based on our Strategy 2023+, we have expanded our business activities into the production and distribution of clean energy.

Our operating activities include four business segments: the B2C and B2B services segment, the media segment: television and online, the real estate segment (from April 1, 2022) and the green energy segment (from July 3, 2023). The portfolio of services and products offered by Group companies includes:

- **pay TV services** offered under the 'Polsat Box' brand by Cyfrowy Polsat – the largest pay TV provider in Poland – and our subsidiary Netia. We offer our customers access to over 160 TV channels broadcast in satellite, terrestrial and Internet (IPTV, OTT) technologies as well as modern OTT services, Multiroom and online video services through our streaming service 'Polsat Box Go';
- **telecommunication services**, including voice and data transmission services, as well as various added services (VAS). We provide mobile telecommunication services under the 'Plus' brand through Polkomtel – one of Poland's leading telecommunications operators - and fixed-line telecommunication services mainly through Netia. We also offer business customers a range of advanced solutions designed to streamline processes and increase efficiency, including cloud solutions;
- **mobile broadband Internet**, offered under the 'Plus' brand in the state-of-the-art 5G, LTE Advanced and LTE technologies. Over 26 million residents of Poland are within the coverage of our Plus 5G network;
- **fixed-line broadband Internet** reaching nearly 11 million homes passed, offered under the 'Netia' and 'Plus' brands based on our nationwide access infrastructure as well as wholesale access to networks of other operators;
- **broadcasting and television production** through Telewizja Polsat Group, the leading commercial TV broadcaster on the Polish market, offering 43 own popular TV channels, including our main channel POLSAT, one of the leading FTA channels in Poland;
- **Internet media** through one of the three largest horizontal portals in Poland, Interia.pl, as well as an extensive portfolio of thematic portals;
- **wholesale services to other operators**, including, among others, network interconnection, IP and voice traffic transit, lease of lines, and national and international roaming services;
- **production and sale of energy** from renewable sources such as wind, solar and biomass. Within the green energy segment, we are also developing a value chain based on green hydrogen, including its production, storage, transportation and distribution and sales, as well as the construction of hydrogen refuelling stations and the sale of hydrogen-powered buses;

- **activities on the real estate market**, consisting mainly in the implementation of construction projects as well as the sale, rental and management of real estate. Our flagship project is the Port Praski investment located in the strict centre of Warsaw.

1.2. Strategy 2023+

We are a Polish company and we offer high quality commodities for a reasonable price to the inhabitants of Poland. For everyone. Everywhere.

We believe that high-speed and reliable Internet within easy reach means freedom for everyone and everywhere. We believe in locally produced, unique content available wherever, whenever and on whatever device you want. We believe that the transition towards clean and affordable energy, in particular energy produced from renewable sources, is what our country needs and that it creates new development opportunities for our Group.

We want to create and deliver high quality commodities: high-speed and reliable connectivity, the most attractive and unique content and entertainment, clean and affordable energy and other services and commodities for the home and for individual and business customers, using state-of-the-art technologies to provide top quality services that meet the changing needs and expectations of our customers, so as to maintain the highest possible level of their satisfaction. Concurrently, in line with the concept of ESG, we want to create the value of our Company in a sustainable manner taking into account and addressing environmental, social, responsible and transparent business issues, to the benefit of local society and all our Stakeholders.

The superior goal of our strategy is the permanent, long-term growth of the value of Cyfrowy Polsat S.A. for its Shareholders. We intend to achieve this goal by implementing the key elements of our operating strategy based on three pillars and supported by an effective financial policy.

<table>
<tr><th>PILLAR I - CONNECTIVITY</th><th>PILLAR II - CONTENT</th><th>PILLAR III – CLEAN ENERGY</th></tr>
<tr><td>High-speed and reliable connectivity is critical to our work, education and entertainment. Easy communication with friends and family</td><td>Attractive content and excellent user experience ensure entertainment wherever, whenever and on whatever device you want</td><td>Affordable, clean energy is essential to the daily functioning and further development of the Polish society and economy</td></tr>
<tr><td colspan="2">• growth of revenue from services provided to individual and business customers through the consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer and simultaneously increasing average revenue per user (ARPU) and maintaining a high level of customer satisfaction</td><td rowspan="2">• building a position on the clean, energy market, in particular from the sun, wind, biomass and building a complete value chain of a hydrogen-based economy, which creates opportunities to build a new stream of revenues for Polsat Plus Group and will bring tangible social benefits in the form of greenhouse gas emissions reduction</td></tr>
<tr><td colspan="2">• growth of revenue from produced and purchased video content by expanding its distribution, including a search for new channels of exploitation of rights, maintaining the audience shares of channels produced by us</td></tr>
<tr><td colspan="2">• use of opportunities arising from the advancing technological changes and market opportunities to expand the scope of our products and services</td><td>• analysis of additional development opportunities in other prospective directions</td></tr>
<tr><td colspan="3">• effective management of the cost base of our integrated capital group by exploiting its inherent synergies and economies of scale</td></tr>
<tr><td colspan="3">• effective management of the Group’s finances, including its capital resources</td></tr>
</table>

Growth of revenue from services provided to individual and business customers through the consistent building of our customer base value by maximizing the number of users of our services as well as the number of services offered to each customer and simultaneously increasing average revenue per user (ARPU) and maintaining a high level of customer satisfaction

Our goal is to effectively build revenue from the sale of products, services and commodities to our customers. By actively predicting new trends and reacting to the occurring market changes, we will continue to create products that will satisfy the evolving needs of our customers.

The factor that will have a positive impact on revenue is the possibility of cross-selling our existing and future products and services to the customer base of Polsat Plus Group. We create a unique portfolio of products and services which is targeted at customer bases of companies composing our Group. Properly addressed, both through the sale of additional single products or a multiplay offer, this potential may gradually increase the number of services per individual user, thus increasing revenue per customer and at the same time favorably impacting the level of satisfaction of our customers.

The integrated services market in Poland is still developing, especially outside big cities and therefore it has substantial growth potential. We intend to continue expanding our portfolio of products and services, relying both on own projects, as well as on strategic alliances or acquisitions. We trust that a comprehensive and unique offer of combined services (television offered in diversified access technologies including a model based on online applications, mobile Internet based in particular on the cutting-edge 5G technology, high-speed fixed broadband with high throughputs and voice services) and the possibility of up-selling additional services (e.g. premium content services, entertainment services as well as other services or solutions for the home), when provided via diversified distribution platforms, will be decisive from the point of view of our competitive edge. It will also enable us to retain our existing customer base and offer an opportunity to acquire new customers on the pay TV, telecommunication and energy markets as well as in the area of other services for the home and for individual and business customers.

Growth of revenue from produced and purchased video content by expanding its distribution, including a search for new channels of exploitation of rights and maintaining the audience shares of the channels that we produce

The channels we produce and broadcast enjoy strong, well-established positions on the Polish TV and high ratings in their respective target groups. Our goal is to maintain our audience share at a stable level and consistently enhance our viewer profile. We believe that by making sensible investments in programming and wider distribution of our own content we will be able to gradually improve our viewer profile. This in turn will have a positive effect on the pricing of advertising airtime that we offer.

The second crucial element in building the segment's value is the widest possible distribution of produced and purchased TV content, both in terms of the customer groups it reaches (FTA, pay TV and online access) and the technologies they use (terrestrial, satellite, Internet, mobile). We want to invest in development and build the market position of our content brands, which will then be distributed via a number of channels adjusted to the evolving needs of our customers. These efforts, in our opinion, will not only allow us to maximize benefits of the wide-scale distribution of our video content, but will also ensure a higher level of satisfaction among our customers and viewers, who will have more freedom to decide what, where and when to watch.

Use of opportunities arising from the advancing technological changes and market opportunities to expand the scope of our products and services

We seek to offer wide accessibility to our products and services to each of our existing and potential new customers. Therefore, beside the continuous development of technologies which have built the scale of our company in the past, we pay attention to the development of new products which are meant to facilitate the availability of our content and the services we offer. For everyone. Everywhere.

The intertwining of the telecommunication and media worlds, in particular the wide availability of high-speed mobile transfer technologies as well as the constantly improving quality of fixed-broadband connections, allows us to develop equipment and technologies which break the limitations with regard to accessibility or ownership of certain telecommunication infrastructure. The OTT (over-the-top) technologies are expanding distribution markets for content producers and we intend to actively leverage on that. We invest in new technologies, equipment and applications, and we pursue opportunities to enter strategic alliances or acquisitions, with a view to facilitating access to the content we produce for our customers. We also intend to leverage on the changes on the Polish content market and take advantage of the opportunities presented by the evolving needs and expectations of Polish consumers, as well as changes in the ways of media consumption triggered by cutting-edge data transmission technologies to offer our customers an extensive range of services adjusted to their needs and expectations. By developing our content and telecommunication offer and expanding it to include complementary products and services, we seek to acquire new customers, build ARPU and improve customer satisfaction and loyalty.

An effective combination of telecommunication and content products provides new opportunities for distribution of content. Thanks to this combination, attractive content and a wide range of our services can be delivered through a variety of reliable distribution channels – via satellite (DTH), digital terrestrial television (DVB-T2 HEVC), Internet television (OTT), Internet platforms, applications and portals (video online), mobile (5G, LTE Advanced and LTE) and fixed-line (IPTV) technologies – to all consumer devices from TV sets through PCs and tablets to smartphones.

Modern technology advancement is also a critical factor contributing to the transition in our country towards clean, zero and low-emission energy. We want to be an active participant of this transition. We intend to take advantage of emerging market opportunities and invest in technological innovations because we believe that they are essential to accelerate the energy transition and decarbonization in Poland. We set ourselves ambitious goals with respect to the construction of zero and low-emission sources of electric energy that on the one hand constitute an opportunity to continue the development of our business in the mid and long-term, and on the other support the sustainable development of the Polish society and economy.

Concurrently, we will analyse in detail emerging market and investment opportunities, such as investments in unique real estate or prospective business projects that have potential to generate high rates of return in the mid-term. We believe that such projects present an attractive opportunity to invest available funds.

Building a position on the clean energy market, in particular from the sun, wind, biomass and building a complete value chain of a hydrogen-based economy, which creates opportunities to build a new stream of revenues for Polsat Plus Group and brings tangible social benefits in the form of greenhouse gas emissions reduction

With a view to strengthening our unique offer of integrated services we have decided to establish a new, third strategic pillar based on clean energy. We believe that the transition towards clean, zero and low-emission energy in Poland is a perfect moment to enter this prospective market by new players and creates new development possibilities for Polsat Plus Group. We believe that investments in the development of clean, renewable energy sources constitute a practical implementation of the ESG concept and can bring our Group, our Stakeholders and the local society tangible economic and social benefits, in particular in the form of greenhouse gas emissions reduction. Our investment plan foresees the installation of capacity between 2022 and 2026 that will enable the production of nearly 2 TWh of clean energy, which will contribute to the reduction of greenhouse gas emissions by almost 2 million tons of CO_2 equivalent annually.

We want to build a new stream of revenue from the sale of clean energy to business and individual customers. We expect that demand for clean energy in Poland will exhibit a strong, upward trend in the following years. This trend will be supported by a set of factors, including the consistent regulatory policy implemented at the European Union level and directed at achieving climate neutrality by 2050, the changing geopolitical situation and increasing demand for energy resulting from Poland's economic growth. To build and successively strengthen our position on the energy market in Poland we intend to invest in projects related to the production of energy from wind farms, photovoltaics and biomass. We also want to invest in the future by building a complete value chain of a hydrogen-based economy, which may contribute significantly to the reduction of harmful substance emissions (including CO_2).

Effective management of the cost base of our capital group by exploiting its inherent synergies and economies of scale

We are convinced that building a closely integrated group that combines connectivity, content and energy services offers an opportunity for tangible synergies and for securing significant competitive advantages. We implement numerous projects aimed at simplifying the Group's structure by integrating relevant teams and harmonizing business processes and IT systems in the entire Group, which enables us to achieve tangible cost synergies. On a continuous basis we pursue optimization efforts aimed at adapting our cost base to current market conditions and our Group's situation.

We believe that our engagement in the clean energy sector will also generate sizeable synergies and in the mid- and long-term will support operating in-line with a sustainable business-model. In particular, access to clean energy at lower prices will allow us to further optimize the costs of our operating activities and will also help us strengthen our relationships with B2B and B2C customers interested in purchasing clean energy, which will have a positive impact on the results of our strategy.

Effective management of the Group's finances, including its capital resources

Our financial policy and capital resources management policy define the method of using funds generated from our operations. To guarantee the continuity and stability of the Group's operations the generated free cash flow is used in the first place for financing current operations and for investments indispensable for the development of the Group. Simultaneously, we continually exploit arising development possibilities and investment opportunities, which allow us to make our products and services more attractive, provide new methods of their distribution or create additional value for our Shareholders.

Our capital resources management policy assumes maintaining a balance between leveraging on emerging market and investment opportunities and regular dividend payouts to Shareholders of the Company. Concurrently, we intend to maintain the indebtedness of Polsat Plus Group at a safe level, ensuring an optimal structure of financing of our operating activities using debt financing.

1.3. Development prospects

Development prospects in the B2C and B2B services segment

As the largest media and telecommunications group in Poland we have gathered under one roof all the key assets which allow us to offer customers a unique portfolio of products and services. In line with our strategy, we focus on marketing and sales activities aimed at cross-selling standalone products and services to the customer base of Polsat Plus Group and at selling our bundled services offer. We see our future development path in this strategy. We think that along with the development of modern fixed-line and nationwide radio infrastructures, connectivity will continue to shape not only the telecommunications market but also the content distribution market.

We develop our portfolio of integrated services. In our opinion, the Polish bundled services market has significant growth potential, particularly in less urbanised areas. Our customers are increasingly interested in bundled services, a trend reflected in the very good sales results of our bundled services offer. We are convinced that our combination of telecommunication services, including high quality broadband Internet access in both 5G as well as fibre optic technologies, with pay TV and other services for home and office will allow us to benefit from the growth potential of the Polish bundled services market. By increasing the number of services sold to each customer we can generate growth of average revenue per customer (ARPU) and effectively increase our customers' loyalty as reflected by the churn rate.

We expand the reach of fixed broadband Internet. We currently reach ca. 3.4 million households in Poland with our own fixed-line access infrastructure. In addition, cooperation with fixed-line network operators extended the coverage of Plus fixed-line Internet to nearly 11 million households. Currently, more than 8.5 million households have access to Plus fibre Internet with a capacity of up to 1 Gbps. We believe that the expansion of Plus' fibre optic coverage will strengthen our position in the telecommunications market by enabling further development of our bundled service offering and will contribute to customer retention and a reduction in the churn rate.

We address our convergent offering to new target groups. We use our infrastructure and cooperation with wholesale operators of fibre optic network to expand the reach of services provided by Polsat Plus Group in fixed-line technologies. We develop new TV products, such as, for example, television in IPTV and OTT technologies, which, in our opinion, will become an attractive alternative to offers of cable operators. We are of the opinion that assets owned by Polsat Plus Group, such as a widespread sales network and own advertising channels, shall allow us to achieve satisfying sales results on our fixed-line services while maintaining cost efficiency of operations.

We consistently strengthen our market position as the aggregator and distributor of content. We offer a unique, hard to duplicate and at the same time highly attractive content, which distinguishes us in the pay TV market. The content we offer and wide range of Polsat Plus Group's services are delivered through a variety of reliable distribution channels – via satellite (DTH), digital terrestrial television (DVB-T2 HEVC), 5G and LTE mobile technologies and fixed-line technologies (FTTH, HFC, ETTH, xDSL, OTT, IPTV) – to all consumer devices, from TV sets and PCs to tablets and smartphones. We closely study the evolution of our customers' expectations and work to satisfy their growing needs. We focus on building the IPTV and OTT pay TV offers as we believe it represents a significant step in Polsat Plus Group's continued development on the pay TV market. The services live up to customers' expectations by offering an access to a wide range of the unique content in flexible tariff plans and short subscription periods.

Development prospects in the media segment

We are the leading group on the Polish TV broadcasting market in terms of audience shares, advertising revenue and advertising market share. At the same time, Polsat Media, our advertising sales office, is currently the largest broker on the television market with 94 TV channels in its portfolio and full advertising service of Interia.pl Group web services.

The audience shares of thematic channels are growing continuously as the process of fragmentation of the Polish television market continues to progress. We view this as an opportunity to strengthen our broad portfolio of channels for the whole family, expanding and strengthening our distribution network on cable and satellite operator platforms, both in the B2C and B2B segments. We own the largest pay TV customer base in Poland, which gives us a competitive advantage. We believe that our presence on all significant satellite platforms and distribution by cable TV operators will result in maintaining high audience shares of our channels, which will allow us to grow at least in line with the TV advertising market and increase revenues from cable and satellite operators.

Our strategy is aimed at the widest possible distribution of content using the latest devices and technologies. We monetize our content through distribution via our Polsat Box Go online video service which is one of the leading streaming platforms in Poland, as well as through Internet portals belonging to the Group, particularly those associated with Interia.pl. In parallel, we are open to partnerships and cooperation with other entities distributing TV channels either in the traditional or online pay TV models. As a result, Polsat Plus Group's TV channels are available in the offers of the majority of cable, satellite or IPTV operators in Poland. In addition, access to our Polsat Box Go service, which offers TV Polsat channels, can also be found in the offer of selected telecommunication operators who prefer to build their content offerings in the OTT application model. The wholesale sales of content produced by Telewizja Polsat's channels represents a significant and increasing revenue stream of the media segment.

We invest in the attractiveness of our TV channels by continuously building our viewers' profile. We place great weight on offering content in Telewizja Polsat's channels that meets preferences of viewers from our target groups. We constantly invest in producing the most attractive entertainment, film or news content and, simultaneously, we closely monitor the market of sports rights and film licenses. These actions are aimed at maintaining high viewership of our channels while building an attractive, from the advertisers' perspective, profile of our viewers. We also believe that thanks to possible synergies within the largest integrated media and telecommunication group in Poland in fields such as purchase of content, distribution, sales and marketing, we are able to strengthen our position on the broadcasting and television production market.

We expand our presence on the media market beyond the TV segment. We expand thematic portals which use the unique content produced by our TV channels and dedicated editorial offices. We invest in the development of our portals, especially "Polsatnews.pl" and "Polsatsport.pl". In turn, Interia.pl Group, acquired by us in July 2020, is the leading player on the Polish online media market. Following the acquisition of Interia we became one of the key entities on the Polish online and television advertising market, offering unique marketing and cross-media solutions. In parallel, we believe that strengthening the cooperation between Telewizja Polsat - a top video content producer, Interia.pl Group - a leading entity on the online media market in the country and Polsat Media – the largest broker on the Polish advertising market, will bring additional synergies solidifying our position on the perspective online advertising market.

Development prospects in the green energy segment

Growing demand for clean energy. We expect demand for clean energy in Poland to show a strong upward trend in the coming years. This development will be supported by several factors, in particular a consistent climate policy of the European Union aimed at achieving climate neutrality by 2050, the changing geopolitical situation, growing demand for electricity resulting from the economic development of our country, as well as Increasing restrictions on the use of conventional energy sources. An additional factor supporting the development of the RES sector is the 'Energy Policy of Poland until 2040', which envisages increasing the share of RES in gross final energy consumption to at least 23% in 2030.

Development of installed RES capacity. In order to build and successively strengthen our position on the clean energy market in Poland we invest in projects focused on energy production from wind, solar and biomass. At the end of 2024, the Group had a total of 337.5 MW of installed capacity, of which 150.1 MW were onshore wind farms, 105 MW were biomass units, and 82.4 MW were photovoltaic farms. The Drzeżewo and Dobra wind farm projects, currently under construction, will double the installed capacity in wind power over the next year, significantly increasing the potential for clean energy generation.

We expect that the renewable energy projects implemented as part of Strategy 2023+ will allow us to achieve production capacities of 1.7 TWh by the end of 2026 and generate approximately PLN 500 million EBITDA with lower investment expenditures than originally anticipated. The production of clean green energy by Polsat Plus Group will contribute to the reduction of greenhouse gas emissions by nearly 2 million tonnes of CO_2 equivalent annually.

Development of a green hydrogen value chain. The realisation of the complete green hydrogen value chain within Polsat Plus Group is in line with the objectives of the "Polish Hydrogen Strategy until 2030 with an outlook to 2040", the "Hydrogen Strategy for a Climate Neutral Europe", in particular the strategic direction to achieve carbon neutrality in the European Union. Interest in the use of zero emission hydrogen is growing worldwide. Hydrogen is used as a raw material, as a fuel, as an energy carrier and as an energy store. Hydrogen has the potential to decarbonise a number of economic sectors, in particular the transport sector, by providing an ultra-pure fuel with no harmful emissions to the atmosphere. As part of the RepowerEU strategy for affordable, secure and sustainable energy, the European Commission wants to further accelerate the development of the renewable hydrogen market. According to this plan, the EU should increase the production of hydrogen from renewable sources to 20 megatonnes per year by 2030, up from the 10 megatonnes per year proposed in the 2020 hydrogen strategy.

Development prospects in the real estate segment

The entire concept of Port Praski perfectly meets the needs of modern users – both individual and business. The location, the highest level of urban planning and architecture, including the consideration of sustainable development trends, as well as the high quality of execution, make Port Praski one of the most attractive investments in the real estate segment in Poland.

In 2025, we continue the process of designing and obtaining administrative decisions that will enable the implementation of further residential investments in Port Praski. Among them is a building at Krowia 1-3 Street, with a total residential area of approximately 7.3 thousand m^2, which we plan to complete in the second half of 2027.

Preparatory work on the Doki investment is underway, which we plan to complete based on the Act on the preparation and implementation of housing investments and accompanying investments. In 2024, we conducted a dialogue process about this investment with local stakeholders, and we are currently continuing design work, which also includes public areas located right by the water. According to current plans, the Doki residential complex consists of 1,270 apartments in 10 buildings with a total usable floor area of approx. 65.5 thousand m^2.

We are continuing the adaptation of a historic building at Okrzei street for the needs of a four-star AC Hotel Warsaw Port Praski hotel from the Marriott International chain. The planned completion date for this project is the end of 2026.

We have started work on the concept of an office building at Sierakowskiego street, for which building conditions have been issued. For subsequent office buildings – planned in the Citi area – we will strive to implement them in accordance with the conditions specified in the new local spatial development plan for this area of Warsaw, which is currently being developed.

The pace of investment implementation in the Port Praski area, as well as their exact characteristics, will depend significantly on the pace of obtaining the necessary approvals and administrative permits.

1.4. Composition and structure of Polsat Plus Group

The following table presents the companies from Polsat Plus Group as at specific dates, indicating the consolidation method.

Company	Registered office	Activity	Share in voting rights (%)[(1)] as at December 31, 2024	Share in voting rights (%)[(1)] as at December 31, 2023
B2C and B2B services segment				
Parent Company				
Cyfrowy Polsat S.A.	Łubinowa 4a, 03-878 Warsaw	radio, TV and telecommunication activities	n/a	n/a
Subsidiaries consolidated using the full consolidation method				
Polkomtel Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	telecommunication activities	100%	100%
Polkomtel Business Development Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	other activities supporting financial services, gaseous fuels trading activities	100%	100%
Premium Mobile Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	100%	100%
Saveadvisor Sp. z o.o.	Warszawska 18, 35-205 Rzeszów	call center services	-	100%
Liberty Poland S.A.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	telecommunication activities	100%	100%
Interphone Service Sp. z o.o.	Inwestorów 8, 39-300 Mielec	production of set-top boxes	100%	100%
Sferia S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	51%	51%
Teleaudio Dwa Sp. z o.o. Sp.k.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	call center and premium-rate services	100%	100%
Netia S.A.	Poleczki 13, 02-822 Warsaw	telecommunication activities	100%	100%
Netia 2 Sp. z o.o.	Poleczki 13, 02-822 Warsaw	telecommunication activities	100%	100%
TK Telekom Sp. z o.o.	Kijowska 10/12A, 03-743 Warsaw	telecommunication activities	100%	100%
Petrotel Sp. z o.o.	Chemików 7, 09-411 Płock	telecommunication activities	100%	100%
Enterpol Sp. z o.o.	Braci Wieniawskich 5, 20-844 Lublin	telecommunication activities	-	100%
Oktawave S.A.	Poleczki 13, 02-822 Warsaw	website management	100%	100%
Plus Finanse Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	other monetary intermediation	100%	100%
Plus Pay Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	monetary intermediation	100%	100%
Esoleo Sp. z o.o.	Al. Wyścigowa 6, 02-681 Warsaw	technical services	100%	51.25%
Alledo Express Sp. z o.o.	Broniwoja 3/85, 02-655 Warsaw	rental services	100%	51.25%
Alledo Parts Sp. z o.o.	Broniwoja 3/85,	wholesale	100%	51.25%

Company	Registered office	Activity	Share in voting rights (%)[1] as at	
			December 31, 2024	December 31, 2023
	02-655 Warsaw			
Alledo Parts Sp. z o.o. Sp.k.	Broniwoja 3/85, 02-655 Warsaw	wholesale	100%	51.25%
Alledo Setup Sp. z o.o.	Broniwoja 3/85, 02-655 Warsaw	technical services	100%	51.25%
Alledo Setup Sp. z o.o. Sp.k.	Broniwoja 3/85, 02-655 Warsaw	technical services	100%	51.25%
CPSPV1 Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	technical services	-	100%
CPSPV2 Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	technical services	-	100%
Orsen Holding Ltd.	Level 2 West, Mercury Tower, Elia Zammit Street, St. Julian's STJ 3155, Malta	holding activities	100%	100%
Orsen Ltd.	Level 2 West, Mercury Tower, Elia Zammit Street, St. Julian's STJ 3155, Malta	holding activities	100%	100%
Dwa Sp. z o.o.	Al. Stanów Zjednoczonych 61, 04-028 Warsaw	holding activities	100%	100%
IB 1 FIZAN	Mokotowska 49, 00-542 Warsaw	finance activities	(2)	(2)
Altalog Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	software	66%	66%
Plus Flota Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	management and rental services	100%	100%
Netshare Media Group Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	advertising activities	100%	100%
BCAST Sp. z o.o.	Rakowiecka 41/21, 02-521 Warsaw	telecommunication activities	80.01%	70.02%
INFO-TV-FM Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	radio and television activities	100%	100%
Stork 5 Sp. z o.o.	Łubinowa 4A, 03-878 Warszawa	holding activities	100%	100%
Swan 5 Sp. z o.o.	Łubinowa 4A, 03-878 Warszawa	agriculture activities	100%	100%
Vindix S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	100%
Vindix Investments Sp. z o. o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	100%
Direct Collection Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	other financial services	100%	100%
Vindix Sp. z o.o.	Heroiv UPA 73 ż, 79018, Lviv	call center services	100%	100%
Vindix NSFIZ	Mokotowska 49, 00-542 Warsaw	financial services	(2)	(2)
Mag7soft Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	software activities	100%	100%

Media segment: television and online				
Subsidiaries consolidated using the full consolidation method				
Telewizja Polsat Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	television broadcasting and production	100%	100%
Polsat Media Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polsat License Ltd.	Alte Landstrasse 17, 8863 Buttikon, Switzerland	media	100%	100%
Polsat Investments Ltd.	3, Krinou Agios Athanasios, 4103 Limassol, Cyprus	media	100%	100%
Polsat Ltd.	238A King Street, W6 0RF London, Great Britain	media	100%	100%
Muzo.fm Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	media	-	100%
Eleven Sports Network Sp. z o.o.	Plac Europejski 2, 00-844 Warsaw	media	100%	100%
TV Spektrum Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
TVO Sp. z o.o.	Kielecka 5, 81-303 Gdynia	retail sales	75.96%	75.96%
Grupa Interia.pl Sp. z o.o.	Os. Teatralne 9a, 31-946 Cracow	holding activities	100%	100%
Interia.pl Sp. z o.o.	Os. Teatralne 9a, 31-946 Cracow	web portals activities	100%	100%
Mobiem Polska Sp. z o.o. in liquidation	Fabryczna 5a, 00-446 Warsaw	holding activities	100%	100%
Mobiem Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	advertising activities	100%	100%
Polot Media Sp. z o.o.	Solskiego 55, 52-401 Wrocław	consulting	60%	60%
Polot Media Sp. z o.o. Sp.k.	Solskiego 55, 52-401 Wrocław	movie and TV production	60%	60%
Polsat Talenty Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	cooperation with artists and presenters	100%	100%
Antyweb Sp. z o.o.	Sarmacka 12C/14, 02-972 Warsaw	web portals activities	79.88%	79.88%
naEKRANIE.pl Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	media	60%	60%
4FUN Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	media	60%	60%
Subsidiaries consolidated using the equity method				
Polski Operator Telewizyjny Sp. z o.o.	Wiertnicza 166, 02-952 Warsaw	technical services	50%	50%
Polsat Boxing Promotion Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	movie and TV production	24%	24%
Green Energy segment				
Subsidiaries consolidated using the full consolidation method				
PAK-Polska Czysta Energia Sp. z o. o.	Kazimierska 45, 62-510 Konin	holding activity	50.5%	50.5%
PAK-PCE Człuchów Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Farma Wiatrowa Okonek Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	-	50.5%

PAK-PCE Farma Wiatrowa Jastrowie Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	-	50.5%
Eviva Lębork Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	-	50.5%
Eviva Drzeżewo Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
MESE Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	movie and TV production	-	55.45%
PCE OZE 1 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 2 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 3 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 4 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 6 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
Exion Hydrogen Polskie Elektrolizery Sp. z o.o.	Ku Ujściu 19, 80-701 Gdańsk	manufacture of electrical equipment	50.4%	50.4%
Exion Hydrogen Belgium BV	Slachthuisstraat 120, bus 12, 2300 Turnhout Belgia	manufacture of electrical equipment	50.4%	50.4%
PAK-PCE Fotowoltaika Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-VOLT S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warszawa	trade of electricity	50.5%	50.5%
PG Hydrogen Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	manufacture of engines and turbines	26.26%	26.26%
PAK-PCE Biopaliwa i Wodór Sp. z o.o.	Przemysłowa 158, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Wiatr Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Polski Autobus Wodorowy Sp. z o.o.	Kazimierska 45, 62-510 Konin	manufacture of buses	50.5%	50.5%
PAK-PCE Stacje H2 Sp. z o.o.	Kazimierska 45, 62-510 Konin	retail sale of hydrogen	50.5%	50.5%
PAK-PCE Przyrów Sp. z o.o.	Częstochowska 7A, 42-248 Przyrów	production of electricity	50.5%	50.5%
PAK-PCE Dobra Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Kazimierz Biskupi Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Miłosław Sp. z o.o.	Al. Wojska Polskiego 68, 70-479 Szczecin	production of electricity	50.5%	50.5%
Global Continental Sp. z o.o.	Legionów 18, 97-200 Tomaszów Mazowiecki	production of electricity	50.5%	-

Real Estate segment				
Subsidiaries consolidated using the full consolidation method				
Port Praski Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	66.94%	66.94%

Port Praski Nowe Inwestycje Sp. z o.o.	Krowia 6, 03-711 Warsaw	real estate management	66.94%	66.94%
Port Praski Office Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City III Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City IV Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Sp. z o.o. S.K.A.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Education Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Doki Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Doki II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Media Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Hotel Sp. z o.o.	Krowia 6, 03-711 Warsaw	hotel services	77.52%	77.52%
Pantanomo Limited	3 KRINOU, Limassol 4103, Cypr	holding activities	77.52%	77.52%
Port Praski Medical Center Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City II Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	77.52%	77.52%
Laris Investments Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	real estate rental	66.94%	66.94%
Laris Development Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	66.94%	66.94%
Laris Technologies Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	property rental and management	66.94%	66.94%
SPV Baletowa Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	-	66.94%
Megadex Development Sp. z o.o.	Gdańska 14/1 01-691 Warsaw	property rental and management	-	66.94%
Megadex Expo Sp. z o.o.	Adama Mickiewicza 63, 01-625 Warsaw	property rental and management	66.94%	66.94%
Centrum Zdrowia i Relaksu Verano Sp. z o.o.	Sikorskiego 8, 78-100 Kołobrzeg	hotel services	66.94%	66.94%
Subsidiaries consolidated using the equity method				
Pollytag S.A.	Wielopole 6, 80-556 Gdańsk	sale of wood and construction materials	31.12%	31.12%

(1) Including direct and indirect shares.
(2) Cyfrowy Polsat indirectly holds 100% of certificates.

Additionally, the following entities were included in the consolidated financial statements for 2024:

Company	Registered office	Activity	Share in voting rights (%) as at	
			December 31, 2024	December 31, 2023
Karpacka Telewizja Kablowa Sp. z o.o.[(2)]	Warszawska 220, 26-600 Radom	dormant	99%	99%
Polskie Badania Internetu Sp. z o.o. [(3)]	Al. Jerozolimskie 65/79, 00-697 Warsaw	web portals activities	21.43%	21.43%
Asseco Poland S.A.	Olchowa 14, 35-322 Rzeszów	software activities	10,13%	10,13%
Pluszak Sp. z o.o.	Domaniewska 47, 02-672 Warsaw	retail sales	9%	9%
Towerlink Poland Sp. z o.o.	Marcina Kasprzaka 4, 01-211 Warsaw	telecommunication activities	0.01%	0.01%
Megadex SPV Sp. z o.o.	Adama Mickiewicza 63, 01-625 Warsaw	other financial services	7.02%	7.02%
Neo Energia Przykona X Sp. z o.o.	Franciszka Klimczaka 1, 02-797 Warsaw	other consulting	0.51%	-
Energia Przykona Sp. z o.o.	Franciszka Klimczaka 1, 02-797 Warsaw	electricity distribution	0.51%	-
Stocznia Remontowa Nauta S.A.	Budowniczych 10, 81-336 Gdynia	repair and maintenance of ships and boats	0.03%	0.03%

(1) Investment accounted for at cost less any accumulated impairment losses.
(2) Not material and therefore not included into the valuation using the equity method.

Changes in the organizational structure of Polsat Plus Group and their effects

From January 1, 2024 until the date of publication of this Report, i.e. April 10, 2025, changes presented in the table below were implemented in the structure of Polsat Plus Group.

Date	Description
B2C and B2B services segment	
January 5, 2024	Merger of Netia S.A. (acquiring company) with Enterpol Sp. z o.o. (acquired company)
March 14, 2024	Acquisition of additional 10% of shares in BCAST Sp. z o.o. by Cyfrowy Polsat. Following this transaction, Cyfrowy Polsat S.A. holds 80.01% of shares in BCAST Sp. z o.o.
April 30, 2024	Merger of Polkomtel Business Development Sp. z o.o. (acquiring company) with CPSPV1 Sp. z o.o. and CPSPV2 Sp. z o.o. (acquired companies)
August 30, 2024	Merger of Premium Mobile Sp. z o.o. (acquiring company) with Saveadvisor Sp. z o.o. (acquired company)
December 5, 2024	Acquisition of 48.75% of shares in Esoleo Sp. z o.o. by Cyfrowy Polsat
January 17, 2025	Acquisition of 100% of shares in Archiplex Sp. z o.o. by Cyfrowy Polsat
January 31, 2025	Disposal of 100% of shares in Alledo Express Sp. z o.o. by Esoleo Sp. z o.o.
January 31, 2025	Disposal of ca.10.0% of shares in Asseco Poland S.A. by Cyfrowy Polsat
February 5, 2025	Disposal of 0.13% of shares in Asseco Poland S.A. by Cyfrowy Polsat

Media segment	
March 27, 2024	Disposal of 100% of shares in Muzo.fm Sp. z o.o. by Telewizja Polsat
January 17, 2025	Application for deletion of Mobiem Polska Sp. z o.o. in liquidation from the register of entrepreneurs
Green energy segment	
January 3, 2024	Merger of Eviva Drzeżewo Sp. z o.o. (acquiring company) with Eviva Lębork Sp. z o.o. (acquired company)
January 31, 2024	Merger of PAK-PCE Wiatr Sp. z o.o. (acquiring company) with PAK-PCE FW Jastrowie Sp. z o.o., PAK-PCE FW Okonek Sp. z o.o. and Mese Sp. z o.o. (acquired companies)
June 27, 2024	Acquisition of 1% of shares in Energia Przykona Sp. z o.o. by PAK-Polska Czysta Energia Sp. z o.o.
June 27, 2024	Acquisition of 1% of shares in Neo Energia Przykona X Sp. z o.o. by PAK-Polska Czysta Energia Sp. z o.o.
November 4, 2024	Acquisition of 100% of shares in Global Continental Sp. z o.o. by PAK-Polska Czysta Energia Sp. z o.o.
Real estate segment	
January 18, 2024	Merger of Laris Development Sp. z o.o. (acquiring company) with SPV Baletowa Sp. z o.o. (acquired company)
October 15, 2024	Merger of Megadex Development Sp. z o.o. (acquiring company) with Megadex Expo Sp. z o.o. (acquired company)
December 30, 2024	Merger of Laris Investments Sp. z o.o. (acquiring company) with Megadex Development Sp. z o.o. (acquired company)

The changes described above are the effect of the systematically executed process of steady optimization of the capital structure of the Group. The changes in the Group's structure entail, among other things, improved efficiency of financial management on the consolidated level through the simplification and streamlining of intragroup financial flows and the elimination of redundant costs.

2. Our business

2.1. Our products and services

2.1.1. B2C and B2B services segment

In the B2C and B2B services segment, we offer a wide range of high-quality pay TV and telecommunications services to individual and business customers and we also conduct operations on the telecommunications wholesale market.

Services for individual customers

Bundling of services is one of the strongest trends on the Polish media and telecommunications market. In keeping with the rapidly changing market environment and customers' expectations, seeking media and telecommunications services at affordable prices from a single operator with one contract, one bill and one fee, we consistently implement our multiplay strategy, we are consistently implementing our multiplay strategy, which allows us to bundle our core products and services of pay TV, telephony and broadband Internet access with additional services and products in a simple and flexible manner. The successful implementation of the multiplay strategy supports the maintenance of a high level of customer loyalty, thereby reducing the churn rate and contributing to an increase in the average revenue per user.

Pay TV and online video. We are the leading pay TV provider in Poland. We provide pay TV services under the 'Polsat Box', 'Netia' and 'Polsat Box Go' brands in all available technologies such as satellite (DTH), Internet (IPTV and OTT) and terrestrial (in DVB-T2 HEVC standard). In addition, we provide additional services aimed at building customer value such as paid premium content channels (Polsat Sport Premium and Eleven Sports), our OTT platform Polsat Box Go, access to the Disney+ (under a subscription contract), Max and FilmBox platforms, online video services, Multiroom, catch-up TV and nPVR services.

Our programming strategy is to offer a wide range of channels that appeal to the whole family at attractive prices. Our customers have access to over 160 TV channels which focus on diverse topics: general, sports, movie, lifestyle, education, music, news/information and children's channels. The contract pay TV satellite services consist of basic packages, which vary in the number of available channels and additional services depending on the subscription amount, and are offered for a fixed period of time, usually 24 months, with the possibility of renting high quality decoders line. We also offer the opportunity to purchase add-on packages, including premium content packages, which are available for a fixed or indefinite period of time, providing freedom to customize the offering.

The Group's programming offer, as well as content from external producers and broadcasters, is also available through our Polsat Box Go service and application, which are adapted to the main operating systems and a wide range of consumer devices. Polsat Box Go provides users with content in one of two paid models. The first one is single access, in which the customer pays a fixed amount for the opportunity to view a specific material. The second model includes access to packages of materials and/or channels in return for a monthly access fee. Due to the flexibility of the offer, Polsat Box Go subscriptions are considered as prepaid services.

We provide pay TV services based on a long-term contract with Eutelsat S.A. regarding the use of capacity on eight transponders on Hot Bird satellites. Our broadcasting centre located in Warsaw enables us to transmit TV channels in SD, HD and 4K quality. We also have a backup broadcasting centre located in Radom, which guarantees broadcasting continuity. Access to TV channels offered in our DTH pay TV packages is secured by conditional access systems (CAS) from Nagravision SA and Irdeto B.V. Moreover, Irdeto secures digital content transmitted using DVB-T2 and IPTV technologies. Furthermore, Irdeto provides us with specialized and complete monitoring of the Internet enabling the collection and analysis of occurrences that may infringe copyrights of entities in our Group.

Mobile voice services are provided by us mainly through our subsidiary Polkomtel, Plus network operator and one of the leading Polish telecommunications operators, under the Plus umbrella brand as well as under the Plush, Premium Mobile, Netia and a2mobile brands. The offer for individual contract customers is standardized and includes a variety of tariff plans. As part of the monthly subscription fee, the customer receives unlimited calls, SMS and MMS, as well as tariff-based data packages or additional minutes, SMS and GB for roaming. To complement our core offering, we have an extensive portfolio of value-added services (VAS). Contracts are concluded for a fixed period, usually 24 months, although the Plush sub-brand and the Premium Mobile offer also allow customers to conclude contracts for an indefinite period. Our contract mobile offering is complemented by an extensive portfolio of smartphones supporting 5G, LTE Advanced and LTE technologies offered in an instalment plan.

Prepaid voice offers allow our customers to access the mobile network after purchasing and registering the appropriate starter (SIM card with an allocated amount to use for mobile services). With prepaid offers, there are no fixed monthly commitments and customers only need to top up their accounts when they want to use the services.

Fixed-line voice services are provided under the Netia and Plus brands based mainly on the landline infrastructure of our subsidiary Netia. The dedicated retail offering of fixed-line telephony includes both business customers, including institutions, medium and large enterprises and small companies, as well as individual customers.

We offer broadband Internet access services in both mobile technology, under the Plus, Premium Mobile and Netia brands, and fixed line technology, under the Netia and Plus brands, based on the wireline infrastructure of our subsidiary Netia and wholesale access to the wireline networks of other operators. Our Internet access service offering is universal in nature, providing access to the Internet via all mobile or fixed technologies supported by the network for a single subscription fee.

Mobile Internet is offered by us under the Plus, Premium Mobile, Plush and Netia brands in both postpaid and prepaid contract models. Almost 100% of Poles are covered by our LTE Plus Internet service, nearly 70% by 5G and over 45% by 5G Ultra networks. Dedicated contract tariff plans offer basic mobile broadband Internet access. These contract plans are based on a monthly subscription and allow for a defined data transmission limit. Under our contract plans customers may purchase or lease Internet access devices (including dongle modems, fixed and mobile routers, Home Internet Sets). In addition, our offer includes tablets laptops and other devices, which can be purchased in an instalment plan, as well as tariffs without equipment. Contracts are concluded for a fixed term, usually for 24 months.

We also offer tariffs based on a prepaid model which allow customers to receive a specific data package, whose size and period of validity are determined by the value of the top-up.

Plus has a range of 5G routers to meet different needs, from mobile routers to home routers and ODU-IDU (Outdoor Unit Indoor Unit) solutions. With the Home Internet Set available in our range, we can offer our customers a product based on wireless technology that constitutes a substitute for fixed-line Internet. The Home Internet Set works perfectly in non-typical locations where the signal strength is low, as well as in all the places where no fixed-line access to the Internet is offered via cable connection. Based on a special technical solution ODU-IDU, the Home Internet Set consists of an external modem (ODU) and an internal Wi-Fi router (IDU). The signal is transmitted over a cable from the ODU modem to a Wi-Fi IDU router, which distributes the signal to all the rooms ensuring wireless access to the Internet. This solution provides better network coverage and, as a result, higher transfer quality than traditional modems and routers.

Fixed-line Internet access in provided by us under the Netia and Plus brands, based on the wireline infrastructure of our subsidiary Netia and wholesale access to the wireline networks of other operators. The reach of Netia's own network extends to 3.4 million households and when taking into account agreements for wholesale access to fixed-line networks with Orange Polska, Światłowód Inwestycje, Nexera, Tauron, Fibrehost, Vectra and Polski światłowód Otwarty we are able to reach about 11 million households/address points. Over 8.5 million households already have access to a connection speed of at least 1 Gbps.

The fixed-line Internet offer includes access to high-speed Internet, provided mostly in fibre optic technologies. The service is provided in four technologies depending on the available infrastructure: copper (CU), Ethernet (ETTH), cable (HFC) and fibre optic (PON). Offer varies depending on speed and additional options selected, including TV, mobile and streaming services.

Retail sales channels. Retail customers can buy our services and products from our physical sales network, which as of December 31, 2024, consisted of 791 points of sale located throughout the country. We also carry out sales to retail customers through online sales channels and our call centres available 24/7.

Customer service. In a highly competitive market, the quality of customer service is an important factor that often determines the choice of a particular operator and therefore we consistently improve the quality of our customer service using the latest technologies. The core of customer service is the call centre. It consists of eight separate centres integrated through a system of intelligent call distribution, providing 24-hour customer service on all days of the year. Within the Group, we have about 1,650 telephone desks and about 920 back-office desks for handling written and electronic requests (including handling technical requests). We are actively developing alternative channels of contact through social media, chat and online forums.

We also provide customer service using advanced self-service solutions to manage subscriber accounts in a effective and efficient way. These solutions are offered in a form of such online services and mobile applications as iPolsatBox, iPlus and Netia Online. These tools provide a 24-hour access to functionalities facilitating the management of telecommunications services, such as information on billing, current offers, current usage, they allow to purchase additional packages and services, effect online payments and modify contact details. Moreover, our services include a technical support section, FAQs, an online contact form and an online communication channel.

Customer retention. The aim of the customer retention process is to increase the loyalty of subscribers, reduce the turnover of our own base and the churn rate, i.e. to effectively secure and build revenue from Polsat Plus Group's customer base. Thanks to our extensive analytical tools, we learn about the needs of our customers and use this knowledge to develop dedicated proactive and reactive processes that are implemented as part of customer retention. Retention can be implemented at any time and through any sales channel.

With the aim of maximising revenue from the base, we start our retention process as early as during the contract period by proposing changes to the contract terms to customers. In addition, through our broad product portfolio, we consistently seek to bundle customers by up-selling other services available within the Group's portfolio.

Solutions for business customers

Under the Plus and Netia brands, we offer business customers comprehensive solutions tailored to the needs of each industry. Our offer is aimed at all business segments, and our services support the operations of large business entities (corporations, state institutions), small and medium-sized businesses, and SOHO (Small Office / Home Office).

The Group's B2B division has an extensive sales structure that ensures convenient contact and efficient implementation of services. Our customers are supported by business experts dedicated to serving individual entities, and the implementation of advanced solutions and technologies is carried out by experienced engineers.

The broad B2B portfolio enables reliable and secure connectivity and modern business practices for both internal resource management and customer contact management. The portfolio of services for business customers includes, among others, telephony services, mobile and fixed broadband access, digital leased lines, VPN and Ethernet networks and data centre services, cybersecurity solutions (antyDDoS, UTM) and IT outsourcing (physical colocation and cloud services), IP telephony services with cloud virtual private branch exchange, integrated communications services and video communications. We also implement cutting-edge Internet of Things solutions, including a dedicated nationwide narrow-band IoT (NBIoT) wireless network that enables data collection in hard-to-reach or limited range locations.

Based on regular analysis, we are implementing further solutions that allow companies to become modern and technological enterprises. In 2024, we were the first operator in Poland to introduce Ericsson's 5G independent private campus networks, ensuring the highest levels of security, speed and reliability of operation. In 2024, we also implemented one of the most modern platforms in the Polish market for the implementation of the call recording (Nagrywanie Rozmów) service, which is a key system for the financial sector.

Wholesale business on telecommunication market

As part of our wholesale business we offer network interconnection, international and national roaming, services to MVNOs, shared access to network assets, lease of network infrastructure, as well as other telecommunications services provided to other telecommunications companies in Poland and abroad.

Exchange of traffic between operators (network interconnection). Our telecommunications infrastructure used in interconnection cooperation enables us to effectively manage telecommunications traffic routing from and to networks of all operators domestically and abroad. As at December 31, 2024, Polkomtel was party to 23 interconnection agreements with national and foreign operators with respect to voice calls. Such a number of interconnection relations allows for reducing our costs of call termination in the networks of other operators, while maintaining the highest quality of telecommunication services for our end-users with respect to traffic, both initiated and terminated in our network.

In 2024, we implemented new, lower rates of wholesale settlements in all our interconnection relations following the implementation of uniform maximum Union-wide mobile voice termination rates (MTR). In parallel, just as in previous years, active steps were taken in relations with domestic and foreign operators to reduce the costs of wholesale termination of voice calls and text messages incurred by us.

In 2024, Polkomtel has actively increased the number of agreements for the purchase of wholesale access to local loops in the networks of fixed operators under the Bitsream Access model, which enables the provision of retail Internet access services based on the fixed access infrastructure of other operators. In 2024 the coverage of the fixed Internet access service was extended by the access networks of Vectra S.A. and Tauron Obsługa Klienta Sp. z o.o.

In connection with the entry into force of the Act on the Prevention of Abuse of Electronic Communications, Polkomtel, in cooperation with the other mobile operators in Poland, implemented and launched globally unique solutions to prevent telecommunication abuse in the area of voice calls and text messages (SMS) - phishing, smishing, CLI spoofing. Thanks to these solutions, Polkomtel subscribers received additional protection against receiving voice calls in which the person initiating the call pretends to be someone else by changing the subscriber number displayed on the phone of the person receiving the call. On the other hand, in the area of SMS, the solutions adopted aim to protect users against fraudulent use of the SMS service, such as phishing and smishing, and consist in blocking SMS with content defined by the CSIRT NASK as being used for telecommunications fraud. At the same time, in cooperation with the CSIRT NASK, additional control rules are applied to the sender identification overrides used when sending text messages.

International roaming. Within our wholesale business we provide international roaming services to foreign mobile operators that allow customers of foreign mobile telecommunications network operators to use mobile telecommunications services (voice calls, texting and multimedia messages (SMSs and MMSs) and data transmission) when logged to our network and outside their home network. We also enter into international roaming wholesale agreements to provide, both to our own customers and the customers of MVNOs' partners operating on our network, international roaming services in the networks of our roaming partners.

As present, Polkomtel offers roaming services in 546 networks in 232 countries and regions as well as on ships, ferries and aircraft decks. Fast Internet access (LTE) is possible in 458 networks in 204 countries. Polkomtel's customers may use services in 5G in 234 networks in 105 countries.

Due to the shutting down of 2G and 3G services by roaming partners, and to provide our customers with high quality voice roaming connection, we continue to open VoLTE roaming, in which voice calls are made using LTE technology. The service is currently available on 83 networks in 45 countries, including the US. This improves the quality of service for our subscribers and reduces wholesale roaming costs due to the elimination of voice call termination costs.

Virtual operators (MVNOs). We provide operators present in Poland with wholesale access to our mobile telecommunications network based on all network technologies available to Plus subscribers, such as 5G, VoLTE and VoWIFI, both domestically and on international roaming. This type of cooperation is used mainly by operators who do not own complete technical infrastructure required to provide telecommunications services (including frequency allocations). Polkomtel was the first mobile operator in Poland to open its network to MVNOs (already in 2006) and since then it sustains the leading position in this telecommunications market segment. MVNO business is an important part of Polsat Plus Group's wholesale sales. Currently, more than 1 million end users use the Polkomtel network through MVNO partners' offers.

As part of the cooperation with MVNOs, we provide wholesale services including voice calls, text messaging (SMS) and data transmission (including MMS services), premium rate services, value-added services, international roaming (including 5G and VOLTE roaming), services provided to specific governmental authorities and agencies, hosting services on our billing platform, MVNO customer support, handling claims of MVNOs' customers, access to SIM cards, eSIM terminals and Plus's telephone card recharging sales channels as well as other services resulting from the needs and selected technical model of cooperation.

Technology and infrastructure of telecommunication services

Mobile Network. Our mobile telecommunication network enables nationwide access to a number of various technologies, including GSM/GPRS/EDGE (2G technologies), UMTS/HSPA +/HSPA + Dual Carrier (3G technologies), LTE/LTE Advanced (4G technologies) and the most modern 5G technology. We provide these services based on frequency bands and a core network owned by our subsidiary Polkomtel, while in the radio and transmission area we closely cooperate with Towerlink Poland, a member of the Spanish Cellnex Group with whom we entered into an agreement in July 2021 to sell 99.99% of the shares of our subsidiary Polkomtel Infrastruktura.

The Master Services Agreement signed by us was concluded for 25 years, with an option of extension for additional 15-year periods. Under the terms of the agreement, the mobile telecommunications network used by us is developed in the radio and transmission areas using services provided by Towerlink Poland. These services provide access to infrastructure enabling our customers to use all currently available technologies based on all frequency bands held by us. Towerlink Poland's monthly remuneration is dependent mainly on the number of sites and active infrastructure systems used within the active layer of the infrastructure and on new orders for additional services. In parallel to the service agreement, a detailed Service Level Agreement has been concluded, which ensures the highest quality both in terms of implementing new network projects and maintaining the existing services provided to Polsat Plus Group. Effective enforcement of the quality parameters required by the SLA is possible at the level of the systems monitoring the condition of the network on an ongoing basis contained in our core network, which remains the property of Polsat Plus Group. This allows us to continuously provide our customers with the highest quality of service.

Our core network ensures central handling of customer services, integrating them for the 2G/3G/4G/5G technologies (Single Core). In this way, we are able to provide customers with access to our services irrespective of the radio technology applied, enabling an evolutionary transition of voice services from 2G (GSM), through 3G (including higher quality voice services), to 4G (with voice services based on CSFB or VoLTE) and 5G. The same strategy is used for data transmission services, enabling customers to use the broadband Internet access both in the 3G (HSPA+, HSPA+ Dual Carrier) as well as the 4G (LTE/LTE Advanced) and 5G (2600 MHz TDD) networks. The core network architecture facilitates effective and easy capacity expansion to match the growth of the customer base and increased service demand.

Telecommunications frequency reservations are the Group's key intangible assets which enable us to provide mobile voice and mobile Internet access services. Network parameters such as signal coverage and throughput are dependent on the frequency reservations held. These parameters are critical to the quality of mobile services provided and therefore have an impact on our ability to acquire and retain customers, shape our offering and the level of revenue from sales. Mobile services are at the core of our offering to individual and business customers, particularly our bundled services, around which the Group is building a multiplay strategy focused on building customer value and revenue growth.

Currently, there is no regulatory requirement to hold a license to provide mobile telecommunications services and the right to use frequencies results from issued frequency allocation decisions and can be extended for further periods by the President of the Office of Electronic Communications (UKE). Within our B2C and B2B services segment, based on frequency allocations issued by the President of UKE our subsidiary Polkomtel is entitled to use frequencies in the 900 MHz, 1800 MHz, 2100 MHz, 2600 MHz FDD and TDD, 420 MHz and 3600 MHz bands (for more details see item 2.2.1. – *Mobile telephony market in Poland*). All frequency allocations are technology neutral and can also be used to provide services in each of the technologies currently in use (2G, 3G, 4G or 5G).

Fixed-line network. Our fixed-line network is based on DWDM transport, which in its backbone layer contains 260 nodes, including 200 nodes with automatic GMPLS protection/restoration, thus guarantying very high level of network reliability. The maximum throughput of a single DWDM span is 34TB. The modern DWDM network is characterized by higher channel throughout and band capacity which ensures links with speeds of 100G/200G/400G/600G and ultra-low latency, and can carry 1.2TB channels. The network is equipped with automatic fault location diagnostics (GPS coordinates) with integrated OTDR components, which enables significant reduction of fault clearing time.

There are over 600 DWDM/CWDM access nodes enabling connections to end users in metropolitan networks and to B2B customers in operation.

As part of the DWDM transmission network, international links to Frankfurt, Berlin, Prague and Lviv were launched, and DWDM access to the main data centres in Poland was provided. Additionally, our transmission network has the possibility of encrypting client connections and establishing virtual transport networks for other operators.

The IP layer of our network is based on 8 backbone nodes which provide interconnection points to Tier1 operators, XSP operators, IP traffic exchange points, content providers and Cloud infrastructure. The IP backbone aggregates Carrier Ethernet traffic, B2C customer traffic and its own CDN for the purposes of the IPTV services provided by Polsat Plus Group.

The Carrier Ethernet layer, based on IP MPLS technology, consists of 180 distribution routers connected by 100G lines and over 3,000 access switches with 10G ports. This allows us to reach customers throughout the country and abroad with our services. Within the Carrier Ethernet network we provide services compliant with MEF CE 2.0 certification/standard.

We provide Internet access services for B2C customers via our own access network comprising 1,400 DSLAM access nodes (in xDSL and SuperVector technologies), two metropolitan areas with the cable HFC network (DOCSIS 3.x), nearly 12,500 access switches performing ETTH access and 840 FTTH nodes. Currently, we are in the process of upgrading our access network based on two main fibre optic technologies: FTTH (Fibre to the Home, i.e. fibre optic access to every apartment) using GPON (passive optical network) technology and FTTB (Fibre to the Building), in which fibre reaches every building and subscriber access is provided using Gigabit Ethernet technology.

2.1.2. Media segment: television and online

Broadcasting and television production

Our offering. Our activities in broadcasting and television production include primarily production, acquisition and broadcasting of information, sports and entertainment programs as well as TV series and feature films broadcast on television channels. Our portfolio comprises 43 own channels including our flagship channel POLSAT. Moreover, there is a group of 5 cooperating channels which are related with Polsat Plus Group either by capital links or joint broadcasting projects. The Group's channels are delivered both over multiplexes in the terrestrial network (free of charge) and over cable, satellite or IP network (paid).

We have a portfolio of channels that appeal to key audience segments, we maintain a strong position in the news television segment and a leading position in sports programming. Our offer is addressed to the entire family. With a view to maintaining our overall audience and advertising market share, we focus on developing our portfolio of thematic channels and increasing the appeal of the content we offer to our viewers.

Scheduling. We tailor our programs and programming schedules to the interests of the group, that considering its demographic characteristics, we believe is most attractive to advertisers as well as to maintain viewer loyalty. It is especially important in the time slot between early afternoon and 'prime time', which is the period of highest viewership. To achieve this goal, each day (from Monday to Friday) we plan stable slots so that the viewer can remember the programming scheme of the channel. This strategy is implemented between 3pm and 8pm. A strong line-up of movies, reality shows, talent shows and popular series dominates after 8 pm.

Our scheduling is based on two schedules that are key from the point of view of generating advertising revenue: the spring (March-May) and autumn (September-November) schedules. That is when we broadcast premieres. In the summer and winter, we schedule mainly re-runs of the content premiering in the high season, although recently it has become an increasingly common custom to introduce premieres into the programming offer also outside the regular season scheduling.

Sources of Polish programming. We aim to diversify sources of Polish content, enabling us to efficiently manage production costs. Thanks to that we can choose those offers from a wide range of proposals which are both attractive and cost-effective in order to ensure successful scheduling. In case of formats owned by us, we cooperate with external producers, both Polish and foreign ones.

Polish programs are primarily commissioned to independent external producers. However, we also create programs in-house. Approximately 60% of our programming hours consist of Polish content.

Programs supported by in-house production include news and journalistic programs as well as special events. Also, sports channels, which are based primarily on the broadcasting of sports events for which we have acquired the rights, are produced with TV Polsat's own resources. As a leading commercial broadcaster and content creator, Telewizja Polsat uses the latest technologies and equipment.

We have the largest production facilities in Poland, including, most importantly, 7 state-of-the-art TV studios, 3 shooting halls with a surface area of 1200 m^2, 1600 m^2 and 2400 m^2, a fleet of digital broadcast trucks adapted to produce major sporting and performing events, modern satellite trucks for transmitting TV signals directly from venues, comprehensive IT systems to support program production, data storage, framed graphics generation, program library maintenance and license management.

Commissioned programs are sub-contracted, when justifiable, to third-party production companies to provide us with additional support for implementing them and avoid increasing overhead costs. In most cases we use a standard template for all production contracts. When the production of TV programs is commissioned to external producers, the contracts generally include the transfer of ownership of the work to TV Polsat. The producer’s fees include production fees as well as fees for the transfer of copyrights, related intellectual property rights to the program (or, alternatively, for granting the license) and for granted authorizations and consents. All production and license agreements have definite terms, the number of reruns within the Group, typically covering the time of production with the possibility for extensions.

Sources of foreign programming. We purchase programming licenses from foreign providers primarily for films, series and sports. The purchase of foreign formats for local productions, both entertainment and feature films, is done with an eye toward the possibility of broadcasting on different antennas. Our key partners for movie and series licenses are the world’s major movie studios. Usually, these contracts have terms of two to three years as well as for film packages and are denominated in U.S. dollars or euro. We acquire broadcasting rights under one of two types of contractual arrangements. The first are volume contracts, which involve the acquisition of a specified volume of films or series, while the second constitute spot contracts. In both cases, the negotiations involve specific titles.

Purchase of sports broadcasting rights. We acquire sports rights by participating in a bidding process or tender contest. The duration of license contracts usually relates to playing seasons for each event. Typically, they are concluded for a 3-year term on the territory of Poland and denominated in euro. We leverage the acquired sports rights by offering broadcasts to our viewers and subscribers, including on specially created dedicated Polsat Sport Premium channels and Eleven Sports Network sports channels. In addition, the sports content is sold as program packages to pay TV operators active on the Polish market as well as directly to customers through OTT applications (among others, ELEVEN SPORTS and Polsat Box Go).

Important sports licenses purchased by the Group include broadcasting rights to the football and volleyball competitions. We offer football fans broadcasts of the Europa League and the UEFA Conference League matches, qualifiers to the UEFA European Championships and the FIFA World Championships as well as the football Nations League. As for volleyball, we offer the biggest and most prestigious volleyball tournaments – the men’s and women’s World Volleyball Championships, games of the volleyball Nations League, the men’s and women’s Europe Volleyball Championships, the club volleyball competitions of Polish Plus Liga and Tauron Liga and volleyball matches of CEV Champions League and other European cups involving Polish volleyball teams.

Through our subsidiary Eleven Sports Network we have access to attractive sports rights which include, among others, the prestigious Formula 1® races, as well as the Spanish LALIGA EA SPORTS, the French Ligue 1 McDonald's, the German Bundesliga and DFB-Pokal, Liga Portugal, the Belgian Jupiler Pro League and speedway matches of the Polish PGE Ekstraliga.

We also have a strong position in tennis: we broadcast the prestigious Grand Slam tournament at Wimbledon, all the men's ATP tournaments and the national team competition in the United Cup (with Iga Swiatek and Hubert Hurkacz). We also offer boxing and mixed martial arts galas (UFC, FEN, Babilon), competition between the world's best female and male athletes in the Diamond League and World Athletics Series, the thrilling MotoGP motor racing competition and many other disciplines.

Under the existing agreement with the International Volleyball Federation FIVB until 2032 we will broadcast the most important events in the world and national team volleyball. The package of acquired rights includes the Volleyball Nations League (260 matches in total during the season) and men's and women's World Championship, which starting from 2025 will be held every two years.

Furthermore, we have been holding broadcasting rights purchased from PLPS (Polish Professional Volleyball League) to Plus League and Tauron League matches already for a decade. In 2020, we extended this contract for another four seasons until 2027/2028.

In the area of other sports, we concluded, among others, an agreement with Handball Association in Poland for Polish national team matches and the Polish Handball Cup. We also have an agreement for the broadcast of ORLEN Super League and ORLEN Women's Super League handball matches, the license agreement with the Polish Basketball League for the broadcast of the Energa Basket League until the end of the 2029/2030 season and acquired exclusive rights to broadcast the Ice Hockey World Championship.

Programming assets. Programming assets include acquired formats, licences and broadcasting rights to films, series, news and entertainment programmes, capitalised costs of our outsourced program production, capitalised rights to sports events and advances (including advances for sports rights). Program assets form the basis of the Group's program offering and have a significant impact on the level of advertising revenues and revenues from the sale of channels to cable and satellite operators.

Sale of advertising and sponsoring on the TV market

We offer the sale of spots in commercial blocks and program sponsorship in the form of presented sponsorship boards placed on program trailers, before and after the resumption of the program after a commercial break or at the end of the program.

Advertising time is sold in a form of GRP sales and monthly rate-card sales. GRP sales are based on delivering a specified audience to the advertiser based on viewership results. The valuation of the service is based on fixed price per one rating point. Rate-card sales are based on a broadcaster's official rate-card for individual advertising breaks. The terms of cooperation with customers include negotiation of prices per GRP point (for individual months) and discounts depending on the declared amount of annual expenses.

Sponsor projects are sold throughout the year on the basis of a project created together with a client. Prices and discount conditions are negotiated individually for each customer and each sponsor campaign.

Forecasts of advertising break audience are prepared for each month based on the overall TV audience, the channel's share in the overall audience and seasonality (prices of commercials are highest from October to November, before Christmas season, and lowest from January to February and from July to August). In 2024, rate-card sales accounted for 67.5% of all advertising sales on our main channel, POLSAT.

In turn, pricing of sponsoring is based on the relevance of the subject matter of the program to the sponsor's needs and the target group, the quality of our programs, recognition of brands and the attractiveness of the broadcast slot. As a result, sponsorship revenue is not directly dependent on the economy, as is the case with advertising revenue.

TV channels of Polsat Plus Group

Channel	Description	Signal distribution	Technical reach 2024 (1)
POLSAT	The main channel, broadcast since December 5, 1992, was the first commercial channel in Poland to obtain a nationwide license for analogue broadcasting. POLSAT is one of the leading Polish TV channels in terms of shares in the commercial audience group. POLSAT broadcasts daily, 24/7. The channel is available via digital terrestrial TV on the second multiplex (MUX-2) and on local multiplexes (MUX-L4 and MUX-TVS). The channel features a broad selection of films, entertainment shows, news and commentaries, Polish and foreign TV series, as well as popular sporting events.	terrestrial / cable/ satellite	98.4%
General interest			
Super Polsat	Channel offering entertainment and information programs, movies, series and live sports coverage.	terrestrial / cable/ satellite	97.5%
Polsat 1	Channel addressed to Poles living abroad, broadcasts various productions from the libraries of the channels: Polsat, TV4, Polsat Cafe and Polsat Play.	satellite	n/a
Polsat 2	Channel broadcasting reruns of programs that premiered on our other channels.	cable/ satellite	75.1%
TV4	Nationwide entertainment channel, the programming offer of which includes feature movies, series, entertainment and popular science programs.	terrestrial / cable/ satellite	99.6%
TV6	Nationwide entertainment channel broadcasting popular foreign formats, as well as series, entertainment programs and feature movies from Polsat's library.	terrestrial / cable/ satellite	97.7%
Nowa TV	Universal TV channel airing lifestyle programs, series, news, journalistic shows and cabaret skits.	terrestrial / cable/ satellite	95.0%
Polsat X	Universal TV channel. Its diversified programming offer includes movies and documentaries as well as entertainment shows. Around 75% of airing time is occupied by program reruns.	satellite	n/a
Polsat Reality	Universal TV channel. Its diversified programming offer includes movies and documentaries as well as entertainment shows. Around 75% of airing time is occupied by program reruns.	satellite	n/a
Sports			
Polsat Sport 1	The first sports channel of Polsat Plus Group broadcasting major sports events in Poland and worldwide (volleyball, athletics, football, world class boxing and MMA contests), which include live broadcasts.	cable/ satellite	59.4%
Polsat Sport 2	The channel broadcasts volleyball matches (including the Tauron 1st League), football (including the Dutch Eredivisie and the American MLS), basketball or tournaments from the ATP series.	cable/ satellite	50.4%
Polsat Sport 3	The channel is an extension of Polsat Sport 1 and Polsat Sport 2. Viewers can watch all the most popular sports, with football, volleyball, martial arts and tennis in the forefront.	cable/ satellite	46.7%
Polsat Sport Fight	Channel dedicated to martial arts, broadcasting, among others, professional boxing galas and mixed martial arts, as well as coverages of Polsat Boxing Night.	satellite	39.9%
Eleven Sports 1 **Eleven Sports 1 4K**	Sports channel dedicated mainly to football. The most interesting live events, matches from the best European leagues, championships and qualifying games. Eleven Sports 1 HD broadcasts 24 hours a day, in HD quality and with Polish commentary. Since November 2017 the channel is also available in 4K technology.	cable/ satellite	20.3%
Eleven Sports 2	Channel that broadcasts large sports events and offers sports fans premium quality entertainment. The channel broadcasts 24 hours a day, in HD quality and with Polish commentary.	cable/ satellite	20.4%

Channel	Description	Signal distribution	Technical reach 2024 [1]
Eleven Sports 3	Channel offering the most important European football live matches. In addition, the channel presents documentary films about sports and reruns of the most interesting events broadcasted by the Eleven Sports 1 and Eleven Sports 2 channels.	cable/ satellite	n/a
Eleven Sports 4	Channel broadcasting large sports events, documentary films about sports and reruns of the most interesting events broadcasted by the Eleven Sports 1, Eleven Sports 2 and Eleven Sports 3 channels.	cable/ satellite	n/a
Polsat Sport Premium 1	Premium sports channel. Launched in August 2018 in connection with the Group's acquisition of rights to the UEFA Champions League. The channel is offered in a package with four Polsat Sport Premium PPV services aired during matches. Broadcasts without ads, in Super HD quality.	satellite	n/a
Polsat Sport Premium 2	Premium sports channel. Launched in August 2018 in connection with the Group's acquisition of rights to the UEFA Champions League. The channel is offered in a package with four Polsat Sport Premium PPV services aired during \ matches. Broadcasts without ads, in Super HD quality.	satellite	n/a
Movies			
Polsat Film	Movie channel broadcasting movie hits from the libraries of major US movie studios as well as non-mainstream movies.	cable/ satellite	67.4%
Polsat Film 2	Movie channel, an extension to Polsat Film's programming offer airing movies, documentaries, cartoons and series. Around 65% of airing time is occupied by program reruns.	satellite	n/a
Polsat Seriale	Channel created for and dedicated to women. The programming offer includes feature movies as well as popular Polish and foreign series.	cable/ satellite	62.0%
Music			
Eska TV	Music and entertainment channel broadcasting the latest music clips, exclusive interviews, gossip about show biz stars and information about musical events. Available in digital terrestrial television.	terrestrial / cable/ satellite	97.6%
Eska TV Extra	Channel broadcasting recent hits and the greatest pop music hits of the last 20 years.	cable/ satellite	69.5%
Eska Rock TV	Channel offering music defined as mainstream pop-rock, classic rock and alternative rock.	cable/ satellite	59.1%
Polo TV	Channel broadcasting the greatest hits of disco polo and dance, coverage of the most famous festivals of disco dance, concerts and euro disco hits, italo disco and dance music from the 80s and the 90s. Available in digital terrestrial television.	terrestrial / cable/ satellite	97.7%
Polsat Music	Channel broadcasting rock and pop music as well as the best video clips, both classics and novelties.	cable/ satellite	63.3%
Vox Music TV	Music and entertainment channel broadcasting disco hits from the 80s and the 90s, italo disco, euro dance and disco polo. The channel's programming offer also includes programs devoted to pop stars and hit lists.	cable/ satellite	68.6%
Disco Polo Music	Music channel broadcasting disco polo, dance and festive music.	cable/ satellite	64.8%
4FUN.TV	Music TV channel aimed at viewers interested in the latest trends. The channel is characterized by strong interaction with viewers. In the channel portfolio of the Group from July 2023.	cable/ satellite	71.6%
4FUN DANCE	Channel broadcasting Polish dance music - disco polo and dance. In the channel portfolio of the Group from July 2023.	cable/ satellite	70.2%
4FUN KIDS	Music educational and interactive channel for children. In the channel portfolio of the Group from July 2023.	cable/ satellite	70.1%

News			
Polsat News	24-hour news and journalism channel broadcasting live shows and covering primarily news from Poland and key international events.	cable/ satellite	71.9%
Polsat News 2	News channel offering debates on politics, business and world economy, as well as programs on culture, society, current and international affairs.	cable/ satellite	69.0%
Wydarzenia24	News channel produced in cooperation with Polsat News, *'Wydarzenia'* news service and Interia.pl portal. Provides the most up-to-date information about events in Poland and abroad. Available on digital terrestrial television from January 10, 2024.	terrestrial / cable/ satellite	75.0%
Polsat News Polityka	A news and current affairs channel broadcasting programs on Polish politics since January 10, 2024. Broadcasts live the proceedings of the Sejm, the Senate, press conferences, the work of committees, interviews with politicians.	cable/ satellite	86.8%
Lifestyle			
Polsat Cafe	Channel dedicated to women, focusing on lifestyle, fashion and gossip as well as reality shows.	cable/ satellite	68.1%
Polsat Play	Channel dedicated to men, focusing on consumer gadgets, the automotive industry, angling. Presents historical facts, addresses social issues, shows the lives of ordinary people.	cable/ satellite	64.5%
Polsat Games	Channel dedicated to gamers. Addressed not only to fans of computer games or e-sports, but also to enthusiasts of new technologies and animation. The channel's programming includes original gaming programs, coverage from e-sports tournaments, Japanese animated series and documentaries.	cable/ satellite	57.8%
Polsat Rodzina	Family channel for three generations: from children, via parents, to grandparents, and living anywhere in Poland. The channel helps to deal with challenges of the modern world. Its programming includes informative programs, educational cartoons, series and Christian matters programs.	cable/ satellite	50.0%
TV Okazje	Channel broadcasting 24 hours a day, dedicated to teleshopping and broadcasting spots that encourage shopping.	cable/ satellite	n/a
Popular science			
Fokus TV	A popular science channel for the whole family. The channel's mission is to share knowledge in an entertaining and accessible way.	terrestrial / cable/ satellite	97.7%
Polsat Doku	Documentary channel broadcasting historical and scientific programs, addressed to viewers interested in the problems of today's world, travel and nature.	cable/ satellite	55.8%

Channels cooperating with Cyfrowy Polsat Plus Group (non-consolidated)	
CI Polsat	Criminal channel that takes its viewers to the world of crime providing insight into criminal laboratories, police archives and courtrooms. The channel is a joint project of Polsat Plus Group and A+E Networks UK.
Polsat Viasat Explore	Channel dedicated to men, simple-unusual people, who work hard and have fun while making their dreams come true. Polsat Viasat Explore operates based on cooperation with Viasat World.
Polsat Viasat Nature	Nature channel targeting the entire family, which allows viewers to accompany wildlife researchers, veterinary doctors and celebrities in their journeys developing knowledge on dangerous predators, domestic pets and wild animals from around the world. Polsat Viasat Nature operates based on cooperation with Viasat World.
Polsat Viasat History	Channel offering viewers a journey to the past through high-quality programs, that entertain and educate at the same time. The content features historical events that influenced world history. Polsat Viasat History operates based on cooperation with Viasat World.
Polsat Comedy Central Extra	Channel broadcasting Polish and foreign comedy series and cabaret programs, launched in March 2020 as a result of cooperation between TV Polsat and ViacomCBS (currently Paramount). Previously the channel was aired under the name Comedy Central Family.

(1) Nielsen Media, average TV household coverage, arithmetic average of monthly coverage in 2024.

How do we distribute our Group's TV channels? We broadcast TV channels through digital terrestrial television (over free multiplexes), cable TV networks and digital satellite platforms (in particular, through our platform Polsat Box) and over IP networks (paid). Certain channels are available as online streams on our platform Polsat Box Go.

Broadcasting licenses. Broadcasting licenses are a key intangible asset in the Group's business model, enabling us to distribute our televised programs. This, in turn, allows us to generate advertising revenue, thereby impacting our overall income levels. In our media segment, our subsidiary Television Polsat along with its subsidiaries disposes of broadcasting licenses for 44 channels, including 9 universal broadcasting licenses and 35 broadcasting licenses for thematic TV channels. Five broadcasting licenses are for terrestrial broadcasting only (POLSAT, TV4, Nowa TV, Fokus TV and Wydarzenia24 channels), four broadcasting licenses are for terrestrial broadcasting DTT and satellite broadcasting (Super Polsat, TV6, Polo TV and Eska TV channels) and the remaining broadcasting licenses are for satellite broadcasting only. Our broadcasting licenses were granted by the National Broadcasting Council (KRRiT).

Terrestrial transmission. POLSAT, our main channel, and the channels Super Polsat, TV4 and TV6 are broadcast via a nationwide network of digital terrestrial transmitters within the MUX-2. Other channels of Polsat Plus Group, i.e. Eska TV, Polo TV and Fokus TV, are distributed by networks of transmitters within the MUX-1 multiplex, on which the channel Wydarzenia24 has been broadcast since January 10, 2024. POLSAT's main channel is also broadcast on local multiplexes: MUX-L4 and MUX-L7. In addition, our channel Nowa TV is broadcast on the nationwide MUX-8. MUX-4 is reserved for our subsidiary INFO-TV-FM, which uses it to broadcast TV and radio channels in the DVB-T2 standard as part of the encrypted Polsat Box package, including Polsat Sport, Polsat Sport Extra, Eleven Sports, Eurosport, Polsat News and others. Since January 10, 2024, the multiplex has been broadcasting the free-to-air news channel Polsat News Polityka, which replaced the channel Wydarzenia24. The remaining channels of Telewizja Polsat are broadcast via digital satellite platforms, cable TV networks and IPTV distributors.

Restrictions on programming and advertising. The Broadcasting Act also imposes certain restrictions on broadcasting time, the content of programming and advertising aired by Polish TV broadcasters. All of these restrictions are usually described in detail in the broadcasting licenses granted by the KRRiT. In particular, the restrictions are related to the percentage share of programming originally produced in the Polish language, obtained from independent producers and of European origin, protection of minor viewers from inappropriate content, the identification, placement and total air time of commercials between and during other programming, as well as the placement of commercials for specific products.

Additionally, the Broadcasting Act imposes on broadcasters the duty to ensure that their media services are accessible to people with visual or hearing disabilities.

Internet media

Our offering. We develop thematic web portals which leverage on the unique content produced by our TV channels and dedicated editorial teams. Among portals established by us the most important role is played by the portals 'PolsatNews.pl' and 'PolsatSport.pl'. We also develop the Polsat Box Go portal - a TV Everywhere service offering access to streaming linear channels and a wide range of VOD content, also available as a mobile application and on Smart TV. In turn, Interia.pl Group, acquired by us in July 2020, is a leading player on the Polish market of new generation media.

The portal 'Interia.pl', which belongs to the Group, is one of the three largest horizontal portals in Poland, comprising a multitude of thematic services. It provides with a vast selection of the highest quality information, entertainment, social and communication services. Currently, the Interia portfolio includes about 20 thematic websites dedicated to sports and economy events, ecology and nature, technology, automotive, weather, education, health and fashion tips, music and movies, and more as well as one of the country's first email services, with approximately 2.5 million monthly users. In addition, Interia Group includes a number of non-domain thematic websites, such as ‘Pomponik.pl’ (entertainment service), ‘Smaker.pl’ (culinary service) and ‘Deccoria.pl’ (interior and garden service). In parallel, thanks to the ‘Pogoda.Interia.pl‘ weather forecast service, which is one of the leaders in its category, we became one of top online weather forecast services in Poland.

Since the acquisition of Interia.pl Group, the monthly average number of page and app users for the combined Polsat-Interia media group increased from 18 million in the third quarter of 2020 to nearly 21 million in the fourth quarter of 2023. In the same period, the average monthly number of page and app views increased from about 1.5 billion to over 1.8 billion (data for the third quarter of 2020 according to the Gremius/PBI study; data for the fourth quarter of 2024 according to the Mediapanel study).

Sale of online advertising

Our Polsat Media advertising agency offers various types of online advertising, such as graphic (display) advertising, video advertising, email marketing, sponsored articles and influencer marketing.

There are two basic models of selling advertising space. In the direct model Polsat Media sells advertising space to an advertiser directly, and in the programmatic model advertising space is put up for auction in which a given advertisement can be purchased by any advertiser (open market) or by selected advertisers only (private marketplace).

Polsat Media sells advertisements in two payment settlement models. In the page view model, a customer purchases a defined number of advertisement issues or buys constant presence of the advertisement in a certain place of a website for a defined period of time. In the efficiency model, an advertiser pays only for specified actions of a user. In our case, the most commonly used performance model is the click-based model. The customer pays for a certain number of clicks on their ads on our sites, regardless of how many of their ads were displayed by us in total to achieve that goal. In case of non-standard formats, the prices are set individually.

- **Polsat Media Display** - presentation of the advertising message through a variety of graphic forms, placed in strictly defined locations next to the Group's articles and editorial productions;
- **Polsat Media Video** - the broadcast of TV video spots as advertisements that precede the airing of the actual video material. This form of advertising is characterized by high visibility and effectiveness;
- **Polsat Media Digital Audio** - broadcasting audio spots before or during the broadcasts of the largest Polish radio stations that broadcast their programs on the Internet;
- **Polsat Media Mobile** - an advertising network created from popular apps and games installed on users' end devices. By identifying these devices, the network has one of the most precise systems for targeting mobile ads in apps;
- **Adretail** - Poland's largest platform for publishing digital advertising newspapers and catalogues based on advanced technological solutions in the field of cross-device user identification and online-to-offline conversion analysis;
- **PERFOads** - performance campaign advertising service offering. It is based on the most popular display placements, email marketing and advertising feeds;
- **Polsat Media AdFusion** - a comprehensive solution for advertisers that combines different advertising formats and billing models to allow more effective online campaigns, including the promotion of apps and increasing the number of visits to stationary shops.

Wholesale activities in the media segment

Sale of TV/online advertising and sponsorship. As part of our wholesale business, we sell advertising time on our own channels as well as on channels owned by other broadcasters. Revenue generated from selling advertising time is an essential source of revenue for the media segment (approximately 67% in 2024). Almost all of our advertising revenue is collected through our subsidiary Polsat Media, which acts as our advertising agent (sales house). Polsat Media is responsible for sales of our advertising time, sponsorship, campaign planning, after-sales analysis, market research and analysis, development of new products and, most importantly, enhancing relationships with existing and potential advertisers.

In 2024, Polsat Media carried out the sale of advertising time on our TV channels and 57 channels of other broadcasters outside our Group. Polsat Media often works with international media houses that operate as intermediaries, negotiating purchase conditions and conducting campaigns for their customers. The sale of advertising time is carried out both through annual contracts entered into with media houses, as well as individual direct customers. Similarly to other nationwide broadcasters in Poland, Polsat Media has a stable group of advertisers that it works with.

In addition to providing advice on the scheduling of advertisements on our channels, Polsat Media sales force cooperates closely with advertisers to design special campaigns, such as sponsorship campaigns, product placement and related cross-promotional opportunities.

Polsat Media also offers a comprehensive array of non-TV products, including: Polsat Media Online (video and display advertising) including comprehensive advertising services to Interia.pl Group, Polsat Media AdScreen (digital OOH media), Polsat Media AdTube (a platform which group popular Internet authors) and Polsat Media Digital Audio (audio advertising in the Internet).

Sale of broadcasting rights to TV channels. The second largest source of revenue in our media segment are agreements with cable TV networks and satellite TV operators to broadcast our channels, which comprised 28% of total revenue in this business segment in 2024. Our agreements with cable TV networks and satellite TV operators are generally non-exclusive licenses for the broadcasting of our channels. Under typical licenses, operators agree to pay us a monthly license fee, the amount of which generally depends on the number of customers who receive our programs. Our channels are distributed by the majority of Polish cable networks, including such operators as Vectra, UPC, Inea, Toya and by all major satellite platforms (with the exception of selected sports channels, which are exclusive to the Polsat Box Go platform), as well as using the IPTV technology (Polsat Box, Orange Polska, Netia) and selected OTT platforms.

2.1.3. Green energy segment

We started operations in the green energy segment on July 3, 2023, when we acquired control of PAK-PCE and its subsidiaries. In the green energy segment, we are active in the production and trading of low- and zero-carbon energy from wind, photovoltaic and biomass sources. In addition, we are pursuing pioneering hydrogen projects, including the production of green hydrogen, the development of hydrogen infrastructure, and the construction and sale of hydrogen-powered buses.

Low- and zero-carbon energy production. In line with our strategy, we are investing in the development of renewable energy production capacity, which is carried out by special purpose companies concentrated within the structures of PAK-PCE Group.

As at the end of 2024, the Group's generation assets included a photovoltaic farm with capacity of 82.4 MWp and 4 wind farms with a total capacity of 150.1 MW. The Group's energy producer is also Biopaliwa i Wodór sp. z o.o., which uses 2 biomass units located in Konin with a total generating capacity of 105 MW (50 MW and 55 MW) to produce electricity and heat from biomass. At the same time, in accordance with the strategic assumptions, other RES projects are under construction - wind farms in Drzeżewo with capacity of 138.6 MW and Dobra with capacity of 7.8 MW.

One of the Group's biomass units benefits from a support program, the so-called green certificates, which in case of this unit is valid until 2027. The number of certificates received depends on the production level and is sold to other market participants, providing an additional source of revenue in the green energy segment. In addition, the latter of our biomass units has a power contract that allows it to generate revenue from the electricity market mechanism. The contract was concluded for a period of 17 years for a capacity of 40 MW at a base price of PLN 259.87/kW/year. The value of the concluded power contract for the first year of delivery in 2024 is PLN 10.4 million. In the case of the biomass unit currently benefiting from green certificate support, its participation in the capacity market mechanism will be possible after the end of the support period, i.e. from 2028. For this purpose, the unit takes part in annual capacity market auctions. So far, two auctions have been held for 2028 and 2029, in which a capacity contract was concluded for this unit.

Energy sales and trading. Electricity is sold and traded with the leading participation of our subsidiary PAK-VOLT S.A., which serves as the Group's energy hub. The main activities of PAK-VOLT include:

- sale and commercial balancing of electricity and gaseous fuels to wholesale and final consumers (excluding households);
- purchase and sale of electricity and guarantees of origin from low-carbon sources - biomass units owned by PAK-PCE Biopaliwa i Wodór Sp. z o.o;
- purchase and sale of electricity and guarantees of origin from renewable sources - photovoltaic and wind farms owned, inter alia, by PAK-Polska Czysta Energia Sp. z o.o. under long-term Power Purchase Agreements (PPAs);
- purchase of electricity from non-Group renewable sources - micro and small photovoltaic and cogeneration systems from end users;
- trading of electricity and gaseous fuels on TGE S.A. and on the technical balancing market.

The concessions for the sale and trading of electricity and gaseous fuels are a key intangible asset in the Group's business model, enabling us to generate revenue from our green energy business.

PAK-VOLT's electricity trading activities are conducted on the basis of license No. OEE/171/9255/W/1/2/99/MS dated May 25, 1999, issued by decision of the President of the Energy Regulatory Office for the period from May 25, 1999 to December 31, 2030. The license allows the company to trade and sell electricity throughout the country.

The company also conducts business activities in the field of trading with gaseous fuels on the basis of concession No. OPG/223/9255/W/DRG/2013/MSa dated March 4, 2013, granted by decision of the President of the Energy Regulatory Office (URE) for the period from July 1, 2023 to December 31, 2030. The concession allows for the trading and sale of gaseous fuels throughout the country.

The green energy produced by the Group's renewable energy plants is sold mainly under bilateral power purchase agreements through PAK-VOLT, which resells the energy to end users or on the Polish Power Exchange (TGE S.A.). Based on the concluded PPAs, the end users of the energy produced by the Miłosław, Kazimierz Biskupi and Człuchów wind farms and the Brudzew/Cambria photovoltaic farm are the companies of Polsat Plus Group, which, in line with the ESG strategy of Polsat Plus Group, aim to decarbonize their operations by systematically increasing the share of renewable energy sources in their energy mix. In addition, in October 2023, we signed a 10-year fPPA to sell green energy from the Przyrów wind farm to Google Cloud.

In addition, PAK-VOLT has a portfolio of non-Group customers with whom it has bilateral agreements for the sale of electricity, gaseous fuels and the repurchase of energy from RES micro-installations.

Wholesale customers - PAK-VOLT's customers who are trading companies or distribution system operators that also trade in electricity.

Retail customers - PAK-VOLT's customers who are micro, small, medium and large companies from:

- manufacturing and processing industries such as industrial production, automotive production, consumer electronics production, chemical production, food production and construction,
- service sectors such as transport, communications, utilities and trade.

Green hydrogen production and distribution. As part of the green energy segment, we are also building a full value chain of the green hydrogen economy, i.e. hydrogen produced by electrolysis based on electricity from renewable energy installations, i.e. wind, photovoltaic and biomass.

Our company Biopaliwa i Wodór is implementing a project to build a hydrogen plant in Konin, next to a biomass power plant, the energy from which is used to produce hydrogen. In December 2024 we commissioned our first electrolyser using PEM technology with a capacity of 2.5 MW and the ability to produce approximately 1,000 kg of green hydrogen per day. In the next stages, we intend to expand the production capacity of our hydrogen plant in Konin. We will also launch the production of hydrogen from the first Polish alkaline electrolyser with a capacity of 0.5 MW and a production capacity of 200 kg of hydrogen per day. The design of these electrolysers allows for modular combinations, which makes it possible to increase the production capacity depending on the demand for hydrogen.

The model for the sale of hydrogen is based on contracts with municipal (public) transport companies, which issue tenders for the supply of hydrogen, in which a Group company competes and provides hydrogen and the option of refuelling at stationary stations, as is the case in Rybnik. The company also offers a model in which it provides a package that includes a hydrogen station, a hydrogen bus, and a supply of green hydrogen, with billing based on kilometres driven by the hydrogen bus.

At the same time, we are developing the infrastructure needed to transport, store and distribute hydrogen. Hydrogen is stored and transported in the Group's own hydrogen buses with capacities of more than 1,000 kg. Hydrogen is transported to filling stations. Our subsidiary PAK-PCE Stacje H2 is investing in the construction of a network of hydrogen refuelling stations. Currently, there are 6 Group-owned public hydrogen refuelling stations operating under the Neso brand – in Gdańsk, Gdynia, Lublin, Rybnik, Warsaw and Wrocław. In addition, we operate 5 mobile hydrogen refuelling stations. We are planning to further expand the network of Neso stationary hydrogen refuelling stations with a further 5 stations located along TEN-T (Trans-European Transport Network) roads, for which we have received a grant from the European Climate, Infrastructure and Environment Executive Agency (CINEA).

Production and distribution of hydrogen buses. Together with ZE PAK, we have developed an innovative, environmentally friendly hydrogen bus, the NesoBus (where "Neso" stands for the Polish phrase "Nie Emituje Spalin i Oczyszcza", meaning "Does not emit exhaust and cleans the air"). The hydrogen buses are manufactured in the Group's production plant located in the Economic Activity Zone in Świdnik. The plant was commissioned in the third quarter of 2023 and can produce approximately 100 buses per year. Activities related to the production and sale of hydrogen buses are concentrated in our subsidiary PAK- PCE Polski Autobus Wodorowy.

We believe that the importance of hydrogen in the low-carbon economic model will grow, and one area with significant potential is public transportation. Considering that cities and agglomerations aim to decarbonize their public transport fleets, reinforced by current regulations requiring an increasing share of low-emission vehicles in the transport fleet, we intend to target our offer precisely at them. At present, the company can boast the deliveries of buses for the cities of Rybnik, Gdańsk and Konin, as well as the execution of other orders resulting from won tenders. In addition to the buses themselves, thanks to the presence in the Group of companies engaged in the production and distribution of hydrogen, we can offer a comprehensive service of providing cities with a complete value chain of hydrogen, refuelling stations and hydrogen buses. We are competing in city tenders and building the NesoBus brand and awareness. The main competitive advantages of NesoBus are very low CO_2 emissions, no emissions of other harmful substances as a side effect of fuel combustion, ease of use (short refuelling time) and the relatively long range possible on a single refuelling. We see great potential in the possibility of offering the hydrogen bus in foreign markets.

2.1.4. Real estate segment

In the real estate segment, we are engaged in real estate development and construction, as well as commercial leasing and property management.

Our key investment in the real estate segment is Port Praski, which is being developed in the centre of Warsaw, on the right bank of the Vistula River, on an area of over 36 hectares. It is a very attractive part of the capital due to its central location and, at the same time, proximity to the river and green areas and excellent transportation links thanks to the nearby metro, railway, and pedestrian-cyclist bridge over the Vistula River. We are developing a modern, multifunctional residential complex in this area, offering both comfortable apartments and inclusive public spaces, cultural and entertainment venues and, in the future, office spaces. The investments in Port Praski are being carried out by special purpose vehicles centred around our subsidiary, Port Praski Sp. z o.o.

We are a developer with many years of experience. Between 2014 and 2024 we constructed and delivered 10 projects in Port Praski comprising a total of 923 residential units with a total area of over 70 thousand m^2 and residential area of ca. 53 thousand m^2. In the fourth quarter of 2024, we completed the construction of a project located at Sierakowskiego Street 1 and 3 with a total residential area of approximately 11 thousand m^2, in which more than 73% of the 174 units have been sold as of the date of this Report. In 2024, we continued the process of designing and obtaining the administrative decisions for the development of another project at 1-3 Krowia Street with a total residential area of approximately 7.3 thousand m^2, which is scheduled for completion in the second half of 2027.

To increase the attractiveness of Port Praski, we are taking care to provide residents with high quality services and commercial facilities. To this end, the first floors of the projects we are developing include service premises that we lease to entities operating, among others, in the fields of gastronomy, culture, education, medical care or entertainment. There are already 35 retail and service outlets in Port Praski, and by the end of 2026 the adaptation of the historic building on Okrzei Street is due to be completed, where the four-star AC Hotel Warsaw Port Praski of the Marriott International chain is being built.

Medium and long-term development plans for Port Praski include its further expansion with the Doki estate and public spaces located on the waterfront, as well as the City business centre located on the part of the plot closest to the Stadion Narodowy metro station.

Our current business model involves the pre-sale of residential units upon receipt of a building permit for a new development. Customers sign development agreements that establish a prepayment schedule based on construction progress. Funds paid by customers are accumulated in dedicated escrow accounts and used to finance subsequent phases of construction. These funds are recognized in the statement of cash flows at the time of payment, whereas, in accordance with accounting principles, revenues and expenses related to the sale of apartments are not recognized in the income statement until the apartment is handed over to the customer. As a result, high-margin revenue from housing sales and EBITDA do not represent a regular, recurring stream and are highly dependent on the pace of housing development. On the other hand, we have regular cash flows from leasing commercial space. We sign multi-year leases with tenants, typically for a period of approximately five years, resulting in stable and predictable rental income.

Within Port Praski Group there are also specialized construction companies, which provide services to other Polsat Plus Group companies, such as, for example the construction of a recording studio for the media section or new hydrogen stations for the energy section.

2.2. Competitive environment and key market trends

2.2.1. Mobile telephony market in Poland

Market value and growth dynamics

The Polish mobile telephony market is a mature market characterized by a high level of saturation with services and competition. Based on the estimates published by PMR, in 2023 the number of mobile telephony SIM cards exceeded 60 million, which translated statistically into ca. 1.6 SIM cards per capita. Starting from 2017, the level of SIM card penetration is in a visible upward trend and, at the same time, the share of postpaid SIM cards in the structure of the Polish mobile market has been clearly growing and at the end of 2023 it reached 72%. In addition, MNOs are experiencing significant growth in the number of contract customers, a direct result of operators' strategies focused on migrating customers from prepaid services. The growing number of SIM cards in Poland is also influenced by the growing development of the M2M (machine-to-machine) segment, and in 2022 alone a campaign to give free starters to Ukrainian citizens caused a surge in the number of prepaid cards.

Mobile telephony remains the largest segment of the Polish telecommunications market, with a share in the total market revenue of over 58% in 2023. PMR is forecasting that the value of the mobile telephony market in Poland in 2024, expressed as the sum of operators' retail and wholesale revenues (including revenue from sales of equipment and other revenue) was nearly PLN 29 billion (+1.3% YoY).

The value of the average revenue per SIM card in mobile telephony (ARPU per SIM) was in a long-term downward trend, reaching its lowest point in 2019 (CAGR 5Y -2.9%). The main factors were competitive pressure, regulatory reductions in wholesale rates for terminating voice and text messages (MTR), and regulations regarding international roaming. However, according to PMR estimates, in 2023 the average revenue per SIM card in the retail market, excluding low-margin M2M cards, was 30.6 PLN. This is the fourth consecutive year that the ARPU per SIM card in the retail market has increased (CAGR 5Y +3.9%). Nevertheless, it remains one of the lowest levels among EU member states.

The breaking of the long-term downward trend in ARPU levels is due to changes in the offering tactics of individual MNOs noted in recent years. As of 2019, one of the most important trends in the Polish mobile market remains the gradual introduction of price list adjustments according to the more-for-more strategy, which involves offering larger data packages in exchange for higher prices. For many years telecoms have carried on an aggressive price war, which resulted in the current level of prices for telecommunication services, which is the lowest in Europe. Current strategies of main mobile telecommunication operators are evolving towards building value and increasing revenue and profitability, which is related to a large degree to extensive infrastructure investments into frequencies, LTE and 5G networks as well as continued high inflationary pressure on costs in 2022-2023. In our opinion, this is a very positive change which should have a positive impact on the value of the mobile telephony market in the years to come, thus enabling the continuation of the investments aimed at expanding mobile network coverage and data throughputs to cope with the growing demand for data transmission.

The impact of the introduced changes in price levels are clearly reflected in the value of the retail mobile market. According to PMR estimates, this segment of the telecom market has been growing consistently since 2019 and was worth PLN 19.1 billion (+7.8% YoY) in 2024. The vast majority of the value, over 80%, is generated by contract customers. The operators' focus on contract service customers is driven by a desire to reduce turnover in the customer base and to help stabilize the revenue stream in the medium term. Bundling of voice services with non-mobile services, like pay TV (VOD) or broadband Internet access via fixed-line connections, usually on the basis of wholesale agreements, is an equally important trend.

Dynamic growth of use of mobile Internet access on smartphones is becoming an increasingly important market trend. This is due to the growing penetration of smartphones in the mobile subscriber base and the systematic improvement of network quality parameters, including through the use of 5G technology. According to PMR, total mobile data transmission increased by nearly 16% YoY in 2024 and reached 11.4 million GB and in parallel, the average monthly data usage is on the rise. In 2024 a mobile network customer consumed an average of 16.0 GB of data, over three times more than in 2018.

Telecommunication operators' wholesale revenues have remained under pressure since 2020 as a result of the European Commission's successive cuts in maximum mobile termination rates (MTRs), from PLN 0.043 per minute in 2020 to PLN 0.009 per minute after the last cut which took effect on January 1, 2024. As a result, the value of the wholesale telecom market segment remains on a downward trend and is estimated by PMR to decrease in 2024 by 19% YoY.

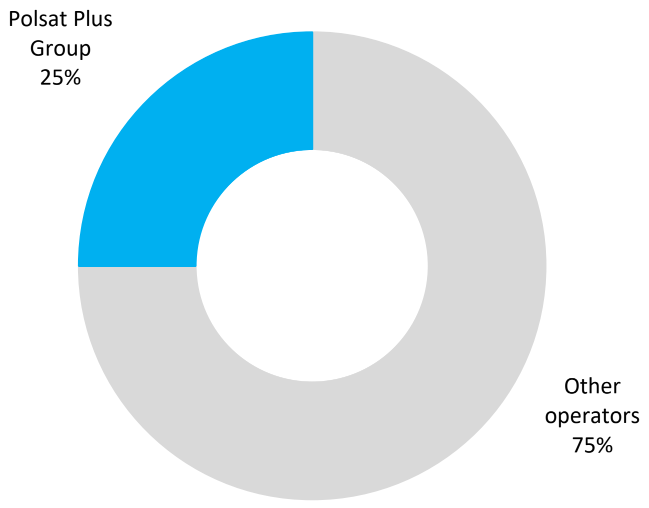
After strong increases in 2022 (+14.5% YoY) and 2023 (+9.0% YoY), operator revenues from equipment sales recorded a decline in 2024. According to the PMR report, these revenues reached PLN 6.9 billion in 2024 (-4.8% YoY). This was primarily due to growing sales in the e-commerce channel, which compete with operators' offers.

Competitive environment

The Polish mobile telephony market is relatively polarized and highly competitive. Four leading infrastructural operators operate on the Polish market: Polkomtel (Plus network) which is part of Polsat Plus Group, Orange Polska (Orange network), T-Mobile Polska (T-Mobile network) and P4 (Play network). In addition, there are many MVNOs in the market, but their share both in terms of revenue and number of customers is relatively low.

Mobile Network Operators (MNO). Four MNOs operate commercially in Poland based on allocated frequency bands and the infrastructure necessary to provide mobile telephony services on their own, that is Polkomtel, Orange, T-Mobile and P4. According to PMR's estimates, the above-mentioned operators together accounted for approximately 99% of total revenue generated on the Polish mobile telephony market in 2024.

Market shares in 2024 in terms of revenue from mobile telephony services



Source: PMR, Telecommunication market in Poland, 2024

Polkomtel operates under the umbrella Plus brand and owns a Plush sub-brand. Since 2014 it has been a member of Polsat Plus Group. Orange Polska operates under Orange umbrella brand and also has Orange Flex and nju.mobile sub-brands. Apart from the operations on the mobile market, Orange Polska is also the leading Polish fixed-line telephony operator, currently focusing its strategy on the development of broadband access services based on the fibre optic infrastructure delivered to retail and wholesale clients. P4 operates under Play umbrella brand and also owns several additional sub-brands, i.e. Play na Kartę, Fakt Mobile and Virgin Mobile. In 2020 the French group Iliad acquired in total 100% of shares of Play Communications, a company which controls P4, and in April 2022, P4 completed the acquisition of cable operator UPC Polska. Thus, P4, from an operator focused on mobile services, has become an important player in the market for convergent services, including those based on fixed-line broadband services.

T-Mobile operates under the T-Mobile umbrella brand and also uses additional brands such as Heyah and tuBiedronka. T-Mobile currently provides fixed-line telephony services addressed to business customers based on the infrastructure of GTS Poland, a company it acquired in 2014. T-Mobile currently offers fibre access services to residential customers based on wholesale access agreements with other operators.

Frequency allocations. Telecommunications frequency reservations are the Group's key intangible assets which enable it to provide mobile voice and mobile Internet access services. Network parameters such as signal coverage and throughput are dependent on the frequency reservations held.

The table below provides key information on frequency reservations held by mobile infrastructure operators in Poland.

MNO	Frequency band	Size of allocated band	Allocation decision expiry date
Polkomtel	900 MHz	2x5 MHz	December 31, 2038
		2x9 MHz	February 24, 2026
	1800 MHz	2x9.6 MHz + 2x0.4 MHz	September 14, 2029
		2x19.6 MHz + 2x0.2 MHz	December 31, 2037
	2100 MHz	2x14.8 MHz + 4x0.1 MHz	December 31, 2037
	2600 MHz	1x50 MHz	December 31, 2039
		2x20 MHz	January 25, 2031
	3600 MHz	1x100 Mhz	November 30, 2038
	420 MHz	2x2.5 MHz	December 31, 2035

MNO	Frequency band	Size of allocated band	Allocation decision expiry date
Orange	800 MHz	2x10 MHz	January 25, 2031
	900 MHz	2x6.8 MHz	July 6, 2029
	1800 MHz	2x9.6 MHz + 2x0.4 MHz	August 22, 2027
	2100 MHz	2x14.8 MHz + 4x0.1 MHz	December 31, 2037
	2600 MHz	2x15 MHz	January 25, 2031
	3600 MHz	1x100 Mhz	November 30, 2038
T-Mobile	800 MHz	2x10 MHz	June 23, 2031
	900 MHz	2x9 MHz	February 28, 2026
	1800 MHz	2x10 MHz	December 31, 2027
		2x9.6 MHz + 4x0.2 MHz	August 12, 2029
	2100 MHz	2x14.8 MHz + 4x0.1 MHz	December 31, 2037
	2600 MHz	2x15 MHz	January 25, 2031
	3600 MHz	1x100 Mhz	November 30, 2038
P4	800 MHz	2x5 MHz	June 23, 2031
	900 MHz	2x5 MHz	December 31, 2038
	1800 MHz	2x15 MHz	December 31, 2027
	2100 MHz	2x14.8 MHz + 4x0.1 MHz	December 31, 2037
	2600 MHz	2x20 MHz	January 25, 2031
	3600 MHz	1x100 MHz	November 30, 2038

Source: Own analysis based on UKE's summary dated February 20, 2025.

Mobile infrastructure. In recent years the worldwide trend of separation and monetization of mobile infrastructure has intensified, among others due to operators' expectations that the development of state-of-the-art 5G technology will entail a need of intensive roll-out of the mobile network, thus requiring considerable capital expenditures. The cooperation of mobile operators and possible involvement of independent infrastructure operators may help to significantly decrease costs related to the development of mobile technology, most of all as a result of infrastructure sharing and its optimum roll out.

In Poland, the first example of the above-mentioned trend was the infrastructural cooperation established between two MNO operators. For the purpose of planning, building and maintaining a mobile telecommunications network, and participating in related tenders, Orange Poland and T-Mobile formed a joint venture in 2011 under the name NetWorks! Networks! manages both operators' radio access network with approximately 12,000 base stations in 2023.

Recently, the global telecommunication market, to a larger degree than before, moved towards involvement of specialized, independent infrastructure operators for cooperation in order to optimize and develop mobile telecommunication infrastructure. In Poland, Cellnex Telecom is successfully building the position of an independent infrastructure operator. In March 2021, Cellnex acquired from Play a 60% stake in On Tower Poland which controls the passive mobile infrastructure built by Play. Furthermore, in July 2021 Cellnex acquired mobile infrastructure in passive and active layers from Polsat Plus Group. It is expected that the cooperation between mobile operators and independent infrastructure operators should contribute to increasing the pace of 5G network roll-out in a cost-effective way.

Mobile virtual network operators (MVNOs) are the operators who provide mobile telephony and/or mobile data transmission services but do not hold any frequency allocations on their own and do not need to have their own infrastructure to provide such services. Under the MVNO business model existing infrastructural operators provide frequency resources and the necessary infrastructure to MVNOs. According to the UKE report, 139 operators provided mobile services under the MVNO model in 2023, whereas in 2017 operations of this type were declared by only 31 entities. A fourfold growth of the number of MVNO operators is due to the appearance on the market of companies that have agreements with a mobile operator (MNO) and re-sell services to other smaller operators.

Despite a substantial number of MVNOs operating on the Polish market, none of them has significant market power. According to the PMR report, the total revenues of all MVNOs in 2024 accounted for only 1.3% of the total value of the Polish mobile services market.

At the same time, it should be noted that some MVNOs build the scale of their operations with the intention of re-selling their businesses to MNOs. Such decisions may be made in particular when, despite a relative market success, MVNOs are not able to ensure satisfying profitability of their business. This phenomenon was apparent when P4 took control over Virgin Mobile in 2020 and UPC Polska in 2023, or when Polkomtel took control over Premium Mobile in 2021.

Development forecasts for the mobile telephony market

PMR forecasts that the mobile market, as measured by total operator revenues, including equipment sales and other revenues, will grow at an average annual rate of 2.4% (CAGR 2024-2029) until 2029, when its value will reach PLN 33.6 billion.

The upward repositioning of prices, initiated in mid-2019, will continue to be a key factor setting the direction of further development of the mobile market in Poland in the years to come. This trend is likely to be supported by the implementation and commercial launch of 5G services by all operators in Poland as a result of an auction which took place in late 2023. What is also important is the extension of mobile operators' activities to new areas, including sale of dedicated equipment and bundling of voice services with TV or fixed-line Internet access services. Additional positive factors will be the continued migration of customers from prepaid to postpaid offers and growing revenues from roaming as well as stabilisation of revenues from equipment sales at a high level. At the same time, 2024 was the last year of regulatory pressure on wholesale revenues resulting from the reduction of maximum MTRs and FTRs.

Analysing the retail mobile services market, only (excluding wholesale revenue and revenue from the sale of equipment), PMR expects clear, positive dynamics in the years 2024-2029 (CAGR +3.8%), which is derived from the mobile services pricing increases initiated in the years 2019-2022 within the more-for-more strategy, as well as migration of users to more expensive 5G tariffs.

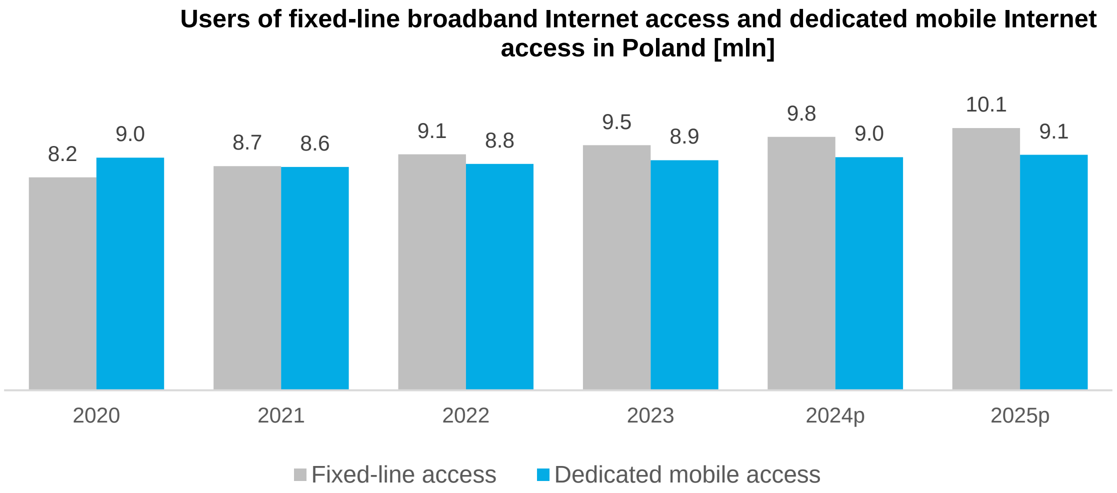
According to PMR estimates, the SIM card base in Poland will grow organically in the years 2024-2029, and in the long term the market will stabilize, mainly due to the growing number of M2M cards.

Due to the high level of competition on the market and high penetration with services, taking over customers from competitors will be the main factor driving the growth of mobile customer bases, in PMR's opinion. Number porting between networks is possible since 2009. According to the data published by UKE, 1.5 million users changed operators in 2022. It should be noted that, following a few years of downward trend observed on the MNP market, in the years 2021-2024 the volume of phone numbers ported between networks stabilized. In our opinion, it is proof of market maturity and equalization of price levels between individual operators' offers, as well as of the increasing loyalty of customers bases to their operator, resulting from, among others, the popularization of bundled offers.

2.2.2. Broadband Internet access market in Poland

Broadband Internet access services can be provided through a wide range of different solutions based on fixed-line technologies, including, among others, xDSL, cable modems, LAN-Ethernet, fibre optic links and WLAN, or mobile technologies such as mobile modems or routers operating, for example, in the LTE, 5G or satellite technologies. In Poland broadband Internet access is provided through fixed-line and wireless networks.

Based on the estimates published in the PMR reports, there were 9.8 million active lines of fixed-line broadband Internet access in Poland in 2024 (+3.4% YoY) while 9.0 million customers used dedicated mobile Internet through a dedicated mobile data transmission card (excluding data transmission in smartphones made under voice tariff plans). According to PMR, the penetration of mobile Internet access services per number of residents in Poland stood at around 95% in 2024, while excluding smartphone data transmission the penetration rate was ca. 24%. Penetration of fixed-line broadband Internet services per number of residents has been steadily increasing since 2020 and was around 26% in 2024.



Source: Own estimates based on PMR, Mobile Internet and mobile VAS market in Poland 2024, Telecommunication market in Poland in 2024

A visible slowdown in the growth dynamics of the dedicated mobile Internet access is related mainly to the growing popularity of data transmission in voice tariff plans, driven by the growing sizes of data packs offered to customers as well as higher penetration of these offers. Over 80% of smartphone users actively use mobile data transmission. PMR estimates the number of mobile Internet users using mobile data transmission in 2024 at 26.6 million (+2.6% YoY). Moreover, there is a noticeable increase in the saturation of smartphones supporting 5G technology.

Despite increasing popularity of data transmission service in smartphones, dedicated wireless access will remain, in our view, a meaningful segment of the Internet market due to the fact that it is widely used in Poland in the mobile-for-fixed model. This is caused by Poland's low urbanization level and relatively underdeveloped fixed-line infrastructure, which means in practice that in many locations wireless Internet is the only available option of access. For the same reason, dedicated mobile access and fixed-line access are rather complementary than substitutional services in Poland.

PMR estimates that the value of the fixed internet access market amounted to PLN 6 billion in 2024. The important drivers behind this growth were increasing demand for high-speed connections and development of fibre optic infrastructure. At the same time market value growth was driven by higher service prices which were among others associated with higher throughput of lines offered to customers thanks to the popularization of fibre optic solutions, as well as the price increases implemented by mobile operators in connection with the “more-for-more” strategy. As a result of the above factors, there was a high growth in ARPU from fixed internet services (+4.0% YoY), which, according to PMR forecasts, clearly exceeded PLN 50 in 2024. In turn, the value of the dedicated mobile Internet access market and data transmission services in voice tariffs in 2024 is estimated by PMR at approximately PLN 8.5 billion (+6.6% YoY). Nearly three-quarters of this amount is attributed to the latter segment, i.e., data transmission services on mobile phones.

Fixed broadband Internet access

In Poland, availability of fixed-line broadband Internet access services is limited mainly to urban areas. Outside urban areas, fixed-line broadband services are offered only to a limited extent, which is due to historical underinvestment resulting primarily from the high cost of build-out of local loops and the strategies adopted by leading fixed-line operators.

The fastest-growing and most popular wired access technology is fibre optic access (FTTx), with a market share in fixed internet access in terms of the number of subscribers estimated by PMR to be over 50% in 2024. According to UKE data, there were approx. 4.6 million fibre-optic Internet users in Poland at the end of 2023, generating revenues of PLN 2.9 billion.

The reason for the increasing popularity of fibre optic lines is the highest data throughput ensured currently by this technology, offering data transmission speed of up to 1 Gbps (Netia, Orange Polska, Play, Inea) or even as much as 8 Gbps (Orange Polska), as well as the operators’ sales strategies which are focused on promoting fibre optic Internet access, also as part of their convergent offers. At present fibre optic technology is the investment priority for a majority of telecommunication operators. Orange Polska, the dominant market player on the fixed-line Internet access market, owns currently the most extensive fibre optic infrastructure which was reaching ca. 8.9 million of households as of end of 2024 (including paid access provided to Orange by third parties). Netia is successively executing its investment plan consisting in a comprehensive modernization of its access network, which currently covers approximately 3.4 million households and is dominated by the fibre optic technology. In the area of wholesale access, an important role is played by Polski Światłowód Otwarty (PŚO). It is purely a wholesale operator, established by Play, which offers retail operators in Poland open access to its broadband network. PŚO's coverage was 4.1 million households in 2024, and the target plan is to reach more than 6 million households.

The factor which stimulates investments in fibre optic technologies are projects implemented as part of the government’s “Digital Poland Operating Program” (*Program Operacyjny Polska Cyfrowa – POPC*), an initiative which is subsidized from European Union funds. The main goal of the program is to strengthen the digital foundations for social and economic development of the country, such as broadband Internet access, effective and user-friendly public e-services and constantly growing level of the society’s digital competence. One of the priorities is to eliminate differences in access to fast broadband networks between rural and urban areas, resulting in all Polish households gaining access to fast broadband connections. Most of the investments covered by this program assume providing access to the broadband network with at least 30 Mbps throughput capacity. Orange Polska, Fiberhost (Inea’s infrastructural unit), Nexera and Tauron are among the players carrying out investments in broadband networks under the POPC program. Currently, the POPC program's assumptions continue under the KPO (National Reconstruction Plan) and FERC (European Funds Program for Digital Development 2021-2027).

As indicated in PMR’s report, the market of Internet access relying on fibre optic technology is currently significantly fragmented, which is demonstrated by the fact that the largest providers who operate on this market (Orange, Play, Netia, Inea, T-Mobile and Vectra Group) controlled about half of it in 2023. Hence, telecommunication operators are currently seeking consolidation possibilities with smaller local companies. At the same time, models of commercial cooperation between operators in the field of use of existing fibre optic network resources are sought. Granting wholesale access to fibre optic infrastructure in an open model constitutes an increasingly visible trend on the Polish market, which supports growth strategies based on convergence.

At the same time, it is worth mentioning that thanks to recent substantial investments in fibre optic infrastructure roll-out and the popularization of this type of infrastructure in times of the COVID-19 pandemic, Poland has been closing the gap to European Union countries. According to the ranking published by the FTTH Council Europe, Poland achieved fibre optic network penetration at the level of 61.3% as of September 2023, compared to the average penetration for the 27 EU states and the United Kingdom of 69.9%. In the most advanced European countries penetration with FTTH reached 96% (Romania) and 92% (Spain, Bulgaria).

The second most popular fixed-line access technology is Cable technology (CATV) (ca. 26% of market share in 2024, on a market defined as comprising solely fixed technologies). UPC Polska and Vectra - Multimedia Group.

The xDSL technology continues to be a popular fixed-line access type in Poland, with a share on the fixed-line Internet market estimated by PMR at ca. 9.5% in 2024. Orange is the dominant player operating in this technology. Simultaneously, Orange consistently pursues the strategy of developing its fibre optic networks. The second largest xDSL operator is Netia, a Polsat Plus Group company.

Mobile broadband Internet access

The market of broadband Internet access based on mobile technologies (defined as access via modems or dedicated SIM cards integrated with laptop computers or tablets) is divided roughly equally between the four mobile MNO operators: Orange, Polkomtel, P4 and T-Mobile.

A clearly visible trend on the market is the dynamic growth of users of mobile Internet access on mobile phones under voice tariff plans (data transmission), at the expense of dedicated mobile Internet access (via a modem or a SIM card). According to PMR estimates, the number of users of mobile Internet on smartphones amounted to 26.6 million in 2024, generating ca. 73% of the value of the mobile market in Poland. The dynamic growth of this market segment is driven mainly by the popularization of smartphones and increasingly bigger data packs offered in voice tariffs, supported by the “more-for-more” strategy, which has been pursued by mobile operators since 2019, growing demand for data transmission on mobile devices as well as investments carried out by mobile operators with the view to increasing quality parameters of their networks, including the roll out of 5G networks. COVID-19, and the associated increase in the importance of data services on phones, formed an additional factor which has had positive influence on the growth of this market segment.

Compared with other EU Member States, the Polish mobile broadband market is quite extensive. This is related to a relatively low quality of the existing fixed-line infrastructure in Poland, which makes mobile broadband technology more attractive to numerous Internet users as it offers better quality parameters in their respective areas of residence. Moreover, Poland's low urbanization level often makes mobile access the only technology available in less densely populated areas due to the cost of building infrastructure to enable access via fixed technologies. Therefore, in our opinion, dedicated mobile Internet access will remain an important segment of the Internet access market in Poland, especially in view of the distribution of frequencies from the 3.6-3.8 GHz band in late 2023 and early 2024 and the consequent intensification of investment in the construction of 5G networks in Poland.

As forecasted by PMR, the years 2024-2029 will see strong growth of the segment of Internet access and value added services on mobile phones (CAGR 2024-2029 at the level of 5.7% in terms of value growth), At the same time PMR expects data transmission traffic in mobile networks to grow in the subsequent years from ca. 11.4 EB in 2024 to ca. 22.6 EB in 2029. The forecasted strong traffic growth, in combination the growing mobile ARPU (the more-for-more strategy), will translate into growth of mobile operators' revenues in further years.

Development forecasts for the broadband Internet access market

According to PMR forecasts, the ratio between the number of subscribers of fixed Internet access and dedicated mobile access will gradually turn in favour of fixed access. PMR forecasts that in 2029 11 million Internet users will use fixed technologies, while over 9 million will use mobile technologies. Further investments in the roll-out of the last mile, by both mobile and fixed-line operators, in particular investments in developing fibre optic networks as well as further development of 5G technology, will be the most significant factors. According to PMR forecasts, in 2024-2029 the value of the fixed-line broadband market will demonstrate continuous positive average annual dynamics of ca. 5.3% (CAGR 2024-2029), reaching the level of PLN 7.6 billion in 2029. In case of dedicated mobile Internet access (excluding data transmission in voice tariff plans), PMR forecasts that the market will grow at 1.8% per year on average (CAGR 2024-2029) and it will reach the value of PLN 2.5 billion in 2029.

In the area of fixed-line broadband access, fibre optic technology (FTTx) is going to gain importance the fastest. It will replace the obsolete copper infrastructure to a significant extent as a result of large scale investments of fixed-line operators. In our opinion, in the coming years these investments will lead to a gradual growth of the number of users of fixed links with higher quality parameters. PMR estimates that in 2029, fibre optic technologies will dominate the total number of fixed connections (3/4 of the market). The second most popular technology will remain the connections offered by cable operators.

2.2.3. Pay TV market in Poland

Market value and growth dynamics

The Polish pay TV market is a mature market characterized by a high degree of penetration estimated by PMR at nearly 60% of households in 2024. On the other hand, pay TV operators actively increase the loyalty of their subscriber bases, mainly through service packaging, i.e. by combining pay TV with telecommunication services (Internet, phone), or developing and offering to customers their own online video services as a complementary service to the core offering. This trend leads to an increasingly strong interpenetration of pay TV and telecommunication markets.

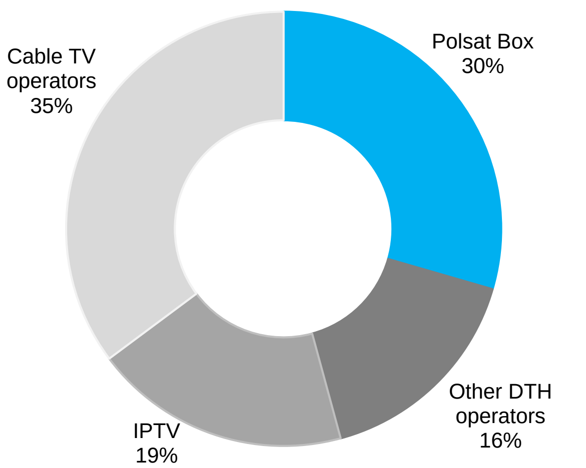
Both in terms of the number of subscribers and value, the situation on the Polish pay TV market is stable. According to PMR estimates, in 2023 the market value decreased slightly for the second year in a row to PLN 6.2 billion. In parallel, the customer base remained stable at the level of approximately 10.4 million subscribers. At the same time ARPU from pay TV services in Poland continues to be among the lowest in Europe. In this context the strategy of competing for customers with the merit and quality of the offered content rather than with price is one of the key trends affecting the value of the pay TV market. Operators expand their offers by adding premium packages and proposing attractive film or sports content, which leads to higher ARPU from a stable base. Also the dynamically growing IPTV segment, and the systematically increasing penetration of customer base with VOD services, which in 2023 for the first time exceeded the penetration of pay TV services, are the factors influencing the value of pay TV market.

The market for VOD and OTT video-on-demand services is growing rapidly in Poland. PMR estimates that the household penetration of paid VOD services in 2023 stood at around 69%. It is worth noting that there is a trend of coexistence of traditional pay TV and VOD services in Poland, as a result of which the growing penetration of VOD services does not translate into a decrease in the percentage of households using pay TV. The value of the entire VOD market in Poland amounted to over PLN 2.6 billion (+25% YoY).

Competitive environment

Pay TV services in Poland are offered by satellite platform operators (DTH), cable TV operators as well as by IPTV providers. According to our estimates, sector data and PMR forecasts, in 2023 operators of satellite TV platforms had the dominant share, both in terms of the number of subscribers and revenue, on the pay TV market – approximately 46% in terms of subscriber base, followed by digital cable TV operators with approximately 35%. IPTV is the pay TV market segment which demonstrates the strongest growth and its market share increased to ca. 19%. At the same time, paid VOD services are becoming an increasingly important part of the pay TV market in Poland.

Pay TV market in Poland in 2023 in terms of the number of subscribers



Source: Based on own estimates, sector data and PMR estimates

Pay TV services provided by operators of satellite platforms and cable TV are in principle substitutes. At the same time competition between the two technologies of access to pay TV services is restricted due to different geographical reach of each of these services. DTH operators are able to provide their services to both, the customers who live in cities as well as to those living in less densely populated and rural areas without incurring significant additional costs, whereas cable TV operators concentrate on the inhabitants of densely inhabited areas where highly developed fixed-line network infrastructure already exists or in locations where the establishment of such infrastructure involves a relatively low cost per customer. Since cable infrastructure in Polish towns with up to 20 thousand inhabitants, as well as in suburban and rural areas which are inhabited by more than half of Poland's population, is poorly developed, hence these areas are not attractive for cable TV operators, and they remain the natural target markets for DTH.

DTH operators. According to our estimates and PMR forecasts, the subscriber base of the DTH market in Poland remains under moderate pressure and in 2023 was just under 4.8 million (-4.4% YoY). DTH platforms are losing users in favour of the more advanced technologically IPTV offers, especially in areas with access to high quality broadband infrastructure.

Three DTH platforms operate in Poland: Polsat Box (until August 2021 it operated under the Cyfrowy Polsat brand), Canal+ (operating until September 2019 under the nc+ brand) and Orange, while the market is practically divided between the first two. Orange does not offer pay TV as a standalone service but only as an add-on to its integrated offer. Based on own and PMR forecasts, we estimate that at the end of 2023 the share held in the Polish pay TV market by our platform Polsat Box, in terms of the number of subscribers, was approximately 30%.

In less populated rural and suburban areas, where cable and broadband infrastructure is underdeveloped, digital terrestrial TV with around 30 channels aired in the DVB-T standard until June 2022 and from June 2022 also in DVB-T2/HEVC standard, presents a real alternative to satellite pay TV services. PMR estimates that the percentage of households that rely exclusively on free-to-air terrestrial TV is around 33% and will remain at that level for the next few years. However, it is worth noting that the pay TV offer surpasses alternative solutions, such as digital terrestrial TV, in terms of the quality of the programming offer. Dedicated and premium content, exclusive content available only from a given operator, live programs, or coverage of attractive sports events remain the key distinctive features.

Cable TV operators. The Polish cable TV market is strongly fragmented, with nearly 300 companies operating on it, according to UKE. The four dominating players, however, are: Play (after taking over UPC), Vectra Group, Inea and Toya. PMR estimates that in 2023 the combined share held in the Polish cable TV market by these three operators amounted to nearly 97% in terms of the number of subscribers.

The Polish cable operator market is undergoing a process of consolidation, which increases the chances of building a strong convergent offering and leveraging the potential of customer bases. In recent years, the Polish market has seen three transactions that are significant in terms of size. In 2018, Polsat Plus Group took control of Netia, 2020 saw the consolidation of Poland's second and third largest cable operators, i.e. Vectra and Multimedia Poland, and 2022 the completion of mobile operator Play's acquisition of control of UPC.

Digital television through the IP protocol (IPTV). The leading IPTV providers in Poland are Orange Polska and Netia, a company belonging to Polsat Plus Group. The remaining part of the IPTV market is fragmented between Vectra Group and local Internet service providers (ISPs). The predominant model of sale of IPTV services on the market relies on bundling of the service, especially with broadband Internet access.

The value of the IPTV market reached nearly PLN 907 million in 2023 (+15.0% YoY), with the number of subscribers reaching about 2.0 billion (+13.6% YoY). IPTV is the most rapidly growing segment of the pay TV market, among others due to the improving quality of broadband connections, fibre optic networks in particular, following infrastructural investments. Despite the high growth dynamics, IPTV market still encounters barriers, mainly due to technological obstacles which result from still restricted coverage of advanced infrastructure capable of offering sufficient data throughputs for providing IPTV services, especially outside big cities.

IPTV development enhances competition between IPTV operators and cable TV operators, especially in big cities where high quality broadband infrastructure exists, including fibre optic links. In less populated areas, on which DTH operators focus their activities, the influence of the expansion of IPTV is less pronounced due to the underdeveloped infrastructure for broadband Internet access. At the same time it is worth stressing that the effect of outflow of DTH and cable TV subscribers is to some extent compensated for by the migration of these customers to the IPTV standard, as a result of which the total pay TV subscriber base in Poland remains stable.

Video on demand. The popularity of streaming services offering video-on-demand content is growing in Poland. The development of OTT and VOD services in Poland is positively influenced by the progressive improvement of the quality of broadband connections and, consequently, the speed of data transmission as well as by the changing preferences of consumers who want to access their favourite content anytime, on any device, anywhere. The dynamic growth of the paid sVOD market is also influenced by the increasing range of content available exclusively on a given platform.

The Polish VOD market is dynamic and highly fragmented. Several dozen online services operate on the market, including those offered by TV broadcasters, DTH satellite platform operators, cable TV networks or telecommunication operators as well as by global players. According to PMR estimates, in 2023 Netflix remained the undisputed leader in terms of subscriptions, followed by Player and Max platforms on the podium. Simultaneously, after a strong debut in 2021, Viaplay, which based its content offering on numerous sports rights, announced its exit from all markets outside Scandinavia, including Poland, already in July 2023 due to financial problems. Other major players in the Polish market include Disney+, Prime Video and CDA Premium. VOD services are available in free (aVOD) or paid models, mainly based on a monthly subscription purchased directly from the platform operator (sVOD) and sales in the so-called operator channel, i.e. VOD subscriptions are purchased and paid for as part of the telecommunications bill. In Poland, there is a growing trend among sVOD users to subscribe to more than one service at a time. The number of sVOD subscriptions per household is steadily increasing, reaching 2.3 in 2023.

In Poland, a major challenge in the sVOD market is the phenomenon of account sharing, i.e. the use of a single subscription by several households, which limits the ability of platform operators to monetize content. According to PMR estimates that nearly half of households with an access to sVOD services in 2023 were using someone else's subscription. The first operator to combat this phenomenon is Netflix, which restricted subscription sharing options at the end of May 2023.

Despite dynamic growth in recent years, OTT and VOD services in Poland exert limited substitution pressure on the pay TV market. PMR's research shows that VOD is more of a complementary service to traditional pay TV. An important factor contributing to this trend is the popularity of the distribution of VOD services in the operator channel. The majority of the most popular VOD services are available from telecom and pay TV operators. In addition, pay TV operators are effectively competing with global VOD players by developing their own VOD platforms and offering Polish-language content better suited for local audiences, premium content or exclusive sports broadcasts. Bundling of services is also important, especially the bundling of TV services with Internet access, which has a positive effect on the loyalty of pay TV users.

Development forecasts for the pay TV market

According to PMR forecasts, the value of the pay TV market in Poland will slowly increase between 2024 and 2029 (with a compound annual growth rate (CAGR +0.7%), despite a slight erosion of the subscriber base (CAGR 2024-2029 -0.6%). At the same time, a further dynamic increase in the number of households using paid access to VOD services is expected. The market should remain under the influence of three major trends: high market penetration of pay TV services, dynamic growth of IPTV technology and limited competition from free-to-air terrestrial TV and VOD services.

According to PMR, in the years 2024-2029 satellite platforms will continue to be the largest segment of the pay TV market in Poland, reaching about 38% market share in terms of the number of subscribers by the end of the forecast period. Cable operators will remain the second largest segment with a market share of about 32% at the end of the forecast period. Thanks to the highest growth dynamics IPTV services will systematically gain importance, on the back of the dynamic development of broadband Internet access networks, including fibre optic networks. According to PMR by the end of 2029 IPTV operators will have a market share of around 30% in terms of the number of subscribers.

The number of VOD users in Poland will continue to grow in the coming years, mainly due to the growth of subscriptions in the paid model. PMR estimates that the number of VOD users in Poland will reach 19.7 million by 2029, with over 90% being users of paid VOD services, particularly sVOD. As a result, the value of the market for paid VOD services in Poland will grow, with the growth rate of this segment gradually slowing down over time as a result of increasing saturation and market competitiveness.

Pay TV operators will aim to increase their competitiveness by proposing unique offers to their customers. Bundled offers containing telecommunication and content services combined with sales of equipment (tablets, smartphones, laptops, TV sets) and supplementary services as well as an extended offer of exclusive content are of key importance for the enhancement of customer loyalty and own customer base retention. Access to broadband Internet, including fibre optic access, is a particularly important element, which at the time of the pandemic became key from the point of view of maintaining customer loyalty. In this context, infrastructure investments aimed at increasing the coverage and quality of broadband networks are becoming increasingly important. Offering premium content will continue to be crucial, as, on the one hand, it will attract subscribers looking for unique, high-quality content, and on the other it will support ARPU growth.

A clearly visible trend in the Polish pay TV market in 2022-2023 was the modification of price lists by all major players, dictated, among other factors, by persistent inflationary pressures. The increases concerned both TV packages and additional fees, such as the rental of a set-top box or the use of services based on another operator's infrastructure. The increase in pay TV prices in Poland will have a positive impact on the value of the market but may also lead to a higher incidence of cord-cutting and migration of customers to terrestrial TV or VOD platforms.

State-of-the-art technologies will continue to gain in importance at a fast pace as they enable operators to provide personalized content (such as content on demand) via the Internet, to mobile devices. Substitution pressure from independent providers of OTT and VOD services present on the market (e.g., Netflix, CDA, HBO MAX or Amazon Prime) will continue to be limited in Poland. Moreover, pay TV providers will compete with the offers of the above-mentioned services by developing their own VOD platforms, which are complementary to traditional TV services, and by introducing mobile solutions. We think that in upcoming years VOD services will supplement and extend the offers available on the market instead of substituting linear TV.

It can be expected that the Polish pay TV market will continue to see consolidation trends, both within the sector as well as between cable TV and telecommunication operators, which can be exemplified by the finalized in 2022 acquisition of UPC cable TV by P4, telecommunication operator.

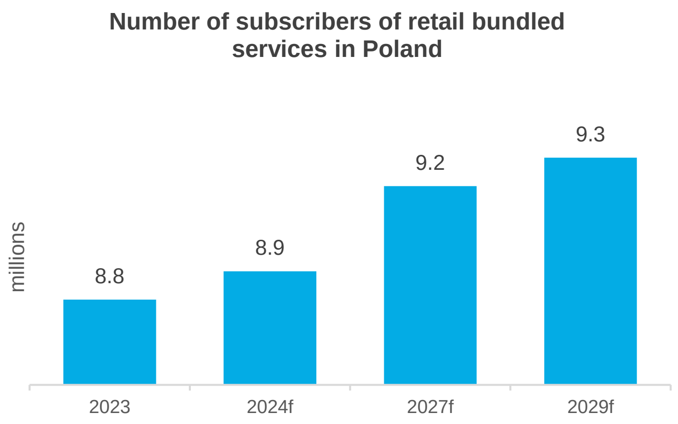
2.2.4. Bundled services market in Poland

Market value and development forecasts

Service bundling has been one of the strongest trends on Polish media and telecommunications market for several years. Operators develop their offers of bundled services in response to the changing preferences of customers, who seek media and telecommunications services from one provider at affordable prices, under one contract, with one subscription fee and one invoice. At the same time, given the high level of saturation of the pay TV and mobile telephony markets, bundling of services plays a key role in retaining existing customers. Offering bundled services allows operators to increase customer loyalty and, consequently, reduce churn rates. It also contributes to the growth of average revenue per customer.

The Polish multi-play services market has been growing systematically both by volume and value. According to PMR’s estimates, the number of services sold in packages in the years 2014-2023 recorded an average annual growth rate of nearly 9%, increasing to 38.1 million at the end of 2023, while the total number of subscribers (both individual and business) using bundled services was estimated at over 14 million, of which 8.7 million were households.

In the coming years, the market for integrated services will continue to grow, both in terms of volume and value. This is due to the fact that the bundling of services has become a strategic objective for players in the telecommunications and pay TV markets. PMR expects the number of subscribers of bundled services to grow at a much slower rate in the coming years (CAGR 2023-2029 of +0.9% for the retail segment). In parallel, the growth rate of the value of the bundled services market will gradually slow down, and the forecast average annual growth rate of the retail market in value terms in 2023-2029 will be 3.2%. Growth will be driven by continued ARPU growth path and increasing household penetration of integrated services. A factor supporting further growth of the bundled services market will be an increase in the quality of services stimulated by the development of fibre optic networks and the expansion of 5G networks.



Source: PMR, Integrated Telecommunications Services in Poland 2024.

In subsequent years, the development of the Polish market of bundled services will be influenced not only by the low level of saturation of this market with services but also by the systematic roll out of fixed-line infrastructure and improving quality of network access, in particular higher throughput. The increased demand for higher-bandwidth Internet connections initiated during the pandemic period has solidified in the market, partly as a result of many companies maintaining remote or hybrid work and will be further supported by EU funds flowing into Poland under the National Recovery and Resilience Plan. This creates the potential for reselling additional services to the retail market as part of a bundle. In particular, the prospects for offering IPTV/OTT pay TV services and video-on-demand content are improving.

Operators' strategies based on combining telecommunication and media services with services from outside the telecommunications sector are also an important factor. The bundled offers of leading operators on the Polish market comprise, among others, additional services, such as the sale of electricity, as well as financial and insurance products. Consolidation trends, observed on the media and telecommunications market, may also affect the development of the bundled services market, enriching the convergent offers available to customers.

Market structure

Bundled services in Poland are provided primarily by cable TV operators and telecommunications service providers. According to PMR, at the end of 2023 over 85% of the bundled services market, in terms of the number of subscribers, was held by four major players – Polsat Plus Group, Play-UPC partnership, Orange and T-Mobile. According to PMR estimates, Polsat Plus Group was the leader in this market, with a 28.0% share at the end of 2023.

When analyzing the structure of bundled services in Poland, one should bear in mind that the majority of operators provide multiplay services on the basis of wholesale agreements with other operators since they themselves do not have the relevant infrastructure or supporting business services to be able to create a complete portfolio of convergent services. For example, T-Mobile provides fixed-line broadband Internet access using, among others, the infrastructure of Orange Polska. Cable TV operators, in turn, offer mobile voice services in an MVNO model and acquire the entire content for their TV services from third party TV production companies. Our important competitive advantage on this market comes from the fact that within Polsat Plus Group we have all the assets which are required to be able to offer customers a fully convergent offer of telecommunication and TV services, enriched with unique content which we produce ourselves.

Both fixed-line telecommunication and cable TV operators offer their bundled services mainly in large and medium sized cities, mainly due to the geographical limitations of their landline access infrastructure. The multi-play services market in Poland is, in turn, relatively underdeveloped in less urbanized areas and therefore has the potential to grow rapidly in the suburbs, small towns and rural areas. In addition to the low penetration rate of multi-play services in less densely populated areas, Internet services provided by cable operators typically suffer in quality of service due to the limitations of the existing infrastructure. This creates an opportunity for satellite pay TV providers, such as Polsat Box, who are not bound by geographic reach, to become the leading providers of high-quality multi-play services to consumers in suburbs, small towns and rural areas in Poland.

2.2.5. TV broadcasting and online media market in Poland

TV broadcasting market. The Polish TV broadcasting market consists of state-owned and private commercial broadcasters airing both at the regional and national levels. A significant number of stations are offered through paid channels, such as cable networks and DTH platforms. The Polish TV broadcasting market is supervised by the National Broadcasting Council (KRRiT) which grants broadcasting licenses and supervises the operations of Polish TV broadcasters (such as checking compliance with license terms for specific channels).

The Polish TV market remains dominated by the four largest terrestrial channels: POLSAT, TVN, TVP1 and TVP2. There is a clear trend towards the fragmentation of the TV market. The importance of smaller broadcasters available on multiplexes was growing, mainly at the expense of the abovementioned four largest TV channels. According to Nielsen Media data, in 2024 the collective audience share in the 16-59 age group for the four leading channels totalled 24.8%, compared to 26.6% in 2023.

In 2024, our main channel POLSAT had an all-day audience share of 7.1% in the 16-59 age group. Average annual technical coverage was 98.4%. Other channels of the Polsat Group had a 14.9% combined audience share. The channels of Polsat Group, apart from the main channel, include 42 channels with competitive offers on various market segments (including sports, channels dedicated to female and male audiences, information, music, games, e-sport). They include channels distributed by cable and satellite networks, as well as nine channels available through DTT (digital terrestrial television).

In 2024, POLSAT's main competitor, TVN achieved an 7.6% all-day audience share in the 16-59 age group and had 99.7% average annual technical coverage. TVN channel, launched in 1997, currently belongs to Warner Bros. Discovery Group. TVN Warner Bros. Discovery Group's 24 thematic channels achieved a 15.4% combined all-day audience share in 2024.

TVP Group broadcasts 16 channels, including TVP1 and TVP2, and is also one of the main players on the Polish TV advertising market. In 2024, the main channels of TVP Group had 5.2% (TVP1) and 4.8% (TVP2) all-day audience shares in the 16-59 age group. The technical coverage of both channels reached 99.6% of households in Poland. Except advertising revenue, as the national state-owned broadcaster, TVP receives additional revenue from license fees mandatorily charged to Polish TV viewers under the License Fees Act of April 21, 2005, as well as compensation granted by the National Broadcasting Council. Revenue from license fees and compensation from the National Broadcasting Council constituted 71% of total revenue of TVP group in 2023.

Digital Terrestrial TV. Starting from July 2013, terrestrial television is broadcast digitally in the Digital Video Broadcasting – Terrestrial (DVB-T) technology and from 2022 also in DVB-T2/HEVC standard. A multiplex, or MUX, is a term used to describe the package of radio and TV channels, possibly enriched by additional services, transmitted digitally on a specific band. Currently, digital television is offered in Poland on five free multiplexes (MUX-1, MUX-2, MUX-3, MUX-6 and MUX-8) and one paid multiplex (MUX-4), dedicated for TV reception on mobile devices, as well as on several local multiplexes. The DTT offer includes free-of-charge access to 34 channels, with multiplex coverage exceeding 99% of Poland's population. It is expected that ultimately six multiplexes may function on the Polish market.

Online market. The Polish online market consists of a mix of various entities, starting from large international corporations, through large Polish media groups and smaller publishers, to small websites owned by companies and private individuals.

The online market is not regulated, any company or a physical person can create an own website and the only requirement is that a website address which is currently not in use must be registered in a proper domain. NASK (Research and Academic Computer Network) is the body which serves in Poland as a register for the 'pl' Internet domain.

Polsat-Interia Group is among the leading online media groups defined as Internet publishers producing editorial content.

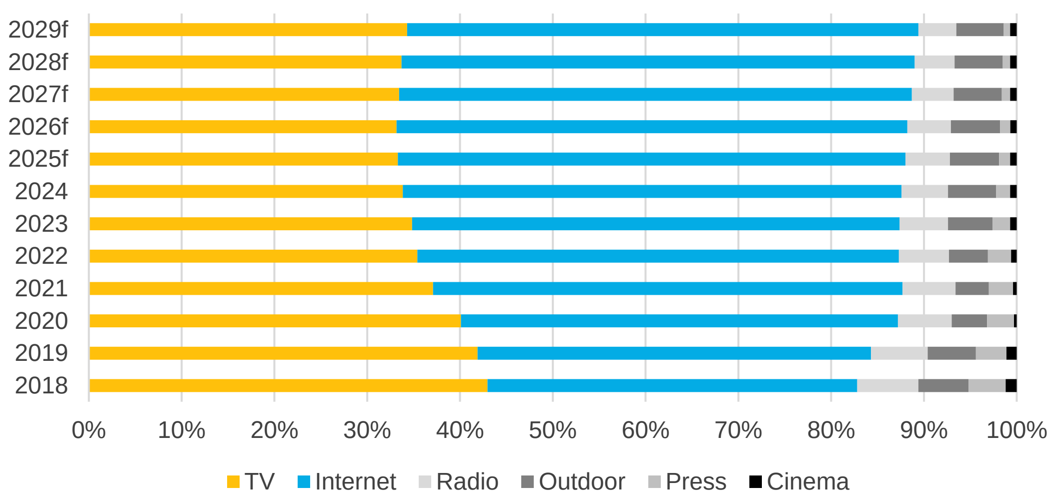
No.	Media Group	Number of real users	Coverage	Page views	Average time per user	Average time per visit
1	Polsat-Interia Group	20 765 646	63.55%	1 783 929 326	1h 31m 49s	5m 10s
2	RAS Polska Group	20 645 442	63.18%	2 379 831 001	2h 18m 34s	4m 32s
3	Wirtualna Polska Group	20 621 466	63.11%	3 040 473 951	2h 48m 9s	4m 57s
4	Agora Group	16 401 366	50.19%	689 603 562	41m 32s	2m 57s
5	Polska Press Grupa	15 476 184	47.36%	624 238 961	11m 56s	1m 33s
6	ZPR Media Grupa	13 894 092	42.52%	268 837 072	1h 0m 46s	12m 32s
7	TVN WBD Grupa	12 931 164	39.57%	226 845 616	1h 50m 56s	16m 13s
8	Grupa DGP Infor	11 948 796	36.57%	90 240 339	9m 31s	1m 58s
9	Burda Media Polska Grupa	10 759 068	32.93%	82 803 118	14m 50s	3m 2s
10	Iberion Grupa	10 222 362	31.28%	106 130 574	8m 38s	1m 4s

Source: Mediapanel, December 2024

Polish advertising market. According to the estimates of GroupM media agency, in 2024 Poland was the second largest advertising market in Central-Eastern Europe (after Turkey) with total net advertising expenditure exceeding PLN 4.3 billion (after discounts) growing by over 10% compared to 2022.

In 2024, TV was the second largest advertising medium in Poland with approx. 34% share in total advertising expenditure. According to GroupM forecasts, this share is expected to remain at similar level in upcoming years.

Advertising expenditure by medium from 2018 to 2029f



Source: GroupM, "This Year – Next Year Report 2024".

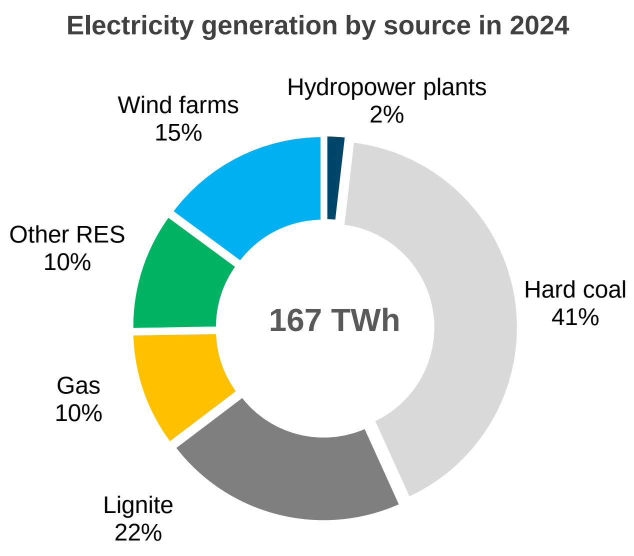
The Polish TV ad market is characterized by a continuously high level of TV consumption. In 2024, the average daily TV viewing time among the surveyed population remained at a very high level, estimated at 245 minutes. This is an increase of six minutes compared to 2023. Considering such a high average TV viewing time, it is justified to assume that the TV market will continue to be an attractive communications platform for advertisers.

2.2.6. Green energy market in Poland

Energy market trends in Poland and Europe. The Polish energy sector is currently undergoing an energy transition aimed at minimizing the use of coal in the country's electricity generation mix and replacing it with efficient low- and zero-carbon sources, including renewables, and achieving energy independence while maintaining the full security of the national electricity system (KSE). The years 2020-2023 in the Polish economy, as well as in the global economy, were marked by significant volatility and turbulence, caused first by the Covid-19 pandemic and later by the outbreak of war in Ukraine and the increase in global political tensions. This led to an energy crisis in Europe and very large fluctuations in electricity and gas prices, which in 2022 were several times higher than in the previous year and had a negative impact on the macroeconomic situation. The quest for energy self-sufficiency and diversification of energy sources in the face of geopolitical and macroeconomic challenges has opened up the potential for rapid growth in renewable energy.

An important driving force behind the changes in both the Polish and EU energy sectors is the growing awareness of the need to counteract climate change by transitioning to a zero-carbon economy, including a shift from so-called dirty, conventional energy sources to low-carbon and clean energy, such as renewable energy or gas. One factor supporting this trend is the European Union's climate policy. The Union is implementing this policy by, among others, promoting the development of renewable energy sources, which provide an alternative to fossil fuels and help reduce greenhouse gas emissions. There is increasing pressure to accelerate the transition to renewable energy sources. In 2023, the European Commission increased the target for the share of renewables in the EU's energy mix for 2030 from 32% to 42.5%, with a view to reaching 45%.

Electricity generation by source. According to Polskie Sieci Elektroenergetyczne (PSE), Poland's total energy production in 2024 was 167.0 TWh (+2.1% YoY), with consumption at 169.0 TWh (+0.9% YoY).



Source: Own analysis based on PSE data

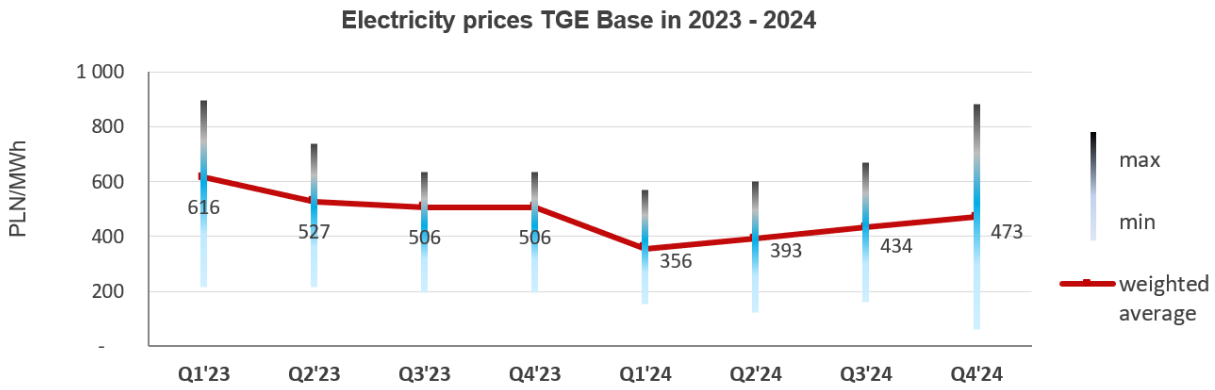
Coal and lignite remain the main source of domestic electricity generation. The overall share of coal-fired power plants in domestic production has decreased from 77% in 2022 and 68% in 2023 to 63% in 2024 due to increasing legal restrictions in climate protection, as well as rising costs associated with the strong influence of unions in the mining industry and the declining availability of the mined raw material. In Poland, the trend of substituting coal energy with green energy from renewable energy sources (RES) is slowly progressing. The share of green energy production in Poland's energy mix increased to 25% in 2024, up from 21% in the previous year. The share of wind power plants was 15% and had the largest share of national production among RES technologies, with a 13.1% increase YoY in the volume of energy produced. Photovoltaic power plants and other renewables produced 10% of the country's electricity in 2024, an increase of 31.2% YoY in volume. Energy production from gas-fired power plants increased by 22.8% YoY, with this source's share of total domestic electricity production increased to 10% in 2024.

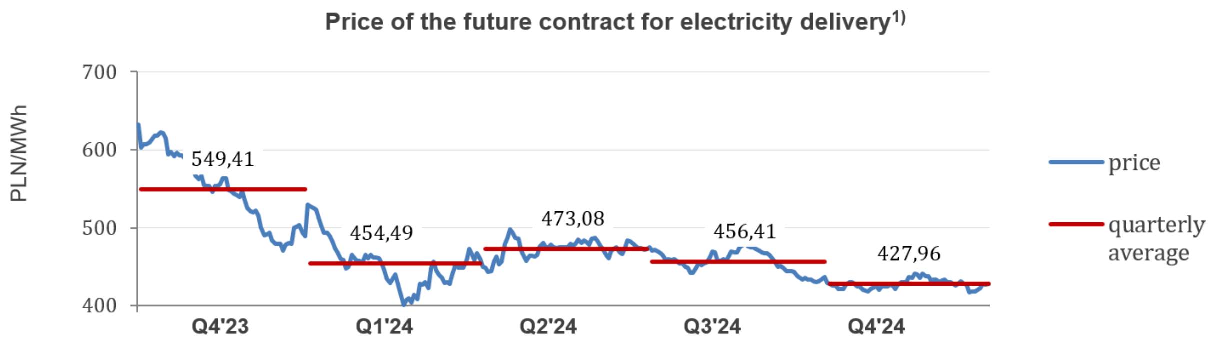
Entity structure of the RES market. According to the Institute of Renewable Energy (IEO), the total installed capacity of RES at the end of 2023 was nearly 29 GW, of which 17.1 GW was installed in PV farms and 9.4 GW in wind farms. The remaining capacity included biomass, biogas, and hydroelectric plants. At the same time, according to the Institute's data, at the end of March 2024 there were 4,870 professional PV installations and 1,400 wind installations in Poland. According to the IEO report, the largest players in the PV market in Poland are Respect Energy, PAK-PCE (formerly part of the ZE PAK Group), which was acquired by the Polsat Plus Group in mid-2023, Solis Bond Company, Better Energy, and Energa. In the case of onshore wind farms, however, state-owned companies play a key role in terms of installed capacity. The IEO identifies PGE (797 MW of installed capacity), Tauron (over 400 MW of installed capacity), and Energa (244 MW of installed capacity) as the owners of wind farms with the largest total capacity. In addition, Orlen will have more than 500 MW of installed capacity in onshore wind farms in 2023. Private companies are also present on the market, most notably Polenergia and RWE Renewables, which at the end of March 2023 had 435 MW and 450 MW of installed capacity in onshore wind farms, respectively.

Price formation mechanism. As a rule, the most important benchmark for energy prices in the OTC market in Poland is the exchange quotation conducted by TGE (Towarowa Giełda Energii S.A.) - the Polish Power Exchange. Energy on the TGE is sold on the spot market, i.e. the Day-Ahead and Intraday market (RDNiB), as well as on the Organized Trading Platform (OTF) in futures contracts. Energy prices in Poland are determined by market mechanisms. The segment of the energy market that performs essential functions in ensuring the safety and reliability of the national power system is the balancing market operated by Polskie Sieci Elektroenergetyczne S.A. This market provides signals on the cost of electricity production. The most important mechanism influencing energy prices on this market is the so-called "merit order", i.e. a mechanism aimed at ensuring that offers from sources with the lowest variable production costs are used first to meet electricity demand. Prices from this market are then reflected by market participants in the TGE by submitting bids corresponding to the price level in the balancing market. In practice, this means that renewable energy sources, such as wind and photovoltaic farms, benefit from this mechanism as the sources with the lowest variable costs. Depending on the current demand for electricity, sources with increasingly higher variable costs are used in order. The price of energy is determined by the unit that "closes" the current "stack" covering the demand. In practice, in Polish conditions, this means that in the current energy mix, the price is determined primarily by coal or gas-fired power plants, which are the pillars of NPS security. According to the rules of the European energy market, the price is also influenced by cross-border exchanges, which are limited by the available transmission capacity.

In addition, the current price formation is also influenced by the annual and daily seasonality of production, due to the weather conditions that shape the supply of electricity from RES. In the case of photovoltaics, energy production occurs during the day and primarily during the sunny months, i.e. from early March to mid-October. For wind farms, the highest production is observed in the first and fourth quarters, when more windy days are recorded. The high production of RES sources due to seasonality and/or favorable meteorological conditions can lead to a supply of electricity that exceeds the demand of the grid at any given time, leading to a temporary drop in energy prices and even to temporary negative prices.

The graph below presents the evolution of electricity prices TGE Base in 2023-2024.





Source: own analysis based on TGE data
(1) Band with annual delivery

Prospects for the development of the renewable energy market in Poland. Renewable energy has a very high development potential in Poland. Despite the rapid development of renewable energy sources in recent years and the increase in the share of RES in Poland's energy mix, it remains at a low level compared to other EU countries, taking into account the specific climatic, weather, terrain, etc. conditions in individual EU countries, which allowed for the intensive development of individual sources, such as hydropower in Scandinavian countries or photovoltaics in Southern Europe. According to Ember's "European Electricity Review 2024" report, in 2023 two thirds of the EU's electricity were generated from renewable sources, with wind and photovoltaic sources accounting for 27%. At the same time, Poland is one of the largest emitters of greenhouse gases in the EU. Given the climate targets Poland has committed to for 2030, the rate of increase in the share of renewables in the national energy mix will need to accelerate significantly in the coming years. Ember estimates that the share of RES in Poland's electricity generation will exceed 47% in 2030.

The second important trend supporting the development of RES will be a further increase in electricity demand due to the increasing electrification of various sectors of the Polish economy. According to the assumptions of the Polish Energy Policy until 2040 (PEP2040), the electricity demand will increase by 40.4% between 2020 and 2040. Renewable energy sources will have to keep pace with the growth in demand, otherwise the reduction in fossil fuel consumption will not be sufficient to meet the EU's climate targets.

Hydrogen market in Poland. The hydrogen market is developing very rapidly in the European Union as well as in Poland. The strategic document defining the main goals for the development of the hydrogen economy in Poland and the directions of activities necessary to achieve them is the Polish Hydrogen Strategy (PSW) until 2030 with an outlook to 2040. The main indicators define, among others, the amount of installed capacity of hydrogen production facilities, the number of hydrogen buses and hydrogen refuelling stations in use. According to the strategy, at least 40 GW of electrolysers should be installed in Poland by 2030, and annual production of hydrogen from renewable sources should be at least 10 million tonnes. Hydrogen can be used as an energy storage medium. It offers the possibility of using surplus energy to produce green hydrogen, which can then be used for both transport and industry.

Poland is the third largest hydrogen producer in Europe. However, it is mainly grey hydrogen, which is associated with CO_2 emissions. Therefore, the strategy is to develop methods to produce, store and distribute green hydrogen. Polsat Plus Group's strategic plans for the production and distribution of green hydrogen are fully in line with the Polish Hydrogen Strategy.

According to an analysis by the International Energy Agency, the demand for low-carbon hydrogen in 2050 will be four times the total demand in the base year (2022). According to the forecast, the main consumers will be transport and industry. At present, the use of hydrogen in individual transport in Poland is less important than plans to develop organized transport. In connection with calls for proposals for the National Fund for Environmental Protection and Water Management's (NFOŚiGW) "Green Public Transport" program, funds have been allocated to Polish cities for the purchase of more than a hundred hydrogen buses.

2.3. Competitive advantages

We are the leading integrated media and telecommunications group in the region

Our major competitive advantage is that we have gathered and manage autonomously all key assets within our Group. Thanks to this we can efficiently operate a diversified business comprising pay TV in DTH and online (IPTV, OTT), mobile and fixed-line telephony, mobile and fixed-line broadband Internet, wholesale business as well as TV broadcasting and production and on-line services of content, news and video sharing.

We are a leading player in the markets in which we operate. Since 2006, we are the leader of the Polish pay TV market both in terms of customers and the number of active services and market share. Our subsidiary, Polkomtel, which focuses on the provision of mobile telecommunication services under the ‘Plus’ brand, is one of the leading telecommunication operators in terms of generated revenues and the scale of the base of mobile telephony and the mobile broadband Internet access services. In turn, our subsidiary Netia is a leading provider in fixed-line services, including broadband Internet offered mainly in fibre optic technologies. At the same time we are the leading TV group in Poland in terms of advertising revenues and audience share and, starting from 2020, following the acquisition of Interia.pl Group we became one of the major Internet publishers in Poland.

Additionally, our advantage is that we have an extensive nationwide distribution network through which we sell most of the services offered by our Group. We simultaneously offer our services in alternative telemarketing channel as well as online in our own online stores. Furthermore, both Polkomtel and Netia have their own separate B2B sales and service channels and, additionally, Polkomtel has an extensive prepaid distribution network.

We have strong brand recognition and enjoy good reputation among our customers

Our core brands – ‘Plus,’ ‘Polsat,’ ‘Polsat Box’ and ‘Netia’ – are well recognized by Polish consumers and we believe they are associated with high quality and value-for-money services addressed to the entire family.

We believe that our position as the largest pay TV operator in Poland and good relations with programming licenses providers give us a competitive advantage in obtaining high quality content on attractive market terms. Therefore, we can offer attractive programming packages at competitive prices which translates favorably into viewers’ opinions on us. At the same time, through investing in the latest technologies which allow to offer high quality telecommunication services, we constantly increase attractiveness of our services which contributes to high satisfaction levels among our customers. We also enjoy the viewers' trust in the objectivity of the information we provide, and the programs of Telewizja Polsat have been recognized for many years as one of the most reliable and unbiased sources of information among the main TV stations in Poland.

We own the largest advertising office in Poland

Polsat Media, our advertising sales office, is currently the largest broker on the television market with 94 TV channels in its portfolio, including a large nationwide TV station and a wide package of thematic channels belonging to Polsat Plus Group and other Polish and foreign broadcasters. Polsat Media is currently the largest advertising office not only in terms of the number of channels served, but also in terms of audience share (38% in a target group aged 16-59 years) and its share in the TV advertising market (47% egGRP in 2024). Thanks to the rich portfolio of supported channels and the ability to reach many specialized audiences with the message, we can precisely locate the customer's commercial information and reach the desired audiences, optimizing the cost of reaching them. We can communicate with advertising recipients not only through traditional spots, but also through non-standard methods, such as product placement or special cross-media advertising campaigns. The scale of our operations makes it easier for us and our customers to negotiate and coordinate marketing activities.

Polsat Media is responsible for all advertising services and sales of advertising space in website services of Interia.pl Group.

We have a significant customer base to which we can up-sell a broad portfolio of services

Polsat Plus Group has a significant base of individual, business and corporate customers, as well as prepaid users. This base includes approximately 6 million unique individual customers, bound by contracts for definite or indefinite periods of time, which generate a regular monthly revenues stream. We provide retail services to nearly every second household in Poland, which makes us one of the largest Polish service providers for residential customers.

Our strategy assumes up-selling to this customer base of an extensive portfolio of telecommunication, television and other services and products by our companies independently or in partnership with other entities, to increase revenue per customer. We believe that up-selling services to our own base will enable us to increase revenue in a cost-effective way, while simultaneously offering to our customers attractive price terms, which should translate into an improvement of customer satisfaction and loyalty.

We offer a unique combination of integrated services

We provide multiplay services combining mainly pay TV, Internet access and telecommunication services. In addition, we offer our customers the option to purchase other services essential for the home and business at attractive prices. The *Strategy 2023+* that we adopted in December 2021 assumes the further expansion of our portfolio with new services related to the production and sale, at affordable prices, of clean energy from zero and low-emission sources. The ability to provide a comprehensive range of multi-play services represents our significant competitive advantage on the pay TV market in Poland. At the same time we are a telecommunication operator who offers bundled services comprising a rich pay TV offer provided using our own assets and infrastructure, which ensures greater price elasticity and more operational effectiveness on this highly competitive market.

The provision of services in an integrated model enables us to offer attractive price terms to our customers, while simultaneously simplifying the process of customer service, which translates into the improvement of customer satisfaction and loyalty, thus decreasing the churn rate. We believe that, similarly to highly developed European countries, preferences of Poles will gradually move into integrated services direction, which will strengthen our competitive advantage.

Multi-platform distribution of online video content and proprietary technology for video online content distribution

Our Polsat Box Go online streaming service offers access to unique content through a wide range of end-user devices, including computers/notebooks, tablets, smartphones, TV sets with Internet connections and set-top boxes, in line with our principle: “For everyone. Everywhere”. Our objective is to provide access to an extensive range of audio-visual content through any type of device for playing online multimedia files. We strive to ensure that each type of platform is supported by all major equipment manufacturers and operating systems.

Polsat Box Go strengthens our position as an aggregator and distributor of content as well as ensures an important competitive advantage. We continue to develop our services using many years of experience in sales of pay TV, which helps us achieve synergies in terms of costs and revenues.

We have also developed unique technological competences in encoding and streaming audio-visual content, as well as optimizing distribution of this type of signal. Unlike our competitors, we apply proprietary solutions to our online video platforms, which enables us to provide services that are optimally adjusted to the limited Internet infrastructure in Poland and the capacities of external systems with which our applications are integrated. In this way, we may offer services of higher quality than the widely used solutions, for instance, our system of HD video stream encoding helps reduce the broadband required to deliver the signal by half as compared with solutions implemented by other operators on the Polish market. Hence, the optimized technology has a direct effect on our projects, their coverage potential and the number of concurrent viewers.

We own the biggest portfolio of TV channels in Poland, offering attractive programming content for each family member

We offer the largest and most diversified portfolio of channels on the Polish market, which gives us a leading position in terms of audience share among television groups in Poland and advertising market share. Polsat Plus Group portfolio consists of 43 own channels. Moreover, there is a group of 5 cooperating channels which are related with the Group either by equity links or joint broadcasting projects. The portfolio of our thematic channels includes general entertainment, music, sports, news, lifestyle, movie and children’s channels.

We have contracts with major film studios, which provide us with access to a wide selection of the most attractive films and series.

We believe that our rich portfolio of Polish language TV channels and our assets, which enable us to produce diversified and attractive Polish language video content dedicated to Polish viewers, constitute our key competitive differentiators and will allow us to successfully build our revenue on many fields of exploitation. Thereby, Polsat Plus Group is in a position to successfully compete not only with companies which offer media or communication services in Poland, but also with the competitive pressure emerging from global content producers operating in the OTT model.

Synergies in content distribution

Within the media segment, we benefit from two-way synergies in the creation and use of content from traditional TV to the Internet and vice versa from the Internet to traditional TV. The TV content that we produce and premiere on our TV channels is also made available on Polsat Box Go. Making these productions available on our VOD service is another way of providing access to this content so that viewers can find it at a time and place that is most convenient for them. It is also a way to reach potential new viewers and attract new subscribers by broadening the programming base of the Polsat Box Go service, thus increasing its attractiveness. In addition, it is another field for monetizing already produced content by displaying advertising alongside it. In addition to the classic model described above, we are increasingly dealing with the reverse model, where content produced for the VOD service is reused on traditional television after some time.

Another example of synergy is a common newsroom for the Polsat News TV channel, the Polsatnews.pl website and the Interia portal, thanks to which all our major news media can use the same information and materials, providing all viewers and users with the same, highest level of information. In addition, thanks to the use of links redirecting to other sites and services, there is no need to rewrite all the news for each site separately, which saves the editors' time and is a kind of self-promotion, making users aware that they can also find interesting content on other Group sites.

We successfully monetize a rich portfolio of sports rights

An important element that differentiates us on the market is a rich and unique broadcasting offer of the largest and most interesting sports events worldwide. Our offer is exceptionally attractive for fans of football and volleyball. We offer football fans broadcasts of the Europa League and the UEFA Conference League matches, qualifiers to the UEFA European Championships and the FIFA World Championships as well as the football Nations League. As for volleyball, we offer the biggest and most prestigious volleyball tournaments – the men’s and women’s World Volleyball Championships, games of the volleyball Nations League, the men’s and women’s Europe Volleyball Championships, the club volleyball competitions of Polish Plus Liga and Tauron Liga and also the volleyball matches of CEV Champions League and other European cups involving Polish volleyball teams. We also have a strong position in tennis: we broadcast the prestigious Grand Slam tournament at Wimbledon, all the men's ATP tournaments and the national team competition in the United Cup. We also offer boxing and mixed martial arts galas (UFC, FEN, Babilon), competition between the world's best female and male athletes in the Diamond League and World Athletics Series, the thrilling MotoGP motor racing competition and many other disciplines.

In addition to the Polsat Sport and Polsat Sport Premium channels, which offer the above-mentioned events, we have Eleven Sports channels in our Group, which offer the strongest football leagues - La Liga, Serie A, the German Bundesliga and the French Ligue 1. The Eleven Sports channels will also show the elite Formula 1. Unique sports content represents an important element that builds the value of our pay TV offering.

We believe that attractive content, including exclusive content that is not available in the offer of other pay TV operators, is a significant competitive advantage over other pay TV operators in Poland.

Concurrently, we seek to monetize TV channels from our portfolio, also by offering them in a wholesale offer to other entities which provide pay TV services on the Polish market. This translates positively into the level of wholesale revenues we generate in the media segment.

We have a high quality telecommunication infrastructure and broad portfolio of frequency bands

We provide telecommunication services including voice, data transmission and wholesale services, as well as a broad array of added services based on the integrated 2G/3G/4G/5G mobile network. These services are provided based on frequencies and core network owned by us, while our partner in the maintenance and expansion of the mobile access network is Towerlink Poland, a specialized company from Cellnex Group.

The network used by our customers supports the following technologies: GSM/GPRS/EDGE (2G), UMTS/HSPA/HSPA+/HSPA Dual Carrier (3G), LTE/LTE Advanced (4G) and 5G. We own spectrum reservations in an extensive portfolio of telecommunication frequencies, including 420 MHz, 900 MHz, 1800 MHz, 2100 MHz, 2600 MHz FDD and 2600 MHz TDD and 3400-3500 MHz bands. Our rich frequency resources not only guarantee flexibility in bandwidth management, but also open up many possibilities for network reconfiguration in the future. In particular, in 2011, as the first operator in Poland, we introduced services based on LTE and LTE Advanced technologies and in May 2020 we offered our customers Poland's first commercial 5G network. Currently, practically the entire population of Poland is within the coverage of our 2G/3G/4G mobile services while the coverage of our 5G network already reaches over 26 million of Poles.

Thanks to the extensive footprint of the mobile network that we use, we are able to reach with our telecommunication services customers who live in less populated suburban and rural areas of Poland, while incurring substantially lower costs than cable TV or fixed-line operators. This enables us to build a strong position in smaller cities and less urbanized areas of Poland and provide telecommunication services – in a cost-effective way – to the existing customers of Cyfrowy Polsat, who are located mainly in the aforementioned areas. Due to the high cost of network roll-out, starting of operations and regulatory barriers related to obtaining access to frequencies, we will continue to profit from our strong market position.

New entrants must overcome significant regulatory and operational barriers and acquire access to radio spectrum or incur very significant investment outlays to compete effectively in the markets in which we operate

We believe that we benefit from significant market entry barriers that will aid us in maintaining our leading positions in the competitive Polish pay TV, telecommunication and TV broadcasting markets. Unlike potential entrants to the Polish pay TV market, we benefit from economies of scale and a loyal customer base, and we can spread the relatively high cost of the necessary technologies over our large customer base and leverage the stronger bargaining power that comes with a leading market position.

On the other hand, entry to the telecommunication market requires obtaining direct access to telecommunication frequencies and very expensive and time-consuming investments into telecommunication network or obtaining paid access to radio frequencies via one of the four mobile operators. However, at present the majority of radio spectrum allocated to mobile technologies is nearly fully distributed among the current market players and a scenario assuming the emergence of a new infrastructure operator seems unlikely. Operators who provide mobile services based only on paid access to the existing mobile networks so far have failed to achieve a scale of business in Poland which could create a significant competitive threat to us. As for fixed-line telecommunications services, in particular broadband Internet access, entry barriers include time- and capital-consuming outlays which new players would need to incur to develop their network infrastructure.

We have strong, stable and diversified cash flows

In 2024 we generated revenue through three business segments: the B2C and B2B services segment, the media segment: TV and online, green energy segment and the real estate segment. In the B2C and B2B services segment our large retail customer base, stable monthly subscription revenue and low churn rates provide us with significant predictability of future revenue and strong recurring cash flows, which have historically proven to be resilient, even during periods of challenging economic conditions, such as the COVID-19 pandemic.

In the case of our cost base, we focus on improving the efficiency while maintaining high quality by carrying out initiatives aimed at the development of in-house services and systems. Examples include our own set-top-boxes manufacturing plant or the gradual centralization of back-office processes within the Group.

We have experienced managing staff

Our management team consists of executives who were members of the management boards or served in other managerial positions within the media, TV and telecommunications industries and have many years of experience in these industries. In addition, our business segments are managed by teams of experienced senior managers who provide expertise and a deep understanding of the markets in which we operate. What distinguishes us is a low factor of rotation among our key managing staff, which positively reflects on the stability of our business and operating results. Our senior managers have a significant track record of increasing our customer base and market share and introducing new products in competitive environments while managing costs and increasing free cash flow.

3. Significant investments, agreements and events in the third quarter of 2024

3.1. Corporate events

Early Redemption of the Series B and C Bonds

On January 17, 2024, the Company decided to carry out the early redemption of all outstanding:

(i) 223,798 Series B bearer bonds with the total nominal value of PLN 223.8 million issued by the Company on April 26, 2019 with the redemption date specified in the terms and conditions of the issuance of the series B bonds of April 24, 2026, with the ISIN PLCFRPT00047, listed in the Alternative Trading System operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A., the "WSE") within the Catalyst market under the abbreviated title CPS0426; and

(ii) 88,053 Series C bearer bonds with the total nominal value of PLN 88.1 million issued by the Company on February 14, 2020 with the redemption date specified in the terms and conditions of the issuance of the series C bonds of February 12, 2027, with the ISIN PLCFRPT00054, listed in the Alternative Trading System operated by the WSE within the Catalyst market under the abbreviated title CPS0227.

The Early Redemption was effected on February 5, 2024 through the payment of (i) for each Series B Bond, a cash amount equal to the nominal value, i.e. PLN 1,000, plus accrued interest of PLN 20.46, and (ii) for each Series C Bond, a cash amount equal to the nominal value, i.e. PLN 1,000, plus accrued interest of PLN 39.41 and the Early Redemption premium of PLN 5.00.

In connection with the early redemption, all Series B Bonds and Series C Bonds were retired.

Disposal of shares in Muzo.fm Sp. z o.o.

Telewizja Polsat sold 100% of shares in Muzo.fm Sp. z o.o. on March 27, 2024. The total sale price was PLN 13.3 million.

Distribution of profit for 2023

On June 20, 2024, the Annual General Meeting of Cyfrowy Polsat resolved to allocate the Company's net profit for the fiscal year 2023 in the amount of PLN 639.5 million in full to the reserve capital. The resolution of the Annual General Meeting was in accordance with the recommendation of the Company's Management Board of May 22, 2024, which was positively reviewed by the Supervisory Board on the same date.

The Company's Management Board decided not to recommend the dividend payout from the 2023 profit due to the capital-intensive strategic investments carried out by the Company as part of its Strategy 2023+, aimed at continuing the development of the Company's capital group over the long term in line with the overarching strategic goal of sustainably growing the Company's value for its shareholders. In particular, the funds retained in the Company will be employed for the timely implementation of currently ongoing green energy projects, which, among others, include the construction of wind farms. As a result of the implementation of the aforementioned projects, the Company's capital group will reach an installed capacity in renewable energy sources in 2026, which will enable the production of up to 2 TWh of clean energy per year. According to the Company's estimates, the execution of strategic assumptions will translate into incremental recurring EBITDA at the consolidated level of ca. PLN 500-600 million per year.

At the same time, in deciding not to pay a dividend, the Management Board took into account the Company's net debt ratio, which remains at an elevated level due to, among others, the financing of strategic investments, as well as the unfavourable macroeconomic environment, in particular high inflationary pressure and persistently high interest rates translating into high debt servicing costs for the Company.

Amendment of the Company's Statutes

On June 20, 2024, the Annual General Meeting of Cyfrowy Polsat resolved on amending the Statutes of the Company. The amendment to the Statutes were registered by the District Court for the Capital City of Warsaw on July 18, 2024. The full text of the Company's new Statutes is available on Cyfrowy Polsat's website at https://grupapolsatplus.pl/en/corporate-governance/corporate-documents.

Changes in the Supervisory Board

On June 20, 2024, the Annual General Meeting of the Company appointed Ms. Justyna Magdalena Kulka to the Supervisory Board of the Company and entrusted her with the position of Vice Chairperson of the Supervisory Board.

On July 1, 2024, Mr. Piotr Żak resigned from his membership in the Supervisory Board and from the position of Vice-Chairman of the Supervisory Board of the Company, effective as of the end of 2 July 2024. The resignation followed the appointment of Mr. Piotr Żak to the position of President of the Management Board of Telewizja Polsat Sp. z o.o., a subsidiary of the Company, as of 3 July 2024.

On October 8, 2024, the Extraordinary General Meeting of the Company resolved to reduce the number of members of the Supervisory Board of the present term of office to 6 persons and resolved to dismiss Mr. Jarosław Grzesiak and Mr. Tobias Solorz from the Supervisory Board.

3.2. Business related events

Sale of intangible assets

On January 25, 2024, Polkomtel entered into a sale agreement regarding the sale of intangible assets, consisting of a portion of its Internet Protocol version 4 communications protocol address package, to an unrelated party for a total consideration of USD 56.1 million. The transaction took place as part of and as a result of an ongoing asset review process, and the intangible assets divested were non-strategic assets.

The agreed schedule provided for the completion of the above transaction and payment in three tranches. The three payments of PLN 198.7 million in total, net of transaction costs, were recognised under 'Other operating income' in the consolidated income statement for 2024.

Won tenders for the delivery of NesoBus hydrogen buses

On March 18, 2024, the city of Chelm signed a contract with our subsidiary PAK-PCE Polski Autobus Wodorowy Sp. z o.o. for the supply of 26 hydrogen buses for the city, in the result of a tender. The delivery of zero-emission, environmentally friendly NesoBus hydrogen buses to Chelm will take place in three tranches and will be completed by October 30, 2025. The contract value is PLN 97.0 million.

In October 2024, a Group company - PAK-PCE Polski Autobus Wodorowy, won two tenders for the delivery of zero-emission, eco-friendly hydrogen buses: 5 for Konin and 8 for Górnośląsko-Zagłębiowska Metropolia (GZM Metropolis). The order for Konin, valued at PLN 18.0 million PLN, was delivered at the turn of 2024 and 2025. The order for the GZM Metropolis, valued at PLN 31.8 million PLN, is planned for the fourth quarter of 2025.

After the balance sheet date, Pak-PCE Autobus Wodorowy won two tenders for the supply of more Nesbuses: 11 buses for Rybnik (contract value of PLN 41.1 million with completion dates in the first and second quarters of 2026) and 10 buses for Krakow (contract value of approximately PLN 36.1 million).

Modifications of offers for customers

In March 2024, we introduced an innovative *All In Streaming* bundle to our Plus-branded mobile offerings, providing combined access to the offerings of three popular streaming platforms: Disney+, HBO MAX and Polsat Box Go Plus (via a Polsat Box Go account linked to a Plus phone number). The new package gives users the freedom to choose the content offered by these platforms and Plus is the only operator on the Polish market to offer simultaneous access to several streaming platforms in a single package.

Acquisition of renewable energy projects

On June 27, 2024, PAK-Polska Czysta Energia Sp. z o.o., a member of the Group, and ZE PAK S.A. informed that they had made a joint investment by acquiring shares in project companies of Goalscreen Holdings Limited: Energia Przykona sp. z o.o. and Neo Energia Przykona X sp. z o.o. These companies are implementing a project for a cluster of wind power plants in the Opole province with a total connected generation capacity of approximately 500 MW.

The Group acquired 1% of the shares, with the possibility of increasing its stake in the project, while 99% of the shares were acquired by ZE PAK. The total payments in connection with the acquisition of the shares will amount to no more than EUR 1.2 million for PAK-PCE and no more than EUR 110 million for ZE PAK, respectively, and will be paid in instalments as the project progresses with the final amount depending on the final parameters of the project.

Polsat Plus Group and ZE PAK will aim to have the project in ready-to-build status by December 31, 2030. For that purpose, project development agreements will be entered into under which activities will be carried out, in particular, to obtain full title to the land on which the wind farm is to be built, as well as permits enabling its construction to commence. Payments under project development agreements will depend on the completion of certain project phases, the total amount of which will depend on the final parameters of the wind farm, in particular on the power generated, and is estimated to be a maximum of EUR 160 million. For subsequent phases, the project companies will enter into both further project development agreements and agreements for the construction of renewable energy wind farm units.

On November 4, 2024, the Group company PAK-Polska Czysta Energia Sp. z o.o. acquired 100% of the shares in the share capital of Global Continental Sp. z o.o. for the amount of PLN 4.1 million. Global Continental is developing a photovoltaic project with an estimated target installed capacity of 8.4 MW, located in Gromadka in the Lower Silesian Voivodeship. The estimated energy production capacity is 8.9 GWh per year.

Expanding coverage of mobile and fixed-line Internet services

We are progressively expanding the reach of our internet access services in both mobile and fixed-line technology. In 2024, we expanded the 5G Plus network coverage to over 26 million residents of Poland, nearly 70% of Poland's population, of which more than 17 million can enjoy fibre-fast 5G Ultra mobile Internet. As a result of the expansion of the network to nearly 4,000 transmitters, Plus' 5G network is available in more than 1,320 towns and cities across the country.

In 2024, we expanded the availability of Plus’ fibre optic Internet with the fixed-line infrastructure of Vectra Group and Polski Światłowód Otwarty based on wholesale access by 3.6 million address points. In effect, as of the date of publication of this Report, more nearly 11 million households are within the reach of Plus' fixed-line Internet access service, of which more than 8.5 million households have access to a connection with speeds of up to 1 Gbps.

Acquisition of sports rights

On July 1, 2024, TV Polsat informed that it had acquired exclusive rights to broadcast and stream the new format of the UEFA Europa League and UEFA Conference League for the next three seasons, that is from the season 2024/2025 to 2026/2027.

On July 5, 2024, the Group's company, Eleven Sports, informed that it had acquired exclusive rights to broadcast Bundesliga and Bundesliga 2 football matches in Poland from the 2025/26 to 2028/29 season. In addition, the station acquired a non-exclusive license for the 2024/25 spring round, in which it will be able to broadcast the five most important Bundesliga matches and selected clashes of Bundesliga 2.

In October 2024, Eleven Sports acquired exclusive rights to show all Formula 1 Grand Prix races in Poland from 2025 to 2028. Under the signed agreement, Eleven Sports has the right to broadcast practice sessions, the qualifiers, F1 Sprint and the Grand Prix during all 24 race weekends.

Grant agreement with The European Climate, Infrastructure and Environment Executive Agency (CINEA)

In August 2024, the Group's companies PAK-PCE Biopaliwa i Wodór Sp. z o.o. and PAK-PCE Stacje H2 Sp. z o.o. signed a grant agreement with The European Climate, Infrastructure and Environment Executive Agency (CINEA) for a hydrogen project. It includes the construction of 5 publicly accessible hydrogen refuelling stations located along the roads of the TEN-T network (Trans-European Transport Network) and green hydrogen production facilities with a total capacity of 5 MW. The subsidy amounts to EUR 14.9 million and was awarded under the CEF Transport - Alternative Fuels Infrastructure Facility program.

Renewal of the frequency reservations

By decision of November 28, 2024, the President of UKE extended the reservation decision in the 2600 MHz band for Polkomtel for another 15 years. Polkomtel made a payment for the aforementioned frequency reservations in the amount of PLN 283.2 million.

Due to the upcoming expiry of the frequency reservation in the 900 MHz band (in February 2026), Polkomtel submitted an application to the President of the UKE in November 2024 for a frequency reservation in the 900 MHz band for the next period. It is estimated that the issuance of a decision by the President of the UKE regarding the above-mentioned frequency reservation in the 900 MHz band for the next period will take place in the second quarter of 2025.

3.3. Events after the balance sheet date

Disposal of shares in Asseco Poland S.A.

On January 31, 2025, the Company disposed of 8,300,029 shares of Asseco Poland S.A., representing 9.99% of the share capital of Asseco Poland and carrying the right to exercise 9.99% of votes at the General Shareholders' Meeting of Asseco Poland for the price of PLN 85.00 per share.

On February 5, 2025, the Company disposed in stock market transactions of 105,298 shares of Asseco Poland S.A., representing 0.13% of the share capital of Asseco Poland and carrying the right to exercise 0.13% of votes at the General Shareholders' Meeting of Asseco Poland. Following this transaction Cyfrowy Polsat holds null shares in Asseco Poland S.A.

Partial early repayment of loans

On February 21, 2025 the Company and Polkomtel executed partial early repayment of the term loan, granted under the Senior Facilities Agreement dated 28 April 2023 (the “SFA”) in the amount of PLN 681.4 million, increased by accrued interest. As a result of the above early repayment, the total principal amount of the Group's debt from the SFA is PLN 6,263.1 million, with a repayment schedule until 2028.

The funds for the partial early repayment of the term loan have been obtained, among others, in the process of the sale of Asseco Poland S.A. shares by the Company.

Auction for frequency reservations in the 700 MHz and 800 MHz bands

On March 25, 2025, the President of the Office of Electronic Communications (UKE) announced the results of an auction for frequency reservations in the 700 MHz and 800 MHz bands. The auction involved six paired blocks, each 5 MHz wide in the 700 MHz band, and one paired block 5 MHz wide in the 800 MHz band with the starting price for each block set at PLN 365.0 million. Polkomtel auctioned the D Block (718-723 MHz and 773-778 MHz) for PLN 363.1 million. According to the auction documentation, the commercial offering of services using the acquired frequencies must commence within 4 months from the date of reservation receipt, which all auction participants should receive in May this year. All frequency blocks have been allocated for use until May 31, 2040.

The auction documentation includes investment requirements with regard to the network development encompassing coverage and quality obligations, which can be fulfilled using all available frequency resources, including those won in the current selection procedure. The investment commitments stipulate that by the end of 2026, operators must ensure mobile network coverage for 98% of households (excluding the areas indicated in appendix 1 of the draft reservation decisions) with a transfer speed of 50 Mb/s. By the end of 2028, coverage is to increase to 99% of households, with a speed of 95 Mb/s and latency of 10 ms. By the end of 2030, the speed is to increase to 120 Mb/s with 99% coverage and latency of 10 ms. At the same time, the investment commitments stipulate that by the end of 2026, operators will have to provide mobile network coverage for at least 90% of the territory of the country (excluding the areas indicated in appendix 1 to the draft reservation decisions) with at least 50 Mbps transfer and by the end of 2028 with at least 95 Mbps transfer and 10 ms latency.

4. Operating and financial review

4.1. Operating review

The operating indicators (KPIs) presented below include the operating results of Polsat Plus Group. Due to the strategy pursued by the Group, which involves, among others, bundling and discounting services provided by various entities within the Group, the Company's individual operating ratios are part of broader consolidated data and as such are not published by the Company on a standalone basis.

4.1.1. B2C and B2B services segment

	3 months ended December 31		change / %	
	2024	2023	nominal	% / p.p.
Contract services for B2C customers				
Total number of B2C RGUs (EOP) [thous.], incl.:	**13,209**	**13,083**	**126**	**1.0%**
Pay TV	4,683	4,843	(160)	(3.3%)
Mobile telephony	6,437	6,246	191	3.1%
Internet	2,089	1,994	95	4.8%
Number of B2C customers (EOP) [thous.]	**5,737**	**5,795**	**(58)**	**(1.0%)**
ARPU per B2C customer [PLN]	77.4	73.6	3.8	5.2%
ARPU per B2C customer (12M YTD) [PLN]	76.1	72.6	3.5	4.8%
Churn	7.0%	7.6%	-	(0.6 p.p.)
RGU saturation per B2C customer	2.30	2.26	0.04 p.p.	1.8%
Prepaid services				
Total number of RGUs (EOP) [thous.], incl.:	**2,468**	**2,646**	**(178)**	**(6.7%)**
Pay TV(1)	86	98	(12)	(12.2%)
Mobile telephony(2)	2,358	2,522	(164)	(6.5%)
Mobile Internet(2)	24	26	(2)	(7.7%)
ARPU per prepaid RGU [PLN]	17.3	17.4	(0.1)	(0.6%)
ARPU per prepaid RGU (12M YTD) [PLN]	17.6	17.6	-	-
Contract services for B2B customers				
Total number of B2B customers (EOP) [thous.]	**68.2**	**68.8**	**(0.6)**	**(0.9%)**
ARPU per B2B customer [PLN]	1,530	1,463	67.0	4.6%
ARPU per B2B customer (12M YTD) [PLN]	1,504	1,454	50.0	3.4%

(1) RGU excluding the low margin package Polsat Box Go Start

(2) The 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.

Contract services for B2C customers

The total number of B2C customers to whom we provided contract services as at the end of 2024 was 5,737 thousand (-1.0% YoY). The slowdown in the decline of the customer base is worth noting. The erosion of the base was influenced by the declining popularity of the satellite technology as well as the continued process of merging contracts under one common contract for the household within our base. In line with our strategic assumptions, we avoid conducting an aggressive sales policy on individual products and focus on increasing customer loyalty, in particular through offering a wide portfolio of bundled services, as well as on increasing ARPU per contract customer.

At the end of 2024, we recorded an improvement in the 12-month churn rate among B2C customers by 0.6 p.p., to 7.0%. The continued low churn rate is primarily the effect of a high level of loyalty of our customers of bundled services, resulting from the successful implementation of our multiplay strategy, as well as our actions aimed at fostering high customer satisfaction.

In line with the assumptions of our long-term strategy, we aim to maximize revenue per contract B2C customer through up-selling and cross-selling, i.e., selling additional products and services to our customer base within the framework of our bundled services offer, and offering enhanced television and telecommunications packages (the more-for-more strategy). As a result, in the fourth quarter of 2024, average revenue per B2C customer increased to PLN 77.4 (+5.2% YoY) while in 2024 it reached the level of PLN 76.1 (+4.8%).

The number of contract services for B2C customers provided by us at the end of 2024 amounted to 13,209 thousand RGUs, i.e., 126 thousand (+1.0%) more compared to the previous year. This growth was driven by high sales of mobile telephony services (+191 thousand, +3.1% YoY) and Internet access services (+95 thousand, +4.8% YoY) in 2024, in particular, Internet access in fixed technologies. At the same time, the downward trend in the pay TV services base continues, with a decrease by 160 thousand (-3.3%) YoY to the level of 4,683 thousand RGUs at the end of 2024. The key driver behind the decline in the pay TV customer base remains a lower number of provided satellite TV services which was partially offset by an increasing number of TV services offered in online technologies (IPTV/OTT).

The saturation of our B2C customer base with integrated services, expressed as the ratio of contract services per customer, increased by 1.8% YoY in of 2024 and amounted to 2.3. We believe that further saturation of our customer base with integrated services will positively influence the rate of growth of the number of contract RGUs provided by us in the future and will support keeping the churn rate at a low level.

Our bundled services offer is based on a mechanism of offering attractive discounts on every additional product or service purchased from the Group’s portfolio and has a positive effect on the churn rate, RGU saturation per customer ratio and ARPU per contract B2C customer. At the end of 2024, the number of customers using our bundled services amounted to 2,516 thousand, increasing by 60 thousand (2.4%) YoY. This translates into a 43.8% saturation of our contract customer base with multiplay services. This group of customers had 7,699 thousand RGUs at the end of f 2024, up by 261 thousand (+3.5% YoY). Bearing in mind our strategic goal - the successive build-up of revenue per contract customer through cross-selling of additional products and services - our bundled services offer is perfectly in line with our strategy. Therefore, despite having reached a high level of our multiplay base, we will continue to further popularize this program among our customers.

Prepaid services

The number of prepaid services provided by us decreased by 178 thousand (-6.7% YoY) to 2,468 thousand as of December 31, 2024.

The main reason behind the decline in the prepaid service base in the analysed period was a decrease by 164 thousand (-6.5% YoY) in the number of prepaid mobile telephony RGUs, which amounted to 2,358 thousand at the end of 2024. This decrease was due to the high level of competitiveness in this market segment, reflected, among others, in very large data packs offered in prepaid mobile tariffs. In addition, the number of prepaid mobile broadband Internet access services remains in a downward trend (-2 thousand RGUs, -7.7% YoY). This is primarily attributable to the growing popularity of data transmission in mobile tariffs (smartphones) due to the size of data packages offered. The number of prepaid pay TV services decreased by 12 thousand (-12.2% YoY) as a result, among others, of lower sales of Polsat Box Go Sport packages due to the fact that popular sporting events took place in the comparative period.

In the fourth quarter of 2024, ARPU per prepaid RGU amounted to PLN 17.3 (-0.6% YoY) while for the full year 2024 it remained stable YoY at the level of PLN 17.6.

Contract services for B2B customers

The total number of B2B customers as at the end of 2024 was 68.2 thousand (-0.9% YoY). The scale of our B2B customer base remains relatively stable in the long term, proving the high efficiency of our efforts directed at fostering high satisfaction of our business customers. At the same time, we maintain a high level of ARPU from our B2B customers, which increased to PLN 1,530 (+4.6% YoY) per month in the fourth quarter of 2024 and PLN 1.504 (+3.4% YoY) per month in 2024.

The B2B area continues to be under strong competitive pressure, which translates into pricing levels for traditional telecommunication services. Building the value of our B2B base in founded in a natural way on additional services provided to our business customers. We strive to constantly expand our offering for business customers by new services which generate incremental revenue.

4.1.2. Media segment: television and online

When analysing and evaluating our media segment we consider predominantly audience share by TV channel and TV advertising and sponsoring market share as well as the average monthly number of users and average monthly number of page views in case of online activities. The following tables set forth these key performance indicators for the relevant periods.

	3 months ended December 31		Change p.p. / %	12 months ended December 31		Change p.p. / %
	2024	2023		2024	2023	
TV channels						
Audience share [(1) (2)], including:	**22.71%**	**22.00%**	**0.71 p.p.**	**22.00%**	**22.00%**	**-**
POLSAT (main channel)	7.54%	7.50%	0.04 p.p.	7.11%	7.61%	(0.50 p.p.)
Thematic channels	15.17%	14.50%	0.67 p.p.	14.89%	14.39%	0.50 p.p.
TV advertising and sponsoring market share	28.0%	28.3%	(0.3 p.p.)	28.0%	28.4%	(0.4 p.p.)
Online – Internet portals						
Average number of users [millions]	20.8	20.8	-	20.4	20.9	(2.4%)
Average number of page views [millions]	1.813	1.982	(8.5%)	1.838	1.941	(5.3%)

Audience shares

Audience share	3 months ended December 31		Change p.p.	12 months ended December 31		Change p.p.
	2024	2023		2024	2023	
Audience share[(1)(2)], including:	**22.71%**	**22.00%**	***0.71***	**22.00%**	**22.00%**	**-**
POLSAT (main channel)	**7.54%**	**7.50%**	***0.04***	**7.11%**	**7.61%**	***(0.50)***
Thematic channels	**15.17%**	**14.50%**	***0.67***	**14.89%**	**14.39%**	***0.50***
TV4	3.27%	2.86%	*0.41*	3.04%	2.91%	*0.13*
TV6	1.76%	1.21%	*0.55*	1.68%	1.18%	*0.50*
Polsat News	1.08%	1.60%	*(0.52)*	1.19%	1.36%	*(0.17)*
Super Polsat	1.09%	0.98%	*0.11*	1.02%	1.00%	*0.02*
Polsat 2	0.90%	1.19%	*(0.29)*	0.91%	1.27%	*(0.36)*
Fokus TV	0.88%	0.84%	*0.04*	0.88%	0.86%	*0.02*
Wydarzenia24	0.90%	0.76%	*0.14*	0.83%	0.67%	*0.16*
Polsat Film	0.62%	0.60%	*0.02*	0.57%	0.64%	*(0.07)*
Nowa TV	0.42%	0.39%	*0.03*	0.48%	0.38%	*0.10*
Polsat Play	0.63%	0.60%	*0.03*	0.53%	0.66%	*(0.13)*
Polsat Seriale	0.43%	0.43%	-	0.43%	0.46%	*(0.03)*
Polo TV	0.53%	0.50%	*0.03*	0.52%	0.46%	*0.06*
Polsat Sport 1 (formerly Polsat Sport) [(3)]	0.40%	0.39%	*0.01*	0.47%	0.52%	*(0.05)*
Polsat Cafe	0.44%	0.37%	*0.07*	0.41%	0.39%	*0.02*
Eska TV	0.36%	0.34%	*0.02*	0.38%	0.36%	*0.02*
4FUN.TV [(4)]	0.25%	0.21%	*0.04*	0.25%	0.23%	*0.02*
4FUN KIDS [(4)]	0.07%	0.13%	*(0.06)*	0.11%	0.14%	*(0.03)*
Polsat News Polityka [(5)]	0.07%	n/d	*n/d*	0.12%	n/d	*n/d*
Eleven Sports 1	0.18%	0.14%	*0.04*	0.17%	0.16%	*0.01*
Polsat Doku	0.15%	0.11%	*0.04*	0.14%	0.14%	-
Polsat Sport 2 (formerly Polsat Sport Extra) [(3)]	0.11%	0.12%	*(0.01)*	0.13%	0.13%	-
Disco Polo Music	0.07%	0.17%	*(0.10)*	0.09%	0.17%	*(0.08)*
Polsat News 2	0.07%	0.07%	-	0.07%	0.07%	-
Polsat Games	0.08%	0.06%	*0.02*	0.08%	0.05%	*0.03*
Polsat Rodzina	0.07%	0.06%	*0.01*	0.07%	0.06%	*0.01*
Polsat Music HD	0.05%	0.06%	*(0.01)*	0.05%	0.06%	*(0.01)*
Eska TV Extra	0.07%	0.06%	*0.01*	0.05%	0.06%	*(0.01)*
Polsat Sport 3 (formerly Polsat Sport News) [(3)]	0.05%	0.06%	*(0.01)*	0.06%	0.05%	*0.01*
Eleven Sports 2	0.03%	0.03%	-	0.04%	0.04%	-
4FUN DANCE [(4)]	0.05%	0.07%	*(0.02)*	0.05%	0.07%	*(0.02)*
Vox Music TV	0.04%	0.04%	-	0.03%	0.05%	*(0.02)*
Polsat Sport Fight	0.03%	0.03%	-	0.03%	0.03%	-
Eska Rock TV	0.02%	0.02%	-	0.02%	0.02%	-
Polsat 1[(6)]	n/a	n/a	*n/a*	n/a	n/a	*n/a*
Polsat Sport Premium 1[(6)]	n/a	n/a	*n/a*	n/a	n/a	*n/a*
Polsat Sport Premium 2[(6)]	n/a	n/a	*n/a*	n/a	n/a	*n/a*
Eleven Sports 3[(6)]	n/a	n/a	*n/a*	n/a	n/a	*n/a*

Audience share	3 months ended December 31		Change p.p.	12 months ended December 31		Change p.p.
	2024	2023		2024	2023	
Eleven Sports 4(6)	n/a	n/a	*n/a*	n/a	n/a	*n/a*
TV Okazje(6)	n/a	n/a	*n/a*	n/a	n/a	*n/a*
Polsat Film 2(6)	n/a	n/a	*n/a*	n/a	n/a	*n/a*
Polsat X(6)	n/a	n/a	*n/a*	n/a	n/a	*n/a*
Polsat Reality(6)	n/a	n/a	*n/a*	n/a	n/a	*n/a*

(1) Nielsen Media, All day ages 16-59 audience share, including Live+2 (viewership results include 2 additional days of time-shifted viewing) + out of home viewing – OOH).
(2) When calculating the total audience share of Polsat Plus Group and audience share of thematic channels, we take into account the moment of including the channel in our portfolio.
(3) As of April 26, 2024, the names of the Polsat sports channels changed: Polsat Sport became Polsat Sport 1, Polsat Sport Extra became Polsat Sport 2, and Polsat Sport News became Polsat Sport 3.
(4) As of July 21, 2023, Polsat Plus Group is the majority shareholder of the companies that own the 4FUN.TV, 4FUN KIDS and 4FUN DANCE channels.
(5) The channel has been broadcasting since January 10, 2024.
(6) Channel not included in the telemetric panel.

Channels cooperating with Polsat Plus Group (non-consolidated)

Audience share	3 months ended December 31		Change p.p.	12 months ended December 31		Change p.p.
	2024	2024		2024	2023	
Polsat Comedy Central Extra	0.18%	0.35%	*(0.17)*	0.23%	0.34%	*(0.11)*
Polsat Viasat History	0.17%	0.25%	*(0.08)*	0.19%	0.25%	*(0.06)*
CI Polsat	0.17%	0.17%	-	0.19%	0.17%	*0.02*
Polsat Viasat Explore	0.14%	0.16%	*(0.02)*	0.14%	0.17%	*(0.03)*
Polsat Viasat Nature	0.11%	0.07%	*0.04*	0.09%	0.07%	*0.02*

The audience share in the commercial group for Polsat Plus Group amounted to 22.7% in the fourth quarter of 2024 (+0.7 p.p. YoY) and 22.0% in 2024, which was the same as in 2023.

The trend of increasing market fragmentation continues in the Polish market, which, by dispersing audiences, adversely impacts audience shares of the four main TV channels (Polsat, TVN, TVP1 and TVP2). Rapidly growing popularity of other forms of consumption of video content, e.g., displayed on a TV set or on small screens also determines the viewership of traditional linear TV. Despite the fact that the intensity of these phenomena slowed down slightly in the periods under review, it continues to shape the audience of, among others, our main Polsat channel, which remained unchanged YoY in the fourth quarter of 2024 and amounted to 7.5% and fell by 0.5 p.p. YoY to 7.6% in 2024. In the same periods, our thematic channels recorded an increase by 0.7 p.p. YoY to 15.2% and an increase by 0.5 p.p. YoY to 14.9%, respectively. During the periods under review, we maintained our audience share at a stable level despite the pressure of the one-time event of the European Men's Football Championship EURO 2024, which was broadcast by the public broadcaster's channels between June 14 and July 14, 2024. These broadcasts achieved record audience shares, reaching up to 70% (in the A16-59 group) for matches featuring the Polish national team. The year's viewing figures were also affected by the flooding in western Poland. During the most dramatic period of the flood wave's movement, the week between September 14 and 20, 2024, the average total share of all news channels was almost 20%, and on September 16, 2024, it reached a daily peak of over 24%. Such a significant shift in audience had a substantial impact on the viewing figures of the rest of the stations.

As mentioned above, the audience levels of the Group's channels is under the influence of the growing audience of non-linear video content (including OTT services) and unmonitored TV channels displayed on TV sets, referred to by Nielsen Media as the "others" category. In January 2022, Nielsen broadened the definition of content eligible for this node, and as a result, we are observing sustained growth of "others" audience shares. It is worth noting that a significant portion of the "others" category does not compete with traditional TV channels for TV advertising revenue. Thus, the changes introduced by Nielsen Media may permanently reduce the audience shares of traditional TV channels, with far less impact on their position in the TV advertising and sponsorship market. In March 2024, Nielsen Media changed its methodology for measuring out-of-home (OOH) audiences, adjusting the size of the out-of-home audience phenomenon to a more realistic value. As a result, OOH viewership figures increased by 4.7 p.p. in the fourth quarter of 2024 and 3.6 p.p. in twelve months of 2024 compared to the corresponding periods of 2023. For Polsat Plus Group, this represents an increase in the advertising resources that can be offered to advertisers.

In July 2023, we expanded the portfolio of our stations by three channels from the 4FUN family: 4FUN.TV, 4FAN DANCE and 4FUN KIDS, which further enhances the attractiveness of our programming offer with the ability to reach younger audiences, contributing to an increase in viewership of our thematic channels.

In April 2024, we introduced changes in the names of Polsat sports channels. The main and primary brand is Polsat Sport, which is one of the strongest media brands in Poland. Polsat Plus Group and TV Polsat have a wide range of media rights to many events from a variety of sports, which they broadcast on their various channels. As of April 26, Polsat Sport became Polsat Sport 1, Polsat Sport Extra became Polsat Sport 2 and Polsat Sport News became Polsat Sport 3.

We are constantly striving to strengthen our offering, including but not limited to the introduction of attractive sports content. In July 2024, we acquired the exclusive rights to broadcast and stream the new UEFA Europa League and UEFA Conference League format for the three seasons. In parallel, we acquired exclusive rights to broadcast Bundesliga and Bundesliga 2 matches in Poland from the 2025/26 season until the end of 2028/29 and a non-exclusive license for the 2024/25 spring round. In September 2024, our subsidiary Eleven Sports Network acquired broadcasting rights to French Ligue 1 McDonald's matches in Poland for the upcoming years. The agreement covers the current 2024/25 season, as well as the 2025/26, 2026/27, 2027/28, and 2028/29 seasons. In October 2024, we acquired exclusive rights to broadcast all Formula 1 Grand Prix races in Poland in 2025 - 2028. At the same time, we didn't renew the UEFA Champions League broadcasting rights for further seasons after they expired in mid-2024.

TV advertising and sponsoring market share

According to estimates of Publicis Group, expenditures on TV advertising and sponsoring in 2024 amounted to approximately PLN 4,960 million (+5.9% YoY). Based on these data, we estimate that our TV advertising market share was 28.0% in the analysed period, which represents a decrease by 0.4 p.p. from the 28.4% share recorded in 2023. Publicis Group estimated that in the fourth quarter of 2024 expenditures on TV advertising and sponsoring amounted to approximately PLN 1,468 million (+2.8% YoY) and our TV advertising market share amounted to 28.0% which represents a decrease by 0.3 p.p. from the 28.3% share recorded in the fourth quarter of 2023.

Average monthly number of Internet users and views

In the fourth quarter of 2024, the average monthly number of users (the ‘real users’ indicator from the Mediapanel survey) of Polsat-Interia Group websites and apps amounted to 20.8 million, which represents the same level YoY and in 2024 it amounted to 20.4 million, which represents a decrease by 0.5 million YoY (-2.4%) compared to 2023.

The table below presents a list of websites, whose number of average users per month exceeded 0.5 million in the fourth quarter of 2024. The Interia.pl portal is presented as a whole, without a breakdown into thematic services.

Average number of users [(1)]	3 months ended December 31		Change		12 months ended December 31		Change	
[millions]	2024	2023	nominal	%	2024	2023	nominal	%
Polsat-Interia Group[(2)]	**20.8**	**20.8**	**-**	**-**	**20.4**	**20.9**	**(0.5)**	**(2.4%)**
Selected websites:								
interia.pl	15.1	15.7	(0.6)	(3.8%)	15.4	15.6	(0.2)	(1.3%)
polsatnews.pl	6.2	5.0	1.2	24.0%	5.8	5.8	0.0	0.0%
pomponik.pl	5.8	7.4	(1.6)	(21.6%)	6.5	7.4	(0.9)	(12.2%)
twojapogoda.pl	4.0	2.7	1.3	48.1%	3.2	2.1	1.1	52.4%
top.pl[(3)]	3.3	3.7	(0.4)	(10.8%)	3.2	2.3	0.9	39.1%
deccoria.pl	3.1	3.2	(0.1)	(3.1%)	3.2	3.7	(0.5)	(13.5%)
smaker.pl	3.0	4.3	(1.3)	(30.2%)	3.0	4.2	(1.2)	(28.6%)
terazgotuje.pl[(4)]	2.7	-	2.7	n/a	1.8	-	1.8	n/a
polsatsport.pl	2.1	4.0	(1.9)	(47.5%)	3.1	3.7	(0.6)	(16.2%)
bryk.pl	1.7	2.5	(0.8)	(32.0%)	1.5	2.3	(0.8)	(34.8%)
naekranie.pl[(5)]	1.4	1.5	(0.1)	(6.7%)	1.5	1.6	(0.1)	(6.3%)
halotu.polsat.pl[(6)]	1.2	-	1.2	n/a	1.2	-	1.2	n/a
polsatboxgo.pl	1.0	1.2	(0.2)	(6.7%)	1.1	1.2	(0.1)	(8.3%)
okazjum.pl	0.8	1.0	(0.2)	(20.0%)	0.8	0.9	(0.1)	(11.1%)

(1) Mediapanel survey, Real Users indicator.
(2) In the data for the Group as a whole, the results of sites acquired by the Group during the reporting period are included only from the time of acquisition.
(3) The service was launched in June 2023. Data for the period of the service's existence.
(4) The service was launched in April 2024. Data for the period of the service's existence.
(5) The service has been part of Polsat Plus Group since July 2023. The comparative data presented also relates to the period when the service was not yet owned by the Group.
(4) The service was launched in October 2024. Data for the period of the service's existence.

The average monthly number of page and app views of Polsat-Interia Group websites reached 1.81 billion in the fourth quarter of 2024 (-8.5% YoY) and 1.84 billion in the full 2024 (-5.3% YoY).

The table below presents the list of websites, whose number of views exceeded 0.5 million in the fourth quarter of 2024. The Interia.pl portal is presented as a whole, without a breakdown into thematic services.

Average number of views (1)	3 months ended December 31		Change		12 months ended December 31		Change	
[millions]	2024	2023	nominal	%	2024	2023	nominal	%
Polsat-Interia Group(2)	**1,813.3**	**1,981.9**	**(168.6)**	**(8.5%)**	**1,838.3**	**1,941.2**	**(102.9)**	**(5.3%)**
Selected websites								
interia.pl	728.9	927.4	(198.5)	(21.4%)	799.8	931.5	(131.7)	(14.1%)
polsatnews.pl	36.0	30.7	5.3	17.3%	34.5	32.6	1.9	5.8%
pomponik.pl	47.9	55.3	(7.4)	(13.4%)	55.2	56.8	(1.6)	(2.8%)
twojapogoda.pl	15.7	12.8	2.9	22.7%	14.0	14.2	(0.2)	(1.4%)
top.pl(3)	10.7	8.9	1.8	20.2%	9.5	5.0	4.5	90.0%
deccoria.pl	7.7	7.0	0.7	10.0%	9.0	9.8	(0.8)	(8.2%)
smaker.pl	10.5	20.4	(9.9)	(48.5%)	10.7	20.2	(9.5)	(47.0%)
terazgotuje.pl(4)	8.5	-	8.5	n/a	5.3	-	5.3	n/a
polsatsport.pl	10.3	19.8	(9.5)	(48.0%)	19.2	21.4	(2.2)	(10.3%)
bryk.pl	9.0	12.1	(3.1)	(25.6%)	7.5	9.8	(2.3)	(23.5%)
naekranie.pl(5)	7.3	7.2	0.1	1.4%	7.3	7.8	(0.5)	(6.4%)
halotu.polsat.pl(6)	2.2	-	2.2	n/a	2.2	-	2.2	n/a
polsatboxgo.pl	5.6	5.1	0.5	9.8%	5.4	5.2	0.2	3.8%
okazjum.pl	17.5	26.4	(8.9)	(33.7%)	18.5	26.2	(7.7)	(29.4%)

(1) Data from Mediapanel survey, Views indicator –views of websites/apps.
(2) In the data for the Group as a whole, the results of sites acquired by the Group during the reporting period are included only from the time of acquisition.
(3) The service was launched in June 2023. Data for the period of the service's existence.
(4) The service was launched in April 2024. Data for the period of the service's existence.
(5) The service has been part of Polsat Plus Group since July 2023. The comparative data presented also relates to the period when the service was not yet owned by the Group.
(6) The service was launched in October 2024. Data for the period of the service's existence.

4.1.3. Green energy segment

Implementation of renewable energy projects

Wind farms. At the end of 2024, the Group had 150.1 MW of installed capacity in wind farms. During 2024, the Człuchów and Przyrów farms were commissioned, with a total capacity of 123 MW. The Group's first wind farms (Miłosław and Kazimierz Biskupi) were commissioned in the fourth quarter of 2023.

The following onshore wind farm projects are being constructed under Strategy 2023+:

- Drzeżewo with installed capacity of 138.6 MW and potential annual production of ca. 410 GWh, production start-up planned for the fourth quarter of 2025;
- Dobra with installed capacity of 7.8 MW and potential annual production of ca. 24 GWh, production start-up planned for the first quarter of 2026.

Photovoltaic farms. At the end of 2024, the Group had 82.4 MW of installed capacity in photovoltaic farms. As part of the acquisition of control over PAK-PCE, the 70 MW Brudzew plant was integrated into the Group. A further 12.4 MW was added in the third quarter of 2023 (Cambria).

Energy production from renewable sources

The results of PAK-PCE Group are consolidated as of July 3, 2023. For the sake of comparability, the following table presents operating data for the full period of twelve months of 2023, whereas the companies belonging to PAK-PCE Group were consolidated only for the third and the fourth quarter of 2023.

	3 months ended December 31		change		12 months ended December 31		change	
	2024	2023	nominal	% / p.p.	2024	2023	nominal	% / p.p.
Total electricity generation (GWh), of which:	**294.9**	**179.3**	**115.6**	**64.5%**	**1,016.4**	**665.0**	**351.4**	**52.8%**
Biomass	169.3	150.1	19.2	12.8%	616.3	565.0	51.3	9.1%
Photovoltaics	9.4	7.8	1.6	20.5%	86.4	72.3	14.1	19.5%
Wind farms	116.2	21.4	94.8	n/a	313.7	27.7	286.0	n/a

In the fourth quarter of 2024, the Group produced 294.9 GWh of electricity from all its renewable energy sources, which represented an increase of by 115.6 GWh (+64.5%) YoY. The main driver of growth was the additional volume of electricity produced from wind farms of 94.8 GWh, which was related to the launch of production by Człuchów (72.6 MW) and Przyrów (50.4 MW) wind farms.

Total volume of electricity produced in 2024 amounted to 1,016.4 GWh and was 351.4 GWh (+52.8%) higher YoY. As a result of the successive commissioning of further wind farms, in accordance with the Strategy 2023+, in 2024 the Group generated a total of 313.7 GWh of electricity from wind farms. The volume of energy generated from the sun amounted to 86.4 GWh in 2024 and was by 14.1 GWh (+19.5%) higher YoY, as a result of, among others, the increased by 12.4 MW capacity at the Brudzew-Cambria photovoltaic farm in the third quarter of 2023.

Green hydrogen projects

Under Strategy 2023+, we are also building a complete value chain of an economy based on green hydrogen.

Green hydrogen generation. In the fourth quarter of 2024, we launched commercial production of green hydrogen at the Konin electrolysis plant using a 2.5 MW PEM electrolyser with a capacity of 1,000 kg of hydrogen per day. In 2025, we intend to expand the production capacity of the Konin hydrogen plant by a 0.5 MW alkaline electrolyser, designed and constructed by our subsidiary Exion Hydrogen Polskie Elektrolizery.

Distribution. In the fourth quarter of 2024, we opened NESO-branded hydrogen refuelling stations in Gdynia and Lublin, while in the first quarter of 2025 we completed the construction of a refuelling station in Wrocław, bringing the total number of NESO hydrogen refuelling stations up to six. With the support of CINEA funding, we plan to construct five more stations along the TEN-T (Trans-European Transport Network) roads. The time horizon of this investment is 2025-2026.

Sales of hydrogen buses. In July and August 2024, 10 hydrogen buses were delivered to Gdańsk on the basis of a 10-year contract for the lease of buses with full service and supply of hydrogen fuel. In addition, in December 2024 and January 2025, we delivered a total of 5 hydrogen buses purchased by the municipal transport company in Konin.

In March 2024, we won a tender for the delivery of 26 buses to Chelm. The order will be executed in three tranches by the end of October of 2025. In the third quarter of 2024, we also won a tender for the delivery of 8 hydrogen buses to the GZM Metropolis (Górnośląsko-Zagłębiowska Metropolia) in the fourth quarter of 2025.

After the balance sheet date, we won two more tenders. In March 2025, MPK (municipal transport company) in Kraków selected our bid to supply 10 hydrogen-powered buses to Kraków, and in April 2025 we signed a contract to supply 11 buses to Rybnik, with completion dates in the first and second quarters of 2026.

4.2. Review of financial situation

The following review of results for the three- and twelve-month periods ended December 31, 2024 was prepared based on the standalone financial statements of Cyfrowy Polsat and consolidated financial statements for the twelve-month period ended December 31, 2024, prepared in accordance with International Financial Reporting Standards as approved for use by the European Union and based on internal analyses.

It should be noted that the consolidated financial data for the twelve-month periods ended December 31, 2024 and December 31, 2023 are not fully comparable due to the acquisitions and changes to the Group's structure, which are described in detail in item 1.4. of this Report – *Changes in the organizational structure of Polsat Plus Group and their effects,* and item 1.5. of the Report of the Management Board on activities of Cyfrowy Polsat S.A. Capital Group for 2023. In particular, as of July 3, 2023, the Group consolidates the results of PAK-PCE and its subsidiaries using the full method.

An explanation of the accounting policies used and key positions from the consolidated income statement and consolidated balance sheet are included in the consolidated financial statements for the financial year 2024 (Note 6). An explanation of the accounting policies used and key positions from the standalone income statement and standalone balance sheet are included in the standalone financial statements for the financial year 2024 (Note 5).

In 2024, the Company modified the presentation of the item "Gain on investment activities" and "Net finance costs" by separating these items into "Finance income" and "Finance costs". The figures for the comparative period have been restated accordingly. Finance income includes interest income on funds invested, dividends income, gains on financial instruments at fair value through profit or loss, net foreign exchange gains/losses and results on completed forward exchange contracts and call options. Finance costs comprise interest expense on borrowings (including bank loans and bonds) and leasing liabilities, foreign exchange gains/losses on bonds, realization and valuation costs of hedging instruments and instruments not under hedge accounting related to finance activities, bank and other charges on borrowings as well as guarantee fees resulting from the indebtedness. Borrowing costs are recognized in profit or loss using the effective interest rate's method. Financial costs also include impairment losses on financial assets.

4.2.1. Consolidated income statement analysis

Results for the fourth quarter of 2024

[mPLN]	3 months ended December 31			change	
	2024	2023		[mPLN]	[% / p.p.]
Revenue	3,827.1	3,681.5		145.6	4.0%
Operating costs	(3,439.4)	(3,486.7)		47.3	(1.4%)
Gain on disposal of a subsidiary and an associate	-	(0.4)		0.4	n/a
Other operating income/(cost), net	(39.7)	(22.2)		(17.5)	78.8%
Profit from operating activities	**348.0**	**172.2**		**175.8**	**102.1%**
Finance income	122.2	368.8	(1)	(246.6)	(66.9%)
Finance costs	(246.4)	(414.6)	(1)	168.2	(40.6%)
Gross profit for the period	**223.8**	**126.4**		**97.4**	**77.1%**
Income tax	(56.1)	3.9		(60.0)	n/a
Net profit for the period	**167.7**	**130.3**		**37.4**	**28.7%**
EBITDA	**739.9**	**676.7**		***63.2***	***9.3%***
EBITDA margin	19.3%	18.4%		-	0.9 p.p.
Gain on disposal of a subsidiary and an associate	-	(0.4)		0.4	(100.0%)
Impairment on inventories of photovoltaic modules	(41.0)	-		(41.0)	n/a
EBITDA adjusted(2)	**780.9**	**677.1**		**103.8**	**15.3%**
EBITDA adjusted(2) margin	20.4%	18.4%		-	2.0 p.p.

(1) In 2024, there was a change in the presentation of finance income and finance costs, resulting in a restatement of the comparative figures. This change did not affect the previously reported net profit amounts.

(2) EBITDA adjusted by a gain/(loss) on disposal of a subsidiary and an associate, and by an impairment charge on inventories of photovoltaic modules..

Revenue

Consolidated **total revenue** increased by PLN 145.6 million (+4.0% YoY) in the fourth quarter of 2024, primarily as a result of the recognition of revenue from the sale of apartments in the completed investment in Port Praski as well as higher energy revenue and retail revenue.

[mPLN]	3 months ended December 31		change	
	2024	2023	[mPLN]	[%]
Retail revenue	1,809.6	1,763.7	45.9	2.6%
Wholesale revenue	898.7	929.3	(30.6)	(3.3%)
Sale of equipment	478.6	506.7	(28.1)	(5.5%)
Energy revenue	340.0	285.6	54.4	19.0%
Other revenue	300.2	196.2	104.0	53.0%
Revenue	**3,827.1**	**3,681.5**	**145.6**	**4.0%**

Retail revenue increased by PLN 45.9 million (+2.6%) YoY in the fourth quarter of 2024 and amounted to PLN 1,809.6 million, driven mainly by effective up-selling of products and services to our customer base and an increase in ARPU per B2C contract customer by +5.2% YoY and per B2B customer by 4.6% YoY.

Wholesale revenue decreased by PLN 30.6 million (-3.3%) YoY, mainly due to the recognition of lower interconnection revenue, resulting from the final regulatory reduction of MTR rates in January 2024, and lower revenue from cable and satellite operators.

Revenue from the **sale of equipment** decreased by PLN 28.1 million (-5.5%) YoY following lower volumes of equipment sold.

Revenue from sale of energy increased by PLN 54.4 million (+19.0%) YoY. Revenue from the sale of generated electricity amounted to PLN 139.6 million at the end of the fourth quarter of 2024 and were higher by 60.6 million YoY. This growth was driven by higher volumes of energy produced following the expansion of installed capacity in wind farms. Revenue from energy resale remained at a similar level YoY and amounted to PLN 172.7 million (PLN -6.8 million, -3.8% YoY).

Other revenue amounted to PLN 300.2 million, increasing by PLN 104.0 million (+53.0%) YoY. The main reason behind this growth was the recognition of revenue from the sale of apartments following the transfer of ownership to customers of part of the apartments built as part of the residential investment on Sierakowskiego Street in Port Praski, Warsaw. The above mentioned increase was partially offset by lower revenue from the sale of buses, associated with a large delivery of hydrogen-powered buses to the city of Rybnik in the comparative period.

Operating costs

Consolidated **operating costs** decreased by PLN 47.3 million (-1.4%) YoY in the fourth quarter of 2024, to the level of PLN 3,439.4 million, mainly as a result of a decrease in depreciation, amortization, impairment and liquidation.

[mPLN]	3 months ended December 31		change	
	2024	2023	[mPLN]	[%]
Technical costs and cost of settlements with telecommunication operators	872.3	862.1	10.2	1.2%
Depreciation, amortization, impairment and liquidation	373.2	494.2	(121.0)	(24.5%)
Cost of equipment sold	404.8	415.2	(10.4)	(2.5%)
Content costs	590.3	565.6	24.7	4.4%
Cost of energy sold, includes	263.4	268.2	(4.8)	(1.8%)
Depreciation1)	*17.6*	*9.3*	*8.3*	*89.2%*
Distribution, marketing, customer relation management and retention costs	290.5	277.4	13.1	4.7%
Salaries and employee-related costs	352.9	335.6	17.3	5.2%
Cost of debt collection services and bad debt allowance and receivables written off	21.4	26.2	(4.8)	(18.3%)
Other costs, includes	270.6	242.2	28.4	11.7%
Depreciation1)	*1.1*	*1.0*	*0.1*	*10.0%*
Operating costs	**3,439.4**	**3,486.7**	**(47.3)**	**(1.4%)**

1) Depreciation costs included under the cost of energy and bus production.

Technical costs and cost of settlements with telecommunication operators increased by PLN 10.2 million (+1.2%) YoY. Higher costs of mobile telecommunications network development and network maintenance were compensated to a significant extent by lower costs of interconnect settlements following the final regulatory reduction of MTR rates in 2024.

Depreciation, amortization, impairment and liquidation costs decreased by PLN 121.0 million (-24.5%) YoY, which resulted mainly from the completion of the amortization of Polkomtel's retail customer relationships.

The **cost of equipment sold** decreased by PLN 10.4 million (-2.5%) YoY, which reflected lower sales volumes of equipment in the reported quarter.

Content costs increased by PLN 24.7 million (+4.4%) YoY. This growth was mainly due to higher costs of internal production, including higher write-offs on the value of programming assets.

Cost of energy sold amounted to PLN 263.4 million in the fourth quarter of 2024 and was lower by PLN 4.8 million (-1.8%) YoY.

Distribution, marketing, customer relation management and retention costs increased by PLN 13.1 million (+4.7%) YoY, due to, among others, the recognition of higher logistic and distribution costs and higher customer care costs, which were associated, among others, with an increase in the minimum wage.

Salaries and employee-related costs increased by PLN 17.3 million (+5.2%) YoY, mainly due to inflationary pressure on wages with average headcount in the Group higher by 44 FTEs (+0.5%) YoY.

Average employment	3 months ended December 31		Change	
	2024	2023	[FTEs]	[%]
Permanent workers not engaged in production[(1)]	8,246	8,202	44	0.5%

(1) Excluding workers who did not perform work in the reporting period due to long-term absences.

Cost of debt collection services and bad debt allowance and receivables written off decreased by PLN 4.8 million (-18.3%) YoY due to, among others, better collection rates and lower sales in the instalment plan model than in the comparative period.

Other costs increased by PLN 28.4 million (+11.7%) YoY, primarily as a net result of the recognition of higher cost of the sale of apartments in the residential investment on Sierakowskiego Street in Port Praski, Warsaw, higher costs of advisory services and lower costs of hydrogen-powered buses sold due to the lower number of units delivered during the analysed period.

Other operating cost, net amounted to PLN 39.7 million in the fourth quarter of 2024 and resulted primarily from the recognition of an impairment charge on inventories of photovoltaic modules held by Esoleo in the amount of PLN 41.0 million.

Reported EBITDA amounted to PLN 739.9 million, increasing by PLN 63.2 million (+9.3%) YoY.

Adjusted EBITDA excluding asset disposal and impairment charges on photovoltaics modules increased to PLN 780.9 million (PLN +103.8 million, +15.3% YoY) in the fourth quarter of 2024, resulting in adjusted EBITDA margin of 20.4%. The reason for the increase in adjusted EBITDA was higher retail revenue, margin recognized on sales of apartments and increasing contribution from the green energy segment following further development of RES projects.

Finance income amounted to PLN 122.2 million in the fourth quarter of 2024 and decreased to PLN 246,6 million (-66.9%) YoY. This decrease was mainly due to a high base in the fourth quarter of 2023, when the positive impact of the settlement of the purchase price allocation of PAK-PCE Group and higher foreign exchange rate gains on the valuation of the EUR tranche of the term loan were recognized, and was partially offset by the positive market valuation of the 10.13% stake held in Asseco Poland S.A. in the period under review.

Finance costs decreased by PLN 168.2 million (-40.6%) YoY and amounted to PLN 246.4 million. This change was primarily due to the recognition of costs related to the purchase price allocation of PAK-PCE Group in the corresponding period. Furthermore, lower finance costs in the fourth quarter of 2024 were impacted by lower interest on loans following the reduction of interest rates in the fourth quarter of 2023 and a positive impact from the execution and valuation of hedging instruments in the analysed period.

Net profit for the fourth quarter of 2024 amounted to PLN 167.7 million, recording an increase by PLN 37.4 million YoY.

Results for 2024

[mPLN]	12 months ended December 31			change	
	2024	2023		[mPLN]	[% / p.p.]
Revenue	14,265.9	13,626.3		639.6	4.7%
Operating costs	(12,629.3)	(12,488.8)		(140.5)	1.1%
Gain on disposal of a subsidiary and an associate	10.0	219.7		(209.7)	(95.4%)
Other operating income/(cost), net	119.6	(45.6)		165.2	n/a
Profit from operating activities	**1,766.2**	**1,311.6**		**454.6**	**34.7%**
Finance income	426.2	452.7	(1)	(26.5)	(5.9%)
Finance costs	(1,112.2)	(1,372.2)	(1)	260.0	(18.9%)
Share of the profit/(loss) of associates accounted for using the equity method	(0.7)	29.7		(30.4)	(102.4%)
Gross profit for the period	**1,079.5**	**421.8**		**657.7**	**155.9%**
Income tax	(302.2)	(110.2)		(192.0)	174.2%
Net profit for the period	**777.3**	**311.6**		***465.7***	**149.5%**
EBITDA	***3,437.6***	***3,231.2***		***206.4***	**6.4%**
EBITDA margin	*24.1%*	*23.7%*		-	*0.4 p.p.*
Gain on disposal of a subsidiary and an associate	10.0	219.7		(209.7)	(95.4%)
Gain on the sale of intangible assets	198.7	-		198.7	n/a
Impairment on inventories of photovoltaic modules	(71.0)	-		(71.0)	n/a
EBITDA adjusted(2)	***3,299.9***	***3,011.5***		***288.4***	**9.6%**
EBITDA adjusted(2) margin	*23.1%*	*22.1%*		-	*1.0 p.p.*

(1) In 2024, there was a change in the presentation of finance income and finance costs, resulting in a restatement of the comparative figures. This change did not affect the previously reported net profit amounts.

(2) EBITDA adjusted by a gain on disposal of a subsidiary and an associate, a gain on the sale of intangible assets (IPv4 address package) and an impairment on inventories of photovoltaic modules..

Revenue

Consolidated **total revenue** increased by PLN 639.6 million (+4.7% YoY) in 2024 to PLN 14,265.9 million, primarily as a result of the consolidation of revenue generated in the green energy segment. Excluding the impact of the consolidation of PAK-PCE Group's results, consolidated total revenue amounted to PLN 12,944.9 million (-0.4% YoY).

[mPLN]	12 months ended December 31		change	
	2024	2023	[mPLN]	[%]
Retail revenue	7,181.8	6,987.1	194.7	2.8%
Wholesale revenue	3,260.4	3,379.9	(119.5)	(3.5%)
Sale of equipment	1,794.5	1,921.7	(127.2)	(6.6%)
Energy revenue	1,230.0	557.6	672.4	120.6%
Other revenue	799.2	780.0	19.2	2.5%
Revenue	**14,265.9**	**13,626.3**	**639.6**	**4.7%**

Retail revenue increased by PLN 194.7 million (+2.8%) YoY in 2024 and amounted to PLN 7,181.8 million, which resulted mainly from the successful upselling of products and services and the increase in ARPU per contract B2C customer by 4.8% YoY and per B2B customer by 3.4% YoY.

Wholesale revenue decreased by PLN 119.5 million (-3.5%) YoY, mainly due to the recognition of lower interconnection revenue, resulting from the final regulatory reduction of MTR rates in January 2024, and lower revenue from cable and satellite operators. This decrease was partially offset by higher advertising and sponsorship revenue and higher revenue from domestic and international roaming.

Revenue from the **sale of equipment** decreased by PLN 127.2 million (-6.6%) YoY mainly due to lower volumes of equipment sales.

Revenue from the sale of energy amounted to PLN 1,230.0 million in 2024, recording an increase by PLN 672.4 million (+120.6%) YoY. This increase was due to the recognition of energy sales revenue for the full year in 2024, while in the comparative period it was recognized only for the second half of the year following the consolidation of PAK-PCE Group's results as of July 3, 2023. A part of revenue from sales of energy, in 2024 the Group recognized revenue from the sale of generated electricity in the amount of PLN 510.6 million and revenue from energy resale in the amount of PLN 638.5 million at the consolidated level.

Other revenue increased by PLN 19.2 million (+2.5%) YoY. This growth resulted from the recognition of revenue from the sale of apartments in the residential investment on Sierakowskiego Street in Port Praski, Warsaw, and higher revenue from the sale of gas in the green energy segment, which was significantly offset by lower revenue from operations in the photovoltaic installations market, related in turn to the execution of the Cambria photovoltaic farm in 2023.

Excluding the impact of the consolidation of PAK-PCE Group, other revenue remained stable (+0.1%) YoY and amounted to PLN 707.9 million.

Operating costs

Consolidated **operating costs** increased by PLN 140.5 million (+1.1%) YoY to the level of PLN 12,629.3 million in 2024, mainly as a result of the recognition of the cost of energy sold in connection with the consolidation of the results of PAK-PCE Group starting from July 3, 2023. This increase was partially offset by a decrease in depreciation, amortization, impairment and liquidation costs, lower content costs and cost of equipment sold.

Excluding the impact of the consolidation of PAK-PCE Group, consolidated operating costs amounted to PLN 11,496.6 million (-3.0% YoY).

[mPLN]	12 months ended December 31		change	
	2024	2023	[mPLN]	[%]
Technical costs and cost of settlements with telecommunication operators	3,364.7	3,332.7	32.0	1.0%
Depreciation, amortization, impairment and liquidation	1,613.1	1,900.4	(287.3)	(15.1%)
Cost of equipment sold	1,431.9	1,539.9	(108.0)	(7.0%)
Content costs	2,073.8	2,126.1	(52.3)	(2.5%)
Cost of energy sold, includes	961.5	523.3	438.2	83.7%
Depreciation[1)]	*53.9*	*17.8*	*36.1*	*202.8%*
Distribution, marketing, customer relation management and retention costs	1,079.1	1,026.9	52.2	5.1%
Salaries and employee-related costs	1,243.4	1,158.2	85.2	7.4%
Cost of debt collection services and bad debt allowance and receivables written off	90.6	121.0	(30.4)	(25.1%)
Other costs, includes	771.2	760.3	10.9	1.4%
Depreciation[1)]	*4.4*	*1.4*	*3.0*	*214.3%*
Operating costs	**12,629.3**	**12,488.8**	**140.5**	**1.1%**

1) Depreciation costs included under the cost of energy and bus production.

Technical costs and cost of settlements with telecommunication operators increased by PLN 32.0 million (+1.0%) YoY. This increase was caused mainly by the development of mobile telecommunications network and higher costs of network maintenance, which remained under inflationary pressure and was partially offset by lower interconnect settlements due to the final regulatory reduction of MTR rates in 2024.

Depreciation, amortization, impairment and liquidation costs decreased by PLN 287.3 million (-15.1%) YoY, which resulted mainly from the completion of the amortization of Polkomtel's retail customer relationships.

The **cost of equipment sold** decreased by PLN 108.0 million (-7.0%) YoY, which reflected lower sales volumes of equipment in 2024 and corresponds with lower revenue from the sale of equipment.

Content costs decreased by PLN 52.3 million (-2.5%) YoY, mainly due to lower costs of sports licences following the non-renewal of the broadcasting rights to the UEFA Champions League and Ekstraklasa football competitions and the lack of costs related to the men's and women's European Volleyball Championships which took place in the comparative period. This decrease was partly offset by an increase in the cost of internal production of programming for the main channel and thematic channels.

Cost of energy sold amounted to PLN 961.5 million in 2024 and was higher by PLN 432.8 million (+87.3%) YoY. This increase was due to the recognition of cost of energy sold for the full year 2024, while in the comparative period it was recognized only for the second half of 2023 following the consolidation of PAK-PCE Group's results as of July 3, 2023. Depreciation and amortization related to energy production is included in this cost item, in the amount of PLN 53.9 million.

Distribution, marketing, customer relation management and retention costs increased by PLN 52.2 million (+5.1%) YoY, mainly as a result of the recognition of higher costs of call centre, customer care, and distribution and logistics, associated, among others, with an increase in the minimum wage and inflationary pressure.

Salaries and employee-related costs increased by PLN 85.2 million (+7.4%) YoY, mainly due to the increased headcount following the consolidation of PAK-PCE Group from July 3, 2023 and persisting inflationary pressure. The impact of the consolidation of PAK-PCE Group on this cost item was PLN 14.3 million in 2024.

Average employment	12 months ended December 31		Change	
	2024	2023	[FTEs]	[%]
Permanent workers not engaged in production[(1)]	8,219	8,020	199	2.5%

(1) Excluding workers who did not perform work in the reporting period due to long-term absences.

Cost of debt collection services and bad debt allowance and receivables written off decreased by PLN 30.4 million (-25.1%) YoY. The decrease was primarily due to a one-time revaluation of the total package of receivables according to a higher ratio than in 2023. In addition, the lower level of bad debt was influenced by better collection rates of receivables and lower sales in the instalment model than in 2023.

Other costs increased by PLN 10.9 million (+1.4%) YoY. This change was the net effect of higher costs of apartments sold in the residential investment on Sierakowskiego Street in Port Praski, Warsaw and lower costs of operations in the photovoltaic installations market, which was related to the execution of the Cambria photovoltaic farm in 2023.

Gain on the disposal of a subsidiary and an associate amounted to PLN 10.0 million and resulted from the disposal of shares held by the Group in Muzo.fm Sp. z o.o. in the first quarter of 2024. In 2023, the Group recognised a gain of PLN 219.7 million on the disposal of a 12.82% stake in Asseco Poland S.A.

Other operating income, net amounted to PLN 119.6 million in 2024 as compared to other operating cost, net of PLN 45.6 million in the comparative period. In 2024, this item included the recognition of a gain on the disposal of part of the IPv4 address package in the total amount of PLN 198.7 million (net of transaction costs), partially compensated by the recognition of an impairment charge on inventories of photovoltaic modules held by Esoleo in the amount of PLN 71.0 million.

Reported EBITDA increased by PLN 206.4 million (+6.4%) YoY to PLN 3,437.6 million in 2024.

EBITDA adjusted for the gain on the disposal of a subsidiary and an associate, asset disposal and impairment charges on inventories of photovoltaic modules amounted to PLN 3,299.9 million (PLN +288.4 million, +9.6% YoY) in 2024, resulting in adjusted EBITDA margin of 23.1% (22.1% in 2023). The main reason for the increase in adjusted EBITDA was the contribution from the green energy segment in the amount of PLN 281.9 million, higher retail revenue and the recognition of the margin on apartment sales in Port Praski.

Finance income amounted to PLN 426.2 million in 2024, decreasing by PLN 26.5 million (-5.9%) YoY. This decrease was mainly due to the high base in 2023, when the positive impact of the settlement of the purchase price allocation of PAK-PCE Group and higher foreign exchange rate gains on the valuation of the EUR tranche of the term loan were recognized, and was partially offset by the positive market valuation of the 10.13% stake held in Asseco Poland S.A. in the period under review.

Finance costs decreased in 2024 by PLN 260.0 million (-18.9%) YoY and amounted to PLN 1,112.2 million. This decrease was due to, among others, lower interest on loans following the reduction of interest rates in 2023 and a positive impact from the execution and valuation of hedging instruments. Moreover, lower finance costs in 2024 were due to the recognition of costs related to the purchase price allocation of PAK-PCE Group and costs related to one-time loans repayment.

As a result of the above described changes, **net profit** for 2024 amounted to PLN 777.3 million and was higher by PLN 465.7 million YoY.

4.2.2. Operating segments

The Group operates in the following four segments:

- **B2C and B2B services segment** which relates to the provision of services, including digital television transmission signal, mobile services, the Internet access services, the mobile TV services, the online TV services, set-top boxes production and assembly of photovoltaic installations,
- **media segment**, which consists mainly of production, acquisition and broadcasting of information and entertainment programs as well as TV series and feature films broadcasted on television, radio and Internet channels in Poland,
- **green energy segment**, which consists mainly of production and sale of electricity from renewable sources, construction of a complete hydrogen-based value chain and investments in renewable energy sources projects such as photovoltaic and wind farms (starting from July 3, 2023), and
- **real estate segment**, which consists mainly of implementation of construction projects as well as sale, rental and management of own or leased real estate.

The Group conducts its operating activities primarily in Poland.

The activities of the Group are grouped into segments with distinguishable scope of operations where services are rendered and merchandise delivered in a specific economic environment. Activities of defined segments are characterized by different risk levels and different investment returns from those of the Group's other segments. The operating segments also represent reportable segments of the Group. The operations carried out within each segment are described in detail in item 2 of this report.

Management evaluates the operating segments' results based on EBITDA. The EBITDA reflects the Group's ability to generate cash in a stable environment. The Group defines EBITDA as profit from operating activities increased by depreciation, amortization, impairment and liquidation (including depreciation included in the energy and buses production costs). EBITDA is not an EU IFRS measure and thus its calculations may differ among different entities.

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the twelve-month period ended December 31, 2024.

12 months ended December 31, 2024 [mPLN]	B2C and B2B services segment	Media segment	Real estate segment	Green energy segment	Consolidation adjustments	Total
Revenues from sales to third parties	10,628.9	2,197.0	220.6	1,219.4	-	**14,265.9**
Inter-segment revenues	(52.2)	294.6	37.6	228.9	(508.9)	**-**
Revenues	**10,576.7**	**2,491.6**	**258.2**	**1,448.3**	**(508.9)**	**14,265.9**
EBITDA adjusted (unaudited)	**2,560.0**	**486.4**	**99.2**	**282.0**	**-**	**3,427.6**
Gain on disposal of a subsidiary and an associate	-	10.0	-	-	-	10.0
EBITDA (unaudited)	**2,560.0**	**496.4**	**99.2**	**282.0**	**-**	**3,437.6**
Depreciation, amortization, impairment and liquidation	1,409.7	153.8	17.9	31.7	-	**1,613.1**
Depreciation included in energy and bus production costs	-	-	-	58.3	-	**58.3**
Profit/(loss) from operating activities	**1,150.3**	**342.6**	**81.3**	**192.0**	**-**	**1,766.2**
Acquisition of property, plant and equipment and other intangible assets	755.9	78.0	24.7	925.6	-	**1,784.2**
Acquisition of reception equipment	141.1	-	-	-	-	**141.1**
Balance as at December 31, 2024						
Assets, including:	26,329.0	4,133.7	1,437.7	5,803.3	(235.7)	**37,468.0**
Investments in joint venture and associates	-	-	-	-	-	**-**

All material revenues are generated in Poland.

It should be noted that the financial data for the twelve-month periods ended December 31, 2024 and December 31, 2023 allocated to the B2C and B2B services segment, the media segment, the real estate segment and green energy are not fully comparable due to changes in the Group's structure which were described in item 1.2. of this Report – *Changes in the organizational structure of Polsat Plus Group and their effects* – and item 1.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023.

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the twelve-month period ended December 31, 2023.

12-month period ended December 31, 2023) [mPLN]	B2C and B2B services segment	Media segment	Real estate segment	Green energy segment	Consolidation adjustments	Total
Revenues from sales to third parties	10,646.6	2,206.2	133.6	639.9	-	**13,626.3**
Inter-segment revenues	65.6	263.8	48.6	131.7	(509.7)	**-**
Revenues	**10,712.2**	**2,470.0**	**182.2**	**771.6**	**(509.7)**	**13,626.3**
EBITDA adjusted (unaudited)	**2,493.1**	**472.0**	**27.0**	**24.5**	**(5.1)**	**3,011.5**
Gain on disposal of a subsidiary and an associate	219.7	-	-	-	-	219.7
EBITDA (unaudited)	**2,712.8**	**472.0**	**27.0**	**24.5**	**(5.1)**	**3,231.2**
Depreciation, amortization, impairment and liquidation	1,713.2	155.3	22.5	9.4	-	**1,900.4**
Depreciation included in energy and bus production costs	-	-	-	19.2	-	**19.2**
Profit from operating activities	**999.6**	**316.7**	**4.5**	**(4.1)**	**(5.1)**	**1,311.6**
Acquisition of property, plant and equipment and other intangible assets	792.7	74.0	24.6	710.6	-	**1,601.9**
Acquisition of reception equipment	145.8	-	-	-	-	**145.8**
Balance as at December 31, 2023						
Assets, including:	26,461.4	6,520.1[1)]	1,471.2	4,603.0	(1,879.0)	**37,176.7**
Investments in joint venture and associates	-	-	10.1	-	-	**10.1**

1) Includes non-current assets located outside of Poland in the amount of PLN 5.7 million.

4.2.3. Consolidated balance sheet analysis

As at December 31, 2024, our balance sheet amounted to PLN 37,468.0 million and increased by PLN 291.3 million (+0.8%) compared to the balance as at December 31, 2023.

Assets

[mPLN]	December 31 2024	December 31 2023	Change	
			[mPLN]	[%]
Property, plant and equipment	7,423.3	6,494.3	929.0	14.3%
Goodwill	10,975.3	10,980.2	(4.9)	(0.0%)
Customer relationships	120.1	300.2	(180.1)	(60.0%)
Brands	1,906.3	1,979.7	(73.4)	(3.7%)
Other intangible assets	4,993.0	4,835.8	157.2	3.3%
Right-of-use assets	724.8	644.6	80.2	12.4%
Non-current programming assets	335.7	304.8	30.9	10.1%
Investment property	700.3	700.0	0.3	0.0%
Non-current deferred distribution fees	92.2	85.0	7.2	8.5%
Non-current receivables	903.8	968.1	(64.3)	(6.6%)
Non-current loans granted	2.2	10.9	(8.7)	(79.8%)
Other non-current assets, includes:	83.6	702.8	(619.2)	(88.1%)
shares in associates and joint ventures accounted for using the equity method	-	*10.1*	*(10.1)*	*(100.0%)*
shares in third parties valued in fair value through profit or loss	*5.5*	*615.9*	*(610.4)*	*(99.1%)*
derivative instruments	40.2	35.2	5.0	*14.2%*
Deferred tax assets	180.5	142.8	37.7	*26.4%*
Total non-current assets	**28,441.1**	**28,149.2**	**291.9**	**1.0%**
Current programming assets	641.0	678.2	(37.2)	(5.5%)
Contract assets	342.0	349.0	(7.0)	(2.0%)
Inventories	1,028.0	1,215.6	(187.6)	(15.4%)
Trade and other receivables	3,052.7	2,947.1	105.6	3.6%
Current loans granted	22.8	116.2	(93.4)	(80.4%)
Income tax receivables	34.3	20.0	14.3	71.5%
Current deferred distribution fees	245.4	227.4	18.0	7.9%
Other current assets, includes:	970.3	139.7	830.6	594.6%
shares in other investments held for trading	*808.6*	-	*808.6*	*n/d*
derivative instruments	*40.4*	*21.6*	*18.8*	87.0%
Cash and cash equivalents	2,653.0	3,306.0	(653.0)	(19.8%)
Restricted cash	34.1	19.7	14.4	73.1%
Total current assets	**9,023.6**	**9,018.9**	**4.7**	**0.1%**
Assets held for sale, includes	3.3	8.6	(5.3)	(61.6%)
Cash and cash equivalents	-	*1.2*	*(1.2)*	*(100.0%)*
Total assets	**37,468.0**	**37,176.7**	**291.3**	**0.8%**

As of December 31, 2024, the value of non-current assets amounted to PLN 28,441.1 million (75.9% of total assets) and increased by PLN 291.9 million (+1.0%) compared to the balance at the end of 2023. The main reasons for the increase was higher value of property, plant and equipment by PLN 929.0 million (+14.3%), associated in particular with a higher value of non-current assets under construction due to the successive implementation of renewable energy projects. Other intangible assets increased by PLN 157.2 million (+3.3%), as a result of the renewal of the frequency reservation in the 2.6 GHz band. The increase of non-current assets was partially offset by a lower value of other non-current assets by PLN 619.2 million (-88.1%) as a result of the reclassification of the 10.13% stake held in Asseco Poland S.A. to current assets as assets held for sale. The value of customer relationships decreased by PLN 180.1 million (-60.0%) due to the competed amortization of relations with Polkomtel's retail customers.

The value of current assets amounted to PLN 9,023.6 million (24.1% of total assets), and remained relatively stable compared to the balance as at December 31, 2023. The increase in other current assets was offset by a decrease in cash and cash equivalents and lower inventories. The main reason behind the increase of other current assets by PLN 830.6 million was the reclassification of the 10.13% stake held in Asseco Poland S.A. to this item, as assets held for sale. Key reasons for a decrease in cash and cash equivalents by PLN 653.0 million were: (i) the commencement of scheduled repayments of principal instalments under the SFA in the amount of PLN 155.3 million per quarter in the third and fourth quarters of 2024, (ii) the payment for the renewal of the 2,600 MHz TDD frequency reservation , (iii) expenditures on the development of renewable energy projects and (iv) allocation of PLN 311.9 million to redeem the Series B and C Bonds in the first quarter of 2024. In addition, as of the end of December 2024, inventories decreased by PLN 187.6 million (-15.4%) due to, among others, an impairment charge on the value of photovoltaics modules in the amount of PLN 71.0 million.

Equity and liabilities

[mPLN]	December 31 2024	December 31 2023	Change [mPLN]	Change [%]
Share capital	25.6	25.6	-	-
Share premium	7,174.0	7,174.0	-	-
Other reserves	2,790.8	2,752.8	38.0	1.4%
Retained earnings	8,987.4	8,334.1	653.3	7.8%
Treasury shares	(2,854.7)	(2,854.7)	-	-
Equity attributable to equity holders of the Parent Company	**16,123.1**	**15,431.8**	**691.3**	**4.5%**
Non-controlling interests	946.2	873.4	72.8	8.3%
Total equity	**17,069.3**	**16,305.2**	**764.1**	**4.7%**
Loans and borrowings	9,142.7	9,534.3	(391.6)	(4.1%)
Issued bonds	3,670.8	3,955.4	(284.6)	(7.2%)
Lease liabilities	502.8	444.6	58.2	13.1%
Deferred tax liabilities	1,087.5	1,035.0	52.5	5.1%
Other non-current liabilities and provisions	301.6	385.6	(84.0)	(21.8%)
includes derivative instruments	*10.8*	*24.0*	*(13.2)*	*(55.0%)*
Total non-current liabilities	**14,705.4**	**15,354.9**	**(649.5)**	**(4.2%)**
Loans and borrowings	1,315.1	1,069.7	245.4	22.9%
Issued bonds	366.9	393.7	(26.8)	(6.8%)
Lease liabilities	181.9	166.2	15.7	9.4%
Contract liabilities	678.0	682.2	(4.2)	(0.6%)
Trade and other payables	3,090.9	3,172.6	(81.7)	(2.6%)
includes derivative instruments	*8.2*	*20.2*	*(12.0)*	*(59.4%)*
Income tax liability	60.5	31.4	29.1	92.7%
Total current liabilities	**5,693.3**	**5,515.8**	**177.5**	**3.2%**
Liabilities held for sale	-	0.8	(0.8)	(100.0%)
Total liabilities	**20,398.7**	**20,871.5**	**(472.8)**	**(2.3%)**
Total equity and liabilities	**37,468.0**	**37,176.7**	**291.3**	**0.8%**

Equity increased by PLN 764.1 million (+4.7%), to PLN 17,069.3 million as at December 31, 2024, mainly as a result of the recognition of net profit generated in 2024, in the amount of PLN 771.9 million.

As at December 31, 2024, total liabilities decreased by PLN 472.8 million (-2.3%) compared to the end of December 2023 and amounted to PLN 20,398.7 million, of which current liabilities amounted to PLN 5,693.3 million and non-current liabilities amounted to PLN 14,705.4 million, constituting 27.9% and 72.1% of total liabilities, respectively.

The decrease in the value of non-current liabilities by PLN 649.5 million (-4.2%) was primarily due to a lower value of loans and borrowings by PLN 391.6 million (-4.1%), as a result of their partial reclassification to current liabilities due to the commencement of scheduled repayments of principal instalments of the SFA starting from the third quarter of 2024. Moreover, the lower level of non-current liabilities from issued bonds (PLN -284.6 million, -7.2%) resulted from the early redemption of the Series B and C bonds in the first quarter of 2024.

Compared to the end of December 2023, the value of current liabilities increased to PLN 5,693.3 million (PLN +177.5 million, +3.2%). This increase was mainly due to a higher value of current liabilities from loans and borrowings, which increased by PLN 245.4 million (+22.9%).

4.2.4. Consolidated cash flow analysis

The table below presents selected data from the consolidated cash flow statement for the twelve-month periods ended December 31, 2024 and December 31, 2023.

[mPLN]	12 months ended December 31		Change	
	2024	2023	[mPLN]	[% / p.p.]
Net cash from operating activities	**3,427.2**	**2,392.4**	**1,034.8**	**43.3%**
Net cash used in investing activities, incl.	**(2,174.0)**	**(2,215.7)**	**41.7**	**(1.9%)**
Capital expenditures	*(1,784.2)*	*(1,601.9)*	*(182.3)*	*11.4%*
Net cash from/(used in) financing activities	**(1,882.5)**	**2,336.2**	**(4,218.7)**	**n/a**
Net increase/(decrease) in cash and cash equivalents	(629.3)	2,512.9	(3,142.2)	n/a
Cash and cash equivalents at the beginning of the period	3,325.7	817.8	2,507.9	*306.7%*
Cash and cash equivalents at the end of the period	**2,687.1**	**3,325.7**	**(638.6)**	**(19.2%)**

Net cash from operating activities

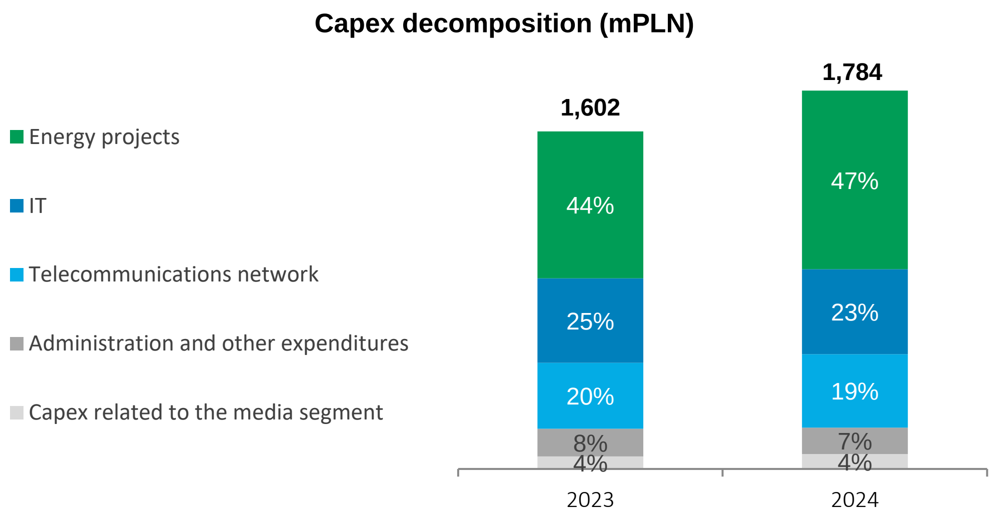
Net cash received from operating activities amounted to PLN 3,427.2 million in 2024 and increased by PLN 1,034.8 million (+43.3%) YoY. This increase was due to, among others, higher EBITDA generated in 2024, lower net working capital employed and a lower tax burden in 2024.

Net cash used in investing activities

Net cash used in investing activities amounted to PLN 2,174.0 million in 2024 and was lower by PLN 41.7 million (-1.9%) YoY. Capital expenditures amounted to PLN 1,784.2 million in 2024 and were higher by PLN 182.3 million (+11.4%) YoY. In the TMT area, comprising the B2C and B2B services segment and the media (TV and online) segment, capex amounted to PLN 833.9 million (PLN -32.8 million, -3.8% YoY) with a low capex-to-revenue ratio of 6.4%. At the same time, investment spending for the implementation of projects related to the development of renewable energy sources and the hydrogen chain amounted to PLN 925.6 million. In the real estate segment, capital expenditures remained stable YoY and amounted to PLN 24.7 million in 2024.

In 2024 the most substantial capital expenditures included:

- implementation of wind farm projects;
- expenditures related to hydrogen projects, in particular the construction of hydrogen refuelling stations and the production of hydrogen-powered buses;
- expenditures related to the project of the comprehensive modernization and exchange of the IT environment of the Group;
- expenditures related to infrastructure development and maintenance, including: expansion of the core network, fibre optic cables and radio links to increase capacity for data transmission;
- expenditures related to the development of our content services, including, among others, Internet projects, set-top boxes and the development of functionalities of applications and streaming platforms;
- administrative expenditures, including in particular the development and maintenance of real estate.



In 2024, the Group made payments for the reservation of telecommunications frequencies in the total amount of PLN 549.7 million (the reservation of a frequency block in the 3.6 GHz band and the renewal of the reservation in the 2.6 GHz band), which is less by PLN 796.2 million compared to 2023. Moreover, in 2024 we recorded net proceeds from the repayment of loans granted to entities from outside the Group in the amount of PLN 84.7 million. In addition, in the corresponding period the Group recognized an inflow from the sale of a 12.82% stake in Asseco Poland S.A. in the total amount of PLN 851.4 million, which impacted YoY dynamics.

Net cash used in finance activities

Net cash used in financing activities amounted to PLN 1,882.5 million in 2024 compared to PLN 2,336.2 million of net cash received from financing activities in the comparative period. In 2024, the level of net cash used in financing activities was principally impacted by interest payments in the amount of PLN 1,200.4 million and the early redemption of the Series B and C Bonds in the total amount of PLN 311.9 million. Furthermore, starting from the third quarter of 2024, the Group commenced the scheduled repayment of principal instalments under the SFA. In 2023, the Group issued Series D and E Bonds in the total amount of PLN 3.89 billion and prematurely redeemed the remaining part of Series B and C Bonds in the total amount of PLN 1.53 billion. In addition, in the corresponding period, the Group refinanced its bank debt by entering into the Senior Facilities Agreement with a consortium of banks granting a term loan in PLN up to PLN 7.3 billion, a term loan in EUR up to EUR 506 million and a revolving credit facility up to PLN 1.0 billion.

4.2.5. Standalone income statement analysis for 2024

[mPLN]	for the 12-month period ended December 31			change	
	2024	2023		[mPLN]	[% / p.p.]
Revenue	**2,242.1**	**2,245.3**		**(3.2)**	**(0.1%)**
Retail revenue	2,030.9	2,048.8		(17.9)	(0.9%)
Wholesale revenue	84.2	76.0		8.2	10.8%
Sale of equipment	34.1	29.7		4.4	14.8%
Other revenue	92.9	90.8		2.1	2.3%
Operating costs	**(2,089.8)**	**(2,064.1)**		**(25.7)**	**1.2%**
Content costs	(839.3)	(856.7)		17.4	(2.0%)
Technical costs and cost of settlements with telecommunication operators	(418.1)	(440.8)		22.7	(5.1%)
Distribution, marketing, customer relation management and retention costs	(315.8)	(299.2)		(16.6)	5.5%
Depreciation, amortization, impairment and liquidation	(202.1)	(177.1)		(25.0)	14.1%
Salaries and employee-related costs	(170.8)	(163.1)		(7.7)	4.7%
Cost of equipment sold	(25.5)	(22.3)		(3.2)	14.3%
Cost of debt collection services and bad debt allowance and receivables written off	(9.4)	(6.7)		(2.7)	40.3%
Other costs	(108.8)	(98.2)		(10.6)	10.8%
Other operating income/(cost), net	9.8	(9.6)		19.4	(202.1%)
Profit from operating activities	**162.1**	**171.6**		**(9.5)**	**(5.5%)**
Finance income	1,074.3	1,163.3	(1)	(89.0)	(7.7%)
Finance costs	(785.1)	(677.1)	(1)	(108.0)	16.0%
Gross profit for the period	**451.3**	**657.8**		**(206.5)**	**(31.4%)**
Income tax	(45.5)	(18.2)		(27.3)	150.0%
Net profit for the period	**405.8**	**639.6**		***(233.8)***	**(36.6%)**
EBITDA	**364.2**	**348.7**		***15.5***	**4.4%**
EBITDA margin	16.2%	15.5%		-	0.7 p,p,

(1) In 2024, there was a change in the presentation of finance income and finance costs, resulting in a restatement of the comparative figures. This change did not affect the previously reported net profit amounts.

Our standalone **total revenue** remained relatively stable in 2024 and amounted to PLN 2,242.1 million (PLN -3.2 million, -0.1% YoY). This was the net effect of a decrease in retail revenue by PLN 17.9 million (-0.9%) YoY, offset by an increase in wholesale revenue by PLN 8.2 million (+10.8%) YoY, due mainly to the sale of licenses and sublicenses, and higher revenue from the sale of equipment by PLN 4.4 million (+14.8%) YoY.

Cyfrowy Polsat's **operating costs** increased by PLN 25.7 million (+1.2%) YoY in 2024. In the period under review, depreciation, amortization, impairment and liquidation was higher by PLN 25.0 million (+14.1%) YoY and distribution, marketing, customer relation management and retention costs grew by PLN 16.6 million (+5.5%) YoY due mainly to higher distribution and logistics costs, as well as higher customer care and retention costs related to regulatory pressure on salaries, especially in the call centre area. Salaries and employee-related costs were higher by PLN 7.7 million (+4.7%) YoY, due mainly to the inflationary and regulatory pressure on salaries. The increase in operating costs was offset to a large extent by lower costs of interconnection settlements, which decreased by PLN 22.7 million (-5.1%) YoY as a result of lower settlements with Polkomtel for data transmission services, and lower content costs (PLN -17.4 million, -2.0% YoY), which resulted, among others, from lower cost of programming licenses, including those related to the UEFA Champions League.

In 2024, the Company recognized **other operating income, net** of PLN 9.8 million as compared to other operating cost, net of PLN 9.6 million in 2023.

As a result of the above-described changes, the Company's **EBITDA** increased by PLN 15.5 million (+4.4%) YoY to PLN 364.2 million in 2024, with an EBITDA margin of 16.2% (+0.7 p.p. YoY).

Finance income amounted to PLN 1,074.3 million in 2024, recording a decrease by PLN 89.0 million (-7.7%) YoY. This was mainly the net effect of the recognition in 2023 of a gain on the sale of shares in Asseco Poland S.A. and higher revenue from dividends, while in 2024 the Company recognized higher interest income on loans granted and a positive impact from the revaluation of the remaining holding of shares in Asseco Poland S.A. to fair value.

Finance costs increased by PLN 108.0 million (+16.0%) YoY and amounted to PLN 785.1 million in 2024, due to, among others, the recognition of higher expected credit losses from granted loans and a higher level of interest on loans and borrowings and issued bonds.

Net profit for 2024 amounted to PLN 405.8 million. This is 36.6% lower than a year ago, primarily due to lower profit from operating activities, higher finance costs, lower finance income and a higher effective tax rate.

4.2.6. Standalone balance sheet analysis

As at December 31, 2024, our balance sheet amounted to PLN 19,798.3 million and was higher by PLN 65.4 million (+0.3%) compared to the balance as at December 31, 2023.

Assets

[mPLN]	December 31 2024	December 31 2023	Change	
			[mPLN]	[%]
Reception equipment	376.4	362.6	13.8	3.8%
Other property, plant and equipment	121.6	130.2	(8.6)	(6.6%)
Goodwill	197.0	197.0	-	-
Other intangible assets	132.3	127.7	4.6	3.6%
Right-of-use assets	18.4	21.5	(3.1)	(14.4%)
Investment property	107.8	94.3	13.5	14.3%
Shares in subsidiaries, associates and other, incl.	12,117.4	12,774.4	(657.0)	(5.1%)
shares in associates	*0.1*	*0.1*	-	-
Non-current deferred distribution fees	11.9	19.5	(7.6)	(39.0%)
Non-current loans granted	2,170.8	3,584.2	(1,413.4)	(39.4%)
Other non-current assets, incl.:	128.9	33.4	95.5	285.9%
derivative instruments	*126.4*	*30.1*	*96.3*	*319.9%*
Total non-current assets	**15,382.5**	**17,344.8**	**(1,962.3)**	**(11.3%)**
Contract assets	73.0	72.0	1.0	1.4%
Inventories	82.6	122.7	(40.1)	(32.7%)
Trade and other receivables	73.2	189.5	(116.3)	(61.4%)
Current loans granted	1,915.5	24.3	1,891.2	7,782.7%
Income tax receivables	-	7.2	(7.2)	(100.0%)
Current deferred distribution fees	48.1	48.0	0.1	0.2%
Other current assets, incl.:	871.3	40.8	830.5	2,035.5%
assets held for trading	*808.6*	-	*808.6*	*n/a*
derivative instruments	*48.1*	*15.9*	*32.2*	*202.5%*
Cash and cash equivalents	1,352.1	1,883.6	(531.5)	(28.2%)
Total current assets	**4,415.8**	**2,388.1**	**2,027.7**	**84.9%**
Total assets	**19.798.3**	**19,732.9**	**65.4**	**0.3%**

In 2024, the **value of non-current assets** decreased by PLN 1,962.3 million (-11.3%) and accounted for 77.7% of total assets as of December 31, 2024, compared to 87.9% at the end of 2023. The decrease in the value of non-current assets was driven in particular by a decrease of value of **non-current loans granted** by PLN 1,413.4 million (-39.4%) resulting from, among others, the reclassification of part of the financing for strategic green projects to current loans granted due their maturity. In parallel, the **value of shares in subsidiaries, associates and others** decreased by PLN 657.0 million (-5.1%) due to the reclassification of the 10.13% stake in Asseco Poland S.A. to current assets, as shares held for sale.

The **value of current assets** increased by PLN 2,027.7 million (+84.9%) in 2024, and as at the end of 2024 accounted for 22.3% of the total assets of the Company, compared to 12.1% at the end of 2023. The increase in **current loans granted** by PLN 1,954.2 million was the main driver behind this change, resulting mainly from the reclassification of loans granted to related companies for the development of renewable energy projects from non-current assets due to their maturity. Additionally, the Company recognized an increase in the balance of **other current assets** by PLN 830.5 million, mainly due to the reclassification of the 10.13% stake in Asseco Poland S.A. to this category, as shares held for sale. The above mentioned factors were partially offset by a decrease in **cash and cash equivalents** by PLN 531.5 million due to, among others, the redemption of the Series B and C Bonds in the amount of PLN 311.9 million in the first quarter of 2024.

Equity and liabilities

[mPLN]	December 31 2024	December 31 2023	Change [mPLN]	Change [%]
Share capital	25.6	25.6	-	-
Share premium	7,174.0	7,174.0	-	-
Other reserves	2,909.4	2,909.6	(0.2)	-
Retained earnings	5,261.2	4,855.4	405.8	8.4%
Treasury shares	(2,854.7)	(2,854.7)	-	-
Total equity	**12,515.5**	**12,109.9**	**405.6**	**3.3%**
Loans and borrowings	1,961.5	2,022.0	(60.5)	(3.0%)
Issued bonds	3,690.9	3,975.5	(284.6)	(7.2%)
Lease liabilities	16.9	19.8	(2.9)	(14.6%)
Deferred tax liabilities	67.4	40.3	27.1	67.2%
Other non-current liabilities and provisions	185.4	58.7	126.7	215.8%
includes derivative instruments	*182.9*	*56.5*	*126.4*	*223.7%*
Total non-current liabilities	**5,922.1**	**6,116.3**	**(194.2)**	**(3.2%)**
Loans and borrowings	192.8	185.7	7.1	3.8%
Issued bonds	368.0	394.7	(26.7)	(6.8%)
Lease liabilities	3.4	3.1	0.3	9.7%
Contract liabilities	238.5	230.7	7.8	3.4%
Trade and other payables	544.2	688.8	(144.6)	(21.0%)
includes derivative instruments	*47.5*	*15.5*	*32.0*	*206.5%*
Income tax liability	10.1	-	10.1	n/a
Deposits for equipment	3.7	3.7	-	-
Total current liabilities	**1,360.7**	**1,506.7**	**(146.0)**	**(9.7%)**
Total liabilities	**7,282.8**	**7,623.0**	**(340.2)**	**(4.5%)**
Total equity and liabilities	**19,798.3**	**19,732.9**	**65.4**	**0.3%**

During 2024, **equity** increased by PLN 405.6 million (+3.3%), to PLN 12,515.5 million as at December 31, 2024, mainly as a result of net profit generated in 2024 in the amount of PLN 405.8 million.

Total liabilities decreased by PLN 340.2 million (-4.5%) and amounted to 7,282.8 million as at December 31, 2024, of which current liabilities amounted to PLN 1,360.7 million and non-current liabilities amounted to PLN 5,922.1 million, constituting 18.7% and 81.3% of total liabilities, respectively. Compared to the end of December 2023, the value of current liabilities decreased by PLN 194.2 million (-3.2%), which was mainly the net effect of lower liabilities from issued bonds following the redemption of Series B and C Bonds in 2024 and a higher value of other non-current liabilities and provisions, in particular derivative instruments. Non-current liabilities decreased by PLN 146.0 million (-9.7%), mostly due to a decrease in trade and other payables.

4.2.7. Standalone cash flow analysis

[mPLN]	for the twelve-month period ended December 31		Change	
	2024	2023	[mPLN]	[% / p.p.]
Net cash from operating activities	**366.3**	**241.4**	**124.9**	**51.8%**
Net cash from/(used in) investing activities, incl.	**6.1**	**(1,282.0)**	**1,288.1**	**(100.5%)**
Capital expenditures	*(59.5)*	*(61.6)*	*2.1*	*(3.4%)*
Net cash received from /(used in) financing activities	**(895.3)**	**2,803.5**	**(3,698.8)**	**n/a**
Net increase/(decrease) in cash and cash equivalents	(522.9)	1,762.9	(2,285.8)	n/a
Cash and cash equivalents at the beginning of the period	1,883.6	120.7	1,762.9	1,460.6%
Cash and cash equivalents at the end of the period	**1,352.1**	**1,883.6**	**(531.5)**	**(28.2%)**

Net cash received from operating activities amounted to PLN 366.3 million in 2024 and was higher by PLN 124.9 million (+51.8%) YoY. This change was primarily driven by higher EBITDA for the reported period and a lower value of income tax paid.

Net cash received from investing activities amounted to PLN 6.1 million in 2024, compared to PLN 1,282.0 million used in 2023. This change was primarily the result of a lower net value of loans granted in 2024, mainly for the development of green energy projects, and a higher value of interests received on loans granted. In the corresponding period, the Company recorded an inflow of PLN 850.5 million from the sale of shares in connection with, among others, the disposal of shares of Asseco Poland S.A.

Capital expenditures on the purchase of property, plant and equipment, and intangible assets amounted to PLN 59.5 million in 2024 and remained relatively stable compared to PLN 61.6 million in 2023. The majority of capital expenditures in the period under review were incurred for the development and modernization of IT infrastructure.

Net cash used in financing activities amounted to PLN 895.3 million in 2024 compared to PLN 2,803.5 million of cash received from financing activities in 2023. This was primarily the net effect of the recognition of cash inflow from the issuance of successive series of bonds (D, E and F) and the refinancing of debt under the SFA dated September 15, 2015 in the comparative period, as well as the early redemption of Series B and C bonds and higher interest paid on loans and bonds in 2024.

4.3. External financing

We maintain cash to fund the day-to-day requirements of our business. Our objective is to ensure cost-efficient access to various financing sources, including bank loans, bonds and other borrowings.

We believe that cash balances and cash generated from our current operations, as well as funds available under our revolving credit facilities should be sufficient to satisfy the future needs related to our operating activities, development of our services, service of our debt as well as for the execution of investment plans in the field of the Company's current activity.

4.3.1. Indebtedness

The table below presents a summary of the financial debt of the Group as at December 31, 2024.

[mPLN]	Balance value as at December 31, 2024
Loans and borrowings liabilities, including:	10,457.8
loans and borrowings liabilities excluding project financing	*9,036.6*
project financing liabilities	*1,421.2*
Bond liabilities	4,037.7
Leasing and other liabilities	684,7
Gross debt	15,180.2
Cash and cash equivalents(1)	2,653,0
Net debt	12,527.3
EBITDA LTM(2)	3,285.8
Total net debt / EBITDA LTM	**3.81x**
Net debt / EBITDA LTM, excluding project financing(3)	**3.59x**
Weighted average interest cost of loans and bonds(4)	8.3%

(1) Includes cash and cash equivalents held for sale.
(2) Consolidated EBITDA LTM adjusted for non-controlling interests.
(3) EBITDA LTM and net debt of companies using project financing are excluded from the calculation of the ratio.
(4) Prospective average weighted interest cost of the Group's debt (including the Revolving Credit Facility) in accordance with WIBOR/EURIBOR ratios as of the balance sheet date, excluding hedging instruments, project financing and leases.

Repurchase and redemption of Series B and C Bonds

On February 5, 2024 the Company repurchased for redemption 223,798 unsecured Series B bearer bonds with the aggregate nominal value of PLN 223.8 million and 88,053 unsecured Series C bearer bonds with the aggregate nominal value of PLN 88.1 million. In connection with the early redemption, all Series B Bonds and Series C Bonds were retired.

After the redemption of Series B and Series C Bonds, bonds listed in the Alternative Trading System operated by the WSE on the Catalyst market include 3,490,000 Series D and Series E bonds while Series F bonds are not listed.

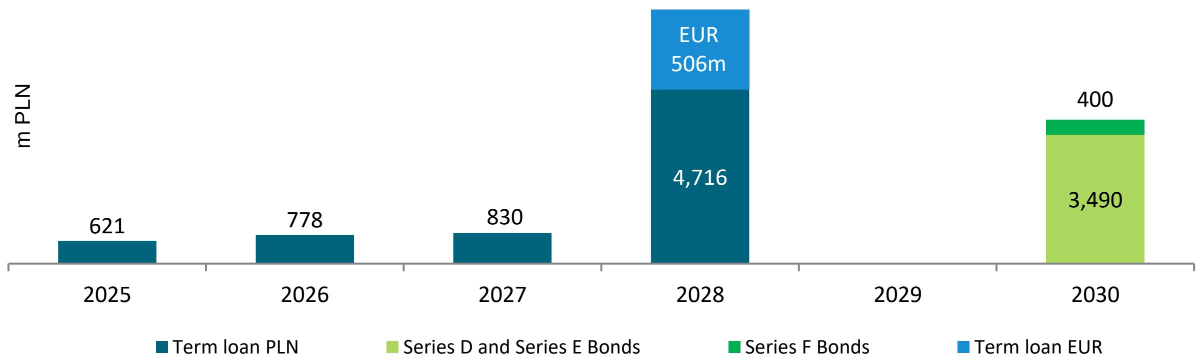
Partial early repayment of loans

On February 14, 2025, Company and Polkomtel executed partial early repayment of the term loan, granted under the Senior Facilities Agreement in the amount of PLN 681.4 million, increased by accrued interest, of which Polkomtel repaid PLN 608.7 million and the Company PLN 72.7 million. As a result of the above early repayment, the total principal amount of the Group’s debt from the Facilities Agreement amounts to PLN 6,263.1 million and EUR 506 million, with a repayment schedule until 2028.

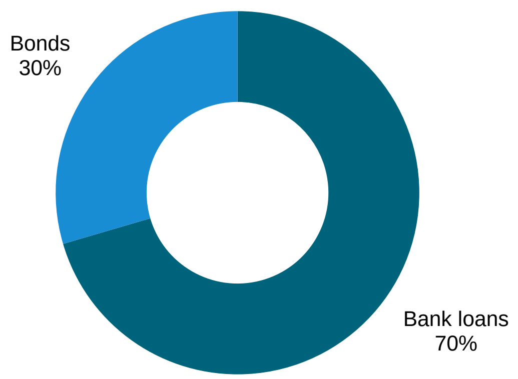
Debt structure and maturity

The graphs below present the maturity profile and the structure of the Group’s debt by type and currency, expressed in nominal terms, excluding liabilities arising from project financing, the revolving credit facility and leases, as of December 31, 2024.

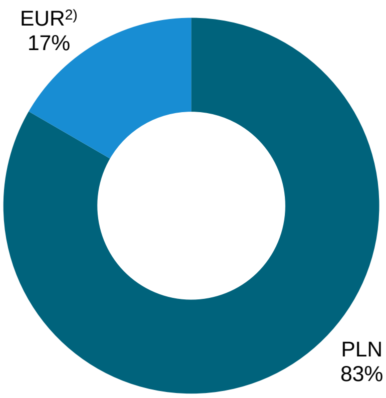
Maturity profile of debt under the Senior Facitlies Agreement and bonds as of December 31, 2024



Debt structure by instrument type(1) as at December 31, 2024



Debt structure by currency(1) as at December 31, 2024

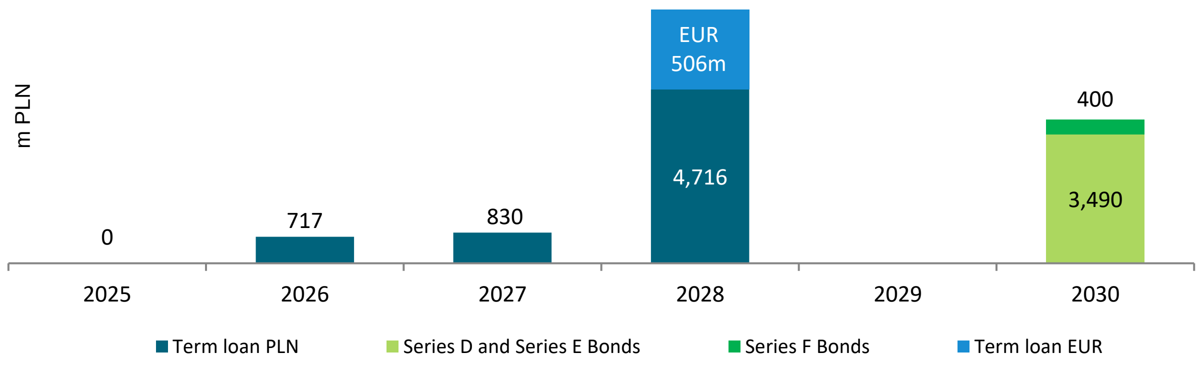


(1) Excluding project financing liabilities, the revolving credit facility and leases.

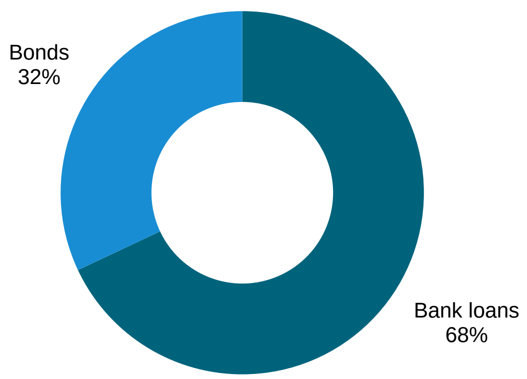
(2) EUR tranche under the SFA (EUR 506 million) converted into PLN at the exchange rate on the balance sheet date.

As a result of the partial early repayment of the SFA after the balance sheet date, on February 21, 2025, the repayment schedule and structure of the Group's debt changed. The charts below show the maturity dates and the type and currency structure of debt expressed in nominal terms excluding liabilities arising from project finance, revolving credit facility and leases as at February 24, 2025.

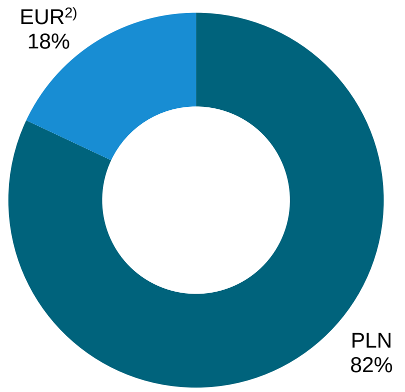
Maturity profile of debt under the Senior Facitlies Agreement and bonds as of February 24, 2024



Debt structure by instrument type(1) as at February 24, 2024



Debt structure by currency(1) as at February 24, 2024



(1) Excluding project financing liabilities, the revolving credit facility and leases.
(2) EUR tranche under the SFA (EUR 506 million) converted into PLN at the exchange rate on the balance sheet date.

4.3.2. Significant financing agreements

Senior Facilities Agreement of April 28, 2023

On April 28, 2023, the Company and Polkomtel, as the borrowers, and Telewizja Polsat Sp. z o.o., Netia S.A., Polsat Media Sp. z o.o., Muzo.fm Sp. z o.o. and Polsat Media Biuro Reklamy Sp. z o.o., as the guarantors, concluded the unsubordinated Senior Facilities Agreement, sustainability linked financing, with a consortium of Polish and foreign financial institutions led by Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A., Bank Polska Kasa Opieki S.A., BNP Paribas Bank Polska S.A., ING Bank Śląski S.A., (Global Banking Coordinators) and Santander Bank Polska S.A. (ESG Senior Coordinator), ING Bank Śląski S.A. and BNP Paribas Bank Polska S.A. (ESG Junior Coordinators) and including SMBC Bank EU AG, Bank of China Limited, Luxembourg Branch, Société Générale Spółka Akcyjna Oddział w Polsce, Bank Gospodarstwa Krajowego, Bank Millennium S.A., PZU Fundusz Inwestycyjny Zamknięty Aktywów

Niepublicznych BIS 1, mBank S.A., Credit Agricole Bank Polska S.A., Erste Group Bank AG, Credit Agricole Corporate and Investment Bank, Bank Ochrony Środowiska S.A., Alior Bank S.A., Powszechny Zakład Ubezpieczeń S.A., Powszechny Zakład Ubezpieczeń na Życie S.A., Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Oddział w Polsce, Haitong Bank S.A. Spółka Akcyjna Oddział w Polsce as well as Santander Bank Polska S.A. acting as an Agent and Bank Polska Kasa Opieki S.A. acting as a Security Agent (the "Senior Facilities Agreement", "SFA").

The SFA governs the granting of a PLN term facility loan to the Company and Polkomtel up to a maximum amount of PLN 7,255.0 million, a EUR term facility loan up to a maximum amount of EUR 506.0 million (the "Term Facilities") and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 million (the "Revolving Facility"). The PLN and EUR portion of the Term Loan is PLN 679.5 million and EUR 356.0 million, respectively, for Cyfrowy Polsat and PLN 6,575.5 million and EUR 150.0 million, respectively, for Polkomtel.

The Term Facilities and the Revolving Facility have been or are being utilized by the Company in particular:

- to repay in full the indebtedness under the senior facilities agreement of September 21, 2015, as amended;
- to make funds available to companies implementing investment projects defined in the Senior Facilities Agreement. and
- to finance general corporate needs of the Company's capital group.

The Term Facilities and the Revolving Facility bear interest at a variable rate equal to WIBOR/EURIBOR for the relevant interest periods plus margin. The margin of the Term Facilities and the Revolving Facility depends on the level of the consolidated total debt ratio (net debt to consolidated EBITDA) calculated jointly for certain entities from the Company's capital group in such a way that the lower the ratio, the lower the applicable margin, with the maximum margin level applicable when the debt ratio exceeds 4.50:1, and the minimum margin level when that ratio is equal to or less than 1.80:1. The margin of the Term Facilities and the Revolving Facility also depends on the achievement by the Company's capital group of certain targets concerning green energy production and zero-carbon electricity consumption by certain entities from the Company's capital group.

The term of the Term Facilities and the Revolving Facility is 5 years from the date of execution of the Senior Facilities Agreement and the final repayment date of each of these facilities is April 28, 2028. The PLN term facility will be repaid in quarterly instalments of varying amounts. The EUR term facility will be repaid in one instalment on the final repayment date.

In addition, pursuant to the terms of the Senior Facilities Agreement, the Company and other entities from its Group will have an option to take out additional facilities. The terms and conditions of such additional facilities will be determined each time in a separate additional facility accession deed and they will have to meet certain requirements that will depend on the debt ratio.

Pursuant to the Facilities Agreement, certain members of the Company's capital group are to grant guarantees under the English law to each of the financing parties under the Senior Facilities Agreement and other finance documents executed in relation thereto (in the amount of the facility increased by all fees and receivables contemplated in the Senior Facilities Agreement or other finance documents executed in relation thereto). The guarantees secure:

(i) the timely discharge of the obligations under the Senior Facilities Agreement and other finance documents executed in relation thereto;

(ii) a payment of amounts due under the Senior Facilities Agreement and other finance documents executed in relation thereto and

(iii) an indemnification of the financing parties referred to above against any liabilities, costs and losses that such financing parties may incur in relation to the unenforceability, ineffectiveness or unlawfulness of any obligation secured by the guarantee described above.

The period of the guarantees has not been specified. The guarantors will be remunerated at arm's length for granting the guarantees.

The Facilities Agreement provides for the establishment of collateral by the Company and other entities from Polsat Plus Group securing the repayment of loans granted thereunder. In the event that the debt ratio is equal to or less than 3.30:1, the Company may request to release collateral established in connection with the Senior Facilities Agreement. The released collateral will have to be re-established, if the debt ratio is higher than 3.30:1. In addition, in the event that certain entities from the Group incur any secured debt, a corresponding pari passu collateral will be provided to the Security Agent (acting, inter alia, for the benefit of the lenders under the Senior Facilities Agreement).

In order to secure the repayment of claims under the Senior Facilities Agreement, the Company and the security agent, entered into and signed agreements and other documents providing for the establishment of the following collateral:

(i) registered pledges over collections of movables and property rights of variable composition, included in the enterprise of the Company,

(ii) financial and registered pledges over all shares in Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Polsat Media sp. z o.o. held by the Company, as well as over all shares in Netia S.A. held by the Company, for which the applicable law is Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the aforementioned companies,

(iii) financial and registered pledges over the receivables related to the bank accounts of the Company, for which the applicable law is the Polish law,

(iv) powers of attorney to the bank accounts of the Company for which the applicable law is the Polish law,

(v) registered pledges over the rights to the trademarks of the Company, for which the applicable law is Polish law,

(vi) assignment of receivables for security under hedging agreements payable to the Company, for which the applicable law is English law,

(vii) assignment of rights for security under insurance agreements for real properties and assets made by the Company,

(viii) statements of the Company on submission to enforcement under a notarial deed, for which the applicable law is Polish law,

(ix) a joint contractual mortgage, governed by Polish law, over the following real properties owned by or in perpetual usufruct of the Company: (a) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00104992/7, (b) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00102149/9, (c) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00103400/4, (d) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No.

WA3M/00131411/9, (e) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00100110/3, (f) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00100109/3, (g) land property located in Warsaw, Praga Północ district, land and mortgage register No. WA3M/00102615/7, (h) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00132063/1, (i) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00101039/8, (j) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00136943/2, (k) land held in perpetual usufruct and a building constituting a separate property located in Warsaw, Targówek district, in the area of ul. Utrata, land and mortgage register No. WA3M/00186120/2.

In order to secure the repayment of claims under the Senior Facilities Agreement, the Polsat Plus Group subsidiaries of the Company and the security agent entered into and signed agreements and other documents providing for the establishment of the following collateral:

(i) registered pledges over collections of movables and property rights of variable composition, included in the enterprises of Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A. and Polsat Media sp. z o.o.,

(ii) financial and registered pledges over all shares in Polsat Media sp. z o.o. held by Telewizja Polsat sp. z o.o., for which the applicable law is Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the aforementioned company,

(iii) financial and registered pledges over the receivables related to the bank accounts of Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A. and Polsat Media sp. z o.o., for which the applicable law is the Polish law;

(iv) powers of attorney to the bank accounts of Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A. and Polsat Media sp. z o.o., for which the applicable law is the Polish law,

(v) registered pledges over the rights to the trademarks of Polkomtel sp. z o.o., Telewizji Polsat sp. z o.o., Netia S.A., Polsat Media sp. z o.o., for which the applicable law is Polish law,

(vi) assignment of receivables for security under hedging agreements payable to Polkomtel sp. z o.o., for which the applicable law is English law,

(vii) assignment of rights for security under insurance agreements for real properties and assets made by Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A. and Polsat Media sp. z o.o.,

(viii) statements of Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A. and Polsat Media sp. z o.o. on submission to enforcement under a notarial deed, for which the applicable law is Polish law,

(ix) a joint contractual mortgage, governed by Polish law, over land property located in Warsaw, Ursynów district, in the area of ul. Baletowa and Puławska, land and mortgage register No. WA5M/00478842/7, owned by Polkomtel,

(x) a joint contractual mortgage, governed by Polish law, over the following properties owned or co-owned by Netia S.A.: (a) land property located in Jawczyce, Ożarów Mazowiecki commune, land and mortgage register WA1P/00133706/7, (b) land property located in Kraków, Podgórze district, in the area of ul. Luciany Frassati-Gawrońskiej, land and mortgage register KR1P/00359665/5, (c) land property located in Warsaw, Ursynów district, in the area of ul. Poleczki, land and mortgage register WA2M/00142936/8, (d) land property located in Warsaw, Ursynów district, in the area of ul.

Poleczki, land and mortgage register WA5M/00468204/0, (e) land property located in Warsaw, Ursynów district, in the area of ul. Tango, land and mortgage register WA2M/00138733/4.

Series D, E and F Bonds

On January 11, 2023, Cyfrowy Polsat issued 2,670,000 unsecured, sustainability-linked Series D bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 2,670.0 million, maturing on January 11, 2030. On September 28, 2023, Cyfrowy Polsat issued 820,000 unsecured, sustainability-linked Series E bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 820.0 million, which were assimilated with the Series D Bonds. On December 21, 2023, Cyfrowy Polsat issued 400,000 unsecured, sustainability-linked Series F bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 400.0 million. Series D, E and F were issued with the equal maturity date of January 11, 2030.

The purpose of the issuance of the Series D, E and F Bonds was not specified. Part of the proceeds from the both issues was used to refinance the debt under the Series B Bonds and the Series C Bonds. The Series D and E Bonds were issued by way of a public offering addressed to professional clients. All Series F Bonds were allotted to one investor, i.e., PFR Fundusz Inwestycyjny Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych in a private offer, exclusively addressed only to one person. Detailed terms and conditions of the issuances, redemption and payment of interest are specified in the Series D, E and F Bonds Terms.

The interest rate on the Series D, E and F Bonds is variable and depends on both financial indicators and a sustainability-linked KPI, i.e., the share of electric energy produced from zero-emissions sources in the total electric energy usage for own needs of the four main operating companies of Polsat Plus Group (Cyfrowy Polsat, Telewizja Polsat, Polkomtel and Netia). The sustainability-linked KPI will be tested for the year 2026.

The interest rate on the Series D, E and F Bonds is based on the WIBOR rate for six-month deposits denominated in PLN, increased by a margin whose value depends on the value of the Leverage Ratio (defined in the Series D, E and F Bonds Terms as the ratio of the net financial indebtedness to EBITDA) and on the value of the sustainability-linked KPI:

(i) the margin amounts to 335 bps if the Leverage Ratio in the given period is less than or equal to 3.5:1,

(ii) the margin amounts to 385 bps if the Leverage Ratio in the given period is greater than 3.5:1 but less than or equal to 4.5:1,

(iii) the margin amounts to 435 bps if the Leverage Ratio in the given period is greater than 4.5:1.

(iv) if the value of the sustainability-linked KPI for 2026 is below 30% or the Company fails to provide a settlement of the value of the sustainability-linked KPI as part of the first Compliance Certificate made available after the end of 2026, the interest rate will be permanently increased by 25 bps.

The coupon on Series D, E and F bonds is paid biannually on January 11 and July 11.

In accordance with the provisions of the Series D, E and F Bonds Terms, the Company may exercise at any time an early redemption of all or part of the Series D, E and F Bonds, however, the early redemption may not apply to Bonds that constitute less than 10% of the total nominal value of the Series D, E and F Bonds, or all unredeemed Series D, E and F Bonds in the event that their aggregate nominal value is less than the amount indicated above. An early redemption may be exercised based on the Series D, E and F Bonds' nominal value together with the accrued interest and a possible premium for the early redemption.

If the early redemption, performed as a result of exercising the issuer's right to early redemption by the Company, occurs:

(i) before one year from the issuance date, the premium shall be equal to 3% of the nominal value of the Series D, E and F Bonds subject to the early redemption,

(ii) before two years from the issuance date but after one year from the issuance date, the premium shall be equal to 1.5% of the nominal value of the Series D, E and F Bonds subject to the early redemption,

(iii) before three years from the issuance date but after two years from the issuance date, the premium shall be equal to 0.75% of the nominal value of the Series D, E and F Bonds subject to the early redemption,

(iv) before four years from the issuance date but after three years from the issuance date, the premium shall be equal to 0.5% of the nominal value of the Series D, E and F Bonds subject to the early redemption,

(v) if the early redemption occurs after four years from the issuance date, the Series D, E and F Bonds shall be redeemed according to their nominal value,

(vi) in each case the premium shall be increased by 0.25% p.a. for the period between the early redemption date and the redemption date in the event that the SPT is not satisfied or the SPT settlement is not submitted as part of the first Compliance Certificate after the end of 2026, if the early redemption date falls after the date on which the Compliance Certificate for 2026 was delivered or was to be delivered.

Additionally, pursuant to the Series D and E Bonds Terms, the Company and its subsidiaries are obliged to maintain required levels of certain financial ratios and are subject to restrictions, with respect to (but not limited to):

(i) acquisition or taking up of shares in other companies,

(ii) extending guarantees or granting sureties, accession to debt or release from liability,

(iii) granting loans,

(iv) disposing of assets,

(v) payment of dividends or advance dividends, payment of the price for own shares, or returns of additional payment to shareholders,

(vi) incurring of financial indebtedness, and

(vii) entering into potential composition agreements with creditors which are regulated by the Restructuring Act or another regulation which could replace this law.

In the event of a breach of restrictions specified in the Series D, E and F Bonds Terms, bondholders are entitled to demand an early redemption of Series D, E and F Bonds held by those bondholders with the consent of the Meeting of Bondholders.

In the event of change of control, as defined in the Series D, E and F Bonds Terms, cessation of business activity or insolvency of the Company, i.a. by declaring bankruptcy or liquidation of the Company, culpable delay in payment of benefits under the Series D, E and F Bonds, withdrawal of all the Company's shares from trading on the regulated market operated by the WSE, or failure to convene the Bondholders' Meeting, bondholders are entitled to demand an early redemption of Series D, E and F Bonds held by those bondholders.

The Series D Bonds have been traded since January 20, 2023 and Series E Bonds since September 28, 2023 under the abbreviated name “CPS0130” in the continuous trading system called the Alternative Trading System, operated by the Warsaw Stock Exchange within the Catalyst market. The Series F Bonds are not listed on any market.

The Series D, E and F Bonds are issued under Polish law and any potential disputes related to the Series D, E and F Bonds shall be resolved in proceedings at the Polish common court having jurisdiction over the registered office of the Company.

Financing of green energy production projects

PAK-PCE Group companies have entered into investment loan agreements to finance the implementation of renewable energy investment projects in 2021-2024.

PAK-PCE Biopaliwa i Wodór Sp. z o.o. On July 1, 2022, an amendment to the loan agreement dated January 29, 2021 was concluded between ZE PAK S. A., PAK-PCE Biopaliwa i Wodór Sp. z o.o. (PAK-PCE BiW) and Bank Polska Kasa Opieki S.A., on the basis of which a loan in the total amount of up to PLN 160.0 million was transferred to PAK-PCE BiW to finance an investment project aimed at adapting the existing coal-fired unit at the Konin power plant for burning biomass. The loan is repayable in equal quarterly installments commencing June 30, 2022, with the final repayment date of December 31, 2030. The loan bears interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest period and the margin. The loan carrying value as of December 31, 2024 was PLN 109.1 million.

In order to secure the repayment of the loan granted, the following have been established and signed: (i) a mortgage on the indicated properties of PAK-PCE BiW, (ii) a financial and registered pledge on the bank accounts maintained by PAK-PCE BiW at Bank Pekao S.A. and a power of attorney for each of the above-mentioned bank accounts, (iii) a transfer for security from the insurance policies of PAK-PCE BiW's assets and an assignment of receivables from the heat supply contracts. bank accounts, (iii) assignment by way of security from insurance policies of PAK-PCE BiW's assets and assignment of receivables from contracts for heat supply to the city of Konin, and (iv) PAK-PCE BiW's statement of submission to execution pursuant to Article 777 § 1 item 5 of the Code of Civil Procedure Act.

On June 23, 2022, PAK-PCE BiW entered into a credit limit agreement with Bank Polska Kasa Opieki S.A. up to a maximum amount of PLN 25.0 million to finance the company's general corporate purposes. The credit limit agreement expires on November 30, 2025. The loan bears interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest period and a margin. As of December 31, 2024, the company had not used the limit.

PAK-PCE Kazimierz Biskupi Sp. z o.o. On September 20, 2022, PAK-PCE Kazimierz Biskupi Sp. z o.o. (formerly Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.) (PAK-PCE Kazimierz Biskupi) entered into an agreement with Bank Gospodarstwa Krajowego for an investment loan for the construction of a wind farm. The loan agreement provides for a term loan of up to PLN 135.0 million and a VAT loan of up to PLN 30.0 million. The interest rate on the loans is variable and is the sum of the WIBOR rate for the relevant interest periods and the margin. The term loan is repayable in quarterly instalments starting from June 20, 2024 and the final repayment date for the term loan is December 20, 2038. The carrying value of the investment loan as of December 31, 2024 was PLN 119.7 million.

In order to secure the repayment of the loan, the following have been signed: (i) a financial and registered pledge (subject to registration) on all shares in the share capital of PAK-PCE Kazimierz Biskupi, together with a power of attorney to exercise corporate rights from such shares, (ii) financial and registered pledges (subject to registration) on receivables under PAK-PCE Kazimierz Biskupi's bank account agreements, (iii) a registered pledge (subject to registration) on a collection of property and property rights belonging to PAK-PCE Kazimierz Biskupi, (iv) an assignment for collateral in favor of the bank of rights and receivables under, among others, an electricity sale agreement, a construction works agreement and loan agreements, (v) a subordination of receivables agreement, pursuant to which PAK-PCE's receivables from PAK-PCE Kazimierz Biskupi were subordinated to the bank's receivables under the loan agreement, (vi) a power of attorney to dispose of PAK-PCE Kazimierz Biskupi's bank accounts, and (vii) statements of PAK-PCE Kazimierz Biskupi and PAK-PCE on submission to execution under Article 777 of the Code of Civil Procedure.

PAK-PCE Miłosław Sp. z o.o. On April 20, 2023, PAK-PCE Miłosław Sp. z o.o. (formerly Park Wiatrowy Pałczyn 1 Sp. z o.o.) (PAK-PCE Miłosław) entered into an investment loan agreement with Bank Polska Kasa Opieki S.A. for the construction of the Miłosław wind farm. The loan agreement provides for a term loan of up to PLN 95.5 million and a VAT loan of up to PLN 5.0 million. On March 15, 2024, the unused loan amount of PLN 18.8 million was cancelled. The loans bear interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The term loan is repayable in equal quarterly instalments starting from June 20, 2024 and the final repayment date for the term loan is December 20, 2038. The carrying value of the investment loan as of December 31, 2024 was PLN 75.6 million.

In order to secure the repayment of the loan, the following have been signed: (i) a financial and registered pledge on PAK-PCE Miłosław's shares, (ii) a financial and registered pledge on PAK-PCE Miłosław's bank accounts and a power of attorney over each of the aforementioned bank accounts, (iii) a registered pledge on the company's assets, (iv) an assignment of contracts constituting material documentation for the project, (v) an assignment of insurance policies, and (vi) PAK-PCE Miłosław's statements of submission to execution pursuant to Article 777 § 1 items 5 and 6 of the Code of Civil Procedure Act.

PAK-PCE Fotowoltaika Sp. z o.o. On March 12, 2021, PAK-PCE Fotowoltaika Sp. z o.o. entered into a loan agreement with a consortium of banks consisting of PKO BP S.A., Bank Pekao S.A. and mBank S.A., under which the Company was granted an investment loan up to PLN 175.0 million to finance the construction of a photovoltaic farm, of which PLN 138.0 million was a term loan and PLN 37.0 million was a loan for VAT financing. The VAT loan was repaid on June 30, 2022. Pursuant to an amendment agreement dated March 31, 2023, the term loan limit was increased to a maximum of PLN 182.0 million. The loan bears interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The term loan is repayable in quarterly installments according to a payment schedule commencing on March 31, 2022 and the final repayment date is December 31, 2035. The carrying value of the loan as of December 31, 2024 was PLN 140.8 million.

In order to secure the repayment of the loan, the following have been signed: (i) mortgage on real estate, (ii) financial and registered pledge on bank accounts, (iii) financial and registered pledge on shares in PAK-PCE Fotowoltaika, (iv) registered pledge on movable assets, (v) assignment of receivables from the main contracts of the project, including the insurance policy, (vi) statement of submission to execution under Art. 777 of the Civil Procedure Code, (vii) surety of ZE PAK up to PLN 10.0 million, (vii) power of attorney to the bank accounts of PAK-PCE Fotowoltaika Sp. z o.o.

In addition, PAK-PCE Fotowoltaika Sp. z o.o. signed 3 loan agreements with ZE PAK S.A. (on March 8, 2021, March 9, 2021 and March 29, 2022) for a total maximum amount of up to PLN 9.5 million. The funds from the loans received were used for the construction of the photovoltaic farm and served to finance the company's current operations. The loans bear interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest periods and the margin. The loans mature on December 31, 2035. The total debt on the loans as of December 31, 2024 amounted to PLN 12.1 million.

PAK-PCE Polski Autobus Wodorowy Sp. z o.o. On December 22, 2022, PAK-PCE Polski Autobus Wodorowy Sp. z o.o. (PAK-PCE PAW) entered into an agreement with the National Fund for Environmental Protection and Water Management for financing in the form of a loan for the construction of a production facility for innovative hydrogen buses in Świdnik. The loan was granted for a maximum amount of up to PLN 50.0 million and bears interest at a variable WIBOR 3M rate, with a limitation of its minimum level. The loan is repayable in equal quarterly instalments in accordance with the payment schedule commencing on December 20, 2025 and the final repayment date of the loan is December 20, 2037. As of December 31, 2024, the loan’s carrying value amounted to PLN 40.0 million.

In order to secure the repayment of the loan, the following have been signed: (i) a blank promissory note with a promissory note declaration, (ii) a promissory note surety of ZE PAK S.A. with a promissory note declaration, (iii) a mortgage on the real estate where the project is being implemented, (iv) a statement of submission to execution on the subject of the mortgage, and (v) a pledge on a set of property and rights - after the investment is implemented.

On May 10, 2024, PAK-PCE Polski Autobus Wodorowy signed 10 loan agreements with PKO Leasing, each in the amount of approximately PLN 2.9 million. Their purpose is to refinance the costs of production of NesoBus hydrogen buses. The loan bears a variable interest rate - WIBOR plus a margin. All 10 loans were disbursed on September 16, 2024. All loans will be repaid in monthly instalments according to a payment schedule starting October 30, 2024, with the final repayment date no later than September 30, 2034. As of December 31, 2024, the carrying value of all 10 loans amounted to PLN 28.4 million.

The loans are secured by: (i) a blank promissory note issued by PAK-PCE Polski Autobus Wodorowy with a promissory note declaration, (ii) a guarantee by ZE PAK S.A., (iii) an assignment of movable assets, i.e. buses, under a security agreement, (iv) an assignment of rights under an insurance policy, and (v) ZE PAK S.A.'s submission to the rigors of execution under Article 777.

PAK Volt S.A. PAK Volt S.A. signed 2 loan agreements with ZE PAK S.A. to finance the company's ongoing operations: December 15, 2020 for a maximum amount of PLN 13.0 million and November 24, 2022 for an amount of up to PLN 120.0 million. The loans bore interest at a variable rate, being the sum of the WIBOR rate for the respective interest periods and the margin. The December 15, 2020 loan repaid with interest on October 2, 2023. The November 24, 2022 loan matures on December 31, 2025 and was not drawn down as of December 31, 2024.

PAK-PCE Przyrów Sp. z o.o. On October 16, 2023, PAK-PCE Przyrów Sp. z o.o. (formerly Farma Wiatrowa Przyrów Sp. z o.o.) (PAK-PCE Przyrów), entered into a loan agreement with EFG Bank (Luxembourg) S.A., which provides for the granting of financing in the form of a term loan of up to PLN 360.0 million, bearing interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The funds raised are used to implement the "Przyrów" wind power project with an estimated target installed capacity of 50.4 MW. The loan amount is secured by an external entity related to the main shareholder. The final repayment date of the loan was set for October 16, 2028. On December 20, 2024, a partial repayment of the loan of PLN 220.0 million was made. As of December 31, 2024, the loan carrying value amounted to PLN 77.4 million.

On December 19, 2024, PAK-PCE Przyrów entered into a loan agreement with IB Towarzystwo Funduszy Inwestycyjnych S.A. which provides for the granting of financing in the form of a loan of up to PLN 220.0 million, bearing interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The funds raised are used to implement the "Przyrów" wind power project with an estimated target installed capacity of 50.4 MW. The final repayment date of the loan was set for October 16, 2028. On December 19, 2024, the loan was disbursed in the amount of PLN 220.0 million. As of December 31, 2024, the loan carrying value amounted to PLN 220.5 million.

PAK-PCE Człuchów Sp. z o.o. On November 9, 2023, PAK-PCE Człuchów Sp. z o.o. (formerly Great Wind sp. z o.o.) (PAK-PCE Człuchów), executed a credit facilities agreement with a consortium of banks comprised of: BGK, mBank S.A., Santander Bank Polska S.A. and PKO BP S.A., pursuant to which, PAK-PCE Człuchów obtained a PLN-denominated term facility up to PLN 656.0 million, a revolving facility up to PLN 44.0 million and a revolving VAT facility up to PLN 100.0 million. The credit facilities will be used to finance the development of a wind farm in Człuchów. The facilities bear variable interest rates based on WIBOR for the respective interest periods plus margin. The term facility will be repaid in quarterly instalments according to a payment schedule starting March 20, 2025, with the final repayment due on December 20, 2039. The revolving facility will be repaid by December 31, 2029. The VAT revolving facility will be repaid by June 30, 2025. As of December 31, 2024, the carrying value of the term loan and VAT (combined) was PLN 605.7 million. The revolving credit facility had not been used as of December 31, 2024.

In order to secure the repayment of the loan, the following have been signed and/or established: (i) registered pledge over a collection of movables and property rights of a variable composition, being part of PAK-PCE Człuchów's enterprise; (ii) financial pledges and a registered pledge over all PAK-PCE Człuchów's shares held by PAK-PCE, with a power of attorney to exercise corporate rights attached to PAK-PCE Człuchów shares; (iii) financial pledges and registered pledges over receivables under PAK-PCE Człuchów's bank account agreements; (iv) power of attorney to manage PAK-PCE Człuchów's bank accounts; (v) contribution guarantee to be provided by PAK-PCE; (vi) cost overrun guarantee to be provided by ZE PAK S.A. Furthermore, agreements on subordination and security assignment of certain PAK-PCE's claims against PAK-PCE Człuchów to secure the financing parties' claims under the facilities agreement and related documents; security assignment of PAK-PCE Człuchów's claims under certain project documents and warranties/guarantees; direct agreements with counterparties to the agreement for the sale of electricity generated from the renewable energy source and contracts concerning financial settlements (contract for difference) were signed; and statements of submission to enforcement by PAK-PCE Człuchów and PAK-PCE were made.

Ratings

The table below presents a summary of ratings assigned to Polsat Plus Group as at the date of publication of this Report.

Rating agency	Rating / outlook	Previous rating / outlook	Rating / outlook date	Last review date
S&P Global Ratings	BB / stable	BB / stable	21.12.2022	23.01.2025
Fitch Ratings	BB / stable	BB / stable	28.05.2024	28.05.2024

Fitch Ratings. On May 28, 2024, Fitch Ratings ("Fitch") affirmed the Company's long-term issuer default rating (IDR) at 'BB' with a stable perspective. In its press release Fitch stated that the rating remains anchored on the Company's telecoms and media (TMT) operations, which account for a vast proportion of its EBITDA. In Fitch's opinion, the Company's fully integrated telecom and media profile is a distinguishing factor within its peer group of other single-market telecom operators in Europe. At the same time, the rating takes into account the diversification of the Company's operations towards renewable energy and real estate which, in Fitch's view, may result in the deterioration of the leverage profile to above the current rating thresholds in 2024. Fitch's base case forecasts envisage scope to reduce leverage over the next two years as EBITDA generation from energy investment improves while inflationary pressures cede. However, acceleration of investments in real estate could reduce the pace of deleveraging and result in negative rating pressure. In parallel, Fitch assessed that the Company has adequate access to capital.

S&P Global Rating. On January 23, 2025, following the annual review, the rating agency S&P Global Ratings has maintained the credit rating of Polsat Plus Group at the BB level with a stable outlook. In the published report, S&P forecasts stable operating performance for the Group over the next two years and predicts that the leverage (net debt to EBITDA), adjusted according to S&P's methodology, will be around 4x.

S&P expects the Group's revenue to grow at a rate of 3% to 4% annually in 2025-2026 with a lower EBITDA margin, due to expected higher costs, mainly associated with the development of the 5G network, content, and salaries. Concurrently, in its report S&P highlights the development of the green energy segment in alignment with strategic assumptions, as well as the contribution of the new operating segment to the Group's results. S&P forecasts that the Group will generate positive free cash flows (FOCF), partly due to lower than previously anticipated total capital expenditures. As a result, S&P-adjusted leverage is expected to remain at about 4x EBITDA in 2025-2026, which is in the midpoint of the rating leverage range. Additionally, S&P assessed that the Group's liquidity is adequate and headroom under financial covenants is sufficient.

The agency foresees the possibility of raising the Group's rating, if the S&P-adjusted net leverage decreases below 3.5x and the free operating cash flow (FOCF) to debt ratio sustainably increases to above 5%. On the other hand, the triggers for lowering the Group’s rating would be an increase in the S&P-adjusted net debt to EBITDA above 4.5x or sustainable negative values of the Group's FOCF to debt ratio while this ratio in the TMT business remains sustainably below 5%.

5. Factors and trends that may impact our results in subsequent periods

5.1. Factors related to social-economic and competitive environment

Impact of the military conflict on the territory of Ukraine on the Company's current operations and expected results

In the opinion of the Management Board, despite the lack of direct exposure of Polsat Plus Group to the Ukrainian, Russian or Belarusian markets, the war started by the Russian Federation may have a long-lasting effect on the operational and financial results of the Group. In particular, the war may have an adverse effect on a number of macroeconomic indicators. High inflation, high interest rates, slowdown in economic growth and disruptions in the supply of raw materials and fossil fuels may be reflected in increasing costs of our current operating activities and significantly higher debt service costs of Polsat Plus Group.

The full impact of the war caused by the Russian Federation on the operational and financial activities of both the Company and Polsat Plus Group cannot be predicted as of the date of this Report and depends on many factors beyond the Group's control.

Apart from macroeconomic and geopolitical factors, which affect virtually every branch of the Polish economy to a varying degree, the Company assesses its operating prospects as stable.

Macroeconomic outlook in Poland

Macroeconomic trends in the Polish economy as well as global market conditions affect our operations and operating results, and are expected to continue affecting them in the future, in particular with respect to the demand for advertisements, the level of expenditures on services that we provide as well as demand for end-user devices.

According to the European Commission's November 2024 forecast, Polish GDP growth is expected to accelerate in 2025. The economy, according to the Commission, will be fuelled by EU-funded public investment under the National Recovery Plan (KPO) and investment for reconstruction after last year's floods. In addition, growth is expected to be supported by rising private consumption.

As a result of the above factors, the European Commission forecasts strong economic growth in Poland compared to other countries, at 3.6% in 2025 and 3.1% in 2026. This represents an upward revision of the earlier forecast of May 2024. At the same time, the Commission revised its inflation forecasts for Poland upwards, to 4.7% in 2025 and 3.0% in 2026, due to the planned unfreezing of energy prices in 2025. Such a scenario would imply a later return to the inflation target.

In addition, the forecast assumes a stable, low unemployment rate of 2.8% in 2025 and 2026. Combined with, among others, an increase in the minimum wage to PLN 4,666 gross per month from January 1, 2025, this will, according to the Commission, further support rising household consumption.

Situation on the pay TV market in Poland

Our revenue depends on the number of our customers and their loyalty, the pricing of our services and the penetration rate of pay TV in Poland, which we consider to be a saturated market. The high level of competition and the dynamically evolving market environment (including consolidation processes on the cable TV market as well as the continued convergence of mobile and fixed-line services) impact offerings addressed to our new customers. In addition, due to high competition, we continuously invest in customer retention programs and building the loyalty of our customers.

We believe that at present our programming packages constitute an attractive value-for-money offer on the Polish pay TV market. Moreover, we invest in production and purchase of new, attractive and unique content. This gives us a chance to attract a significant portion of migrating customers to our platform. What is more, we offer pay TV services as part of our integrated offer, which has a positive impact of the level of loyalty of our customer base and contributes to maintaining a low churn rate.

Dynamic growth of non-linear distribution of content, delivered by video on demand and OTT (over-the-top) services is a global trend. In Poland, this market has been growing rapidly in recent years and its attractiveness is proved by the launch of services by global players, such as Netflix, Amazon Prime, HBO Max, Disney+ or SkyShowtime. In addition, one of the consequences of the COVID-19 pandemic restrictions has been a deepening and consolidating of pre-existing trends of consuming content at any time and on any device. In view of the above, we systematically develop our VOD and online television services and applications.

At the same time, there has been a trend in Poland to increase prices for pay TV services, which is a natural consequence of the distinctly rising costs of purchasing and producing in-house content. Retail price increases apply to basically all technologies - from traditional satellite platforms and cable offerings, through IPTV offerings, to VOD and OTT platforms. In the future, this trend may translate favourably into ARPU growth while, at the same time, it may cause a part of customers to be inclined to limit their parallel use of more forms of access to paid content.

Development of the advertising market in Poland

A significant part of our wholesale revenue comes from the sale of advertising airtime and sponsoring slots on our TV channels. Demand for advertising airtime is highly correlated with the macroeconomic situation. We expect that the development of the TV advertising market in the coming quarters and years will be influenced by the growth rate of the national GDP, which, according to the estimates of the European Commission, will reach 3.6% and 3.1% in 2025 and 2026, respectively.

In our opinion, television will remain an effective advertising medium given the relatively low level of advertising expenditures in Poland as a percentage of GDP and per capita in comparison to other European markets. We believe there is still growth potential for TV advertising in Poland in the long term. In 2023-2024, the average time spent watching TV among the surveyed population remained high, estimated at 239 to 245 minutes per day. It is worth noting that despite the growing importance of new media and the declining trend in the length of time spent watching traditional television, it is forecasted that television will still remain an attractive and popular pastime thanks to, among others, new technical opportunities and given that television remains a widely available and affordable source of entertainment for the whole family.

As of March 2024, the method of measuring out of home TV viewership has changed. Starting from September 2021, the TV audience used for advertising settlements takes into account viewing performed away from home – out of home viewership (OOH). Nielsen Media's measurement, based on a household panel, has been enriched with out-of-home viewing data collected by Gemius, which is then added to Nielsen Media's data. An audit conducted by the French auditor CESP (Centre d'Etude des Supports de Publicité) showed, among other things, that the measured out-of-home audience level was defined as a lower estimate of the phenomenon. In order to make the out-of-home viewership figures more realistic, two modifications were made to the methodology. The first modification was to change the definition of the place of residence. It was changed from a dynamic approach, where Gemius determines, on the basis of GPS coordinates (measurement carried out using smartphones equipped with a special meter), the place where the respondent watches TV most often (defined as home), to a static definition, i.e. the place declared by the respondent as home and confirmed by Gemius in a verification process. The second modification was to reduce the distance from the place of residence, defining TV viewing as out-of-home viewing, from 100 meters to 40 meters. The result of the changes is a more realistic measurement of viewing away from home, as well as greater consistency with Nielsen Media's core measurement of viewing at home. For TV Polsat Group, this means an increase in the advertising resources that can be offered to advertisers by approximately 4% in the period March - December 2024, while keeping other station parameters unchanged.

Prospects of the online advertising market are positive. According to the IAB AdEx report for nine months of 2024, online advertising expenditures in Poland increased at a rate of 16.4% YoY and reached the value of PLN 648 billion. The two main segments of the online advertising market in which we are present, i.e., display and video, were responsible for 44% of total expenditures on the online advertising market and their total value increased by 20% YoY. We believe that following the acquisition of Interia.pl Group, through which we gained a leading position on the online advertising market we are one of the beneficiaries of the development of these promising segments of the advertising market in the following periods.

Growing importance of convergent services

Convergence of services is one of the strongest trends both on the Polish media and telecommunications market and worldwide. Operators develop their bundled offerings in response to changing preferences of customers, who seek media and telecommunications services provided at competitive prices by a single operator under a single contract, a single invoice and a single fee. Given the high saturation of the pay TV and mobile telephony markets, bundled services play a very important role in maintaining the existing customer base.

In the wake of the increasing importance of convergence and bearing in mind the significant level of fragmentation of the broadband access market, it can be expected that the future shape of the Polish telecommunications and media market will be substantially impacted by consolidation trends which have been visible for a long time on more developed foreign markets, where mobile and fixed-line operators merge with content providers.

Increases in pricing of mobile telecommunications services

An important trend visible since 2019 in the Polish mobile telephony market is the gradual introduction by all major telecommunication operators of modifications to their retail services pricelists which in particular consist in increasing monthly fees in exchange for higher data transmission packages (the more-for-more pricing strategy), cancelling selected low-end tariff plans or increasing rates for connections made above package limits. These changes are driven by increased demand for data transmission, low level of prices of telecommunication services in Poland, inflationary pressure on costs of telecommunication activities and a shift in strategies of certain operators towards building customer value and fostering revenue and profitability connected, among others, with the investments in 5G network construction.

The strong inflationary pressure that is being experienced in the Polish market in years 2022-2024 was reflected in the observed adjustments of price lists introduced by telecom operators, including, among others, the implementation of inflation clauses into customer contracts, increasing subscription fees after the basic 24-month contract period, withdrawing the cheapest tariffs from the offer or raising subscription thresholds in line with the more-for-more strategy.

We expect that the above mentioned changes, in connection with increasing demand for transfer in mobile devices and persisting popularity of remote working and learning, shall translate favourably into the growth of the Polish telecommunication market in the medium and long-term.

Development of the market for new technologies and devices and the consequent increase in access to and consumption of audiovisual content

With the expansion of the new technology market, the number of mobile devices owned by consumers is growing rapidly: smartphones, laptops and tablets, or smart TVs. This is leading to a fast increase in access to, and viewing of, video content. Consumers expect providers to enable them to watch content on any screen they own, anywhere, anytime. We see this group as a potential customer segment not only for TV services, but also for opportunities to monetize our audiovisual content. At the same time, this trend will lead to increased demand from our customers for data services on mobile devices, which in turn will lead to a growing revenue stream from the sale of these services to our customers.

The successive launch of 5G networks has also allowed operators for providing a far superior mobile experience. 5G technology will make it possible to achieve speeds that will ultimately exceed 1 Gbps with minimal latency, while at the same time offering significantly higher capacity in newly built networks, which means that a greater number of terminals will be able to comfortably enjoy transmissions at the same time. However, intensive use of 5G technology will require larger data bundles, which can be offered at higher tariffs.

We expect that the above-mentioned developments, combined with the growing demand for transfers between mobile devices and the continued popularity of remote working and learning, will have a positive impact on the value of the Polish mobile market in the medium to long term.

Development of 5G technology in Poland

The 5G technology is currently at a relatively early stage of development in Europe whereas, in our opinion, it will gradually gain popularity. According to the estimates presented in the *Ericsson Mobility Report* of November 2024, the scale of penetration with this technology among users of mobile devices in the Central and Eastern Europe region will reach approximately 58% in 2030. Simultaneously, by 2030 data transmission in 5G technology is expected to account for 80% of the total data transmission in networks built in all technologies. Rapidly increasing usage of data in smartphones is to be the main driver for data transmission growth in mobile networks, with forecasted growth rate of 14% CAGR in 2024-2030 in Central and Eastern Europe and expected target level of 42 GB per month (compared to 20 GB in 2024). We want to actively benefit from this increasing demand by leveraging on our investment in 5G technology.

In Poland, the bands designated for 5G development are 3.4-3.8 GHz (the so-called C-Band), 694-790 MHz and 26 GHz, with operators able to use any of their frequency bands for 5G network development. At the end of 2023, the President of the UKE conducted a procedure that resulted in the allocation of the C-band. In March 2025, the 700/800 MHz frequency auction was completed. The 26 GHz band remains in prospect for distribution, whereas the conditions and timing of the distribution of this band are not known yet.

The auction documents for both the C-Band and 700/800 MHz auctions provide for the imposition of quantitative, coverage and qualitative network roll-out obligations on the auction winners. The 700/800 MHz auction completed on March 2025, 2025 maintains the same obligations as in the earlier 5G auction in the 3.6 GHz band, with an additional condition to provide capacity (using any frequency band) of 120 Mbps to 99% of households nationwide (excluding the areas indicated in appendix 1 to the draft reservation decisions) by the end of 2030. As a result, the four MNOs will gradually roll out their 5G networks over the next few years.

Growing demand for data transmission on smartphones

The growing popularity of smartphones is reflected in increasing demand for data transmission in the small screen equipment segment. According to estimates presented in the *Ericsson Mobility Report* of November 2024, the scale of data transmission in the Central and Eastern Europe region, to which Poland is classified, will increase from 20 GB per month in 2024 to 42 GB per month in 2030, driven also by the increasing popularity of 5G technology.

We expect that the growing popularity, availability and technological advancement of smartphones combined with improving quality parameters of mobile data transmission and the constantly expanded offer of applications and content for customers shall continue to be the driving factor behind growing demand for data transmission services.

Situation in the electricity market

The majority of our revenue from the sale of energy produced by wind and photovoltaic farms is secured by long-term PPAs, while the sale of biomass energy and electricity trading in the market are highly dependent on the level of spot and forward market energy prices and their volatility. The year 2022 was characterized by record-high energy prices and their very high volatility, as a result of the global energy crisis, fueled by the COVID-19 pandemic, followed by Russia's invasion of Ukraine and destabilization of the gas market in Europe. In 2023, electricity prices in Poland fell. The downward trend was halted in mid-2024, the second half of last year was characterised by a stabilisation of energy prices with a slight upward trend in the fourth quarter.

Volatility in market energy prices. Market energy prices affect the financial performance of the Group's various generation units in different ways. Market prices will largely determine the level of revenue from the production and sale of electricity generated by the two biomass units. PAK-PCE Biopaliwa i Wodór Sp. z o.o., which produces energy from biomass, contracts most of its production at futures market prices, supplemented by spot market sales (day-ahead market (RDN) and balancing market).

In order to reduce its exposure to energy price fluctuations, some of PAK-PCE Group's solar and wind generation companies have entered into Power Purchase Agreements (PPAs). This type of contract is intended to provide funds for the repayment of obligations to banks financing investments in renewable energy sources, which is particularly important from the point of view of managing the risk of fluctuations in electricity prices in a market environment characterized by significant price volatility.

Energy price regulation. In connection with the continuation of sate support mechanisms directed at end consumers of energy, the conduct of business activities in the field of energy trading (both in terms of electricity and gas fuels) is subject to restrictions on the prices applied to eligible entities. According to the current provisions of the Act of October 27, 2022, on extraordinary measures aimed at limiting the prices of electricity and supporting certain consumers in the years 2023-2025, maximum prices have been maintained for the most vulnerable consumers of energy, heat and gas, including households, public utility buildings, and local government units.

The Group expects that the regulations freezing energy prices for selected consumer groups in their current form will not have a significant impact on financial results in the green energy segment in 2025. This is mainly due to the profile of the customer base and the type of products offered by PAK Volt, a company engaged in energy trading within the Group.

Green certificate prices. One of our biomass sources participates in the "green certificates" support system for energy certificates of origin, i.e. PMOZE_A (a symbol on the TGE, Polish power exchange). The revenue we receive from the sale of green certificates is derived from their quantity and market price. The price of green certificates is subject to market laws, but it is also influenced significantly by regulations introduced by the legislator, in particular the so-called green certificate redemption factor. This is a factor that affects the increase or decrease in demand for certificates from entities obligated to redeem them. As a rule, an increase in this coefficient causes an increase in the price of certificates, while a decrease in the coefficient causes a decrease in the price of certificates.

Biomass prices. The biomass units owned by the Group, with a total capacity of 105 MW, produce electricity and heat using biomass as a feedstock. The Polish biomass market is highly fragmented. Certified biomass is purchased from many suppliers. Purchases are made through a competitive bidding process. It should be noted that the current biomass market does not allow for long-term price security for a large volume of supplies. Biomass supply contracts are usually signed for one year, however, the company Biopaliwa i Wodór Sp. z o.o., which operates biomass plants, is trying to gradually extend delivery terms with a guaranteed price for periods longer than one year. The price of purchased biomass has a significant impact on the profitability of energy production from this feedstock.

Seasonality and meteorological conditions affect the level of production from RES sources

Meteorological conditions, particularly wind strength and ensolation levels, are an important factor influencing the level of energy production from wind and photovoltaic installations in a given period, and thus also the level of revenue generation. The peak period of energy generation from photovoltaic farms is in the spring and summer, while wind farms record the highest level of production in the first and fourth quarters. The production volume of renewable energy sources also affects the level of spot market electricity prices. During periods of strong wind or high ensolation, with the simultaneous relatively low energy consumption, there can be a temporary drop in market energy prices (even to negative values). On the other hand, unfavourable wind or solar conditions combined with a relatively high energy demand (e.g. due to low temperatures) lead to temporary increases in market energy prices.

The risk of meteorological conditions is therefore strongly correlated with the spot market price risk, as the imbalance of the renewable energy generation companies will be settled on the balancing market, in spite of contracting. This means the purchase of missing energy or the sale of surplus energy at unknown prices, which will be determined by the meteorological conditions prevailing during the period.

In addition, during periods of very high RES energy production due to weather conditions, power system operators may use the mechanism of non-market curtailment of RES energy production in order to balance electricity supply with the demand for it, which is necessary to ensure the safety of grid operation. In this case, RES producers receive financial compensation based on the balancing market prices and not on the prices resulting from the PPAs of the RES sources.

5.2. Factors related to the operations of the Group

Proceedings concerning TiVi Foundation, the Company's shareholder

To the Company's best knowledge, proceedings are pending before the court in Liechtenstein to determine who is entitled to the rights set forth in the Articles of Association of TiVi Foundation. TiVi Foundation is an indirect shareholder of the Company, holding a block of 60.47% of the Company's shares entitling to 69.13% of votes at the Company's general meeting.

In the opinion of the Company's Management Board, the aforementioned proceedings have no impact on the operational and financial activities of the Company and Polsat Plus Group. Cyfrowy Polsat and its Group are operating stably, according to plan and in a normal operational mode. The Group's financial position is stable, and it consistently executes its strategy while meeting its obligations to financial institutions and bondholders on time.

On October 17, 2024, the Company received a notification letter from a shareholder of the Company – Reddev Investments Limited, informing that Reddev had been served with temporary injunctions obtained *ex parte* by advocates acting for Piotr Żak, Aleksandra Żak and Tobias Solorz. Concurrently, the notification states that the temporary injunctions have no force or effect in Poland and do not affect or in any way alter the ownership or management of the Company and they do not in any way affect the day-to-day operational activities of the Company or its subsidiaries.

The Company will report, to the best of its knowledge, by way of relevant reports, any further material developments in the case.

Implementation of renewable energy investment projects

The successive construction and commissioning of projects currently under construction by PAK-PCE Group companies will have a significant impact on our consolidated financial results. Due to the magnitude of the Drzeżewo and Dobra wind farms and hydrogen project, we expect a significantly higher level of capital expenditures in the coming periods related to the expansion of renewable energy production capacity and the implementation of hydrogen projects, which in turn will be reflected in the Group's net debt/EBITDA ratio. In parallel, we expect the wind and photovoltaic farms already built and in operation, together with the RES projects currently underway, to increasingly contribute to the Group's revenue and EBITDA once commissioned.

Developing an offer based on bundled services

Our bundled services offers, addressed both to our individual and business customers, enable our customers to combine products in a flexible way and benefit from attractive discounts. Furthermore, we offer a broad range of complementary services to every basic service. We combine our traditional pay TV services provided in the satellite and Internet (OTT, IPTV) technologies with VOD, PPV, Multiroom and online video services. We propose optional value added services (VAS) to our Internet access and mobile telephony services.

Thanks to the acquisition of Netia we have strengthened of our market position in integrated services. We have expanded our portfolio with a wide range of fixed-line products and services, in particular with fixed-line broadband Internet offered, among others, in fibre optic technologies. These services are provided via Netia’s own access network with approximately 3.4 million homes passed. Thanks to cooperation with wholesale partners, such as Orange Polska, Światłowód Inwestycje, Nexera, Fiberhost, Tauron, Vectra and Polski Światłowód Otwarty, Plus’ fibre optic services already reach ca. 11 million address points.

Effective use of the potential in the area of provision of integrated services and value added services to our customers, both through up-selling of single products and value added services, as well as through the sale of bundled offers and cross-selling, may significantly increase the number of services used by each individual customer, thus increasing average revenue per customer (ARPU) and concurrently maintaining the churn ratio on a low level.

Rollout of Plus’ 5G network

In 2024, our customers transferred over 2.4 EB of data as compared to over 2.2 EB transferred in 2023, which represents a 9% growth YoY. Following the development of mobile technologies and responding to the dynamically growing data transmission consumption while maintaining the highest quality of our services, we continue to develop our telecommunications network.

The Group is successively expanding its 5G network, launched in May 2020, operating on dedicated frequencies in the 2600 MHz TDD band. With ca.4,000 transmitters, Plus' 5G network already covers more than 26 million people living in over 1,320 towns and cities. In June 2023, we launched the 5G Ultra network, which is currently available to over 17 million people in Poland and offers transfer speeds similar to fibre - 1Gbps.

The TDD technology implemented at the current stage of development of our 5G network enables data transmission using one common fragment of spectrum for alternating downlink/uplink transmission. This approach offers balance between data transmission speed (up to 600 Mbps) and coverage (i.e. wide availability), while maintaining the highest quality of both parameters. With the 5G Ultra project, a 2100 MHz band in TDD technology was added to the 2600 MHz band in FDD technology, thus launching the first 5G band aggregation in Poland and achieving up to 800 Mbps transfer to the subscriber in 5G and more than 1 Gbps aggregate (5G and 4G).

In the auction of frequencies in the 3.6 GHz (C-Band) band, which ended in late 2023, operators were imposed with quantitative and coverage-quality obligations regarding network development. The quantitative commitments consist in the launch of at least 3,800 base stations by the operators who obtained the spectrum within 48 months from the date of delivery of the decision. The required coverage of the country's territory also defines quality parameters of services to be provided in terms of minimum throughput and maximum latency. Winners of the auction were required to provide throughput (using any frequency band) of 95 Mbps to 99% of households nationwide within 60 months, in 90% of the country's territory within 60 months, along 95% of national roads within 84 months, along 95% of provincial roads within 84 months, along 95% of designated railroads within 84 months, and to 24-hour border crossings within 24 months from the date of delivery of the reservation decision.

Furthermore, in March 2025, the frequency auction in the 700 MHz and 800 MHz bands, which are coverage bands dedicated to 5G in Poland, was concluded. According to the auction documentation, the operators who obtained reservations under this procedure are also subject to quantitative and coverage-quality obligations regarding network development. This auction maintains the same obligations as the previous 5G auction in the 3.6 GHz band, with an additional condition to provide capacity (using any frequency band) of 120 Mbps to 99% of households nationwide (excluding the areas indicated in appendix 1 to the draft reservation decisions) by the end of 2030.

Based on the previously held frequency resources and the reservations acquired by Polkomtel in the 3.6 GHz and 700 MHz band auctions, we will continue to develop our 5G network in terms of both quality and coverage in the coming periods in order to meet the imposed quantitative and coverage-quality obligations. The development of the Group’s mobile network access layer is carried out in cooperation with Towerlink Poland, a company belonging to the Cellnex group, based on a Service Level Agreement. The expansion of our 5G network will result in an increase in costs incurred by the Group payable to Towerlink Poland, recognized in the "Technical costs" item. At the same time, we believe that higher quality parameters of the mobile services provided by the Group will support the future revenue stream from our customers.

Development of the Group’s streaming platforms

Our Internet services and applications Polsat Box Go and Netia Go strengthen our position as an aggregator and distributor of content. We continue to develop our services using our experience in sales of pay TV, which helps us achieve synergies in terms of costs and revenues. The distinguishing element of our platforms is the unique, local content produced by TV Polsat.

Mobile video traffic is the fastest growing segment of global mobile data traffic. Bearing this in mind, we believe that online television will make an increasingly significant element of our business in the future. Therefore, we pay attention to providing users of our video services with a wide variety of attractive content. In particular, the coronavirus epidemic and the accompanying lockdowns contributed to higher interest of customers in online television offer. We think that such a trend will continue in the future and that we will benefit from it thanks to investments in the development of this segment of our operations.

Development of thematic channels

Main general entertainment channels (FTA) are experiencing a gradual decline in audience shares as a result of the high penetration level of the Polish market by pay TV which provides viewers with an increasingly greater selection of thematic channels, as well as an offer of channels available via digital terrestrial television (DTT). In turn, the advertising market share of thematic stations and channels broadcast via terrestrial television multiplexes is consistently growing.

In order to maintain total audience shares and advertising market shares, we focus on developing our thematic channels portfolio and increasing the attractiveness of content offered to our viewers. From that point of view, the initiation of cooperation and acquisitions in the field of thematic TV channels, made by the Group from 2017 to 2024, are perfectly in line with the Group’s long-term strategy to maintain a strong market presence, measured by viewership results, on an increasingly fragmented market. The channels Eska TV, Eska TV Extra, Eska Rock TV, Polo TV and Vox Music TV, acquired in December 2017, significantly strengthened the music programming of Telewizja Polsat. Moreover, in June 2018 we included Superstacja (currently Wydarzenia24), a news channel, and in May 2019 TV Okazje, a telesales channel, into our thematic channels portfolio. In turn, in September 2020 we increased our capital engagement in Nowa TV and Fokus TV channels, becoming their sole owner and, at the same time, strengthening our position among channels available via digital terrestrial television. Our most recent acquisitions include the purchase of three channels from the 4FUN family: 4FUN.TV, 4FUN DANCE and 4FUN KIDS, which target younger audiences. All of these channels have established market positions and solid viewership. On January 10, 2024, we launched a new news and current affairs channel, Polsat News Polityka, which offers viewers, among others, interviews with politicians, live broadcasts of press conferences or coverage of the Sejm (Lower House of Parliament) and Senate debates. At the same time, the Wydarzenia24 channel was moved to the national MUX1 multiplex and broadcasts under a new license.

We pay a lot of attention to creating a strong sports offering for our viewers. An important step in strengthening our position in this field consisted in entering into strategic cooperation with Eleven Sports in Poland in May 2018. By taking control over its Polish subsidiary, Eleven Sports Network, we included premium sports content of the highest quality in our retail and wholesale offering. This represented yet another strategic investment aimed at consistently creating the best programming offering for our viewers.

Investment in increasing the attractiveness of offered content and monetization of sports rights

We offer the biggest and most versatile portfolio of TV channels on the Polish market, which places us in the leading position in terms of viewership among private television groups in Poland and translates into our share in the advertising market. Our direct production covers mainly news programs, documentaries, shows and series based on international formats as well as own concepts. Moreover, we have contracts with major film studios which provide access to a wide selection of the most attractive films and series. In June 2022, we entered into cooperation with Disney+ and we are the service provider in Poland to include access to Disney+ platform in our service packages from the moment it entered the Polish market.

An important element that differentiates us on the market is a rich and unique broadcasting offer of the largest and most interesting sports events worldwide. Polsat Plus Group offers its viewers and subscribers matches from the prestigious club football competition – the UEFA Europa League and the UEFA Europa Conference League - for all distribution channels, including TV, Internet and mobile devices. These matches are broadcast on Polsat Sport Premium channels. We currently hold the license for the UEFA Europa League and the UEFA Europa Conference League up to and including the 2026/2027 season. In addition, we hold exclusive rights to broadcast Bundesliga football games until the end of the 2028/2029 season. Under the current agreement with the International Volleyball Federation FIVB, we will broadcast the most important events of world and national team volleyball until 2032. The package of acquired rights includes the Volleyball Nations League, the qualifying tournaments for the Volleyball Nations League - Challenger Cup and the men's and women's World Championships. We also have the rights to the next three editions of the European Volleyball Championships, and to the most important volleyball league competition, the CEV Champions League, up to and including the 2028/2029 season. We also hold the rights acquired from the Professional Volleyball League to broadcast Plus League and Tauron League matches up to and including the 2027/2028 season. Among other sports, we concluded agreements to broadcast ATP tennis tournaments, including the ATP Masters 1000 and ATP Finals, as well as future editions of Wimbledon, and the ORLEN Super League and the ORLEN Super League Women's Handball matches until 2030, extended the license agreement with the Polish Basketball League to broadcast the Energa Basket League until the end of the 2029/2030 season, acquired the exclusive rights to broadcast the Ice Hockey World Championships until 2029 and in the next year we will also continue to show the Diamond League's athletic myths. Through our subsidiary Eleven Sports Network we have access to attractive sports rights which nclude, among others, the prestigious Formula 1® races, as well as the Spanish LALIGA EA SPORTS, the French Ligue 1 McDonald's, the German Bundesliga and DFB-Pokal, Liga Portugal, the Belgian Jupiler Pro League and speedway matches of the Polish PGE Ekstraliga.

In parallel, we also seek to monetize TV channels from our portfolio by offering them in a wholesale offer to other entities which provide pay TV services on the Polish market. This translates positively into the level of wholesale revenue that we generate in the media segment.

Implementation of investment projects in the real estate segment

Within the operations in the real estate segment, we are pursuing, among others, development projects in Port Praski, located in the strict centre of Warsaw. In the fourth quarter of 2024, construction of a residential project located on Sierakowskiego St. was completed, with more than 71% of the 174 units sold as of the date of publication of this Report. In November 2024, the transfer of ownership of sold units was initiated. In accordance with applicable accounting principles, recognition of revenue and expenses from the sale of apartments is made when the units are delivered to customers. Accordingly, we recorded a significant positive impact from apartment sales on the Group's consolidated results in the fourth quarter of 2024 and expect this impact to continue in 2025, albeit to a lesser extent, as the purchased apartments are gradually released to customers.

5.3. Financial factors

Interest rate fluctuations

Market interest rate fluctuations do not impact our revenue directly, but they affect our cash flows from operating activities through the amount of interest on current bank accounts and overnight deposits, and also cash flows from financing activities through the Company’s and Polkomtel's costs of servicing debt. In particular, our liabilities under the SFA of April 28, 2023 and the issued bonds are calculated based on variable WIBOR/EURIBOR interest rates increased by a relevant margin.

We systematically analyse the Company’s interest rate risk, including refinancing and risk hedging scenarios. Based on these scenarios, we estimate the impact of specific interest rate fluctuations on our financial result. In order to reduce exposure to interest rate risk related to interest payments based on a floating rate, we actively apply hedging strategies based on derivative instruments, swaps (IRS and CIRS) in particular. As at December 31, 2024, transactions hedging the WIBOR interest rate changes, opened and entered into by the Group companies for future periods and maturing in different periods in the years 2024-2027, hedged around 31% of the Group's exposure in relation to the indebtedness under the PLN tranche of the SFA and the bonds issued while EURIBOR interest rate hedging transactions, maturing in 2026 and 2027, hedged about 20% of the exposure with respect to the Group's debt arising from the EUR tranche of the SFA.

Interest rate fluctuations will have a material effect (both positive and negative) on our results of operations, financial condition and prospects.

Exchange rates fluctuations

The Polish zloty (PLN) is our functional and reporting currency. The Group’s revenue is primarily denominated in PLN, whereas a portion of expenses and capital expenditures is denominated in foreign currencies.

Foreign exchange rate fluctuations affect the level of our operating costs, finance income and costs. In particular, our exposure to foreign exchange rate fluctuations stems from our foreign currency payments made in different areas of our operations. These include, among others, payments for license fees, transponder capacity, conditional access system fees, purchase of content and equipment, including phones and receiver sets, international roaming and interconnect agreements or purchase of wind turbines or photovoltaic modules.

The Group is exposed to foreign exchange risk in connection with the euro-denominated tranche of the SFA. Changes in the euro exchange rate against the zloty will result in an increase or decrease, respectively, in the zloty-denominated cash required to service interest payments on the euro-denominated tranche of the SFA, which will have a corresponding impact on the level of reported financial expenses.

Strong fluctuations in foreign exchange rates may also affect the amount of foreign exchange differences resulting from the recognition in the income statement of assets and liabilities denominated in foreign currencies, in particular the euro-denominated tranche of the SFA.

We have no control over how exchange rates change in the future, and consequently foreign exchange rate fluctuations will continue to affect (positively or negatively) our operations and financial results. Considering our open exposure to currency exchange risk, the Group has in place a market risk management policy and uses, *inter alia*, natural hedging and hedging transactions, in particular with regard to the currency risk arising from interest payments on the loan granted to the Group in EUR.

Valuation of financial Power Purchase Agreements

In recent years, the rise in market energy prices has enabled the development of renewable energy investments outside the support system, based on long-term power purchase agreements (PPAs). PPAs allow to purchase electricity directly from renewable energy producers (physical PPA) or to hedge the price of electricity against future energy prices on the Polish Power Exchange (financial PPA). A financial PPA is a financial derivative where the underlying price of electricity is settled through a contract for difference in which the parties agree on a strike price for electricity and a market reference price for the duration of the contract. Like other derivative instruments entered into by Group companies, financial PPAs are subject to periodic valuation at present value.

Due to the increasing volume of RES electricity generation by the Group's companies and the increasing use of financial PPAs by both electricity producers and consumers, the valuation of these contracts can have a significant impact on our results, in particular on gains on investment activities. The main factors influencing the valuation are the long duration of the financial PPAs (more than 10 years), changes in current and forecasted market electricity prices and fluctuations in market interest rates.

The financial PPAs are concluded both between Group companies and with third parties, so that the valuation can have different effects on the standalone results of the individual companies and on the consolidated results of the Group.

5.4. Factors related to the regulatory environment

Cap interconnect rates for termination of calls in other networks

The provisions of the European Code of Electronic Communication assume regulation of MTRs and FTRs. In line with the provisions of this directive, in 2020 the European Commission issued a delegated regulation specifying the highest levels of MTRs and FTRs that can be applied by operators in the European Union. The delegated regulation adopted by the European Commission provides for a transition period with a time schedule for reducing the rates in order to reach their assumed level in January 2024 for MTRs and January 2022 for FTRs, respectively. The time schedule for reducing the rates came into force on July 1, 2021 and is presented in the table below.

[EUR or PLN per minute]	Cap rates for termination of calls in other operators' networks in the EU from:			
	July 1, 2021 to December 31, 2021	January 1, 2022	January 1, 2023	January 1, 2024
Mobile termination rate (MTR)	EUR 0.007	EUR 0.0055	EUR 0.004	EUR 0.002
Fixed termination rate (FTR)	PLN 0.005	EUR 0.0007	EUR 0.0007	EUR 0.0007

The gradual reduction of the MTR and FTR rates implemented by the EU will impact the results of Polsat Plus Group until the end of 2024. In particular, the above mentioned regulation translates into a decrease of wholesale revenue from interconnection settlements, both mobile and fixed-line, and a decrease of interconnection costs which are recognized in our technical costs. Due to the fact that the levels of outgoing and incoming traffic in interconnection settlements are similar we expect the impact of the regulation on Polsat Plus Group's EBITDA result to remain relatively neutral.

Extension of the Rome Like at Home (RLAH) regulation

In April 2022, the regulation of the European Parliament and of the Council was published which prolonged the currently binding Roam Like At Home principle (regarding roaming costs while travelling on the territory of the European Union) until 2032.

The regulation also introduced further reductions of the maximum wholesale rates for interconnection settlements for voice call and text messages (in July 2022 and January 2025) and for Internet usage (in July 2022 and then every January in the years 2023-2027). The new price caps are, respectively:

- 0.022 EUR and 0.019 EUR per minute of an outbound voice calls.
- 0.004 EUR and 0.003 EUR per text message.
- 2 EUR, 1.8 EUR, 1.55 EUR, 1.3 EUR, 1.1. EUR and 1 EUR per 1 GB of data transmission.

The regulation also introduces obligations for operators with regard to providing connections to emergency numbers and premium rates services as well as quality of services in regulated roaming.

Changes in regulations governing the activities of telecommunications operators in Poland

Work is currently underway in Poland to implement new or amend existing regulations governing the activities of telecommunications companies. The proposed regulations may be important for the conduct of telecommunications activities in Poland, as they involve new obligations and requirements for telecommunications operators.

On July 12, 2024, the Act - Electronic Communications Law and the Act - Introductory Provisions to the Act - Electronic Communications Law were enacted, as an implementation into the Polish legal order of, among others, Directive 2018/1972 of the European Parliament and of the Council (EU) of December 11, 2018 establishing the European Electronic Communications Code. The Electronic Communications Law entered into force on November 10, 2024 and replaced the Telecommunications Law, which has been in effect for 20 years. In many aspects, the Electronic Communications Law duplicates and continues the solutions already known from the Telecommunications Law, while introducing a number of new regulatory requirements and obligations that are costly to implement, the performance of which may negatively affect the Group's financial results. For example, the financial results may be affected by new requirements and restrictions related to the prohibition on concluding electronic communication service agreements during an unannounced visit of the entrepreneur to the consumer's residence, the provision of optional debit services, or the obligation to return, at the consumer's request, any remaining recharge funds on the account, in the event of account expiration and in the event of a change of voice communication service provider.

6. Risk factors

6.1. Risk factors related to our business and the sector in which we operate

The results of our operations in the telecommunications sector depend on the ability to effectively encourage the existing customers to use a wider range of our services, to win customers from competitive telecommunication operators, as well as the ability to reduce churn

It is expected that further growth of our operations on the mature Polish telecommunication market will chiefly depend on the ability to effectively encourage existing customers to use a wider range of services offered by us, to win customers from competitive mobile and fixed-line operators, as well as the ability to reduce the churn rate. We cannot give any assurance that the measures we undertake will encourage our existing customers to use a wider range of our services or attract customers from competitive operators, or that the measures we undertake to increase customer loyalty will reduce the rate of churn or allow us to maintain a satisfactory churn rate. If we are unable to effectively manage the churn rate, we may be forced to reduce our costs to maintain satisfactory profit margins, or to take alternative steps, which could in turn result in higher costs of customer acquisition and retention.

In addition, the telecommunication industry is characterized by frequent developments in product offerings, as well as by advances in network and end-user device technology. If we are unable to keep up with technological development and provide customers with an attractive, modern portfolio of products and services, we may not be able to retain customers or the customers' retention cost may increase.

Additionally, competing telecommunication operators may improve their attractiveness for the customers, e.g. by offering their products or services at lower prices, which could make it more difficult for us to retain the current customer base, and the cost of retaining and acquiring new customers could increase.

All such events could have a material adverse effect on the results of our operations, financial condition and prospects.

The performance of our pay TV and broadcasting and television production operations depends on our customers' satisfaction, the acceptance of our programming content by viewers, as well as our ability to generate profit from our own productions or from acquired broadcasting right

We operate on markets where commercial success primarily depends on customer satisfaction and acceptance of programming content which are often difficult to predict. We strive to acquire and retain pay TV customers by providing them with access to a broad range of channels, including sports, music, entertainment, news, children's, educational and film channels, all main terrestrial television channels available in Poland, as well as HD and free-to-air TV and radio channels. Whether customers are satisfied with our programming is vital for our ability to acquire and retain pay TV customers, as well as to generate and increase customer revenue from subscriptions.

Our ability to generate advertising revenue in the media segment depends almost entirely on viewers' demand for our programs. Audience shares achieved by programs we broadcast directly affect both the attractiveness of our television channels to existing and potential advertisers and rates we are able to charge for advertising time. In the media segment, we also generate revenue from license revenues from the distribution of our paid channels to cable networks and satellite platforms operating in Poland and, to a lesser extent, abroad. Prices which we are able to receive from potential buyers of our own productions are linked to attractiveness of content.

Demand for TV programs and programming preferences change frequently, irrespective of the media on which they are carried. We might not be able to attract customers or retain customers of our pay TV services and advertisers, if we are not able to effectively predict the demand for programs or changes in audience tastes, or if our competitors prove better at such predictions. This may bring about an increase in customer churn, while in the media segment it may result in decreasing audiences for our programs and subsequent difficulties in acquiring advertisers.

To some extent, the profitability of our operations depends on our ability to produce or obtain broadcasting rights to the most attractive programs in a cost-effective manner. While costs of in-house production of television content are usually higher than the costs of purchasing third-party programs, we believe that a larger number of Polish programs broadcast on our channels will impact positively viewership results and consequently increase demand from advertisers. However, there can be no assurance that financial outlays we have made or will make in the future on Polish programming production will be fully recovered or that we will be able to generate revenue high enough to offset those costs.

Consequently, if customers do not accept our programming offer or we are unable to produce programs or acquire broadcasting rights in a profitable manner, it may have a material adverse effect on the results of our operations, financial condition and prospects. We may be unable to attract or retain customers and advertisers if we fail to conclude or extend the license agreements under which we distribute key programs

Our performance depends on our ability to acquire attractive television programs. Our pay TV customers' access to television channels depends on our purchase of licenses from TV broadcasters. In the media segment, we independently produce certain TV programs, while other TV programs and content are broadcast under license agreements. Our license agreements are usually concluded for definite periods, usually two to three years for films and TV series, and three to ten years for sports programs. Under certain circumstances, a licensor may terminate a license agreement before it expires without our consent. This is particularly likely if we fail to fulfil our obligations, including the obligation to pay license fees. In order to acquire and retain customers and advertisers, it is necessary to maintain an attractive selection of TV programs. There can be no assurance that our license agreements will be extended on equally favorable terms or that they will be extended at all, nor can we exclude the possibility that a licensor will terminate the license agreement before its agreed expiry date. In addition, we have no influence on delays in the execution of our rights under certain concluded license agreements, which may occur due to extraordinary events of a similar nature to the COVID-19 pandemic or the war in Ukraine.

Our inability to obtain, maintain, or extend important program licenses, as well as delays in the execution of our license rights may make it difficult for us to provide and offer new attractive channels and programs, which may result in losing our ability to acquire and retain customers and advertisers. This in turn may have a material adverse effect on the results of our operations, financial condition and prospects.

In the real estate segment, we are exposed to risks associated with a decrease in demand for the properties we offer, undiscovered defects and the impact of external factors, climate change or warranty claims

Our financial results in the real estate segment directly depend on the level of sales and rental prices of real estate in Poland, which is influenced, among other things, by changes in demand for the premises offered. Market volatility and deterioration of the macroeconomic situation, outflow of foreign investors from the markets of Central and Eastern Europe, limited availability of sources of financing for customers, especially mortgage loans, an increase in the supply of premises in a specific area and a change in purchasers' expectations regarding the standard, location or furnishing of premises may result in a reduction of the demand for the properties we offer.

The development projects we carry out may suffer damage due to undiscovered faults or due to the impact of external factors (e.g. floods, landslides or earthquakes). In particular, our key investment in the real estate segment - Port Praski - is located in the centre of Warsaw in the immediate vicinity of the Vistula River, which may expose it in particular to the risk of flooding. The occurrence of such events may entail the need to carry out the associated maintenance and repair work without the possibility of transferring the costs thereof to third parties. However, it should be noted that in recent years the City of Warsaw has built a flood protection embankment and Port Praski has built a lock, which allows the use of the port and is part of the flood protection for the entire Praga Północ district. These measures significantly reduce the risk of flooding.

Climate change, which has been observed with increasing intensity in recent years, such as global temperature increase, weather anomalies or increase in greenhouse gas concentrations, can have a negative impact on our development activities at every stage, from design to construction and maintenance of buildings, exposing us to additional costs associated with the need to adapt properties to dynamic climate change.

In addition, the construction, lease and sale of the property may involve claims for defective construction work repair or otherwise. We are liable to purchasers of premises under the warranty for physical and legal defects of the buildings and the land on which the buildings are built, as well as for defects in the individual premises. Possible claims of this type may have an adverse effect on the perception of the Group's business, properties and projects by target customers, tenants or investors.

The occurrence of damage due to undiscovered defects and external factors, climate change or warranty claims may have an adverse effect on the Group's reputation which, together with a decline in demand for the properties we offer, could have an adverse effect on the results of our operations, financial condition and prospects.

Our ability to increase sales of our services depends on the effectiveness of our sales network

We operate an organized and specialized Poland-wide sales network, which distributes the products and services we offer. Because of strong competition with other pay TV providers and telecommunications services providers, as well as increase in wages observed on the domestic labour market we might have to raise fees paid to our distributors, which may result in higher operating costs and probably lead to lower profit from operating activities.

Furthermore, if we decide that our distribution network requires extensive reorganization or reconstruction, we may face the need to incur substantial financial outlays. Moreover, our sales network may be subject to operational downtime in the event of extraordinary events, which could result in a reduction of our revenues. For example, in 2020, following the COVID outbreak, restrictions were imposed as a result of which part of our sales network remained temporarily closed or experienced a significantly lower volume of visits by existing and potential customers, which negatively impacted our sales during this period. The occurrence of future extraordinary events with similar effects may translate into a decline in sales of services and equipment, as well as the churn rate, and may require us to incur additional costs to reorganise our sales channels to adapt them to permanently changing customer preferences.

Any failure to maintain, expand or modify our sales and distribution network, as well as the reduced efficiency of its operation as a result of extraordinary events, may make it much harder to acquire and retain customers of our services, which may have a material adverse effect on the results of our operations, financial condition and prospects.

In our business, we depend on third-party providers for certain services, infrastructure or equipment. If these are delivered late or if they are not delivered at all our services may be delayed or even suspended

Our ability to grow our customer base depends on our ability to provide high-quality, reliable services and products. In offering products and services, we rely on a number of third-party providers of network, services, equipment and content over whom we have no control.

We collaborate with a number of third parties in providing our pay TV, broadband Internet access and mobile telephony and landline services and the ability to deliver services to our customers depends on the correct operation of the infrastructure and equipment belonging to the entities with which we collaborate.

The access layer of the mobile network infrastructure used by our customers belongs to Towerlink Poland, a company of Cellnex Group, as of July 2021. Potential disputes between this entity and the Group companies, Towerlink Poland's failure to fulfil its contracts (in particular, the detailed provisions of the Service Level Agreement), delays in concluding new orders or failure to fulfil orders concluded with Towerlink Poland in a timely manner, as well as a number of other events and factors, could result in our inability to provide high quality services to our customers, which could have a negative impact on the acquisition and retention of customers for telecommunications services, higher customer churn rates and, ultimately, the level of revenue generated from the sale of telecommunications services. Moreover, Towerlink Poland’s failure to comply with the arrangements contained in our signed Service Level Agreement could lead us to exercise the option contained in the Buyback Agreement, which provides an entitlement (but not an obligation) for Polkomtel to repurchase shares in Towerlink Poland (formerly Polkomtel Infrastruktura) for a price reflecting the fair value of the shares to be repurchased, taking into account the discount agreed between the parties. We have no assurance that the repurchase process would not negatively impact the continuity of our service provision or the satisfaction of our customers with the services we provide. We also cannot ensure that we, if required to exercise the repurchase option, would have adequate financial resources or would be able to arrange additional financing of sufficient scale and on acceptable terms, and thus we have no certainty that the exercise of the repurchase option would be effectively possible.

Our customers’ pay TV antennas are adapted to receiving signals delivered through Eutelsat S.A.’s transponders located on the Hotbird 13G satellite. In order to switch the satellite operator in the event of our failure to extend a contract, or in the event of contract termination by Eutelsat S.A., or for other reasons, we would be forced to find an alternative provider of satellite transmission capacities and potentially reposition our customers' satellite antennas, which would be a cost- and time-consuming process considering the size of our customer base.

To broadcast our terrestrial channels, we use the services provided by Emitel S.A. In parallel, with regard to pay digital TV services we rely on other third-party contractors, Nagravision and Irdeto, which provide us with conditional access systems to secure audiovisual content against unauthorized access. We regularly take steps to detect unauthorized access due to the significant risks it poses to our business and, consequently, to our revenues. In accordance with our agreement with Nagravision, when unauthorized access to our services is detected, Nagravision will replace the conditional access system with the cards provided to our customers and, if necessary, adapt the decoders to support the new system, if there is no other option. Our broadcasting services also rely on a number of third-party contractors, and we outsource a number of non-core activities (including certain IT functions) not related to our broadcasting business. These, and other services, are often central to many of our operating activities.

The provision of our services may be disrupted or interrupted if any of our contractors (or their subcontractors) is unable to, or refuses to, perform their contracted services or provide access to infrastructure or equipment in a timely manner, on acceptable terms or at all. These and other disruptions or interruptions may have a material adverse effect on our business, financial condition, results of operations or prospects.

A possibility of provision of telecommunications services depends to a large degree on our ability to interconnect with telecommunications networks and services of other telecommunications operators, including those of our direct competitors. In particular, part of our services are provided based on regulated access to Orange Polska’s infrastructure or wholesale access to networks of other wireline operators. We also rely on third-party operators for the provision of international roaming services to our customers. While we have interconnection, infrastructure access and roaming agreements in place with these operators, we do not have direct control over the quality of their networks and the interconnections and roaming services they provide, due to the fact that we do not have direct control over availability or quality of networks of these operators or interconnect and roaming services, there can be no assurance that availability and quality of services provided by such other operators will be in accordance with contract. Any difficulties or delays in interconnecting with other networks and services, the failure of any operator to provide reliable interconnections, regulated access or roaming services on a consistent basis or early termination of any of material interconnection, regulated access or roaming agreements could result in an inability or limited ability to provide services to our customers or in a deterioration of quality of the services, which in turn can lead to loss of customers or decreased usage of our services, and consequently have a material adverse effect on our performance, financial condition and growth prospects.

We are in the gradual process of implementing a new, integrated IT environment supporting sales and customer care as well as a convergent billing system for our products and services. The purpose of the implementation is to redefine and standardize the sales processes and the offers across Polsat Plus Group as well as to provide a single, consistent and effective tool which will enable management of sales and customer relations in all possible spheres. The project is implemented in cooperation with Asseco Poland S.A. which provides IT systems and, as the main integrator of the system is responsible for effecting the implementation.

Ongoing cooperation with some of the external suppliers is important for the ability to conduct uninterrupted operational activities. Should any of the major suppliers of telecommunication equipment be considered a high-risk supplier and excluded from the supply chain, the competitiveness of the market may be reduced and the price of telecommunication equipment may increase. In addition, imposing an obligation on telecommunication operators to replace hardware or software supplied by a supplier deemed to be a high-risk supplier may entail additional high costs for the replacement of such network equipment and, as a result, adversely affect the pace of construction and modernisation of the telecommunication network of the operator concerned. We cannot exclude the possibility that this fact could have a negative impact on the cost and pace of construction and modernisation of the telecommunication network used by our customers.

We also rely on agreements with external suppliers of handsets, modems and routers, external suppliers of components necessary for the production of end devices in our factory in Mielec and external providers of IT services. We do not have any control over our key suppliers and have limited influence on the manner in which these key suppliers perform their obligations under concluded contracts. There can be no assurance that these providers will not terminate their contracts with us, extend them upon expiry, extend them on the same or more favorable terms, or that we will be able to acquire the necessary equipment and services in the future from these or other suppliers, in required amounts and at the right time, or at all. Furthermore, in the event of a permanent or temporary reduction in the supply of components by external suppliers, there may be disruptions in the supply chain for imported equipment offered to our customers. Accordingly, due to dependence on third-party suppliers, we are exposed to the risk of delayed provision of necessary services or equipment or lack of such provision.

If such third-party providers do not perform their contractual obligations towards us or do not adjust to changes in requirements of the Group’s companies, or are unable or refuse to provide services or deliver infrastructure or equipment, on which the possibility of timely and economically justified provision of certain services and products to our customers depends, our customers may experience service interruptions, which could adversely affect the perceived quality of our services and products, therefore, adversely impact the brand and reputation of the Group’s companies, thus affecting the results of our operations, financial condition and prospects.

We may be unable to keep pace with new technologies used on markets, on which we operate

The technologies used in broadcasting and delivering pay TV, mobile and fixed-line telephony and broadband Internet access develop extremely quickly, which is why there can be no assurance that we will be able to introduce new and/or enhanced technologies, services and products in a fast and efficient enough way.

Compression, signal encoding and customer management systems vital to the correct functioning of our satellite center, software of set-top boxes manufactured by us, as well as other software and technologies used by us and our suppliers, must be constantly updated and replaced to match the latest technological developments. Our inability to replace obsolete technological solutions may result in disruption of our pay TV services, which may in turn cause an outflow of customers to competitors who have brought their technologies up to date.

Technological progress requires us to modify our content distribution and TV programming methods to keep pace with the changing market. New technologies – including new video formats, IPTV, Internet streaming and downloading services, video on demand (VOD), the DVB-T2/HEVC standard, set-top boxes with recording capability, as well as other devices and technologies – introduce new media and entertainment options and change the way customers receive content. This allows them to enjoy television outdoors or at any chosen time, without commercials and to a personalised custom schedule. Such technologies are growing in popularity and are becoming easier to use, yet the resulting fragmentation of TV viewers may cause a general decline in TV advertising revenues.

It is expected that certain communications technologies that are currently under development, including 5G, as well as fibre optics technology allowing for faster data transmission at lower unit costs, to become increasingly important in the markets in which we operate. Technological developments may also shorten product life cycles and facilitate convergence of various segments in the telecommunications industry. We cannot currently predict how emerging and future technological changes will affect our operations, nor can we predict whether new technologies required to support our planned services will be available when expected, if at all.

Furthermore, fixed-line broadband services are associated with a need for investments in modernization of access networks. Some market players are currently conducting large investments programs which allow to significantly increase throughput provided to end-users and increase the reach of an access network. In addition, there are programmes to support the construction of broadband fibre networks using European Union funds, as as, among others, The National Plan for Rebuilding and Increasing Resilience (KPO) and the European Funds for Digital Development (FERC) for 2021-2027.

We are not able to guarantee that the demand for our fixed-line broadband services will be sufficient to reach our revenue targets. Neither can we guarantee that the growing coverage of the less developed areas of Poland with optic fibre technologies giving the end users broader access to video content, will not adversely affect the demand for our pay TV satellite access services or wireless Internet.

Given the fast pace of technological change and customers' growing expectations, and considering the risk that our competitors may offer telecommunications products and services that are based on new technologies which are more advanced, less costly or otherwise more attractive to customers than those provided by us, we may be required to rapidly deploy new technologies, products or services. The rapid evolution of technology in the markets in which we operate and the complexity of our information technology systems, as well as a number of other factors, including economic ones, may affect our ability to timely launch new technologies, products or services. We cannot guarantee that we will correctly predict the development of new technologies, products or/and the demand for products and, therefore, that we will at an appropriate moment engage appropriate amounts of capital and resources to develop the necessary technologies, products or services that will satisfy existing customers and attract new customers. If we fail to implement new technologies, products or services or implement such new technologies, products or services too late, it may render our technologies, products or services less profitable or less attractive than those offered by its competitors. In addition, new or enhanced technologies, services or products we introduce may fail to achieve sufficient market acceptance or experience technical difficulties. We may also be unable to recover the investments it has made or may make to deploy these technologies, services and products and therefore no assurance can be given that we will be able to do so in a cost-efficient manner, which would also reduce our profitability. Moreover, we may not be able to obtain funding, in sufficient amounts on reasonable terms, in order to finance capital expenditures necessary to keep pace with technological developments and with the competitors.

Failure on our part to adapt our products and services to the changing lifestyles and preferences of our customers, or to make sufficient use of new technologies in our activities, may have a material adverse effect on the results of our operations, financial condition and prospects.

We are exposed to the risk of fraudulent activities by customers

Given the nature of the telecommunications market stemming from the manner of making interconnect settlements related to the exchange of domestic and international telecommunications traffic, incurring wholesale costs related to traffic generated by our customers when using telecommunications networks of foreign operators (roaming) and fees for sold premium services, some of our customers use telecommunications services in a way that differs from the standard method of their use by the end user, e.g. by terminating mass traffic in the network of another operator while bypassing wholesale interconnect settlements. We prevent such behavior by analyzing any abnormal traffic patterns on individual SIM cards. If such traffic patterns are identified, the card can be immediately deactivated, in accordance with the service provision regulations. However, there can be no assurance that we will be sufficiently effective in preventing this type of fraud. If we do not identify a fraud or identifies a fraud with a delay, we may be exposed to additional costs or lose some revenue due to us, which can have a negative effect on the results of our operations, financial condition and prospects.

We might be unable to maintain the good name of the major brands in our portfolio

The good name of the major brands in our portfolio, including “Polsat Box”, “Plus”, “Polsat”, “Polsat Box Go”, “Netia”, and “Interia.pl” is a significant component of Group's value. Maintaining their good name is fundamental for acquiring new and retaining existing customers and advertisers. Our reputation may also suffer if we are unable to provide existing products and services or implement new products and services due to technical faults, a lack of necessary equipment, or other circumstances. Also, the quality of our products and services depends on the quality of third-party infrastructure and services, over which we have little control. If our partners fail to observe relevant performance standards or supply faulty products or services, the quality of our products and services, as well as our good name may suffer. There can be no assurance that these or other risks, which would compromise the good name of our most important brands, will not materialize in the future. Any damage to our good name may have a material adverse effect on the results of our operations, financial condition and prospects.

Goodwill and brand values may be impaired

Following the acquisitions made in the past, in particular of Telewizja Polsat, Polkomtel, Netia, Interia.pl, Port Praski and PAK-PCE we carry considerable amounts of goodwill and intangible assets, representing brand value, on our balance sheet. We test the goodwill and brand value allocated to our business segments for impairment on an annual basis, by measuring the recoverable amounts of cash-generating units, based on value in use. Any adverse changes to the key assumptions we apply in impairment testing may have a material adverse effect on the results of our operations, financial condition and prospects.

We may lose our management staff and key employees

Our performance, as well as the successful implementation of our strategy, depend on the experience of our management staff and the commitment of our key employees. Whether we are successful in the future will depend partly on our ability to retain the Management Board members and senior managers who have made considerable contributions to the development of our Group, as well as to acquire and retain qualified employees who will ensure effective operation of our business segments. In the media and telecommunication sectors, both in Poland and worldwide, there is strong competition for highly qualified employees. Therefore, no assurance can be given that in the future we will be able to acquire or retain Management Board members, senior managers or qualified employees. Loss of our key managers or our inability to acquire, properly train, motivate and retain key employees may have a material adverse effect on the results of our operations, financial condition and prospects.

Disruptions to set-top box production may adversely affect our reputation and increase customer churn

To reduce acquisition costs of pay TV reception equipment and to be able to offer our customers the option to lease set-top boxes at lower prices, we are currently producing most of the set-top boxes we offer and deliver to our customers at our manufacturing plant in Mielec. Should any batch of the set-top boxes we have manufactured prove defective and need to be withdrawn from the market, we are under the obligation to replace the set-top boxes we have made available to our customers. Any disruption of services provided to our customers may trigger our obligation to refund subscription fees due to the inability to use the pay TV services that should be delivered using the defective set-top boxes, and to pay the stipulated damages. Furthermore, the withdrawal of reception equipment due to a confirmed epidemic defect could be harmful to our reputation.

Any problems with production of set-top boxes would force us to acquire larger numbers of set-top boxes from third-party suppliers. There can be no assurance that we will be able to purchase a sufficient number of set-top boxes from third-party suppliers when required. Furthermore, the cost of acquiring from third-party suppliers of the vast majority of set-top box models we offer could be much higher than the cost of manufacturing them at our own plant. If we were unable to obtain set-top boxes from third-party suppliers on satisfactory pricing terms, we might have to raise the prices for our customers to cover our increased expenses. Moreover, if the deliveries of set-top boxes we managed to procure were insufficient to meet the demand, our reputation among our current and potential customers would suffer. As our production of set-top boxes is based on components purchased from third-party contractors, there is a risk that we lose access to such components, for instance due to problems with the availability of these components, discontinuation of their production or changes in technologies or products. Losing access to certain components would force us to redesign our set-top boxes, which could affect continuity of their production and supplies to our customers.

Any difficulties in the production of most of our set-top boxes at our own production plant could lead to a loss of our current customers or adversely affect our ability to acquire new customers for our pay TV services. Any disruption to our set-top box production and subsequent necessity to procure more set-top boxes from third-party suppliers could adversely affect our reputation, which could have a material adverse effect on the results of our operations, financial condition and prospects.

Network infrastructure, including information and telecommunications technology systems, may be vulnerable to circumstances beyond the Group's control that may disrupt service provision

The mobile telecommunications business depends on providing customers with reliable service. The services we provide may encounter disruptions from many sources, including power outages, acts of terrorism and vandalism and human error, as well as fire, flood, or other natural disasters.

In addition, we could experience interruptions of our services due to, among other things, software bugs, hacking attacks, or unauthorized access. Any interruptions in our ability to provide services could seriously harm our reputation and reduce customer confidence, which could materially impair our ability to attract and retain customers in both the retail and wholesale segments. Such interruptions could also result in an obligation to pay contractual penalties or cause our customers to terminate their agreements or the imposition of regulatory penalties due to violations of the terms of frequency allocation. They might also result in a need to incur significant expenditure to restore the functionality of the telecommunication network and guarantee reliable services to customers.

In order to provide pay TV services to our customers, we rely primarily on our satellite center, as well as satellite transponders, customer management system, reporting systems, sales support system, and customer relationship management system. Any failure of the individual components of our satellite center, including failure of satellite transponders or any intermediate link, may result in serious disruption or even suspension of our activities for a certain period. In the media segment, the IT systems are used primarily for management of advertising scheduling, program broadcasting, and maintaining relations with advertisers. Failure of any of our IT systems may prevent us from carrying out our operations successfully, while restoring them to full working condition may require significant financial outlays.

Such events may have a material adverse effect on the results of our operations, financial condition and prospects.

We could become a party to labor disputes or experience growth of employment costs

In spite of correct relations with our employees, we may not rule out the risk of occurrence of work disruptions, disputes with employees, strikes or significant growth of labor costs in one or many of our companies. Each of the above events could prevent our ability to satisfy customer needs or lead to growth of labor costs which would reduce our profitability. In addition, any employee-related problems affecting external companies providing services or technologies to us could also have adverse impact on us if they hinder our ability to obtain the required services or technologies on time or the ability to offer the expected quality. All disruptions of this type may have a material adverse effect on the results of our operations, financial condition and prospects.

The administrative and court proceedings in which we are involved may result in unfavorable rulings

We were, and currently are, party to a number of past or pending administrative and court proceedings in connection with our business. Therefore, there is a risk of new proceedings being instituted against us in the future, outcomes of which may prove unfavourable (including those instituted in connection with claims made by organizations for collective administration of copyrights). Under Polish copyright law, from September 20, 2024 we are required to pay fees for collective administration of copyrights to organizations that collect royalties on behalf of authors of copyright-protected works we broadcast or distribute as part of our operations. Such fees are charged in accordance with license agreements signed with these organizations. Although relevant agreements are in place with several organizations for collective administration of copyrights, there is a risk that claims will be brought against us by other such entities. Regarding the mandatory mediation by collective management organizations for copyright and related rights introduced in 2024, we are currently in discussions with their representatives. At present, both the collective management organizations and other pay-TV operators and providers of on-demand audiovisual media services are adapting to the new legal situation. We are in turn a party to administrative and court proceedings, including the ones which have been initiated by regulators, competition and consumer protection office, tax authorities as well as disputes and court proceedings involving third party entities.

Any unsuccessful court, arbitration and administrative ongoing and future proceedings may have an adverse effect on the results of our operations, financial condition and prospects.

Should any claims related to the infringement of third-party intellectual property rights be brought against us, we may be forced to incur substantial expenses to defend against those claims, to acquire a license for a third-party technology, or to redefine our business methods to eliminate the infringement

Our business success depends largely on third-party intellectual property rights, particularly rights in advanced technologies, software, and programming content. No assurance can be given that we have not, or that we will not in the future, infringe any third-party intellectual property rights although we exercise due diligence to avoid such situations. Any such infringement may result in claims for damages being brought against us by third parties. We may also be placed under an obligation to obtain a license or acquire new products which would enable us to conduct our business in a non-infringing way, or we may have to expend time, human and financial resources to defend against claims of infringement. Expenditure on defending against intellectual property infringement claims or obtaining necessary licenses, and the need to employ time and human resources, including the management staff, to handle issues related to absence or infringement of intellectual property rights, may have a material adverse effect on the results of our operations, financial condition and prospects.

Our own intellectual property rights and other means of protection may not adequately protect our business, and insufficient protection of our programming content, proprietary technologies and know-how may cause profit erosion and customer churn

A large proportion of our products make use of proprietary or licensed content, delivered to the customers and the viewers through our broadcast channels, interactive TV services, and pay TV. We establish and protect our property rights on distributed content relying on trademarks, copyrights, and other intellectual property rights, but no assurance can be given that these rights will not be challenged, revoked or disregarded.

Even if our intellectual property rights remain in full effect, no assurance can be given that our protection and anti-piracy measures will successfully prevent unauthorized access to our services and theft of our programming content. Furthermore, our proprietary content and the content we use under licenses may be accessed, copied or otherwise used by unauthorized persons. The risk of piracy is particularly harmful to our media segmentand the distribution of paid content. Media piracy is a problem well known in many geographies, including Poland. Technological advancements and digital conversion of multimedia content are powerful incentives for pirating, as they enable the production and distribution of high-quality unauthorized copies, recorded on various carriers, of pay-per-view programs delivered via set-top boxes, license-free or free-to-air transmissions on television or the Internet. This is further exacerbated by the difficult enforcement of the laws governing copyright and trade-mark infringements on the Internet, which compromises the protection of our intellectual property rights in that medium. Unauthorized use of our intellectual property may adversely affect our operations, harming our reputation and undermining our trading partners' confidence in our ability to properly protect our proprietary and licensed content, which in turn may have a material adverse effect on the results of our operations, financial condition and prospects.

Our broadcasting licenses may be revoked or may not be renewed

Our business operations in the media segment require that we obtain licenses issued by the National Broadcasting Council (KRRiT). These licenses may be revoked or may not be renewed.

To keep our TV broadcasting licenses, we must comply with the applicable laws and the terms and conditions of the licenses. Failure to comply with the applicable laws or breach of the terms and conditions of a broadcasting license, especially with respect to the period within which we must commence broadcasting of a channel, could lead to the license being revoked or a fine being imposed on us. Our broadcasting licenses may also be revoked if we are found to be conducting activities in violation of the applicable laws or the terms and conditions of our broadcasting licenses, or we fail to remedy such violation within the applicable grace period. In addition to license revocation, there is also a risk that licenses granted by KRRiT will not be renewed.

If any of our broadcasting licenses are not extended, are revoked or extended on unfavorable conditions, the Group may be forced to suspend the provision of some services temporarily or permanently, may be unable to offer services based on a particular technology or may have to incur substantial expenditure, all of which may have a material adverse effect on the results of our operations, financial condition and prospects.

Our current frequency allocations may be revoked or may not be renewed on acceptable terms or at all

We base our business activities in mobile telecommunication services, on acquired radio frequency reservations. All frequency allocations (including those for the media segment) have been issued to us for a definite term. There can be no assurance that our frequency allocations will be extended prior to their expiry. In particular, pursuant to the Electronic Communications Law, the President of UKE may refuse to extend or revoke frequency allocations if he decides that the terms of use of the allocated frequencies has been repeatedly breached, used ineffectively, or if particular circumstances occur which jeopardize the state defense abilities, state security or public order, or if revocation of the frequency allocations follows from the necessity to ensure equal and effective competition or substantially better use of frequencies, especially if the extension of the allocation would lead to excessive frequency concentration at the given capital group.

To maintain our frequency allocations, we must comply with the terms of the allocation, as well as relevant laws and regulations. Any breach of those terms, laws or regulations, including in particular failure to pay frequency allocation fees, may cause the allocation to be revoked and penalties to be imposed on the given allocation owner. In particular, given that the regulations and laws governing the Polish telecommunications industry are very complex and often change, there can be no assurance that we will not breach any laws or regulations related to frequency allocation or any terms of such allocation.

If any of our frequency allocations is not extended, is revoked or extended on unfavorable conditions, we may be forced to suspend the provision of some services temporarily or permanently, may be unable to offer services based on a particular technology or may have to incur substantial expenditure in order to be able to provide services to customers based on frequencies from other bandwidths, all of which may have a material adverse effect on the results of our operations, financial condition and prospects.

In particular, we currently hold frequency allocations in the 900 MHz, 1800 MHz, 2100 MHz, 2600 MHz and 3400-3500 MHz bandwidths. These allocations are fundamental for the roll-out of our mobile telecommunications network. Our competitors have taken a number of steps (initiated administrative and judicial/administrative proceedings), some of which are still pending, involving frequencies in the 1800 MHz band.

No assurance can be given that if we lost certain frequency allocations on the basis of which we provide telecommunication services, we would be able to gain access to sufficient alternative frequency band resources on satisfactory terms or at all, and failure to obtain access to such resources could have a negative impact on the implementation of business strategies and consequently a material adverse effect on the results of our operations, financial condition and prospects.

The spectrum of radio frequencies available to the mobile phone industry is limited and therefore we may not be able to obtain new frequency allocations

The ability to maintain existing and implement new or improved mobile technologies and our ability to successfully compete on the telecommunications services market partly depends on our ability to obtain further radio frequency resources. The size of the spectrum of radio frequencies available for allocation in Poland is limited, and the process of obtaining allocations is long and very competitive.

The Group's inability, or limited ability, to obtain access to frequency bands important for further development of our operations (on favorable terms or at all), including maintaining the existing or implementing new or improved mobile technologies, or obtaining such access by competitors, including new participants of the national mobile telecommunication market, if any, can have a material adverse effect the results of our operations, financial condition and prospects.

We may not be able to reap the expected benefits of the past or future Group's acquisitions and strategic alliances

Whether the Group will be able to reap all expected benefits from past or future acquisitions or strategic alliances may depend on various factors, including our ability to implement our strategy of integrating business processes leading to noticeable income and cost synergies on acquisitions or strategic alliances. Through acquisitions or strategic alliances, the scale of our business continues to grow and we make efforts on a day to day basis to integrate the business processes of the target companies within the Group structure, as well as other actions aimed at consummating the benefits of strategic alliances. If we are unable to attain all or some of our goals, the benefits from past or future acquisitions or strategic alliances, including the estimated income or cost synergies, may deviate from the plans or may fail to be obtained in full or at all, or obtaining them may take longer than anticipated.

It cannot be ruled out that the process of integration of business processes after past or future acquisitions, or the implementation of past or future strategic alliances may result in losing key employees, disruptions to our day-to-day business in some business areas and incoherencies in standards, procedures or policies, which might adversely affect our ability to maintain the existing relations with third parties and employees or our ability to obtain the expected benefits from past or future acquisitions or strategic alliances. In particular, in order to achieve all expected benefits from our past or future acquisitions or strategic alliances, we need to identify and optimize some areas of our business and assets across the whole organization. Our inability to achieve all or any expected benefits from our past or future acquisitions or strategic alliances, as well as any delays in the integration processes related to past or future strategic alliances may have an adverse effect on us. Furthermore, the integration may require additional, unanticipated costs and the benefits of acquisitions or strategic alliances may never the consummated.

All these factors may have a material adverse effect on the results of our operations, financial condition and prospects.

Key risks associated with production and distribution of hydrogen

The hydrogen sector, both in Poland and globally, is relatively underdeveloped due to the innovative nature of the technology, which means that economies of scale may take several years to materialize. The small number of suppliers in the hydrogen sector results in limited opportunities for order diversification. In order to mitigate this risk, it is necessary to systematically conduct detailed and comprehensive technology analyses before placing orders. Due to the high demand for hydrogen technology components, such as equipment for stationary hydrogen refuelling stations, mobile hydrogen refuelling stations or hydrogen trailers, it is also necessary to place orders well in advance.

The Group is currently incurring significant capital expenditures related to the implementation of technology and infrastructure for the production of green hydrogen in the process of electrolysis. In principle, the price of green hydrogen depends on the market cost of electricity, but we believe that the production of green hydrogen based on electricity from our own renewable energy sources, will allow us to largely mitigate the risk of exposure to fluctuations in market energy prices.

Regulatory risks in the hydrogen sector are mainly focused on regulatory changes. The Polish Hydrogen Strategy until 2030 sets the main goals for the development of the hydrogen economy, but specific regulations and financial incentives are needed. Without a stable regulatory environment and support both from Polish and EU legislation, the development of this market may be hampered. Regulatory changes may affect, among others, the regulations related to the construction and operation of hydrogen production facilities and hydrogen refuelling stations, which could have a significant impact on the timing and cost of project implementation. To reduce the impact of this risk, current regulations are monitored and planned changes at the national and European level are analyzed. The most important factor influencing the dynamics of the green hydrogen market is regulation in the area of decarbonization of the economy - the degree of its restrictiveness has and will have a direct impact on the degree of demand for green hydrogen from industries that use large amounts of fossil fuels (coal, oil and gas) today.

6.2. Risk factors associated with the Group’s financial profile

The servicing of our debt is very cash-intensive, and our debt servicing liabilities may impair our ability to finance the Group's business operations

Our Group uses large financial leverage. Our debt liabilities from loans and bonds increased significantly following the past acquisitions, in particular the acquisition of Telewizja Polsat, Polkomtel, Netia and PAK-PCE and completion of the related financial transactions. In addition, our Strategy 2023+ includes the development of new businesses, such as investments in renewable energy sources, which are also financed by debt.

Our ability to service and repay debt depends on future results of our operations and our ability to generate sufficient cash flows to pay these and other liabilities, which in turn depends, to a significant extent, on the general economic situation, financing terms, monetary and fiscal policy of the Polish government, market competition, acts of law and secondary legislation, and a number of other factors which are often outside of our control. If our future operating cash flows and other capital resources prove insufficient to repay our liabilities as they fall due or cover our liquidity requirements, we may lose our property, plant and equipment which serve as security for the repayment of our debts, or we may be forced to restrict or postpone certain business and investment projects. dispose of assets. incur more debt or raise new capital. or restructure or refinance our debts, in part or in full, at or prior to their maturity. The terms and conditions of our debts limit our ability to take the above measures. Therefore, we cannot guarantee that they will be taken on commercially reasonable terms, or at all, if need arises.

Also, the refinancing of our debt on unfavorable market terms would require us to pay higher interest margins or observe more stringent covenants, which could further restrict our business activity. If our debt financing increased, the related risks would also increase. Moreover, any significant adverse change in financial market liquidity, resulting in tighter lending terms and debt or equity financing constraints, may restrict our access to financing sources and increase our borrowing costs, which could significantly affect our ability to achieve and manage liquidity, raise additional capital, or restructure or refinance our existing debt.

The SFA of April 28, 2023, Series D, E and F Bonds Terms provide for a number of restrictions and obligations (including maintaining specified financial ratios and the achievement of sustainable development goals), limiting the Group's ability to incur new debt for financing future operations or to pursue business opportunities and activities that may be in our interest.

If our debts are not repaid in accordance with the terms of the SFA or the Series D, E and F Bond Terms, or fail to comply with any other material obligations contained in the documents referred to above, such breach may result in a breach of other agreements or debt instruments, which include cross-default or cross-acceleration clauses. The debt under the aforementioned titles may become immediately payable, and we may not have sufficient funds to repay all our liabilities. Our inability to generate sufficient cash flows to service our debt, or to restructure or refinance it on commercially reasonable terms (or at all), may have a material adverse effect on our business, financial condition, results of operations or prospects.

We may need to incur a significant amount of new debt in the future. In particular, the terms and conditions of the SFA, Series E Bonds Terms and Series F Bonds Terms impose certain limitations on, but do not prohibit us from, incurring new debt or other liabilities. In particular, a high level of debt may (i) limit our ability to repay our liabilities under the SFA, Series D, E and F Bonds or other liabilities. (ii) require us to apply a considerable portion of operating cash flows towards debt repayment, restricting the availability of cash used to finance our investment activities, working capital, and other corporate needs and business opportunities. (iii) reduce our competitiveness relative to other market players with lower debt levels. (iv) affect our flexibility in business planning or responding to the overall unfavorable economic conditions or to specific adverse developments in our sector. and (v) impair our ability to borrow new funds, increase our borrowing costs and/or affect our equity financing capacity. In consequence, any additional debt would further reduce our ability to secure external financing for our operations, which may have a material adverse effect on the results of our operations, financial condition and prospects.

We might be unable to refinance our existing debt, secure favorable refinancing terms, or raise capital to finance new projects

We are exposed to risks related to debt financing, including the risk that the debt will not be repaid, extended, or refinanced at maturity, or that the terms of such extension or refinancing will be less favorable. In the future, we may need to increase our share capital if our operating cash flows are insufficient to ensure financial liquidity or fund new projects. Depending on our capital requirements, market conditions, and other factors, we may be forced to seek additional sources of financing, such as debt instruments or a share offering. If we are unable to refinance our debts on reasonable terms, or at all, we may be forced to sell certain assets on unfavorable terms, or to restrict or suspend certain activities, which could have a material adverse effect on our financial condition and performance. Our inability to secure external financing could force us to delay or abandon new projects, which could have a material adverse effect on the results of our operations, financial condition and prospects.

We might be unable to repay our debts In the event of a change of control of the Company as defined in the SFA and the Series D, E and F Bond Terms

In the event of a change of control of the Company within the meaning of the SFA and the Series D,E, and F Bond Terms we are under the obligation to repay liabilities arising from the above financing documents. Moreover, if a change of control takes place, our ability to repay our debt will be limited by the level of available funds at the time. There can be no assurance that those funds will be sufficient to repay outstanding debts. In view of the above, we believe that in the case of change of control over the Company, we would require additional external financing in order to repay the debt.

Limitations arising from our contract obligations could make it impossible for us to repay the credit facilities or secure external financing if events constituting a change of control actually occur. Any breach of those limitations may lead to a default under other contracts and acceleration of other debts, which could have a material adverse effect on the results of our operations, financial condition and prospects.

6.3. Risk factors associated with the market environment and economic situation

We are exposed to the effects of the regional or global economic slowdown

We derive almost all our revenues from telecommunication services customers, pay TV customers and TV advertisers in Poland. Our revenue depends on the amount of cash our existing and potential customers can spend on entertainment, communication services and telecommunications equipment. If the economic conditions in Poland deteriorate or there is prolonged inflationary pressure of a supply-side nature, consumers may be willing to spend less on entertainment, communication services and telecommunications equipment, which may have an adverse effect on the number of our customers or on our customers' spending on our services and products. In addition, continued inflationary pressures may result in an increase in the cost of our day-to-day operations, thereby reducing the profit margins we achieve. Lower consumer spending caused by economic recession or increase in inflation may also lead existing and potential customers to choose cheaper versions of our service packages or to discontinue using the services and the equipment we offer. The foregoing factors may have a material adverse effect on results of our operations, financial condition, and growth prospects.

Lower advertising spending in Poland may have a material adverse effect on our revenue and the growth prospects of our business in the media segment. Slower GDP growth in Poland usually negatively impacts advertising spending. Moreover, as many of our advertisers are global companies, the global economic downturn, even if it has no direct effect on Poland or its effect on the Polish economy is not as significant as in other countries, as well as economic slowdown in Poland, may force customers to cut their advertising budgets in Poland, which will have a negative impact on the demand for advertising services in Poland. A decrease in our advertising revenue may force us to adjust the level of our costs to lower revenues. As adjustments of the cost base to market conditions are not generally sufficient to fully offset the effect of lower revenue, the consequences of such risk factors may include a reduced profitability, lower quality of our programs, or limited number of programs broadcast by us, both our own productions and content purchased from third parties. Any constraints on the quality or quantity of our programming may result in the loss of audience share both to our competitors and to alternative forms of entertainment, which in turn may affect the attractiveness of our offering to potential advertisers and sponsors.

The results of our operations in the real estate segment are also to some extent dependent on the current economic situation in Poland. In the event of an economic downturn, consumers may postpone decisions to buy or lease real estate, or may not be able to obtain the financing necessary to purchase or lease real estate. As a result, we may see a reduction in the ability to sell real estate and a decrease in the rents earned from rental properties. This, in effect may reduce our revenues derived from the real estate segment's operations or lead to the need to revaluate our real estate assets.

Moreover, the worsening of the macroeconomic conditions across the world, as well as possible uncertainty regarding the future economic situation, may have, among others a negative impact on the Group’s ability to acquire sufficient financing on the global capital markets or the cost of obtaining and servicing such financing.

In view of the above, the worsening of macroeconomic conditions in Poland or across the world may, as a result, have a considerably adverse impact on the financial situation, results of our operations and growth prospects of the Group.

We are exposed to the effects of extraordinary events such as a pandemic, epidemic or war

Our operations may be reduced as a result of extraordinary events, such as the announcement of a state of epidemic or pandemic or the start of an armed conflict in our region. Temporary restrictions have been put in place in the past to combat the COVID-19 pandemic, such as restrictions on movement, organization of events and meetings, entertainment activities, operation of shopping malls or quarantine obligations. The future introduction of restrictions of a similar nature in connection with the occurrence of extraordinary events may lead to a significant reduction in the the functioning of the economy and, as a result, entail negative effects like an economic slowdown or recession, which could negatively affect our operating activities and financial results.

The military conflict in Ukraine could have a significant and long-lasting impact on the global, European and Polish macroeconomic environment. In particular, as a result of a sudden reduction in the availability of raw materials, oil, steel, gas or biomass and fossil fuels, a sudden economic slowdown and deepened inflationary pressures occured. These phenomena translate adversely into demand for our services, the cost of conducting current operations, as well as the possibility of carrying out certain investments. At the same time, continuing inflationary pressure may cause the monetary authorities to further tighten monetary policy, which may affect the cost of servicing our debt or the ability to raise additional financing. We are not able to predict development of events in Ukraine or their long-term impact on the global and regional economy and, consequently, on our operations and financial results.

In view of the above, the occurrence of extraordinary events such as a pandemic, epidemic or war and the introduction of related restrictions on the functioning of society and the economy may have a significant adverse impact on our financial position, results of operations and development prospects.

The Polish telecommunications industry is highly competitive

We face strong competition in all of its core business areas, especially from telecommunication operators, in particular: Orange Polska, T-Mobile Polska and Play. There can be no assurance that our current customers will not find the offerings of those operators more attractive.

A shift in the business model of mobile telecommunications network operators in Poland, whereby competing providers of telecommunications services would form joint ventures or strategic alliances, or launch of new types of services, products and technologies may additionally intensify competition on the telecommunications services market. The situation on the telecommunications market in Poland may also change significantly as a result of potential acquisitions or intensify if new mobile telecommunications operators enter the market or if broadband Internet access services are offered by entities other than mobile telecommunications operators.

We face growing competition from entities offering non-traditional voice and data transmission services which rely on the VoIP technology, such as instant messaging (e.g. WhatsApp, Messenger), or video conferencing platforms (eg., Zoom, Teams), through which customers who use only mobile data transmission or fixed Internet access can be provided with voice and video services, usually at prices lower than traditional voice and data transmission services. To this end, such entities use, among other things, the possibility to provide services via existing infrastructure, belonging to telecommunication operators, so as to avoid having to implement capital-intensive business model themselves. Continued growing popularity of these services may lead to a decrease in ARPU per customer and the customer base of telecommunications operators, including the Group’s one. It can be expected that in the future the Group will also have to compete with providers of services supported by communication technologies which currently are at an early stage of development or which will be developed in the future. The Group's existing competitors as well as new players on the Polish market may introduce different new services or telecommunications services based on better technologies than those currently used by the Group before such services are introduced by the Group, or may offer such services at more competitive prices. Mobile virtual network operators (MVNO) also compete with traditional mobile telecommunications network operators.

The Group’s ability to effectively develop its operations on the Polish telecommunications services market may be also adversely affected by the imposition of new regulatory requirements or new fees or payments on entities operating in Poland, further legal changes, or the regulator's policy designed to increase the competitiveness of the telecommunications services market.

Moreover, the high rate of mobile voice penetration and the highly consolidated nature of the Polish mobile telephony market may result in increased pricing pressure and our ability to compete effectively will depend on our ability to introduce new technologies, convergent services and attractive bundled products at competitive prices. It cannot be ruled out that we will be forced to reduce prices for certain products and services in response to the pricing policies of our major competitors, which may have an adverse effect on our future revenue and profitability.

Group's reduced competitiveness and increased pricing pressures could have a material adverse effect on the financial situation, results of our operations and growth prospects of the Group in the future.

Our operating results in media segment depend on the importance of television and Internet as advertising media

In 2024, ca. 67% of the revenue generated by our media segment came from sale of advertising time and sponsored time slots on our TV channels and Internet media. The Polish advertising market sees television competing with other advertising media, such as the Internet, newspapers, magazines, radio, and outdoor advertising. In view of the continuing growth in the importance of online advertising in Poland, we are consistently developing our online advertising channels, however, the vast majority of our advertising revenues come from TV operations. There can be no guarantee that TV commercials will maintain their position on the Polish advertising market, or that changes in the regulatory regime will not favor other advertising media or other broadcasters. The growing competitive pressure among advertising media, higher spending on thematic channels, and the development of new forms of advertising may have an adverse effect on TV advertising revenue generated by our media segment, and thus on our operations, financial condition, performance, and cash flows.

Our potential advertising revenue depends on several factors, including the demand for and prices of advertising time. No assurance can be given that we will be able to respond successfully to the changing preferences of our viewers, which means that our audience share may decrease, which may adversely affect demand for our advertising time and our advertising revenue. eThe diminishing appeal of TV as a whole, and our own channels in particular, attributable both to higher interest in other forms of entertainment and to the declining importance of television as an advertising medium, may have an adverse effect on the results of our operations, financial condition and prospects.

Due to the strong competition in the television market, we cannot guarantee that in the future customers using our services and advertisers will use our offer and not the services offered by our competitors

The Polish television market is characterised by strong competition and we are therefore unable to guarantee that in the future we will achieve satisfactory revenues from pay TV subscriptions and television advertising in comparison to our competitors. Our current and potential competitors may have greater financial and marketing resources that will enable them to more effectively attract customers and advertisers for their services.

Our main competitor in the satellite TV market is the Canal+ platform. We also compete with broadcasters using other transmission technologies, such as terrestrial television, cable television and internet television. We also expect increasing competition from joint ventures and strategic alliances entered into by satellite TV providers, cable TV providers and telecommunications operators. We are also competing with local and foreign competitors entering the Polish market in the form of OTT services and applications based on providing all types of content, especially video.

Our main competitors in the TV advertising market are other broadcasters such as TVN (Warner Bros. Discovery Group), a commercial broadcaster, and TVP - a broadcaster financed to a significant extent from public funds, which by definition fulfils the mission of public television. In relation to the fulfilment of the public television mission, TVP has restrictions on interrupting individual programmes and films with advertisements. Any changes to TVP's restrictions on the transmission of advertising may intensify competition from TVP and reduce our advertising revenues. In addition, we will be forced to compete with existing TV broadcasters and potential new entrants for the the granting of licenses for terrestrial and satellite television broadcasting in Poland. The loss of customers and advertisers to our competitors could have a material adverse effect on results of our operations, financial condition and prospects.

We face competition from entities offering alternative forms of entertainment and leisure

Technological progress, as well as a number of various other factors expose our operations to growing competition for the time and form of customers' leisure and entertainment activities. In particular, we compete with entities offering such alternative forms of leisure and entertainment as streaming, cinema, radio, home video, printed media, as well as other non-media forms of leisure, including live events. New technologies, such as video on demand (VoD), Internet streaming and downloading, have broadened and may continue to broaden the selection of entertainment options available to existing and potential users of our services. The media market is witnessing a trend of changing preferences in the way content is consumed, with a gradual shift away from linear television, especially among younger generations. In particular, increasing activity of foreign players operating in the OTT model, e.g. Netflix, Amazon Prime, Max, Disney+ or SkyShowtime. These platforms are increasingly investing in Polish-language content and local productions, enhancing the appeal of their offerings to Polish audiences. The growing variety of leisure and entertainment options offered by our current and future competitors may bring about a decrease in demand for our products and services, and weaken the effect of television as an advertising medium. This may have a material adverse effect on the financial situation, results of our operations and growth prospects of the Group in the future.

In the green energy segment we face the risk of growing competition in the area of energy generation from renewable sources

The renewable energy market attracts interest from investors who may compete with the Group due to its potential and potential returns. The intensification of this competition as well as increased investment in the sector by established companies and start-ups, could result in demand for photovoltaic and wind farm projects exceeding supply, which would have a negative impact on the selling prices of the projects.

It should be noted that the vast majority of energy market players have the development of RES-based capacity in their strategic plans. A general trend towards zero-carbon technologies, but also a lower barrier to entry compared to other technologies (e.g. conventional or nuclear), is a motivating factor for such activities. Therefore, it is expected that competition in this market segment will increase. PAK-PCE operates in the field of RES and is in the process of developing more photovoltaic and wind farms. It cannot be excluded that investments in the construction of photovoltaic and wind farms, as well as the acquisition of existing projects, will be of interest to foreign companies with experience in this field gained in other European and world markets.

Increased activity of other companies in the renewable energy market may make it more difficult for PAK-PCE to access attractive sites and increase the cost of acquiring them. It should also be mentioned that as the installed capacity of individual weather-dependent technologies (such as photovoltaics and wind turbines) in the system increases, the supply of energy produced during periods of high wind or sunshine increases, which, in the absence of demand-side flexibility, has a negative impact on spot market prices. High energy supply during periods of high wind and sunshine and low energy supply during periods of low wind and sunshine increase balancing costs. The above factors could have a material adverse effect on the Group's business, financial condition and results of operations.

6.4. Factors relating to market risks

When conducting its business operations, the Group is exposed to a number of financial risk factors, including:

- credit risk,
- liquidity risk,
- market risk, including currency risk and interest rate risk.

The Group's risk management policies are designed to reduce the impact of adverse conditions on the Group's results.

The Management Board is responsible for oversight and management of each of the risk factors that the Group is subjected to in its activities. Therefore, the Management Board has established an overall risk management framework as well as specific risk management policies with respect to market, credit and liquidity risks.

Detailed information about the Group's and Company's exposure to each of the above risk factors, the objectives and processes for measuring and managing risk were presented in Note 41 to the Company's consolidated financial statements for the financial year ended December 31, 2024 and in in Note 37 to the Company's standalone financial statements for the financial year ended December 31, 2024.

Market risk management

We employ an active approach to managing a market risk exposure. The objectives of market risk management are to: (i) limit fluctuations in profit/loss before tax. (ii) increase the probability of meeting budget assumptions. (iii) maintain a healthy financial condition. and (iv) support the process of undertaking strategic decisions relating to investing activity, with attention to sources of capital for this activity.

All the market risk management objectives should be considered as a whole, while their realization is dependent primarily upon the internal situation and market conditions.

We apply an integrated approach to market risk management. This means a comprehensive approach to the whole spectrum of identified market risks, rather than to each of them individually. The primary technique for market risk management is the use of hedging strategies involving derivatives. Apart from this, we also use natural hedging to the extent available.

All of the potential hedging strategies and the selection of those preferred reflect the following factors: the nature of identified market risk exposures, the suitability of instruments to be applied and the cost of hedging, current and forecasted market conditions. In order to mitigate market risk, derivatives are primarily used. We transact only those derivatives for which we have the ability to assess their value internally, using standard pricing models appropriate for a particular type of derivative, and also these which can be traded without significant loss of value with a counterparty other than the one with whom the transaction was initially entered into. In evaluating the market value of a given instrument, we rely on information obtained from particular market leading banks, brokers and information services.

We are permitted to use the following types of instruments: swaps (IRS/CIRS), forwards and futures and options.

Currency risk

One of the main risks to which we are exposed is the currency risk resulting from fluctuations in exchange rate of the Polish zloty against other currencies. Revenues we generate are denominated primarily in the

Polish zloty, while a portion of operating costs and capital expenditures are incurred in foreign currencies. The Company's currency risk is associated mainly to royalties to TV and radio broadcasters (USD and EUR), transponder capacity usage agreements (EUR), fees for conditional access system (EUR and USD) and purchases of reception equipment and accessories for reception equipment (USD and EUR). After the purchase of Telewizja Polsat and the significant expansion of its offer by sport content which require the acquisition of certain licenses, the currency risk exposure is also associated to purchases of foreign programming licenses. After the purchase of Polkomtel the currency risk exposure is also associated to agreements with suppliers of stock, mainly mobile phones, and suppliers of telecommunication network equipment (EUR and USD), roaming and interconnect agreements and rental of office space (various currencies). Following the takeover of the PAK-PCE Group, foreign exchange risk also arises from contractual obligations in connection with the development of photovoltaic and wind farms or hydrogen projects, including the supply of components, goods or installation services.

In respect of license fees and transponder capacity usage agreements, the Group partly reduces its currency risk exposure by means of an economic hedge as it denominates receivables from signal broadcast and marketing services in foreign currencies.

We do not hold for trading any material assets denominated in foreign currencies.

The SFA dated April 28, 2023, which we entered into with a syndicate of banks, provides, among others, for the granting of a EUR-denominated loan tranche to the Company, and therefore there is exposure to foreign currency risk under the financing agreements in place.

We have no means to influence the foreign exchange rates fluctuations and any adverse change of foreign exchange rates to PLN may translated to a significant increase of our costs expressed in PLN, and that may have a material, adverse effect on our performance, financial condition and prospects.

Interest rate risk

Changes in market interest rates have no direct effect our revenues, however they do have an effect on net cash from operating activities due to interest earned on overnight bank deposits and current accounts, and on net cash from financing activities due to interest charged on bank loans and bonds.

We regularly analyse a level of interest rate risk exposure, including refinancing and risk minimising scenarios. Based on these analyses, we estimate the effects of changes in interest rates on its profit and loss.

In order to reduce interest rate risk exposure resulting from interest payments on the floating rate senior facility, the Company and the Group stipulated interest rate swaps and currency interest rate swaps for which hedge accounting was adopted. In order to reduce interest rate risk exposure resulting from Polkomtel Group's floating rate senior facilities, the Group also uses interest rate swaps and currency interest rate swaps, and for these the hedge accounting was not adopted.

Interest rates fluctuations may affect our ability to repay current liabilities and have a material adverse effect on our performance, financial condition and prospects.

6.5. Risk factors associated with the legal and regulatory environment

The complexity, lack of clarity, and frequent amendments of Polish tax laws may lead to disputes with tax authorities

Tax laws in Poland are complex, unclear and subject to frequent and unpredictable changes. Frequent amendments in the tax laws and contradicting legal interpretations among the tax authorities result in uncertainties and lack of consistency in the tax ordinance, which in fact lead to difficulties in the judgement of the tax consequences in the foreseeable future. In consequence, the application of tax law in practice is accompanied by controversies and interpretation disputes which usually need to be resolved by administrative courts, and even their judicial practice is notoriously inconsistent. The Polish tax laws also includes the so-called General Anti-Avoidance Rule (“GAAR”), intended to prevent artificial legal arrangements designed mainly to obtain tax benefits, and a number of detailed regulations intended to combat tax evasion which are often formulated using non-defined or inaccurate notions or criteria.

Given the frequency of changes in the Polish tax laws and the fact that such changes can be retroactively applied in practice, as well as the existence of inconsistencies and lack of uniform interpretation, and considering the relatively long limitation periods applying to tax liabilities, the risk of misapplication of tax laws in Poland may be greater than in the legal systems of more developed markets. Accordingly, there is a risk that we may fail to bring certain areas of our activity in compliance with the frequently amended tax laws and the ever-changing practice of their application.

Therefore, no assurance can be given that there will be no disputes with tax authorities or that the tax authorities will not see the tax consequences of the Group’s business transactions differently than the Group, and, consequently, that tax authorities will not question the correctness of the Group companies' tax settlements on non-statute-barred tax liabilities (including conformity with the taxpayer's obligations), and will not determine the existence of tax arrears of such Group companies. Any unfavorable decisions, interpretations (including changes to any interpretations obtained by the Group companies) or rulings by tax authorities may have a material adverse effect on the results of our operations, financial condition and prospects.

Tax authorities may question the accuracy of intra-Group and related-party settlements under applicable transfer pricing regulations

In the course of their business, the Group companies enter into transactions with their related parties within the meaning of the Corporate Income Tax Act. Related-party transactions, which guarantee that the Group's business is run efficiently, include inter-company rendering of services and sale of goods. When entering into and performing related-party transactions, the Group companies take steps to ensure that terms and conditions of such transactions are consistent with the applicable transfer pricing regulations. At the same time, it cannot be ruled out that Group companies may be subject to inspections, audits or tax proceedings by the competent tax authorities with respect to the foregoing. The nature and diversity of transactions with related-parties, the complexity and ambiguity of the regulations governing methods of verifying the prices applied, dynamic changes in market conditions affecting the calculation of prices applied in such transactions, as well as the difficulty in identifying comparable transactions, the risk that the methodology used to determine arm's-length terms for the purpose of such transactions is questioned by tax authorities cannot be excluded, and therefore tax authorities may question the accuracy of the model of settlements implemented by the Group companies with respect to transactions with related parties under applicable transfer pricing regulations, which may have material adverse effect on the results of our operations, financial condition and prospects.

Assessment of tax effects of the Group’s restructuring activities by tax authorities may differ from assessment of such activities by the Group

The current composition of the Group is a result of consolidation, restructuring and other transactions involving assets of considerable value, implemented over the recent years by and between the Group’s companies. Those activities had an effect on the tax settlements not only of the companies directly involved in such consolidation, restructuring and other transactions involving assets of considerable value, but also of their respective members or shareholders.

Despite monitoring the risk in individual business areas, with respect to completed and planned restructuring activities, no assurance can be given that the tax authorities will not have a different assessment of tax effects of individual restructuring events and transactions, both completed and planned, in particular with respect to the possibility, manner, and timing of the recognition of income and tax-deductible expenses by entities participating in such events and transactions, or that financial terms of such activities will not be questioned, which may have a material adverse effect on the results of our operations, financial condition and prospects.

The tax regime applicable to our operations and the sectors in which we operate create numerous uncertainties

The tax regime applicable to transactions and events typical for our operations and the sectors in which we operate are a source of numerous interpretation uncertainties. Among others, there is uncertainty as to the interpretation of income tax laws with respect to the possibility, manner, and timing of recognition of income and tax-deductible expenses on individual transactions and events and the requirements for their documentation, or the rules of calculation, withholding and remittance of the withholding tax. Also, VAT legislation is characterized by vague and complex regulations, particularly where it concerns goods and services subject to the tax, the tax rate, tax base or time at which the tax liability or right to deduct input tax arises with respect to transactions subject to VAT. Further, Polish tax legislation does not provide unequivocal rules regarding imposition of other taxes, including property tax (in particular with respect to the determination of tax base and taxable property) and custom duties.

Given that Polish tax laws are frequently amended, inconsistent, and lack uniform interpretation, and considering the relatively long limitation periods on tax liabilities, there is a risk that our selected operations may not be harmonized with the changing legal (including tax) regulations and their changing application.

Despite monitoring the risk in individual business areas, there can be no guarantee that disputes with tax authorities regarding assessment of tax effects of individual events and transactions typical for our operations and the sector in which we operate will not occur, and consequently that the tax authorities will not question the correctness of tax settlements on non-statute-barred tax liabilities of Polsat Plus Group entities (including conformity with the taxpayer's obligations), and will not determine the existence of tax arrears of these entities. There is also a risk that tax authorities may question financial terms of individual events and transactions. This may have a material adverse effect on the results of our operations, financial condition and prospects.

The Group's companies are subject to legal regulations (including tax legislation) in force in different jurisdictions

Given the international structure of the Group, its companies are governed by legal regulations (including tax legislation) in force in different jurisdictions. Therefore, in view of such dissimilar legal frameworks, there is a risk that the Group will interpret local legal regulations (including tax legislation) in a way which is divergent from their construction by the tax authorities of the countries where the Group conducted, conducts and will conduct business. The diversity of legal regulations by which individual companies are bound may give rise to internal problems within the Group, including problems with respect to the law governing legal relations between the Group's entities. Another aspect of the relationship between the Group companies which may raise doubts is the application and interpretation of double-tax treaties concluded between countries in which the companies conducted, conduct or will conduct business. An additional risk factor are the regulations introduced in 2021 for hybrid structures (ATAD 2 Directive). The lack of clarity on the interpretation of the regulations and the breadth and multidimensionality of the operations carried out by the Polsat Plus Group may result in a different tax interpretation of the arrangements and events reported by the individual Group's companies to the relevant tax jurisdictions.

At the same time, in many cases the legal regulations (including tax legislation) in countries where the Group conducted, conducts and will conduct its business are frequently ambiguous and there is no single or uniform interpretation or practice followed by local tax authorities. Additionally, the tax legislation (including the provisions of applicable double-tax treaties) in the countries where the Group companies conducted, conducts and will conduct business, may be subject to change. The practice adopted by the local tax authorities in respect of particular tax regulations may change as well, even retroactively.

Therefore, no assurance can be given that there will be no disputes with tax authorities in countries where the Group conducted, conducts and will conduct its business, and consequently that the tax authorities will not question the correctness of the Group companies' tax settlements on non-statute-barred tax liabilities, and will not determine the existence of tax arrears of such Group companies, which may have an adverse effect on the results of our operations, financial condition and prospects.

Pending or future tax inspections, tax and customs inspections, tax proceedings and other reviews of the Group companies to which Group companies are parties conducted by Polish tax authorities or local tax authorities abroad may result in additional tax liabilities in the countries where the Group conducted, conducts and will conduct its business (in particular in Poland)

The Group companies are and may again be in the future subject to tax inspections, tax audits, tax proceedings or verifications conducted by Polish tax authorities. At the same time, there are or may be activities related to the verification of the correct implementation of the tax obligations of the Group's companies by local tax authorities in the jurisdictions where the Group conducted, conducts or will conduct its business. Such activities, to which Group companies are or will be parties conducted by Polish tax authorities or local tax authorities in the jurisdictions where the Group conducted, conducts or will conduct its business (in particular in Poland) may result in the tax authorities challenging the correctness of the Group companies' settlements of outstanding tax liabilities (including, in the jurisdictions where this is applicable, the proper performance of the Group's obligations as a tax remitter) and in assessing tax arrears for these companies.

In particular, as at the date of this Report, the Company is party to tax proceedings before Polish tax authorities, in which the authorities challenged the Company's right to apply the exempt from the obligation to collect the withholding CIT on certain license payments.

Due to the foregoing, it should be assumed all future tax inspections and other reviews conducted against Group companies or tax proceedings to which Group companies are parties conducted by Polish tax authorities or local tax authorities in the jurisdictions where the Group conducted, conducts or will conduct its business, may result in additional tax liabilities in the jurisdictions where the Group conducted, conducts or will conduct its business (in particular in Poland). The costs related to such tax inspections, reviews or tax proceedings as well as any additional payments on account of taxes, may have a significant, adverse effect on revenues, performance, business, condition or development prospects of the Group, and thereby have a significant, adverse effect on our business performance, financial condition and prospects.

We are exposed to changes of Polish law which may adversely affect labor costs

The regulations relevant to the determination of the level of remunerations and labor costs have been recently undergoing profound changes which will affect the level of our costs of employment as well as our ability to employ employees in the future. In particular, on September 14, 2023 the Council of Ministers adopted a regulation on the minimum salary in 2024, setting it at PLN 4,242 as of January 1, 2024 and PLN 4,300 as of July 1, 2024.

Additionally, starting from 2019 selected Polish enterprises (including Polsat Plus Group) have been obliged to launch Employee Capital Plans, a form of pension schemes which envisage additional financial contributions from the employer. In addition, starting from January 2022, the Polish tax system has undergone comprehensive changes including, among other things, an increase in the health contribution without the ability to its deduction from the tax base, which can effectively result in the amount of actual net remuneration received by part of our employees.

All changes affecting the remunerations and costs of labor will have an effect on our ability to employ new employers, the level of remuneration costs incurred as well as the level of external services provided by external providers procured outside the Group, which may have a material, adverse effect on our business performance, financial condition and prospects.

There can be no assurance that in the competition and consumer protection authorities will not deem – despite our different assessment – the practices we use as limiting competition or violating the Polish consumer protection laws

Our operations are reviewed by institutions of competition and consumer protection: the President of the Polish Office of Competition and Consumer Protection (UOKiK) and, with respect to any anti-competitive practices which may affect trade among Member States - the European Commission, to ensure that we comply with Polish and European laws prohibiting practices that limit competition or Polish regulations prohibiting infringements of collective interests of consumers, such as for example providing inaccurate information to customers, dishonest market practices or use of abusive contract clauses. As a general rule, our operations are subject to the assessment of the President of the Polish Office of Competition and Consumer Protection (UOKiK). If the regulator finds any of our practices or contract clauses to be in conflict with Polish or European competition and consumer protection laws, we may be subject to fines and our reputation could be harmed. In addition, if such practices or clauses are considered abusive, the President of UOKiK prohibits their application, may impose a fine and define the measures to remedy the subsisting effects of breaching the prohibition and compel us to take actions in order to amend the contracts already concluded with consumers.

In addition to the prohibition of particular practices, the President of UOKiK could impose on us a cash fine of up to 10% of our revenue generated in the financial year immediately preceding the year in which the fine is imposed. Agreements or other legal actions which implement anti-competitive practices are invalid by operation of law in full or in part. Similar regulations, including the European Commission's right to impose a fine up to 10% of the annual revenue, apply to infringements of the European competition protection regulations. The President of UOKiK may also compel us to pay public compensation to consumers, who were affected by the practices in question or apply other measures. Fines of up to PLN 2 million may also be imposed on our managing persons, if through their actions or omissions, they permitted a breach of the prohibition from entering into agreements limiting competition. Moreover, if we, even unintentionally, fail to provide the President of UOKiK with the required information or provide misleading information, a fine of of up to 3% of the revenue generated in the financial year preceding the year in which the penalty is imposed may be imposed on us.

Any decisions by the President of UOKiK or by appeals bodies confirming our infringement could also result in claims for damages by consumers, contractors and competitors. The potential amount of such claims is difficult to assess but may be significant. If any of our practices or contract terms are deemed to be in conflict with Polish consumer protection laws, the Company may be subject to fines and its reputation could be harmed, which could have a material adverse effect on our business performance, financial condition and prospects.

In addition, expansion of consumer protection legislation or case law in this field, could increase the scope or scale of our potential liability or the scope of consumer rights. Such events may have a material adverse effect on the results of our operations, financial condition and prospects.

We may violate the acts of law and regulations governing our satellite TV distribution business as well as telecommunications, TV broadcasting, advertising and sponsoring activities, which are subject to periodic amendments

We are required to comply with Polish and EU laws, which impose limitations on the conduct of our business. Our operations are extensively regulated by government authorities and market regulators, especially the President of the Office of Electronic Communications (UKE) and the National Broadcasting Council (KRRiT), the bodies responsible for overseeing compliance with the Polish Act on Television and Radio Broadcasting, the Electronic Communications Law, and the terms of our broadcasting licenses. Decisions by the President of UKE, the Chairperson of KRRiT, or other regulators may place certain restrictions on the way in which our business can be run.

The President of UKE supervises our telecommunications operations, as well as TV broadcasting and production. As part of our telecommunications services, we mainly provide mobile voice services, broadband Internet access as well as certain wholesale services to other operators. Telecommunications enterprises operating in Poland are subject to a number of legal and administrative requirements having a direct impact on their business, both in relations with individual and business customers (for instance, by specifying the scope of customers' rights or the content of standard terms and conditions for the provision of electronic communications services, setting rules for settlements in international roaming services, caps for pricing of international services or restricting the maximum time for which contracts can be concluded with customers) and wholesale customers (for instance, by imposing MTR and FTR caps or defining caps for rates used in roaming traffic settlements). Media segment is in turn overseen by the President of UKE for compliance with the terms of licenses and frequency allocations assigned by the President of UKE for the purposes of TV broadcasting services. In the event of our non-compliance with any provisions of the Electronic Communications Law, companies from the Group may face a fine from the President of UKE of up to 3% of revenue generated in the year preceding the year in which such fine is imposed.

The KRRiT regulations primarily affect our operations in the media segment. As a TV broadcaster operating in Poland, we have to observe a number of legal and administrative requirements related to such matters as broadcasting time, programming content, and advertisements. Furthermore, KRRiT undertakes regular checks to ensure that our operations conform to the terms of our broadcasting licenses, provisions of the Polish Act on Television and Radio Broadcasting, and its own internal guidelines. In the event of our non-compliance with any applicable regulations, we may face a fine from KRRiT of up to 50% of the annual fee for the right to use the frequency designated for terrestrial broadcasting and, if we do not pay the fee for the right to use such frequency, a fine of up to 10% of the revenues generated in the previous fiscal year, taking into account the scope and degree of harmfulness of the violation, our past activities and our financial capabilities.

The regulatory regime for the broadcasting industry is subject to frequent changes, and so there can be no assurance that such future changes will not have an adverse effect on our channel mix, ability to attract advertisers or the way in which our business is run.

In future, our pay TV business may be subject to zoning, environmental or other regulations that will place restrictions on where satellite antennas may be deployed. We may also have to deal with pressures from local communities regarding deployment of our satellite antennas. Any such legal restrictions or conflicts with local communities related to the deployment of our satellite antennas may render our pay TV services less attractive, leading to a fall in customer numbers.

Non-compliance with valid law or with the regulations issued by regulatory bodies may have material adverse effect on the results of our operations, financial condition and prospects.

Operations of companies belonging to Polsat Plus Group are subject to a number of legal regulations and requirements of awarded frequency allocations which could be amended in the future

As a mobile and fixed telecommunications network operator, we are subject to a number of laws and regulations, in particular those regulating maximum rates charged for specific telecommunications services, those related to ensuring effective competition, non-discrimination, transparency in telecommunication services prices, reporting, data protection and national security. Any potential breach of the applicable laws or terms of frequency allocations may in certain cases result in penalties imposed on us, loss of reputation, inability to obtain new frequency allocations or even loss of current frequency allocations. Furthermore, future changes in our Group's regulatory environment may be disadvantageous to our business, for instance by increasing its costs.

An important and active role in ensuring the observance of telecommunications laws and regulations by entities operating in the telecommunications market in Poland is played by the regulators of the Polish telecommunications market, including in particular the President of the Office of Electronic Communications (UKE). The President of UKE has a number of regulatory and supervisory powers, including those with respect to provision of electronic communications services and managing radio frequency and orbital slot resources. If the President of UKE determines that a relevant market is not sufficiently competitive, the President may designate one or more telecommunications providers as a provider with significant market power (SMP) in such market and impose on such provider(s) certain regulatory obligations, such as an obligation to accept requests from other telecommunications providers for the provision of telecommunications access and the obligation to prepare and submit a draft framework offer for telecommunications access to serve as a basis for cooperation between a provider with SMP and its competitors. Polkomtel has been designated as holding SMP in certain relevant markets at the wholesale level. As a result, Polkomtel is required to meet strict regulatory obligations on the wholesale markets of call termination to a public mobile telecommunications network and of call termination to a public fixed line network. As part of its continued provision of telecommunications services in Poland, Polkomtel is also regularly reviewed by the President of UKE to ensure that it has complied with the terms of the licenses and frequency allocations granted by the President of UKE. If the President of UKE was to declare that Polkomtel breached a provision of the Electronic Communications Law, the company could be forced to pay a fine of up to 3% of the revenue it generated in the year prior to the imposition of the fine and it could be prohibited from providing further telecommunications services in Poland.

The President of UKE may also designate one or more network operators to guarantee the provision of universal services (including voice and broadband access, and customer network access) which may then apply to the President of UKE to be compensated by the other telecommunications operators, on the justified net costs basis.

Group's operations are also supervised by the President of the Office of Competition and Consumer Protection, the Personal Data Protection Office, and other agencies.

Violation of the laws or terms of frequency allocations applicable to our business may expose us to costs, penalties, sanctions or claims as a result of potential violation of such requirements or laws that, in turn, could have a material adverse effect on the results of our operations, financial condition and prospects.

Operations of companies belonging to Polsat Plus Group are subject to a number of legal regulations related to energy generation from renewable sources

In Poland, the electricity generation segment is heavily influenced by the current legislation governing the industry. The regulations cover, among others, requirements for the implementation of investments, access to the electricity grid, but they can also have a significant impact on the level of market prices.

The basic legal acts applicable to entities generating and trading electricity in Poland are the Energy Act, the Renewable Energy Sources Act, the Environmental Protection Act, which defines the principles of sustainable use of the environment, and the Wind Energy Investment Act. According to the Energy Act, the generation and trading of electricity, subject to the exceptions specified in the Act, require a license issued by the President of the Polish Energy Regulatory Office (URE). Licenses are issued for a fixed term, not less than 10 years and not more than 50 years. In certain situations, the President of the URE may revoke a license, in particular if an energy company grossly violates the conditions set out in the license or other conditions for carrying out licensed activities. In addition, the President of the URE may revoke a license or change its scope, inter alia, in case of a threat to the defence or security of the state or the safety of citizens, in case of a division of an energy company or its merger with other entities, as well as in case of failure to fulfill certain obligations under the Energy Act. A revocation or change in the scope of the license under which the Group's companies operate could have a material adverse effect on the Group's business and financial results.

In connection with the implementation of the acquisition of shares in PAK-PCE, the general provisions of the investment and construction process and the specific provisions of the Wind Power Investment Act will apply to the activities of the Group's entities, particularly to the investment process involving the creation of new photovoltaic and wind power installations. Accordingly, as part of this process, selected Group companies will be required to obtain, among others, decisions on environmental conditions, decisions on development conditions, water permits, construction permits and occupancy permits. In certain situations, the construction of a new photovoltaic and wind power plant may require either the adoption of local zoning plans or an amendment to the local zoning plan to accommodate the planning requirements for this type of investment. In certain situations, a particular Group company may not obtain the required administrative decisions (due to possible protests by the local community or regulatory restrictions) or the administrative process in this matter may be prolonged, which could have a negative impact on the further development of the Group's business and its financial performance. The implementation of investments in renewable energy sources is also associated with the need to enter into a number of agreements to secure legal title to the land on which such an installation is to be made, which means that the financial expectations of many landowners must be met and potential non-market expectations taken into account.

In addition, the war-related volatility of electricity sales prices in the European markets resulted in ad hoc regulatory decisions, imposed at the European Union level and locally, aimed at limiting in the short term the increase in energy sales prices from producers (set separately for each electricity generation technology) and the level of sellers' margins, thereby limiting the increase in costs for sensitive consumers or households, among others. There can be no guarantee that these ad hoc regulations will not continue in the future or that new regulations will be introduced that will limit the possibility of free pricing of electricity sales on the market and thus affect the ability to generate revenues and margins from the production and sale of energy from biomass, photovoltaic installations or wind farms.

The realization of the above situations may adversely affect the Group's operations, which may have a material adverse effect on the Group's financial results.

Risks related to environmental regulations

Producers of electricity from renewable energy sources are required to comply with relevant environmental laws (including those of the European Union), both in Poland and abroad. These laws regulate, among others, emissions of pollutants, wastewater, protection of soil and groundwater, and the health and safety of humans and wildlife. Failure to comply with laws, regulations and other environmental requirements could subject Group companies to significant fines or even shutdown. Some equipment used in photovoltaic and wind farms, such as transformers, contain substances that can cause environmental contamination in the event of a malfunction or accident.

Compliance with applicable laws and regulations involves certain costs, and potential violations of such laws and regulations and the resulting potential imposition of penalties by the relevant governmental authorities may adversely affect the business, financial condition and results of operations of the Company and the Group companies.

Risks related to administrative proceedings in the scope of real estate development and construction law

Our investment activities in the real estate segment involve the need to obtain numerous decisions and administrative permits. Only after this stage is completed we move on to the design phase and then the construction of the designed facilities.

Obtaining the relevant administrative acts is often associated with lengthy administrative proceedings, which creates the risk that we will not be able to complete the particular phases of the investment within the assumed deadlines. In particular, there is often a delay in issuing a construction permit resulting from, among others, a delay in issuing an environmental decision or refusal to issue such a decision by the relevant authorities, which causes additional administrative and court proceedings to be initiated. This has a negative impact on the economics of such an investment. Accumulation of this could have an adverse effect on the results of our operations, financial position or prospects.

No assurance can be given that we will not breach any personal data protection laws or regulations, or that we will not fail to meet requirements imposed by the President of the Personal Data Protection Office and we may incur pecuniary penalties for non-compliance with GDPR

In the course of its business the Group companies gather, keep and use customer data which are protected by personal data protection regulations. Therefore, since May 25, 2018, the companies, as personal data processors, are required to comply with the Regulation of the European Parliament and of the Council (EU) 2016/679 of April 27, 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (“GDPR”).

GDPR has elevated the standards required of personal data administrators and the entities processing personal data on their behalf, and authorized the competent authorities to impose pecuniary penalties of up to EUR 20 million or 4% of total global turnover for the past year on personal data administrator and entities processing personal data on their behalf. It has also authorized the competent authorities to temporarily or indefinitely impose a complete ban on personal data processing.

If the solutions that we implement in order to protect personal data prove ineffective, it may result, for instance, in a disclosure of customer personal data either as a result of a human error, wilful, unlawful misconduct by third parties or failure of IT systems, or it result in inappropriate use of such data in other ways. A breach of the personal data regulations and the Polish Personal Data Protection Office may result in imposing pecuniary penalties on us, as well as a loss of customer confidence and thus have a material adverse effect on our business, financial condition or development prospects.

We also use external providers, cooperate with external partners, agents, suppliers and other external entities, therefore we are unable to entirely rile out the risk of a malfunction of the systems involved in the processing or transmission of restricted information in these entities. A breach of the personal data regulations by us or by those entities may result in imposing pecuniary penalties, as well as in a loss of reputation and loss of customers and in consequence have a material adverse effect on the results of our operations, financial condition and prospects.

7. Other significant information

7.1. Transactions concluded with related parties on conditions other than market conditions

Transactions with parties related to Polsat Plus Group in 2024 have been concluded exclusively on market conditions and are described in Note 45 of the consolidated financial statements for the year ended December 31, 2024.

7.2. Achievement of previously published forecasts

Pursuant to Article 35 of the Bonds Act, the achievement of forecasts regarding the development of financial liabilities, including the estimated value of financial liabilities and the estimated structure of financing, understood as the value and percentage share of liabilities from loans and borrowings, bonds and leasing in the total liabilities and equity of the Company's balance sheet and the consolidated balance sheet of the Group has been presented in Note 32 of the standalone financial statements of the Company for the year ended December 31, 2024 and in Note 35 of the consolidated financial statements for the year ended December 31, 2024.

The Company did not publish forecasts for other financial results.

7.3. Information on sureties and guarantees granted by the Company and its subsidiaries

In connection with the implementation of investment projects in the green energy segment by its subsidiaries, the Company provided guarantees of a significant value for the execution of contracts for the implementation of individual wind farm projects, in particular contracts for the supply and installation of wind turbines concluded with Vestas Poland S.A. As of December 31, 2024, the total value of guarantees and warranties provided to Vestas Poland S.A. for wind farm projects amounted to EUR 175.7 million, with maturity dates in 2024 to 2026.

The Company issued corporate guarantees and warranties in EUR and USD, which guarantee the trade payables of its subsidiary Polkomtel sp. z o.o. to its suppliers. As of December 31, 2024, the total value of granted guarantees, converted into PLN at the exchange rate as of the balance sheet date, amounted to PLN 207.4 million. The guarantees expire in 2025-2026.

The Company issued a corporate guarantee in EUR to the subsidiary of Telewizja Polsat Sp. z o.o. in connection with the execution of an agreement under which UEFA granted TV Polsat the rights to broadcast the UEFA Europa League and UEFA Conference League from 2024 to 2027. As of December 31, 2024, the total value of the granted guarantee, converted into PLN at the exchange rate on the balance sheet date, amounted to PLN 106.8 million.

The financial terms of the guarantees or sureties granted do not deviate from market conditions.

7.4. Information on loans granted

Neither the Company nor any of its subsidiaries grant loans in material amounts to entities outside the Group. Details of the Group's inter-company loans, together with their value at the balance sheet date, are shown in the table below. The margin on the loans is in line with market conditions.

Borrower	Currency	Loan's total amount (in mln in a loan's currency)	Maturity	Interest	Total balance sheet value as at December 31, 2024 [mPLN][1)]	Total balance sheet value as at December 31, 2023 [mPLN][1)]
Polkomtel sp. z o.o.	PLN	1,650.0	December 31, 2028	WIBOR +margin	1,583.5	1,586.6
PAK Polska Czysta Energia sp. z o.o.	PLN	2,473.4	various dates in 2025-2027	WIBOR +margin	1,384.0	874.3
	EUR	121.0	various dates in 2025-2026	EURIBOR +margin	517.2	375.1
Esoleo sp. z o.o.	PLN	97.9	December 31, 2025	WIBOR +margin	49.4	100.4
	EUR	44.3	December 31, 2025	EURIBOR +margin	160.4	152.8
Netia S.A.	PLN	348.5	July 31, 2025	WIBOR +margin	344.9	344.9
Pantanomo Ltd.	EUR	24.0	September 30, 2026	EURIBOR +margin	-	96.7
Others	PLN	109.2	various dates in 2024-2031	WIBOR +margin	73.9	53.1
	EUR	26.6	various dates in 2026-2031	EURIBOR +margin	36.0	24.6
Total					**4,149.3**	**3,608.5**

[1)] Converted into PLN at the exchange rate on the balance sheet date, includes accrued interest including VAT.

7.5. Material proceedings at the court, arbitration body or public authorities

Management believes that the provisions as at December 30, 2024 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 nor the Group's financial situation.

Proceedings before the Office of Competition and Consumer Protection (UOKiK)

On February 24, 2011, the President of UOKiK imposed penalty on Polkomtel in the amount of PLN 130.7 million for the alleged lack of cooperation during an inspection carried out by UOKiK in Polkomtel. Polkomtel appealed against the decision of the President of UOKiK to the Consumer and Competition Protection Court ("SOKiK"). According to management, during the inspection the company had fully and at all times cooperated with UOKiK within the scope provided by the law. On June 18, 2014, the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 4.0 million (i.e. EUR 1.0 million). On October 20, 2015, SOKiK's verdict has been revoked and the case has been transferred for re-examination. On April 28, 2017, the decision of the President of UOKiK has been changed by SOKiK, reducing the penalty to PLN 1.3 million. Polkomtel and President of UOKiK appealed against the verdict. On April 3, 2020, both Polkomtel's and the President's of UOKiK appeals have been dismissed. The Court of Appeal upheld the SOKiK's decision. On April 20, 2020, Polkomtel made a payment in the amount of PLN 1.3 million. Polkomtel and the President of UOKiK filed cassation appeals against the Court of Appeal's verdict. On September 28, 2022, the cassation appeal of the President of the UOKiK was dismissed, the appeal of Polkomtel was accepted in the scope dismissing the plaintiff's appeal, and the appealed judgment of the Court of Appeal in Warsaw dated April 3, 2020 was revoked and referred - in accordance with the Polkomtel's cassation appeal - to be reconsidered. On March 29, 2023, the Court of Appeal issued a judgment, whereby the Court agreed with the company's position that the fine was imposed in euros and then incorrectly converted into PLN. As a result the Court changed the appealed judgment of the first instance, reducing the penalty to PLN 1.2 million.

On December 30, 2014, the President of UOKiK issued a decision ending investigations related to Polkomtel's alleged practices which infringed upon the collective interests of consumers by not providing its telecommunication clients (which entered into a written agreement) with terms and conditions of the preferential sales offer as well as not informing about the termination of the preferential sales offer. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 6.0 million. The company appealed to SOKiK against the decision. On March 5, 2018, SOKiK issued a decision where the penalty has been annulled and dismissed the appeal in remaining scope. Both parties appealed to the Court of Appeal in Warsaw. The Court of Appeal annulled in full the verdict of the first instance court and returned the case back to the first instance court. On April 1, 2021, SOKiK dismissed Polkomtel's appeal. On January 24, 2022, Polkomtel's appeal was dismissed. On February 7, 2022, Polkomtel paid the penalty in the amount of PLN 6.0 million. Polkomtel filed a cassation appeal against the judgment of the Court of Appeal. On December 18, 2024, the Supreme Court refused to accept the cassation appeal.

On April 29, 2019, the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by charging for activating the services to consumers, despite not obtaining an explicit approval of the additional payment associated with these services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 39.5 million. Polkomtel appealed to SOKiK against the decision. On May 26, 2021, SOKiK dismissed Polkomtel's appeal. Polkomtel appealed against the SOKiK judgment. On November 8, 2022, the Court of Appeal dismissed the appeal. On November 22, 2022, Polkomtel paid a penalty of PLN 39.5 million. Polkomtel filed a cassation complaint. Complaint was accepted for consideration by the Supreme Court. On August 8, 2024, the Supreme Court refused to accept the cassation appeal.

On December 19, 2019, the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and by giving incomplete and unreliable information to consumers in response to claims regarding unavailability of the above programs. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 34.9 million. The Company appealed against this decision to SOKiK. On February 14, 2022, First Instance Court dismissed the Company's appeal in its entirety. The Company submit a cassation appeal to the Court of Appeal in Warsaw. The appeal hearing took place on October 21, 2022. On November 21, 2022, the Court of Appeal in Warsaw repealed the appealed judgment in its entirety and referred the case to the Regional Court in Warsaw for examination and resolution. On July 24, 2023, Company's appeal was again dismissed. On September 6, 2023, the Company filed an appeal against the judgment. At the hearing on June 5, 2024, the Court of Appeal annulled part of the decision of the President of UOKiK, including that related to the fine of PLN 20.1 million. On July 12, 2024, Company complied with the judgment in terms of paying the fine of PLN 14.8 million. The Company filed a cassation appeal.

On January 22, 2020, the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 20.4 million. Polkomtel appealed to SOKiK against the decision. On April 8, 2022, SOKIK dismissed Polkomtel's appeal. On May 31, 2022, Polkomtel submitted an appeal against the SOKiK verdict. On March 28, 2023 the Court of Appeal dismissed the appeal. On April 11, 2023, Polkomtel paid a penalty of PLN 20.4 million. After receiving written justification of the judgment of the Court of Appeal, on June 30, 2023, Polkomtel filed a cassation complaint. On March 7, 2024, Polkomtel received a decision of the Supreme Court refusing to accept the cassation appeal in this case for consideration.

By decision of December 27, 2023, the President of UOKiK recognized the actions of Telewizja Polsat Sp. z o.o. and Teleaudio Dwa Sp. z o.o Sp. k. as a practice violating the collective interests of consumers. The violations allegedly consisted in misleading SMS information sent to customers as to the rules and costs of participation in the New Year's Eve edition of the SMS competition in the content of verbal and graphic messages as part of the broadcast "New Year's Eve Power of Hits 2021 - New Year's Eve of Happiness" and as to the course of the competition and the prizes that could be won at its individual stages. As a consequence, the President of UOKiK imposed fines on both entities in the total amount of PLN 9.9 million. The decision is not final, each company filed an appeal to the Regional Court in Warsaw on January 26, 2024. As of the date of this report, no hearing date has been set.

Other proceedings

In September 2015, Polkomtel received a claim from P4 Sp. z o.o., in which the company demands compensation of PLN 316 million (including interest of PLN 85 million), for the alleged actions relating to the pricing of the mobile services rendered between July 2009 and March 2012. The claim assumes payment of the above amount jointly by Orange Poland S.A., Polkomtel and T-Mobile Poland S.A. On December 27, 2018, Court dismissed the entire claim. P4 Sp. z o.o. appealed against the decision. On December 28, 2020, the Court of Appeal referred the case to the District Court for reconsideration, Polkomtel appealed to the Supreme Court against this decision. On November 13, 2020, the P4 sp. z o.o. claim for payment of PLN 313 million, including interest of PLN 85 million, was delivered by the court. This lawsuit constitutes an "extension" of P4 Sp. z o.o claim dated September 2015 and concerns a further period of the acts alleged against the defendants, i.e. from April 2012 to December 2014.

Management believes that the claim is unfounded, as Polkomtel's conduct alone or with other tort entities was not wrongful, in particular relating to the pricing of retail mobile services directed to the telecommunications network of P4 Sp. z o.o. In management's opinion, there is no legal basis for the overall assessment of the alleged actions of each of the operators on the telecommunications market, which is fully a competitive market, and each of the operators has its own business and pricing strategy. The claim of P4 Sp. z o.o. indicates neither nature (premises liability) nor the amount.

On April 28, 2017, the Association of Polish Stage Artists ("ZASP") filed a lawsuit against Cyfrowy Polsat for payment of PLN 20.3 million. The Company issued an objection in the writ-of-payment proceedings and filed for its dismissal entirely. On January 10, 2018, the Court issued a decision to refer the case to mediation proceedings. Mediation ended without a settlement. The last hearing took place on May 8, 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 May 6, 2020, the Company received a letter from the Court, containing the mediator's position summarizing the course of mediation, with a request to refer to its content. On May 25, 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The hearing took place on October 20, 2021. At the end of March 2022 the Company received a letter extending the previous claim by the period from January 1, 2010 to December 31, 2020, the value of the lawsuit was increased by over PLN 120.0 million. The court set hearing dates for December 15, 2023 and April 17, 2024. The both hearings scheduled for on December 15, 2023 and April 17, 2024 have been cancelled. The court set new hearing dates for November 25, 2024 and December 9, 2024, which were also cancelled.

By lawsuit, delivered to the Company on 16 December 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information and a claim for payment. The information claim relates to television programs rebroadcasted by the Company in the period from August 20, 2009 to August 20, 2019. In the claim for payment, SAWP claims PLN 153.3 million for the alleged violation of related rights to artistic performances of musical and verbal - musical works through their non-contractual cable rebroadcast. The Company filed for the dismissal entirely. The last hearing took place on January 17, 2024. The hearing was postponed without a date.

The legal dispute in respect to the telecommunication concession

The legal dispute in respect to the telecommunication concession for the 1800 MHz frequency granted in 2007 to Mobyland Sp. z o.o. (currently Polkomtel Sp. z o.o.) and CenterNet S.A. (currently Polkomtel Sp. z o.o.) has ended. Proceedings to invalidate the 1800 MHz frequency allocation tender have been instigated by T-Mobile and Orange. Supreme Administrative Court (NSA), in its ruling dated May 8, 2014, sustained the decision of the Court of First Instance and repealed the decision issued by the President of the Office of Electronic Communications (UKE) on September 23, 2011, which partially invalidated the above mentioned tender. Following the decision of the Supreme Administrative Court, UKE informed that “the decisions regarding re-running the tender will be taken by the Office upon careful analysis of the written justification of NSA’s rulings and the Court’s guidelines regarding further procedure as well as upon analysis of the legal situation”. UKE also stated that the “reservation decisions issued by UKE President remained valid while the operators could continue providing their services while using these frequencies”. On December 23, 2016, President of UKE notified the parties that the tender annulment proceedings relating to the 1800 MHz frequency have been adopted. Pursuant to the decision dated August 4, 2017, President of UKE notified the parties that the tender dated 2007 has been annulled. On October 13, 2017, Aero 2 Sp. z o.o. (a successor of CenterNet S.A. and Mobyland Sp. z o.o., currently Polkomtel Sp. z o.o.) filed a motion to reconsider the decision of the President of UKE dated August 4, 2017 concerning the annulment of the tender procedure. On January 31, 2018 the President of UKE upheld its decision dated August 4, 2017. On March 7, 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a complaint with the Provincial Administrative Court in Warsaw, on October 4, 2018, the complaint was dismissed. On December 27, 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a cassation appeal against judgment, which was dismissed by the Supreme Administrative Court on November 25, 2022.

The decision issued by UKE President does not affect reservation decisions issued following the administrative tender. Moreover, on December 5, 2022, the company obtained the decision from the President of UKE to grant a frequency reservation in the 1800 MHz range for the next period.

In the proceedings instigated by T-Mobile Polska S.A., the President of UKE resumed the proceedings which were terminated on April 23, 2009 by the issuance of a final decision by the President of UKE which sustained the decision of the President of UKE dated November 30, 2007 concerning the frequency reservation in the 1710-1730 MHz and 1805-1825 MHz range. Under these proceedings, in the decision dated November 28, 2017 the President of UKE refused, after resuming the proceedings, to annul the reservation decision of the President of UKE dated April 23, 2009. This decision was upheld by the decision of the President of UKE dated June 4, 2018. In connection with complaints filed against this decision, in the ruling of March 11, 2019, the Voivodship Administrative Court in Warsaw annulled the decision of the President of UKE dated June 4, 2018. On October 10, 2023, the Supreme Administrative Court overturned the contested judgment and referred the case to the Court of First Instance for reconsideration. On April 3, 2024, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska S.A. T-Mobile Polska S.A. appealed against this judgement in a cassation appeal, which is pending.

On October 4, 2018, T-Mobile Polska S.A. filed a complaint with the Voivodship Administrative Court in Warsaw against the announcement dated September 5, 2018, issued by the President of UKE in respect to the activities necessary to remove the breach constituting the reason for invalidating two frequency reservations (each including 48 duplex radio channels with a duplex spacing of 95 MHz each, ranges 1710-1730 MHz and 1805-1825 MHz). On November 20, 2018, Voivodship Administrative Court in Warsaw rejected the complaint of T-Mobile Polska S.A. On July 4, 2019, the Supreme Administrative Court annulled the decision of the Voivodship Administrative Court in Warsaw dated November 20, 2018, as a result of a cassation appeal filed by T-Mobile Polska S.A. On August 18, 2020, the announcement of the President of UKE, dated September 5, 2018, was considered ineffective by the Voivodship Administrative Court in Warsaw. NSA annulled that judgment on December 9, 2021. The case was remanded for re-examination to

Voivodship Administrative Court in Warsaw. On October 25, 2022, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska S.A. On October 13, 2023, the Supreme Administrative Court dismissed the cassation appeal of T-Mobile Polska S.A., as a result of which the proceedings were legally terminated.

The initiation by the European Commission of the procedure based on Art. 108 sec. 2 of the European Union Treaty

In the beginning of October 2020, Cyfrowy Polsat S.A. and Sferia S.A., a company owned by the Cyfrowy Polsat Group in 51% since February 29, 2016, received from the Ministry of Digital Affairs a copy of the European Commission's decision dated September 21, 2020 regarding the initiation of the formal investigation procedure against the Republic of Poland concerning the alleged illegal state aid provided to Sferia. The alleged illegal state aid relates to granting in 2013 to Sferia the right to use a frequency block of 800 MHz range in place of the frequency 850 MHz range previously held by Sferia. According to the decision, the European Commission intends to investigate, whether the state aid was granted, and if so, whether it can be considered compatible with the internal market. On February 4, 2022, the European Commission began consultations on this matter and Cyfrowy Polsat and Sferia submitted their comments. Both companies believe that no illegal state aid was granted.

Proceedings brought by Tobias Solorz

On November 7, 2024, the shareholder Tobias Solorz filed a lawsuit against the Company to establish the non-existence or, alternatively, to declare the invalidity or, alternatively, to revoke the resolutions adopted by the Extraordinary General Meeting of Cyfrowy Polsat S.A. on October 8, 2024, on the subject of: (i) changing the number of members of the Company's Supervisory Board (Resolution No. 7); (ii) dismissing Mr. Tobias Solorz from the Company's Supervisory Board (Resolution No. 9). The text of the aforementioned resolutions was published by the Company in its current report No. 19/2024 dated October 8, 2024. The Company has filed a response to the complaint on January 10, 2025, in which it request that the complaint be dismissed in its entirety. On January 29, 2025, Tobias Solorz applied to the court for leave to file a reply to the statement of defence. The court has not yet ruled on Tobias Solorz's application or set a date for the first hearing.

In addition to the matters described above, there are also other proceedings, for which provisions have been made according to the best estimates of the Management Board as to potential future outflows of the economic benefits required for their settlement. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Group's Management, such disclosure could prejudice the outcome of the pending cases.

7.6. Changes to the principle rules of management of our Company and the Capital Group

There were no changes to the principle rules of management of our Company and the Capital Group in the year 2024.

7.7. Information on seasonality

Our wholesale revenue includes, inter alia, advertising and sponsoring revenue which tends to be lower during the first and the third quarter of each calendar year due to the winter and summer holidays and no seasonal programming and higher during the second and fourth quarter of each calendar year due to the introduction of new TV schedulings. In the year ended December 31, 2023, Telewizja Polsat Group generated approximately 22.1% of its advertising revenue in the first quarter, 26.0% in the second quarter, 21.4% in the third quarter and 30.5% in the fourth quarter.

As regards retail revenue, mobile revenue is subject to slight fluctuations during the year. This revenue stream tends to decrease in the first quarter of each year due to a lower number of calendar and business days.

Revenue from the sale of energy produced from wind power is subject to seasonal fluctuations during the year in such a way that the highest production usually occurs in the fourth and first quarters, which is related to the higher number of windy days. Revenue from the sale of energy produced from photovoltaics is subject to seasonal fluctuations during the year in such a way that the highest production usually occurs in the second and third quarters, which is related to the higher number of sunny days. For a detailed description of the impact of seasonality and meteorological conditions on the level of production from renewable energy sources, please refer to item 5 - *Factors and trends that may impact our results in subsequent periods.*

Other revenue generated by the Group is not directly subject to substantial seasonal fluctuations.

7.8. Sales markets and dependence on the supplier and customer markets

All our services are offered in Poland. The share of any of our suppliers or customers does not exceed 10% of our operating revenue.

7.9. Research and development - new services and implementations

In 2024, we continued our efforts in the field of implementation of state-of-the-art technologies and latest technical solutions which offer superior quality and enhanced functionality of services to our customers and enable us to expand our offer by adding new services and products.

Prototype of the Polish 0.5 MW alkaline electrolyser. Group-owned Exion Hydrogen Polskie Elektrolizery has designed and manufactured Poland's first 0.5 MW alkaline electrolyser in 2024. The electrolyser is currently in the testing phase. The alkaline electrolyser is very safe, robust and reliable. The system consists of two innovative cell stacks, which together provide a nominal hydrogen flow rate of 100 Nm3/h at 30 bar pressure. This enables the production of ca. 200 kilograms of hydrogen per day. The design of the alkaline electrolysers allows them to be combined in a modular system, so that production capacity can be increased in line with hydrogen demand. The company's next goal is to produce a 2.5 MW electrolyser using PEM technology. An electrolyser of this capacity will be able to produce approximately 1,000 kilograms of hydrogen per day.

Next Gen Cloud Project. Group-owned Oktawave is working on a project aimed at developing a technology of cryptographic protection for data processing in the cloud. The Next Gen Cloud project, undertaken by the company, is co-financed by the European Union under the IPCEI CIS initiative, which aims to strengthen Europe's digital sovereignty and improve the competitiveness of European cloud service providers. The technologies being developed by Oktawave as part of the Next Gen Cloud project are designed for universal application, ensuring the security of processing both in public global cloud environments and private clouds located in local data centres. The solution will be intended for companies using cloud computing that need to ensure data sovereignty (e.g. DORA, NIS2) or want to protect data processing, especially in the area of commercializing ML models for industries such as finance, cybersecurity or e-commerce. The project focuses on researching the potential use of cryptographic techniques as a foundation for building runtime environments and data storage areas within GPU processors. In 2024, Oktawave completed key preparatory stages, including a detailed analysis of technologies, a review of project assumptions, and the construction of laboratory environments. Requirements for development and testing environments were defined, and plans for implementing middleware, which will ensure efficient data handling, were developed.

7.10. Insurance agreements

We maintain insurance coverage for our Company and its operations, substantially against all risks and with sums insured at levels typical of pay TV providers and telecommunication operators operating in Poland.

The Group maintains automobile insurance, property insurance against fire and other casualty events with a loss of profits extension, business and property liability insurance (including product liability), professional liability insurance for broadcasting and telecommunications and directors and officers liability insurance for the Group companies, all of which are purchased at arm's length.

We believe that our insurance coverage is in line with our needs and the risks to which pay TV providers and telecommunication operators in Poland are exposed.

7.11. Business Contingency Plan

As a Group, we have more than ten years of experience in Business Continuity Management, when the first Business Contingency Plan was developed for Polkomtel in 2010. The fact that the Business Continuity Management System is implemented, maintained and continuously improved and that it complies with the requirements of the PN/EN ISO 22301:2020-04 - Security and Resilience: "Business Continuity Management Systems - Requirements" standard is declared by a document in the form of the Polsat Plus Group Business Continuity Policy, adopted by resolutions of the Management Boards of Polkomtel and Cyfrowy Polsat in October 2024.

The Business Contingency Plan covers with its scope the critical processes and services implemented and provided by Polkomtel and Cyfrowy Polsat. The last update to the plan was approved by the Management Boards of both companies on July 3, 2024. The periodic conduction of the Business Impact Analysis is the key element of the Business Contingency Plan and includes an update of the list of processes and critical services which is also approved by resolution of management boards of both companies. Within the current and periodic (once every two years) update of the Business Contingency Plan we examine threats and vulnerabilities in critical processes and services, and perform risk analysis aimed at identifying main threats and defining recommendations with respect to groups of resources, such as locations, human resources, external and internal service providers, office infrastructure, data stored in both an electronic and paper form, the technical and IT infrastructure.

Within the Business Contingency Plan we maintain a dedicated structure - the Crisis Management Centre – which is targeted to prevent crisis situations in the Group thanks to reacting to incidents which exceed the competences of individual managers running separate organizational units as well as coordinating all emergency and restoration actions of the organization in the crisis mode. The prepared Survival Strategy and alternative operating methods as well as periodic testing of essential elements of the Plan and ongoing training of new staff and crisis team members ensure business continuity of critical processes and services covered by the Business Contingency Plan of Polkomtel and Cyfrowy Polsat. The implementation of the Business Continuity Plan was confirmed as part of the PN-EN ISO/IEC 27001:2022-06 recertification obtained in 2024.

7.12. Information on remuneration policy of Cyfrowy Polsat S.A.

On June 20, 2024, the Annual General Meeting adopted, based on a draft resolution proposed by the Company's Management Board and taking into account the opinion of the Supervisory Board's Remuneration Committee, the Remuneration Policy for the Management Board and Supervisory Board Members of Cyfrowy Polsat S.A. The full wording of the policy is publicly available at the following address:

https://grupapolsatplus.pl/sites/default/files/polityka_wynagrodzen_eng.pdf

The adopted policy aims to ensure sustained growth of the Company's value, the achievement of which by the Management Board and the Supervisory Board requires, among others, setting up of a relevant structure of remuneration of the members of the Management Board and the Supervisory Board on account of their overall duties. This aim is accomplished by restricting the remuneration of these individuals to a fixed part, allowing them to perform their duties concerning the overall operations of the Company without focusing on the pursuit of selected specific goals only.

The Remuneration Policy for the Management Board and Supervisory Board Members of Cyfrowy Polsat S.A. is based on a general assumption that market volatility, the social and economic situation as well as the need for a flexible response to the emerging risks and business opportunities provide no justification for setting fixed goals. The required flexible response to the changing situation and to the emerging challenges is assured – in the case of Management Board Members – by potential bonuses that can be awarded to them. Such a solution offers flexibility in terms of assuring stable operations of the Company and pursuing its long-term interests.

The remuneration of Management Board Members consists of a fixed part, having the form of a base salary. Management Board Members may have the title to a bonus on the terms defined in the deed establishing their corporate relation or their employment relation. Subject to the terms set by the Supervisory Board in the deed establishing a corporate relation or an employment relation, the Management Board Members may be also covered by additional pension schemes.

In addition, Management Board Members may be entitled to additional benefits of permanent or periodic nature. These include in particular healthcare services for a Management Board Member or for the members of his/her family, right to use the elements of the Company's property, and life insurance and D&O insurance.

Moreover, Management Board Members employed under an employment contract are entitled to the same rights as all other employees of the Company by virtue of the Labor Code regulations, as defined by Article 9 of the Labor Code. Remuneration and other benefits also include benefits on account of the Management Board's activities in the Company's subsidiaries.

The Supervisory Board, based on the recommendation issued by the Supervisory Board's Remuneration Committee, is entitled to determine the amount of the base salary, the conditions for acquiring the right to a bonus as well as other components of the remuneration and benefits in the resolution serving as the basis for entering by a Management Board Member into a corporate relation or into an employment relation, and depending on the nature of the duties of a given Management Board Member as well as the conditions of his/her employment.

Supervisory Board Members receive fixed remuneration on account of the function performed on the basis of a corporate relation. The remuneration may differ depending on the function in the Supervisory Board, especially in connection with participation in the work of respective Supervisory Board committees. In justified cases a Supervisory Board Member may receive additional remuneration. The amount of the remuneration of the Supervisory Board members is determined by the General Meeting.

There were no changes to the Remuneration Policy since the date of its adoption. In parallel, the Remuneration Policy stipulates that it will be adopted by the General Meeting not less frequently than once every four years.

The shape of the Remuneration Policy as proposed by the Management Board and adopted by the General Meeting derives from the many years of remuneration practice developed within Polsat Plus Group and, given the Company's proven track record of achieving long-term value growth for its Shareholders as well as the Group's stable functioning, is evaluated as an effective tool for remunerating and motivating the Company's Management Board and Supervisory Board Members.

Reports on the remuneration of the Management Board and the Supervisory Board Members of the Company are publicly available on Polsat Plus Group's website.

7.13. Agreements with the entity certified to perform an audit of the financial statements

On July 10, 2023, the Company's Supervisory Board consented to extend the agreement and choose Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of Cyfrowy Polsat Group for the financial years ended December 31, 2023 and December 31, 2024.

On October 15, 2024, the Supervisory Board consented to commission assurance services from Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością to obtain limited assurance regarding the sustainability reporting for the year ended December 31, 2024.

On February 13, 2025, the Company's Supervisory Board consented to extend the agreement and choose Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of Cyfrowy Polsat Group for the financial years ended December 31, 2025, December 31, 2026 and December 31, 2027.

The following summary presents a list of services provided by the certified auditor and remuneration for the services in the twelve month period ended on December 31, 2024 and December 31, 2023.

[mPLN]	For the year ended December 31	
	2024	2023
Review of interim standalone financial statements	0.2	0.2
Audit of standalone financial statements for the year and other services	0.7	0.7
Total	**0.9**	**0.9**

[mPLN]	For the year ended December 31	
	2024	2023
Review of standalone and consolidated interim financial statements	0.3	0.3
Audit of standalone and consolidated financial statements for the year	4.9	4.6
Other certification services and other services	0.7	0.2
Total	**5.9**	**5.1**

In the financial year 2024, Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k. provided the following permitted services other than audit services: (i) the review of financial statements, (ii) the execution of agreed procedures with regard to verification of the fulfilment of conditions of concluded credit agreements, based on the analysis of the financial information from the audited consolidated financial statements of Cyfrowy Polsat Group, (iii) the verification of the correctness of the application of Sustainability KPIs in the certificates of compliance reported in accordance with the requirements of the concluded loan agreements, (iv) the execution of limited assurance procedures with regard to certification of sustainability reporting, and (v) the audit of the reports on the remuneration of the Members of the Management Board and the Supervisory Board of the Company, after being granted consent from the Audit Committee.

8. Cyfrowy Polsat on the capital market

8.1. Shares of Cyfrowy Polsat

Shares of Cyfrowy Polsat are listed on the Warsaw Stock Exchange since May 6, 2008. The share capital of the Company is PLN 25,581,840.64, divided into 639,546,016 shares. The total number of votes at the General Meeting is 818,963,517.

The table below presents the characteristics of the shares issued as of December 31, 2024:

Series	Number of shares	Type of shares	Number of votes at the General Meeting	Face value [PLN]
A	2,500,000	Preferred shares (2 votes per share)	5,000,000	100,000.0
B	2,500,000	Preferred shares (2 votes per share)	5,000,000	100,000.0
C	7,500,000	Preferred shares (2 votes per share)	15,000,000	300,000.0
D	166,917,501	Preferred shares (2 votes per share)	333,835,002	6,676,700.0
D	8,082,499	Ordinary shares, introduced to trading	8,082,499	323,300.0
E	75,000,000	Ordinary shares, introduced to trading	75,000,000	3,000,000.0
F	5,825,000	Ordinary shares, introduced to trading	5,825,000	233,000.0
H	80,027,836	Ordinary shares, introduced to trading	80,027,836	3,201,113.4
I	47,260,690	Ordinary shares, introduced to trading	47,260,690	1,890,427.6
J	243,932,490	Ordinary shares, introduced to trading	243,932,490	9,757,299.6
Total	**639,546,016**		**818,963,517**	**25,581,840.6**
including:	179,417,501	not traded	358,835,002	7,176,700.0
	460,128,515	traded	460,128,515	18,405,140,6

On April 20, 2011, the Company issued 80,027,836 Series H ordinary bearer shares with a nominal value of PLN 0.04 each. On May 30, 2011, the shares were registered with the National Depository for Securities (KDPW) under ISIN code PLCFRPT00013 and admitted to trading on the primary market. The issue of Series H shares served as one of the sources of financing for the acquisition of Telewizja Polsat.

On May 7, 2014, the Company issued 47,260,690 Series I shares and 243,932,490 Series J shares with a nominal value of PLN 0.04 each. On May 14, 2014, these shares were registered with KDPW under ISIN codes PLCFRPT00013 and PLCFRPT00021, respectively. The Series I Shares were admitted to trading on May 12, 2014 and the Series J Shares were admitted to trading on April 20, 2015. The Series I and J Shares were issued to finance the acquisition of Metelem Holding Company Limited, the indirect owner of Polkomtel Sp. z o.o.

As at December 31, 2024, 88,842,485 ordinary shares, representing 13.89% of the capital, were held by Cyfrowy Polsat as a result of the acquisition of treasury shares initiated by Resolution No. 7 of the Extraordinary General Meeting of Shareholders of November 16, 2021. Pursuant to Article 364(2) of the Commercial Companies Code, the Company does not exercise the participation rights from its own shares.

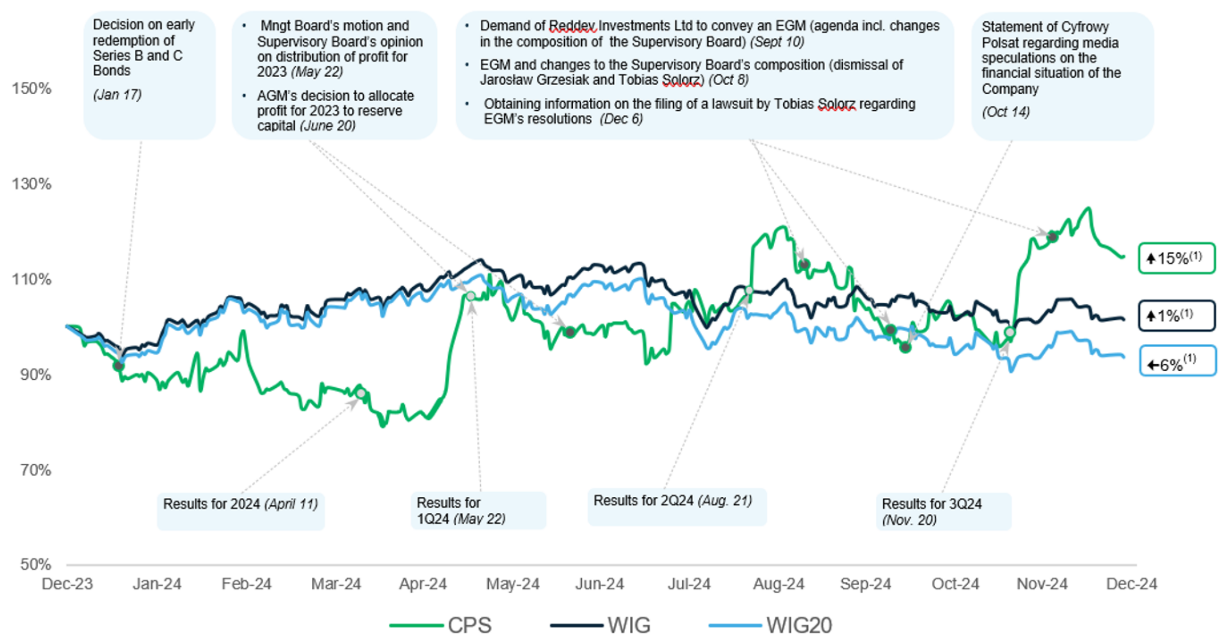
Basic data on traded shares

Date of first quotation	May 6, 2008
Component of indices	WIG, WIG20 (until March 21, 2025), mWIG40 (from March 21, 2025), WIG30, WIGtech
Macrosector	Technology
Market	main
Quotation system	continuous
International Securities Identification Number (ISIN)	PLCFRPT00013 (shares admitted and introduced to trading) PLCFRPT00062 (shares with preferential voting rights)
Cyfrowy Polsat's identification codes	• WSE: CPS • Reuters: CPS.WA • Bloomberg: CPS PW

As a result of the annual index revision, following the trading session on March 21, 2025, the Company has been transferred from the WIG20 index to the mWIG40 index.

8.2. Shares quotes

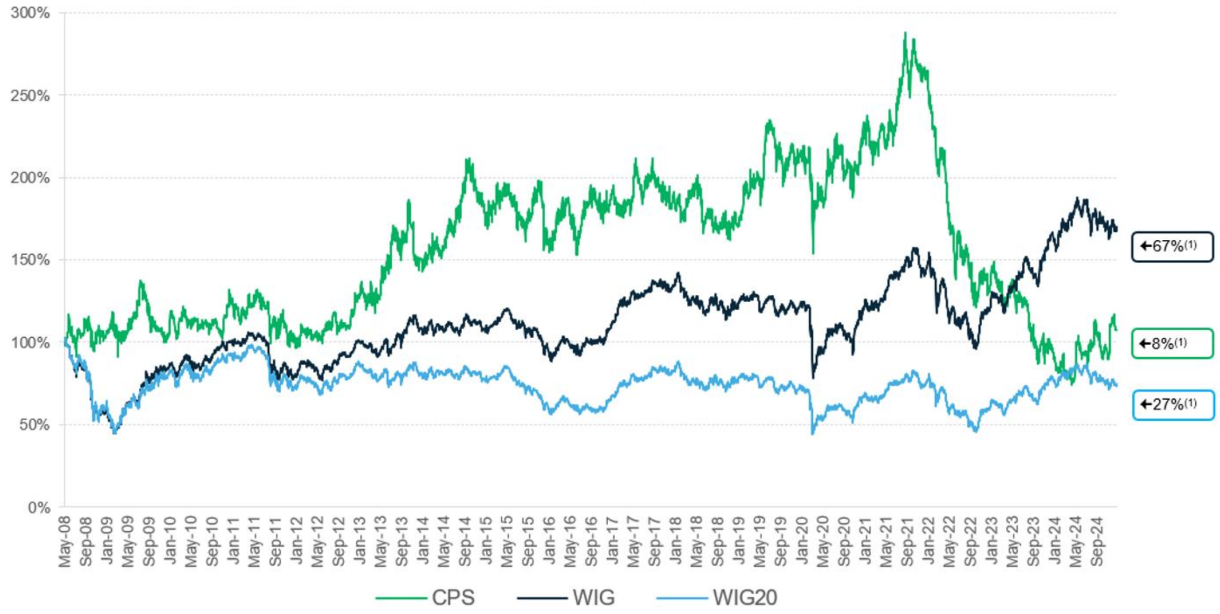
Performance of Cyfrowy Polsat shares in 2024



(1) Change December 30, 2024 vs December 29, 2023

(indexed; 100 = closing price on December 29, 2023)

Performance of Cyfrowy Polsat shares since the debut on the WSE in May 2008 until the end of 2024 compared to selected WSE indexes



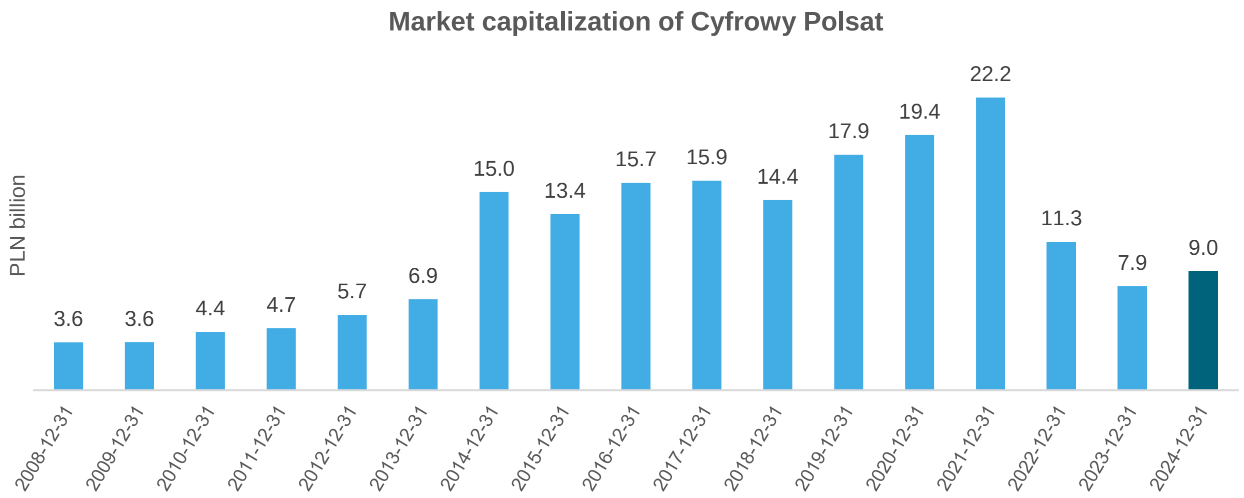
(indexed; 100 = closing price on May 6, 2008)

(1) change December 30, 2024 vs. May 6, 2008

Cyfrowy Polsat shares on the stock exchange in 2024

		2024	2023
Year-end price	PLN	14.14	12.33
High for the year	PLN	15.39	19.60
Low for the year	PLN	9.76	11.42
Average for the year	PLN	12.27	15.52
Average daily turnover	PLN '000	15,940	11,048
Average daily trading volume	shares	1,314,355	761,312
Number of shares (as at year-end)	shares	639,546,016	639,546,016
Listed shares	shares	460,128,515	460,128,515
Market capitalization (as at year-end)	PLN '000	9,043,181	7,885,602

Market capitalization of Cyfrowy Polsat since its debut on the WSE



8.3. Analysts' recommendations

Brokers covering the Company

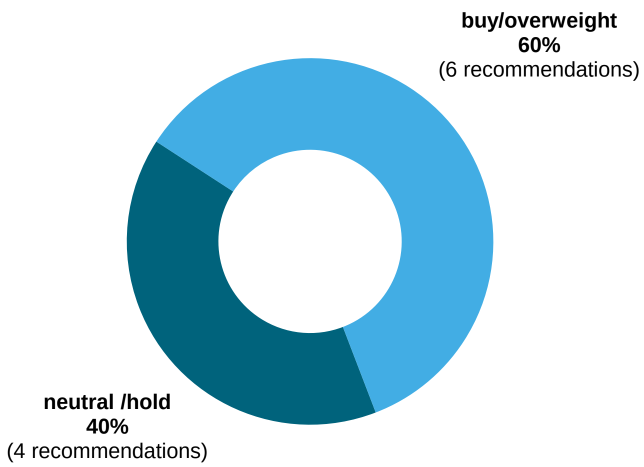
Local

- Bank Pekao Biuro Maklerskie
- Biuro Maklerskie mBanku S.A.
- Dom Maklerski BDM S.A.
- Dom Maklerski BOŚ S.A.
- Dom Maklerski PKO BP S.A.
- IPOPEMA Securities S.A.
- Trigon Dom Maklerski S.A.

International

- ERSTE Group Research
- Santander Biuro Maklerskie
- Wood&Company

Structure of recommendations as of April 8, 2025



Target price as of April 8, 2025 [PLN]

minimal	14.0
maximal	20.0
average	16.2

Close dialogue with the capital market

The goal of our corporate strategy is to create sustainable value of the Company. We support this strategy through regular and open communication with all capital market participants.

In order to ensure current access to information we participate in conferences with investors and we organize numerous individual meetings. Every quarter, after the publication of our financial results, we organize meetings with investors and sell-side analysts with Members of the Company’s Management Board. Both are open events. In 2024, we held meetings with approximately 340 representatives of the capital market, including approx. 13 conferences, both face-to-face and online.

When communicating with the capital market we are guided by the main principle of transparency and equal access to information. Following this principle, we introduced the rule of limited communication before the publication of our financial results. Under this rule the representatives of the Company avoid discussions or meetings with analysts and investors two weeks prior to the publication of the quarterly results. This rule is meant to increase transparency and ensure equal access to information about the Company before the publication of our financial results.

To ensure proper fulfilment of the information obligations imposed by the relevant regulations, including the MAR Regulation, we have implemented, at the Group level, detailed internal rules which define, among others, the principles of analysis and identification of events occurring within our organization, the procedures to be followed upon obtaining any information which is subject to reporting as well as the deadlines for fulfilment of information disclosure requirements. We have also adopted an Individual Reporting Standard which supports the identification and classification of events as inside information. We keep abreast of changes in current legislation and update internal procedures as necessary.

In order to reach a wide audience we use modern tools to communicate with capital market representatives, such as a website dedicated to investors (http://www.grupapolsat.pl/en/investor-relations), a reliable and practical source of information about Polsat Plus Group, electronic newsletters, selected social media, periodic newsletters including both information on current events in Polsat Plus Group and latest market developments, as well as reminders of the most important events in the Company. In addition, we have been using online meeting tools to enable all interested investors and analysts to actively participate in the Company's events.

9. Corporate governance statement

9.1. Principles of corporate governance which the Company issuer is subject to

As at December 31, 2024, Cyfrowy Polsat S.A. (the "Company") was subject to corporate governance principles outlined in the "Best Practices of WSE Listed Companies in 2021" ("**Best Practices 2021**"), constituting an appendix to resolution No. 13/1834/2021 of the Council of WSE of March 29, 2021 (this document is available on the official website of the Warsaw Stock Exchange dedicated to the issues of the corporate governance of listed companies – https://www.gpw.pl/dobre-praktyki2021

Application of principles outlined in the Best Practices 2021

The Management Board of the Company adopted the recommendations and principles specified in the Best Practices 2021. In 2024, the Company did not comply with principles set out in items 1.4., 1.4.1., 2.1., 2.2., 3.2., 3.6., 3.7., 3.9., 3.10., 4.1. and 4.9.1. Furthermore, there was one accidental breach of Rule 4.4 during 2024.

Below, the Company presents explanations regarding non-compliance or partial application of:

- ***Principle 1.4.*** *regarding the ensuring of quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial.*

  The assumptions of the business strategy, along with the description of non-measurable and selected measurable goals, as well as the information on achieved results and the accomplishment of the strategic goals are published by the Company on its website as well as in Polsat Plus Group's annual reports on the activities of the management board and in Polsat Plus Group's sustainability reports. In connection with the publication of its strategy in December 2021, the Company's Management Board formulated and published on the Group's corporate website measurable long-term strategic goals, both financial and operational, as well as non-financial, particularly related to the expected reduction of greenhouse gas emissions. In addition, in November 2022, the Company formulated and published additional key performance indicators and quantified long-tem sustainability performance targets relating specifically to environmental issues in Polsat Plus Group's Sustainability-Linked Financing Framework, a document that had undergone an independent expert review. The Company provides disclosures on planned and undertaken activities as well as progress in the achievement of its goals in Polsat Plus Group's annual reports on the activities of the management board and in Polsat Plus Group's sustainability reports.

- ***Principle 1.4.1.*** *stating that information concerning the ESG strategy should explain, among others, how the decision-making processes of the company and its group members integrate climate change, including the resulting risks.*

  On December 20, 2021, the Company adopted and announced the assumptions of Polsat Plus Group's strategy, including strategic assumptions in the area of ESG. The Management Board identified the unfavourable local energy mix as a key challenge for the Polish society and economy, as it impacts negatively both air quality (social aspect) and the cost of conducting business or living in Poland (economic aspect). Accordingly, as part of its strategy, Polsat Plus Group is focused, among others, on developing new areas of activity, particularly the production and sales of energy from zero- and low-emission sources. In the view of the Company's Management Board, the implementation of Polsat Plus Group Strategy 2023+ has a chance to effectively combine ESG considerations with building a new revenue stream for Polsat Plus Group, with long-term benefits for the Company's stakeholders. In its sustainability reports, the Company publishes detailed information regarding the governance principles and the procedures covering the environmental issues that are valid in the Company's capital group, describes in detail the efforts of the entire group in the areas of conservation of natural environment and education of the public in this area as well as outlines climate-related risk analysis, taking into account the analysis of climate scenarios and the resilience of the business model of individual business segments to climate risks.

- ***Principle 2.1.*** *stating that companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.*

  The Company has a Policy on Respect for Human Rights, which also includes an Equal Opportunity Policy, a Diversity Protection Policy, an Anti-Discrimination Policy, a Protection Against All Forms of Violence Policy, a Freedom of Association Policy, and a Safe Work Environment Policy. Policy on Respect for Human Rights also operates in the companies belonging to the Company's capital group. The provisions of the policy apply to all employees, including management board and supervisory board members. The Company would like to note that high degree of diversity is assured in the Management Board and the Supervisory Board in such areas as age, education, competence and professional experience. Moreover, in spite of the lack of a defined goal, the Management Board fulfills the diversity principle related to gender as women make up 50% of the Management Board. The Policy on Respect for Human Rights adopted by the Company and by the member companies of the Company's capital group prohibits discrimination of any kind related to employment, direct or indirect, especially in respect of gender, age, psychosexual orientation, gender identity, competences, experience, disability, nationality, ethnic origin, color of skin, language, parental status, denomination, worldview as well as place of residence, form of employment, trade union membership, or any other dimension of diversity as defined by valid law. The Policy on Respect for Human Rights and the policies operating under it do not define, however, the minimum goal for diversity in terms of gender, hence the Company does not apply principle 2.1.

- ***Principle 2.2.*** *stating that decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.*

  The provisions of the Group's diversity policy apply to all of the Group's employees, including Management Board and Supervisory Board Members. The Company's goal is to assure diversity, including diversity in terms of gender, for higher ranking positions, nevertheless the persons who make decisions while selecting Management Board and Supervisory Board Members are above all guided by the candidates' competencies, their professional experience and education.

- ***Principle 3.2.*** *stating that the companies' organization includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.*

  The Company effectively carries out the tasks listed in the principle 3.1, however dedicated organizational units responsible for managing risk and compliance issues have not been established in the Company's organizational structure until the end of 2024. Nonetheless, relevant internal processes and procedures have been implemented and operate in the Company, assuring efficient management of financial and operational risks as well as monitoring of compliance of the Company's operations with applicable regulations. High-level managers, managing respective areas covered by specific procedures, are responsible for the efficiency and the proper functioning of these procedures. In spite of the lack of a formal separate compliance function, control of the Company's compliance in various areas with applicable legislation is executed through internal regulations and takes place at the level of individual organizational units which are responsible for a given area of operations in the capital group, including, in particular, within the finance, controlling, legal, administrative divisions. The Management Board verifies on an on-going basis the correctness of functioning of the internal processes in the areas of risk management and compliance of operations with applicable regulations, and takes action whenever necessary. The Supervisory Board, and in particular the Supervisory Board's Audit Committee, monitors and assesses the effectiveness of functioning of the internal processes of operational and financial risk management, including the process of drafting of financial statements on the basis of the documents and reports presented by the Management Board and by the person responsible for internal audit as well as on the basis of other information obtained in the course of the Supervisory Board's on-going activities.

- ***Principle 3.6.*** *stating that the head of internal audit reports organizationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.*

  In accordance with the organizational structure adopted in the Company, the internal auditor reports directly to the Management Board Member responsible for finance – which is in line with IIA (The Institute of Internal Auditors) standards. The internal auditor functionally reports to the Chairman of the Audit Committee. In the opinion of the Company's Management Board, the internal audit function present in the Company operates in an effective and independent manner.

- ***Principle 3.7.*** *stating that principles 3.4 to 3.6 (concerning, the linking of the remuneration of persons responsible for risk and compliance management and of the head of internal audit with the performance of delegated tasks rather than short-term results of the company, the direct reporting of persons responsible for risk and compliance management report to the president or other member of the management board and the direct reporting of the head of internal audit reports organizationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee, respectively) apply also to members of the company's group which are material to its activity if they appoint persons to perform such tasks.*

  By analogy to the principles 3.4-3.6, the principle are applied partially by the Company. Principles 3.4. and 3.5. also apply to those members of the Company's capital group who are essential from the point of view of the group's operations. Principle 3.6, in turn, does not apply to the group's essential companies since in the selected entities being members of the Company's capital group the internal audit function is fulfilled by the same internal audit and control unit as the one which functions in the Company itself. In the face of the above, the person managing the internal audit function in selected companies having significant importance for the Group reports directly to the Management Board Member responsible for financial matters in the Company, which is in line with the IIA (The Institute of Internal Auditors) standards.

- ***Principle 3.9.*** *stating that the supervisory board monitors the efficiency of the systems and functions referred to in principle 3.1 among others on the basis of reports provided periodically by the persons responsible for the functions and the company's management board, and makes annual assessment of the efficiency of such systems and functions according to principle 2.11.3. Where the company has an audit committee, the audit committee monitors the efficiency of the systems and functions referred* *to in principle 3.1, which however does not release the supervisory board from the annual assessment of the efficiency of such systems and functions.*

The Supervisory Board of the Company operates according to the Anglo-Saxon model, i.e., in addition to carrying out its duties under the Polish law, members of the Board (excluding independent members and members of the Audit Committee) simultaneously perform the role of Non-executive Directors. The Board has a wide range of competencies and a high degree of authority set in the Company's corporate documents, which in practice means that the Board is very close to the decision-making process and is well positioned to effectively monitor and evaluate the internal control, risk management and compliance systems, as well as the internal audit function. The Supervisory Board, and the Supervisory Board's Audit Committee in particular, monitors and assesses the effectiveness of functioning of the internal processes of operational and financial risk management, including the process of drafting of financial statements and sustainability reports, on the basis of the documents and reports presented by the Management Board or by the person responsible for internal audit as well as on the basis of other information obtained in the course of the Supervisory Board's on-going activities. Risk assessment and mapping is conducted at both management and supervisory boards levels. Risks specific to each business area are identified, monitored, mitigated/managed at the level of: (a) the members of the Management Board responsible for the business area concerned based on internal processes and procedures, (b) the relevant committees (e.g. CAPEX), and if necessary (c) the members of the Management Board with the involvement of individual members of the Supervisory Board. In addition, the Supervisory Board as a whole reviews risks on a regular basis, focusing on key challenges.

- ***Principle 3.10.*** *stating that companies participating in the WIG20, mWIG40 or sWIG80 index have the internal audit function reviewed at least once every five years by an independent auditor appointed with the participation of the audit committee.*

  The Supervisory Board, the Audit Committee specifically, monitors and assesses the efficiency of internal processes, which includes on-going monitoring of the efficiency of the internal audit function.

- ***Principle 4.1.*** *stating that companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.*

  Neither Polish, nor foreign shareholders have so far notified the Company of the interest in or the need for organizing the general meetings in such a form. The Management Board, in turn, considers assuring efficient course of debates of general meetings as well as correctness of adoption of resolutions by general meetings a priority. The adopted practice of holding general meetings is intended to reduce the risk of occurrence of any organizational and technical problems during the meetings, potentially causing disruption of the efficient course of the general meetings, as well as the legal risks, especially the ones which could potentially result in the resolutions adopted by a general meeting being questioned due possible transmission delays, technical faults, both on the Company's end as well as in the locations of the shareholders who participate remotely in the meetings.

- ***Principle 4.9.1.*** *stating that candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website.*

  The Company encourages its shareholders to propose their candidates at the times indicated in the principle 4.9.1, including by publishing the relevant information in the notices to convene the general meetings. However, due to the fact that the Company's internal regulations do not provide for any other mode of appointing Supervisory Board Members than stipulated by the generally valid legal regulations, especially in terms of restricting the time during which the candidates for Supervisory Board Members may be proposed, while the to-date practice of proposing of candidates for Supervisory Board Members differed from the requirements of the principle 4.9.1, hence the Company may not assure that the principle will be applied in the future.

In 2024, the Company incidentally violated Principle 4.4. stating that presence of representatives of the media is allowed at general meetings with regard to the Extraordinary General Meeting of the Company convened for 8 October 2024.

The Company provides live webcasts of the General Meetings and makes available on its website recordings of the General Meetings. Given the nature of the Company's Extraordinary General Meeting convened for October 8, 2024, the Company believes that the presence of the media could have been a disruption to the orderly conduct of the meeting. There have been no incidents of non-compliance with the above rule in the previous two years.

9.2. Internal control systems and risk management applied with respect to the process of preparing financial statements

The Management Board is responsible for internal control system in Polsat Plus Group and its effectiveness in the process of preparing financial statements and interim reports prepared and published in accordance with the requirements of the Ordinance of the Minister of Finance of March 29, 2018 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations as well as the Act of September 29, 1994 on Accounting and other applicable legislation.

We draw on our employees' extensive experience in the identification, documentation, recording and controlling of economic operations, including numerous control procedures supported by modern information technologies used for recording, processing and presentation of operational and financial data.

In order to ensure the accuracy and reliability of the accounts of the parent and subsidiary companies, we apply accounting policies for Polsat Plus Group and various internal procedures relating to transaction control systems and processes resulting from the activities of the Company and the Group.

We keep our accounts in IT systems integrated with the underlying source systems and auxiliary books. We ensure data security through the use of access rights aligned with the needs and requirements of granted to authorized users. Systems operations are assured by the specialists with extended experience in this field. In addition, the system security is ensured by applying the appropriate solutions for physical security of the equipment. We have a complete IT system documentation in all its areas. In accordance with Article 10 of the Accounting Act of September 29, 1994, the accounting information systems documentation is periodically reviewed and updated upon approval by heads of units.

An important element of risk management, in relation to the financial reporting process, is ongoing internal control exercised by the Finance and Controlling Department. The Internal Audit Department conducts an independent verification of functioning of the internal control system and, as such, complements its efficient operation.

The Internal Audit functions on the basis of the Audit Charter adopted by the Management Board and the Audit Committee of the Supervisory Board. Its primary task is to test and evaluate controls for the reliability and consistency of financial data underlying the preparation of financial statements and management information.

The Controlling department functions on the basis of financial controlling system and business controlling system, and exercises control over both the current processes and the implementation of financial and operating plans, and preparation of financial statements and reports.

An important element of quality control and data review is the use of a management reporting system on a standalone and consolidated basis, as well as regular monthly analyses by the Management Board of financial and operational performance, and other key indicators. The monthly results analysis is carried out in relation to both the current financial and operating plan and the prior period results.

The budgetary control system is based on monthly and annual financial and operating plans and long-term business projections. Achieved financial and operating results are monitored regularly in relation to the financial and operating plans. During the year, we perform additional reviews of the financial and operating plans for the year if the need arises. The financial and operating plans are adopted by the Management Board and presented to the Supervisory Board.

One of the basic elements of control in the process of preparation of financial statements of the Company and the Group is the verification carried out by independent auditors. An auditor is chosen from a group of reputable firms, which guarantee a high standard of service and independence. The Supervisory Board of the Company chooses the Company's auditor. In the subsidiaries, the auditor is chosen by either the supervisory board, the general meeting or the meeting of shareholders. The tasks of the independent auditor include, in particular: a review of semi-annual standalone and consolidated financial statements and audit of annual standalone and consolidated financial statements. The auditor's independence is fundamental to ensure the accuracy of the audit.

The Audit Committee, appointed within the Company's Supervisory Board, supervises the financial reporting process in the Company. The Audit Committee oversees the financial reporting process, in order to ensure sustainability, transparency and integrity of financial information. As at the date of publication of this Report, two out of three Members of the Audit Committee meet the requirements listed in article 129 item 3 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight (as amended).

Moreover, under article 4a of the Accounting Act of September 29, 1994, the duties of the Supervisory Board include ensuring that the financial statements and the report on activities meet the requirements of the law. The Supervisory Board carries out this duty using its competences under applicable law and the Articles of Association of the Company. This is yet another level of control exercised by an independent body to ensure the accuracy and reliability of the information presented in the standalone and consolidated financial statements.

9.3. Shareholding structure of Cyfrowy Polsat

9.3.1. Shareholders with qualifying holdings of shares in Cyfrowy Polsat

The table below presents shareholders of Cyfrowy Polsat S.A. holding at least 5% of votes at the General Meeting of the Company as at the date of publication of this Report, i.e. April 10, 2025.

Shareholder	Number of shares	% of shares	Number of votes	% of votes
Zygmunt Solorz, through:	**396,802,022**	**62.04%**	**576,219,523**	70.36%
TiVi Foundation, including through:	386,745,257	60.47%	566,162,758	69.13%
Reddev Investments Limited, including through:	*386,745,247*	*60.47%*	*566,162,738*	*69.13%*
Cyfrowy Polsat S.A.[(1)]	*88,842,485*	*13.89%*	*88,842,485*	*10.85%*

Tobias Solorz[(2)], including through:	10,056,765	1.57%	10,056,765	1.23%
ToBe Investments Group Limited	*4,449,156*	*0.70%*	*4,449,156*	*0.54%*
Others	**242,743,994**	**37.96%**	**242,743,994**	**29.64%**
Total	**639,546,016**	**100%**	**818,963,517**	**100%**

(1) Own shares acquired under the buy-back program announced on November 16, 2021. Pursuant to Art. 364 Item 2 of the Commercial Companies Code, the Company does not exercise voting rights attached to own shares.

(2) Person under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

Changes in the structure of qualifying holdings of shares in the Company since the publication of the previous interim report

From the date of publication of the previous interim report, i.e. November 20, 2024 (report for the third quarter of 2024), until the date of publication of this Report, i.e. April 10, 2025, the Company did not receive notifications concerning changes in the structure of ownership of significant blocks of Cyfrowy Polsat shares.

9.3.2. Securities with special controlling rights

Current shareholders do not have any rights in the General Meeting of the Company other than those resulting from holding the Company's shares. As at December 31, 2024 the shares of the A through D series are preferred shares as to voting rights in the way that:

- Series A shares in the amount of 2,500,000 have preferential voting rights entitling their holder to two votes per share;
- Series B shares in the amount of 2,500,000 have preferential voting rights entitling their holder to two votes per share;
- Series C shares in the amount of 7,500,000 have preferential voting rights entitling their holder to two votes per share;
- Series D shares in the amount of 166,917,501 numbered 1-166,917,501 have preferential voting rights entitling their holder to two votes per share.

To the Company's best knowledge, as of the date of this Report, Reddev Investments Limited held 179,417,491 voting preferred shares and TiVi Foundation held 10 voting preferred shares.

8,082,499 D Series shares, numbered 166,917,502 - 175,000,000; 75,000,000 E Series shares; 5,825,000 F Series shares, 80,027,836 H Series shares, 47,260,690 I Series shares and 243,932,490 J Series shares are ordinary bearer shares.

Pursuant to Article 19 of the Company's Articles of Association, the Chairperson of the Supervisory Board shall be appointed and dismissed by TiVi Foundation with its registered office in Vaduz, Liechtenstein as a personal right vested in that shareholder. The remaining members of the Supervisory Board shall be appointed and dismissed by the General Shareholders Meeting.

Pursuant to Article 14 of the Company's Articles of Association, the President of the Management Board is appointed and dismissed by the TiVi Foundation, Vaduz, Liechtenstein, as a personal right of this shareholder. The other members of the Management Board are appointed and dismissed by the Supervisory Board of the Company.

9.3.3. Shares in the Company held by Members of the Management Board and the Supervisory Board

To the Company's best knowledge, Members of the Management Board of Cyfrowy Polsat did not hold any shares in the Company, directly or indirectly, as at the date of publication of this Report, i.e. April 10, 2025, nor as at the date of publication of the previous report, i.e., November 20, 2024 (report for the third quarter of 2024).

The table below presents the number of shares in Cyfrowy Polsat which, according to the Company's best knowledge, were held, directly or indirectly, by Members of the Company's Supervisory Board as at the date of publication of this Report, i.e. April 10, 2025, along with changes in holdings from the date of publication of the previous report, i.e. November 20, 2024 (report for the third quarter of 2024).

Name and surname / Function	Holding as at November 20, 2024	Acquisitions	Disposals	Holding as at April 10, 2025
Mr. Zygmunt Solorz[(1)] Chairman of the Supervisory Board	396,802,022	-	-	396,802,022
Mr. Józef Birka[(2)] Member of the Supervisory Board	79,268	-	-	79,268
Mr. Tomasz Szeląg[(3)] Member of the Supervisory Board	125,000	-	-	125,000

(1) Mr. Zygmunt Solorz holds the Company's shares through the following companies: TiVi Foundation (the parent of Reddev Investments Limited, which in turn is the parent of Cyfrowy Polsat S.A.). Within the block of shares held by Mr. Zygmunt Solorz, 10,056,765 shares held indirectly and directly by Mr. Tobias Solorz were disclosed.

(2) The disclosed shares were acquired by Ms. Ewa Birka, a person closely related to Mr. Józef Birka, a person discharging managerial responsibilities within the meaning of Article 19 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

(3) Mr. Tomasz Szeląg holds the Company's shares indirectly, through Pigreto Ltd.

To the Company's best knowledge the remaining Members of the Supervisory Board did not hold any shares of the Company, directly and indirectly, as at the date of publication of this Report, i.e. April 10, 2025, nor at the date of publication of the previous report, i.e. November 20, 2024 (report for the third quarter of 2024).

Changes in the ownership of the Company's shares by Management Board and Supervisory Board Members since the publication of the previous interim report

From the date of publication of the previous interim report, i.e. November 20, 2024 (report for the third quarter of 2024), until the date of publication of this Report, i.e. April 10, 2025, the Company did not receive notifications concerning changes in the structure of ownership of significant blocks of Cyfrowy Polsat shares.

9.3.4. Limitations related to shares

As at the date of publication of this Report, i.e. on April 10, 2025, the Company held 88,842,485 ordinary treasury shares constituting 13.89% of the share capital of the Company and entitling to 88,842,485 votes at the General Meeting of the Company, representing 10.85% of the total number of votes at the General Meeting of the Company. The above mentioned shares were purchased under the own shares buyback program announced on November 16, 2021. Pursuant to Art. 364 Section 2 of the Code of Commercial Companies the Company does not exercise voting rights attached to the held treasury shares.

Except for the mentioned above limitations and the limitations regarding securities ownership rights transfer resulting from the general provisions of the law there are no other limitations, in particular contractual limitations, regarding our securities ownership rights transfer. Nevertheless, the Company has learned that on October 11, 2024, the District Court in Limassol (Cyprus) issued a temporary injunction prohibiting Reddev

Investments Ltd. from disposing of or encumbering its shares in the Company ("Injunction"). The Company is not the addressee of the Injunction and, to the best of the Company's knowledge, the Injunction has no legal effect in the territory of the Republic of Poland. As of the date of this report, the Company had no information regarding the lifting of the Injunction.

9.3.5. Information on material agreements, which can result in a change in the proportion of shares held by hitherto shareholders in the future

As at the date of publication of this Report, i.e. April 10, 2025, the Company did not have any information on agreements which can result in a change in the proportion of shares held by current shareholders in the future.

9.4. Rules of amending the Articles of Association of the Company

An amendment to the Articles of Association of the Company requires a resolution of the General Shareholders' Meeting and a registry in the Court register. The general provisions of law, the Articles of Association and the Bylaws of the General Shareholders' Meeting govern the procedure for adopting resolutions regarding amendments to the Articles of Association.

Pursuant to the provisions of the Articles of Association and taking into account the provisions of art. 417 § 4 of the Commercial Companies Code, an amendment to the Articles of Association may take place without a share buyback.

9.5. General Shareholders' Meeting

The General Shareholders' Meeting acts pursuant to the provisions of the Commercial Companies' Code, the Articles of Association, and the Bylaws of General Shareholders' Meeting adopted by Resolution 6 of the Extraordinary Shareholders' Meeting dated December 4, 2007 and amended by Resolution 29 of the Extraordinary Shareholders' Meeting dated April 23, 2009.

The General Shareholders' Meeting adopts resolutions regarding, in particular, the following issues:

a) review and approval of the Management Board's Report and the report of the Supervisory Board as well as the financial statements of the Company for the preceding accounting year and the consolidated financial statements,

b) decisions on the distribution of profits or on the manner of covering the losses,

c) acknowledgement of the fulfilment of duties by the Supervisory Board Members and Management Board Members,

d) establishment of the remuneration of Supervisory Board Members, subject to the provision of Article 18 sec. 3 c) of the Articles of Association, i.e., determining the amount of remuneration of Supervisory Board Members delegated to perform temporarily the tasks of a Management Board Member,

e) amendment of the Articles of Association,

f) modification of the scope of the Company's operations,

g) increase or decrease of the share capital,

h) merger, division or transformation of the Company,

i) dissolution and liquidation of the Company,

j) issuance of convertible bonds or senior bonds as well as issuance of subscription warrants,

k) sale or lease of the enterprise, its organized part or property components constituting a significant part of the enterprise as well as establishment of limited rights *in rem* in the aforementioned scope,

l) consenting to any acquisition and disposal of real estate, perpetual usufruct or a share in real estate, as well as consenting to the establishment of a limited right in rem on real estate, perpetual usufruct or a share in real estate with a value in excess of the amount determined in accordance with Article 1, sec. 3.19 of Statutes, i.e., with a value exceeding at one time or on an annual basis PLN 3.0 million net or the equivalent amount in other currencies,

m) any and all issues connected with claims for remedying a loss caused upon the formation of the Company or in the course of its management or supervision.

The General Meeting shall be attended by persons who are shareholders of the Company sixteen days prior to the date of the General Meeting (the day of registration for participation in the General Meeting). The date of registration for participation in the General Meeting is consistent for bearer shares and preferred shares holders. Pledgees and usufructuaries who are entitled to vote, have the right to participate in the General Meeting if establishment of a limited right on their behalf is registered on a securities account on the day of registration for participation in the General Meeting.

A shareholder, being a natural person, is entitled to participation in the General Shareholders' Meeting and execution of voting rights in person, or through a proxy. A shareholder, being a legal entity, is entitled to participation in the General Shareholders' Meeting and execution of voting rights through a person authorized to make representations of intent on its behalf, or through a proxy.

The power of attorney to attend the General Meeting and exercise voting rights requires a written or electronic form. The shareholder must notify the Company about electronically granting the power of attorney by providing information specifying the Shareholder and the Shareholder's proxy, including the name and surname or company (the name) and address (seat), and indicating the number of shares and votes, of which the proxy is authorized to exercise to the address: akcjonariusze@cyfrowypolsat.pl.

The General Meeting should be attended by Members of the Management Board and Supervisory Board - in the composition which allows for substantive answers to the questions posed during the General Meeting.

The General Meeting shall be opened by the Chairperson or, in his/her absence, the Deputy Chairperson of the Supervisory Board (if appointed). In their absence, the General Meeting shall be opened by the President of the Management Board or a person nominated by the President. Next, the General Meeting shall appoint the Chairperson of the Meeting from among persons authorised to participate in the General Meeting.

Each participant in the General Meeting is entitled to be elected the Chairman of the General Meeting, and also nominate one person as candidate to the position of Chairman of the General Meeting. Decisions shall not be made until Chairman of the General Meeting is elected.

The Chairman of the General Meeting directs proceedings in accordance with the agreed agenda, provisions of law, the Articles of Association and the Bylaws, and in particular: gives the floor to speakers, orders voting and announces the results thereof. The Chairman ensures efficient proceedings and respecting of the rights and interests of all Shareholders. The Chairman may decide on procedural matters.

After the drawing up and signing of the attendance list the Chairman determines that the Shareholders' Meeting has been convened in a proper manner and is authorized to adopt resolutions; presents the agenda and orders the selection of the Ballot Committee.

The General Meeting may pass a motion regarding nonfeasance of voting over an item on the agenda, and also on adjourning the order of issues on the agenda. However, removing an item from the agenda, or its adjourning upon the request of shareholders, requires prior consent of all the shareholders present who have forwarded such a motion, supported by a majority of votes of the General Meeting. Motions regarding the aforementioned issues shall be justified in detail.

The Chairman, after opening an item on the agenda, may give the floor in order of application to speakers. In the event of a significant number of applications the Chairman may set a time limit or limit the number of speakers. The floor may be taken regarding items on the agenda and currently under discussion only. The Chairman may give the floor outside of the order of application to the Members of the Management Board or Supervisory Board, and also to the Company experts called by them.

The Meeting may not adopt resolutions regarding items that are not on the agenda unless all the share capital is represented in the General Meeting and none of the present in the Meeting raises any objections as to the adoption of a resolution.

Voting shall proceed in a manner adopted by the General Meeting using a computerized system of casting and counting votes, ensuring that votes are cast in the number corresponding to the number of shares held and - in case of a secret ballot - allowing to eliminate the possibility of detecting the manner of voting by individual shareholders.

Subject to mandatory provisions of law, the General Meeting shall be valid, if attended by shareholders representing jointly more than 50% of the total number of votes in the Company. The resolutions of the General Meeting shall be adopted by an absolute majority of votes cast, unless the provisions of the Commercial Companies' Code or the provisions of Company's Articles of Association provide for a greater majority.

The Chairman of the General Meeting closes the General Meeting upon exhausting its agenda.

9.6. Management Board of the Company

9.6.1. Rules regarding appointment and dismissal of the management

Pursuant to article 14 of the Articles of Association of the Company the Management Board consist of one or more members, including the President of the Management Board. The President of the Management Board is appointed and dismissed by TiVi Foundation with its registered office in Vaduz, Liechtenstein as a personal right vested in that shareholder. The remaining Management Board Members are appointed and dismissed by the Supervisory Board. The number of Management Board Members in any given term of office is determined by the Supervisory Board. The term of office of the Management Board is joint and lasts three years.

The Management Board of the Company shall consist in their majority of persons holding Polish citizenship. Prior to their appointment, the Company's Management Board Members are required to submit a written statement that they have familiarized themselves with the Company's Articles of Association, the Bylaws of the Management Board, the Bylaws of the Supervisory Board, the Company's Organizational Regulations, Work Regulations and Employee Remuneration Rules, and that they undertake to strictly observe and apply them.

9.6.2. Composition of the Management Board

The following table sets forth the composition of the Company's Management Board as of December 31, 2024 and the responsibilities of its members. The composition of the Management Board remained unchanged in 2024.

Name and surname	Function	Tenure (in years)	Expiry of term	Responsibilities
Mirosław Błaszczyk	President of the Management Board	6	2025	sales and marketing strategy, HR, administration
Maciej Stec	Vice-President of the Management Board	11	2025	strategy and business development
Jacek Felczykowski	Member of the Management Board	6	2025	technology and network
Aneta Jaskólska	President of the Management Board	15	2025	legal and corporate governance, customer relations, security and safety, including cybersecurity
Agnieszka Odorowicz	President of the Management Board	9	2025	film production
Katarzyna Ostap-Tomann	President of the Management Board	9	2025	finance, investor relations, internal audit and ESG

Biographies of the Company's Management Board Members are available on the Company's website at: https://grupapolsatplus.pl/en/corporate-governance/management-board/members.

9.6.3. Competences and Bylaws of the Management Board

In accordance with the Company's Articles of Association, the Management Board conducts the business of the Company and represents it in external relations.

The following are entitled to submit statements on our behalf:

- in the case of one person Management Board – the President of the Management Board acting together with a commercial proxy, and
- in the case of a more numerous Management Board – the President of the Management Board, a Management Board Member, and the commercial proxy acting jointly.

The Management Board operates under legal regulations in force, the Company's Articles of Association, the Bylaws of the Management Board, the Bylaws of the Supervisory Board, the Company's Organizational Regulations, Work Regulations, and Employee Remuneration Rules as well as under the resolutions of the General Meeting of Shareholders.

The Management Board performs its obligations collectively whereas each of its members manages specific areas of the Company's operations within the division of tasks, in accordance with the descriptions mentioned above.

All issues related to our management, not restricted by the provisions of the law or the Articles of Association to the competence of the Supervisory Board or the General Meeting, are within the scope of competence of the Management Board.

Decisions regarding an issue or buyback of the Company's shares are within the competence of the General Shareholders' Meeting. The competences of the Board in respect to the above are limited to the execution of any resolutions adopted by the General Shareholders' Meeting.

Members of the Management Board may attend the sessions of the Supervisory Board. Furthermore, Members of the Management Board may participate in the sessions of any General Meeting. They provide substantive answers to questions asked during the General Meeting in accordance with the binding laws.

The Management Board conducts the Company's business on the basis of adopted resolutions.

The resolutions of the Management Board are adopted during Management Board's meetings. In extraordinary cases, the resolutions of the Management Board may be adopted without holding a meeting either in writing or using means of distance communication. Management Board resolutions adopted at a Management Board meeting are passed by an absolute majority of votes. If the votes are distributed equally, the President of the Management Board has a casting vote. Management Board resolutions may only be adopted, if all Management Board Members have been duly notified of a Management Board meeting and if the meeting is attended by more than half of the Management Board Members.

Management Board resolutions may be adopted in writing or using means of distance communication, if the draft of the resolution has been effectively served to all Management Board Members and the Chairperson of the Supervisory Board, if all Management Board Members take part in the vote, and if an absolute majority of Management Board Members consent to the resolution. Immediately after a resolution is adopted, the President of the Management Board is obliged to deliver it to the Chairperson of the Supervisory Board in the adopted wording together with information on the result of the vote.

Management Board meetings may be attended by the Chairperson of the Supervisory Board and a Supervisory Board Member or Supervisory Board Members appointed by the Chairperson of the Supervisory Board in writing. The President of the Management Board is obliged to notify the Chairperson of the Supervisory Board in writing of the date and agenda of Management Board meetings. The aforementioned notification shall be served at least 72 hours prior to the appointed time of the meeting. In extraordinary cases, said notification may be served within a shorter time-limit upon the written consent of the Chairperson of the Supervisory Board. Management Board meetings may also be attended by the Company's commercial proxy. The Company's Management Board notifies the commercial proxy of the date and agenda of the meeting.

The Company's Management Board is obliged to maintain the continuity of the commercial power of attorney; in particular, if the commercial power of attorney expires for any reason whatsoever, the Company's Management Board shall be obliged to appoint another commercial proxy immediately. Granting a commercial power of attorney requires the consent of all Management Board Members, subject to the stipulation that it shall only be permitted to grant a commercial power of attorney obliging the commercial proxy to perform transactions jointly with the President of the Management Board and a Management Board Member. A commercial power of attorney may only be granted by the Company's Management Board to candidates approved by the Supervisory Board. A commercial power of attorney can be revoked by any Management Board Member.

9.6.4. Remuneration of the Members of the Management Board

Rules for remuneration of Members of the Management Board are regulated by the Remuneration Policy for the Management Board and Supervisory Board Members. Information on the remuneration of Board Members in 2024 is included in the consolidated financial statements (Note 47) and the standalone financial statements (Note 43) for 2024.

9.6.5. Contracts with Members of the Management Board setting out severance packages payout

The Company has concluded managerial contracts with the following Members of the Management Board: Aneta Jaskólska, Agnieszka Odorowicz and Katarzyna Ostap-Tomann. These contracts do not provide for the payment of severance packages as a result of the resignation of the mentioned above Members of the Management Board or their dismissal from the position without a material cause, or in the case when their resignation or dismissal results from a merger by acquisition of the Company.

9.7. Supervisory Board of the Company

9.7.1. Rules regarding appointment and dismissal of the Supervisory Board

In accordance with Art. 19 of the Company's Articles of Association, the Supervisory Board consists of five to nine members, including the Chairperson of the Supervisory Board. A Supervisory Board Member may be appointed Deputy Chairperson of the Supervisory Board by resolution of the General Shareholders Meeting. The Chairperson of the Supervisory Board is appointed and dismissed by TiVi Foundation with its registered office in Vaduz, Liechtenstein as a personal right vested in that shareholder. The remaining Members of the Supervisory Board are appointed and dismissed by the General Shareholders Meeting.

The Supervisory Board is appointed for a joint five-year term of office. The number of Supervisory Board Members in any given term of office shall be determined by the General Shareholders Meeting.

The Supervisory Board of the Company shall consist in their majority of persons holding Polish citizenship. Prior to their appointment, the Company's Supervisory Board Members are required to submit a written statement that they have familiarized themselves with the Company's Articles of Association, the Bylaws of the Management Board, the Bylaws of the Supervisory Board, the Company's Organizational Regulations, Work Regulations, and Employee Remuneration Rules, and that they undertake to strictly observe and apply them.

The Supervisory Board consists of two Members meeting the criteria of an independent Member of the Supervisory Board as set out in article 129 item 3 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight which fulfils the principle 2.3. of the Best Practices 2021. A Supervisory Board Member is required to submit a statement to the Management and Supervisory Boards of the Company on his or her compliance with the independence criteria.

9.7.2. Composition of the Supervisory Board

The following table presents the composition of the Company's Supervisory Board as of December 31, 2024.

Name and surname	Function	First appointment	Appointment for current term	Expiry of term
Zygmunt Solorz	Chairman of the Supervisory Board	2008	2021	2026
Justyna Kulka	Vice-Chairman of the Supervisory Board	2024	2024	2026
Józef Birka	Member of the Supervisory Board	2015	2021	2026
Marek Grzybowski	Independent(1) Member of the Supervisory Board Chairman of the Audit Committee	2020	2021	2026
Alojzy Nowak	Independent(1) Member of the Supervisory Board Member of the Audit Committee	2021	2021	2026
Tomasz Szeląg	Member of the Supervisory Board Chairman of the Remuneration Committee Member of the Audit Committee	2016	2021	2026

(1) conforms with the independence criteria listed article 129 item 3 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight and in principle 2.3. of the Best Practices 2021.

On June 20, 2024 the Annual General Meeting of the Company appointed Ms. Justyna Magdalena Kulka to the Supervisory Board of the Company and entrusted her with the position of Vice Chairperson of the Supervisory Board.

On July 1, 2024 Mr. Piotr Żak resigned from his membership in the Supervisory Board and from the position of Vice-Chairman of the Supervisory Board of the Company, effective as of the end of 2 July 2024.

On October 8, 2024, the Extraordinary General Meeting of the Company resolved to reduce the number of members of the Supervisory Board of the present term of office to 6 persons and resolved to dismiss Mr. Jarosław Grzesiak and Mr. Tobias Solorz from the Supervisory Board.

Biographies of the Company's Supervisory Board Members are available on the Company's website at: https://grupapolsatplus.pl/en/corporate-governance/supervisory-board/members.

9.7.3. Competences and Bylaws of the Supervisory Board

The Supervisory Board acts pursuant to the Commercial Companies Code and also pursuant to the Articles of Association of the Company and the Bylaws of the Supervisory Board.

Pursuant to the Articles of Association of the Company, the Supervisory Board performs ongoing supervision of the Company's operations in all its fields. In order to exercise supervision in the scope and under the terms stipulated in the Articles of Association, the Supervisory Board is entitled to review any documents of the Company, request reports and explanations from the Management Board, and review the status of the Company's assets. The Supervisory Board performs its obligations collectively but may also delegate its members to perform specific supervisory activities independently. The Supervisory Board is entitled to establish committees in circumstances provided for under applicable law. The Supervisory Board is also be entitled to appoint other committees and determine the scope and terms of their operation.

The Chairperson of the Supervisory Board is authorized to perform individually supervisory tasks with regard to the manner of performing obligations by the Management Board stipulated under Article 13 sec. 1.3 of the Articles of Association as well as to the activity of the Management Board with respect to agreements, revenue, costs, and expenses.

The competences of the Supervisory Board include matters restricted by the Commercial Companies Code and provisions of the Company's Articles of Association, in particular:

a) reviewing the annual financial statements of the Company and the consolidated financial statements with respect to their consistency with both the books and documents and the facts; reviewing the annual Management Board Report on the Company's operations and the assessment of the Management Board's work, reviewing the Management Board's motions with respect to distributing profits or covering losses, and submitting a written report on the results of the aforementioned reviews to the Annual Shareholders Meeting,

b) drafting a report on the activities of the Supervisory Board, the assessment of the Company's standing, the assessment of the manner of performing the information obligations by the Company, the assessment of the rationality of the policy pursued by the Company, including but not limited to the price policy, and the assessment of the internal control system and the system for managing significant risks for the Company, in each case in accordance with the terms of corporate governance adopted by the Company, and presenting them to the Annual Shareholders Meeting,

c) delegating Supervisory Board Members to perform temporarily the tasks of a Management Board Member who has been revoked, has resigned or is unable to perform his/her duties for other reasons, for a period not longer than three months,

d) determining the remuneration of Management Board Members,

e) appointing a statutory auditor to audit the financial statements of the Company,

f) granting consent to the payment of an advance towards the predicted dividend to the shareholders,

g) approving the terms, plans and prices of acquisition or sale of goods and services by the Company in the scope stipulated under the Bylaws of the Management Board or a resolution of the Supervisory Board.

Moreover, the competences of the Supervisory Board include:

a) reviewing and issuing opinions on issues that shall constitute the object of the resolutions of the General Shareholders Meeting,

b) approving quarterly, annual, and multi-year plans for the Company's operations drafted by the Management Board and monitoring their performance on an ongoing basis,

c) determining the amount of remuneration of Supervisory Board Members delegated to perform temporarily the tasks of a Management Board Member,

d) granting consent to the appointment and dismissal of supervisory board members of a Material Company, excluding supervisory board members of a Material Company who are appointed and dismissed on the basis of personal rights granted to a partner or a shareholder of this Material Company, where Material Company means: Telewizja Polsat sp. z o.o. with its registered office in Warsaw, Polkomtel sp. z o.o. with its registered office in Warsaw, Netia S.A. with its registered office in Warsaw, and every company whose EBITDA for the last 12 months was higher than 5% of the Group's consolidated EBITDA,

e) granting consent to the Company to perform any Qualified Legal Transaction, which means any legal transaction resulting or potentially resulting in the disposal or obligation of any title towards a single entity with a value exceeding either PLN 3.0 million net or the equivalent of this amount in other currencies, either on a one-time basis or annually,

f) approving the selection of bidders in the procurement proceedings held by the Company and approving bids submitted by the Company in procurement proceedings,

g) granting consent for any acquisition and disposal of real estate, perpetual usufruct or share in real estate, as well as for the establishment of a limited property right on real estate, perpetual usufruct or share in real estate, up to the amount specified in Article 1 Section 3.19 of the Statutes, i.e., with a value exceeding PLN 3.0 million net or the equivalent of this amount in other currencies, either on a one-time basis or annually,

h) granting consent to hiring for the positions of director, deputy director, expert or consultant, irrespective of the basis for such employment, including in particular on the basis of employment relationship and other legal relationships. Modification and termination of the aforementioned employment shall also require the consent of the Supervisory Board.

i) approving the Work Regulations and Employee Remuneration Rules,

j) granting consent to the application for, modification or waiver of any license or permit stipulated under Article 6 sec. 2 of the Articles of Association, as well as to transferring or granting access to them to third parties,

k) granting consent to the conclusion of any agreement on consultancy services by the Management Board,

l) granting consent to the issue of bonds by the Company other than bonds convertible to shares or senior bonds,

m) granting consent to any acquisition, sale, assumption or encumbrance of shares and stock in companies as well as any participation titles in entities and organizations other than companies,

n) approving plans for merging or dividing the Company before they are passed and any plans for the reorganization of the Company.

The detailed terms of activity and operation of the Supervisory Board, including but not limited to the terms of operation of its respective committees, are determined in the Supervisory Board Regulations approved by the General Shareholders Meeting. Any amendment to the Supervisory Board Regulations shall require a resolution of the General Shareholders Meeting.

Supervisory Board meetings are convened by the Chairperson of the Supervisory Board. In the absence of the Chairperson, a Supervisory Board meeting can be convened by the Deputy Chairperson of the Supervisory Board or, in the absence of a Deputy Chairperson, the meeting can be convened by a Supervisory Board Member nominated by the Chairperson. Supervisory Board meetings are convened ex officio upon the motion of the Management Board or at least two Supervisory Board Members. Supervisory Board meetings are chaired by the Chairperson of the Supervisory Board or, in the absence of a Chairperson, by the Deputy Chairperson or, in the absence of a Deputy Chairperson, by a Supervisory Board Member nominated by the Chairperson. Apart from Supervisory Board Members, Supervisory Board meetings may be attended by Management Board Members, the commercial proxy, and invited guests. The person chairing a Supervisory Board meeting is entitled to order persons other than Supervisory Board Members to leave the room where the meeting is held.

Supervisory Board resolutions shall be by two-thirds of cast votes. All Supervisory Board Members must be invited to a Supervisory Board meeting and more than 50% of Supervisory Board Members must attend the meeting for the Supervisory Board resolutions to be binding. Supervisory Board Members shall be entitled to participate in adopting Supervisory Board resolutions by casting their vote in writing through the agency of another Supervisory Board Member. Casting a vote in writing shall not apply to issues added to the agenda at the meeting of the Supervisory Board.

The resolutions of the Company's Supervisory Board may be adopted without holding a meeting either in writing or using means of distant communication. Resolutions adopted in writing or using means of distant communication as well as electronically, as stipulated in art. 21 section 5 of the Statutes, are passed, if the draft resolution has been effectively served to all Supervisory Board Members, if all Supervisory Board Members take part in the vote, and if at least two-thirds of Supervisory Board Members vote for the resolution. An electronic vote shall be ordered by the Chairperson of the Supervisory Board. In the absence of the Chairperson, an electronic vote shall be ordered by the Deputy Chairperson of the Supervisory Board or, in the absence of a Deputy Chairperson, by a Supervisory Board Member nominated by the Chairperson.

In 2024, the Supervisory Board's resolutions were adopted at the meetings and in accordance with Article 21 item 4 of the Company's Articles of Association and Article 5 item 4 of the Bylaws of the Supervisory Board, i.e., in writing, by electronic means or using means of direct remote communication.

9.7.4. Committees of the Supervisory Board

Pursuant to the Bylaws of the Supervisory Board, the Supervisory Board may appoint permanent committees, in particular an Audit Committee, a Remuneration Committee, or a Strategic Committee, as well as *ad hoc* committees to investigate certain issues remaining in the competence of the Supervisory Board or acting as advisory and opinion bodies of the Supervisory Board.

The functioning of the Audit Committee is regulated by the Bylaws of the Audit Committee. The provisions of the Bylaws of the Supervisory Board apply to meetings, resolutions, and minutes of remaining committees of the Supervisory Board.

The aforesaid committees may be appointed by the Supervisory Board from among its Members by means of a resolution. The committee appoints, by means of a resolution, the Chairman of the particular committee from among its Members. The mandate of a Member of a particular committee expires upon expiry of the mandate of the Member of the Supervisory Board. The Supervisory Board may, by means of a resolution, resolve to dismiss a Member from the composition of a particular committee before the expiry of the mandate of the Member of the Supervisory Board. Dismissal from membership in a committee is not tantamount to dismissal from the Supervisory Board.

The first meeting of a committee is convened by the Chairman of the Supervisory Board or another Member of the Supervisory Board indicated by him or her. Meetings of the committees are convened as the need arises, ensuring thorough delivery of duties assigned to a particular committee. Minutes of committee's meetings and adopted resolutions are made available to the Members of the Supervisory Board that are not Members of the committee. The Chairman of a given committee chairs its proceedings. The Chairman also performs supervision over the preparation of the agenda, distribution of documents, and preparation of minutes of the meetings of the committee.

Pursuant to article 128 item 1 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight, the Company has an Audit Committee and, in addition, a Remuneration Committee.

As at December 31, 2024, **the Audit Committee** comprised the following Members of the Supervisory Board while the composition of the Audit Committee remained unchanged in 2024:

Name and surname	Function
Marek Grzybowski	Chairman of the Audit Committee Independent Member of the Supervisory Board
Alojzy Nowak	Independent Member of the Supervisory Board
Tomasz Szeląg	Member of the Supervisory Board

The composition of the Audit Committee meets the requirements listed in article 128 item 1 and article 129 item 3 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight.

In 2024, the Audit Committee held 4 remote meetings, and resolutions were also adopted using means of direct remote communication.

In addition, the Company has a **Remuneration Committee**, which as of December 31, 2024 included Mr. Tomasz Szeląg, who served as the Chairman of the Remuneration Committee.

Audit Committee

In accordance with the Bylaws of the Audit Committee, the Committee consists of at least three Members, appointed for the term of office of the Supervisory Board. The Chairman of the Committee is appointed by the Company's Supervisory Board. Most Members of the Committee, including its Chairman, are independent from the Company that is they meet the independence criteria set out in Article 129 item 2 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight.

Among the Members of the Audit Committee, the statutory independence criteria are met by Mr. Marek Grzybowski and Mr. Alojzy Nowak.

The independence of the indicated Members of the Supervisory Board has been verified by the Supervisory Board on the basis of statements submitted by them confirming that they meet the independence criteria set forth in Article 129 item 2 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight and, moreover, based on information gathered by the Company and sourced in the Company concerning the relations of the persons in question with the Company and other companies from Polsat Plus Group, in particular the capital structure and the composition of governing bodies of Polsat Plus Group and legal relations between the persons in question and the Company and the companies from Polsat Plus Group.

Members of the Audit Committee: Mr. Marek Grzybowski, Mr. Alojzy Nowak and Mr. Tomasz Szeląg, possess knowledge and skills in accounting and/or auditing financial statements which were obtained during studies, scientific career and/or extensive professional practice.

Furthermore, Mr. Tomasz Szeląg possesses knowledge and skills with regard to the sectors in which the Group operates, gained during many years of professional career on key managerial positions within Polsat Plus Group, among others, as Member of the Management Board responsible for finance in Cyfrowy Polsat.

Regulations of the Audit Committee apply to the meetings, resolutions and minutes of meetings of the Audit Committee.

Meetings of the Audit Committee are convened by the Chairman of the Audit Committee or a Member of the Audit Committee authorized by the Chairman and are held at least once a quarter, at dates determined by the Chairman of the Audit Committee. Additional meetings of the Audit Committee may be convened by the Chairman of the Audit Committee at the request of a Member of the Audit Committee, Chairman of the Supervisory Board or another Supervisory Board Member, as well as at the request of the Management Board.

The Audit Committee passes resolutions, if at least half of its Members are present at the meeting and all Members were properly invited. Resolutions are passed by an absolute majority of votes and in the case of an equal number of votes, the Chairman of the Audit Committee shall have a casting vote. Members of the Audit Committee may participate in the Committee's meetings and vote in person, or by means of distant communication.

The work of the Audit Committee is managed by its Chairman who is responsible for preparing an agenda of each meeting or may appoint a Secretary of the Audit Committee whose tasks include in particular the preparation of an agenda of each meeting and organization of the distribution of documents for the Committee's meetings. A notification of the meeting, including its agenda together with all required materials, must be delivered to the Members of the Audit Committee at least 7 days before the meeting and in extraordinary circumstances a Committee's meeting may be convened at a shorter notice than the above mentioned deadline.

The Chairman of the Audit Committee may ask a relevant Management Board Member to prepare appropriate materials.

Minutes are taken of every meeting of the Audit Committee and are then signed by all Members who participated in a given meeting.

Members of the Supervisory Board who are not part of the Audit Committee may, at their own initiative, participate in the Committee's meeting, however without a voting right. The Chairman of the Audit Committee may invite Members of the Supervisory Board, auditors, employees of the Company and other persons as experts.

The tasks of the Audit Committee include in particular monitoring of the financial reporting process, efficiency of internal control systems and risk management systems as well as internal audit and performing financial revision activities, in particular carrying out audits by an audit company.

Pursuant to the Audit Charter, the Internal Audit Director meets directly the Audit Committee. In addition, at the request of the Audit Committee he or she joins its sessions and presents additional/supplementary information.

The Audit Committee evaluates, controls and monitors independence of a certified auditor and audit company, in particular in the case when the audit company provides the Company with services other than auditing of financial documents in the Company. The Audit Committee grants consent to provision of such services by the audit company. The Audit Committee notifies the Company's Supervisory Board about the results of audit and the role of the Committee in the auditing process as well as explains how this audit contributed to the reliability of financial reporting in the Company.

The tasks of the Audit Committee also include developing a policy of selection of an audit company to carry out the audit as well as developing a policy of provision by the selected audit company, its affiliated entities and members of the audit company's network of permitted services which are not part of the audit.

Main assumptions underlying the selection of an auditor in Cyfrowy Polsat

- In accordance with the Company's Articles of Association, the Company's Supervisory Board is the body selecting the auditing company (in the Company's Articles of Association referred to as the chartered accountant) for carrying out the statutory audit, while the General Meeting of the Company is the body approving the Company's financial statement.
- The first contract with the auditing company for carrying out the statutory audit of financial statements is concluded by the Company for the period of 2 years, extendable for successive two- or three-year periods, with the reservation that the total period of the statutory audit may not exceed ten years and the

key auditor may not conduct the statutory audit for more than five years. Termination of the contract with the auditing company is possible, if justified grounds to do so emerge.

- The Audit Committee develops the policy for the selection of the auditing company and determines the procedure of selection of the auditor for performing the statutory audit. The auditor selection procedure is determined at the Audit Committee's discretion. The Audit Committee may instruct the Company's Management Board or employees of the Company selected by it to carry out the selection procedure.
- If an auditor for statutory audit is selected, the selection procedure must meet the following criteria:
  - the auditor on its own, or as part of a chain of companies operating on the territory of the European Union, has not conducted statutory audits for the Company for a period of at least past 10 consecutive years, or of if such a company did conduct a statutory audit for the Company for a continuous period of 10 consecutive years in the past, then a period of at least 4 years has already elapsed since the last of such audits,
  - the organization of the tender process does not exclude from the selection process companies which have obtained less than 15% of their total remuneration on account of auditing public interest units in the Republic of Poland during the past calendar year, which are found on the list of auditors published on the website of the Audit Oversight Committee (Komisja Nadzoru Audytowego) (a sub-page of www.mf.gov.pl*),*
  - in the event that the selection of the auditing company is carried out during the year covered by the audit in question, neither the auditor, nor any member of the chain, of which the auditor is a member, has provided, either directly or indirectly to the Company or to its subsidiaries, any prohibited services, as defined by article 136 of the Act of May 11, 2017 on Statutory Auditors, Audit Firms and Public Oversight, during the current financial year, as well as any services related to the development and implementation of internal control procedures or risk management procedures associated with the development or control of financial information, or the development and implementation of any technological systems concerning financial information during the preceding year.

Major assumptions of the policy of provision to Cyfrowy Polsat of permitted services which are not audit services by the selected auditor, its related companies or members of the chain of which the auditor is a member

- The Company shall not conclude, with the auditor, its related companies or the members of the chain of which the auditor is a member, any agreements for the provision of prohibited services, as defined in Article 5, section 1, paragraph 2 of the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC.
- Prior to contracting any work, being permitted services and not being an audit, the Audit Committee performs an assessment of the threats and safeguards related impartiality, mentioned in Articles 69-73 of the Act on Statutory Auditors, Audit Firms and Public Oversight. The Audit Committee also oversees compliance of the performed work with the valid law.
- Permitted services include:
  - services involving due diligence procedures related to the Company's economic-and-financial standing;

- issuing comfort letters in connection with prospectuses issued by the audited entity, carried out in accordance with the national standard for related services and consisting of performance of agreed procedures;
- assurance services related to pro forma financial information, forecasts of results or estimated results which are included in the audited unit's prospectus;
- audit of historical financial information to be included in the prospectus which is mentioned in the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements;
- verification of consolidation packages;
- confirmation of fulfilment of the terms of facility agreements concluded by the Company based on the financial information coming from the financial statements examined by a given auditor;
- assurance services in the scope related to reporting on corporate governance, risk management and corporate social responsibility;
- services involving assessment of the compliance of the disclosures made by financial institutions and investment firms with the requirements related to disclosure of information concerning capital adequacy and variable components of remuneration;
- assurance concerning financial statements or other financial information intended for the supervisory authority, the supervisory board or any other supervising body of the company, or the owners whose scope exceeds the scope of the statutory audit and which are intended to assist these authorities in the fulfilment of their statutory duties.

The Audit Committee provides the Supervisory Board with a recommendation regarding the selection of audit company.

On July 10, 2023, the Audit Committee recommended to the Supervisory Board to appoint Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, to audit the financial statements of the Company and the consolidated financial statements of the Company's capital group for the years 2023 and 2024. The recommendation fulfilled the criteria set in the adopted policy of selection of an audit company and followed the selection procedure organized by the Company which met the binding criteria. The recommendation was accepted by the Supervisory Board.

Additionally, the Audit Committee presents recommendations to the Company's Management Board aimed at ensuring the reliability of financial reporting in the Company.

9.7.5. Remuneration of the Members of the Supervisory Board

Rules for remuneration of Members of the Supervisory Board are regulated by the Remuneration Policy for the Management Board and Supervisory Board Members. Information regarding remuneration of Members of the Supervisory Board in 2024 is included in the consolidated financial statements (Note 48) and in the standalone financial statements (Note 44) of the Company for 2024.

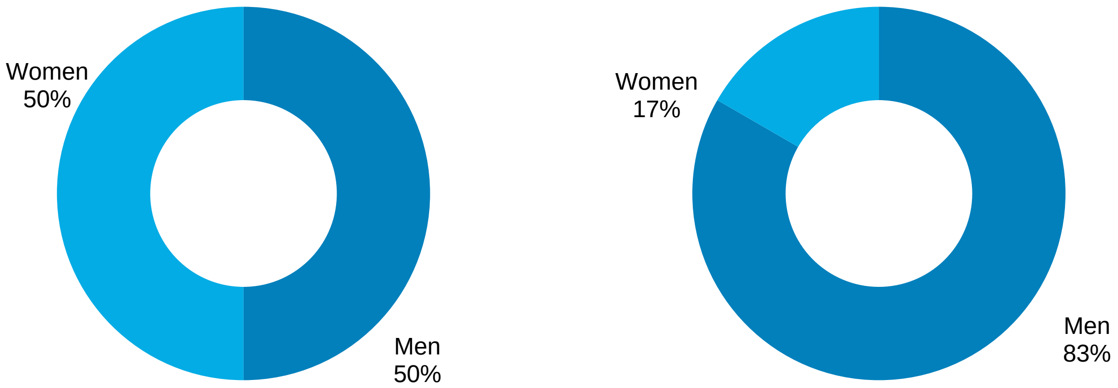
9.8. Diversity policy applicable to administrative, managing and supervising bodies of the Company

As part of the implementation of the Human Rights Policy, Polsat Plus Group has adopted a Diversity Policy. The policy enables the Group to respond in a better way to the employees' expectations, make full use of their potential and at the same time help the companies who are part of the Group to adjust to the changes occurring on the labour market. We trust that diversity is one of the sources of our competitive advantage, and competing views, opinions, work styles, skills and experience generate new quality and enable companies to achieve better business results.

The basic principles of Polsat Plus Group's Diversity Policy include protection of diversity and prohibition of any discrimination due to gender, age, sexual orientation, competence, experience, potential degree of disability, nationality, ethnic origin, colour of skin, language, parental status, religion, worldview, or any other dimensions of diversity which are defined by valid law.

The provisions of Polsat Plus Group's Diversity Policy apply to all employees, including Management Board Members and Supervisory Board Members. While our aim is to promote gender equality among top managerial positions, our policy is above all to appoint persons with appropriate competences, professional experience and education to the Management and Supervisory Boards of the Company. The diagrams below present the gender and age structures of the Members of the Management and Supervisory Boards of Cyfrowy Polsat.

Structure of the Management Board and the Supervisory Board with respect to gender in 2024

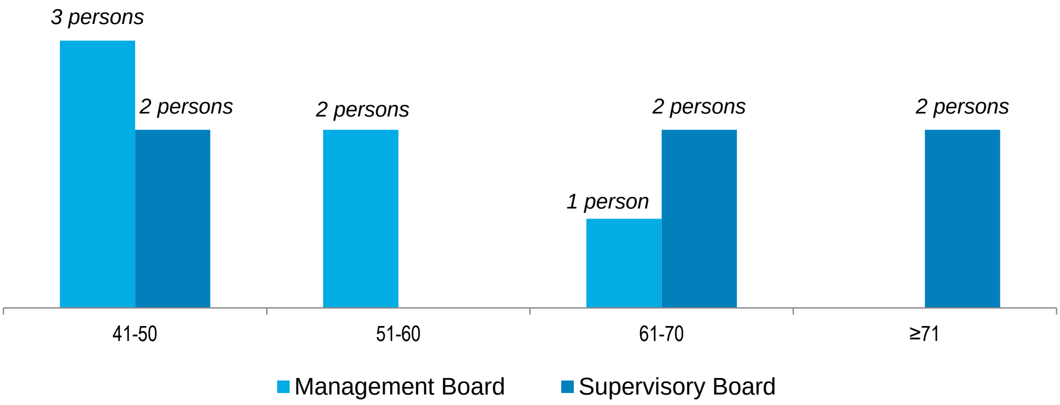


Management Board **Supervisory Board**

As at December 31, 2024 three men and three women sat on Cyfrowy Polsat's Management Board while the Supervisory Board included five men and one woman.

Members of the Management Board and the Supervisory Board have education in fields such as management and marketing, law, economy, finance, or technical education as well as rich and diverse professional experience.

Structure of the Management Board and the Supervisory Board with respect to age as at December 31, 2024



10. Sustainable development statement

10.1. General information

10.1.1. ESRS 2 General disclosures

BP-1 – General basis for preparation of the sustainability statement

Cyfrowy Polsat S.A. ("the Company", "Cyfrowy Polsat"), a company with its registered office in Warsaw, at Łubinowa 4a, is the dominant unit of Cyfrowy Polsat S.A. Capital Group (the "Group", "Polsat Plus Group") conducting its business operations on the territory of Poland. Cyfrowy Polsat shares have been traded on the Warsaw Stock Exchange since May 2008.

The Company fulfils the criteria set for the biggest public interest units (listed in the catalogue in Article 3(1e) (1) to (6) of the Polish Accounting Act) and during the preceding years it was covered by the obligation of publication of non-financial data, which has been imposed on selected units and capital groups by virtue of the Polish Accounting Act of 29 September 1994. The Act of 6 December 2024 *on the amendment of the Accounting Act, the act on chartered accountants, auditors and public supervision and of some other acts,* which was published on 17 December 2024, and which took effect from 1 January 2025, imposed new reporting obligations on Polsat Plus Group. The new reporting obligations are defined by the *Corporate Sustainability Reporting Directive* - CSRD) (2022/2464) and rely on the *European Sustainability Reporting Standards* (ESRS) which were implemented by the delegated regulation of the European Parliament and Council EU 2023/2772 of 31 July 2023 (Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards).

This chapter is the *sustainable development statement*, as defined by the ESRS standards, and it constitutes the fulfilment of the statutory reporting obligations related to sustainable development as defined by the Polish Accounting Act ("the sustainable development reporting"). The document constitutes the consolidated sustainable development report of Polsat Plus Group, which means that the scope of consolidation of this report is identical as the scope of the Group's consolidated financial statement. Due to the nature and the scope of influence, the data presented therein cover the scope of the data related to Cyfrowy Polsat S.A. and its subsidiaries for the period from 1 January 2024 to 31 December 2024, while indicating the material events which occurred in the period after 31 December 2024 but before the date of the present statement's publication. At the same time, while analysing the impact, the risks and the opportunities, the Group has adopted a broader view, i.e. the one which encompasses individual value chains, both with regard to the upstream part, as well as the downstream part (being involved in several categories of operations, the Group has companies operating in various sectors, thus several value chains are mentioned here). Wherever justified from functional point of view, in the face of the occurring changes the Group has addressed not only the current nature of the impact it has but also its potential future impact, in the broadest sense possible, i.e. while accounting for the value chain.

In this report we have exercised the right to omit specific information items regarding the intellectual property rights, the know-how, or the results of innovation due to their confidential nature (ESRS 1, section 7.7 Classified and sensitive information, and information on intellectual property, know-how or results of innovation), with regard to the following:

- S3-5. Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities. (in the context of the procedures and tools associated with prevention of crime – that is intellectual property theft – which is intended to protect these tools and, consequently, the effectiveness of the activities themselves).

BP-2 – Disclosures in relation to specific circumstances

The Group did not adopt any other understanding of the short-, medium- or long-term perspective than the one adopted in the ESRS.

In principle, the quantitative data presented in the report are the actual data coming from internal reporting systems. Potential limitations regarding specific data items are indicated directly in the relevant place in the report (next to a relevant table), which has been done for convenience of the readers. Wherever presentation of the actual data was impossible, the Group provided estimates. This applies in particular to the calculations of the carbon footprint whose size is not actually measured but calculated on the basis of the data regarding the actual consumption of fuel and energy, while using relevant conversion ratios in line with the approach described in "The GHG Protocol Corporate Accounting and Reporting Standard" (Scopes 1 and 2). Due to impossibility of using the actual data, estimates have also been used for calculating the carbon footprint for Scope 3. The information regarding the calculation methodologies applied can be found directly in the disclosure ESRS E1 Climate change, E1-6 – Gross copes 1, 2, 3 and Total GHG emissions. The methodologies used comply with the ones found in the „Technical Guidance for Calculating Scope 3 Emissions. Supplement to the Corporate Value Chain (Scope 3) Accounting & Reporting Standard".

It is the first sustainable development report developed in line with the ESRS standards. In previous years, the Group published reports on non-financial data based on other regulations and the GRI (Global Reporting Initiative) reporting standards. In the face of the changes, including introduction of the new ESRS reporting requirements and standards, it became impossible to present comparative data for the previous reporting period. Whereas it is the first report which follows the sustainable development reporting rules based on the ESRS standards, thus it is impossible to discuss any potential, identified errors in earlier reports. At the same time, the Group did not identify any errors in the earlier statements presenting the non-financial data.

Bearing in mind the intention to make this report as concise as possible, and hence to maintain transparency wherever such an approach fostered transparency, the Group uses references to other parts of its reports, especially to other items of this Management Board's report on activities and the consolidated financial statements for 2024, while accounting for the provisions mentioned in ESRS 1, section 9.1 *Incorporation by reference.* In particular, incorporation by reference has been applied to the following disclosures:

- GOV-1 The role of the administrative, management and supervisory bodies,
- GOV-5 Risk management and internal controls over sustainability reporting.

The Polsat Plus Group has taken advantage of the opportunities provided by the gradual implementation of the legislation, i.e. the allowances indicated in ESRS 1 Appendix C in relation to SBM-3(48)(e) and the disclosures relating to the anticipated financial impacts arising from the significant risks and opportunities associated with each environmental impact area, i.e.: E1-9, E2-6, E3-5, E4-6 and E5-6, and disclosures S1-13, S1-14 (to the extent indicated in Appendix C).

GOV-1 – The role of the administrative, management and supervisory bodies

In accordance with the Commercial Companies Code, the governing bodies of Cyfrowy Polsat S.A., which is the dominant unit in Polsat Plus Group, are the General Meeting, the Supervisory Board and the Management Board. The representatives of trade unions are not members of any of these bodies. Detailed information regarding the members and the authority of the respective governing bodies can be found in section 9 of this report – *Corporate governance statement.*

Within the Group's management structure, the responsibility for the ESG-related issues has been assigned to a Member of Cyfrowy Polsat S.A. Management Board, who at the same time is responsible for finance, investor relations and internal audit functions. Thus, the responsibility for financial and non-financial reporting is concentrated in one place, while combining the above-mentioned responsibilities with coordination of the internal audit and investor relations functions fosters assurance of reliable management of non-financial data and reporting in this area.

Members of the Management Board and members of the Audit Committee are informed quarterly about the status of activities and reporting in the ESG area.

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The activities which are material from the point of view of the risks, the opportunities and the results of ESG-related activities in the Group's respective companies are coordinated on an on-going basis at the operational level by the ESG Manager. The position is also responsible for the exchange of the information which is material from ESG point of view between the respective companies and the dominant unit, as well as for the implementation of ESG-related formal solutions. In addition, the position manages the reporting process, while making sure that the presented information is uniform and reliable. In accordance with the organizational structure, which was in effect on 31 December 2024, the position reported to the Director of the Reporting and Financial Controlling Department, who in turn reports to the Management Board Member responsible for the ESG matters. After 31 December 2024, however before publication of the report, the organizational structure underwent modifications, i.e. the ESG Unit was established. The manager of this unit (formerly the ESG Coordinator) functions within the Investor Relations, ESG and Compliance Department, reporting to the same member of the Management Board. The key information, as well as all major ESG-related decisions, are presented and discussed by the relevant Management Board Member at Management Board meetings. Non-financial information, along with other information found in the reports, is subject to approval by the Management Board. Such information is also subject to the Supervisory Board's oversight.

GOV-3 – Integration of sustainability-related performance in incentive schemes

In the year 2024 the issues related to sustainable development were not covered by the incentive schemes of the management and supervisory bodies of the Group's companies. No bonus-associated objectives were formulated which would be directly linked to specific metrics or ESG-related results. At the same time, capital expenditures as well as other projects, which are part of transformation of the Group's business model, are of strategic importance, and as such they form a starting point for the assessment of the managers by the supervisory body.

GOV-4 – Statement on due diligence

Bearing in mind the fact that the Corporate Sustainability Due Diligence Directive (CSDDD) of the European Parliament and Council, which was published in the EU Official Journal in July 2024, is not yet in force and that its effective date has been postponed, the Group has not taken any actions yet to assure compliance with the new regulation.

Nonetheless, the Group is implementing solutions aimed at assuring the highest level of diligence, both with regard to the value chain (including deliveries), as well as the activities within the Group itself.

Major elements of the due diligence process

Core elements of due diligence	Actions taken as part of the due diligence process
a) Embedding due diligence in governance, strategy and business model	Key actions include: • guaranteeing the resources (including human and financial resources as well as formal solutions which facilitate monitoring of regulatory changes as well as the

Core elements of due diligence	Actions taken as part of the due diligence process
	cooperation with regulators and industry organizations • adoption of respective policies, including the Policy of Respect for Human Rights which constitutes a formal reference point in terms of the expectations regarding third party conduct as well as establishes the Compliance Officer for the Respect of Human Rights • adoption and application of the Partner's ESG Declaration of Responsible Cooperation (for Contractor, Supplier, Bidder, Integrator) along with the anti-corruption and ESG clauses • implementation of the Internal Reporting of Legal Breaches and Follow-up Procedure References in the report: ESRS 2 GOV-1, ESRS 2 GOV-2, ESRS 2 SBM-1, ESRS 2 SMB-3, SMB-3-E1, E1-2, E3-1, SMB-3-E4, E4-2, E5-1, SMB-3-S1, S1-1, SMB-3-S2, S2-1, SMB-3-S2, S3-1, SMB-3-S4, S4-1, GOV-1-G1, G1-1, G1-2, G1-3
b) Engaging with affected stakeholders in all key steps of the due diligence	Key actions include: • cooperation within the framework of industry agreements as well as observance of voluntary self-regulation rules adopted by respective industries • obtaining information from and providing explanations to the public administration bodies (including UKE, URE, UOKIK, KRRiT) • dialogue with suppliers in the situations when questions or doubts emerge as regards fulfilment of the expectations formulated in the ESG Declaration • monitoring the satisfaction level of selected stakeholder groups and surveying their expectations • monitoring and analysis of complaints. References in the report: SBM-2, SBM2-S1, SBM-2-S2, SBM-2-S3, SBM-2-S4
c) Identifying and assessing adverse impacts	Key actions include: • monitoring and analysis of the information regarding potential irregularities reported based on the Internal Reporting of Legal Breaches and Follow-up Procedure, or via other communication channels • analysing the causes of complaints and customer requests • in the case of construction work, analysing signals from residents of neighbouring

Core elements of due diligence	Actions taken as part of the due diligence process
	areas or other persons exposed to possible nuisance or suspecting irregularities • points of contact are created for construction projects (including RES projects) for which Stakeholder Engagement Plans (SEP) are developed and adopted. The information received via such points of contact is processed and responded to on an on-going basis. References in the report: IRO-1, IRO-1-E1, IRO-1-E2, IRO-1-E3, IRO-1-E4, IRO-1-E5, SBM-3-S1, SBM-3-S2, SBM-3-S3, SBM-3-S4,
d) Taking actions to address those adverse impacts	The general principles are: • analysis of the cases of potential non-compliance or existence of irregularities, and taking of corrective actions • continuous improvement and modification of procedures considering good market practices. References in the report: E1-3, E3-2, E4-3, E5-3, S1-3, S1-4, S2-3, S2-4, S3-3, S3-4, S3-3, S4-3, S4-4, G1-3
e) Tracking the effectiveness of these efforts and communicating	The general principles are: • analysing various types of requests (e.g. complaints, internal requests) • monitoring of regulatory changes to assure compliance. References in the report: E1-4 – E1-6; E3-3 – E3-4, E4-4- E4-5, E5-3 – E5-5, S1-5 – S1-17, S2-5, S3-5, S4-5, G1-4 – G1-6

It is both the legal departments and the functional units involved in specific business activities who are responsible for assuring compliance with the law in individual Group companies. Our activities on the telecommunications market are supervised by the Office of Electronic Communications (UKE), while the activities on the TV market are subject to supervision by UKE and the National Broadcasting Council (KRRiT), whereas the operations on the renewable energy sources (RES) market are supervised by the Energy Regulatory Office (URE). Representatives of our organisation regularly participate in the work of Polish and international industry organisations, implementing and promoting the solutions developed there.

We are the signatories of numerous voluntary industry agreements, including:

- IAB Polska standards for online advertising formats
- Broadcasters' agreements regarding the principles of dissemination of advertisements and sponsor references regarding food or beverages containing components whose presence in excessive amounts in a daily diet is not recommended
- IAB Polska initiative for fair advertising
- Code of best practices regarding the principles of protection of minors in respect of on-demand audio-visual media services

- “Warsaw Declaration”: International Cooperation Key to Combating Piracy
- 5G Strategy for Poland Agreement
- Declaration of Cooperation for the Safety of Children in the Internet
- IAB QUALID program of improvement of the quality of online advertising
- Agreement signed by the providers of media services regarding the method of fulfilment of the obligation of assuring the facilities for the people with disabilities, while providing to them audio-visual services which are offered on-demand, as well as the obligation of assuring the facilities in the TV shows for children
- Code of Best Practice in the field of safe use of phones
- Code of Best Practice in mobile advertising.

In 2023 Cyfrowy Polsat S.A. adopted the **Policy of Respect for Human Rights.** For more information on this Policy, please read section S1-1 - Policies related to own workforce. The position of the Compliance Officer for Human Rights was established as a result of introduction of this Policy. The responsibilities of the Compliance Officer for Human Rights include planning and conducting of the training sessions concerning respect for human rights as well as resolution of any doubts which may be associated with the implementation of the Policy. Identification of cases of human rights violations is supported by the possibility of reporting the suspected irregularities in this area based on the adopted **Internal Reporting of Legal Breaches and Follow-up Procedure**.

Polsat Plus Group strives to make sure that all the initiatives it embarks upon, all the projects or partnerships are not only compliant with the applicable law but also with the adopted principles of ethics and the defined sustainable development goals which are stipulated, together with the expected outcomes, in the Partner's ESG Declaration of Responsible Cooperation (for Contractor, Supplier, Bidder, Integrator). The Partner’s ESG Declaration of Responsible Cooperation is a set of principles which are intended to shape the relations of Polsat Plus Group with its business environment. They also form the ethical foundations of cooperation and set the standards to which the Group wants to adhere when cooperating with its business partners. The document is available on the Group’s corporate website at the following URL.

Since December 2023, anti-corruption and ESG clauses are successively introduced to the new agreements with suppliers. They obligate the suppliers to respect human rights (the rules related to working conditions, safety, non-discrimination, combatting of forced labour, decent remuneration, freedom of association), observe the principles of protection of natural environment, use of responsible management practices, or prevention of corruption and bribery.

GOV-5 – Risk management and internal controls over sustainability reporting

At the end of 2024 the sustainability reporting was the duty of the same organizational unit as the one which responsible for financial reporting (Reporting and Financial Controlling Department) which helped assure consistency of both types of reporting and fostered efficient information flow in this area. In 2025, before the publication of this report, the organizational structure was expanded and modified by establishing the ESG Unit whose manager (formerly the ESG Coordinator) works within the structure of Investor Relations, ESG and Compliance Department. The move was a response to the growing importance of ESG issues, as well as scope of sustainability-related reporting obligations.

In 2024 the ESG Manager has been responsible for preparing the sustainability statement and overseeing the process of collection and consolidation of the required data. The qualitative and the quantitative data is acquired from the functional units responsible for these items and confirmed with these units, and it comes from their internal reporting systems. At the same time, substantial part of quantitative data is collected and aggregated with the use of IT tools, which reduces the risk related to data incompleteness and calculation errors. The whole process is supported by an external expert (for more information see section 9.2 of the Report on activities – *Internal control systems and risk management applied with respect to the process of preparing financial statements).*

SBM-1 – Strategy, business model and value chain

Business model of Polsat Plus Group

Polsat Plus Group is a provider of integrated media and telecommunications services in Poland which include pay TV (DTH) services as well as presence in the Internet media (interia.pl). It offers mobile and fixed telephony services, data transmission services as well as broadband Internet access, including mainly LTE, LTE Advanced and 5G technologies, and through fixed networks, including fibre-optics. Additionally, we provide wholesale services to other telecommunications operators. In the media segment we also offer comprehensive multimedia services designed for entire families: pay TV using satellite, terrestrial and Internet access technologies (IPTV, OTT). Our operations in this area include production, purchase and broadcasting of news and entertainment programmes as well as TV series and feature films via TV channels and over the Internet (the revenue of the media segment comes mainly from airing of commercials, sponsoring as well as revenues from cable network operators and digital platforms).

The Group is also involved in the production and sale of energy coming from renewable energy sources (RES), including in particular solar power, wind and biomass, and invests in RES projects. The Group is the majority shareholder of the company that controls Elektrownia Konin, a power plan generating energy from biomass combustion, as well as numerous photovoltaic and wind farms. Additionally, within this segment of operations, the Group is developing the green hydrogen-based value chain, which includes production, storage, transport, distribution and sale of green hydrogen as well as construction of hydrogen refuelling stations and manufacturing of hydrogen-powered buses. Thanks to the resources at its disposal, the Group also offers the services of photovoltaic systems installation to individual customers and business clients.

In terms of real estate development, the Group's companies are involved in construction projects as well as sale, rental and management of own and leased properties. Port Praski in Warsaw is the key real estate project in this segment of operations.

(information regarding current operations can be found at: https://grupapolsatplus.pl/en/about-us/our-business)

The business model, the nature of the markets covered as well as the business strategy are described in section 1 – *Characteristics of Polsat Plus Group* and section 2 – *Our business* – of this report. The most important social and environmental impact categories for the various business segments are indicated in the following sections: ESRS 2 – *General disclosures*, SBM-3 and IRO-1, as well as, in a slightly more extensive manner, in the respective chapters which correspond to those individual ESRS topical standards that are material from the point of view of the Group's activities.

In 2024 the Group carried out operations in the scale that enabled it to generate revenues in individual business segments at the level presented in this report in section 4.2.2 – *Operating segments*, with year-end employment at 9 059 people (FTEs).

At the same, the Group did not generate any revenue from the activities associated with chemicals production, controversial weapons, cultivation and production of tobacco (items indicated in requirement SBM-1 (40)(d)). Until the launch of own production of green hydrogen, the Group supplied hydrogen purchased from external suppliers. Having adopted a precautionary approach, the Group did not recognise hydrogen as produced with the use of renewable energy sources only. In 2024 the revenue from the sale of hydrogen had no material influence on the Group's results.

ESG matters in the development strategy

Along with the announcement of the 2023+ Strategy in December 2021, we have also structured our approach to sustainable growth, which includes ESG factors - environmental, social responsibility and corporate governance.

WE ASSUME RESPONSIBILITY FOR PREVENTION OF CLIMATE CHANGE AND ARE ACTIVE IN IMPROVING AIR QUALITY IN POLAND	
E (Environmental)	• **New investments.** By producing nearly 2 TWh of green energy from solar, wind and biomass installations per year we will contribute to the reduction of CO_2 emissions in Poland by nearly 2 million tonnes per year.
	• **Renewable and zero-emission energy sources.** We use energy from low- and zero-emission sources; by 2030 we will increase the share of zero-emission sources in our energy mix to 50% [1].
	• **Reduction of carbon footprint**. By 2030 we will reduce the total Scope 1 and Scope 2 GHG emissions by 80%, compared to 2019.
	• **Green hydrogen.** By 2030 we will be producing 3000 tonnes of green hydrogen per year.
	• **Low-emission mobility.** we successively increase the share of low-emission vehicles, especially electric and hydrogen powered, in the car fleet of Polsat Plus Group.
	• **Circular economy.** Decoders, that have been returned after use by our customers, undergo refurbishment process and are returned to the market, while other equipment is recycled.

WE ARE AN ACTIVE MEMBER OF THE LOCAL SOCIETY AND – AT THE SAME TIME – WE STIMULATE POLAND'S ECONOMIC AND SOCIAL DEVELOPMENT BY INVESTING IN DIGITIZATION	
S (Social)	• **Counteracting digital exclusion.** We are dynamically expanding the coverage of modern, high-speed 5G and fibre-optic Internet service.
	• **Polsat Foundation**. We are a key partner of the Foundation, which has helped fund the treatment and rehabilitation of 44 945 children over the past 28 years.
	• **Responsible employer.** we ensure a friendly and safe working environment, as well as equality and diversity for all our employees.
	• **Protection and safety of children.** We are committed to the safety of children and young people using media, including online safety and TV content.

WE DEVELOP OUR BUSINESS IN A TRANSPARENT AND SUSTAINABLE MANNER, TO THE BENEFIT OF ALL OUR STAKEHOLDERS	
	Codes of ethics. We operate in accordance with ethical principles and with respect for human rights, and our internal systems and procedures ensure the highest standard of integrity.

G *(Governance)*	•	**Transparency.** we ensure high quality financial and ESG reporting in combination with regular, transparent and direct communication with all our stakeholders.
	•	**Cybersecurity.** Aware of the challenges in this area, we strive for the best possible security and protection of our customers' and employees' data (ISO 27001 certified).
	•	**Experience, trust, and reputation.** Our companies' Management Boards are served by individuals with long tenures in the Group and extensive experience.

(1) Applies to the Polsat Plus Group's main operating companies: Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o., Netia S.A.

In November 2022, we adopted a framework document which linked the external financing to sustainability goals – the Sustainability-Linked Financing Framework (SLL Framework) compliant with ICMA's Sustainability-Linked Bond Principles (SLBP) and Sustainability-Linked Loan Principles. Our strategic plan includes ambitious actions to counteract climate change and to improve air quality in Poland. In SLL Framework we have defined 4 KPIs that support the achievement of the UN Sustainable Development Goals (SDG), setting for ourselves ambitious, measurable targets for the coming years. Our SLL Framework was subject to an external expert evaluation which is documented in the publicly available Second-Party Opinion by the company Sustainalytics.

The full content of the SLL Framework and the Second-Party Opinion are available at the following link: Polsat Plus Group Sustainability-Linked Financing Framework.

Below are the key performance indicators and the quantified long-term environmental objectives, that the Group will strive to achieve, including the expert assessment of these goals in terms of their relevance and the assumed ambition levels.

Key Performance Indicator (KPI)	Relevance	Sustainable Performance Target (SPT)	Ambition level
Total Scope 1 and 2 greenhouse gas emission (tCO_2)	Very high	Reduction of total Scope 1 and 2 greenhouse gas emission by 75% by 2025 and by 80% by 2030, compared to 2019 levels	Very ambitious
Energy production from renewable sources (GWh)	Relevant	Increase of renewable energy production to 800 GWh by 2025 and to 1,600 GWh by 2030	Ambitious
Green hydrogen production (t)	Relevant	Increase of green hydrogen production to 1,500 tons per year by 2025 and to 3,000 tons per year by 2030	Ambitious
Share of zero-emission sources in the energy mix (%)	High	Increase of the share of zero-emission in the total energy mix to 25% by 2025, to 30% by 2026 and to 50% by 2030	Ambitious

The performance of KPIs in 2024 is reflected in the following table:

KPI	SPT 2025	SPT 2030	Base year	2024 progress	Sustainable Development Goal
Reduction of total Scope 1 and 2 greenhouse gas (GHG) emissions (CO_2e tonnes/year)	Reduction by 75%	Reduction by 80%	2019	90%	7 AFFORDABLE AND CLEAN ENERGY
Energy production from Renewable Energy Sources (RES) (GWh/year)	800 GWh/year	1600 GWh/year	2021	1 016 GWh	7 AFFORDABLE AND CLEAN ENERGY
Production of green hydrogen (tonnes/year)	1500 tonnes/year	3000 tonnes/year	2021	13,5 tonnes	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Share of zero-emission sources in the energy mix of Polsat Plus Group (%) [1)]	25%	50%	2019	42,9%	7 AFFORDABLE AND CLEAN ENERGY

[1)] Concerns companies: Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o., and Netia S.A.

In 2024, we not only managed to achieve both goals of reducing total greenhouse gas emissions in scopes 1 and 2 that we had set for 2025 and 2030 but also exceeded them. It is worth noting that the greenhouse gas emissions for 2024 in both scopes were calculated for the Group's companies according to operational control, which resulted in an increase in the total emissions value of the Group in 2024 compared to previous years. However, the baseline carbon footprint level in scopes 1 and 2 from 2019 was not adjusted (it is lower), which means that the achieved emission reduction result is understated.

In 2024, the Group has exceeded the target set for 2025 for the renewable energy production indicator.

Own green hydrogen production was launched in December 2024.

The KPI of the share of zero-emission sources in Polsat Plus Group's energy mix is calculated in the following way:

- the denominator is the volume of electricity purchased by the companies: Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o., and Netia S.A. for their own consumption, i.e.:
  - electricity purchased for own consumption from an entity being an energy generation or an energy supply company, for purposes other than resale of energy in contracts in which any of the above entities solely performs in the role of electricity supply company, but
  - including the volume of energy being recharged to other entities as a complimentary cost component in combination with other complex service deliverables (mainly as part of data centre services or property sub-lease);
- the numerator is the volume of purchased electricity generated by solar, geothermal, tidal power plants, and wind farms.

In 2024 r. the share of zero-emission sources in the energy mix of the above-mentioned Group companies reached 42.9%, which exceeds significantly the target for 2025.

Value chain

As a consequence of Polsat Plus Group's operating in four business segments (see item 2 of this Report– *Our business*) there are four independent value chains. What they have in common, however, is a structured approach to collaboration with third parties, including „The procedure for purchase planning and supplier selection" adopted by key companies of the Polsat Plus Group, or the expectations concerning the principles of cooperation with partners that are stipulated in Partner's ESG Declaration (see: GOV-4 – *Statement on due diligence*).

B2C and B2B services segment. The activities include providing services to individual and business customers, primarily in the areas of paid digital television, mobile telephony, and Internet access. The Group also includes the installation of photovoltaic systems in this segment. Services are provided based on the telecommunication infrastructure owned by the Group and third parties. It covers most of the value chain, excluding selected elements of its upper part (e.g., the production of most equipment, including customer devices, and a significant portion of content, as well as telecommunication services provided in international roaming, where the Group uses the services of foreign telecoms, and the ownership of a significant part of the infrastructure used by the Group).

Suppliers. Key direct suppliers are:

- ICT infrastructure providers (telecommunications and ICT network components)
- manufacturers of customer premise equipment (CPE) offered by the Group
- manufacturers of photovoltaic infrastructure components (solar cells, inverters, mounting systems) that are further offered to the customers
- other telecommunications operators (national and foreign), who often are competitive telecommunications companies, with whom traffic is exchanged, and who are also wholesale service providers and/or are obliged under current regulations to share their network
- ICT and network service providers
- companies providing satellite capacity on transponders
- agents acting as intermediaries in the sale of services and products
- content producers and licensors
- call centre service providers
- electricity suppliers.

At the same time, the adopted business model assumes that the maintenance and development of key mobile telecommunication infrastructure is the responsibility of an external entity – Towerlink Poland sp. z o.o., which provides services to Polkomtel. Part of the fixed infrastructure in use is owned by our subsidiary Netia and remains under the control of the Group. Additionally, the Group accesses fixed-line, mainly fibre-optic networks, of other operators based on wholesale access agreements. In supporting functions, suppliers also include numerous entities that provide advertising, legal, advisory services, as well as property management services and utilities.

Upstream links in the value chain, related for example to the production of electronic equipment, source raw materials (metals, including precious and rare earth metals; plastics) from companies in the mining and petrochemical sectors. The Group has limited influence and knowledge about specific companies that supply materials and services to its suppliers. Decoders are an exception to this, as their production and refurbishment is handled by Interphone Service – a company belonging to the Group. Nevertheless, it also uses electronic intermediates and components from manufacturers who, very much like equipment manufacturers, derive raw materials from the mining and petrochemical sectors at the beginning of the value chain.

Customers. The recipients of the services provided within the B2C and B2B services segment are:

- individual customers (B2C)
- businesses (B2B) and administration institutions
- other telecommunications operators (national and foreign).

The Group does not impose any restrictions regarding, for example, the industry, providing services to businesses of various profiles, ensuring the widest possible access to its services for all individuals and legal entities. It also undertakes a number of actions to counteract the risk of exclusion of socially vulnerable groups, such as people with disabilities or residents of rural areas (see: ESRS S3, ESRS S4).

Other stakeholders: employees, competitors, public administration, regulators (including Office of Electronic Communications – UKE, Office of Competition and Consumer Protection – UOKiK, Personal Data Protection Office – UODO), industry and non-governmental organisations (including mountain and water rescue services: GOPR, TOPR, MOPR, WOPR), content providers (see: SBM-2 for more information).

Media segment: TV & online. The media segment primarily involves the production, purchase, and broadcasting of news and entertainment programmes, as well as TV series and feature films aired on television and online channels in Poland. The revenues of the media segment are mainly derived from advertising, sponsorship, and income from cable network operators and digital platforms.

Suppliers. Key direct suppliers of the media segment are:

- infrastructure providers and service providers, including ICT and broadcasting infrastructure (e.g. broadcasting services)
- content producers and licensors
- television broadcasters making advertising time available for resale by the advertising office
- utility providers, primarily electricity.

Supporting suppliers also include numerous entities that provide advertising, legal, advisory services, as well as property management services and utilities.

Upstream links in the value chain, related for example to the production of electronic equipment, source raw materials (metals, including precious and rare earth metals; plastics) from companies in the mining and petrochemical sectors. The Group has limited influence and knowledge about specific companies that supply materials and services to its suppliers.

Customers. The recipients of the services provided within the media segment are:

- individual customers and households (viewers and Internet users)
- businesses (pay-TV operators, advertisers) and administration institutions.

The Group does not impose any restrictions regarding, for example, the industry, providing services to businesses of various profiles.

Other stakeholders: employees, competitors, public administration, regulators (including National Broadcasting Council – KRRiT, Office of Competition and Consumer Protection – UOKiK), industry and non-governmental organisations (see: SBM-2 for more information).

Green energy segment. The green energy segment primarily involves the production and sale of energy from renewable sources (RES), particularly from the sun, wind, and biomass, as well as investments in RES projects. Within this segment, we are also developing a value chain based on green hydrogen, which includes its production, storage, transport, distribution, and sale, as well as the construction of hydrogen stations and hydrogen-powered buses.

Suppliers. Key direct suppliers of the green energy segment are:

- manufacturers/suppliers of fixed assets (equipment), i.e. wind turbines or photovoltaic modules, hydrogen vehicles and suppliers of parts and components for the construction of electrolysers, hydrogen refuelling stations and the production of hydrogen buses, etc.
- suppliers from the automotive segment, providing components and parts necessary for the production of hydrogen buses
- fuel suppliers: biomass (forestry and agro-industrial), hydrogen
- entities specialising in construction work (development of wind farm projects).

In supporting functions, suppliers also include numerous entities that provide repair, transportation services, and, analogically to other segments: advertising, legal, advisory, property management services and utilities.

Apart from choosing reliable suppliers and using certified biomass only, the Group has limited influence and knowledge about specific companies that supply materials and services to its suppliers.

Customers. The recipients of the products of the green energy segment are:

- the Municipal Heat Energy Enterprise in Konin (MPEC Konin) (thermal energy collection)
- companies and electricity traders (collection of electricity)
- users of hydrogen cars (for hydrogen refuelling stations)
- public administration (local) – purchase of hydrogen city buses.

Other stakeholders: employees, competitors, public administration, regulators (including Energy Regulatory Office - URE, Chief Inspectorate for Environmental Protection – GIOŚ), industry and non-governmental organisations (see: SBM-2 for more information).

Real estate segment. The real estate segment primarily involves the development of construction projects, as well as the sale, rental, and management of owned or leased properties. The Group also purchases construction services from other entities, which, as commissioned by the Group as the investor, carry out the necessary works and provide building materials. A key investment in this segment is the Port Praski project located in Warsaw. As part of this investment, the Group sells residential units and rents commercial premises, ensuring the management and administration of the facility during its initial period of use, also using external services.

Suppliers. Key direct suppliers are companies from the construction industry, both service providers (offering various types of construction services, professional services related to design and supervision) and manufacturers/suppliers of building materials. Their suppliers, in turn, are companies whose initial links in the value chain are associated with the mining and metallurgy industries (extraction of limestone for cement production, extraction of coking coal, extraction of metal ores: iron (e.g., for steel production), or copper (for electrical equipment), forestry and wood industry, and petroleum industry (plastics, e.g., PVC joinery). In supporting functions, suppliers also include numerous entities that provide advertising, legal, advisory, property management services and utilities.

Customers. The customers are buyers of flats and tenants of commercial premises in the development projects built by the Group. They are both individuals (B2C) and businesses (B2B).

Other stakeholders: employees, competitors, public administration (m.in. General Inspector of Building Control – GINB), industry organisations, residents of neighbouring areas (see: SBM-2 Interests and views of stakeholders for more information).

SBM-2 – Interests and views of stakeholders

The Polsat Plus Group categorised stakeholders as follows, highlighting the nature, subject matter and form of contacts with each group.

CUSTOMERS

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• Individuals (B2C) and companies (B2B) who use any of the offers provided by the Group's member companies • Subscribers of pay TV and telecommunication services • Viewers • Polsat Box Go users • Internet users • Advertisers • Other telecom operators and pay TV service providers • Companies and intermediaries involved in trade of electricity • Purchasers of flats and tenants of commercial premises • Customers using other services offered by the Group Main areas of interest: ESRS S4	• Website (questionnaires) • Customer service points and call centre (dialogue, questionnaires) • Online self-service • Opinion and satisfaction surveys • Social media • Press releases	• Ongoing - continuous activities, opinion surveys - as needed and/or possible	• General customer satisfaction with products and services, likelihood of recommending the brand, relations stability, likelihood of selecting the operator again • Studied areas: offer, customer service points, telemarketing, call centre, website, online service centres, financial benefits, invoice, quality of services

EMPLOYEES

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• Present employees and their families • Potential employees • Associates • Trainees	• Employee satisfaction surveys and interim employee evaluation • Intranet, Yammer, GPP messenger, newsletter and in-house surveys • Teambuilding events • Employee volunteering • Social media	• Ongoing and regular communication	• Stability and attractiveness of employment • Family-friendly HR policy • Hybrid working model arrangements • Friendly workplace • Development opportunities
Main areas of interest: ESRS S1			

CAPITAL MARKET

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• Shareholders • Institutional and individual investors • Banks and other financial institutions • Bondholders • Brokerage analysts • Rating agencies	• Financial and non-financial reports • Current reports • Corporate website • Individual meetings (online and in person) • Conferences and video conferences • General Shareholders' Meetings • Shareholder analyses • Perception studies • SLL Framework • Environmental & Social Action Plans	• As required due to the Company's presence on the Warsaw Stock Exchange (WSE): – Quarterly financial reporting – On-going communication – General Shareholders' Meetings, held at least once a year – Dialogue and meetings, as needed	• Economic situation of the Group and its financial policy • Strategy and development • Competitive environment • Business opportunities and risks • Company value and valuation • Transparency of operation • Future investments • ESG activities
Main areas of interest: financial performance, ESG performance on aspects related to the obligations imposed on financial sector institutions			

REGULATORS AND STATE INSTITUTIONS

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• KRRiT (National Broadcasting Council), UKE (Office of Electronic Communications), UOKiK (Office of Competition and Consumer Protection), URE (Energy Regulatory Office) • UODO (Personal Data Protection Office) • GIOŚ (Chief Inspectorate for Environmental Protection), Marshal’s Offices • GUS (Main Statistical Office), KNF (Financial Supervision Authority), KRS (National Court Register) • Council of Ministers • the Lower House of the Parliament (Sejm) and the Senate • European Commission, European Parliament and European Council • ESMA • BEREC • National Media Council • Council of Digital Affairs	• Public consultations • Fulfilment of the reporting obligations • Direct meetings • Joint initiatives and activities • Participation in industry conferences	• On-going communication resulting from the reporting obligations • As needed	• Impact on Polish and European economy • Market development • Service availability • Compliance of the operations with the standards and the law • Fulfilment of reporting obligations required of a public company
Main areas of interest: ESRS S4, ESRS S3, ESRS G1, as well as ESRS E1-E5 (GIOŚ and Marshall’s offices) and ESRS S1			

SUPPLIERS

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• Content providers, including TV stations, film studios, content distributors and producers • Licensors (e.g. providing licenses for the broadcasting rights to sports events) • TV broadcasters providing access to advertising air-time for resale by the advertising office • Suppliers of end-user equipment • Suppliers of the components used for production of own end-user equipment • Suppliers of network elements and other infrastructure • Suppliers of power infrastructure components (wind turbines, photovoltaic panels, components of the hydrogen economy chain) • Fuel suppliers: suppliers of biomass (forest-based and agricultural) and hydrogen • Companies offering construction and design services as well as manufacturers of building materials • Suppliers of other goods and services	• Direct relations • Contracts • Cooperation within industry organisations • Industry conferences and workshops	• As needed – on-going and regular	• Conditions of cooperation • Transparent terms of tenders and cooperation • Good, long-term relations • Cooperation within the framework of industry initiatives
Main areas of interest: ESRS 2 GOV-4 (the part related to the value chain), ESRS G1 (mainly G1-2 and G1-6, but other G1 aspects as well)			

SOCIETY AND SOCIAL ORGANISATIONS

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• Associations of journalists • Foundations and associations (beneficiaries) • Industry, social and environmental organizations • Cultural institutions • Emergency services – mountain rescue units (GOPR, TOPR) • Emergency services - lifeguard and water rescue units (MOPR, WOPR)	• Planning and assurance of availability of services • Exchange of information regarding identified incidents as well as cooperation in the development of optimal solutions • Partnerships and joint initiatives • Employee volunteering • Sponsoring • Direct dialog with local communities and environmental organisations • Scientific reports • Debates	• Depending on the stakeholders' needs and the Group's capabilities	• Access to services and service security • Privacy and intellectual property protection • Monitoring of freedom of speech and the freedom of work of journalists • Openness to dialogue • Financial support and human involvement • Understanding the Group's core values • Dispelling possible concerns/doubts regarding technological development
Main areas of interest: ESRS S3, ESRS S4, ESRS G1			

COMPETITORS

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• Market players active in the following areas: - media - telecommunications - pay TV - digital services - production of electricity from RES - real estate development	• Cooperation within the industry organizations • Industry conferences, debates and workshops • Joint initiatives (e.g. market reports)	• On-going communication, depending on the market situation	• Market development • Appropriate market regulation
The Group has no detailed knowledge of the data that is collected and analysed by the competitors. It can only assume that our competitors analyse both the financial results as well as the data related to sustainable development.			

BUSINESS PARTNERS

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• Distributors • Advertising brokers • Scientific institutions • Industry organisations and chambers of commerce • Sports associations • Marketing partners	• Direct communication channels (e.g. website for distributors) • On-going and regular meetings • Contracts • Codes of Best Practice and self-regulation • Conferences and workshops • Reports and reporting • Holding of positions in the authorities of industry organisations and chambers • Active involvement in joint projects and activities (e.g. within respective chambers of commerce, consultations and expressing of opinions)	• Communication depending on the needs of the stakeholders • Being pro-active, depending on the market situation	• Group's involvement in shaping the market • Solving of market problems and promoting innovation • Transparency of activities • Observing standards and rules • Openness to dialogue
Main areas of interest: ESRS S3, ESRS S4, ESRS G1			

NATIONAL AND INDUSTRY MEDIA

Entities comprising the stakeholder group	Approach and type of stakeholder group engagement	Frequency of engagement	Key issues and concerns raised by the stakeholders
• The press • Internet • Radio • TV • Influencers	• Conferences and events • Press releases • Individual meetings • Statements, comments and opinions • Corporate website • Social media • Services offered for testing on a trial basis	• On-going communication, depending on the market situation and current developments in the Group	• Group's economic situation • New offers • Innovation • Development plans • New programmes & shows • Sports events • Product testing • Social involvement
Main areas of interest: ESRS S3, ESRS S4, ESRS G1, but other ESG aspects as well (social, environmental and governance), and financial results			

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Nature of impact, risk or opportunity	ESRS scope	Nature of impacts in the scope				Presence of impacts in the value chain			Time horizon		
		positive (source of opportunities)	negative (source of threats)	actual	potential	upstream value chain (suppliers)	own operations	downstream value chain (customers)	short-term	medium-term	long-term
The current and potential sources of carbon footprint (negative impact) within the organisation and in its value chains are characterised in more detail in SBM-3-E1, as well as the risks and opportunities associated with mitigating climate change and the need to adapt to it. Impacts, to a greater or smaller extent, occur at all stages of the value chain and will continue to be present until full decarbonisation is achieved, which can only take place over a longer time horizon. Alongside a range of risks that translate primarily into energy costs and actions aimed at the necessity of rationalising its consumption (risk), the Group also identified business development opportunities in the energy transformation process several years ago. Hence the decision to engage in a **new segment of activity, namely the acquisition and expansion of "green" production assets** based on various sources of renewable energy (RES). The Group has thus secured not only energy supplies for several entities within the Group but also made the sale of generated energy a source of revenue. With the ongoing and now highly advanced decarbonisation of its own operations, the Group is eliminating risks associated with the carbon footprint of its activities. However, it must be acknowledged that the decarbonisation of the value chain in its upstream and downstream parts will progress more slowly and will only be possible in the long term.	ESRS E1	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

The Group also invests in innovative solutions based on hydrogen fuel (production, distribution, and sale of hydrogen, as well as the production of hydrogen buses).										
Among all realised activities, the highest water demand is recorded in the energy production sector, specifically the Konin Power Plant, which withdraws **significant amounts of water, mainly for cooling purposes** (water, free of chemical and biological contamination, but loaded with heat, returns to the environment). Water is also used and consumed in other technological processes. It is also a **primary resource for hydrogen production** through electrolysis, which is carried out directly at the Konin Power Plant, located in an area of high water stress, posing certain risks that may intensify with ongoing climate changes. This impact primarily relates to own operations and will accompany them in the short, medium, and long term, consequently maintaining the associated risks over time. The scale of threats will be influenced by various factors with opposing effects (e.g., regarding water availability in the long term: on one hand, there will be progressive desertification of the eastern Wielkopolska region, and on the other hand, due to the reclamation of decommissioned lignite open-pit mines towards water retention by third parties operating in this area, a higher level of retention will be ensured). At the same time, it should not be forgotten that the aforementioned hydrogen production is a response to the decarbonisation of the economy and the utilisation of business opportunities associated with it. The demand for water resources should not be considered separately from this fact.	ESRS E3	✓	✓	✓	✓	✓		✓	✓	✓
In other areas of activity, the water demand is relatively lower. In the case of development activities, Group companies, subcontractors, and suppliers of building materials in the upstream supply chain use water during construction works. A significant portion of that water is irreversibly consumed. While the technology will require water consumption, due to the extent of the work carried out, in the long term this aspect of the impact will lose relevance to the Port Praski investment.										
The development activities conducted at the Warsaw Port Praski, including construction works by subcontractors in the direct vicinity of the										

former port reservoir and the main course of the Vistula River, involve a marginal risk of very small-scale water pollution (e.g., diesel or oil leakage from construction machinery into the ground). Hypothetically, similar situations may occur in the event of construction machinery failures among subcontractors hired to carry out construction works related to other areas of the Polsat Plus Group's activities. Here, too, as more buildings are commissioned, the risks of pollution from suppliers will disappear.								
In other areas, water is mainly used for domestic purposes, which does not create significant risks nor business opportunities. The demand will also pertain in the medium and long term.								
The operation of wind turbines poses risks to **bats and birds**, including migratory birds. Collisions with the rotating blades of turbines can lead to serious injuries or even death. Although diligence in this area can be utilised in marketing communication, the risks cannot be eliminated in the medium nor long term. The scale of these risks is determined by the choice of location, i.e., avoiding investments in areas with larger bird populations or significant migrations.	ESRS E4	✓	✓	✓	✓	✓	✓	✓
Own operations of the Konin Power Plant, which is part of the Group, involve withdrawal of water from the environment for cooling purposes, which returns to the environment with a heat load. This water is not burdened with additional pollutants, and its impact on the ecosystem is due to the heat. The activities of the Konin Power Plant also involve emitting a certain amount of industrial wastewater, which is mechanically and biologically treated at the plant's wastewater treatment facility and then discharged into receivers once it meets the required parameters. In the direct vicinity and impact zone of the Konin Power Plant, **presence of invasive species** has been registered in the Konin Lakes. Their presence is only indirectly related to activities in this region (the possibility of using heat from the power plant's cooling system initiated the intensive development of the fishing industry in the region, which led to the introduction and spread of non-native species into the lakes). In short, entities for which PAK-PCE Biopaliwa i Wodór company is a supplier are responsible for the introduction of invasive species. Furthermore, this								

process took place before the Polsat Plus Group acquired the production assets of the Konin Power Plant. It should also be assumed that this process was irreversible, meaning that the mentioned species will remain in the lake ecosystem in the long term. Construction activities at Port Praski are conducted in direct proximity of the Vistula River and the Natura 2000 area of the Middle Vistula River Valley (PLB140004); however, the scale of potential indirect impact from the upstream value chain of development activities is negligible from the perspective of the overall operations of the Polsat Plus Group. Once the construction work is completed, the impact from suppliers (subcontractors) will cease.										
Energy production from **biomass combustion** carries the risk of using biomass sourced from unethical origins, i.e., biomass whose acquisition harms biodiversity, including contributing to the degradation of areas of high environmental value. The source of the threat are therefore the initial links in the value chain, i.e. forest management, which can potentially be carried out in a plundering manner. These risks, related directly to the supply chain, can be and are significantly reduced through biomass certification. Diligence in this area can be utilised in marketing communication. Risks, although reduced in practice through certification, will persist in the medium and long term.	ESRS E4	✓		✓	✓			✓	✓	✓
The provision of telecommunications and media services involves the use of extensive ICT infrastructure by the Group's companies. The equipment on the company side is subject to replacement, often due to becoming obsolete (new technologies displace older ones, which in turn leads to the withdrawal of devices operating in older technologies). At the same time, customers replace their end devices with more modern ones. In the case of services that use end devices owned by the Group, non-renewal of the contract results in the **return of the used but functional device**. This impact will accompany own operations in all time perspectives considered, and, although it relates to own operations, it will be influenced both by how consumers use the equipment and by the quality of components provided by suppliers.	ESRS E5	✓	✓	✓		✓	✓	✓	✓	✓

Green energy faces entirely different problems, particularly when it comes to finding effective ways to manage the remnants of wind turbines and PV modules. Development activities, on the other hand, inevitably generate a certain amount of construction waste. In particular, the management of residual RES generation assets (e.g. photovoltaic panels, wind turbine components) is controversial, and the risks involved may materialise in the long term. **Reducing the volume of waste** and **reusing certain devices** (e.g., decoders) and materials (e.g., in development activities on the construction site) creates opportunities for savings by reducing the volume of purchases of new devices and materials and reducing the costs associated with their management. In the long term, as the circular economy becomes more widespread, the management of individual categories of raw materials by specialised entities in the waste treatment value chain should become more efficient, and thus the possible associated risks will disappear.											
The Polsat Plus Group, operating in several market segments, employs highly specialised experts from various fields. These include specialists in ICT, construction, energy, automotive, and media, as well as individuals with competencies related to supporting functions (project management, finance and accounting, human resources management, etc.). A significant part of the workforce consists of engineering staff. The Group's companies also employ a number of employees in areas related to sales and customer service. One challenge for the Group is **ensuring that positions are filled with individuals who have the required competency profile**, while also minimising their potential resignations and, most importantly, preventing the **loss of key personnel** with their competencies to competitors. Such risks and opportunities associated with building a competitive advantage based on the team's competence advantages will be present in all time horizons. At the same time, the scale of possible risks, will change with the labour market and economic situation (including fluctuations due to the business cycle).	ESRS S1	✓	✓	✓	✓		✓		✓	✓	✓
The Group has a direct impact on its own workforce in terms of ensuring appropriate and safe working conditions. Every type of work, but	ESRS S1		✓	✓	✓		✓		✓	✓	✓

especially work at height (e.g. in construction, maintenance of wind turbines or base stations), work at risk of electric shock, involves the risk of occupational accidents. There is also the possibility of differing positions or interests arising between the employee and the employer, which in turn creates the risk of disputes with the workforce. In terms of impact on its own employees, there is also the risk of discrimination and human rights violations. From the company's perspective, this can also lead to suboptimal choices driven by factors other than substantive ones. Suboptimal decisions, e.g. in terms of staffing, can affect business results.									
The business model of the Polsat Plus Group involves interaction with long value chains of products essential to the organisation's operations. A potential **impact on workers in the value chains** has been identified, which would be indirectly related to the activities of the Polsat Plus Group, such an impact cannot be completely ruled out (e.g., due to the use of devices and components manufactured in the Far East by the Group). At the same time, due to the location of potential risk areas in parts of the value chain that are distant from the Group's operations, the Group currently has no way to link the actual opinions and expectations of these individuals with its strategy. It can only rely on general information available from business partners or disclosed by various non-governmental organisations. It also has limited ability to influence business partners beyond direct suppliers. The risks in question will also persist in the medium and long term, but the solutions introduced, including regulatory solutions, can help manage them effectively.	ESRS S2	✓	✓	✓			✓	✓	✓
Resistance to technology and investments[1], equivalent to a lack of social acceptance for activities, results in difficulties in securing locations for new investments. Such challenges can be encountered with the base transceiver stations built by our partner to provide mobile network coverage. These are associated with concerns about the alleged harmful effects of wireless communication devices on living organisms and human health. Concerns about nuisances, including potentially negative	ESRS S3	✓	✓	✓	✓		✓	✓	✓

health impacts, are raised not only by masts but also by wind turbines and photovoltaic installations. These issues are often exploited by various groups in disinformation campaigns aimed at stirring public fears, which then translate into halting or blocking investments. Such potential risks will accompany the Group's activities in the short, medium, and long term. Diligence in this area can be utilised in marketing communication. At the same time, increasing resistance to technology can lead to a reduction in social acceptance for activities, affecting the feasibility of specific investments and potentially hindering the investment process itself.											
The reach of modern digital services is still insufficient from a social perspective. Although the situation is incomparable to that of a few or several years ago, the emergence of new technologies will mean that such coverage deficits relating to the latest solutions will continue to appear in the future, i.e. in the long term. Socially, this will be associated with **digital exclusion of communities** in certain areas. Polsat Plus Group, striving to achieve optimal coverage of its technologies, meets the expectations of residents in these regions by offering them attractive offer of solutions available in the area. The ability to reach areas (markets) where competitive pressure is lower and/or where competitors are unable to offer services with comparable parameters, can be seen as an opportunity.	ESRS S3	✓	✓	✓	✓			✓	✓	✓	✓
Intellectual property rights protection is a complex issue, especially in practical terms. The risk involves the threat that the Group may not be able to effectively protect its innovations, inventions, trademarks, or other forms of intellectual property. This could lead to competitors or other entities unlawfully using these assets, resulting in financial losses, loss of competitive advantage, and damage to the Group's reputation. At the same time, diligence in this area can build trust with suppliers and be an asset in negotiations with them. The risk persists in all time horizons and is mainly related to own activities.	ESRS S3		✓		✓	✓		✓	✓	✓	✓
Critical infrastructure, such as telecommunications networks and broadcasting centres, could potentially become targets of **terrorist**	ESRS S3		✓		✓	✓	✓		✓	✓	✓

attacks or sabotage. Similarly, energy infrastructure, including production assets, may also attract the interest of terrorists or saboteurs. This risk persists in all time horizons.									
In market practice, there are numerous **infringements by customers** (end users) regarding content access. The risk of **unauthorised access to produced and distributed content** is particularly detrimental to the media segment and paid content distribution. This is facilitated by technological advancements and the proliferation of on-demand content in online services, which makes it easier to create, transfer, and share high-quality unauthorised copies of programmes on various media, as well as to conduct unlicensed and unencrypted broadcasts on television or the Internet. Unauthorised use of the Group's intellectual property can negatively impact operations, damaging its reputation and limiting business partners' trust in the Group and its ability to protect its own and licensed content. Conversely, diligence in this area and effective countermeasures against infringements can build trust with suppliers and be an asset in negotiations with them. Sources of risk associated with potential intellectual property rights infringement are located downstream (users), but potential costs directly affect upstream entities and may be indirectly charged to the Group. The risk persists in all time horizons.	ESRS S4	✓	✓			✓	✓	✓	✓
The Polsat Plus Group manages **databases and sensitive information** from both the enterprise and customer perspectives. This involves the risk of data theft and **customer privacy breaches**, which can lead to financial and reputational losses for the Group (caused by the unauthorised access by third parties to digital data and information that are trade secrets or sensitive customer information (cybersecurity)). The risk persists in all time horizons. It is related mainly to own activities, but also indirectly to upstream value chain. **Security** has other specific aspects as well, such as unwanted content that children should be protected from by using appropriate security measures. Security in areas unrelated to the Group's offer can also be supported by its products and available technologies (e.g., the Ratunek (Rescue) app). Thus, the Group's offer and solutions can be an	ESRS S4	✓	✓	✓	✓	✓	✓	✓	✓

opportunity to counter the threats that come from outside the Group's business model but are extremely important from the social perspective, including the perspective of the Polsat Plus Group's end users. Risks and opportunities persists in all time horizons and are mainly related to own activities.											
People with disabilities often face difficulties in accessing a range of services and products, potentially including those offered by companies of the Polsat Plus Group. These barriers are frequently architectural, making it challenging to reach service points, or difficulties in the interaction with staff. The devices themselves (e.g., smartphones) produced by third parties may also be challenging or impossible to use depending on the type of disability. This creates a risk of social exclusion but also presents an opportunity to attract individuals with specific disabilities by tailoring the offer and the service to their needs. The risk persists in all time horizons. It is mainly related to own activities, but also to entities cooperating with the Group (e.g., sales outlets that are not owned by the Group).	ESRS S4	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
The Group, like any large organisation with significant assets and high-value contracts, is **exposed to the risk of corrupt behaviour**. This can lead to suboptimal business decisions and performance deterioration, as well as substantial reputational damage. Diligence in this area can build supplier trust and eliminate suboptimal decisions and additional costs for the Group that might result from pathological behaviour. The risk persists in all time horizons and is related to both own activities and the relationships of individual entities in the upstream value chain.	ESRS G1		✓		✓	✓	✓	✓	✓	✓	✓

1) Telecommunication devices and satellite antennas, which are at the heart of broadcasting centres, as well as base stations (BTS) and consumer devices used by customers (such as smartphones) operate by sending and receiving electromagnetic waves of appropriate frequencies (the Group acquires individual devices from external suppliers and relies on their declarations of compliance with applicable standards). The World Health Organization conducts research on the impact of electromagnetic field on living organisms and, based on the analysis of results from over 25,000 scientific studies conducted over the past decades, has concluded that there is insufficient evidence of negative health consequences from exposure to electromagnetic fields generated by telecommunication devices. Regardless, these issues still raise many concerns (e.g., 5G technology, especially in recent years at the initial stage of its implementation). It can be expected that future technologies, which will be emerging in the long term, may also spark similar controversies. It is worth noting that the regulations in Poland regarding human exposure to these fields are among the most stringent.

From the perspective of the Polsat Plus Group, operational management of non-financial risks associated with the aforementioned impact categories is an integral part of business risk management. Non-financial risk aspects are treated and managed on an equal basis with other business risks.

The business risk management model, including non-financial risk management, is a decentralised model. Individual business owners address the objectives at stake, ensuring that specific risks are managed "at the source," which, in the Group's view, is effective and efficient. At the same time, the functioning of organisational units is monitored and controlled by internal audit departments. This includes, among many other business aspects, the integrity and accuracy of risk management by individual units. The findings from analyses and controls are reported to the Company's authorities. Responsibility for day-to-day management, including non-financial risk management, rests with the Management Board, which includes a Member responsible for ESG. Additionally, comprehensive oversight of the Polsat Plus Group's affairs is exercised by the Supervisory Board. Its part – the Audit Committee is responsible for monitoring the effectiveness of internal control systems and risk management systems, as well as the internal audit process. Thus, the Supervisory Board, through its supervisory functions, is the highest body involved in risk management, including non-financial risk.

The approach to managing business risk in the broad sense, as well as the characteristics of its various aspects, can be found in this Report in section 6 – *Risk factors*. The table above presents a summary of the analysis of the ESG risks identified by the Group, by ESRS areas. The Group does not disclose the financial assessment of the impact of individual risks due to the exemption provided for in the ESRS.

IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities

The process for identifying and assessing the significance of impacts, including significant risks and potential opportunities, was conducted by the Polsat Plus Group based on the ESRS principle of double materiality, by simultaneously assessing the impact significance and financial materiality of individual issues. All issues related to sustainable development covered by the topical ESRSs (ESRS 1 "*General requirements*", Appendix A) were analysed. No additional external data sources were used in this process, and the Group did not monitor the scope of non-financial reporting and sustainable development reporting of entities that could serve as a benchmark for the Group.

Stage I (intra-organisational analysis). The assessment of individual aspects in terms of impact materiality was carried out considering factors indicated in ESRS and OECD Guidelines for Multinational Enterprises, i.e., (a) scale, (b) scope, (c) irreversible nature of impact (each dimension was assessed using a 5-point scale (from 1 – "Negligible" to 5 – "Extremely high"), and then an arithmetic mean of the assessments was calculated). For financial materiality, an approximate scale of financial consequences of individual impacts was helpful in the assessment (using the 5-point scale). All of these were also assessed for their likelihood (risk materialisation) (using the 5-point scale). This assessment was conducted by experts within the organisation. The final result was the sum of three assessments, i.e., impact materiality, financial materiality, and likelihood.

Stage II (consultations). In accordance with ESRS requirements regarding stakeholder collaboration in the identification and assessment of materiality, the results from Stage I were compared with stakeholder opinions using an online survey. Respondents invited to participate in the survey rated the significance of each issue deemed potentially significant by us, on a scale of 1-5. Respondents could also indicate which aspects considered potentially insignificant in Stage I should, in their opinion, be included in the report. Respondents were also able to comment on each aspect (e.g., pointing out other aspects related to a given issue that Polsat Plus Group should pay more attention to).

Stage III (results). Overlaying the results of both stages did not bring any changes regarding the aspects deemed potentially significant during the internal analysis (all were confirmed as significant by the stakeholders).

The double materiality analysis process began in May 2024 and was concluded in December 2024 when the results were summarised and presented to the Management Board of Cyfrowy Polsat SA.

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

The ESRS disclosure requirements with reference to individual data points and an indication of the numbers are presented in Annex 1 of this Report.

10.2. Environmental Information

10.2.1. EU Taxonomy

Pursuant to the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment and the Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021, Polsat Plus Group presents ratios of turnover, capital expenditure (CAPEX) and operating costs (OPEX), relating to activities that are Taxonomy-eligible and Taxonomy-aligned.

Recognition of activities as environmentally sustainable

Activity is qualified as environmentally sustainable if:

- makes a significant contribution to achieving one or more environmental objectives
- does no significant harm to any of the environmental objectives
- is carried out in accordance with minimum safeguards
- meets the technical eligibility criteria that have been established by the Commission.

The Polsat Plus Group has reviewed its operations against the above four criteria in the following way:

1. Analysed the business activities carried out, identifying those aspects that are discussed in Taxonomy delegated regulations to identify activities that are Taxonomy-eligible. This review covered revenue categories, capital expenditure realised (CAPEX) and operating expenditure incurred (OPEX). The initial analysis and identification stage precluded making any exclusions due to the low materiality of certain activities.
2. For activities eligible for at least one of the six environmental objectives, the Group also verified whether individual activities meet the technical criteria of the Taxonomy for individual activities (i.e. the significant contribution criteria) and whether they do not harm the achievement of the other environmental objectives (i.e. the criteria regarding the 'do no significant harm' principle).
3. The Group evaluated fulfilment of the minimum safeguards for all activities, irrespective of whether the technical criteria are met or not.
4. The Group summarised the revenues (turnover), capital expenditure (CAPEX) and operating expenses (OPEX) associated with the activities that qualify for the Taxonomy with a breakdown into those that meet the technical criteria - and those that do not or harm the other ones. The Group has also identified activities that qualify as transitional activities or enabling activities.

Step 1: Identification of Taxonomy-eligible activities

The Polsat Plus Group reviewed its business model and related types of economic activities to identify aligned activities, when preparing non-financial statements for the years 2021, 2022, and 2023. In 2024, similarly to the previous year, during the identification stage of Taxonomy-aligned activities, assessments of revenues (turnover), capital expenditures (CAPEX), and operating expenses (OPEX) were conducted. The results of the analysis of Taxonomy-eligible activities are presented in the table below.

Taxonomy-aligned activity			having influence on:		
Environmental objective[1]	Activity number	Activity name	Revenue (turnover)	Capital expenditures (CapEx)	Operating expenses (OpEx)
CCM	3.2.	Manufacture of equipment for the production and use of hydrogen		✓	✓
CCM	3.3.	Manufacture of low carbon technologies for transport	✓	✓	✓
CCM	3.10.	Manufacture of hydrogen		✓	✓
CCM	4.1.	Electricity generation using solar photovoltaic technology	✓	✓	✓
CCM	4.3.	Electricity generation from wind power	✓	✓	✓
CCM	4.8.	Electricity generation from bioenergy	✓	✓	
CCM	4.20.	Cogeneration of heat/cool and power from bioenergy	✓		
CCM	6.5.	Transport by motorbikes, passenger cars and light commercial vehicles	✓	✓	✓
CCM	6.11.	Sea and coastal passenger water transport		✓	✓
CCM	6.15.	Infrastructure enabling low-carbon road transport and public transport	✓	✓	✓
CCM	6.16.	Infrastructure enabling low carbon water transport		✓	✓
CCM	7.1.	Construction of new buildings	✓	✓	✓
CCM	7.3.	Installation, maintenance and repair of energy efficiency equipment		✓	✓
CCM	7.6.	Installation, maintenance and repair of renewable energy technologies	✓	✓	✓
CCM	7.7.	Acquisition and ownership of buildings	✓	✓	
CCM	8.1.	Data processing, hosting and related activities	✓	✓	✓
CCA	8.3.	Television programming and broadcasting activities	✓	✓	✓
CCA	13.3.	Motion picture, video and television programme production, sound recording and music publishing activities	✓	✓	✓
CCA	14.1.	Emergency services		✓	
BIO	2.1.	Hotels, holiday, camping grounds and similar accommodation	✓	✓	✓

[1] Environmental objectives: CCM – climate change mitigation, CCA - climate change adaptation, CE – circular economy, BIO - biodiversity and ecosystems

Step 2: Verification of technical qualification criteria

The professional staff of the business units responsible for each of the identified Taxonomy-eligible activities assessed the compliance of these activities with the technical criteria for significant contribution and the criteria for the "do no significant harm" principle. The analysis identified the following activities aligned with the Taxonomy:

- **3.2. Manufacture of equipment for the production and use of hydrogen.** Activity is associated with the offer of electrolysers
- **3.3. Manufacture of low carbon technologies for transport**. Activity is associated with production of NesoBus Polish Hydrogen Bus
- **3.10. Manufacture of hydrogen.** Activity is associated with commercial production of hydrogen while using clean energy
- **4.1. Electricity generation using solar photovoltaic technology.** Activity is associated with generation of electricity by photovoltaic farms owned by PAK PCE Fotowoltaika
- **4.3. Electricity generation from wind power.** Activity is associated with generation of electricity by wind farms – including Kazimierz Biskupi, Miłosław, Człuchów, Przyrów, Drzeżewo, Dobra
- **4.8. Electricity generation from bioenergy.** Activity is associated with production of energy from biomass combustion
- **4.20. Cogeneration of heat/cool and power from bioenergy.** Activity is associated with production of energy from biomass combustion
- **6.5. Transport by motorbikes, passenger cars and light commercial vehicles.** Activity is associated with owning in the car fleet (Plus Flota) of alternatively powered vehicles (hydrogen, electric) and rental thereof
- **6.11. Sea and coastal passenger water transport.** A design of a hydrogen-powered boat
- **6.15. Infrastructure enabling low-carbon road transport and public transport.** Activity is associated with the hydrogen refuelling stations
- **7.6. Installation, maintenance and repair of renewable energy technologies.** Activity includes installation of PV panels which is carried out by the Esoleo company
- **8.3. Television programming and broadcasting activities.** Activity covers the core business of Telewizja Polsat (Polsat TV), which is associated with TV programme broadcasting
- **13.3. Motion picture, video and television programme production, sound recording and music publishing activities.** Activity covers the core business of Telewizja Polsat (Polsat TV), which is associated with tv production.

For those activities that met the technical qualification criteria, turnover, capital expenditures (CAPEX), and operating expenses (OPEX) were allocated accordingly based on the financial and accounting records maintained. Thus, they were determined for each activity to the extent that they meet the technical qualification criteria.

Step 3: Assessment of the fulfilment of minimum safeguards

The Polsat Plus Group has assessed whether its activities are conducted in a manner that ensures compliance with the so-called minimum safeguards. According to Article 18 of Regulation 2020/852, “minimum safeguards (…) shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.”

Due to the lack of binding regulations that would clarify the above definition and define the method and process for assessing compliance with the minimum safeguards, the assessment process utilised the *Final Report on Minimum Safeguards* prepared by the Platform on Sustainable Finance. However, this report does not constitute regulation and is not legally binding. According to the recommendations, non-compliance with the minimum safeguards is indicated by one of four conditions:

- inadequate or non-existent due diligence processes in the areas of human rights, including labour rights, corruption, taxation, and fair competition
- the company has been ultimately held accountable or found to be in violation of labour law or human rights in certain types of court cases relating to labour or human rights
- lack of cooperation with the OECD National Contact Point regarding a complaint accepted by the OECD National Contact Point
- The Business and Human Rights Resource Centre has raised an allegation against the company, and the company has not responded within 3 months.

The Polsat Plus Group assesses that it meets the minimum safeguards. The processes and regulations implemented within the Group are considered sufficient to meet the first two conditions mentioned above. Internal regulations related to employee employment comply with applicable labour laws and other national regulations, including standards of the International Labour Organization ratified by the Republic of Poland. No material breaches of labour law, human rights, anti-corruption measures, consumer protection, or competition law, as well as tax law, have been recorded. No administrative proceedings related to such violations have been conducted against the Group's entities or their management members. No penalties have been imposed on the management members, nor have they been convicted by final judgments or otherwise held accountable for material breaches of the law as mentioned in the second condition.

The Polsat Plus has not been reported as an entity violating applicable rules by either the Business and Human Rights Resource Centre (https://www.business-humanrights.org/en/companies/) or the OECD National Contact Point (http://mneguidelines.oecd.org/database/).

To the best of our knowledge, Polsat Plus Group companies have not been considered in any way as entities violating labour rights, human rights, or applicable regulations related to anti-corruption and bribery, tax avoidance, or unfair competition.

Step 4: Summary and presentation of results

Based on the financial and accounting records maintained, the Polsat Plus Group has assigned the turnover, capital expenditures (CAPEX), and operating expenses (OPEX) for each of the abovementioned Taxonomy-eligible activities. The amounts identified based on the financial and accounting records constitute the numerators of the indicators. The results obtained in the previous steps have been summarised in tables that conform to the template in force at the date of this report.

Activities related to nuclear energy and fossil gas

The Polsat Plus Group does not conduct any activities related to nuclear energy or fossil gas. Consequently, it does not include those items in its key performance indicators.

Nuclear energy related activities		YES/NO
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO

2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		**YES/NO**
1.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
2.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
3.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

TURNOVER KPI

Accounting principles

The main part of the Polsat Plus Group's revenue comes from the provision of telecommunications services, whereas this type of operations has not been included in the Taxonomy within Annexes I and II to the Climate Delegated Act (Commission Delegated Regulation (EU) 2021/2139). Therefore, when identifying Taxonomy-eligible areas, Polsat Plus Group did not include these types of operations, although we are of the opinion that activities related to upgrading telecommunication equipment and reducing its energy-intensity could have substantial positive contribution to climate change mitigation by reducing the carbon footprint.

The Consolidated financial statement served as the basis for the calculation of Turnover KPI – the item Revenue from the sale of products, services and commodities (consolidated revenue) was used as the denominator.

Based on the assessment of compliance with the EU Taxonomy, as described below, revenues associated with Taxonomy-aligned activities have been identified. The amount indicated in the Consolidated financial statement, originating from activities identified as Taxonomy-aligned activities, was assigned to the numerator of the key performance indicator.

Revenue	2024
Revenue from sales	14,266 m PLN
Identified revenue from eligible activities	2,607 m PLN
Share of revenue associated with eligible activities	18.3 %
Revenue from the environmentally sustainable activities (taxonomy-aligned)	757 m PLN
Share of revenue from environmentally sustainable activities (taxonomy-aligned)	5.3 %

In order to avoid double counting, respective revenue amounts were assigned to specific activities. After being assigned to a given activity, such amounts were no longer considered during further analysis. All necessary consolidation adjustments were also made.

Contribution to achievement of many objectives, de-aggregation of KPIs

No revenue from activities contributing to achievement of more than one environmental objective has been identified. Key performance indicator has not been de-aggregated.

Context information

Taxonomy-aligned business activities, presented in the numerator of the key performance indicator, are not conducted for Polsat Plus Group’s own consumption.

CAPEX KPI

Accounting principles

The Consolidated financial statement was the basis for calculation of CAPEX KPI. The following was included in the denominator: the increase in the balance of tangible fixed assets (note 16 Property, plant and equipment, item "Additions") and the increase in intangible assets (note 20 Customer relationships and other intangible assets, item "Additions ") during the year 2024 before depreciation, write-downs, and any valuation updates, including those resulting from revaluation and impairment, excluding changes in fair value. This also includes the increase in the value of leases (note 21 Right-of-use assets).

Based on the assessment of compliance with the EU Taxonomy, as described below, capital expenditures associated with Taxonomy-aligned activities have been identified. The amount indicated in the Consolidated financial statement, originating from activities identified as Taxonomy-aligned activities, was assigned to the numerator of the key performance indicator.

Capital expenditures (CAPEX)	2024
Capital expenditures	2,696 m PLN
Identified capital expenditures associated with the eligible activities	1,142 m PLN
Share of the capital expenditures associated with eligible activities	42.4 %
Capital expenditures from environmentally sustainable activities (taxonomy-aligned)	979 m PLN
Share of capital expenditures from environmentally sustainable activities (taxonomy-aligned)	36.3 %

Contribution to achievement of many objectives, de-aggregation of KPIs

No revenue from activities contributing to achievement of more than one environmental objective has been identified. To avoid double counting, individual capital expenditure amounts were allocated to a single activity. Once allocated to an activity, they were not included in further analyses. All necessary consolidation adjustments were also made. Key performance indicator has not been de-aggregated.

Context information

Taxonomy-aligned business activities, presented in the numerator of the key performance indicator, are not conducted for Polsat Plus Group’s own consumption.

OPEX KPI

Accounting principles

The basis for calculating the OPEX KPI in accordance with the provisions of Annex 1 to Regulation 2021/2178 was to extract from the Polsat Plus Group's operating expenses the direct, non-capitalised expenses, based on the Consolidated financial statement, related to:

- research and development work
- building renovation activities
- short-term leasing
- maintenance and repairs, and
- any other direct expenses related to ongoing handling of the tangible fixed assets by the company or a third party to whom activities necessary to ensure the continuous and efficient operation of those assets have been outsourced,

which could be assigned in full to the OPEX's denominator.

Operating expenses (OPEX)	2024
Operating expenses	216 m PLN
Identified operating expenses associated with the eligible activities	119 m PLN
Share of the operating expenses associated with eligible activities	54.9 %
Operating expenses from environmentally sustainable activities (Taxonomy-aligned)	87 m PLN
Ratio of operating expenses from environmentally sustainable activities (Taxonomy-aligned)	40.2 %

Contribution to achievement of many objectives, de-aggregation of KPIs

No revenue from activities contributing to achievement of more than one environmental objective has been identified. To avoid double counting, individual capital expenditure amounts were allocated to a single activity. Once allocated to an activity, they were not included in further analyses. Key performance indicator has not been de-aggregated.

Context information

Taxonomy-aligned business activities, presented in the numerator of the key performance indicator, are not conducted for Polsat Plus Group's own consumption.

Percentage of Polsat Plus Group's Taxonomy-aligned revenue

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code(s) (2)	Turnover (absolute value) (3)	Proportion of turnover, year 2024 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation 11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		mPLN	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of low carbon technologies for transport	CCM 3.3	12.12	0.08%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.39%	E	
Electricity generation using solar photovoltaic technology	CCM 4.1	36.04	0.25%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.12%		
Electricity generation from wind power	CCM 4.3	123.07	0.86%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.05%		
Electricity generation from bioenergy	CCM 4.8	387.34	2.72%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.30%		
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	66.21	0.46%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.23%		
Transport by motorbikes, passenger cars and light commercial vehicles.	CCM 6.5	1.54	0.01%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	2.05	0.01%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.05%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	71.00	0.50%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.12%	E	
Television programming and broadcasting activities	CCA 8.3	49.06	0.34%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.36%	E	
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	8.22	0.06%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.03%	E	

Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**756,66**	**5,30%**	**4,90%**	**0,40%**	**0,00%**	**0,00%**	**0,00%**	**0,00%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**3.65%**		
of which enabling (E)		**142,45**	**0,60%**	**0,40%**	0,00%	0,00%	0,00%	0,00%	0,00%	Y	Y	Y	Y	Y	Y	Y	1.95%		
of which transitional (T)		-	0,00%							Y	Y	Y	Y	Y	Y	Y	0.00%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles.	CCM 6.5	9.31	0.07%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.07%		
Construction of new buildings	CCM 7.1	0.14	0.001%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.44%		
Acquisition and ownership of buildings	CCM 7.7	4.14	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.03%		
Data processing, hosting and related activities	CCM 8.1	64.38	0.45%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.41%		
Television programming and broadcasting activities	CCA 8.3	1,728.50	12.12%	N/EL	Y	N/EL	N/EL	N/EL	N/EL								12.64%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	44.19	0.31%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.27%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**1,850.66**	**12.97%**	**0.55%**	**12.12%**	**0.00%**	**0.00%**	**0.00%**	**0.31%**								**13.86%**		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**2,607.31**	**18.28%**	**5.45%**	**12.52%**	**0.00%**	**0.00%**	**0.00%**	**0.31%**								**17.51%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**11,658.59**	**81.72%**																
TOTAL (A+B)		**14,265.90**	**100%**																

Note:
Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective

As a result of the compliance reassessment carried out in 2024, only a portion of the turnover attributed to activity 8.3 Television programming and broadcasting activities was considered to meet the alignment criteria with the Taxonomy. Therefore, the comparative figures presented in the table differ from the value presented in the Taxonomy disclosure for 2023.

Extent of eligibility and alignment of activities by environmental objective:

		Proportion of turnover / Total turnover	
		Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation	CCM	4.90%	5.45%
Climate Change Adaptation	CCA	0.40%	12.52%
Water and Marine Resources	WTR	-	-
Circular Economy	CE	-	-
Pollution Prevention and Control	PPC	-	-
Biodiversity and Eco-Systems	BIO	-	0.31%

Share of Polsat Plus Group's Taxonomy-aligned capital expenditures (CAPEX)

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code(s) (2)	CapEx (3)	Proportion of CapEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation 11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) CapEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		mPLN	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	15.26	0.57%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.12%	E	
Manufacture of low carbon technologies for transport	CCM 3.3	13.61	0.50%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.48%	E	
Manufacture of hydrogen	CCM 3.10	6.00	0.22%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.47%		
Electricity generation using solar photovoltaic technology	CCM 4.1	0.02	0.001%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.05%		
Electricity generation from wind power	CCM 4.3	896.01	33.23%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	11.59%		
Electricity generation from bioenergy	CCM 4.8	0.28	0.01%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-0.05%		
Transport by motorbikes, passenger cars and light commercial vehicles.	CCM 6.5	0.003	0.00%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
Sea and coastal passenger water transport	CCM 6.11	0.28	0.01%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		T
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	44.58	1.65%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.46%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	0.09	0.003%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01%	E	
Television programming and broadcasting activities	CCA 8.3	2.34	0.09%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.04%	E	
Motion picture, video and television programme production, sound	CCA 13.3	0.20	0.01%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.03%	E	

recording and music publishing activities																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**978.69**	**36.30%**	**36.21%**	**0.09%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**13.20%**		
of which enabling (E)		**76.09**	2.82%	2.73%	0.09%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	1.14%		
of which transitional (T)		0.28	0.01%	0.01%													0.00%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles.	CCM 6.5	27.39	1.02%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.46%		
Construction of new buildings	CCM 7.1	14.72	0.55%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.07%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	36.47	1.35%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.22%		
Data processing, hosting and related activities	CCM 8.1	2.53	0.09%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.25%		
Television programming and broadcasting activities	CCA 8.3	82.60	3.06%	N/EL	Y	N/EL	N/EL	N/EL	N/EL								1.41%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1	0.07	0.003%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0.34%		
Emergency services	CCA 14.1	0.03	0.001%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								0.00%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**163.81**	**6.08%**	**3.01%**	**3.07%**	**0.00%**	**0.001%**	**0.00%**	**0.003 %**								**2.75%**		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**1,142.50**	**42.38%**	**39.22%**	**3.16%**	**0.00%**	**0.00%**	**0.00%**	**0.003 %**								**15.95%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**1,553.50**	**57.6%**																
TOTAL (A+B)		**2,696.00**	**100%**																

As a result of the compliance reassessment carried out in 2024, only a portion of the CAPEX attributed to activity 8.3 Television programming and broadcasting activities was considered to meet the alignment criteria with the Taxonomy. Therefore, the comparative figures presented in the table differ from the value presented in the Taxonomy disclosure for 2023.

Extent of eligibility and alignment of activities by environmental objective:

		Proportion of CapEx / Total CapEx	
		Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation	CCM	36.21%	39.22%
Climate Change Adaptation	CCA	0.09%	3.16%
Water and Marine Resources	WTR	-	-
Circular Economy	CE	-	-
Pollution Prevention and Control	PPC	-	-
Biodiversity and Eco-Systems	BIO	-	0,001%

Share of Polsat Plus Group's taxonomy-aligned operating expenses (OPEX)

Financial year 2024	Year			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx, year N (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation 11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or eligible (A.2.) OpEx, year N-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		mPLN	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Manufacture of equipment for the production and use of hydrogen	CCM 3.2	0.60	0.28%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.02%	E	
Manufacture of low carbon technologies for transport	CCM 3.3	14.28	6.60%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.84%	E	
Manufacture of hydrogen	CCM 3.10	4.01	1.85%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.25%		

Electricity generation using solar photovoltaic technology	CCM 4.1	3.82	1.77%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-0.09%		
Electricity generation from wind power	CCM 4.3	13.93	6.44%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	7.06%		
Electricity generation from bioenergy	CCM 4.8	31.68	14.64%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Cogeneration of heat/cool and power from bioenergy	CCM 4.20	4.10	1.89%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1.85	0.85%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.81%		
Sea and coastal passenger water transport	CCM 6.11	0.02	0.01%	Y	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01%		T
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15	10.54	4.87%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.28%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1.13	0.52%	**Y**	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.87%	E	
Television programming and broadcasting activities	CCA 8.3	0.32	0.15%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.22%	E	
Motion picture, video and television programme production, sound recording and music publishing activities	CCA 13.3	0.63	0.29%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.40%	E	
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1.)		**86.91**	**40.16%**	**39.73%**	**0.44%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**Y**	**26.46%**		
of which enabling (E)		27.50	**12.71%**	**12.27%**	**0.44%**	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	18.42%		
of which transitional (T)		0.02	0.01%							Y	Y	Y	Y	Y	Y	Y	0.01%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	10.17	4.70%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5.44%		
Infrastructure enabling low carbon water transport	CCM 6.16.	0.09	0.04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.05%		
Construction of new buildings	CCM 7.1	0.01	0.005%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	6.05	2.80%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.04%		
Data processing, hosting and related activities	CCM 8.1	3.38	1.56%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.83%		
Television programming and broadcasting activities	CCA 8.3	11.31	5.23%	N/EL	EL	N/EL	N/EL	N/EL	N/EL								7.77%		
Hotels, holiday, camping grounds and similar accommodation	BIO 2.1.	0.90	0.42%	N/EL	N/EL	N/EL	N/EL	N/EL	EL								0.25%		

Emergency services	CCA 14.1	0.01	0.005%	N/EL	EL	N/EL	N/EL	N/EL	N/EL										
Operating expenses of taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2.)		**31.90**	**14.75%**	**9.10%**	**5.23%**	**0.00%**	**0.00%**	**0.00%**	**0.42%**								**8.63%**		
A. Operating expenses of Taxonomy-eligible activities (A.1 + A.2)		**118.83**	**54.92%**	**48.83%**	**5.67%**	**0.00%**	**0.00%**	**0.00%**	**0.42%**								**35.08%**		
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
Operating expenses of Taxonomy-non-eligible activities (B)		**97.57**	**45.08%**																
TOTAL (A+B)		**216.39**	**100%**																

As a result of the compliance reassessment carried out in 2024, only a portion of the OPEX attributed to activity 8.3 Television programming and broadcasting activities was considered to meet the alignment criteria with the Taxonomy. Therefore, the comparative figures presented in the table differ from the value presented in the Taxonomy disclosure for 2023.

Extent of eligibility and alignment of activities by environmental objective:

		Proportion of OpEx / Total OpEx	
		Taxonomy-aligned per objective	Taxonomy-eligible per objective
Climate Change Mitigation	CCM	39.73%	48.83%
Climate Change Adaptation	CCA	0.44%	5.67%
Water and Marine Resources	WTR	-	-
Circular Economy	CE	-	-
Pollution Prevention and Control	PPC	-	-
Biodiversity and Eco-Systems	BIO	-	0.42%

10.2.2. ESRS E1 Climate change

GOV-3 – Integration of sustainability-related performance in incentive schemes

In 2024 climate-related matters were not formally included in the incentive schemes of the Group's management and supervisory bodies, e.g. as targets for the expected level of greenhouse gas emission reductions or the carbon intensity of operations. However, investments and other projects that support the transformation of the Group's business model are strategic in nature and form the basis for the evaluation of managers by the supervisory authority and the strategic investor.

E1-1 – Transition plan for climate change mitigation

Polsat Plus Group does not have a transition plan in place for climate change mitigation within the meaning of the ESRS but it takes steps towards decarbonisation. The Group has adopted an approach and plans for the business model transformation that constitute a key element of its ESG strategy. Since 2022, it has been implementing a complex and capital-intensive transformation process, involving the construction of renewable energy sources and a complete value chain based on green hydrogen. The Group is consistently building our position in the energy market through the development of renewable energy production capacities and the sale of zero- and low-emission energy, as well as in sectors related to zero-emission transport (production of hydrogen buses and the production, distribution, and sale of hydrogen fuel).

Detailed information can be found in section SBM-1, ESRS 2 General disclosures.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Referring to the impact of the climate aspects identified as material in ESRS 2 SBM-3, the Group identifies both opportunities and risks therein and finds both physical risks and transition risks related to value chains and business models specific to individual business segments.

Polsat Plus Group has analysed its climate impact (carbon footprint), in the context of its exposure to physical and transition risks. The analysis was conducted internally at the beginning of 2024 by a team consisting of representatives from companies significant to the performance of the Polsat Plus Group, the ESG coordinator, and an independent expert. The starting point was the analysis of current and, subsequently, potential future sources of greenhouse gas emissions within the organization. Based on this knowledge, as well as a broader view of the business model and assets, the Group identified risks, simultaneously determining their nature (i.e., classifying them as physical or transitional, and further assigning them to the appropriate subcategory, in accordance with the classification of climate-related threats according to the Commission Delegated Regulation (EU) 2021/2139). The analysis encompassed individual business segments of Plus Group Group's operation, covering all its key economic activities.

While undertaking an analysis of risks and resilience of the business model of individual business segments to these risks, the Polsat Plus Group analysed the following scenarios:

- **Current Policies Scenario (Hot house world),** which assumes not taking sufficient actions at the global level, which will result in a relatively high increase of average temperature and aggravation of physical risks in nature (both of permanent nature, as well as through increased intensity of extreme weather phenomena). At the same time, lack of high pressure from individual governments will translate into a relatively low level of transition risks in the economy, i.e. risks related to the pressure on transformation and shift towards more sustainable business models.

- **Net Zero 2050**, executed among others by the UE in response to recommendations included in the Paris Agreement, it assumes taking relatively rapid and in-depth actions. As a result, the expected global temperature growth will be lower and the scale of physical risks will also be lower. Nevertheless, active approach of the governments and European Commissions will mean a bigger pressure for enterprises on transformation and the related transition risks.
- **Fragmented World scenario,** which assumes fragmented, inconsistent and in consequence ineffective measures to counteract climate change. As a result, despite the pressure on transformation in certain economies (e.g. economies of EU states) and the related high level of transition risk for business, there is a significant growth of average temperature and exposure to the high level of physical risks.

All scenarios used in the analysis have been developed and described by *The Network of Central Banks and Supervisors for Greening the Financial System (NGFS)*. Detailed information is available at: https://www.ngfs.net/ngfs-scenarios-portal/explore.

At the same time, the approach used and described below is consistent with the TCFD approach (*Recommendations of the Task Force on Climate related Financial Disclosures*, TCFD, June 2017), i.e. with the TCFD's logic for analysing climate risks at a qualitative level (e.g. in terms of the breakdown into physical and transition risks, as well as further categorisation and characterisation).

Regardless of the adopted scenario and varying exposure to physical or transitional risks, including the extreme scenario of relatively strong exposure to both categories of risk, the Group's business model across all segments is moderately exposed to them. Moreover, the Group's transformation towards a sustainable economy has already been largely completed, which eliminates a significant portion of the associated risks.

IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Current and potential carbon footprint sources in the organisation

Polsat Plus Group has analysed its activities in individual segments and development plans to identify current and potential future sources of greenhouse gas emissions, and the impact of these emissions on the Group’s climate risks. Information on the largest current or potential sources of emissions has been summarized in table, refined by emission scope and business segment. For most operations within individual segments of activity in Scope 1, aside from the consumption of various types of fuels and losses of refrigerants (transport, heating purposes), it is worth mentioning the activities of the Konin Power Plant, which generates electricity and heat, including energy used for the production of green hydrogen. Since this power plant is biomass-fueled, the biogenic emissions associated with it are not included in the Polsat Plus Group's primary carbon footprint. In case of most of operations in individual business segments, the indirect emissions (Scope 2) related to the demand for energy, in particular electricity, are most important. It is and it will be the key component of potential carbon footprint, in particular in the operations related to the provision of services using the extensive ICT and IT infrastructure. Apart from the direct provision of power supply to electronic devices, electricity is required for cooling most of them (among others, server rooms, data centres, transmission equipment). Electricity also plays an important role in execution of real estate development projects and hydrogen production.

The demand of real estates for thermal energy and functioning of car fleet, including TV Polsat broadcasting vans, entails certain, but disproportionately smaller carbon footprint. The involvement of Polsat Plus Group in development of electro-mobility and hydrogen technologies (i.e. production of hydrogen fuel, commercialization of the hydrogen bus project), allows for taking advantage of the market opportunity related to the transformation of the European economy towards sustainable development. As a result, there is a steady increase in the share of low- and zero-emission models in the Group's car fleet, including zero-emission hydrogen cars.

The real estate segment has a slightly different characteristic in that the most carbon-intensive construction and erection work, involving the use of heavy construction equipment and electricity-powered machinery and tools, is typically subcontracted. As a result, the majority of emissions from these activities will be classified not as Scope 1 or 2, but as Scope 3 (supply chain).

Current and potential sources of carbon footprint in the value chain

It is more challenging to manage greenhouse gas emissions associated with the Group's operations resulting from third-party activities (Scope 3) due to their indirect nature. In particular, a number of issues are worth highlighting that appear to be important, yet not obvious in terms of the practical aspects involved in GHG emissions reduction. It is, among others, the demand for electricity related to the use of terminal equipment by customers (e.g. smartphones, computers, TV sets). In case of terminal equipment provided by the companies of Polsat Plus Group, the Group has influence over the selection of specific technological solution, thus it can select more energy-efficient devices, but the final decision to purchase a device from the Group's range or to choose from many suppliers on the market lies with the customer. Furthermore, the Group does not have any influence on how its customers use their end devices.

As regards the real estate segment, most of the associated carbon footprint will be classified as Scope 3. On one hand this is a consequence of subcontracting most of construction work to specialized professionals, on the other most of the carbon footprint will not be related to the construction work itself but to long-term period of buildings operation. The carbon footprint in the supply chain will be also important, in particular emissions related to manufacturing of building materials (e.g. concrete, construction grade steel). The Group's influence on the volume of these emissions is limited. Appropriate building design, including the use of proper materials or technological solutions, may substantially reduce the building's potential demand for electricity and heat throughout its service lifetime. At the same time, the actual level of emissions associated with the operation of buildings will ultimately be determined by the daily behaviour patterns of their residents.

Current and potential sources of emission of greenhouse gases by segments

<table>
<tr><th colspan="4">Business segment</th></tr>
<tr><th>B2C and B2B services</th><th>media</th><th>green energy</th><th>real estate</th></tr>
<tr><th colspan="4">Sources of greenhouse gas (GHG) emissions</th></tr>
<tr><th colspan="4">in Scopes 1 and 2:</th></tr>
<tr><td>• electricity consumption for the needs of the ICT infrastructure in a broad sense, which enables the provision of services, and for cooling of the aforementioned infrastructure
• electricity and heat consumption for the needs of offices,</td><td>• electricity consumption for the needs of the ICT infrastructure in a broad sense which enables the provision of services (including broadcasting equipment), and for cooling of the aforementioned equipment</td><td>• electricity and heat consumption for the needs of offices, hydrogen production,
• fuel consumption, mainly by the car fleet</td><td>• electricity and heat consumption in buildings (until transfer of ownership and the end of the period of building management)
• fuel consumption, mainly by the car fleet</td></tr>
</table>

Business segment			
B2C and B2B services	**media**	**green energy**	**real estate**
sales outlets and decoder production • fuel consumption, mainly by the passenger car fleet	• electricity and heat consumption for the needs of offices, including recording and television studios • fuel consumption, mainly by the passenger car fleet and outside broadcast vans		
In Scope 3 (key importance):			
• end-user devices • manufacturing of fixed assets, mainly elements of the ICT infrastructure • utilization of depreciated fixed assets, mainly elements of the ICT infrastructure • disposal of depreciated fixed assets, mainly ICT infrastructure components • transport to the organisation and distribution to the customer • disposal of residues from decommissioned fixed assets used in operations • other purchases and services	• end-user devices • generation of other fixed assets necessary for the business • disposal of residues from decommissioned fixed assets used in operations • other purchases and services	• manufacturing of fixed assets, mainly elements of infrastructure – e.g. wind turbines, PV panels • utilization of fully depreciated fixed assets, mainly elements of the infrastructure • trading in purchased electricity from conventional sources • transport of wind turbines and photovoltaic modules during the construction phase of farms • transport of hydrogen fuel to hydrogen stations • generation of other fixed assets necessary for the business • disposal of residues from decommissioned fixed assets used in operations • other purchases and services	• manufacturing of building materials • construction work performed by third parties • use and operation of buildings • generation of other fixed assets necessary for the business • disposal of residues from decommissioned fixed assets used in operations • other purchases and services

Climate-related scenarios

Current Policies Scenario (Hot house world) – climate-related physical risks

The scenario in which individual economies continue the current policy, leading to a high level of physical risks as a result of climate change. Emissions increase through 2080, leading to a temperature rise of approximately 3°C. The scenario includes irreversible changes such as higher sea level rise and is part of the *Hot house world* family of scenarios.

Scenario characteristics:

- physical risk: high
- transition risk: low
- ambitions: 3°C
- implementation of policies: none
- technological changes: slow
- use of Carbon Dioxide Removal (CDR) technology: low
- regional policy volatility: low

Current Policies Scenario in which individual economies continue the current policy and companies do not take challenges related to the transformation of executed business models (*business as usual*) means the lack of necessity to make investments related to transition to a more sustainable economy. At the same time, the inaction will in practice mean the increase in the physical risks associated with climate change in the next decades.

The identified potentially most significant aspects of physical risk to which the Group's operations are and are likely to become increasingly exposed are summarised in the table below (Potential identified climate-related physical risks and opportunities in individual business segments).

The need to ensure sufficient cooling for critical elements of the ICT and telecommunications infrastructure will mean that, in the context of higher average temperatures, higher air-conditioning operating costs will have to be incurred. Furthermore, the increasingly likely occurrence of temperature extremes (heat waves) will mean that not only will more power need to be provided for equipment, but also a certain level of redundancy. Similarly, higher requirements should be expected in terms of providing cooling for office spaces. However, permanent risks associated with the temperature will mean changes that will not be rapid and any investments, which are difficult to calculate at present, will be distributed over time. Group's preliminary assessment is that the scale of potential additional expenditure on air conditioning will not be significant.

In the case of construction projects, especially premium buildings such as the Port Praski apartments will be, higher temperatures, including possible oppressive heat waves, can mean increased demand for electricity from residents using air conditioning. This translates into the need of ensuring energy infrastructure and power reserves for individual buildings. At the same time, statistically warmer winters will mean lower heat consumption by the buildings. At the construction stage, such weather conditions are conducive to extending the period during which construction work can be carried out.

In terms of wind-related risks, the chronic risks, associated with slow changes in the nature of air circulation, are fairly neutral for telecommunications and media activities. The so-called acute risks associated with wind can be a significant problem, though. Extreme weather conditions, that is storms, squalls, hurricanes may cause – in the case of wind farms – a need of temporary shut downs and/or even physical damages. Similarly, photovoltaic farms and telecommunication infrastructure may also be exposed to damages. However, they are designed and constructed in a way that limits such risks. There is also a theoretical risk of damaging the transmission infrastructure. However, they have been designed and constructed in such a way as to ensure that the dish of transmission antenna can withstand hurricane wind. Therefore, even violent windstorms, which are becoming increasingly frequent in Poland, should not damage them.

Windstorms can on the other hand lead to power outages on the part of power grid operators, especially in rural areas where overhead power lines are quite common. As a result, despite the provision of backup power supply, there may be a temporary local limitation of access to telecommunications services.

Violent storms may also lead to minor damages to buildings, including buildings constructed as part of the real estate development activities. Strong wind may also result in the need to suspend certain types of construction work (e.g. work at height, operation of cranes).

By analogy, physical risks related to water or ground may constitute certain threats for the infrastructure used by the companies from the Group. Local flooding will lead to flooding of utility manholes, thus resulting in possible limitations of access to services. From the point of view of service users, stopping of electricity supply by local power grid operators will have a similar effect, because this will limit or temporarily eliminate the ability to use Group's services. Possible landslides may also damage telecommunication or power grid network, which would also hinder or prevent the use of services by end users.

Broadcasting centres are exposed to risks resulting in outages of external power supply. Nevertheless, they have a possibility of switching to backup power supply from their own power generators, which ensures continuity of operations. At the same time, weather phenomena with dense clouds accumulating large amounts of water may impede the transmission of satellite signal. Due to such risks, two redundant broadcasting centres were built in Warsaw and Radom. In the event of adverse conditions at one of the sites, the other will seamlessly take over the operation. This solution may also allow operations to continue uninterrupted in the event of other difficulties.

Potential water-related risks, specifically the risk of flooding, occur e.g. in the case of the investment project in Port Praski. The direct vicinity of the Vistula River, which is the greatest advantage of the apartments in this location, may create a risk for the properties in Port Praski if the river exceeds the warning and flood levels. Due to such risks, a special sluice with floodgate and pumping station have been constructed. In case of high water levels, the floodgate will be closed and the water level will be stabilized.

All of the above-mentioned events, their likelihood and the scale of their potential impact (including financial), although increasing, do not appear to be significant enough over the foreseeable time horizon to affect the consolidated results of the Polsat Plus Group.

Potential identified climate-related physical risks and opportunities in individual business segments

Business segment			
B2C and B2B services	media	green energy	real estate
temperature-related risks and opportunities: chronic			
• temperature change (air) – higher costs related to cooling the telecommunication and ICT infrastructure (e.g. data warehouses, server rooms) • potential reduction in the efficiency of photovoltaic installations at B2C	• temperature change (air) – higher costs related to cooling the infrastructure	• potential reduction in the efficiency of photovoltaic installations during high temperature levels	• temperature change (air) – higher costs related to cooling during summer but also lower costs in winter (at the same time, a competitive advantage over buildings constructed using older, less effective technologies)

Business segment			
B2C and B2B services	**media**	**green energy**	**real estate**
and B2B customers during high temperature levels			• opportunity: possibility to carry out construction work throughout the whole year due to milder winters
temperature-related risks and opportunities: acute			
• temperature change (air) –cooling of ICT infrastructure and telecommunication network elements in the case of a heatwave, and the risk of insufficient power of AC units • potential significant temporary reduction in the efficiency of photovoltaic installations at B2C and B2B customers during high temperature levels	• temperature change (air) –cooling of infrastructure in the case of a heatwave, and the risk of insufficient power of AC units	• high resilience and an advantage over conventional power generation, which limits production in the face of cooling problems • potential significant temporary reduction in the efficiency of photovoltaic installations during high temperature levels	• the need to provide an adequate power reserve for buildings (in the event of a surge in electricity demand associated with the use of cooling equipment by residents)
wind-related risks and opportunities: chronic			
-	-	• unrealised potential of wind farms in case of lighter winds than forecast	
wind-related risks and opportunities: acute			
• damage to components of the telecommunication infrastructure • damage to components of the photovoltaic infrastructure at B2B and B2C customers	• damage to components of the broadcasting infrastructure	• the need to restrict the operation of wind turbines to protect them against damage • damage to elements of RES production infrastructure	• a need to stop certain construction works • damage to infrastructure elements (e.g. flashings)
water-related risks and opportunities: chronic			
-	-	-	-
water-related risks and opportunities: acute			
• damage to infrastructure elements, and interruptions in their operation as a result of flooding	• damage to infrastructure elements, and interruptions in their operation as a result of flooding	• damage to infrastructure elements, and interruptions in their operation as a result of flooding	• risk of flooding in the case of high water level in the Vistula River (location in the direct vicinity of the river)
ground-related risks and opportunities: chronic			
-	-	-	-
ground-related risks and opportunities: acute			
-	-	• potential damage to individual infrastructure elements and/or interruptions in their operation due to landslides (e.g. in the mountain area)	-

Net Zero 2050 – transition risks and climate-related opportunities

Net Zero 2050 is an ambitious scenario which reduces the global warming to 1.5°C through strict climate policies and innovations, achieving zero emission by 2050. It assumes that ambitious climate policies will be introduced immediately, giving at least a 50% chance of reducing global warming to below 1.5°C by the end of the century, without exceeding (<0.1°C) 1.5°C in the previous years.

Scenario characteristics:

- physical risk: relatively low
- transition risk: high
- ambitions: <1.5°C.
- implementation of policies: immediate and smooth
- technological changes: fast
- use of CDR* technologies: medium / high
- regional policy volatility: medium

Unlike Hot house world scenarios, scenarios such as the one adopted by the EU to achieve climate neutrality by 2050 present opportunities to avoid the most severe physical risks for the economy. However, rapid changes need to be initiated in order to be able to achieve this goal. Thus, putting the scenario into practice involves a significantly higher level of transition risk. An intra-organisational analysis of the possible threats and opportunities associated with the so-called transition risks made it possible to identify issues potentially relevant to the business model of the Polsat Plus Group in the individual business segments, which are summarised in the table below (Potential identified climate-related physical risks and opportunities in individual business segments).

Like most enterprises, Polsat Plus Group will have to face the challenges of additional climate-related reporting obligations. We are in the midst of a capital-intensive phase of sustainable transformation towards a zero-carbon economy – from 2022 onwards, we ensure that the Group's energy mix is supplied using renewable energy sources. The Group's photovoltaic and wind farms provide energy security for the entire Group, with surplus energy sold to third parties. Thanks to this, we are the beneficiary of changing preferences and behaviours of customers, both individual (who are not indifferent to climate change) and corporate who try to optimize their carbon footprint both in Scope 2 (purchase of energy from Polsat Plus Group), and in Scope 3 (purchase of telecommunication services with minimum carbon footprint). The key point is that the zero-carbon energy produced by wind farms and photovoltaic farms is not burdened by emission charges, which will increase in the long term. Thus, it will become increasingly attractive in terms of cost. At the same time, as installed capacity increases, the instability of RES sources paired with the lack of effective technologies allowing for mass storage of energy (e.g. high energy generation in sunny and windy summer weekends, when the consumption in the economy is lower; at the same time lack of energy and growth of its price in unfavourable conditions) will lead more and more often to price volatility.

Polsat Plus Group incurs expenditure on the expansion of the green energy and hydrogen technology segments, as well as that related to the provision of telecommunication services and the media segment. Each of these areas, in particular activities in highly innovative areas, will entail a risk of selecting a non-optimal technological solution. In case of telecommunication and media services, the used technological solutions are quite quickly depreciated (i.e. the technology life cycle is limited and the technology becomes obsolete). As a result, at least some of the equipment is being replaced because of the need to upgrade to newer technologies. Every subsequent solution is developed based on new achievements in the R&D area, which in practice also means better performance in terms of energy efficiency and impact on carbon footprint. The growth of energy efficiency will allow the Group for energy saving and further reduction of the carbon footprint.

In case of real estate segment activities there will be further, more strict regulations implemented, including the ones concerning technical conditions to be met by buildings and structures. Mainly these are requirements relating to energy efficiency and reducing the buildings' demand for primary energy. The need to meet these requirements means application of new technological solutions (design-related, building materials) that often necessitate incurring higher expenditures. Although technologies are usually available, thus technological risk is low, they are also more expensive. This translates into higher cost of construction and the final price of the offered real estate. At the same time however, this means savings both in environmental and economic terms at the stage of buildings' operation. This factor thus becomes a competitive advantage on the demanding real estate market, in particular in comparison with completed a dozen or more years ago.

Potential identified climate-related transition risks and opportunities in individual business segment

Business segment			
B2C and B2B services	**media**	**green energy**	**real estate**
political and legal risks and opportunities			
• more extensive reporting obligations	• more extensive reporting obligations	• more extensive reporting obligations • opportunity: no cost for greenhouse gas emission rights for zero-emission power generation while they increase for conventional power generation • opportunity to acquire favourable financing	• more extensive reporting obligations • energy efficiency requirements to be met by buildings and structures • the need to obtain energy performance certificates (EPC)
technological risks and opportunities			
• replacing existing products and services with less carbon-intensive alternatives - ICT infrastructure becomes obsolete relatively fast and at the same time is expensive - the issue of energy demand becomes another factor that will increase the pressure to replace it • market advantage in terms of the ability to ensure supply of clean energy	• replacing existing products and services with less carbon-intensive alternatives • market advantage in terms of the ability to ensure supply of clean energy	• unsuccessful investment in new technologies - new, more efficient technological solutions in photovoltaic, wind energy or hydrogen production could potentially emerge • opportunity: market advantage in terms of the ability to ensure supply of clean energy	• seeking design and technological solutions that reduce primary energy demand and increase energy efficiency in buildings
market risks and opportunities			
• change of customer behaviour (opportunity) - market advantage by offering services powered by clean energy	• change of customer behaviour (opportunity) - market advantage by offering services powered by clean energy	• change of customer behaviour (opportunity) – sale of clean energy • instability of supply (and consequently prices) of RES Energy • opportunity: increasing demand for low- and zero-emission modes of	• change of customer behaviour (opportunity) - potential market advantage thanks to building's high energy efficiency

Business segment			
B2C and B2B services	media	green energy	real estate
		transport (hydrogen bus and hydrogen production)	
reputational risks and opportunities			
• change of customer behaviour (opportunity) - market advantage by offering services powered by clean energy	• change of customer behaviour (opportunity) - market advantage by offering services powered by clean energy	• change of customer behaviour (opportunity) – sale of clean energy • stigmatisation of the conventional energy sector (opportunity) • market advantage in terms of the ability to ensure supply of clean energy	• change of customer behaviour (opportunity) - potential market advantage thanks to building's high energy efficiency

Fragmented World Scenario

The scenario assumes delays in terms of ambition in the implementation of climate policies and discrepancies between them in different regions of the world. This leads to high transition risk in certain countries and high global physical risks due to the general ineffectiveness of the transition towards sustainable economy.

Countries without zero-emission goals defined follow their current policies, while other countries accomplish their goals only partially (80% of goal). This scenario is part of the family of *Too little, too late* family of scenarios.

Scenario characteristics:
- physical risk: high
- transition risk: high
- ambitions: 2.3°C
- implementation of policies: delayed, fragmented/discrepant
- technological changes: first slow, then fragmented
- use of CDR* technology: low / medium
- regional policy volatility: high

The current international geo-politics favour one of the least favourable scenarios – a scenario in which actions aimed at counteracting climate change are delayed and inconsistent. Approaches of individual countries are divergent; only some countries or a group of countries pursue climate goals (e.g. EU states). As a result, economies which decided to pursue ambitious climate goals are exposed to high transition risks and then they have to face physical risks which materialize due to ineffective global actions.

Polsat Plus Group takes into account the potential for such a scenario to unfold over the upcoming decades. The Group's business model in all business segments is moderately exposed to the physical risks associated with climate change. At the same time, the Group's transformation which has been already performed to a substantial degree and the related expenditures that have been incurred so far indicate that the transition risks to which the Group is exposed should be assessed as relatively low.

E1-2 – Policies related to climate change mitigation and adaptation

Aspects related to climate change mitigation and adaptation have been included in the Environmental Policy adopted by the Polsat Plus Group, which encompasses the Climate Policy. It constitutes the Group's commitment, among others, to:

- improve energy efficiency and simultaneously strive to meet energy needs based on less carbon-intensive fuels and energy sources, including renewable fuels and renewable energy sources (it also assumes the development of own production assets to supply energy from renewable and zero-emission sources, and involvement in the development of alternative hydrogen fuel technologies), which will consequently lead to the gradual further decarbonization of the business model,
- include in development and modernization plans the necessity of adapting to climate change, i.e., planning development and investments in such a way as to reduce exposure to climate risk, both transition and physical ones.

The Environmental Policy directly defines the courses of action already indicated in the Polsat Plus Group's 2023+ Strategy in the new Green Energy segment.

It is worth noting that, in addition to the Environmental Policy covering the group companies, individual companies (e.g. Polkomtel, PAK-PCE Biopaliwa i Wodór, decoder factory InterPhone Service) have implemented and certified management systems, including environmental management in accordance with ISO 14001:2015. Thus, their management approach is built on the foundation of continuous improvement, in terms of environmental impact, carbon footprint reduction, and the demand for fuels and energy carriers, etc.

E1-3 – Actions and resources in relation to climate change policies

As part of the implementation of the Climate Policy, which is part of our Environmental Policy, we are taking action in the area of Green Energy, investing in production assets that allow us to obtain energy from renewable and zero-carbon sources. In 2024, in terms of the development of the Green Energy segment:

- We have launched two more wind farms (Człuchów and Przyrów), increasing the total installed capacity of wind farms to 150 MW.
- We are developing additional wind farms (Drzeżewo and Dobra), which will double our wind generation capacity.
- We have delivered more NesoBus hydrogen buses to Gdańsk (10 units) and Konin (5 units delivered in December 2024 and January 2025).
- We have commissioned additional hydrogen refuelling stations in Gdańsk, Gdynia, and Lublin. In the first quarter of 2025, we also launched a station in Wrocław.
- We have launched the first PEM technology electrolyser with a capacity of 2.5 MW and the ability to produce approximately 1000 kg of green hydrogen daily.

In the Polsat Plus Group, we strive to reduce energy consumption through continuous investments in technological upgrades of devices to more modern and energy-efficient ones (replacement of cooling and ventilation systems in technical facilities and office buildings, modernisation of power systems, generators, and lighting). Modern methods related to data storage in our server rooms and network management systems allow for a significant reduction in energy consumption. Additionally, constant production monitoring in our decoder factory and continuous adjustments to production processes, use of energy from photovoltaic installations mounted on buildings, and modernisation of lighting in sales outlets and offices contribute to reducing energy demand.

E1-4 – Targets related to climate change mitigation and adaptation

The objectives related to mitigating and adapting to climate change have been identified and discussed in the ESG Strategy (information on this can be found in SBM-1, ESRS 2 General Disclosures). It is important to highlight the framework document on linking the external financing of the Polsat Plus Group to its long-term sustainability goals ("Polsat Plus Group Sustainability-Linked Financing Framework") dated November 2022, which outlines the Polsat Plus Group's ambitions concerning climate change:

- Total Scope 1 and 2 greenhouse gas emissions (tCO_2e): reduction of total Scope 1 and 2 greenhouse gas emission by 75% by 2025 and by 80% by 2030 compared to 2019 levels – in the base year (2019), the calculated GHG emissions amounted to 286 240 tonnes CO_2e
- Energy production from renewable sources (GWh): increase of renewable energy production to 800 GWh by 2025 and to 1,600 GWh by 2030 – in the base year (2021), energy production from renewable sources amounted to 0
- Green hydrogen production (t): achieving green hydrogen production of up to 1,500 tonnes per year by 2025 and 3,000 tons per year by 2030 – in the base year (2021), energy production from renewable sources amounted to 0
- Share of zero-emission energy in the energy mix (%): increase in the share of zero-emission energy in the total energy mix to 25% by 2025, to 30% by 2026 and to 50% by 2030 (applicable to companies: Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o. and Netia S.A.) – in the base year (2019), the share of zero-emission energy in the energy mix amounted to 0%.

The set targets take into account the expectations of financial institutions and the capital market. They have also been subjected to an external expert evaluation, documented by a publicly available opinion (Second-Party Opinion).

E1-5 – Energy consumption and mix

	Unit	2024
Total fossil energy consumption, including:	**MWh**	**66,176**
Fuel consumption from coal and coal products	MWh	0
Fuel consumption from crude oil and petroleum products	MWh	26,526
Fuel consumption from natural gas	MWh	3,825
Fuel consumption from other fossil sources	MWh	1,401
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	34,424
Total consumption from nuclear sources	**MWh**	**0**
Total renewable energy consumption, including:	**MWh**	**431,936**
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	375,529
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	4,636
The consumption of self-generated non-fuel renewable energy	MWh	51,771
TOTAL ENERGY CONSUMPTION	**MWh**	**498,112**
Total electricity consumption	**MWh**	**455,854**
Share of renewable sources in total electric energy consumption		**95%**
Share of renewable sources in total energy consumption		**87%**
Energy intensity (total energy consumption / net revenue)	**MWh / mPLN**	**34.9**

Electricity and heat consumption were calculated based on actual data from energy suppliers (invoices and meter readings) or estimated based on expenditures. In the absence of complete data for the year 2024, expert estimates were used for the missing periods.

The energy from renewable sources shown in the table includes only the consumed energy for which guarantees of origin have been purchased and certificates provided by energy suppliers, as well as the energy produced independently from renewable sources or without the use of fuel and consumed for own needs within individual companies.

E1-6 – Gross Scopes 1, 2, 3 and total GHG emissions

	Unit	2024
Scope 1 GHG emissions	**t CO_2e**	**8,239**
Gross Scope 1 GHG emissions	t CO_2e	8,239
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	t CO_2e	0
Scope 2 GHG emissions		
Gross location-based Scope 2 GHG emissions	t CO_2e	20,452
Gross market-based Scope 2 GHG emissions	t CO_2e	23,770
Total gross indirect (Scope 3) GHG emissions	**t CO_2e**	**2,356,056**
1 Purchased goods and services	t CO_2e	314,237
2 Capital goods	t CO_2e	113,480
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	t CO_2e	1,552,484
4 Upstream transportation and distribution	t CO_2e	338
5 Waste generated in operations	t CO_2e	142
6 Business traveling	t CO_2e	1,925
7 Employee commuting	t CO_2e	17,910
9 Downstream transportations	t CO_2e	1,614
11 Use of sold products	t CO_2e	349,458
12 End-of-life treatment of sold products	t CO_2e	1,757
14 Franchises	t CO_2e	2,711
Total GHG emissions		
Total GHG emissions (location-based)	t CO_2e	2,384,747
Total GHG emissions (market-based)	t CO_2e	2,388,065

In the above calculations, the "GHG Protocol Corporate Standard" was followed, while simultaneously determining the reporting boundaries based on the principle of operational control, i.e., including in the estimates the total emissions of entities over which operational control is exercised. The same operational control logic was applied to specific assets over which the Group companies do (or do not) exercise control. The Group used Global Warming Potential (GWP) coefficients in its emission estimates according to the fifth IPCC report from 2013 (AR5). Refraining from using the latest version (AR6) was motivated by the desire to maintain consistency in CO_2 equivalent calculations. The UK Government GHG Conversion Factors for Company Reporting 2024 ("Defra") used in the calculations are based on AR5. When the UK Government GHG Conversion Factors for Company Reporting transition from AR5 to AR6, the Group will also use the newer version (AR6) in supplementary calculations where GWP coefficients are directly used.

Regarding the individual scopes and categories of greenhouse gas emissions:

- **Scope 1 emissions**

The given volumes (mass or volume) of fuel consumption were converted using the UK Government GHG Conversion Factors for Company Reporting 2024 ("Defra"), obtaining data in kg, which were then converted to tonnes. It also included refrigerant emissions at a level equal to the replenishments made, taking into account their respective GWP coefficients according to the UK Government GHG Conversion Factors for Company Reporting 2024 ("Defra") or information provided by their manufacturers.

- **Scope 2 emissions**

For electricity, physical consumption was multiplied, depending on the method, by the emission factors published by KOBiZE for Poland in the December 2024 report (location-based method) or the "residual mix" emission factor for the Polish market published by the Association of Issuing Bodies (AIB) in 2024 (market-based method).

- **Scope 3 emissions**

For most categories, the appropriate UK Government GHG Conversion Factors for Company Reporting ("Defra") were used, as well as information on: physical fuel consumption and energy consumption (Category 3), transport and transport work (Category 4), waste mass (Category 5), business travel person-kilometres and aviation fuel consumption (Category 6), the number of employees and collaborators in the Group and publicly available statistics on the distance travelled and the means of transport used by employees (Category 7), estimated transport work and shipment volumes and courier company estimates regarding the carbon footprint of the shipment (Category 9), the volume of client devices used and the average emissions of each of them, as well as industry statistics related to building emissions during their use phase; this position also included the carbon footprint associated with the combustion of fossil gas traded by the Group (Category 10), the mass of products (electronic devices) introduced to the market, the mass of packaging introduced to the market, as well as the area of buildings put into use and the volume of photovoltaic panels installed at clients (Category 12), the area of sales points not belonging to the Group and the average energy consumption per unit area of the Group's own sales points.

In the absence of UK Government GHG Conversion Factors for Company Reporting ("Defra"), available industry conversion factors were used. Category 3 also included the carbon footprint associated with the generation of electricity intended for resale, adopting a conservative assumption regarding its emissions, i.e., it was estimated taking into account the "residual mix" factor for Poland (Association of Issuing Bodies (AIB); 2024). This last value is dominant for the entire Scope 3.

For emission estimates for Categories 1 and 2, the Environmentally Extended Input-Output (EEIO) method was used, i.e., internal financial data on purchases and conversion factors for the nearest purchasing categories, derived from "Supply Chain Greenhouse Gas Emission Factors v1.2 by NAICS-6" (source: United States Environmental Protection Agency; tables of average exchange rates of foreign currencies by the NBP on the last day of the reporting period).

The remaining Scope 3 categories, not mentioned above, (category 8 Upstream leased assets, category 10 Processing of sold products, category 13 Downstream leased assets, category 15 Investments) were considered immaterial or absent from the Group's business model due to the lack of activities of significant scale that fit into these categories.

The largest volume of emissions in Scope 3 fall into Category 3 Fuel and Energy (approximately 66% of Scope 3 emissions). This category included electricity and gas fuel sold outside the Group. The high value of these emissions is primarily due to the core activities of PAK-Volt and the trade in electricity and gas fuel. For energy for which no guarantees of origin were issued, it was assumed that it comes entirely from conventional sources.

The Group also calculated **biogenic greenhouse gas emissions** associated with biomass use, and in 2024 they amounted to 916.8 thousand tonnes of CO_2e.

	unit	2024
GHG intensity ratio (Scopes 1+2) (location-based)	t CO_2e / m PLN	2.01
GHG intensity ratio (Scopes 1+2) (market-based)	t CO_2e / m PLN	2.24
GHG intensity ratio (Scopes 1+2+3) (location-based)	t CO_2e / m PLN	167.16
GHG intensity ratio (Scopes 1+2+3) (market-based)	t CO_2e / m PLN	167.40

Calculated according to the formula: GHG intensity ratio = total GHG emissions / overall net revenue.

The Group does not undertake greenhouse gas removal and mitigation projects funded with carbon credits (E1-7), nor does it carry out activities that would involve internal carbon pricing (E1-8). As a result, disclosures of the related data points described in E1-7 and E1-8 have been omitted (ESRS 1 paragraph 34(b) and Appendix E).

At the same time, in the case of disclosure E1-9, the Group has exercised its discretion to omit it based on the rules set out in ESRS 1 Appendix C.

10.2.3. ESRS E3 Water and marine resources

IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

Among the various segments in which the Polsat Plus Group is active, the largest water withdrawal is made for cooling purposes in the production of energy from biomass combustion. Most of this water returns to the environment and is not permanently consumed. However, in the long term, the use of hydrolysis in hydrogen production will be associated with water demand and its permanent consumption. Of course, the combustion of hydrogen will result in the reformation of water particles in quantities equivalent to that of the hydrolysed water. However, this water may return to the environment in a different region from where it was originally withdrawn.

Operations of the Polsat Plus Group do not involve particularly large wastewater discharges. The only area of activity where significant volumes of wastewater are generated is in the production of electricity from biomass. As a result, the largest share of the total wastewater discharged in 2024 is attributed to the company PAK-PCE Biopaliwa i Wodór and the wastewater generated specifically in the production of electricity from biomass. This wastewater undergoes mechanical and biological treatment at the on-site wastewater treatment plant and then, after achieving parameters in accordance with current regulations, is discharged into receivers. Consequently, its impact on the natural environment is significantly reduced.

For all other activities, the demand for water and wastewater generation are primarily related to domestic purposes and are not significant.

The identification process itself is discussed in *IRO-1 - Description of the process to identify and assess material impacts, risks and opportunities, ESRS 2: General Disclosure*.

E3-1 – Policies related to water and marine resources

In the Environmental Policy adopted by the Group, a Water Policy has been specified, which constitutes a commitment to rational and economical water management while giving special consideration to planning activities in areas with limited water resources and at risk of water scarcity (i.e., areas with high levels of so-called water stress) and a commitment to preventing water pollution.

E3-2 – Actions and resources related to water and marine resources

Production of energy from biomass combustion involves the withdrawal and use of water from the Konin Lakes and the subsequent discharge of water into the environment. The generated wastewater undergoes mechanical and biological treatment at the on-site wastewater treatment plant and then, after achieving parameters in accordance with current regulations, is discharged into receivers. It should be noted that the Konin region is one of the areas most exposed due to the limited water resources in Poland (the level of the so-called water stress exceeds 80% and is rated as ‘extremely high’ according to the Aqueduct Water Risk Atlas (World Resources Institute)).

With the launch of hydrogen production, in Konin as well, water is used in electrolysis (i.e. hydrogen and oxygen are produced from water by hydrolysis). Resources will only be replenished when the hydrogen is burnt. At this point, combined with oxygen, it will re-enter the environment as water vapour.

For all other activities, the demand for water and wastewater generation are primarily related to domestic purposes and are not significant in terms of scale or impact on Polsat Plus Group’s results. These activities are typically located in areas of low water stress, mainly in Warsaw (the level of the so-called water stress below 10%, rated as ‘low’ according to the Aqueduct Water Risk Atlas (World Resources Institute)).

E3-3 – Targets related to water and marine resources

Among the goals of the ESG Strategy, no objectives related to water consumption and marine resources have been defined.

E3-4 – Water consumption

		2024	
	Unit	Total	in areas of high and very high water stress (>80%)[1]
Water demand (water consumption)			
Underground waters	m^3	52,323	50,640
Surface waters (lakes, rivers, etc.)[2]	m^3	231,901	231,901
Communal or municipal water pipelines	m^3	86,548	
Total water demand	**m^3**	**370,772**	**282,541**
Water discharge (wastewater management)			
Underground waters	m^3	90,429	89,520
Surface waters (lakes, rivers, etc.)	m^3	132,220	132,220
Communal or municipal wastewater treatment plants	m^3	87,487	
Total water discharge	**m^3**	**310,136**	**221,740**
Water consumption[3]			
Total water consumption[4]	m^3	60,636	60,801
Water intensity (total water consumption / net revenue)	**m^3/m PLN**	**4.3**	**-**
Water intensity (total water consumption / net revenue)	**m^3/m EUR**	**18.3**	**-**

1) Analysis was carried out using *Aqueduct Water Risk Atlas* (World Resources Institute).

2) The data do not take into account water withdrawn for the open cooling system in the amount of 103,736 thousand m3 by the Konin power plant, as the withdrawn water after cooling the equipment returns to the environment in an unchanged quantity and state (except for the increased temperature), so there is no quantitative loss of water in the environment.

3) Water consumption calculated as the difference between water demand (water withdrawal) and water discharged (wastewater).

4) Konin Power Plant's wastewater generated after the technological process (demi) and after the drinking water treatment process (SUW) is utilised in the power plant's internal system for hydrotransport of ash-slag pulp to the furnace waste landfill. With this use of wastewater, there is no need for additional surface water withdrawal as a medium for hydrotransport of the pulp.

The data regarding water has been compiled based on actual data from water suppliers (invoices and meter readings) or estimated based on expenses. In the absence of complete data for 2024, expert estimates for the missing periods have been adopted.

The largest share of the amount of water withdrawn and discharged is attributed to the company Biopaliwa i Wodór (over 70% of the Group's total volumes), which uses it primarily in the biomass energy production process. Since December 2024 however, it has also been used in electrolysis to produce green hydrogen. The Biopaliwa i Wodór company also recycles water, which is reused (63,250 m^3 in total in 2024). Additionally, the Group stores water in fire reservoirs (869 m^3 in total)

10.2.4. ESRS E4 Biodiversity and ecosystems

E4-1 – Transition plan and consideration of biodiversity and ecosystems in strategy and business model

The Polsat Plus Group has not adopted a transformation plan regarding biodiversity and ecosystems, which is related to the fact that our impact is limited to narrow areas of the organisation's activities. At the same time, very strict and formalised procedures have been defined within these activities, which directly influence the operating model (e.g., the commitment to suspend the operation of wind farms during the bat breeding season). The approach, including the nature of environmental monitoring and the scope of adopted solutions, is often defined at the level of a specific investment (e.g., a wind farm).

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

In the process of identifying significant areas of impact and risk, two aspects of impact resulting in risk were identified and related to biodiversity. Both are related to the green energy segment:

- Risk for bats and birds, related to the operation of wind turbines.

  The operation of wind turbines poses risks to bats and birds, including migratory birds, and means potential collisions with the rotating blades of the turbines. Due to the existing threats to avifauna, potential future locations of wind farms are analysed in terms of presence and migration of bird populations. Biodiversity management plans are being implemented, as well as procedures to mitigate the impact on bats, including the temporary shutdown of turbines during the breeding season. Compensatory measures are also being introduced.

  Wind farms owned by Polsat Plus Group companies are partially located in eastern Greater Poland, in the Konin region. These are farms built near the towns of Kazimierz Biskupi and Miłosław. Outside this region, there is also a farm near Człuchów (Pomeranian Voivodeship) and east of Częstochowa in the vicinity of Przyrów (Silesian Voivodeship). Farms are currently under construction in Dobra (near Konin, Greater Poland Voivodeship) and Drzeżewo (Pomeranian Voivodeship). The Group's wind farms are not located in areas of high environmental value or near Natura 2000 sites. An element of wind farms' impact reduction will be Biodiversity Restoration Programs, implemented for specific investments based on the results of post-implementation studies. Due to publicly available (a) interactive maps of protected areas in Poland (https://geoserwis.gdos.gov.pl/mapy/), and (b) the Central Register of Forms of Nature Protection (https://crfop.gdos.gov.pl/CRFOP/index.jsf), detailed descriptions of valuable natural areas near the investments have been omitted.

- Indirect relation to the presence of invasive species w Konin Lakes.

  In the field of energy and biomass energy production, some of the heat that cannot be utilised is discharged into the waters of the Konin Lakes during cooling processes. Thanks to the modernisation of production assets, the current scale of cooling is significantly smaller, but it still contributes to creating a warmer aquatic environment than is typical for Poland. This promotes intensive fishing activities, with existing fish farms engaged in breeding fish, including fry, which are distributed to other regions. The warmer waters and intensive fish farming encourage the appearance of organisms that are foreign to this area (invasive species), which have entered the Konin Lakes as a result of intensive fish breeding, such as the Chinese pond mussel (Sinanodonta woodiana).

At the same time, it cannot be completely ruled out that there may be deficiencies in the value chain, especially in its initial links, which could be related to, for example:

- sourcing of biomass in a manner that would involve excessive direct exploitation of natural resources, including resources of high conservation value,
- extraction of metal ores needed for, among other things, the production of electronic equipment, including batteries used, for example, in phones offered to end users,
- development activity in Port Praski.

The development projects in Port Praski are carried out in close, practically direct vicinity of the Vistula River and the Natura 2000 area (PLB140004). Hypothetically, construction works involve a marginal risk of a very small-scale water contamination (e.g., diesel or oil leakage from construction machinery into the ground). Proper organisation of construction work and the construction site itself (including planning construction work, waste management, and conducting environmental impact assessments of the investment) allows for the risk of negative impact on this area to be minimised to a level that can be considered insignificant from the perspective of the Polsat Plus Group. At the same time, the implementation of construction projects results in the irreversible loss of land and the associated biodiversity directly under the buildings and their accompanying infrastructure, such as roads and pavements. Nevertheless, the scale of this phenomenon is minor in the case of the Polsat Plus Group, and the Group's companies minimise the risks by complying with administrative decisions regarding potential compensatory measures. This aspect, as well as other issues of potential impact on biodiversity, were considered insignificant and excluded from the statement.

IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

The process is discussed in IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities, ESRS 2: General Disclosure.

E4-2 – Policies related to biodiversity and ecosystems

In the Environmental Policy adopted by the Polsat Plus Group, the section on biodiversity includes provisions that constitute a commitment to planning investments, using technological solutions, and organising operations in a way that minimises negative impacts on the immediate natural surroundings, particularly areas and species of high environmental value. In accordance with the policy, the Group also commits to making every effort to ensure that its key suppliers follow principles in their actions to reduce negative impacts on biodiversity and ecosystems.

E4-3 – Actions and resources related to biodiversity and ecosystems

Risk for birds and bats, related to the operation of wind turbines

Potential future locations for wind farms undergo due diligence to eliminate locations of high impact risk, such as proximity to buildings, stakeholder concerns, or threats to biodiversity (including primarily protected areas and species). As part of the analysis, environmental impact studies are conducted, including ecological, acoustic, and landscape assessments, as well as ornithological and chiropterological studies. In developing measures to minimise the environmental impact of investments, the Group uses the services of professional contractors with experience and expertise in regard to the impact of wind farms on biodiversity. Biodiversity management plans and procedures to reduce the impact on bats, including the temporary turbine shutdowns during the breeding season, are being developed. Based on pre- and post-development monitoring, fit for purpose compensatory measures are also introduced.

Indirect relation to the presence of invasive species w Konin Lakes

The biomass units operating within PAK-PCE have replaced the previously used conventional power units fuelled by lignite. The Konin Power Plant, where energy from biomass is produced, was one of three large power plants in the lignite mining area that has been operating in this region since the 1950s. For the needs of the Konin Power Plant, among others, a system of natural lakes was created, connected by channels, pumping stations, culverts, and siphons. This system serves as a source of cooling water withdrawal, and as a receiver and cooling site for heated discharge waters, for the PAK-PCE Biopaliwa i Wodór company, among others. The company draws water from Pątnowskie Lake for cooling of the power plant. The water, heated in the condensers, is discharged into discharge channels that distribute it to all the lakes in the cooling circuit: Gosławskie, Pątnowskie, Licheńskie, Wąsowskie, Mikorzyńskie, and Ślesińskie. This system has contributed to an increase in the average water temperature in the lakes, which has enabled the fish farms operating in this area to populate the water bodies with foreign, often invasive species.

Other

The Polsat Plus Group and Konin Power Plant it manages use only certified biomass, which is sourced from sustainable forestry or is a by-product of agricultural production (orcharding). Therefore, the risk associated with indirectly and unknowingly contributing to the unethical and improper acquisition of biomass seems to be minimal and negligible.

Regarding the issue of unethical exploitation of mineral deposits, including rare metal ores, in Third World countries – the Polsat Plus Group is aware of the risks associated with their extraction. At the same time, it has no knowledge of any irregularities occurring at any stage concerning any product purchased by the Polsat Plus Group, such as the plundering of natural resources or the violation of workers' rights, human rights, or the rights of indigenous peoples. To mitigate the risk, the Group collaborates with reputable manufacturers of the same brands whose products are offered by other market participants (e.g., telecommunications operators) in Poland and abroad. Additionally, the Group strives to exercise due diligence in building relationships with suppliers, incorporating appropriate clauses in contracts with business partners, including the "Partner ESG Declaration" (see: *GOV-4 – Statement on due diligence*). At the same time, the Polsat Plus Group cannot completely rule out the possibility of such events occurring in the future, and its realistic ability to obtain reliable information about workers in distant supply chain links is currently very limited. Therefore, the Group monitors best market practices in reducing such risks and will strive to implement them.

In contrast, the development activities in the Praski Port are conducted in close, practically direct proximity to the Vistula River and the Middle Vistula Valley Natura 2000 area (PLB140004). Proper organisation of construction works and the construction site itself (including planning of construction works, waste management, and conducting environmental impact assessments) allows for the minimization of the risk of negative impact on this area to a level that can be considered insignificant for Polsat Plus Group.

E4-4 – Targets related to biodiversity and ecosystems

The Polsat Plus Group has not defined strategic objectives for the protection of biodiversity and ecosystems. Such objectives exist at the operational level, are linked to environmental decisions, and relate to specific projects (investments). This individualisation of goals at the investment level allows for optimally reflecting the specific impact of a given investment and its actual effect on the natural environment.

E4-5 – Impact metrics related to biodiversity and ecosystems change

In 2024 operations of the Polsat Plus Group did not interfere with protected areas.

In the green energy segment, the process of assessing impacts related to changes in biodiversity and ecosystems is underway. Currently, the Group monitors the impact of individual onshore wind energy facilities based on monitoring analyses conducted by external contractors. The methodology and scope of these analyses are adapted to international best practices to achieve the best possible understanding of the projects' impact on biodiversity and ecosystems.

10.2.5. ESRS E5 Resource use and circular economy

IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Depending on the business segment, the Polsat Plus Group's demand for natural resources varies significantly. In terms of quantity, the highest demand for non-renewable natural resources can be observed in the real estate segment (building materials) and green energy (besides biomass fuel, raw materials needed for the production infrastructure: turbines, PV panels, power units, electrolysers). Nevertheless, at the operational level, the green energy segment shows very limited demand for resources (fuels), and most of this demand is for biomass (a renewable raw material, which is a by-product of forestry, wood industry, or agricultural production). In the case of ICT services, it is necessary to mention all minerals, including rare metals essential for the production of electronic equipment used by the telecommunications operator and television service provider, as well as consumers themselves (smartphones, decoders). Raw materials needed for battery production are particularly important. The situation is similar when it comes to the production of hydrogen buses.

Similarly, the volume and type of waste generated depend on the business segment. The largest share by weight in waste production is attributed to the PAK-PCE Biopaliwa i Wodór company and combustion waste generated during the production of electricity from biomass. This waste is processed, stored, and handed over to entities authorised to process waste in recovery or disposal processes in accordance with environmental protection regulations and regulations on the safety of human life and health. Another, and relatively small category is construction waste generated in development activities (Port Praski).

The technological nature of the activities carried out involves the mass use of various types of electronic devices by end users: decoders, phones, modems, routers, antennas, and others. Within the Polsat Plus Group companies as well, various types of often highly technologically advanced electronic equipment are used on a large scale, which over time become worn out or become obsolete. The latter process is linked to rapid technological advances, and it means that fully operational hardware or software that meets specifications no longer meets current usage standards and is withdrawn. From the perspective of the environment and the exploitation of its resources, waste associated with the withdrawing of electrical and electronic equipment (WEEE) is of key importance due to the raw materials used in the production of this equipment (including valuable metals). Hence, the Polsat Plus Group's care for their recovery, reuse, and careful recycling if they are no longer suitable for further use.

It is also worth mentioning that the mass provision of services, i.e., handling over 20 million services for the Group's customers, could potentially mean a huge demand for resources (paper) for sending traditional correspondence. Therefore, we minimise the production of traditional paper letters and promote a "zero waste" policy among customers by offering e-invoices or signing the contract for services with the use of a tablet.

When it comes to the future disposal of wind turbine components and photovoltaic panels after their operation, there are currently various options available. In Poland, companies have already been established that specialise in recycling photovoltaic panels and wind turbines, and material recovery processes are constantly being improved, allowing for an increasing percentage of their recovery and reuse. PV modules are mainly composed of glass, aluminium, silicon, and plastics. Modern technologies allow for the recovery of glass at almost 95%, enabling its reuse in the production of new panels, for example. After dismantling, photovoltaic cells can be further processed to separate the remaining materials and recycle them. The remaining components can undergo chemical processes that allow for the recovery of metals and other valuable raw materials. The recovery of silicon in such a process reaches up to 90%. Wind turbines, on the other hand, consist of components such as blades, nacelles, and towers. Wind turbine blades are usually made of composites, which can be difficult to recycle, but technologies already exist that allow for them to be processed into building materials or alternative fuels. Meanwhile, nacelles and towers are mainly made of metals, such as steel and aluminium, which can be recycled at almost 100%.

At the end of the operational period of wind turbines and photovoltaic panels (20-30 years), Polsat Plus Group plans to review the market and future recycling possibilities of components. Given that recovery processes are constantly being improved, the Group expects that over these 20 years, the efficiency of component recovery will increase, allowing for the selection of the best recycling method from the available options offered by specialist companies in the future.

The process is discussed in *IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities, ESRS 2: General Disclosure.*

E5-1 – Policies related to resource use and circular economy

The Environmental Policy adopted by the Polsat Plus Group regarding raw materials and waste constitutes a commitment to reducing the use of primary raw materials in the operations of individual companies. As far as technological and market possibilities allow, they will seek raw materials and materials whose extraction and production have less impact on the natural environment. In particular, they will strive to discontinue using materials produced based on primary, non-renewable natural resources towards increasing the share of materials from renewable sources, obtained sustainably, or derived from recycling. It also includes the efficient use of raw materials and the design of products and packaging to enhance the possibilities for effective and cost-effective recovery of raw materials (i.e., designing for durability, repairability, easy disassembly, recyclability, etc.).

E5-2 – Actions and resources related to resource use and circular economy

Biomass and by-products

In the PAK-PCE Biopaliwa i Wodór company, the production of electricity and heat from biomass utilises cogeneration, which means the simultaneous production of both types of energy. This means managing heat that could hypothetically become waste heat. Moreover, excess heat is used by fish farms operating in the area of the Konin Power Plant and its pre-cooling reservoir. As a result, the heat is not wasted, and the biomass is used more efficiently than it would be in case of separate production of both types of energy.

All the biomass used in the past year was domestic and certified, which is crucial from the sustainable development perspective. It is important that this raw material is not only renewable but also a by-product of other economy sectors - forestry, wood industry, and agricultural production (horticulture).

PAK-PCE Biopaliwa i Wodór takes actions aimed at optimising the amount of waste generated, as well as reducing their negative impact on the environment.

Property development activities

Construction and finishing works are carried out with a focus primarily on the rational management of materials, i.e., ordering building materials in quantities that prevent excessive storage, and storing building materials in a way that ensures their optimal properties and protects them from atmospheric conditions, such as moisture, which consequently reduces the risk of waste. We also strive to optimise the use of individual materials in a way that reduces the amount of waste generated (e.g., through proper planning of subsequent works). This also involves maximising the use of resources at the construction site that could potentially become waste (e.g., soil, including its humus layer, can be used within the plot where construction works are carried out).

Waste generated at the construction site is initially segregated and appropriately stored to ensure it does not pose a threat to the environment. It is then collected and managed by authorised entities, allowing a significant portion to be returned to the economic circuit.

Electrical and electronic equipment (WEEE)

The Interphone Service company, which is involved in the production of decoders, is continuously taking steps to reduce the consumption of raw materials per unit of finished product by monitoring and implementing appropriate changes in production processes. For example, thanks to the recovery of tin from solder wave dross, around 90% of the material is reused in the production process. Simultaneously, the Polsat Plus Group strives to reduce both the demand for new raw materials and the volume of waste generated by aiming to renew and reuse electronic devices. Decoders, modems, and routers returned by customers are verified for their potential to be restored for reuse. Those deemed suitable for reuse undergo a refurbishment process, which includes full diagnostics, refreshing or repairing the device, and supplementing it with the necessary set of accessories. All devices that pass this process successfully are redistributed. We also recover accessories (e.g., power supplies, remote controls, batteries, cables) that are suitable for refurbishment and reuse. This way, in 2024, we reintroduced over 660 thousand decoders to the market (538 thousand in 2023), 74.5 thousand routers and modems (68.3 thousand in 2023), and over 1.1 million accessories (981 thousand in 2023). Equipment that is not suitable for reuse is handed over to specialised companies for further recovery and disposal of used electrical and electronic equipment.

Most of the equipment used by the Group's companies and end-users is produced outside the Group, and the Group has limited influence over global manufacturers and the way they design and manufacture their products, as well as over end-users and the way they manage electronic waste. Furthermore, the purchase of equipment often takes place outside the Polsat Plus Group (e.g., the purchase of smartphones or televisions can – and often does – occur outside the Group's sales network). It is worth noting the growing interest of the entire industry (including the vast majority of global brands producing electronic devices in the broad sense) in ensuring that products are made with consideration for resources, energy-efficient, and designed to facilitate reuse and recovery of raw materials. Bearing this in mind, the Polsat Plus Group strives to support the recovery and reuse of mobile phones that are no longer in use. Since 2023, the " Plus Odkup" programme has been in operation, enabling customers to resell selected models of old phones and cover part of the cost of a new smartphone with the buyback amount (details can be found at www.plus.pl/plusodkup). The average monthly number of smartphones collected by Polkomtel from customers in 2024 is approximately 1600 units (vs. an average of 1200 units per month in 2023). The smartphones are then handed over for refurbishment and refreshing by a specialised external company, which estimates that 80% of the received phones are returned to use. Units that are no longer usable are lawfully disposed of by specialised companies.

Correspondence in mass service delivery

For several years now, the Polsat Plus Group companies have consistently implemented electronic document circulation, encouraging both their customers and employees to adopt such solutions. With concern for the environment and customer convenience, we have launched eco-services. Our customers have the option to receive invoices or payment slips in electronic form. In 2024, electronic invoices were delivered to more than 89.3% Polsat Box customers (2023: 90.5%), 98.3% Plus's customers (2023: 97.9%), and 80.8% Netia customers (2023: 78.2%). The possibility to sign service contracts electronically has also been introduced, which has significantly reduced paper consumption.

E5-3 – Targets related to resource use and circular economy

Polsat Plus Group has not defined strategic-level objectives in terms of resources and circular economy.

E5-4 – Resource inflows

The table below provides data on the mass of resources introduced into the organisation, which were used to produce decoders, hydrogen buses and installed photovoltaic panels at customers and photocopying paper for office use.

	unit	2024
Total weight of sourced raw materials, materials, products including their packaging, of which:	**Mg**	**2,472**
Photovoltaic panels installed at customer's site	Mg	1,869
Components for decoder production	Mg	284
Components for hydrogen bus production	Mg	194
Photocopying paper	Mg	125

E5-5 – Resource outflows

Decoders, produced by the Interphone Service company, are the key products marketed by the Polsat Plus Group. They are leased to customers for the duration of the service and collected from customers when the contract expires. The minimum lifespan of the decoders in operation is 7 years. In the event of a breakdown or damage, the customer has a network of authorised outlets to which they can deliver the non-functioning equipment in exchange for receiving the working equipment (new or revitalised). Decoders returned by customers are verified for their potential to be restored for reuse. Those deemed suitable for reuse undergo a refurbishment process, which includes full diagnostics, refreshing or repairing the device, and supplementing it with the necessary set of accessories. All devices that pass this process successfully are redistributed. Equipment that is not suitable for reuse is handed over to a specialised company for further recovery and disposal of used electrical and electronic equipment (WEEE).

	unit	2024
Products		
Decoders	Mg	866
Packaging		
Paper, cardboard, corrugated board	Mg	1,171
Plastic	Mg	114
Wood	Mg	98
Total weight of packaging marketed	**Mg**	**1,383**

It is worth noting that in 2024, the Group used significantly fewer decoder components than the total weight of decoders marketed, which was achieved thanks to a high percentage of revitalised decoders.

Waste management methods	unit	2024
Weight of waste diverted from disposal	**Mg**	**7,724.3**
weight of non-hazardous waste, diverted from disposal, including:	Mg	7,665.2
preparation for reuse	Mg	0.0
recycling	Mg	1,100.1
other recovery operations	Mg	6,565.1
weight of hazardous waste, diverted from disposal, including:	Mg	59.1
preparation for reuse	Mg	0.0
recycling	Mg	57.6
other recovery operations	Mg	1.6
Weight of waste directed to disposal	**Mg**	**36,724.3**
weight of non-hazardous waste, directed to disposal, including:	Mg	36,720.2
incineration	Mg	0.0
landfill	Mg	36,679.2
other recovery operations	Mg	41.0
weight of hazardous waste, directed to disposal, including:	Mg	4.1
incineration	Mg	2.9
landfill	Mg	0.2
other recovery operations	Mg	1.0
Total amount of non-hazardous waste	**Mg**	**44,385.4**
Total amount of hazardous waste	**Mg**	**63.2**
Total amount of waste generated	**Mg**	**44,448.6**
Total amount of non-recycled waste	Mg	43,290.9
Total percentage of non-recycled waste	%	97

The data in the table above is based on the waste transfer notes of the individual Group companies and the data obtained from the waste collectors regarding management methods. In the absence of data from a waste collector regarding management methods, expert estimates have been adopted.

The largest waste stream generated by the Group's companies comes from the Konin Power Plant (PAK-PCE Biopaliwa i Wodór) (over 97%). These are primarily ash-slag mixtures and fly ash produced during biomass energy production, which are mainly stored. In the remaining activities of the Group, the largest share of generated waste consists of electrical and electronic waste, paper and cardboard, construction and renovation waste, metals, plastics, and cables.

10.3. Social information

10.3.1. ESRS S1 Own workforce

SBM-2 – Interests and views of stakeholders

The Polsat Plus Group has a multi-channel internal communication scheme (including the INTRA GPP information portal, Employee Vademecum, newsletter, and various topic groups within MS Teams), ensuring that employees are kept up to date with key events. The Group informs about significant operational changes in advance, in accordance with legal regulations, and includes cascading communication (i.e., between the employee and their direct supervisor).

In the Group, we distinguish the following areas of cooperation with employees:

- Consultations with company trade unions regarding the fundamental sources of labour law in the Companies, such as work regulations, remuneration, remote work arrangements, provisions concerning the organisation of working time, and individual employment relationships.
- Selection of employee representatives for permanent committees or for specific legal requirements, including the establishment of remote work rules, internal reporting procedures, and the organisation of working time, such as extending settlement periods and introducing flexible forms of working time.
- Activity within the Anti-Mobbing Commission, the Ethics Commission, the Company Social Benefits Fund, and the Health and Safety Commission.

For the purpose of this sustainability report, employee representatives were included in the double materiality assessment – both at the stage of intra-organisational analysis and broader consultations with the environment. The final disclosures were decided upon, also considering the opinions of employees from selected organisational units involved in the reporting process.

In other areas, the responsibility for cooperation and effective dialogue with employees rests directly with managers and directors responsible for their respective organisational units. Information from employees and conclusions from projects and operational work are conveyed to the Members of the Management Board through supervisors and are addressed during regular meetings of the management staff and directors of individual business areas, with particular emphasis on aspects related to sustainable development.

All these communication channels aim to better understand the expectations, opinions, and concerns of employees, whose interests focus on issues such as job stability and the attractiveness of working conditions (compensation, non-financial benefits), development opportunities, work atmosphere and workplace friendliness, and finally, family-friendly HR policies. Recent years and changes in work organisation brought about by the pandemic have drawn employees' attention to issues such as the hybrid work model.

The Group's market success and the achievement of goals related to the development strategy are inextricably linked to the need to ensure appropriate competency resources, i.e., employees with appropriate knowledge and experience. This, in turn, means the need for effective management of employee-related risks (see SBM-3), especially those that may result in the inability to recruit employees with necessary skillset or the loss of key ones. This principle is common to all sectors of our activity, i.e., it applies to both ICT specialists and experts in RES or construction. Necessary for effective management of these risk aspects is the proper diagnosis of concerns and expectations, and only then accurately responding to them. This is precisely what the Group's extensive communication mechanisms are introduced for.

(The aspect has been discussed in SBM-2 – *Interests and opinions of stakeholders,* ESRS 2 General disclosures)

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The key risks in the area of human resource management have been discussed in SBM-3 – *Significant impacts, risks, and opportunities and their interrelationships with the strategy and business model*, ESRS 2 General disclosures.

The necessity of ensuring appropriate competency resources means the need for effective risk management, including the risk of losing management staff and key employees, as well as the inability to recruit suitably qualified employees. This also involves preventing disputes with employees, striving to provide the safest possible working conditions, and fostering a friendly, non-discriminatory atmosphere. Bearing this in mind, the Group's Human Resources Management Plan is aimed at creating an attractive workplace for current and potential employees. This means offering attractive employment conditions, including competitive salaries and a comprehensive package of non-financial benefits, building a friendly work environment that is free from discrimination, and investing in the long-term development of employees.

The majority of our workforce consists of individuals employed under employment contracts. Due to our business model, which involves operating in several market segments, these are often highly specialised experts in areas such as ICT, construction, energy, automotive, and media, as well as individuals with competencies related to supporting functions (project management, finance and accounting, human resource management, etc.). A significant portion of our workforce is made up of engineering staff. The Group's companies also employ a number of employees in areas related to sales and customer service (Plus, Cyfrowy Polsat).

The Group has not identified any risks related to forced labour, slave labour, or child labour.

S1-1 – Policies related to own workforce

The key internal formal document in the area of human resource management within the Polsat Plus Group is the **Plan Zarządzania Zasobami Ludzkimi (PZZL – Human Resources Management Plan)**. It has been implemented to ensure that Cyfrowy Polsat S.A. manages human resources in compliance with applicable Polish law and international best practices in this area, as well as to effectively counteract discrimination, respect human rights, and maintain health and safety at work. According to this document, working conditions in each of our companies are comparable. Therefore, the main objective of the Plan is to **create an attractive workplace for current and potential employees**, in particular to:

- establish and maintain solid employee-management relations
- promote fair treatment, non-discrimination, and equal opportunities for employees
- promote among employees the Code of Ethics which defines, among other things, their desired and undesired behaviours – and at the same time constitutes the ethical policy in force in the Company, indicates the principles of reporting violations, irregularities, and non-compliance with legal obligations. The Code of Ethics applies to all employees regardless of the type of contract, position held, or tenure
- protect and promote employee health, particularly by promoting safe and healthy working conditions
- ensure that human resource management principles along with employee documentation are written in clear language and made available in the languages spoken by employees
- provide employees with written employment contracts before they start work and, in the event of significant changes to the employment contract, ensure appropriate annexes, including amendment agreements and change notices

- ensure that employees know and understand the terms of their employment, including the period of employment, remuneration, working hours and rest periods, and arrangements for overtime work
- ensure that employees know and understand the benefits to which they are entitled
- ensure that any significant changes to employment conditions are substantively and procedurally compliant with applicable laws
- ensure that up-to-date employment documentation is maintained and that document collection respects employees' rights to privacy and data protection.

The PZZL consists of: HR Policy, rules for signing contracts, rules for communicating the HR Policy and signing contracts, roles and responsibilities of HR employees, the scheme of areas of responsibility of the Human Resources Management Department, and the personnel management plan, which includes: the method of resource acquisition, training necessary to develop skills, the reward and incentive system. The aforementioned HR Policy is defined in: Work Regulations, Remuneration Regulations, Code of Ethics, Policy of Respect for Human Rights, processes and subprocesses related to human resource management, and the Anti-Mobbing Policy.

In relations with its own workforce, the Polsat Plus Group also adheres to the implemented **Policy of Respect for Human Rights**. It includes a set of specific principles that the Company has identified as: **Equality Policy, Diversity Protection Policy, Anti-Discrimination Policy, Policy on the Protection Against All Forms of Violence, Policy on the Protection of Trade Union Freedom**, and **Policy on the Protection of Safe Working Environment**. Similar issues are addressed by the **Code of Ethics**, introduced in 2018. The Code of Ethics is not only a set of principles but also aims to assist employees and collaborators in resolving ethical dilemmas and reporting observed irregularities. In the adopted **Policy of Respect for Human Rights**, the Group categorically opposes the use of child labour, slave labour, or any other form of forced or compulsory labour, as well as human trafficking. Although, as mentioned, the risk of its occurrence is assessed as insignificant, acting in the spirit of the precautionary principle, the Group obliges its suppliers and subcontractors to appropriate behaviours (Partner's ESG Declaration of Responsible Cooperation (for Contractor, Supplier, Bidder, Integrator)). Given that these policies are publicly available, the Group has refrained from detailing them (link: https://grupapolsatplus.pl/en/sustainability-0/policies-and-certificates).

S1-2 – Processes for engaging with own workforce and workers' representatives about impacts

The aspect has been discussed in SBM-2 – *Interests and opinions of stakeholders*, ESRS 2 General disclosures, and S1-8 – *Collective bargaining coverage and social dialogue*, ESRS S1 Own workforce.

S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns

In the process of disclosing and eliminating legal violations arising from the activities of the Polsat Plus Group or to its detriment, the Internal Reporting of Legal Breaches and Follow-up Procedure applies, which has been implemented in accordance with the requirements of the Polish Whistleblower Protection Act (Journal of Laws 2024, item 928).

Any employee who suspects a violation of the principles adopted in the organisation, as described in the Code of Ethics, the Policy of Respect for Human Rights, or the Internal Reporting of Legal Breaches and Follow-up Procedure, should report it. No consequences will be taken against the reporting person, even if the notification is not confirmed during the verification process, and the personal data of the reporting person is protected. Any retaliatory behaviour by the person(s) concerned by the notification is unacceptable. Suspected violations can be reported to the direct supervisor or the Ethics Officer: electronically to the specified email address or by traditional mail. The same channel can also be used to report ethical concerns and seek advice on ethics, or in matters related to the Group's business activity. Notifications of actual or potential violations of anti-money laundering and counter-terrorism financing regulations can also be made anonymously.

The internal reporting system is characterised by features essential for respecting legal regulations and Group's ethical values, such as:

- 24/7 channel availability,
- identity protection,
- anonymity,
- impartiality,
- ensuring the safety of the person reporting a violation.

Notifications containing information about circumstances that may indicate a suspected violation of labour law are forwarded to units responsible for Human Resources Management in individual affected companies. Internal reports containing information about circumstances that may indicate suspected mobbing are forwarded to the appropriate Anti-Mobbing Commission.

The procedure very precisely defines the course of action, known as follow-up actions. It includes, among other things, maintaining a register of reports, initiating and conducting an investigative procedure (including gathering information and materials to verify the report), the method of preparing the final report, concluding the investigation, and whistleblower protection. Given that the content of this policy is publicly available (URL: https://grupapolsatplus.pl/en/sustainability-0/policies-and-certificates), the Group has refrained from detailing it.

(See more: G1-1 Business conduct policies and corporate culture).

S1-4 – Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Regarding the risk aspects related to the employee area, as indicated in SBM-3, ESRS 2 General disclosures, the Group undertakes mitigating actions, which are briefly summarised below:

Risk	Mitigating actions and risk management tools
Risk of losing management and key Staff The labour market, which has been a worker's market for several recent years, is intensifying competition for the best employees. Hence, the need to protect those with the highest competences or their acquisition comes at a higher cost.	• Ensuring the attractiveness of remuneration and incentive systems for key employees and management staff, and continuous monitoring of salary levels in the labour market to adjust the offered remuneration to market conditions, • Including contractual clauses with selected employees regarding extended notice periods or non-compete agreements, which aim, among other things, to provide the company with adequate time to take preventive measures against losing these employees, • Supporting the development of key employees and management staff: specialised training, MBA studies, and other forms of further education.
Risk of not being able to recruit appropriately qualified Staff The very low unemployment that has persisted for several years	• Focusing the Human Resources Management Plan on creating an attractive workplace for current and potential employees,

Risk	Mitigating actions and risk management tools
has made the labour market a worker's market. As a result, it is becoming more and more difficult to find and recruit employees on the market, especially those with specific competences.	• Offering attractive employment conditions, including competitive salaries (continuous monitoring of salary levels in the labour market and adjusting offered remuneration to market conditions) and a comprehensive package of non-financial benefits, • Investing in the long-term development of employees.
Risk of a dispute with the employees The possibility of divergent positions or interests arising is normal, and the ability to reach compromises and seek constructive solutions through dialogue is becoming an essential business skill.	• Maintaining good relations with our employees and fulfilling all employer obligations under labour law requirements, • Focusing on reaching compromises (especially in potential dispute situations), • Anti-mobbing policy and an efficiently functioning anti-mobbing commission, • Constructive dialogue with trade unions and employee representatives within our companies.
Risk of occupational accident (OSH) (among employees and subcontractors' employees) Any type of work, but in particular work at height (e.g. in construction, maintenance of wind turbines or base stations), work with the risk of electrocution, involves certain risks for those performing it.	• Compulsory regular training for all employees in terms of general health and safety regulations, as well as specialised training adapted to the scope of their duties, • Preventive medical examinations of employees confirming the absence of health contraindications to perform specific tasks, • Attention to the appropriate level of workplace safety, as well as high quality equipment and workwear maximising the safety of employees and subcontractors, • The operation of an organised Civil Defence Formation in the Group, with more than 100 employees trained in pre-medical first aid.
Risk of discrimination and violation of human rights Discrimination against anyone on the basis of characteristics such as gender, age, origin, religion or belief is ethically unacceptable and a violation of the rights stipulated in the Universal Declaration of Human Rights. From a corporate point of view, it can also lead to suboptimal choices, dictated by factors other than merit. In turn, suboptimal decisions, for instance with regard to staffing, can reflect on business performance.	• Adherence to the guidelines of the adopted Policy of Respect for Human Rights, which includes the Equality Policy, Diversity Protection Policy, Anti-Discrimination Policy, Policy on the Protection Against All Forms of Violence, the Policy on the Protection of Trade Union Freedom, and the Policy on the Protection of Safe Working Environment, • appointment of a Compliance Officer for Respect for Human Rights.

The Group conducts regular reviews of employee-related risks, monitors indicators, and takes actions to eliminate or minimise identified threats. Therefore, in 2024, long-term projects related to the employee area were continued and new initiatives were launched, including a training series on ESG aimed at raising awareness of sustainable development within the organisation.

The Group's approach and activities in the area of human resources management aimed at recruiting and retaining employees with the optimum competency profile for the Group are indicated in more detail below.

Non-financial benefits

In order to recruit employees, especially those with specific skills, on a job market where non-financial benefits are an important factor, Polsat Plus Group offers non-financial benefits such as:

- private medical care,
- additional private medical care for family members,
- group insurance,
- possibility to work remotely or part-time,
- flexible working hours,
- sports and recreational events carried out by selected sports sections,
- development workshops delivered by the Work Life Balance Section,
- sports activities covered by the partnership programme,
- webinars on mental health,
- discount offers for products and services of the Group and its partners.

Employee development

In the Group's view, each of its several thousand employees possesses potential that can and should be discovered and developed. We invest in their development based on the 70-20-10 principle, where 70% is development through experience (tasks, participation in projects), 20% is development through relationships with others (knowledge sharing, feedback, coaching, mentoring), and 10% is additional training (online, in-person, internal and external).

Training

The Group's best practices for developing employees' professional competence include:

- Akademia Wiedzy (Knowledge Academy) – a common digital space for improving professional competence, which provides access to more than 70 topics, training courses and webinar recordings on a wide range of issues, including: managerial, project-related, product-related, tool-related, interpersonal and mandatory training (e.g. OSH, GDPR, business continuity management, anti-harassment, and ICT security);
- Training on ESG topics – including the following topics: ESG in the Polsat Plus Group, Respect for Human Rights, Anti-Corruption, Anti-Mobbing, Business Continuity Management, and ICT Security;
- Strefa Zdrowy TY (Healthy YOU Zone) – a dedicated area of Akademia Wiedzy (Knowledge Academy) with educational material, recordings of meetings, tips and inspiration aimed at preventing of mental health issues and promoting healthy lifestyles.
- PMO (Project Management Office) Zone – a source of project management knowledge, including substantive subject blocks on traditional and agile methodologies, principles and standards of conduct to ensure that projects are carried out in a methodical and structured manner, extension materials on selected project topics and development materials such as press and videos.
- Onboarding Programme – includes introductory programmes titled ‘Pre-onboarding - before employment’ and ‘Onboarding - a programme for new employees’. includes introductory programmes

titled. ‘Pre-onboarding - pre-employment’ and “Onboarding - programme for new employees”. It also contains a programme for managers, describing onboarding and tips for onboarding new employees.

- PERCIPIO Tech&Dev – competence development platform for employees mainly in the ICT area.
- Live webinars – inspirational and motivational meetings with experienced experts, held quarterly, divided into webinars open to all employees and those addressed directly to managers.
- Akademia Menedżera (Manager Academy) – a series of e-learning courses and face-to-face meetings with business coaches for managers and project team leaders.

Employees can also apply for funding of studies in a field that is relevant to their job at the Group. If the job requires English language skills, the Group enables employees to improve their proficiency in this language.

Occupational health and safety (OHS)

The Group pays particular attention to complying with all legal requirements and constantly adjusts health and safety procedures and instructions to changing regulations, conditions, and factors present in the work environments of individual companies. At the same time, the Group places special emphasis on education on cybersecurity. Training in this area is mandatory for employees, and its implementation is particularly closely monitored.

In line with the Group's social mission and long-term cooperation with rescue services (Mountain Volunteer Search and Rescue – GOPR, Tatra Volunteer Search and Rescue – TOPR, Voluntary Water Rescue Service – WOPR, and Masurian Voluntary Rescue Service – MOPR), we also have employees trained in first aid.

ESG's good practices for minimising safety and health risks for Group employees include:

- Civil Defence Formation (FOC) – a team of nearly 110 volunteers, first-aid responders who are trained in the field of first aid as well as 30 employees holding First Aid Certificates who make up 12 teams which are ready to provide aid to other employees;
- Rescue Team – a group of enthusiasts who organize training and events for the Group’s employees in the field of first aid (training sessions, debates, discussions, knowledge sharing via in-house social media).

S1-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As previously indicated, the Group's operational activities are largely aimed at ensuring employee retention and attracting new employees with the appropriate competency profile, thus mitigating associated risks. This largely translates into reducing negative impacts (e.g., health and safety risks, discrimination risks) and enhancing positive ones (e.g., attractive employment conditions, development opportunities, good atmosphere at work). Current targets related to Polsat Plus Group employees refer to, among others, equal opportunities, diversity, safety, and education, which is in line with the aforementioned activities. The Group does not have formalised targets and measures for achieving these objectives. These will be set in the coming years.

S1-6 – Characteristics of the undertaking’s employees

The only country where the Polsat Plus Group employs more than 50 people is Poland, therefore, the Group does not present information on the number of employees by country. Due to the lack of regulations regarding the possibility of aligning legal gender in Poland, detailed employment information is presented below, divided into women and men.

	31.12.2024		
	Female	Male	Total
employees by contract type			
Permanent contract	3,795	4,220	**8,015**
Temporary contract	457	469	**926**
Probationary contract	16	14	**30**
Substitution contract	68	20	**88**
employees by employment basis (full-time/part-time)			
Full-time employees	4,072	4,510	**8,582**
Part-time employees	264	213	**477**
Total	**4,336**	**4,723**	**9,059**

The presented data on the number of employees in the Polsat Plus Group at the end of the reporting period, after converting part-time employees to full-time equivalents.

	2024		
	Female	Male	Total
Voluntary termination of employment	491	406	897
Employee turnover rate[1] (%)	11.3	8.6	9.9

[1] After elimination of employee migration between Group companies.

S1-7 – Characteristics of non-employees in the undertaking's own workforce

We ensure that the formal aspects of employment are addressed – employment contract is the basic form of employment in the Group but depending on the specifics of the operations of individual companies or the expectations of our collaborators, we also use other forms of collaboration in accordance with applicable legal regulations.

	2024			
	Female	Male	Not disclosed	Total
Self-employment (B2B)	148	519	172	839
Civil law contracts	673	573	-	1,246
Employed by temporary work agencies	63	44	-	107
Total	**884**	**1,136**	**172**	**2,192**

Data presented as of end of reporting period based on internal employee data systems and data from temporary work agencies.

S1-8 – Collective bargaining coverage and social dialogue

Supporting the dialogue between employees and employers, we promote freedom of employees to organise. The principles of this approach are reflected, among others, in the Policy of Freedom of Association defined within the Policy of Respect for Human Rights.

The Group does not discriminate or take retaliatory actions against employees who participate or seek to participate in employee organisations or who conduct collective bargaining. It respects the right to associate not only for employees with employment contracts but for all those working for the Company, including individuals employed under civil law contracts. This right also applies to foreigners working for the Group.

The Group does not interfere in the activities of trade unions and other employee organisations and ensures that employee representatives have access to the workplace to enable them to perform their representative functions. In accordance with applicable legal regulations, the Group declares cooperation with employee organisations and commits to providing them with information necessary for significant negotiations.

In the Polsat Plus Group, there is a collective labour agreement in place within the PAK-PCE Biopaliwa i Wodór and TKT Telekom. The percentage of Group employees covered by collective labour agreements is 2.3%. Trade union organisations operate within the Group's companies. As of 31 December 2024, approximately 5% of the total number of employees in the Polsat Plus Group were members of trade unions, according to declarations submitted by the trade unions regarding their membership numbers.

S1-9 – Diversity metrics

The six-member Management Board of Cyfrowy Polsat comprises three women and three men. More information on the Members of the Management Board, distribution of their responsibilities, and relevant competences can be accessed on our corporate website and in section 9.6 of this Report – *Corporate governance statement – Management Board of the Company*.

The Supervisory Board of Cyfrowy Polsat comprises six members - one woman and five men. More information on the Members of the Supervisory Board, distribution of their responsibilities, and relevant competences can be found in section 9.7 of this Report – *Corporate governance statement – Supervisory Board of the Company*.

	Management Board		Supervisory Board	
	Number	Percentage	Number	Percentage
Female	3	50%	1	17%
Male	3	50%	5	83%
Total	**6**	**100%**	**6**	**100%**

The management level is distinguished within the Group's employment structures. The structure by gender and age of the top management, understood as one and two levels below the administrative and supervisory bodies, is presented in the following table:

	2024		
	Female	Male	Total
Under 30 years old	3	2	5
30-50 years old	117	132	249
Over 50 years old	27	93	120
Total	**147**	**227**	**374**
Structure (%)			
Under 30 years old (%)	2%	1%	1%
30-50 years old (%)	80%	58%	67%
Over 50 years old (%)	18%	41%	32%

Age structure of Group employees by gender:

	2024		
	Female	Male	Total
Under 30 years old	764	651	1,415
30-50 years old	3,016	2,904	5,920
Over 50 years old	556	1,168	1,724

Total	**4,336**	**4,723**	**9,059**
Structure (%)			
Under 30 years old (%)	18%	14%	16%
30-50 years old (%)	70%	61%	65%
Over 50 years old (%)	13%	25%	19%

S1-10 – Adequate wages

	2024
Percentage of employees who are paid an adequate wage	100%
Percentage of employees who are paid below the national minimum wage	0%

The level of adequate remuneration has been determined on the basis of the Regulation of the Council of Ministers on the amount of the minimum remuneration for work and the amount of the minimum hourly rate in 2024.

S1-11 – Social protection

Social protection in the Polsat Plus Group is offered through public programmes or voluntary benefits offered by the company.

In addition to mandatory social protection, we also offer a range of additional benefits, some of which provide supplementary health protection or indirectly improve the quality of life by maintaining better physical and mental condition, and work-life balance. These include:

- subscription-based medical care
- sports and recreation programme enabling access to sports facilities across the country
- group insurance offer prepared by one of the largest insurers on the Polish market.

The Company Social Benefits Fund (ZFŚS) is set up in Cyfrowy Polsat S.A. and the largest subsidiaries. The ZFŚS funds are used to finance housing loans, holiday gifts, activities of numerous sports sections, treatment, care and rehabilitation costs related to serious illnesses of employees or their family members, vacation subsidies for employees and their children.

	2024
Percentage of employees covered by social protection	100%

S1-12 – Persons with disabilities

The Group offers equal opportunities for professional development to all employees, irrespective of their disability, respecting the principle of equality and making constant efforts to enable all individuals to be treated fairly and to participate fully in all areas of Group activity on an equal basis.

	2024
Percentage of employees with a verified disability	2.0%

The data refers to employees who have presented a disability certificate.

S1-14 – Health and safety metrics

Actions taken to ensure safe and hygienic working conditions for employees are our highest priority and are carried out with the utmost care in the individual companies of the Group.

In the Polsat Plus Group, OHS services have been established, whose tasks include identifying and assessing hazards that affect safety, cooperating with the employer to ensure an appropriate level of safety for employees, and verifying compliance with Health and Safety regulations and principles in each workplace. The control activities of the OHS services are planned based on a schedule of inspections of individual locations in each company.

Additionally, separate Health and Safety committees have been established in each reported company, consisting of an equal number of employer's and employees' representatives. Health and Safety committee meetings are organised at least once a quarter. The tasks of the Health and Safety committees include reviewing working conditions and periodically assessing the state of occupational safety and hygiene, providing opinions on measures taken by the employer to prevent workplace accidents and occupational diseases, formulating recommendations for improving working conditions, and collaborating with the employer in fulfilling their obligations regarding occupational hygiene and safety.

	2024
Percentage of people in own workforce who are covered by the health and safety management system	100%
Total number of work-related accidents	17
Number of fatalities	0
Injury frequency rate (IR)	1.6
Number of cases of reportable work-related ill health	0
Number of days lost to work-related accidents and work-related ill health	528

The data in the table refer to employees of the Polsat Plus Group (does not include contractors).

Data on the number of fatalities due to work-related accidents and work-related ill health, as well as the number of reportable work-related accidents, are generated from the Occupational Accident Register and the Occupational Disease Register, maintained by the OHS teams operating in each company of the Polsat Plus Group.

S1-15 – Work-life balance metrics

	2024		
	Female	Male	Total
Percentage of employees entitled to take family-related leave	100%	100%	100%
Percentage of entitled employees that took family-related leave	19.3%	8.0%	24.9%

Family-related leaves include maternity, paternity, parental, partner care, and child care leaves. The data was obtained from the companies' human resources systems

S1-16 – Remuneration metrics (pay gap and total remuneration)

	2024
Unadjusted gender pay gap	27.4%

The unadjusted gender pay gap was calculated as the difference in average hourly gross pay between female and male employees, expressed as a percentage of the average hourly pay of male employees. The average hourly gross pay was weighted by the number of employees in the Polsat Plus Group companies. The level of the unadjusted pay gap mainly results from the higher proportion of male employees in higher-ranked positions, especially in technical areas such as IT.

The total annual remuneration of all employees includes all components of pay except benefits from the Company Social Benefits Fund and allowances from the Social Insurance Institution.

The ratio of the total annual salary of the top earner to the median total annual salary of all employees in 2024 was 39.5.

S1-17 – Incidents, complaints and severe human rights impacts

A complaint about human rights violation is confirmed after verification by the appropriate corporate authorities. This process includes:

- Assessment of the validity of the complaint: the authorities check whether the complaint contains sufficient evidence and is based on factual reasons.
- Conducting an investigation: if the complaint is deemed valid, an investigation is carried out, which may include gathering evidence, interviewing witnesses, and analysing documents.
- Confirmation of the violation: based on the collected evidence, corporate authorities decide whether a human rights violation has occurred. If so, appropriate follow-up actions are taken.

In 2024, 5 cases of discrimination were reported, none of which were confirmed after investigations. The Group did not note any complaints submitted through the entity's own workforce reporting channels and, where applicable, to the national contact points for the OECD Guidelines for Multinational Enterprises.

	2024
Number of filed complaints of discrimination, including harassment	5
Number of confirmed cases of discrimination, including harassment	0
Total amount of fines, penalties, and compensation for damages as a result of the incidents and complaints of discrimination	0
Number of cases of severe human rights incidents connected to own workforce	0
Total amount of fines, penalties, and compensation for damages as a result of human rights incidents	0

10.3.2. ESRS S2 Workers in the value chain

SBM-2 – Interests and views of stakeholders

The aspect has been discussed in SBM-2 – *Interests and views of stakeholders*, ESRS 2 General disclosures.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The key risks in this area have been discussed in SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model, ESRS 2 General disclosures.

The business model of the Polsat Plus Group involves interaction with long value chains of products essential for the organisation's operations. As of December 31, 2024 and the date of this report, no studies have been conducted that would clearly indicate that potential negative impacts on employees in the value chain, as well as the associated risks, result directly from the Group's business model and strategy.

At the same time, due to the location of potential risk areas in the links of the value chain distant from the Group's operations, the Group currently has no means of linking the actual opinions and expectations of these individuals with its strategy. It can only rely on general information available from business partners or disclosed by various non-governmental organisations. It also has limited ability to directly influence business partners beyond its immediate suppliers. On one hand, some of the products and goods sold to end users or used in own operations are manufactured in the Far East (e.g., a significant portion of phones and smartphones, regardless of brand, are produced in factories located there; some widely recognised brands are Far Eastern brands; similarly, China is a leading producer of photovoltaic panels), which may pose risks. On the other hand, the Polsat Plus Group has no confirmed information about any incidents of violations among their suppliers, who are primarily large, reputable manufacturers.

In the Group's assessment, this situation will change with the widespread adoption of regulatory solutions in the field of due diligence.

S2-1 – Policies related to value chain workers

In terms of policies related to individuals working in the value chain, the Polsat Plus Group has implemented two key formal solutions:

- Partner's ESG Declaration
- Policy of Respect for Human Rights.

These relate to the actions of business partners, including their employees.

Partner's (Contracting Party's, Vendor's, Bidder's Integrator's) ESG Declaration related to responsible cooperation is a set of principles that shape the Polsat Plus Group's relations with its environment. The Group expects its partners to adhere to ethical principles and respect human rights, particularly ensuring appropriate working conditions and safety for their employees, fair wages, creating a discrimination-free working environment, ensuring freedom of association, not using forced labour, not employing children, and not engaging in practices of modern slavery and human trafficking, which are fundamental principles rooted in the Universal Declaration of Human Rights. From December 2023, new contracts with suppliers include a clause whereby the supplier confirms that they have made commitments to comply with ethical principles, respect human rights and meet the social and environmental criteria set out in the ESG declaration.

The Policy of Respect for Human Rights refers to universally recognised human rights – contained in the International Bill of Human Rights, ILO Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights. It includes topics related to ensuring a safe workplace, protecting diversity, non-discrimination, protection from all forms of violence, and protection of freedom of association. Violation of the Policy of Respect for Human Rights may result not only in a request for explanation but also in the refusal to enter into a contract or the termination of an existing contract.

(For more information, see GOV-4 – *Statement on due diligence, ESRS 2 General disclosures*)

S2-2 – Processes for engaging with value chain workers about impacts

As part of the processes conducted over the course of 2024 in Polsat Plus Group no systematic approach to working with employees in the value chain has been established.

S2-3 – Processes to remediate negative impacts and channels for value chain workers to raise concerns

The Polsat Plus Group and its subsidiaries meticulously and thoroughly analyse all signals from their environment that may indicate irregularities, including potential human rights violations concerning employees in the value chain. In this regard, the Policy of Respect for Human Rights, Partner's ESG

Declarations, and the Internal Reporting of Legal Breaches and Follow-up Procedure outline the path for reporting violations or irregularities through the communication channels specified in those documents.

The solutions adopted in the context of infrastructure investments should also be noted here, for which stakeholder engagement plans (SEP) are developed and adopted. These plans contain information about the contact point (website, traditional mailbox, email, consultation points), and the information received through these channels is handled on an ongoing basis by contract engineers. They maintain a register of complaints and their resolutions in accordance with the procedure disclosed in the plans, and with the involvement of the Polsat Plus Group through representatives of PAK-PCE or special purpose companies (SPVs).

(For more information, see: G1-1 – *Business conduct policies and corporate culture*).

S2-4 – Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

As part of building relationships with suppliers and maintaining due diligence, the Polsat Plus Group is gradually implementing appropriate provisions in contracts with its business partners regarding adherence to ethical principles and respect for human rights, particularly ensuring their employees have appropriate working conditions and safety, fair remuneration, discrimination-free work environment, freedom of association, no use of forced labour, no employment of children, and no practices of modern slavery and human trafficking.

At the same time, the Group cannot completely rule out the possibility that such events may occur in the future, and its actual ability to obtain reliable information about employees in distant links of the supply chain is currently very limited. Therefore, the Group monitors best market practices in reducing such risks and strives to implement them. In the medium and long term, the Group will also implement solutions to ensure compliance with the planned transposition into national law of EU regulations that relate to due diligence in the supply chain.

S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Among the objectives of the ESG Strategy, no objectives relating to employees in the value chain have been defined.

10.3.3. ESRS S3 Affected communities

SBM-2 – Interests and views of stakeholders

The scope of social interest and expectations towards the Group is broad due to the diversity of the Group's areas of involvement. In practice, many of these expectations are directed not so much at the Group as a whole, but at individual companies. With regard to telecommunications services, a frequently mentioned issue was **coverage (mobile telephony, Internet)**. This issue was raised both at the level of government administration, responsible for economic policy in building an information society, and at the municipal level, where authorities strive to provide residents with access to modern technologies. These issues were particularly significant when coverage was relatively lower. Although the current level of availability of mobile telephony and Internet services is much higher, and areas not covered by the network are rare, access to specific technologies becomes a key aspect.

The development of technology carries the risk that the **content shared over it may be dangerous**, especially for younger users, and may infringe property rights. The issue of content inappropriate for certain user groups is also significant in the case of television broadcasting. These multi-dimensional aspects are raised by industry organisations which, considering the public interest, do not want to make inappropriate content available to children. On the other hand, issues of intellectual property protection are raised by creators, market participants, and the administration. Modern technologies also pose a number of threats related to crime, terrorist threats, and so-called hybrid warfare. These issues are of particular interest to state services, but also to ordinary users who may fall victim to criminals.

At the same time, a number of **concerns arise in the public space regarding the impact of technology on the human body**, such as the effects of electromagnetic fields (EMF) emitted by base transceiver stations (BTS) or phones.

In addition to questions related to the impact of broadcasting stations, which appear in the public domain at the national level, such social concerns sometimes intensify locally during the implementation of specific investments. Similarly, at the local level, there are also **concerns related to the implementation of specific wind farms, as well as residential buildings** being constructed in Port Praski. Residents of areas directly related to them are concerned about future impacts, as well as daily nuisances during the construction phase. For example, any interested party, not necessarily a client of Port Praski or Człuchów Wind Farm, can share their opinion on the investment using the contact points listed on the websites of the respective investments.

The issues directly related to **media activities, specifically journalism**, are of a completely different nature, **particularly in the context of the right to accurate and objective information**, including the assurance of freedom of expression. These values form the foundation of a democratic society and are defended by a number of non-governmental organisations that closely observe the behaviour of representatives of the political world and individual media.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

The key risks in this area have been discussed in SBM-3 – *Material impacts, risks and opportunities and their interaction with strategy and business model*, ESRS 2 General disclosures. The general manner of defining in Appendix A: Application requirements, ESRS 1 General requirements, makes it difficult to fit some of them within the framework of the standard. At the same time, the following seem material for the Polsat Plus Group:

- concerns regarding technology and planned investments, which may result in a lack of social acceptance for operations (in practice, a lack of acceptance for individual investments)
- ensuring the protection of intellectual property rights (risk of insufficient protection of intellectual property rights)
- counteracting risks related to terrorist threats
- contribution to economic development, including building an information society (counteracting the risk of insufficient coverage of modern services and digital exclusion of communities in certain areas),
- pro-social activities
- contribution to ensuring freedom of speech and the right to information.

For years, Polsat Plus Group has been conducting charitable and pro-social activities through cooperation with non-governmental organisations (such as the Polsat Foundation, the Better Poland Association). In particular, the Group undertakes to engage in pro-social activities aimed at supporting health protection, environmental protection, safety, promotion of sport and physical activity and education, as well as the reduction of social barriers in access to knowledge, culture and education. Aspects related to the collaboration with those organisations have only been outlined as complementing the social impact of the Group, as both the Polsat Foundation and the Better Poland Association are not consolidated in the Group's Financial Report and are therefore outside the scope of this report. Interested parties can learn about their activities on their respective websites: www.fundacjapolsat.pl and www.lepszapolska.pl.

S3-1 – Policies related to affected communities

The Polsat Plus Group, in accordance with its **Social Engagement Policy**, commits to eliminating, or when not possible, minimising nuisances for neighbouring areas in its daily operational activities and development plans. It will act with respect for the interests and rights of residents of local communities where its companies and assets are present and which are within the Group's range of influence. Engaging in dialogue and explaining the actual impact of specific investments or technologies allows us not only to understand the concerns of residents, but also to dispel them. Protecting personal, economic, and cultural rights also involves, alongside mitigating its own potential negative impacts, acting in a way that contributes to protecting these rights from negative influences by third parties – particularly considering the special social role of the media, which through their diligence and reliability directly contribute to the protection of freedom of expression and other civil liberties (e.g., by revealing and condemning actions directed against those rights, whether they are global or relate to situations in small communities). Additionally, the Polsat Plus Group, particularly through the Polsat Foundation and the Better Poland Association, commits to engaging in pro-social activities aimed at supporting health protection, environmental protection, safety, promoting sports and physical activity, and education, as well as reducing social barriers to access to knowledge, culture, and education.

S3-2 – Processes for engaging with affected communities about impacts

Guided by its implemented Social Engagement Policy, the Polsat Plus Group collaborates with local communities according to current needs, related to investment plans or the intensification of specific phenomena (e.g., cyber threats). Most of the significant information about its current and planned activities is communicated through the press office or social media. They also frequently appear on Polsat Television. Often, these one-way communications serve as a starting point for two-way communication with stakeholders. Both at the Group level and at the level of individual companies, interested parties have access to a range of contact channels. In the context of sustainable development, direct contact with the Group's Head of ESG seems particularly important. Stakeholders interested in other issues at the Group level can contact the Customer Service Centre, Investor Relations Office, Press Office, as well as dedicated contact person for sponsorship matters. Additionally, there are dedicated channels for individual companies, such as the Viewer Contact Department of the Polsat Television. At the same time, numerous contacts occur at the operational level, such as with the relevant construction manager or contract engineer in the case of investments. Many of the Group's activities are in fact responses to emerging concerns and doubts, and the communication aims to clarify them.

By maintaining ongoing dialogue with stakeholders, the Group monitors potentially sensitive aspects, such as concerns regarding technology and planned investments, which may result in a lack of social acceptance for operations.

The Polsat Plus Group monitors the impact of its wind turbines on the environment due to possible concerns from local communities about the nuisances caused by their operation. In this regard, the Group complies with all legal requirements regulating the location of wind farms and engages in dialogue with local communities by developing and implementing Stakeholder Engagement Plans (SEP). These plans not only identify stakeholders who may be affected by the project but also define the scope of their involvement, communication tools and frequency, including a mechanism for responding to any stakeholder concerns and complaints. They primarily allow for effectively and reliably informing communities about the investment and efficiently identifying and addressing related concerns.

Similarly, the base transceiver stations (BTS) built by the Polsat Plus Group, now managed by an external operator, obligatorily meet all requirements regarding electromagnetic field (EMF) radiation levels and their impact on the human body. Likewise, no phone could be sold in the EU that did not meet very stringent standards in this regard. However, any resident or user can always report their concerns directly to the operator and the relevant institution overseeing compliance with applicable regulations.

In connection with the construction of a residential estate on the grounds of the former Praga port (Port Praski – Doki), Polsat Plus Group also conducted a dialogue with local communities. As part of it, public meetings with neighbours, social organisations' representatives, district and city authorities were organised and the planned estate was discussed. The meetings took place both at designated dialogue points in close proximity to the development area and online, giving residents the opportunity to express their opinions on the residential estate's concept. Information about the dialogue was widely communicated through city, business, and architectural media, leaflets, posters, and laminated announcements displayed around the area of the planned investment. All comments, suggestions, and requests were analysed, and the report from the conducted dialogue is available on the website of Port Praski.

The nature of the Group's response depends on the specifics of the topic, but the general principle of dialogue and engaging stakeholders is to analyse the issue, respond to it, and provide feedback. This does not mean accommodating all social expectations, but in the case of a negative decision, it is appropriately justified. The response to identified concerns may also involve undertaking informational and educational activities aimed at raising awareness of the nature of the impact and combating myths, false opinions, and unfair suggestions.

S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns

The Polsat Plus Group and its subsidiaries meticulously and thoroughly analyse all signals from the environment that may indicate irregularities, including potential issues that could cause nuisances for third parties. On one hand, especially in the most flagrant cases, the appropriate channel would be the one designated for reporting legal violations and taking follow-up actions (see: G1-1 – Business conduct policies and corporate culture); on the other hand, direct contact with the unit manager (e.g., production plant) or the person overseeing a given investment (e.g., construction manager) is also appropriate. Employees and collaborators who are aware of irregularities in relations with the environment, including cooperation with non-governmental organisations, can use the channels provided by the Code of Ethics for this purpose.

It is worth highlighting the solutions adopted for wind farm infrastructure investments, where Stakeholder Engagement Plans (SEP) are developed and implemented. These plans contain information about the contact point (website, traditional mailbox, email, consultation points), and the information received through it is handled on an ongoing basis by contract engineers. They maintain a register of complaints and ways of addressing them, in accordance with the procedure disclosed in the project plans and with the involvement of the Polsat Plus Group through representatives of PAK-PCE or special purpose companies (SPVs).

S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

The Polsat Plus Group strives to eliminate and reduce its negative impact by rigorously adhering to regulations and administrative decisions issued, among others, for the purposes of ongoing investments. It analyses signals from the environment, aiming to dispel any concerns through education. It also undertakes actions to minimise existing nuisances and endeavours to compensate society for its negative impacts through extensive social and charitable activities.

Concerns regarding technology and planned investments, which may result in a lack of social acceptance for actions

Actions related to identifying concerns and expectations that arise during the planning and implementation of specific investments involve directly engaging in dialogue at the community level or even with individuals who may be affected by such investments. Hence, information about these actions and communication channels has been disclosed in S3-2 – *Processes for engaging with affected communities about impacts* and S3-3 – *Processes to remediate negative impacts and channels for affected communities to raise concerns*.

Care for the protection of intellectual property rights

Polsat Plus Group is aware of how harmful television piracy, mostly conducted via the Internet, is to the development of the Polish economy and culture. For years, it has been actively involved in the Signal Association, which brings together leading players in the media industry who work together to improve the level of content protection and support law enforcement in combating this type of crime.

The main activity in the fight against television content piracy in 2024 and 2025 is the pursuit of mechanisms for the immediate blocking of access to illegal sports broadcasts and premiere content. In 2021, the European Commission issued Resolution PE 2020/2073(INL) on the challenges of sports event organisers in the digital environment, which indicates that access to illegal sports broadcasts should be blocked within a maximum of 30 minutes. In 2024, actions and discussions were conducted at both the individual member state level and the European level on the best methods to achieve these goals. The Group participated in all these activities through industry organisations such as the Signal Association and the Lewiatan Private Media Employers' Union.

In 2024 the Group:

- participated in a research project carried out between 2024 and 2025 by EUIPO in individual member states, which aims to verify the level of implementation of Resolution PE2020/2073(INL).
- conducted educational activities promoting best European practices in combating illegal live broadcasts, aimed at the media industry and key stakeholders in the Polish market
- For the National Prosecutor's Office, conducted training on counteracting television content theft for 300 prosecutors
- organised the nationwide Police-Prosecutor Conference "Together against piracy" in collaboration with the Police Headquarters, the National Prosecutor's Office, and the Police Academy
- covered by its training activities 624 law enforcement representatives in total
- As the Anti-Piracy Coalition, together with the Chief of Police, awarded Golden Plates for the previous year to the best units combating Internet content piracy
- Experts from the Signal Association supported police officers in 15 operational actions, resulting in the closure of several services related to illegal access to television content
- successfully continued activities within the "follow the money" campaign, aimed at cutting off pirate services from funding sources.

Countering the risks associated with terrorist threats

Due to the fact that critical infrastructure, such as telecommunications networks or broadcasting centres, may potentially become the target of a terrorist attack, the Polsat Plus Group has developed and implemented Protection Plans for critical infrastructure facilities. These plans have been agreed upon with state authorities and contain detailed actions that the company is obliged to take in the event of the introduction of an alarm level or a state of emergency in the country. However, due to important public interest, their details cannot be disclosed.

Contribution to economic development, including building the information society

Polsat Plus Group provides ICT services to millions of Polish households and thousands of businesses operating in Poland. The offer includes, among others, mobile and fixed Internet access, mobile and fixed telephony services, ICT services and business solutions, as well as a wide range of high-quality pay-TV services. The coverage of individual access technologies spans nearly 100% of the country's territory. Polsat Plus Group adheres to the principle "For everyone. Everywhere," striving to ensure that services and products meet the needs of every customer and are available at any time and on any device, regardless of the delivery method. We are committed to developing unique content, both our own and sourced externally, recognising that it constitutes a significant competitive advantage in our operations. From the beginning, our mission has been to counteract digital exclusion and ensure universal and easy access to the Internet, in every possible technology. We reach millions of homes in the country with our programme offer of Polsat Television, the Polsat Box and Netia TV packages and the Polsat Box Go streaming service. Analogically, Internet connection provided by our Group’s companies has become a "window to the world" for many Polish families. Not only in large cities but also in small towns and villages, residents have the opportunity to use fast 5G, 5G Ultra, LTE, and LTE Advanced internet from Plus, as well as fixed Internet, including fibre optic, from Plus and Netia. It is important to recognise that access to information technology in today's world directly translates into guaranteeing access to information, which is the protection of one of the fundamental civil rights.

At the same time, the Group is progressively building its production assets, ensuring increasing production capabilities in the field of clean energy, and is also investing in innovative hydrogen technologies, which the Group assessed as having the potential to become the foundation of clean, zero-emission transport (more about the service offer, technologies used, their range and customer base can be found in section 2.1. *Our products and services* of this Report). Providing households with access to clean and relatively cheap energy not only directly fulfils the United Nations Sustainable Development Goals (SDGs), but also indirectly contributes to ensuring decent housing conditions, thereby realising a right that is one of the foundations of human rights.

Social activities: the Polsat Plus Group's social mission

The Group fulfils its social mission in five areas: healthcare, environmental protection, safety, promotion of sport and physical activity, and education, especially ecological education. It also works to reduce social barriers in access to knowledge, culture, and education by, among others, combating digital exclusion and investing in the development of the 5G network.

The sponsorship and charitable activities carried out by Polsat Plus Group aim to provide real help to the society – especially in crisis situations and where it is most needed. Therefore, it responds in a socially responsible manner, particularly in the face of exceptional or significant events affecting our surroundings (e.g., supporting numerous foundations involved in broadly understood healthcare protection). The aim of these activities, consistent with the Group's social mission, is also to support the development of Polish sport, provide modern tools to rescue services, educate about the environment, and indirectly shape the positive image of our organisation: trustworthy brands, socially engaged companies, partners open to the needs of customers. The activities carried out are in line with the social mission of our Group, which assumes exerting a positive impact on the immediate environment – society, customers and viewers, employees, the environment – and consistently building credibility in the eyes of stakeholders.

In 2024, Polsat Plus Group allocated nearly PLN 83 million to charitable and sponsorship activities, and the share of individual categories of these activities is presented in the following summary:

• Health	51.8%
• Sports sponsorship	28.0%
• Charity and sponsorship activities	13.9%
• Environment	2.4%
• Safety	3.6%
• Education	0.3%

Contribution to ensuring freedom of expression and the right to information

In pursuing its business goals in the media sector, the Polsat Plus Group strives to maintain objectivity, reliability, and journalistic independence. Our journalists participate in regular training sessions (both individual and group ones), including those related to information seeking and verification, as well as raising awareness of disinformation. Thanks to the presence of the most experienced journalists, editorial boards support younger colleagues, especially in the case of controversial or sensitive issues. Editorial teams are also obliged to verify the information sources on multiple levels. The tools used guarantee digital security and allow for monitoring of potential threats. At the same time, journalists can count on legal support in the event of potential lawsuits aimed at "silencing" the editorial team (SLAPP). Investigative journalists are also protected, as well as the authors and interviewees in sensitive topics, whose data subject to anonymisation.

As a rule, advertisers and sponsors do not influence informational content, and sponsored texts or programmes are clearly marked. Similarly, editorial content is clearly separated from informational content. Journalists are bound by a Social Media Code of Conduct, which ensures professionalism in representing the editorial team in interactions with users and allows for the separation of opinions from facts. However, the editorial team is open to criticism from viewers and users through the Polsat News viewer contact platform or the contact form for the editorial team with each text published on the Interia website.

As a result of this approach, market research results indicate that among the main information channels, it is Polsat News, belonging to Polsat Plus Group, that is perceived by viewers as an objective and politically neutral station. Viewers notice that it invites politicians from various sides of the political spectrum and presents different political views (CBOS survey 'The perception of the media': https://www.cbos.pl/SPISKOM.POL/2023/K_132_23.PDF - content in Polish, English summary available here).

S3-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

In relation to local communities, the goals of the Polsat Plus Group arising from the ESG Strategy, the Group's social mission, and sustainable development activities are consistent with indicator S4-5, i.e., they concern improving the safety and quality of life of end users.

In its current business activities, the Polsat Plus Group undertakes numerous actions to reduce social barriers – especially in terms of access to knowledge and information, culture and education, as well as combating digital exclusion and investing in the development of the 5G network. In the area of health and social assistance, the Group collaborates with numerous foundations, including the Polsat Foundation, supporting healthcare, helping children and people in difficult life situations.

10.3.4. ESRS S4 Consumers and end-users

SBM-2 – Interests and views of stakeholders

In various market segments where Polsat Plus Group companies interact with end users, the range of the offer, the method of service, and a number of other aspects (including telemarketing, call centres, websites, online service centres, financial benefits, invoices) are examined and analysed. The results of these studies allow for their optimal structuring. Levels of customer satisfaction with products and services, brand recommendation likelihood, relationship durability, and likelihood of choosing the Group's offer again are factors that, on the one hand, allow for the evaluation of used solutions, and on the other hand, serve as a starting point for diagnosing potential problems.

At the same time, the Group is aware of the risks indirectly associated with the provision of certain services. The issue of personal data protection is crucial in any activity where data is processed, but in the case of services such as telecommunications, including Internet access, it gains additional significance, as do a number of other cybersecurity-related issues.

Additionally, unethical and illegal behaviour by a certain group of customers, related to abuses, especially regarding unauthorised access to content, forces the Group to apply specific technological and procedural solutions.

(This aspect is discussed in SBM-2 – *Interests and views of stakeholders*, ESRS 2 General disclosures).

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Key customer-related risks are discussed in point SBM-3 – *Material impacts, risks and opportunities and their interaction with strategy and business model*, ESRS 2 General disclosures. Particular attention should be paid to issues such as:

- cybersecurity
- data protection and privacy
- product and service safety
- accessibility for customers with disabilities.

These issues are directly related to preventing potential violations of fundamental individual rights, such as the right to privacy (cybersecurity, data protection and privacy), the right to property (product and service safety), and non-discrimination (accessibility for customers with disabilities). Everyone also has the right to safety, which certainly includes ensuring services that are safe for the user's health (see: ESRS S3 Affected communities).

Everyone also has the right to freedom of opinion and expression. This right includes the freedom to hold independent opinions, seek, receive, and impart information and ideas through any media, regardless of frontiers. The right to receive information directly encompasses the Group's media activities in relation to contributing to freedom of speech and journalistic independence (see: ESRS S3 Affected communities).

S4-1 – Policies related to consumers and end-users

Issues related to the fundamental principles of market presence, including the principles that companies should follow in their relations with consumers and end users, are regulated by the **Ethical Market Conduct Policy** adopted in 2024. It prioritises consumer safety and aims to ensure that all offered products and services are safe for end users, particularly that they do not pose a threat to their life and health. Depending on the area of activity, this includes, for example, the impact of electromagnetic fields on people, consumer protection against cyber threats, protection against the loss of sensitive data, and protection of children from undesirable content. This policy also addresses ensuring the accessibility of offered products and services, the reliability of contracts and communication, and advertising ethics. It also commits to dialogue with consumers, enabling a better understanding of their expectations or concerns.

The Group and its companies are also subject to a number of internal regulations related to various impact aspects, including the **Security Policy**, **Information Security Policy**, **Personal Data Security Policy**, **ICT Security Policy**. These policies define the fundamental management principles, while the methods of their implementation and risk mitigation associated with our activities are contained in operational procedures and instructions.

Additionally, dedicated units operate within the Group's structures (including the ICT Security Office, Personal Data Security Office, Security and Fraud Detection Department, and the Classified Information Protection Officer), which carry out tasks related to ICT security management, crisis management and general defence obligations, and information security, including the protection of personal data and confidential information.

We are also signatories to a number of voluntary industry agreements (see: GOV-4 – *Statement on due diligence*, ESRS 2 General disclosures).

S4-2 – Processes for engaging with consumers and end-users about impacts

Polsat Plus Group continuously monitors consumer feelings and satisfaction levels through numerous market research studies. Additionally, it meticulously analyses complaints and requests, which provide valuable information for individual managers about areas that may require improvement.

The Group's companies, which have large numbers of individual customers, cooperate with district and municipal consumer ombudsmen who help clarify individual consumer issues. The ombudsmen provide legal advice, help with writing a letter of complaint or legal action; they can also potentially bring an action on behalf of the consumer or - with the consumer's consent - intervene in pending proceedings to protect the consumer's interests. In the case of Polkomtel S.A., this cooperation has been ongoing for 25 years, since the establishment of the ombudsmen institution. Within the Group, a specialised unit located within the Customer Service Department which reports to the Board Member for Customer Services. This unit supports the analysis of concerns raised by the ombudsmen. Experts and consultants from the companies provide the ombudsmen with all necessary explanations and take actions to promptly resolve the issues raised.

Representatives of the Group's companies also participate in conferences and regular meetings on consumer rights protection, and on a daily basis, they provide the ombudsmen with consultations, explanations, and insights into technical and procedural issues specific to the electronic services industry. On the other hand, notifications received from the ombudsmen help highlight topics particularly important to consumers, improve applied solutions, and eliminate problems before they become a source for more complaints. Cooperation with the ombudsmen is based on a common goal of preventing disputes and, in the event of their occurrence, striving to develop lasting and effective solutions.

The Polsat Plus Group and its companies operating in the electronic services market also consider suggestions and comments raised by UOKIK, which take the form of positions, recommendations, opinions, and actions taken towards market participants. UOKIK, having the ability to obtain all information relevant to the entrepreneur-consumer relationship, can address questions not only in the course of proceedings directed against a specific entrepreneur. In the course of explanatory proceedings, UOKIK addresses positions, comments, and questions to many entities operating in a given market, sharing concerns about a particular market practice or indicating the potential for consumer interest violations.

The Group's companies thoroughly analyse suggestions or opinions from UOKIK regarding the services provided, actively participate in dialogue with consumer institutions and the Office of Competition and Consumer Protection, and most importantly, remain open to any changes that could genuinely contribute to building positive consumer experiences.

S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

In the case of activities related to the provision of telecommunications services, including Internet access and digital television, which involve the largest number of end users, end users have the option to submit complaints, claims, and any requests in any form they choose. Additionally, they can submit requests arising from GDPR rights.

Companies inform their subscribers about the forms and methods of submitting complaints in the applicable terms and conditions, which are provided to subscribers when signing contracts and are also posted on websites.

A subscriber can submit complaints, claims, any reports, and GDPR requests:

- in writing to the company's address or at sales points
- orally for the record at the sales point
- by phone to the Customer Service Department
- by email to the company's email addresses
- through self-care applications via the online self-service platform after logging into the service and application.

GDPR requests are also submitted:

- to the GDPR Team's mailbox
- from the Data Protection Officer's email address to the GDPR Team's mailbox.

Received complaints and any reports regarding the services provided are handled in accordance with legal regulations, ISO standards, and the procedures and instructions in force in the companies. Customers receive responses to submitted inquiries and complaints as quickly as possible. Companies continuously monitor issues that are the subject of complaints or interventions, allowing for the rapid identification of areas that require special attention and directing them to employees responsible for implementing new products and services, thereby contributing to the optimal adjustment of processes ensuring the highest level of customer service.

In other areas of activity, Polsat Plus Group companies do not serve as many consumers. In the case of Port Praski, where the number of buyers is disproportionately smaller than, for example, in the Plus network, customers also have the option to contact us via email, hotline, and directly at the Sales and Customer Service Office. However, due to the smaller scale of activity and its nature, the contact between customer advisors can be much more personalised.

The company also has a publicly available privacy policy and allows for the management of personal data in accordance with GDPR.

S4-4 – Taking action on material impacts on consumers and end- users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Cybersecurity

Polsat Plus Group is aware that potential cybersecurity threats will inevitably accompany the development of individual technologies. Therefore, it designs and implements new technological solutions, using only trusted suppliers who have undergone rigorous supply chain assessment processes. The Group's companies routinely evaluate new software and hardware entering the telecommunications network and apply documented principles and procedures for the secure configuration and operation of equipment and devices.

The implemented Information Security Management System allows for the identification of threats using the following methods:

- threat identification: we continuously assess the threats and vulnerabilities using various commercial and government-supported solutions as well as publicly-available sources
- detection of threats: to identify threats and security gaps we use both manual and automatic detection methods; we also rely on external sources which provide information on existing threats
- risk level assessment: relevant risk levels are assigned to identified threats by estimating these levels using replicable and measurable criteria
- mitigation: risks are reported to relevant asset owners and managers for mitigation. If reduction of risk level proves impossible using the functioning policies and operating procedures, then a recovery plan is developed which contains corrective actions
- reporting: data are collected and stored for reporting purposes. The reports are also used for assessing the trends in terms of emerging threats as well as for the purpose of strategic planning of on-going improvements to the Information Security Management System.

Cyfrowy Polsat and Polkomtel both hold valid ISO/IEC 27001:2022 certificates, while Netia holds a valid PN-EN ISO/IEC 27001:2017-06 certificate. These certificates are subject to obligatory audits carried out by external auditors. The scope of certification at Cyfrowy Polsat and Polkomtel covers provision, sale, support and maintenance of telecommunication, IT, data communication and accompanying services for B2B clients as well as assurance of information security. In the case of Netia it is the collocation services and cloud services for the business market as well as provision of cybersecurity services that are covered by certification.

Employees of the Group are required to undergo mandatory training in ICT security, and additional cybersecurity webinars always record high attendance.

The Group is also aware of its responsibility to secure customer data and information, as well as its own business information, from unauthorised access by third parties. Therefore, it takes the utmost care to maintain restricted external access to its IT resources and databases where information is stored. Suppliers who gain access to confidential business information or customer information are required to meet security requirements based on the corporate information security principles of Polsat Plus Group and to incorporate best industry practices. Supplier risk management is a continuous process that begins with due diligence before signing a contract and continues throughout the supplier relationship.

Data protection and privacy

Individual companies within the Polsat Plus Group have a legal obligation to appropriately handle the obtained personal data of customers, employees, and business partners at every stage of the data lifecycle, including collection, use, disclosure, storage, and deletion. They conduct privacy reviews when developing and modifying products, systems, or implementing initiatives. They ensure that customers have the option to verify and update this information in accordance with the law. Suppliers processing personal data on behalf of the Group are required to use it solely for the purposes for which it was provided and to implement data protection and security measures that provide the same level of protection as those applied within the Polsat Plus Group.

At the Group level, corporate principles regulating data storage and reviews of data storage practices are established. Data is stored only as long as it is necessary for business, accounting, tax, or legal reasons. The Group introduced policies regulating data deletion, including guidelines for handling media throughout their lifecycle.

The Group ensures secure data storage by employing technical, administrative, and physical security measures, such as pseudonymisation and encryption of personal data. These measures help protect data from various threats, including cyber threats. To ensure proper data protection within the organisation, employees undergo regular mandatory training in information security and personal data protection.

Safety of products and services

In the context of technological services (ICT), the safety of products and services can be viewed as:

- the safety of technology in terms of its impact on the human body
- the safety of the offered solutions
- offering solutions related to safety.

Telecommunication devices and satellite antennas, which are at the heart of broadcasting centres, as well as mobile phone transceivers (BTS) and devices used by customers, such as smartphones, operate by sending and receiving electromagnetic waves of appropriate frequencies. This raises concerns about the impact of these waves on the human body. The Group adheres to all norms and recommendations regarding electromagnetic field emissions for broadcasting antennas and base stations (in cooperation with its strategic network partner) and ensures that their operation is fully compliant with applicable laws. The range of end devices also includes only those that meet stringent regulatory requirements regarding electromagnetic radiation.

As for the safety of the services themselves, every new service introduced to the market is analysed for safety at the design stage. Key requirements are defined, and all components are verified before commercial launch.

In our commitment to comprehensive customer safety, we offer a range of services, such as:

- ”Ochrona Internetu i tożsamości” identity protection application which can be enabled on any device: personal, family’s, friends’, providing protection against viruses and harmful programs, screen time control, online banking and payment protection, fraud protection, and user data breach alerts,
- „Pakiet Gdzie Jest Bliski Stop Hejt” and „Gdzie Jest Bliski Bezpieczna rodzina” packages that help locate customer’s loved ones, make a quick call for help („one click SOS”), provide protection against cyberbullying („Stop Hejt”), as well as psychological counselling, legal support, and IT consultations related to them („Hejt Alert”). They also enable additional online protection (blocking 18+ content, phone, application, and Internet usage limits, YouTube history), as well as locating a lost phone.

Safety can also be viewed from another perspective: the products and services themselves can not only be safe for users but can also support the safety of their users. We offer services, including pro bono ones, that impact the daily sense of security of millions of Poles. On one hand, these are monitoring services based on the mobile network; on the other hand, the Ratunek (Rescue) application, which holds a special place among other services. This application allows for the rapid location of the injured person and, as a result, increases the chances that rescuers will be able to provide effective assistance.

Accessibility for customers with disabilities

Polsat Plus Group aims to provide high-quality services and ensure that these services are widely accessible, including to individuals with disabilities who are at risk of exclusion. Therefore, the new design of showrooms across Poland is aimed to create friendly spaces for everyone: modern, ergonomic, energy-efficient, barrier-free, where every customer and employee will feel comfortable. Plus and Polsat Box showrooms meet the recommendations for facilities for disabled people, as confirmed in the 2023 report by the Office of Electronic Communications (UKE). UKE analysed the following elements:

- signage of Points of Customer Service (BOK)
- lack of architectural barriers
- Available facilities
- support for the deaf and mute
- support for blind and visually impaired individuals
- access to end devices.

Plus, Polsat Box, and Netia provide solutions – both architectural and service-related – that facilitate contact between customers with disabilities and advisors at selected sales points. As a result:

- selected sales points are free of architectural barriers, allowing individuals with disabilities to independently enter and be served at the sales counter
- sales points architecturally adapted for individuals with mobility impairments are marked with the appropriate icon
- in accordance with regulatory requirements, documents are made available in formats that facilitate reading for blind and visually impaired customers (in Braille or with appropriate font)
- at sales points, deaf individuals can connect with a Polish sign language interpreter in real-time, and individuals with hearing impairment can use an induction loop
- the offer includes telephones adapted for use by individuals with disabilities
- among the sales point employees there are individuals trained in serving customers with disabilities.

Additionally, sales points are marked with appropriate icons indicating the availability of:

- real-time Polish sign language interpreter
- facilities for deaf or non-speaking individuals
- hearing support systems, such as induction loops.

The list of sales points with facilities for individuals with disabilities is available on our websites: Polsat Box, Plus and Netia.

S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

The Polsat Plus Group has established a goal in its ESG Strategy to improve the safety and quality of life of end users. In this regard, the priority is to ensure the safety of children and young people who use media, including online safety and television content.

10.4. Governance information

10.4.1. ESRS G1 Business conduct

GOV-1 – The role of the administrative, management and supervisory bodies

This aspect is discussed in GOV-1 – The role of the administrative, management and supervisory bodies, ESRS 2 General disclosures.

IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities

This aspect is discussed in IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities, ESRS 2 General disclosures.

G1-1 – Business conduct policies and corporate culture

The Polsat Plus Group's Policy of Respect of Human Rights comprises the following sets of specific principles:

- Policy of Equality
- Policy of Protection of Diversity
- Anti-Discrimination Policy
- Policy of Protection Against All Forms of Violence
- Policy of Freedom of Association
- Policy of Protection of a Safe Work Environment.

(for more information, see: *GOV-4 – Statement on due diligence*)

Polsat Plus Group has also adopted the **Code of Ethics** which is a set of guidelines for all employees and associates on the principles to follow in their activities, both within the organisation and when representing the Group in its relations with its business surroundings. It is also intended to serve as a helpful tool for any employee in situations that potentially raise ethical issues. There is an independent Ethics Officer (Ombudsman) in the Polsat Plus Group.

The implemented **Ethical Market Conduct Policy** defines, among other things, principles related to respect for free competition, counteracting acts of unfair competition, and establishes a zero-tolerance principle for corrupt behaviour. According to it, Polsat Plus Group companies will remain apolitical by refraining from financial or in-kind support for political parties and non-party organisations acting in a manner analogous to them and engaging in ongoing political dispute.
The logical conclusion of the above solutions, making them likely to become viable tools, is the implemented **Internal Reporting of Legal Breaches and Follow-up Procedure**. It sanctioned the launch of a dedicated electronic communication channel that enables reporting breaches. The channel operates 24/7 and provides anonymity, i.e., the personal data of the whistleblower and other data that could identify them are not

disclosed to unauthorised persons unless with the explicit consent of the whistleblower. The whistleblower who acts in good faith is also protected against attempts at retaliation of any kind. The aim of the procedure is to identify and eliminate actions or omissions that are illegal or intended to circumvent regulations, including potential corruption, public procurement, services, financial products and markets, preventing money laundering and terrorism financing, product safety and compliance, transport safety, environmental protection, radiological protection and nuclear safety, public health, consumer protection, privacy and personal data protection, network and ICT system security, the interests of the State Treasury, or constitutional freedoms and human and civil rights, committed in connection with the company's activities or to the detriment of the company. The procedure details the method of reporting, registration of a report, the process of investigation, documentation, and the preparation of the final report. Since the procedure is public and published by the Group (https://grupapolsatplus.pl/sites/default/files/procedure_internal_reporting_of_legal_breaches_gpp.pdf), the Group has refrained from characterising the procedure in more detail.

G1-2 – Management of relationships with suppliers

This aspect is comprehensively discussed in detail GOV-4 – *Statement on due diligence*, ESRS 2 General disclosures.

G1-3 – Prevention and detection of corruption and bribery

Issues related to the intolerance of corrupt behaviour are present in many internal regulations, but the **Anti-Corruption Policy** is of key importance, as it formulates the objectives and principles of anti-corruption actions (contents of this policy are publicly available at https://grupapolsatplus.pl/sites/default/files/anti-corruption_policy.pdf). It is part of the Group's ethics system and should be interpreted and applied in conjunction with other regulations of the ethics system, including the Code of Ethics. The Compliance Officer for Anti-Corruption is responsible for ensuring the Policy's compliance with legal regulations and its publication. He or she also resolves doubts related to the application of the Anti-Corruption Policy and carries out duties related to ensuring the correct functioning of the anti-corruption system.

The Anti-Corruption Policy defines areas of increased risk of corruption and corrupt behaviour. Such areas include: contract conclusion, including organising or participating in tenders, marketing and promotional activities, employment, determining remuneration and granting benefits, activities related to financial matters and financial reporting, activities of the Group's proxies and representatives, security of legally protected information and trade secrets.

All areas of increased risk of corruption and corrupt behaviour are covered by a control programme and a dedicated training programme. The Compliance Officer for Anti-Corruption is responsible for planning and conducting training on preventing and combating corruption. The fulfilment of the training obligation is subject to annual reporting.

Following the introduction of the Anti-Corruption Policy, training on issues related to it was provided to the entire team, and new employees undergo training immediately after employment. It focuses on familiarising employees with the content of the Policy and issues related to:

- basic concepts related to identifying corrupt behaviour
- general principles of the company's anti-corruption activities
- obligations and rights related to reporting irregularities that may indicate the occurrence of corruption or support the emergence of corruption
- protection principles provided by the company to whistleblowers.

In 2024, training was conducted in Cyfrowy Polsat and Polkomtel, and 88% of their employees were trained. In the coming years, anti-corruption training will gradually cover other companies in the Group.

In areas particularly vulnerable to the risk of corruption, additional dedicated training sessions are conducted every six months. Their topics cover issues that help understand more complex matters related to identifying and preventing corruption. In 2024, the focus was on behavioural factors as key variables influencing the emergence of corruption. The training addressed the following issues:

- the significance of behavioural factors in the emergence of corruption
- the concept of Red Flags in general and typical Red Flags related to human behaviour
- methods of identifying Red Flags and distinguishing them from atypical but non-corrupt human behaviours.

	2024
Percentage of employees who have completed anti-corruption training (%), including:	36%
Cyfrowy Polsat and Polkomtel	88%
Percentage of functions-at-risk covered by training programmes (%), including:	26%
Cyfrowy Polsat and Polkomtel	66%

Violation of the principles of the Anti-Corruption Policy by any employee, including a member of the Company's management, may result in disciplinary consequences, up to and including immediate termination of the employment contract or managerial contract without notice period. Given that the content of the policy is public and published on the Polsat Plus Group's website (https://grupapolsatplus.pl/sites/default/files/anti-corruption_policy.pdf), the Group has refrained from discussing other aspects of anti-corruption measures in detail.

G1-4 – Incidents of corruption or bribery

No corrupt incidents were reported in the Polsat Plus Group in 2024.

	2024
Number of convictions for violation of anti-corruption and anti-bribery laws	0
Amount of fines for violation of anti-corruption and anti-bribery laws	0

Anti-corruption and anti-corrupt behaviour measures are implemented through preventive actions, detection, and appropriate response to identified irregularities. At the same time, the structure of the anti-corruption system and the correctness of its functioning are systematically verified and modified as needed. Within the scope of implemented prevention, the following are important: delegating people with appropriate experience and sense of responsibility to selected tasks in areas exposed to the risk of corruption; applying in all aspects of implemented activities the principle of ‘glass walls’, i.e. maintaining appropriate transparency of activities and decision-making process for the given type of activity; applying in all aspects of implemented activities the ‘four eyes principle’, i.e. complementing employees in the decision-making process.

G1-6 – Payment practices

Polsat Plus Group understands the importance of timely payments, which is why it attaches particular importance to timely payments in accordance with the Law on counteracting excessive delays in commercial transactions. The procedures for the circulation of accounting documents ensure an efficient process of acceptance, accounting, and payment of liabilities. The standard payment terms range from 7 to 30 days.

	2024
Average time to pay an invoice (in days)[1]	26
Number of unresolved legal proceedings over delayed payments	0

[1] The average time to settle an invoice was calculated as the average number of days between the invoice issue date and the invoice settlement date. The indicator does not take into account intra-Group company settlements.

Currently, the Group is unable to identify suppliers in the small and medium-sized enterprise (SME) category.

In 2024, the Polsat Plus Group was not party to legal proceedings in relation to late payments.

Mirosław Błaszczyk
President of the Management Board

Maciej Stec
Vice President of the Management Board

Jacek Felczykowski
Member of the Management Board

Aneta Jaskólska
Member of the Management Board

Agnieszka Odorowicz
Member of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Warsaw, April 9, 2025

Annex 1

IRO-2 – Disclosure Requirements in ESRS covered by the undertaking's sustainability statement

IRO-2. List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure Requirement and related datapoint	SFDR reference	Pilar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement reference
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 ([5]), Annex II		GOV-1 – The role of the administrative, management and supervisory bodies S1-9 – Diversity metrics
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		GOV-1 – The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				GOV-4 – Statement on due diligence
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/2453 ([6]) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		SBM-1 – Strategy, business model and value chain
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		SBM-1 – Strategy, business model and value chain
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 ([7]), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		SBM-1 – Strategy, business model and value chain
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		SBM-1 – Strategy, business model and value chain

Disclosure Requirement and related datapoint	SFDR reference	Pilar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement reference
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	E1-1 – Transition plan for climate change mitigation
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article12.1 (d) to (g), and Article 12.2		E1-1 – Transition plan for climate change mitigation
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		E1-4 – Targets related to climate change mitigation and adaptation
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				E1-5 – Energy consumption and mix
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				E1-5 – Energy consumption and mix
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				E1-5 – Energy consumption and mix
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/ 2013; Commission Implementing	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8 (1)		E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions

Disclosure Requirement and related datapoint	SFDR reference	Pilar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement reference
		Regulation (EU) 2022/ 2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity			
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	insignificant
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		insignificant
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)		Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU) 2022/ 2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			insignificant
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/ 2013; Commission Implementing Regulation (EU)			insignificant

Disclosure Requirement and related datapoint	SFDR reference	Pilar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement reference
paragraph 67 (c)		2022/ 2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		insignificant
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				insignificant
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				ESRS E3-1 Policies related to water and marine resources
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Insignificant (although the Konin Power Plant is located in an area of high water stress, it is covered by the Group's policy on sustainable development)
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				insignificant
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				E3-4 – Water consumption

Disclosure Requirement and related datapoint	SFDR reference	Pilar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement reference
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				E3-4 – Water consumption
ESRS 2 SBM 3-E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				SBM-3-E4 – Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS 2 SBM 3-E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				insignificant
ESRS 2 SBM 3-E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				insignificant
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				insignificant
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				insignificant
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				insignificant
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				E5-5 – Resource outflows
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				E5-5 – Resource outflows
ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				insignificant
ESRS 2 SBM-3-S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				insignificant

Disclosure Requirement and related datapoint	SFDR reference	Pilar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement reference
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				S1-1 – Policies related to own workforce
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		insignificant (ILO expectations are reflected in national law)
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				insignificant
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				S1-14 – Health and safety metrics
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				S1-3 – Processes to remediate negative impacts and channels for own workforce to raise concerns
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1-14 – Health and safety metrics
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				S1-14 – Health and safety metrics
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		S1-16 – Remuneration metrics (pay gap and total remuneration)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				S1-16 – Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	Indicator number 7				S1-17 – Incidents, complaints and

Disclosure Requirement and related datapoint	SFDR reference	Pilar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement reference
Incidents of discrimination paragraph 103 (a)	Table #3 of Annex I				severe human rights impacts
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD Guidelines paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		S1-17 – Incidents, complaints and severe human rights impacts
ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				insignificant
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				insignificant
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				insignificant
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		insignificant
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organization Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		insignificant
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				insignificant
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator				S3-2 – Processes for engaging with affected communities about impacts

Disclosure Requirement and related datapoint	SFDR reference	Pilar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Sustainability statement reference
	number 11 Table #1 of Annex 1				
ESRS S3-1 nonrespect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		insignificant
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				insignificant
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				S4-1 – Policies related to consumers and end-users
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		insignificant
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				insignificant
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				G1-1 – Business conduct policies and corporate culture
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				G1-1 – Business conduct policies and corporate culture
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		G1-4 – Incidents of corruption or bribery
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				G1-3 – Prevention and detection of corruption and bribery

Glossary of technical terms

Term	Definition
2G	Second-generation cellular telecommunications networks commercially launched on the GSM standard in Europe.
3G	Third-generation cellular telecommunications networks that allow simultaneous use of voice and data services.
4G	Fourth-generation cellular telecommunications networks.
5G	Fifth-generation cellular telecommunications networks.
ARPU per B2C/B2B customer	Average monthly revenue per B2C/B2B Customer generated in a given settlement period.
ARPU per prepaid RGU	Average monthly revenue per prepaid RGU generated in a given settlement period.
Base transceiver station	(or: relay station / base station / BTS / transmitter / nodeB / eNodeB) – a device equipped with an antenna transceiver which connects a mobile terminal (e.g., mobile phone or mobile router) with a transmission part of a telecommunications network. A base station uses a single technology (2G, 3G or LTE) on a separate carrier (a frequency block from a separate bandwidth). A base station shall not be mistaken with a site.
Catch-up TV	Services providing access to view selected programming content for a certain period after it was broadcast. Cyfrowy Polsat provides such services from 2011.
Churn	Termination of the contract with B2C Customer by means of the termination notice, collections or other activities resulting in the situation that after 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 the 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.
Convergent (integrated) services	A package of two or more services from our pay TV, mobile telecommunications and broadband Internet access offering, provided under a single contract and for a single subscription fee.
Customer	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 ID number (PESEL, NIP or REGON).
DTH	Satellite pay TV services provided by us in Poland from 2001.
DTT	Digital Terrestrial Television.
DVB-T	Digital Video Broadcasting – Terrestrial technology.
DVB-T2	Digital Video Broadcasting – Terrestrial Second Generation.
ERP	A family of IT systems supporting enterprise management or shared operation of a group of collaborating enterprises through data collection and enabling transactions on the collected data (enterprise resource planning).
FTR	A wholesale charge for call termination in another operator's fixed-line telecommunications network (Fixed Termination Rate).
GRP	A rating point defined as the overall number of persons viewing a given advertising spot over a specific time, expressed as a percentage share of the target group. In Poland, one GRP equals 0.2 million residents in the primary target group for advertisers aged 16-49 (Gross Rating Point).

Term	Definition
HSPA/HSPA+	Radio data transmission technology for wireless networks, increasing the capacity of the UMTS network (High Speed Packet Access/High Speed Packet Access Plus). It also covers the HSPA+ Dual Carrier technology (Evolved High Speed Packet Access Dual Carrier). It supports transmission speeds of up to 42 Mbps for download and up to 5.7 Mbps for upload.
IPTV	Technology enabling transfer of a television signal over IP broadband networks (Internet Protocol Television).
LTE	Long Term Evolution - a standard for high-speed, wireless data transmission also referred to as 4G. Based on a carrier bandwidth limited to a maximum of 20MHz it supports data transmission speed of up to 150 Mbps (downlink, using MIMO 2x2 antennas).
LTE Advanced	Subsequence standard for high-speed, wireless data transmission of the fourth generation (4G). Through carrier aggregation from different bandwidths (a total of up to 100 MHz) it allows to significantly increase maximum data transmission speed up to 3 Gbps (downlink, using MIMO 8x8 antennas).
MIMO	Multiple Input Multiple Output, a method for multiplying the capacity of a wireless network using multiple transmit and receive antennas.
MTR	A wholesale charge for call termination in another operator's mobile telecommunications network (Mobile Termination Rate).
MUX, Multiplex	A package of TV and radio channels and additional services, simultaneously transmitted digitally to the user over a single frequency channel.
ODU-IDU	Outdoor Unit Indoor Unit, a proprietary solution of Polsat Plus Group based on a set comprising an external LTE modem (ODU) and an indoor WiFi router (IDU), which increases effective coverage and improve the quality of the LTE signal.
OTT (Over-The-Top)	A method of delivering content or television over the Internet without the direct involvement of an Internet access provider (known as an open network).
PPV	Services providing paid access to selected TV content (pay-per-view).
real users	An estimated number of persons who visit a website or open an Internet application at least once in a given month (Real Users).
RGU (Revenue Generating Unit)	Single, active and generating retail revenue service of pay TV in all types of access technology, mobile and fixed-line Internet Access or mobile telephony provided in contract or prepaid model.
Site	(or: mast/tower/roof construction) – a single steel construction located in a separated geographical region which allows to install one or a number of base stations in order to provide radio signal to mobile terminals of end-users within that region.
Usage definition (90-day for prepaid RGU)	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.

Ernst & Young Audyt Polska
spółka z ograniczoną odpowiedzialnością sp.k.
Rondo ONZ 1
00-124 Warszawa

+48 (0) 22 557 70 00
+48 (0) 22 557 70 01
warszawa@pl.ey.com
www.ey.com/pl

Shape the future with confidence

INDEPENDENT STATUTORY AUDITOR' S LIMTED ASSURANCE REPORT ON SUSTAINABILITY REPORTING

To the General Meeting and to Supervisory Board of Cyfrowy Polsat S.A.

Assurance opinion

We have conducted limited assurance engagement on the Sustainability statement of the Cyfrowy Polsat Capital Group („Group"), for which the parent company is Cyfrowy Polsat S.A. ('Parent Company") prepared as of 31 December 2024 and for the period from 1 January 2024 to 31 December 2024 that is included in the section 10 "Sustainable development statement" of the Report of the Management Board on the activities of Cyfrowy Polsat S.A. and Cyfrowy Polsat Group for the financial year ended 31 December 2024 ("the Sustainability reporting").

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that:

(i) The Sustainability reporting is not compliant, in all material respects, with the requirements of Chapter 6c of the Accounting Act dated 29 September 1994 („Accounting act"), including the European sustainability reporting standards („ESRS"),

(ii) The process carried out by the Group to identify the information reported in the Sustainability reporting („Materiality assessment process"), has not been compliant, in all material respects, with ESRS,

(iii) The Sustainability reporting is not compliant, in all material respects, with reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 („Taxonomy Regulation").

Basis for opinion

We conducted our limited assurance engagement of the Sustainability reporting in accordance with National Standard on Sustainability Reporting Assurance Engagements 3002PL, Limited assurance engagements on sustainability reporting ("NSAE 3002pl") and as appropriate National Standard on Assurance Engagements other than Audits and Reviews 3000 (Revised) in the wording of International Standard on Assurance Engagements (ISAE) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("NSAE 3000").

The level of assurance obtained in a limited assurance engagement is substantially lower than that obtained from a reasonable assurance engagement. This is because the procedures performed by the statutory auditor in a limited assurance engagement for the Sustainability reporting vary in nature and timing and are less extensive than those conducted in a reasonable assurance engagement.

Our responsibilities under these standards are further described in the section of our report entitled "Responsibilities of the statutory auditor carrying out the assurance of the Sustainability reporting".

We are independent of the Group in accordance with ethical requirements stipulated in the Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards) as adopted by the National Council of Statutory Auditors (" IESBA Code") that relate to assurance engagements, the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Oversight (the 'Act on Statutory Auditors') and the Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC that are relevant to assurance engagements of the Sustainability reporting, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Our firm applies National Standard on Quality Control 1 in the wording of International Standard on Quality Management 1, Quality management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance engagement opinion.

Responsibilities of the Management Board and Supervisory Board of the Parent Company for the Sustainability reporting

The Management Board of the Parent Company is responsible for:

- Preparation of the Sustainability reporting in compliance with Chapter 6c of the Accounting Act, including ESRS,
- Conducting Materiality assessment process in compliance with ESRS,
- Preparation of the Sustainability reporting in compliance with Article 8 of the Taxonomy Regulation,
- Designing, implementing and maintaining such internal controls that Management Board of the Parent Company determines are necessary to enable the preparation of the Sustainability reporting in compliance with the Chapter 6c of the Accounting Act, including ESRS, and Article 8 of the Taxonomy Regulation, that is free from material misstatement, whether due to fraud or error;

as part of the above the Management Board of the Parent Company is responsible for design and implementation of the Materiality assessment process and for its disclosure in the Sustainability reporting. This responsibility includes among others:

- Understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- The identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- The assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- Making assumptions that are reasonable in the circumstances.

The Management Board of the Parent Company is also responsible for selection and use of appropriate methods to report sustainability matters and produce estimates or forward-looking information to be disclosed in the Sustainability reporting, that are reasonable in the given circumstances.

The Supervisory Board of the Parent Company is responsible for overseeing the Sustainability reporting.

EY Shape the future with confidence

Inherent limitations in preparing the Sustainability reporting and in measurement and evaluation of related matters

There are inherent limitations associated with measurement or evaluation of the Sustainability reporting that is subject to limited assurance engagement, that are presented below:

- In reporting forward-looking information in accordance with ESRS, the Management Board of the Parent Company is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.
- Quantifying emissions of greenhouse gases is subject to significant, inherent measurement uncertainty, that results from scientific uncertainty, as well as estimation uncertainty.
- In determining the disclosures to be presented in the Sustainability reporting, the Management Board of the Parent Company interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

Responsibilities of the statutory auditor carrying out the assurance of the Sustainability reporting

Our objectives are to plan and perform the assurance engagement to obtain limited assurance about whether the Sustainability reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our opinion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the Sustainability reporting as a whole.

As part of a limited assurance engagement in accordance with NSAE 3002pl we exercise professional judgement and maintain professional skepticism throughout the engagement.

Our responsibility on the Sustainability reporting related to the Materiality assessment process includes:

- Obtaining understanding of the Materiality assessment process to evaluate its compliance with ESRS, but not for the purpose of providing opinion on operating effectiveness of this process, including its outcome,
- Designing and performing procedures to evaluate whether the Materiality assessment process is consistent with the description of the process in the Sustainability reporting.

Our other responsibilities related to the Sustainability reporting include:

- Obtaining an understanding of the entity's control environment, processes, and information systems relevant to the preparation of the Sustainability reporting but not evaluating the design of particular control activities, obtaining evidence about their implementation, or testing their operating effectiveness,
- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error,
- Designing and performing procedures responsive to disclosures in the Sustainability reporting where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Shape the future
with confidence

Summary of the work performed

Limited assurance engagement involves performing procedures to obtain evidence about the Sustainability reporting. We have designed and performed our procedures to obtain evidence regarding the Sustainability reporting, providing a basis for our opinion. The nature, timing and extent of the selected procedures depend on professional judgement, including the identification of disclosures in the Sustainability reporting, where material misstatements are likely to arise, whether due to fraud or error. We exercised professional judgement and maintained professional skepticism throughout the engagement.

In conducting our limited assurance engagement, with respect to the Materiality assessment process, we, among others:

- Performed inquiries to understand how the Materiality assessment process was designed and carried out,
- Reviewed internal documentation of the Group related to the Materiality assessment process,
- Evaluated whether the evidence obtained from our procedures was consistent with the description of the Materiality assessment process set out in the Sustainability reporting.

In conducting our limited assurance engagement, with respect to the Sustainability reporting, we, among others:

- Performed inquiries to obtain an understanding of the reporting processes relevant to the preparation of the Sustainability reporting, but not for the purpose of providing opinion on operating effectiveness of controls,
- Evaluated whether the structure and the presentation of the Sustainability reporting is in accordance with the ESRS,
- Performed inquires of relevant Group's personnel and analytical procedures on selected disclosures in the Sustainability reporting,
- Performed substantive assurance procedures on selected disclosures in the Sustainability reporting,
- Evaluated correctness of calculation for selected metrics,
- Evaluated methods, assumptions and data used to develop estimates,
- Obtained an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Sustainability reporting,
- Where applicable, we agreed or reconciled sustainability information and data to appropriate underlying records, accounting records or other documentation,
- Where applicable, we evaluated consistency of information and disclosures presented in the Sustainability reporting with corresponding disclosures presented in the annual consolidated financial statements and the Directors' report on the activities of the Group.

Other Matter

Our assurance engagement on the Sustainability reporting does not cover comparative information in respect of earlier years or periods. Our opinion is not modified in respect of this matter.

Warsaw, 9 April 2025

Key statutory auditor carrying out assurance of sustainability reporting

Tomasz Michalak

statutory auditor

number in the register: 13765

on behalf of:

Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k.

Rondo ONZ 1, 00-124 Warszawa
number of the audit firm on the list of audit firms: 130

Statement of the Management Board

Pursuant to the requirements of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a non-member state may be recognized as equivalent the Management Board of Cyfrowy Polsat S.A. in the persons of:

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

hereby makes the following statement:

a) to best knowledge of the Management Board, the annual financial statements and the annual consolidated financial statements and the comparable data have been prepared in accordance with the applicable accounting principles and reflect in a true, reliable and clear manner the economic and financial position of Cyfrowy Polsat S.A. and of Cyfrowy Polsat S.A. capital group and their financial results;

b) the Report of the Management Board on the activities of Cyfrowy Polsat S.A. and Cyfrowy Polsat S.A. capital group contains a true picture of the development and achievements, and the situation of Cyfrowy Polsat S.A. and its capital group, including a description of key risks and threats.

At the same time, in view of the fact that the Supervisory Board of Cyfrowy Polsat S.A. on July 10, 2023 it consented to extend the agreement and choose Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of Cyfrowy Polsat Group for the financial years ended December 31, 2023 and December 31, 2024, the Management Board of Cyfrowy Polsat S.A., on the basis of the statement of the Supervisory Board of Cyfrowy Polsat S.A., informs that:

a) both the audit firm and the audit team members met the conditions to develop an impartial and independent report on the audit of the annual standalone and consolidated financial statements in line with the mandatory legal provisions, standards of profession and rules of professional ethics;

b) Cyfrowy Polsat S.A. complies with the provisions on the rotation of the audit firm and the key auditor as well as mandatory cooling-off periods;

c) Cyfrowy Polsat S.A. has adopted a policy of selection of an audit company and the policy of provision to the issuer by an audit company, entities affiliated with that audit company or a member of their networks, of authorized non-audit services, including services exempted conditionally from the ban on provision of services by an audit company.

Mirosław Błaszczyk President of the Management Board	Maciej Stec Vice President of the Management Board	Jacek Felczykowski Member of the Management Board
Aneta Jaskólska Member of the Management Board	Agnieszka Odorowicz Member of the Management Board	Katarzyna Ostap-Tomann Member of the Management Board

Warsaw, April 9, 2025

Statement of the Supervisory Board

Pursuant to the requirements of the Regulation of the Minister of Finance of March 29, 2018 on current and periodic information provided by issuers of securities and on conditions under which information required by legal regulations of a non-member state may be recognized as equivalent, the Supervisory Board of Cyfrowy Polsat S.A. comprised of:

- Zygmunt Solorz – Chairman of the Supervisory Board,
- Justyna Kulka – Vice-Chairperson of the Supervisory Board,
- Józef Birka – Member of the Supervisory Board,
- Marek Grzybowski – Member of the Supervisory Board,
- Alojzy Nowak – Member of the Supervisory Board,
- Tomasz Szeląg – Member of the Supervisory Board,

hereby makes the following representations:

I. Statement on the policy of selection of an auditing company for the audit of the financial statements and an auditing company for the certification of sustainability reporting

The Supervisory Board hereby states the following:

1) on July 10, 2023 it consented to extend the agreement and choose Ernst & Young Audyt Polska Spółka z ograniczoną odpowiedzialnością Sp. k., with its registered office in Warsaw, for the performance of the audit of standalone financial statements of Cyfrowy Polsat S.A. and the consolidated financial statements of Cyfrowy Polsat Group for the financial years ended December 31, 2023 and December 31, 2024, in compliance with the applicable regulations and, on October 15, 2024, agreed to contract the certification services of Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością to provide limited assurance on the sustainability reporting for the financial year ended December 31, 2024,
2) both the audit firm and the audit team members met the conditions to develop an impartial and independent report on the audit of annual financial statements in line with the mandatory legal provisions, standards of profession and rules of professional ethics,
3) Cyfrowy Polsat S.A. complies with the provisions on the rotation of the audit firm and the key auditor as well as mandatory cooling-off periods,
4) Cyfrowy Polsat S.A. has adopted a policy of selection of an audit company and the policy of provision to the issuer by an audit company, entities affiliated with that audit company or a member of their networks, of authorized non-audit services, including services exempted conditionally from the ban on provision of services by an audit company,
5) the requirements relating to the establishment, composition and functioning of the Audit Committee, including those relating to independence of the majority of its members as well as to knowledge and skills in the sector in which Cyfrowy Polsat S.A. operates as well as in accounting or auditing are fulfilled,
6) the Audit Committee has performed the tasks set forth in the mandatory legal provisions.

II. Assessment of the financial statements of Cyfrowy Polsat S.A., the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group, the report of the Management Board on the activities of Cyfrowy Polsat S.A. and Cyfrowy Polsat S.A. Capital Group in 2024

The Supervisory Board has examined and assessed the following documents:

1) the financial statements of Cyfrowy Polsat S.A. for the financial year ended December 31, 2024 prepared in accordance with International Financial Reporting Standards, including:

   a) the balance sheet as at December 31, 2024, showing total assets and total equity and liabilities of PLN 19,798.3 million,

   b) the income statement for the financial year ended December 31, 2024, showing net profit of PLN 405.8 million,

   c) the statement of comprehensive income for the financial year ended December 31, 2024, showing a total comprehensive income of PLN 405.6 million,

   d) the statement of changes in equity for the financial year ended December 31, 2024, showing an increase in equity of PLN 405.6 million,

   e) the cash flow statement for the financial year ended December 31, 2024, showing a net decrease in cash and cash equivalents in the amount of PLN 522.9 million,

   f) notes to financial statements.

2) the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group for the financial year ended December 31, 2024 prepared in accordance with International Financial Reporting Standards, including:

   a) the consolidated balance sheet as at December 31, 2024, showing the balance sheet total of PLN 37,468.0 million,

   b) the consolidated income statement for the financial year ended December 31, 2024, showing net profit of PLN 777.3 million,

   c) the consolidated statement of comprehensive income for the financial year ended December 31, 2024, showing a total comprehensive income of PLN 776.8 million,

   d) consolidated statement of changes in equity for the financial year ended December 31, 2024, showing an increase in equity of PLN 764.1 million,

   e) consolidated cash flow statement for the financial year ended December 31, 2024, showing a net decrease in cash and cash equivalents in the amount of PLN 629,3 million,

   f) notes to consolidated financial statements.

3) the report of the Management Board on the activities of Cyfrowy Polsat S.A. and Cyfrowy Polsat S.A. Capital Group in the financial year ended December 31, 2024.

Having analyzed the above-mentioned documents and the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group for the financial year ended December 31, 2024, and having acquainted itself with the information of the Audit Committee on the course and results of the examination of fairness of financial reporting in Cyfrowy Polsat S.A. Capital Group, the Supervisory Board hereby states that the information presented in the above mentioned statements reflects in an accurate and proper manner the operational and financial standing of Cyfrowy Polsat S.A. and Cyfrowy Polsat S.A. Capital Group.

Considering the above, the Supervisory Board hereby represents that:

- the financial statements of Cyfrowy Polsat S.A. for the financial year 2024,
- the consolidated financial statements of Cyfrowy Polsat S.A. Capital Group for the financial year 2024,
- the report of the Management Board on the activities of Cyfrowy Polsat S.A. and Cyfrowy Polsat S.A. Capital Group in 2024

have been drawn up in accordance with the books and documents as well as with the factual status and mandatory legal provisions.

Zygmunt Solorz Chairman of the Supervisory Board	Justyna Kulka Vice-Chairperson of the Supervisory Board
Józef Birka Member of the Supervisory Board	Marek Grzybowski Member of the Supervisory Board
Alojzy Nowak Member of the Supervisory Board	Tomasz Szeląg Member of the Supervisory Board

Warsaw, April 9, 2025