



Equity story 2019 results

Investor Presentation


March 2020

Cyfrowy Polsat S.A. Capital Group



N E T I A

1. Executive summary and strategic directions



Mission of Polsat Group



Who we are

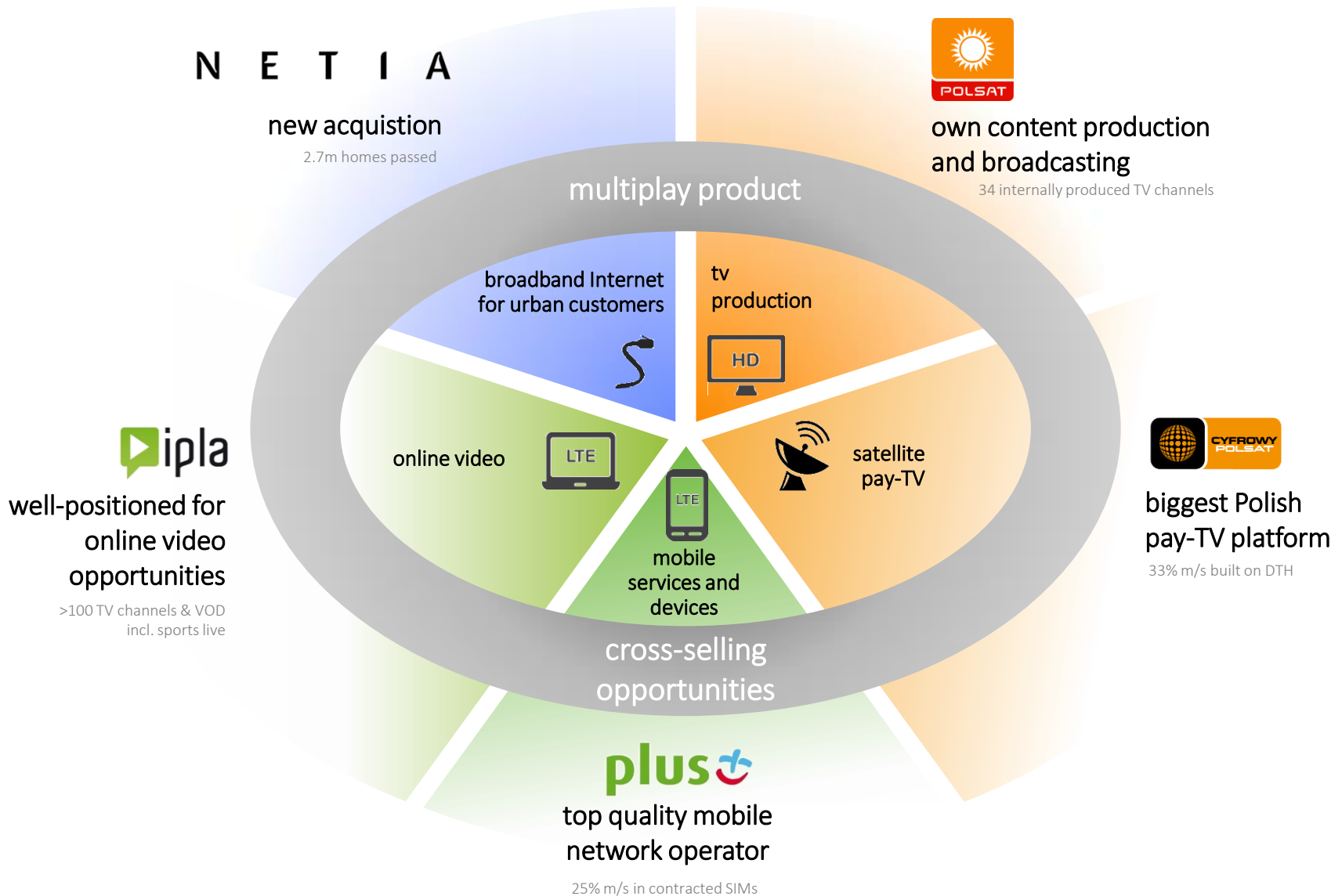
We are the leading provider of entertainment and telecommunication in Poland.

Our mission

Our mission is to create and deliver the most attractive TV content, telecommunication products and other services for the home, as well as individual and business customers, using state-of-the-art technologies to provide top quality multiplay services that match the changing needs of our customers, while maintaining the highest possible level of their satisfaction.



Our assets



Strategic idea for the coming years



Internet for everyone

Mobile, Home mobile/ODU IDU/, Fiber optic

Content/Television for everyone

Satellite, IPTV (closed network), OTT (open network)

Telephone for everyone

Plus/Plush – subscription and prepaid services available across Poland



N E T I A

Our services – For everyone. Everywhere.



Television

For everyone. Everywhere.



New
distribution
markets

Internet

For everyone. Everywhere.



5G
now
and
here

New
distribution
markets

Telephone

For everyone. Everywhere.



VAS upselling = building customer value



NETIA

Our content – emotions for everyone



General interest



Sports



Movie



Music



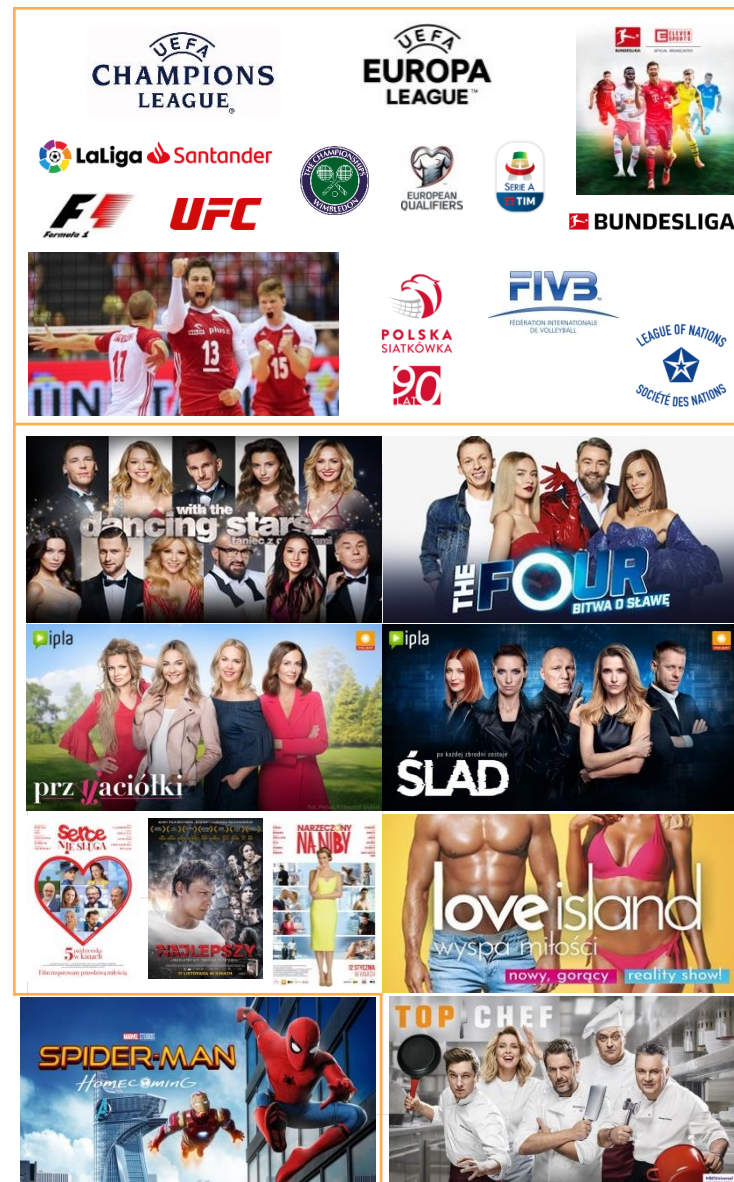
News



Lifestyle



Cooperating channels



Sports

Own/local productions

smartDOM strategy: combining a wide portfolio of services with content, i.e. emotions



SERVICES = CONVENIENCE
/COMMODITIES/



- Providing stable services against a flat, monthly access fee while ensuring satisfactory quality



CONTENT = EMOTIONS
/ENTERTAINMENT/



- Addressing all important audience segments
- Fresh content every day
- On all distribution platforms

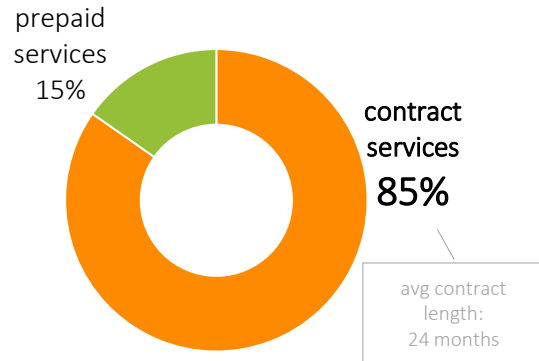


VALUE FOR MONEY OFFER

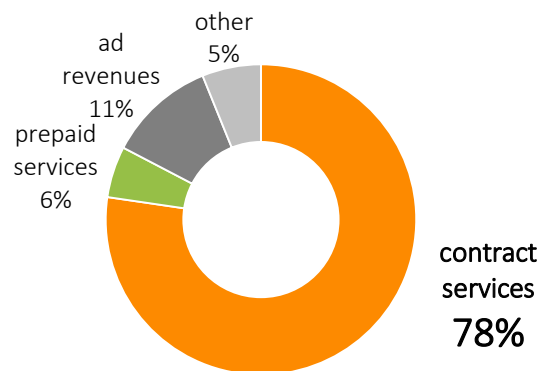
Focus on contracted services and customer loyalty provides a stable business model



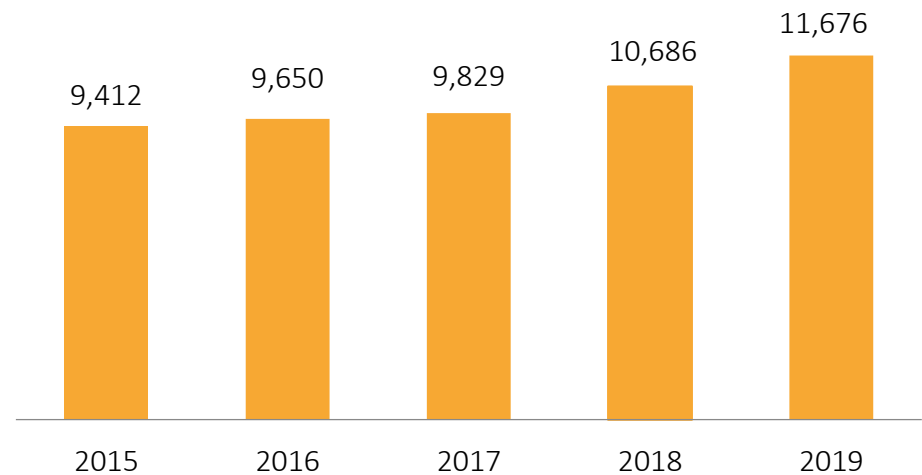
RGU structure



revenue decomposition



total revenue



Source: Company data, pro forma for Aero2 acquisition; 2018 - based on currently applicable IFRS 15 standard and incl. Netia Group's results

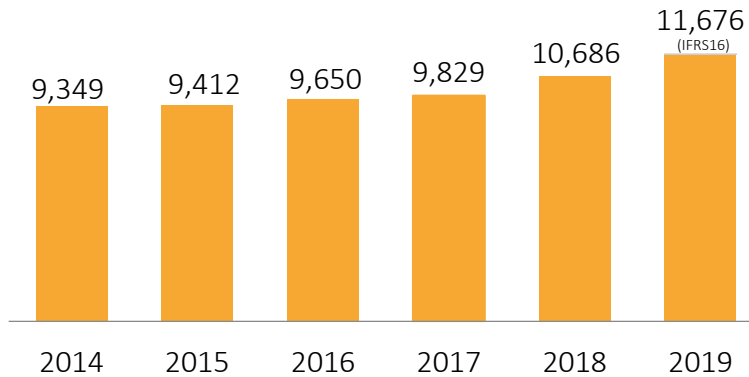


N E T I A

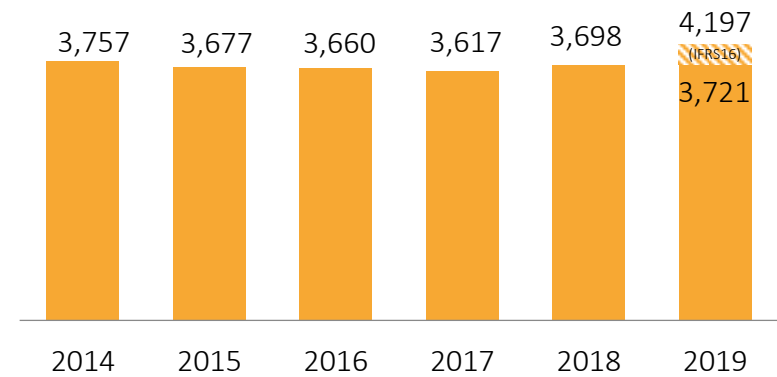
Stable EBITDA combined with low CAPEX needs yields strong recurring FCF



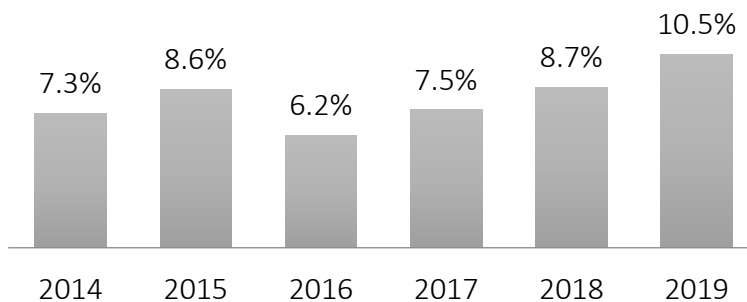
total revenue



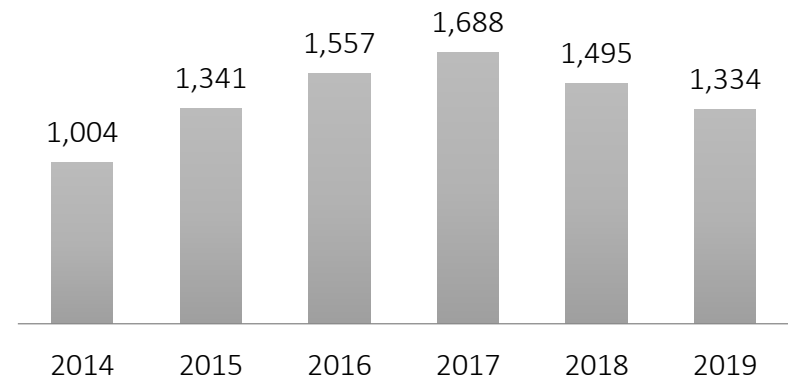
EBITDA



CAPEX intensity



adjusted free cash flow



Source: Company data, 2014-2016 pro forma for Aero2 acquisition



N E T I A

Stable company providing attractive returns to shareholders



The largest database of contract customers in the country

46% of households in Poland have at least one of our services¹

smartDOM as a platform for successive building of values and loyalty

New distribution markets

- IPTV and DVBT + OTT
- Fiber optic / cable
- VAS upselling

High, stable financial results

>11.5 bn PLN in revenues
4.2 bn PLN of EBITDA
~1.5 bn PLN of FCF²

Attractive dividend

at least **PLN 0.93** per share³
recurring strong FCF allows for **further debt reduction**

Note: (1) Source: Market Situation Survey 2018. Representative sample of households in Poland, n= 5,494. Study carried out using the individual CAPI interview method. Study conducted by IQS Sp. z o.o.

(2) Revenue and EBITDA based on FY'19, FCF based on 2017-2019 average.

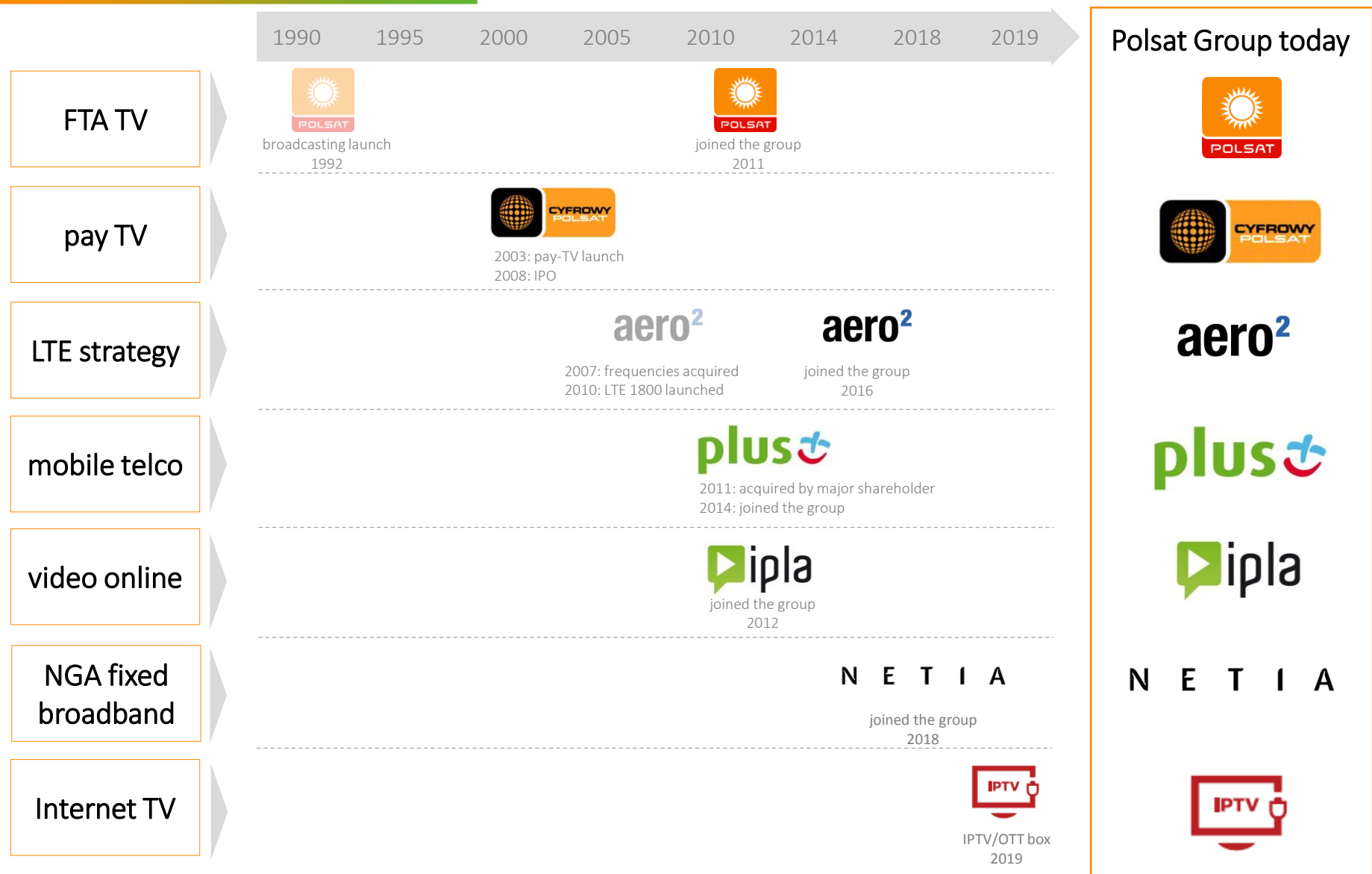
(3) Based on 2019-2021 dividend policy.



N E T I A

2. Our background and competitive position

We head towards creating a fully convergent TV and telco operator



Control over key assets is essential for executing our long-term strategy



Content production

- ad sales and brokerage house
- loyal viewers
- diversified distribution
- well-established brand
- no. 1 player in sports
- unique local content
- TV production studios
- broadcasting licenses



Satellite & Internet-based pay-TV

- multiplay offer based on own products
- contracted customers
- well-established brand
- own sales channels
- own set-top-box factory
- satellite broadcasting infrastructure
- IPTV/OTT technology



Mobile voice & broadband

- multiplay offer based on own products
- contracted customers
- well-established brand
- own sales channels
- countrywide mobile infrastructure, incl. towers
- unique portfolio of frequencies



Online video

- potential for upselling to pay-TV and mobile customers
- distribution through fixed and mobile technologies
- additional window for monetizing sports content
- key local content on exclusivity basis
- internally developed online platform

N E T I A

Fixed-line broadband




















































- ca. 2.7 million HPs in own fixed access network (B2C)
- contracted customers
- strong position on B2B market – key office buildings already wired
- well-established brand
- 20k km of countrywide backbone network



N E T I A

Unique convergent offer among media and telco providers




							 	 
Key content								
Mobile devices								
Pay-TV / video	satellite							
	cable							
Broadband	mobile	MVNO (limited scale)	MVNO					
	fixed			B2B – yes B2C – indirectly ¹				
Voice	mobile	MVNO (limited scale)	MVNO					
	fixed			B2B – yes B2C – indirectly ¹				

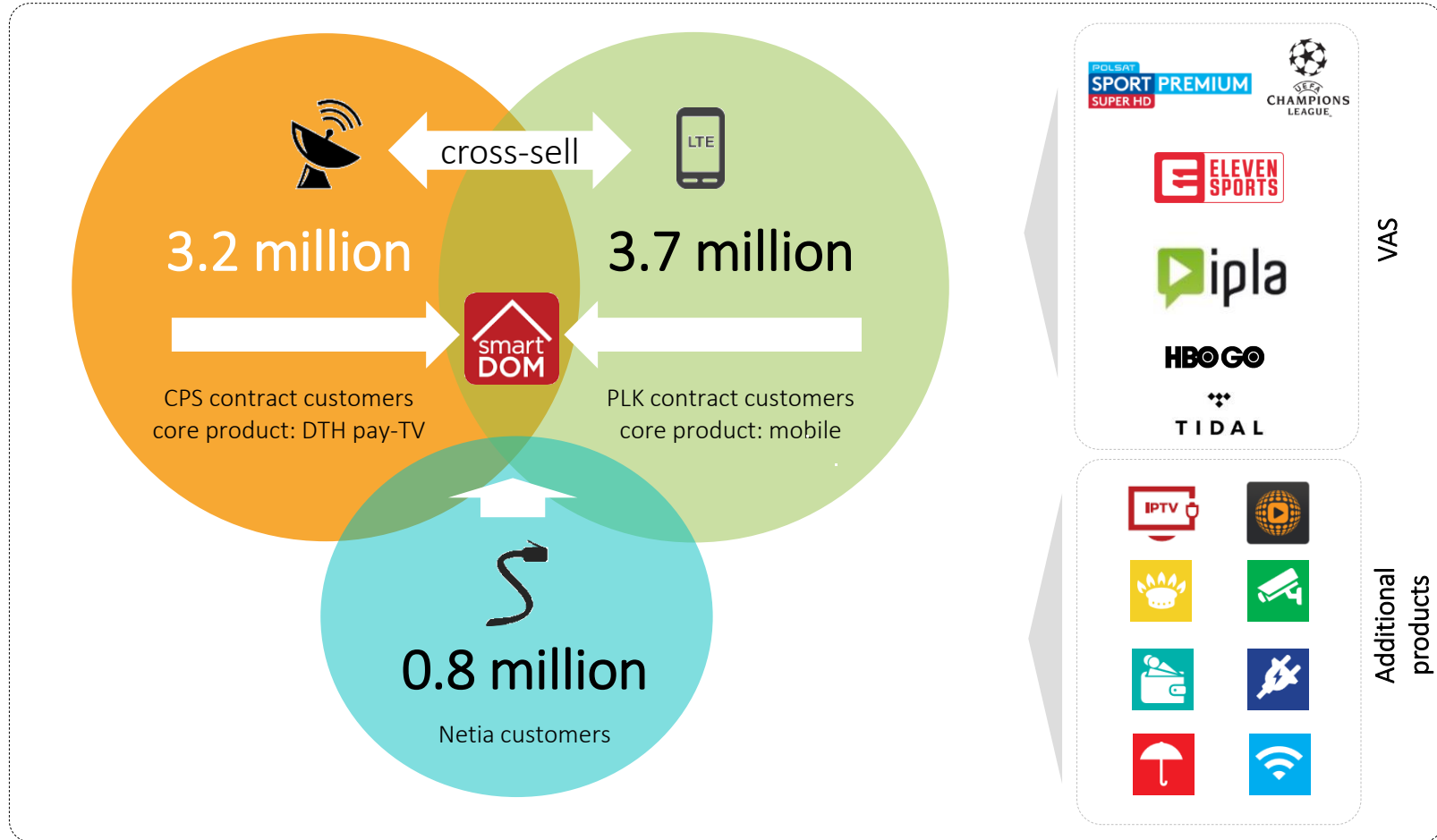
Source: web pages of operators, UKE.

Note: (1) In 2019 T-Mobile started providing fixed BB based on third party infrastructure.

3. Merging our customer bases provides us with opportunities

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Our market strategy focuses on cross-selling services within our joint customer base

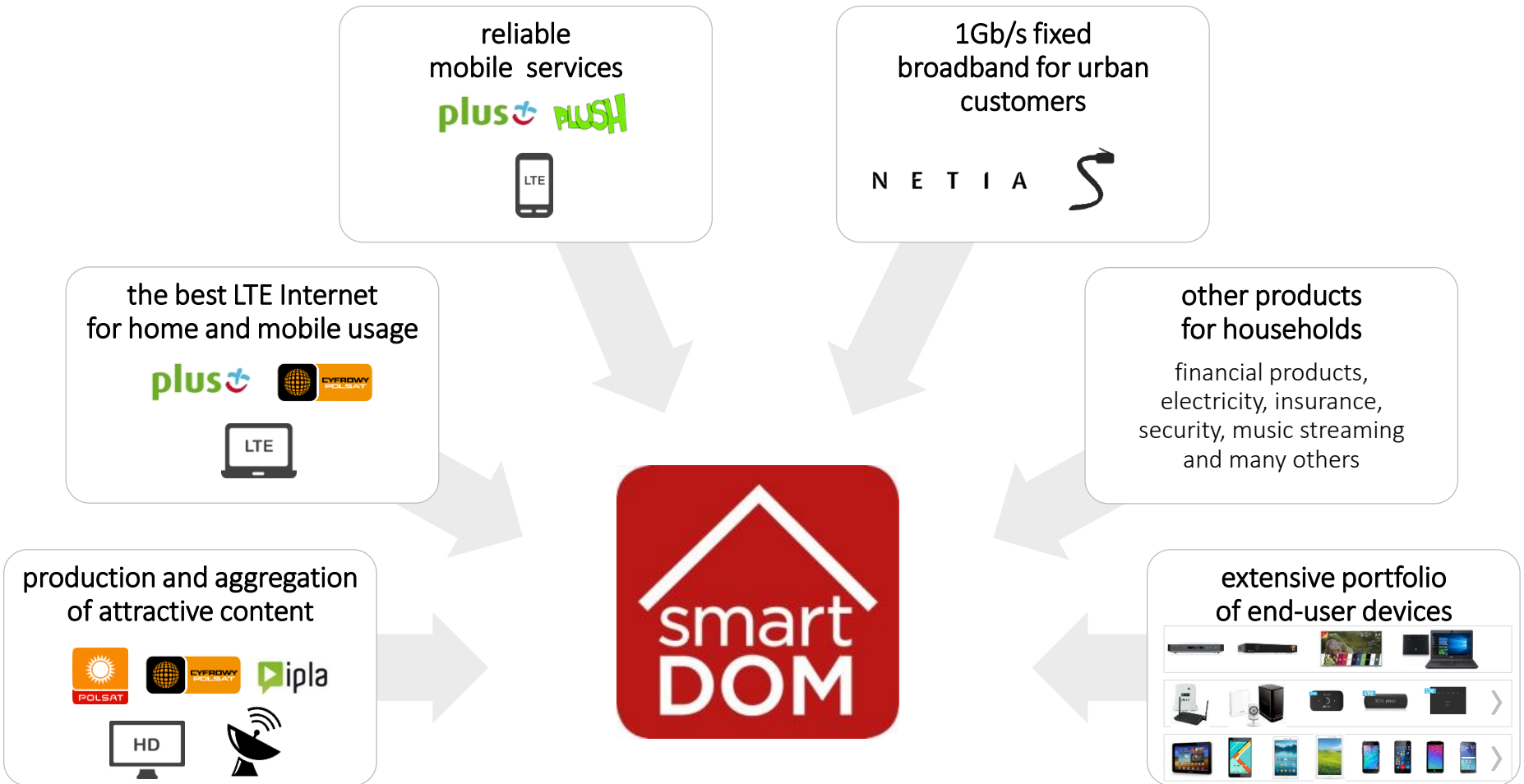


Source: Company data



N E T I A

SmartDOM is our key proposition for the underdeveloped Polish multiplay market

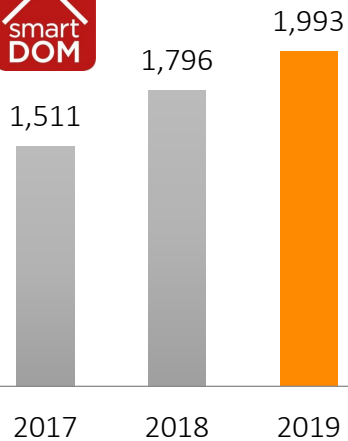


NETIA

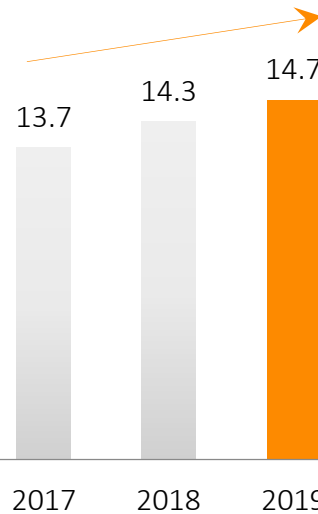
Our multiplay strategy results in ARPU growth and strong customer loyalty



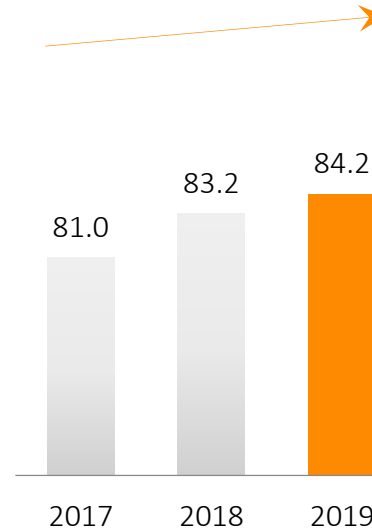
Constantly growing base of multiplay customers



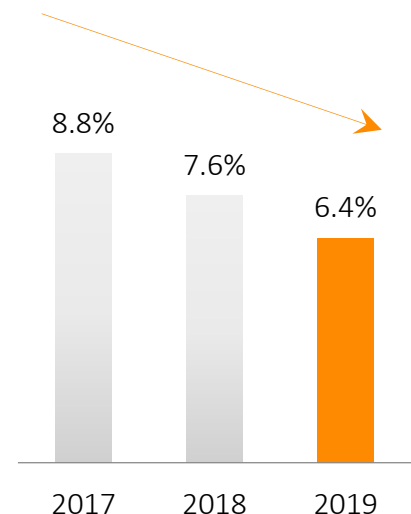
Higher number of contracted RGUs



ARPU per contracted customer up



Record low churn



N E T I A

4. Dividend policy

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Major assumptions underlying the management of capital resources



Main goal

Stable dividend payouts to the Company's shareholders

- Guaranteeing for the Company's shareholders of attractive, foreseeable return on capital employed
- The level of return will be shaped in reference to the forms of secure investment of funds that are universally available on the Polish market, especially by referencing to the level of interest offered by bank deposits while simultaneously including the premium for risk associated with share pricing dynamics

Additional goal

Continuation of reduction of Polsat Group's debt to the level of net debt/EBITDA <1.75x

- Assuming organic growth of the business, the target is achievable in the mid-term

Proposed dividend payouts in the years 2019-2021



Dividend per share	Payout date	
0.93 PLN	2019	◀ executed
at least 0.93 PLN	2020	
at least 0.93 PLN	2021	

Dividend payout in the amount of PLN 0.93 per share generates a return rate of around 4.1% annually, based on Cyfrowy Polsat's average capitalization level in Q4'18

5. Strong track record

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Successful decade of Polsat Group on WSE



Market cap¹

Revenue

EBITDA

LTM

PLN 17.9 bn

PLN 11.7 bn

PLN 4.2 bn

5.0x

11x

12x

2008
IPO

PLN 3.6 bn

PLN 1.1 bn

PLN 348 m

Note: (1) Market cap as of December 30, 2019

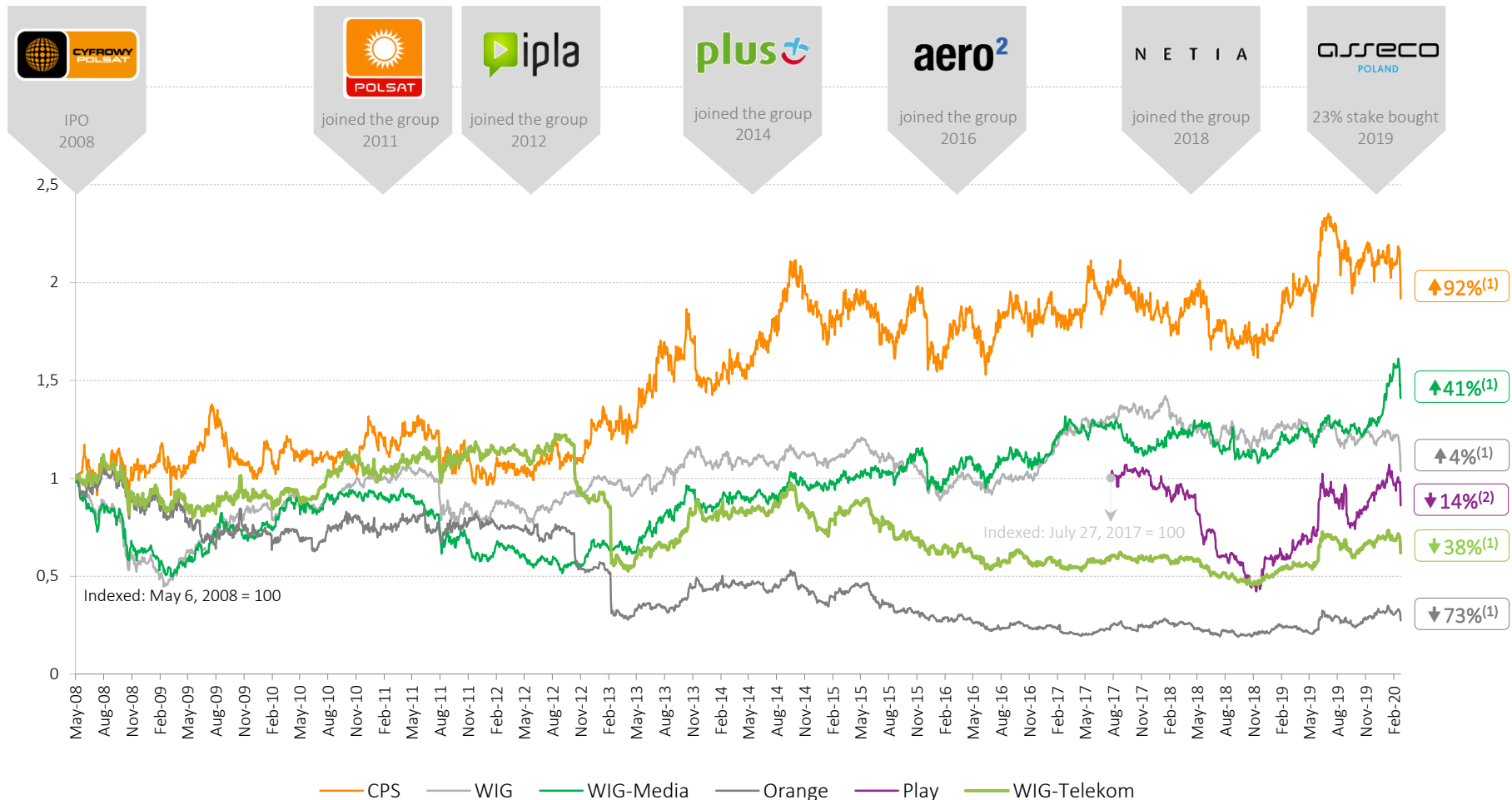


N E T I A

Our strategic investments positively impacted the value of Polsat Group



CPS stock performance since IPO compared to WSE indexes



Note: ⁽¹⁾ Dynamics between May 6, 2008 and February 28, 2020

⁽²⁾ Dynamics between July 27, 2017 and February 28, 2020

Our debtholders' comfort is equally important to us



ratings
assigned
2011

plus

joined the group
2014

aero²

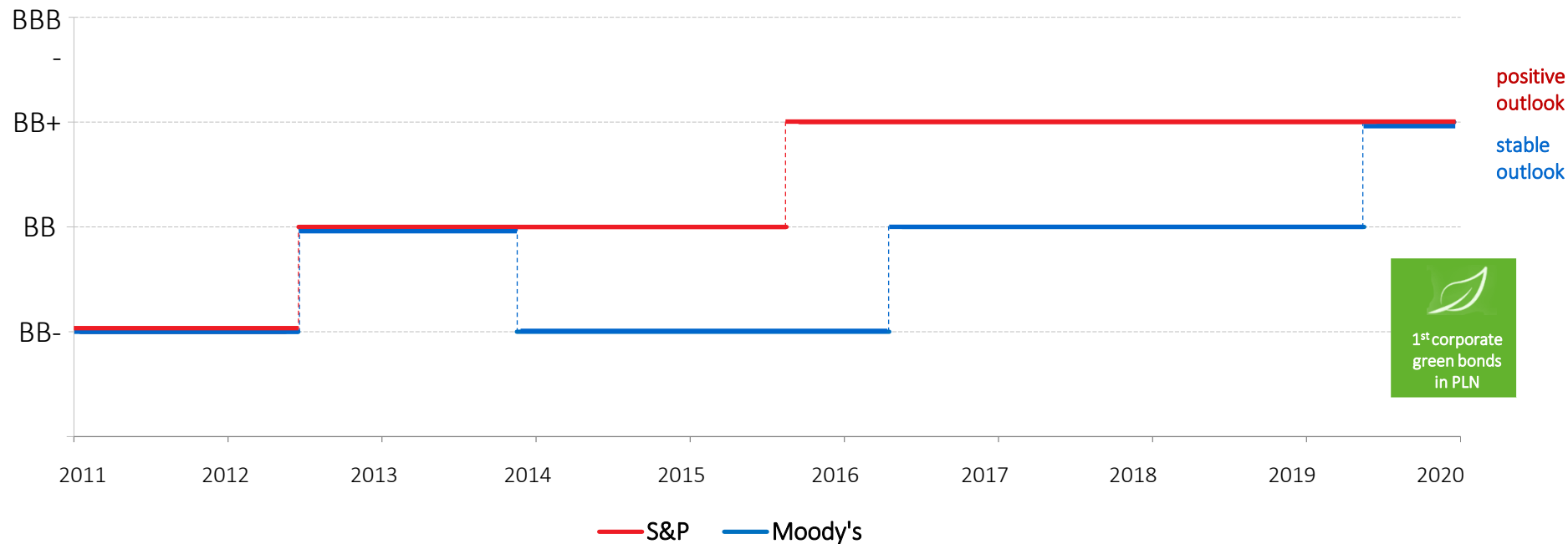
joined the group
2016

N E T I A

joined the group
2018

assecO
POLAND

23% stake bought
2019



plus



ipla

N E T I A

We communicate transparently



Open dialogue with investors and brokers

14 brokers actively covering Polsat Group



2014-2019 avg variance of the previews consensus vs actuals:

- revenue: 0.9%
- EBITDA: 2.3%

Management Board and IR team welcome interactions with investors

Our IR activities in numbers:

- ca. 20 national & international conferences and roadshows annually
- ca. 220 meetings with investors annually
- regular visits to London, NY, Boston, Paris, Frankfurt, Prague, Stockholm, etc.
- quarterly result calls conducted in English

We were frequently awarded for our communication



Listed Company of the Year
Top Investor Relations

CEE Capital Markets Awards
"Distinguishing top public companies listed in Central Eastern Europe"

Best IR dept of a listed
company – Poland

2018 All-Europe Executive Team

Institutional Investor

- Best IR Program
 - Best CFO
 - Best IR Professional
- (MEDIA sector, in the poll of sell-side representatives)



N E T I A

6. Appendix

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Current market position on individual markets

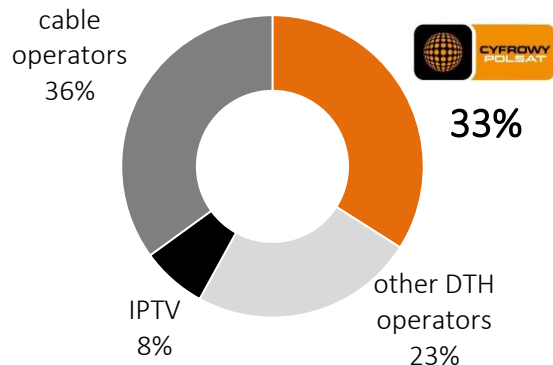
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Competitive environment

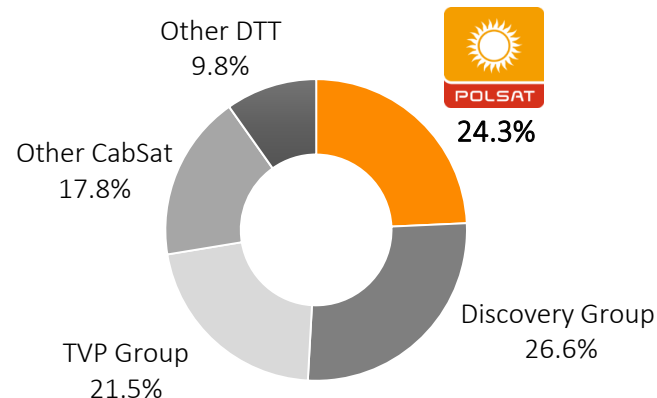


Pay-TV market in Poland

% share in the total number of paying subscribers⁽¹⁾

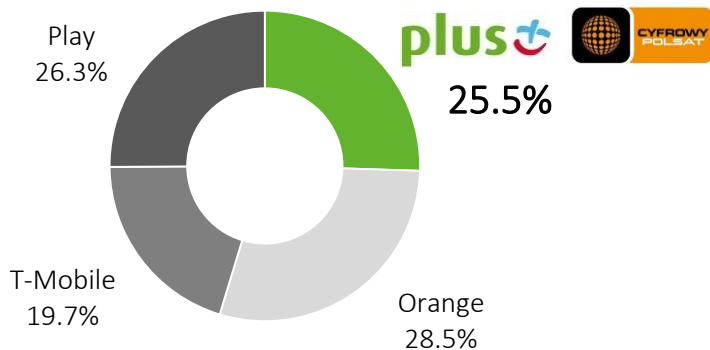


Audience share



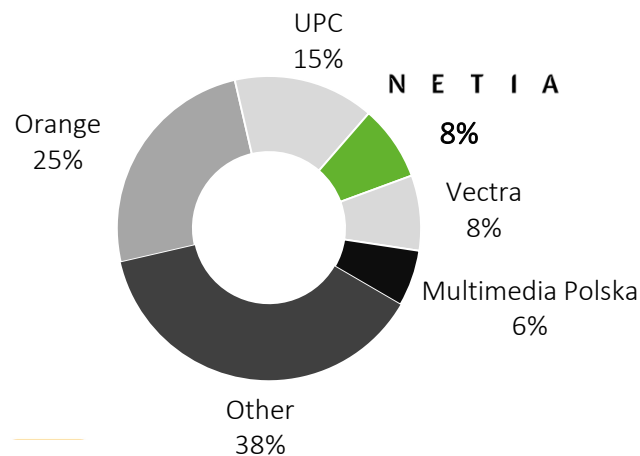
Mobile market in Poland

share of contracted SIM cards⁽²⁾



Fixed broadband market in Poland

share in the number of subscribers⁽³⁾



Source: NAM, All 16-49, all day, SHR%, 9M'19, including Live+2, internal analysis

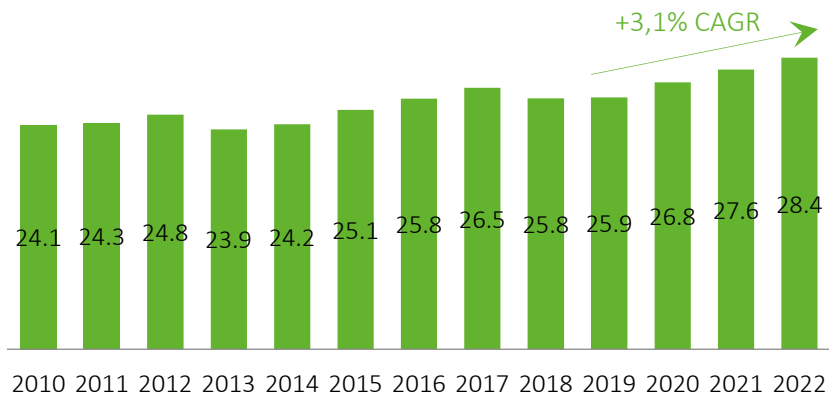
Note: (1) As at 2018, based on own estimates, sector data and PMR estimates

(2) As at 2019, own estimates based on data published by other operators

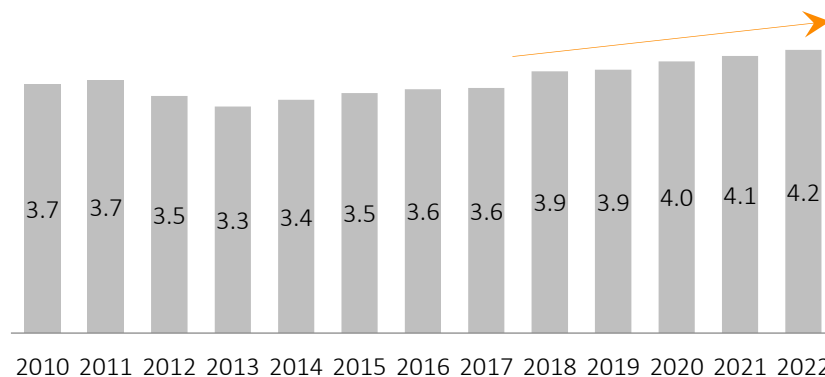
(3) Own estimates based on UKE („Report on the telecommunications market in Poland in 2018”), incl. off-net customers.

Market development and forecasts

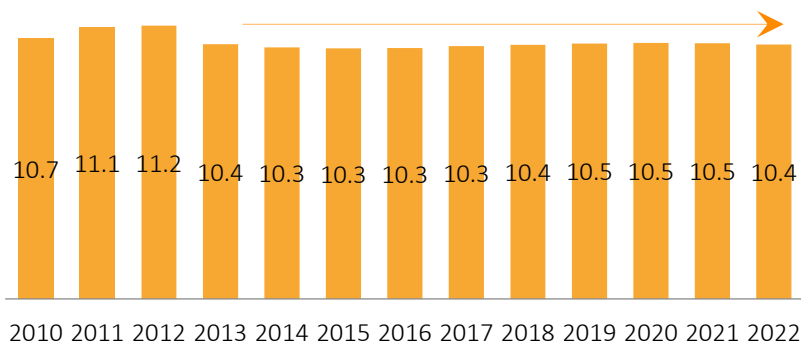
Total Polish mobile market value (bn PLN)



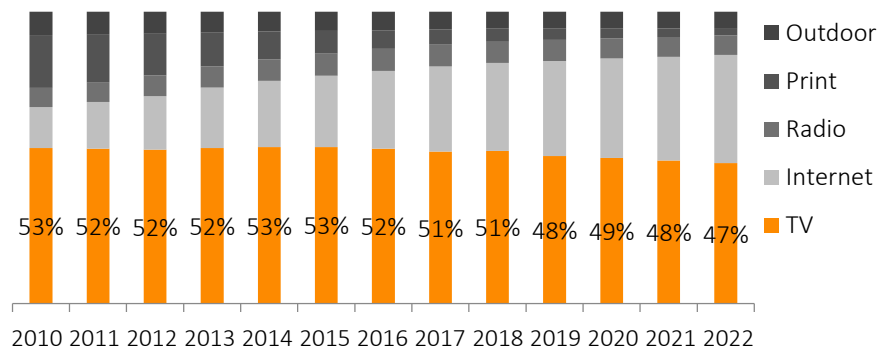
Total Polish TV ad market value (bn PLN)



Total number of pay-TV customers in Poland (million)



Polish ad market structure



Source: PMR; Zenith, "Advertising Expenditure Forecasts – December 2019"

Strategic alliance of Cyfrowy Polsat and Asseco Poland – local TMT sector leaders



Strategic alliance of two Polish TMT sector leaders



- #1 on the Polish media and telecommunications market
- 28 years of continued business development
- provides services to 46% of Polish households
- effective strategy allowed to outpace all local competitors
- full spectrum of products provides content, connectivity and other services for the home
- full range of key assets
- new areas of growth (geographic- and product-wise)
- 11-year success story on the WSE

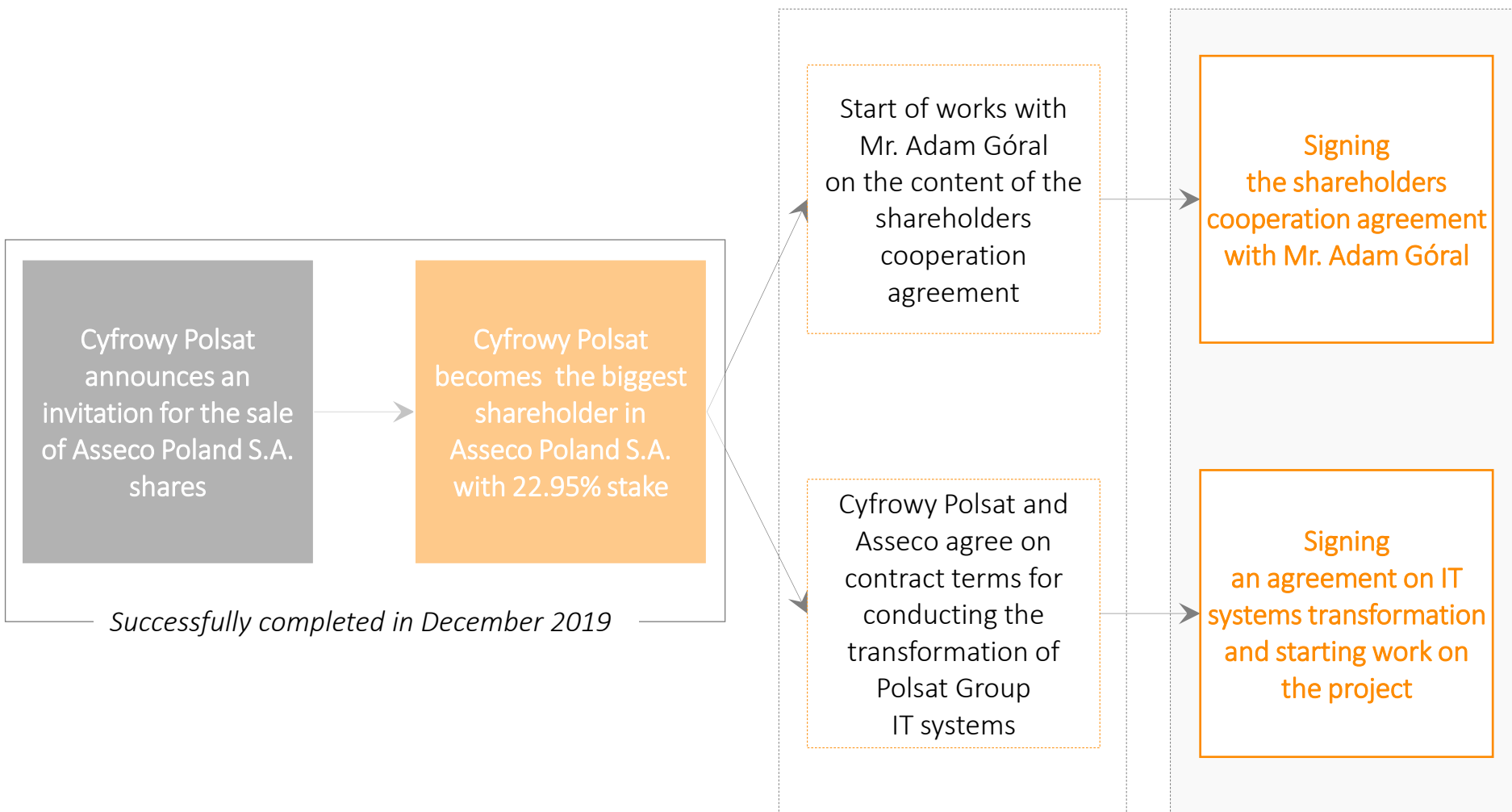
ASSECO

- #1 software producer in Poland and CEE
- #6 software producer in Europe
- 30 years of experience in the IT sector
- 25K employees, including 5K in Poland
- 4.8K employees engaged in R&D
- rich experience in the TMT sector gained on the Polish and international markets
- focus on proprietary software for key economy sectors
- one of Polsat Group's key partners in the past
- 15-year success story on the WSE

Our organizations have a lot in common

Polish companies that perfectly manage international competition on a local market

Project's milestones



Expected synergies from cooperation with Asseco



Further efficiency growth of Polsat Group IT area



Even better service of existing and acquisition of new customers



Development of new products and services

Benefits of the project from Cyfrowy Polsat's perspective



- Opting for a local partner, strongly engaged in the implementation of Polsat Group's IT environment, as a way to **diversify risk in the IT area**
- **Polsat Group's focus on core media and telecommunications activities.** Asseco shall ensure the highest level of IT solutions and services
- Ensuring the possibility to influence the **directions of development in prospective areas of technology** (payments, cybersecurity, business intelligence, 5G, etc.) thanks to the capital alliance
- **Guarantee of support for dynamically developing operations of Polsat Group** thanks to the significant competence potential of Asseco
- Execution opportunities for **new products and services** thanks to Asseco's scale of operations
- Asseco's international experience **an inspiration for further development of services provided by Polsat Group**
- Shares of Asseco Poland, with a dividend yield of approximately 5%, represent an **outstanding capital investment for Cyfrowy Polsat**

Today Polsat Group's IT area generates nearly PLN 400m of costs annually¹



CP Group's IT area in numbers²

- Along with the development of operations, the complexity of Polsat Group IT area grows dramatically
- Providing products tailored to the needs of our customers **will generate further pressure on cost increases in the IT area**
- High expertise in IT area will be also crucial for **success of B2B projects run by Netia and Polkomtel**

522 FTEs	175 IT partners and subcontractors	295 projects run in 2019
Operator services 24x7x365	62.6K incidents solved annually	5.5K problems solved annually
120K calls to service desk annually	82K product offers	447 applications
5,267 servers	9,134 TB of gross capacity on disk arrays	10K PC computers in maintenance

Note: (1) includes software + hardware

(2) concerns Polkomtel and Cyfrowy Polsat



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Asseco's TMT offering in Poland



Software:

- 1 CRM
- 2 Automation of business processes
- 3 Business Intelligence
- 4 Middleware, EAI
- 5 Added services
- 6 Billing
- 7 E-commerce websites
- 8 Network assets management

Capabilities:

- 1 Complex implementations
- 2 Integrator Projects
- 3 System maintenance

References – media



References – telecoms



Over **350 engineers** highly experienced in the execution of the most complex and demanding projects within the telecommunications and media sectors

Asseco's international TMT references

Benefits of the project from Asseco's perspective



ASSECO

- Asseco becomes a **strategic technology partner** for the leader on the telecommunications and media markets
- **Ensuring continuity** for TMT projects in Poland, which gives a possibility to increase potential and continue market expansion
- A possibility to sell own products to a **wider group of companies of the main shareholder** of Cyfrowy Polsat
- **An opportunity for a unique R&D approach** – constant access to business needs shall translate into the development of innovative products that meet highest global standards
- A possibility to develop **new products and services** in terms of cloud solutions, IoT, AI and, in the future, 5G
- Obtaining **strong references** from Cyfrowy Polsat
- Strengthening the **solid position** on the software market in Europe

Current shareholding structure of Asseco Poland S.A.



Shareholder	Number of shares and votes at GMS	Voting interest at GMS
Adam Góral (founder and CEO) ⁽¹⁾	8 083 000	9.74%
Cyfrowy Polsat S.A. ⁽²⁾	19 047 373	22.95%
AVIVA Otwarty Fundusz Emerytalny Aviva Santander ⁽³⁾	8 301 733	10.00%
Nationale-Nederlanden Otwarty Fundusz Emerytalny ⁽⁴⁾	4 171 121	5.03%
Other shareholders	43 397 076	52.29%
Total	83 000 303	100%

Signing of shareholders cooperation agreement intended

Source: own compilation based on Asseco Poland website (<https://inwestor.asseco.com/o-asseco/akcjonariat/>)

Note: (1) According to the notification received by the Company on 15 December 2012, based on current report no. 51/2012

(2) Including 184.127 shares acquired by Reddev Investments Limited, an entity controlled by Mr. Zygmunt Solorz. According to the notification received by the Company on 3 January 2020, based on current report no. 1/2020

(3) According to the notification received by the Company on 7 January 2020, based on current report no. 2/2020

(4) According to the notification received by the Company on 19 October 2015, based on current report no. 21/2015

Strategic context of the investment in Netia

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Why did we buy Netia?



Valuable infrastructure

Complementary broadband technology, extensive backbone provides higher flexibility in further development of telecommunication network



Attractive customer base

Potential for upselling products on the B2C market, significant strengthening of competitive position on the B2B market



Completely new market

Existing wireline access network already reaching several dozen of the biggest cities in Poland

Netia's infrastructure provides us with access to a completely new market



satellite TV (DTH)

cable TV (IPTV)

LTE home Internet

1Gb/s fixed-line broadband

mobile telephony

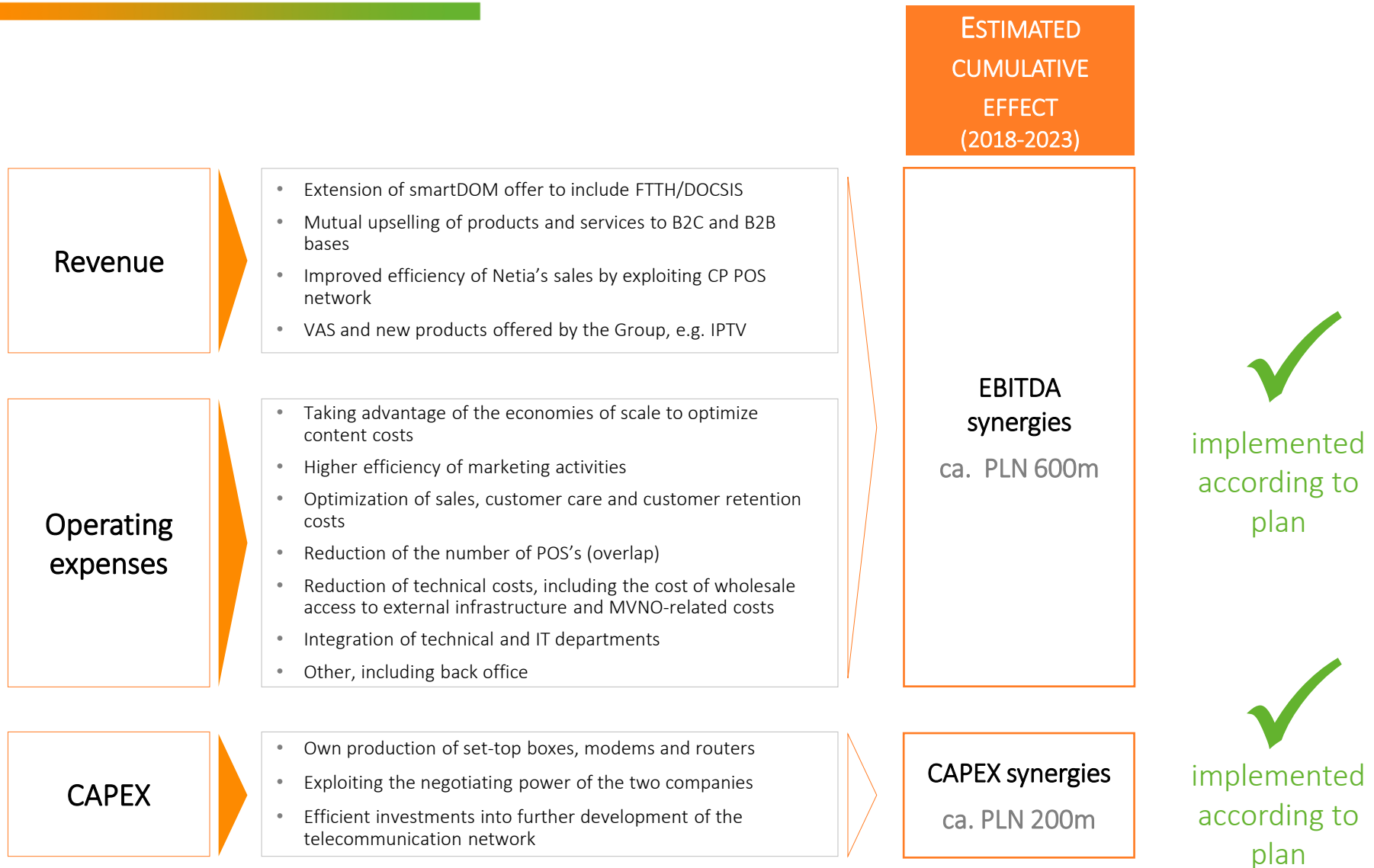
video online

Source: company's data



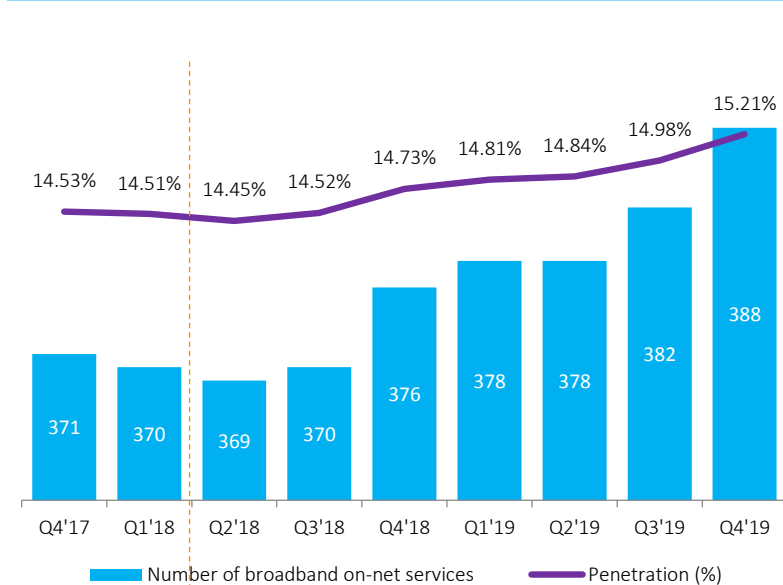
N E T I A

Implementation of synergies in cooperation with Netia according to plan



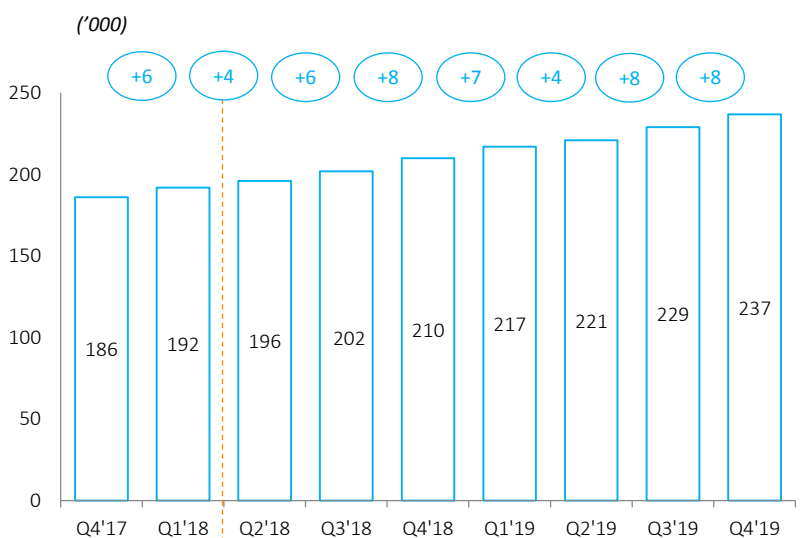
Positive effects of synergies already visible in Netia's KPIs

On-net broadband penetration change¹



May'18 – Cyfrowy Polsat takes over control of Netia

TV services



May'18 – Cyfrowy Polsat takes over control of Netia

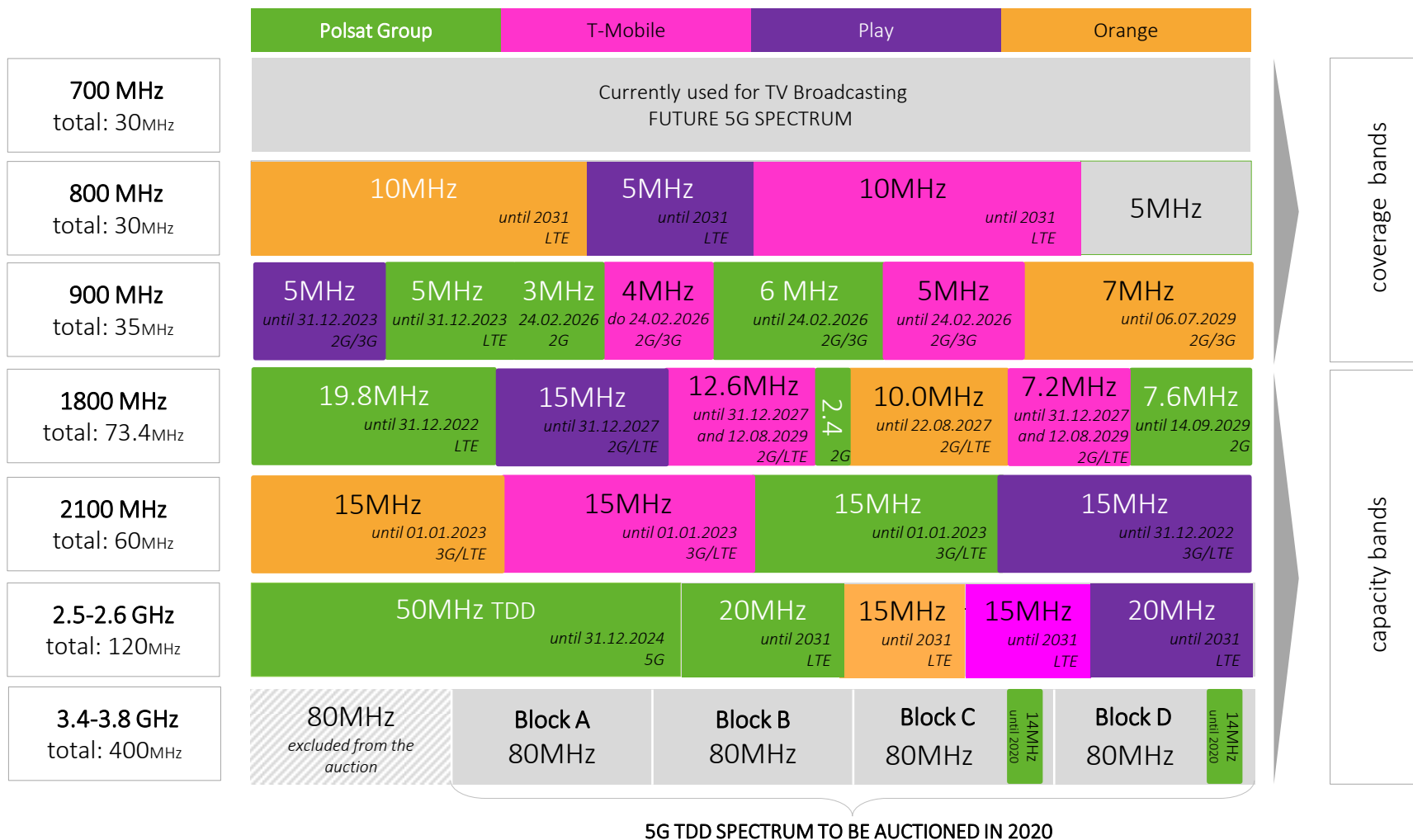
Source: Netia

Note: (1) Based on 2.55m HP in range that Netia communicated at the moment of „21 Century Network Project” start

Our frequencies and CAPEX profile

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Stable, favorable competitive position

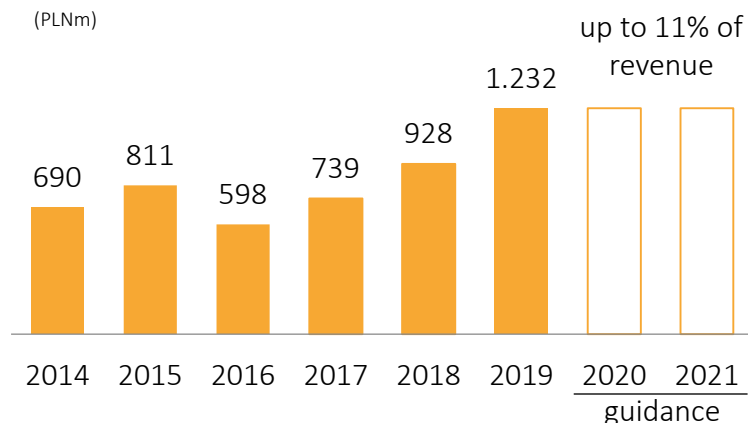


Source: UKE, own expertise
Only main frequencies are presented (excluding: Polkomtel's 2.5MHz 420MHz, each of the 4 biggest MNO's 5MHz 2100MHz TDD)

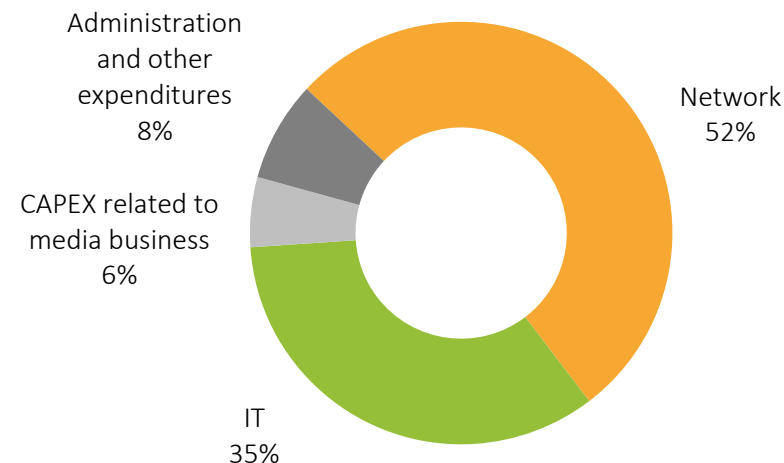
Capex guidance goes up to 11% of revenue after Netia acquisition



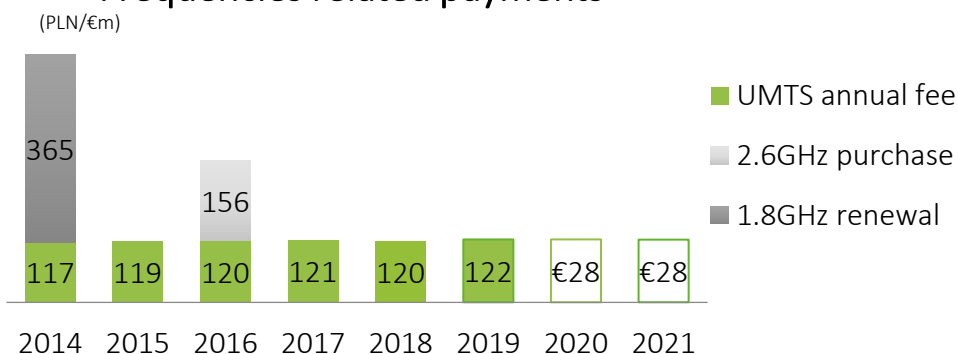
Cash CAPEX and guidance



CAPEX decomposition in 2019



Frequencies related payments



Source: 2014-2016 pro forma with Aero2



N E T I A

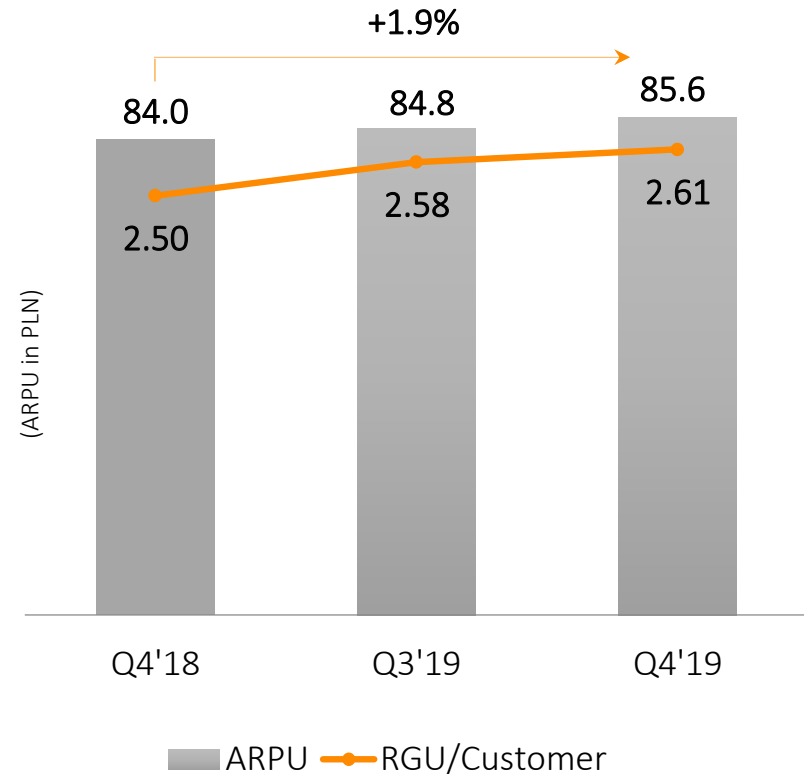
Long-term business performance trends



Growth of ARPU thanks to the consistent implementation of the multiplay strategy



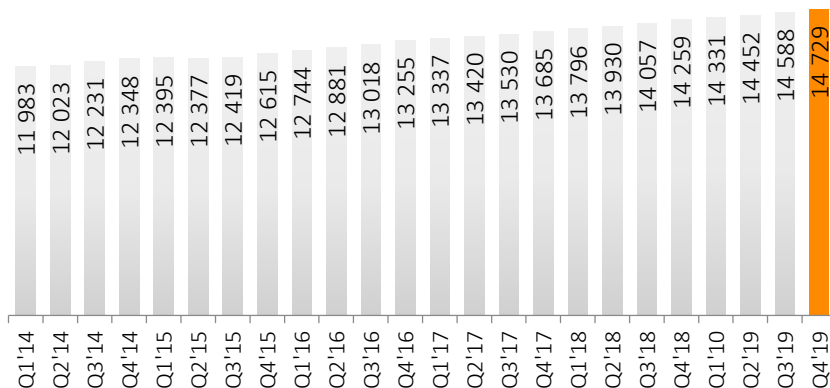
- 1.9% YoY increase in ARPU resulting from consistent building of the value of our existing customer base
- Effective upselling of products under our multiplay strategy continues to be reflected in the growing RGU saturation per customer ratio



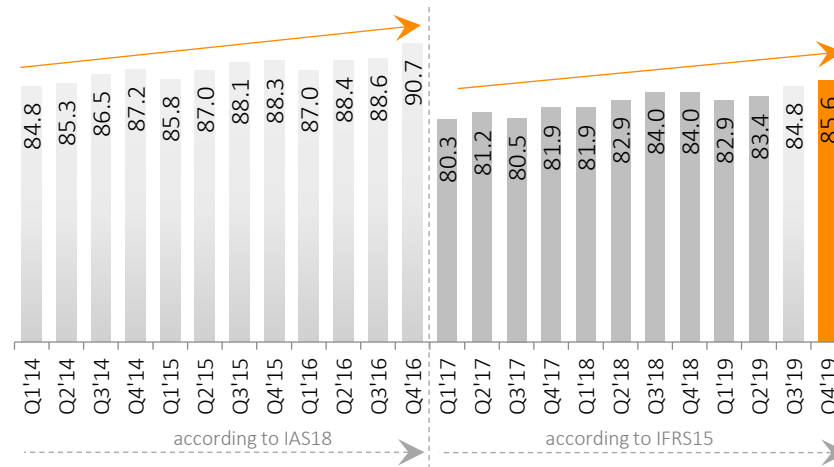
Multiplay supports the continuous growth of the number of services and ARPU



Contract RGUs EOP



Contract ARPU (PLN)

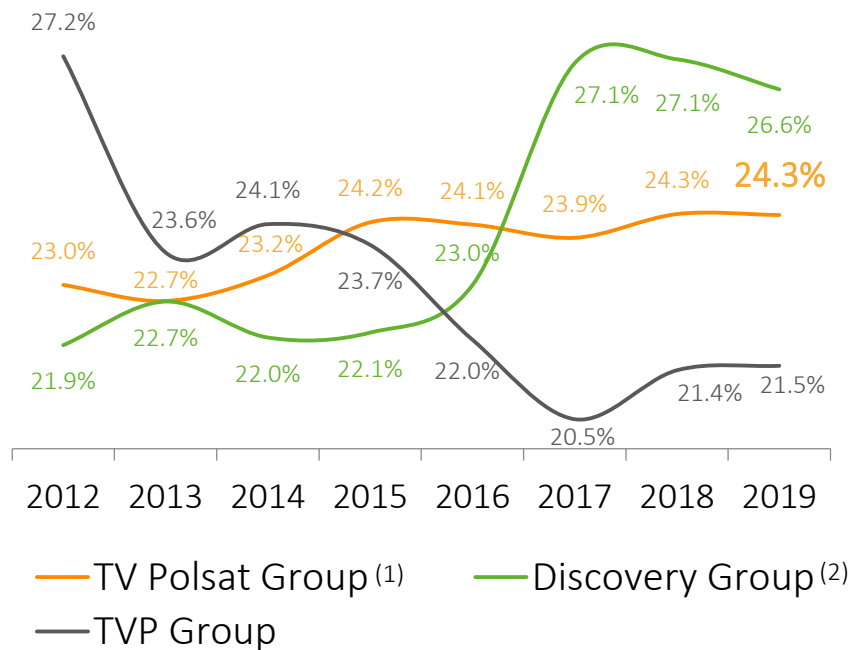


N E T I A

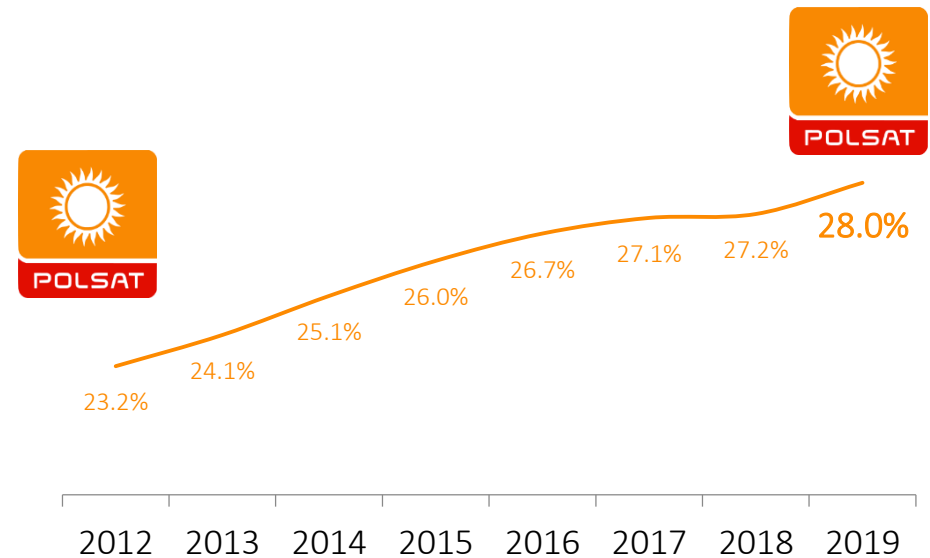
TV Polsat successfully monetizes its strong viewership results



Audience shares



TV ad market shares



Source: audience share: NAM, All 16-49, all day, SHR%; ad market share: revenue from advertising and sponsoring of TV Polsat Group according to Starcom's definition; internal analysis

Note: (1) excluding partnership channels: Polsat Viasat Explore, Polsat Viasat Nature, Polsat Viasat History, JimJam, CI Polsat

(2) 2017-2018 - pro forma, TVN Group channels and Discovery Networks Europe; 2012-2016 - TVN Group



NETIA

2019 operational performance

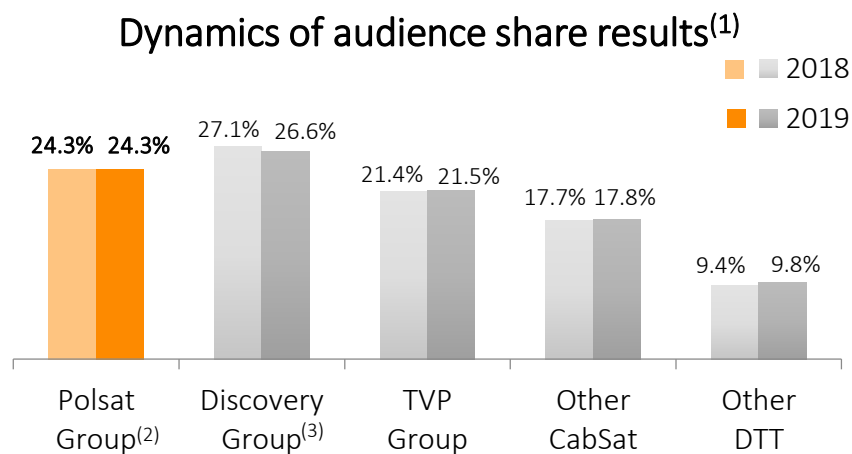
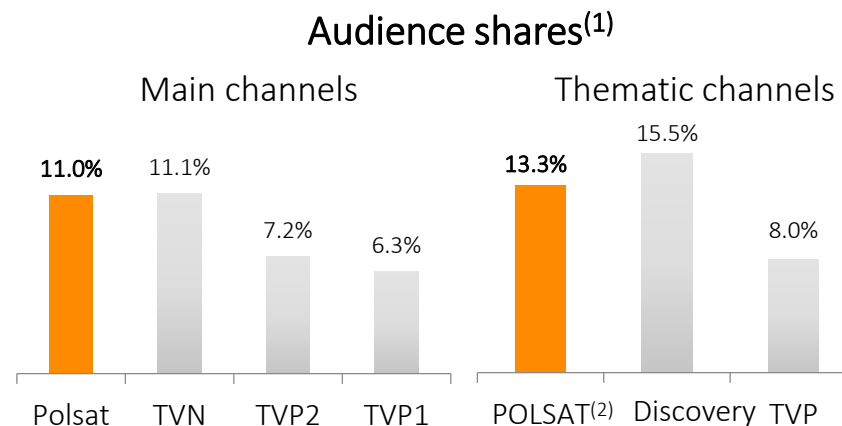
a. Broadcasting and TV production



Viewership of our channels in 2019



- Polsat Group's viewership in line with its long-term strategy



Source: NAM, All 16-49, all day, SHR%, including Live+2⁽¹⁾, internal analysis

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

(2) Including Eleven channels and Superstacja (from June 2018), excluding partnership channels: Polsat Viasat Explore, Polsat Viasat Nature, Polsat Viasat History, JimJam, CI Polsat, Focus TV, Nowa TV

(3) Pro forma, TVN Group channels and Discovery Networks Europe



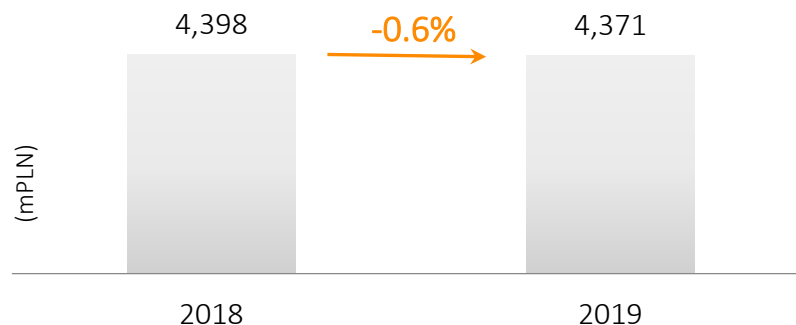
N E T I A

Position on the advertising market in 2019

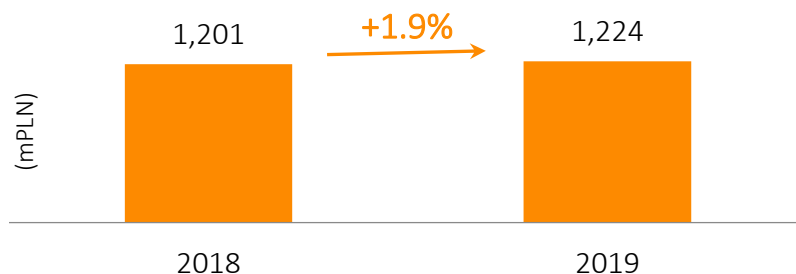


- Revenue from TV advertising and sponsorship increased by 1.9% on a stable market
- As a result, our share in the TV advertising and sponsorship market reached 28.0%

Market expenditures on TV advertising and sponsorship



Revenue from advertising and sponsorship of TV Polsat Group⁽¹⁾



Source: Starcom, spot advertising and sponsorship; TV Polsat; internal analysis
Note: (1) Revenue from advertising and sponsorship of TV Polsat Group according to Starcom's definition



N E T I A

2019 operational performance

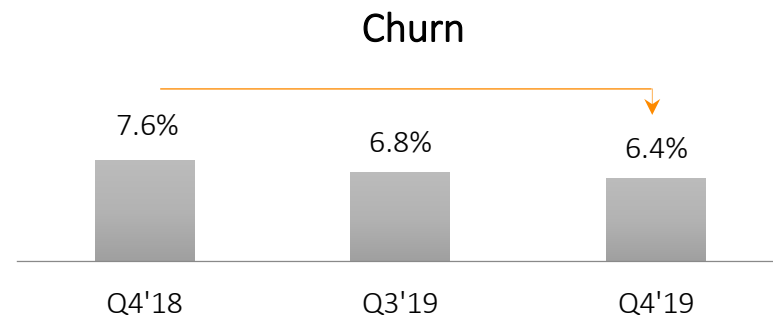
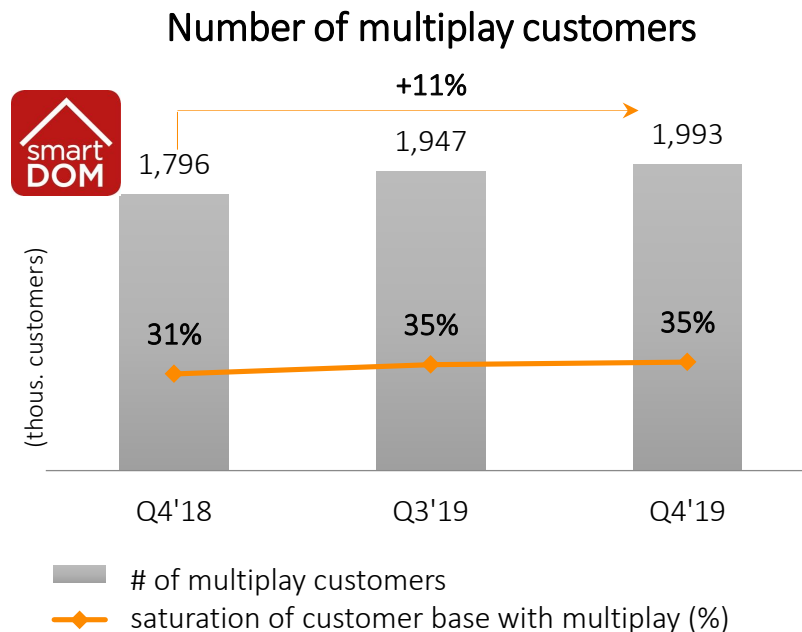
b. Services to individual and
business customers



2 millionth customer joined our multiplay offer in January'20



- Consistent implementation of our multiplay strategy results in a stable increase in the number of customers with bundled services by 197K YoY
- The number of RGUs owned by these customers increased to 6.05m
- Another quarter of record low churn level – mainly due to our multiplay strategy

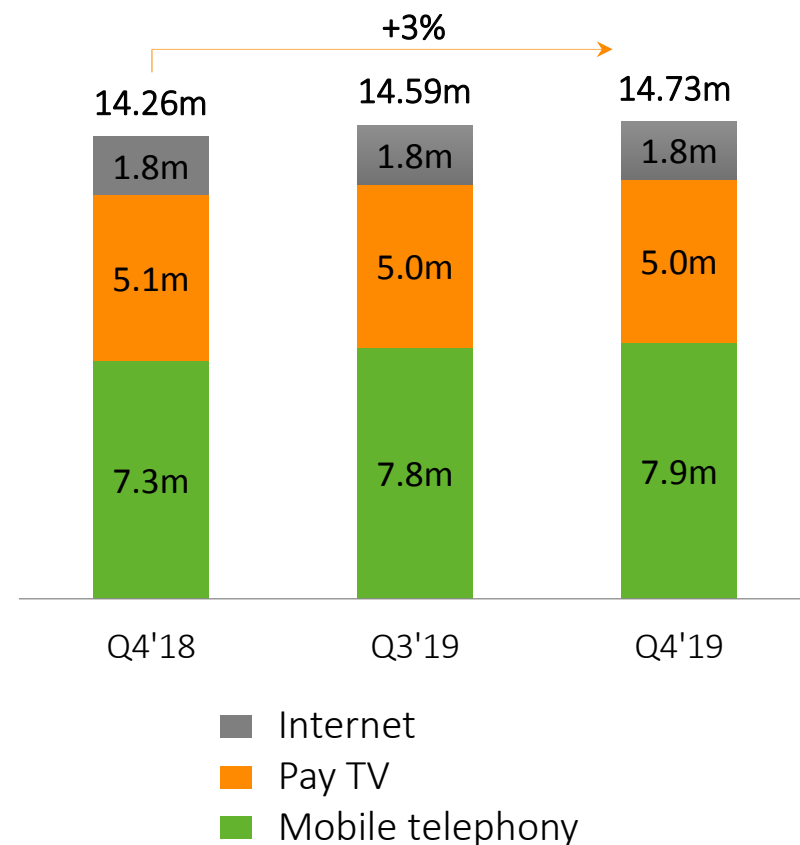


NETIA

We sold almost half a million additional services



- An increase in the number of contract services by 469K YoY
- The dynamic growth of voice services as a result of positive impact of our multiplay strategy and the simple Plus tariffs which were launched in February 2018, supported by good sales in the B2B segment (m2m)
- Stable base of pay TV and Internet services

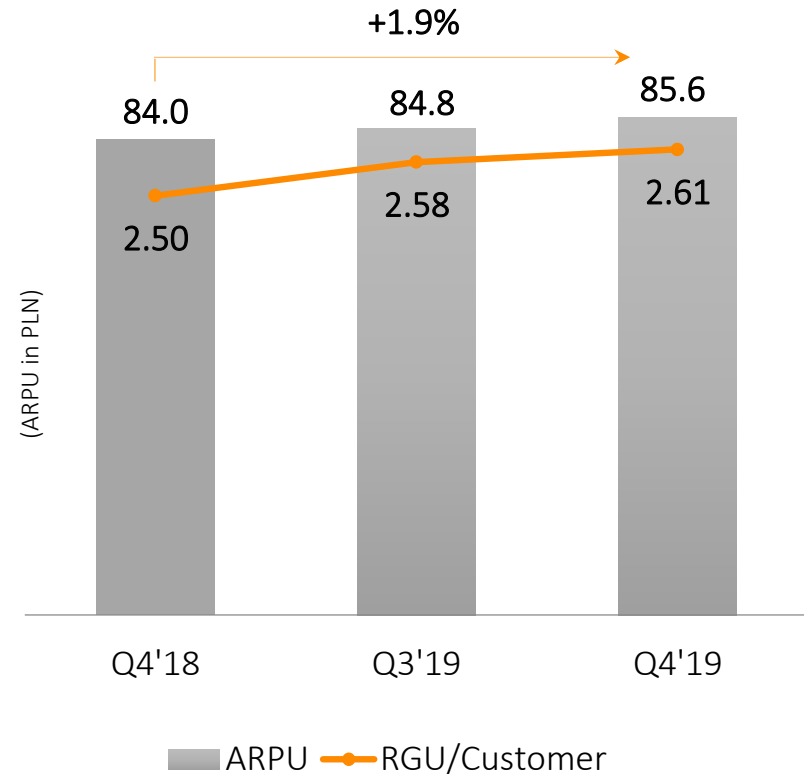


N E T I A

Growth of ARPU thanks to the consistent implementation of the multiplay strategy

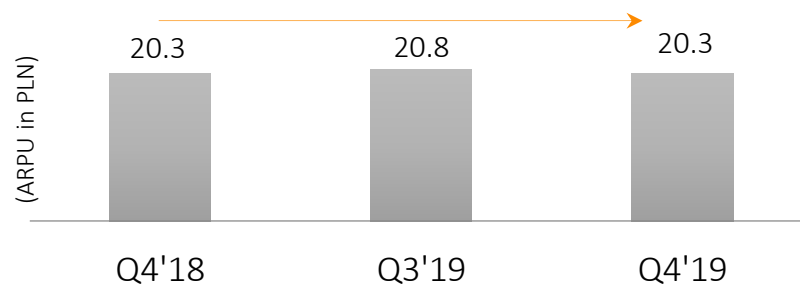
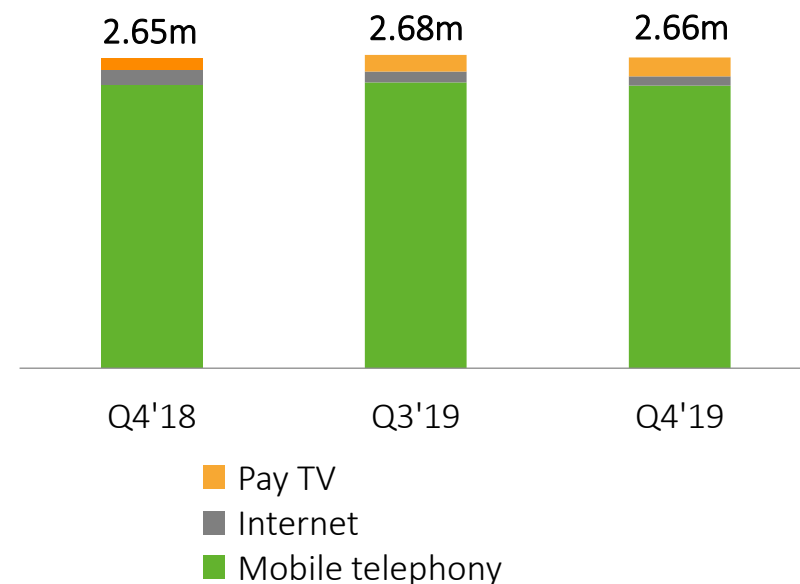


- 1.9% YoY increase in ARPU resulting from consistent building of the value of our existing customer base
- Effective upselling of products under our multiplay strategy continues to be reflected in the growing RGU saturation per customer ratio



High ARPU, stable prepaid base

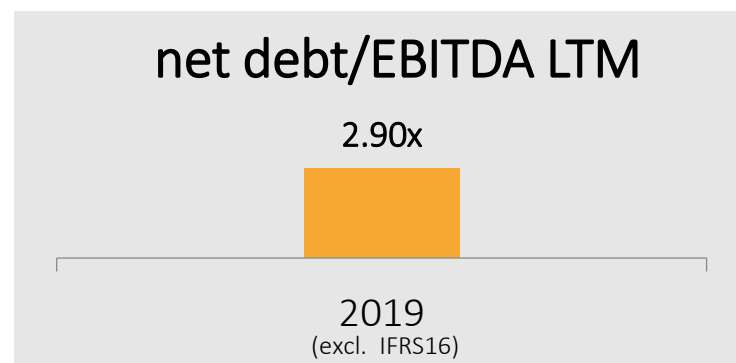
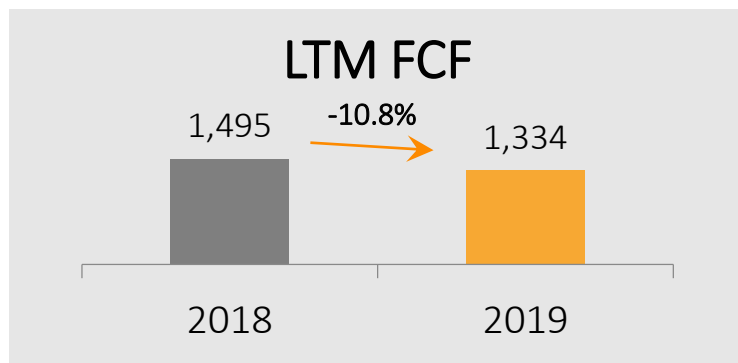
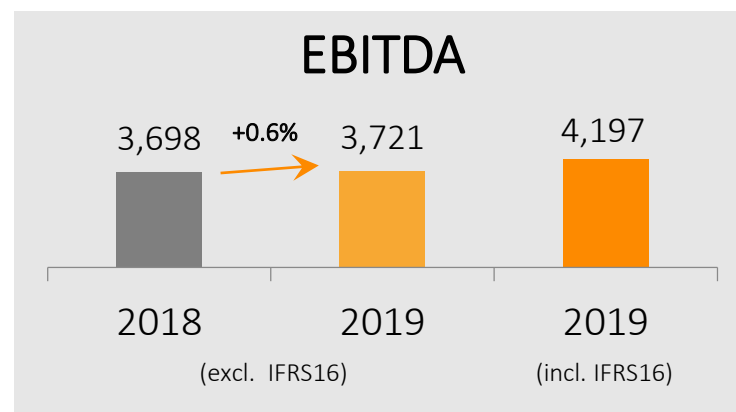
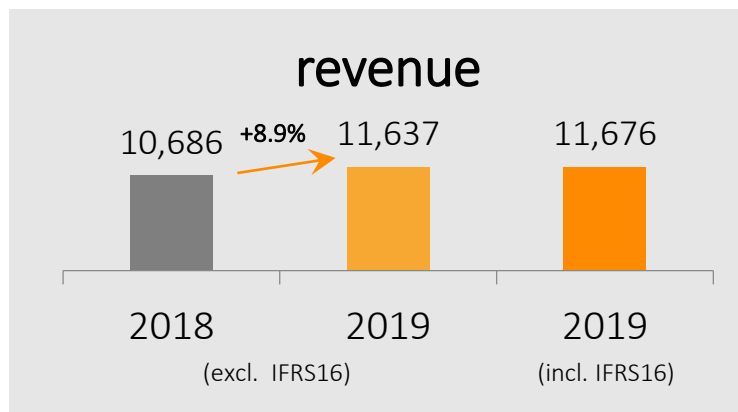
- Stable number of provided prepaid services, mainly thanks to high sales of IPLA packages
- High and stable ARPU level



2019 financial performance



Results of the Group in 2019



Source: Consolidated financial statements for the year ended December 31, 2019 and internal analysis

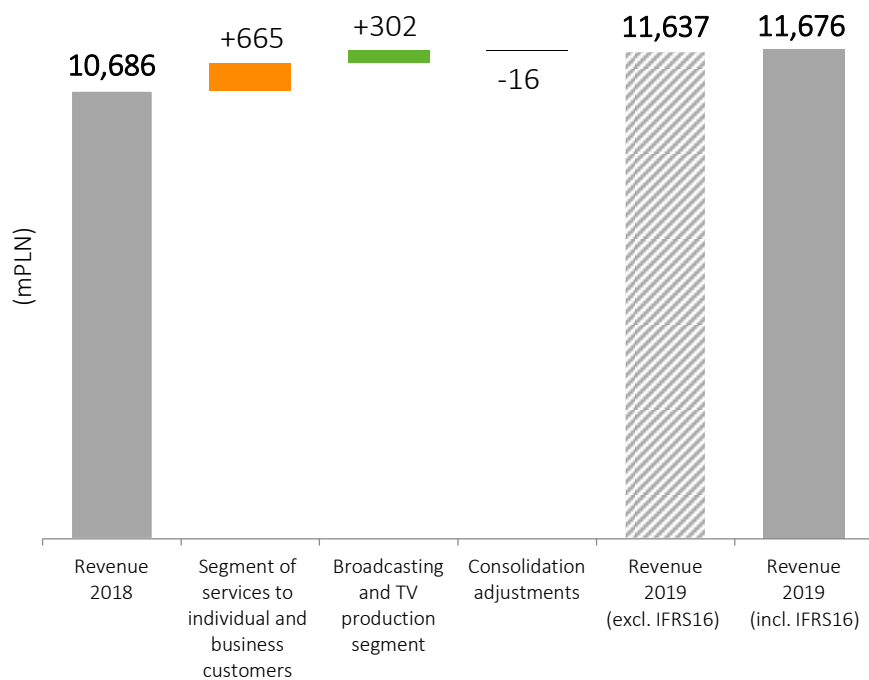


N E T I A

Revenue and EBITDA – change drivers

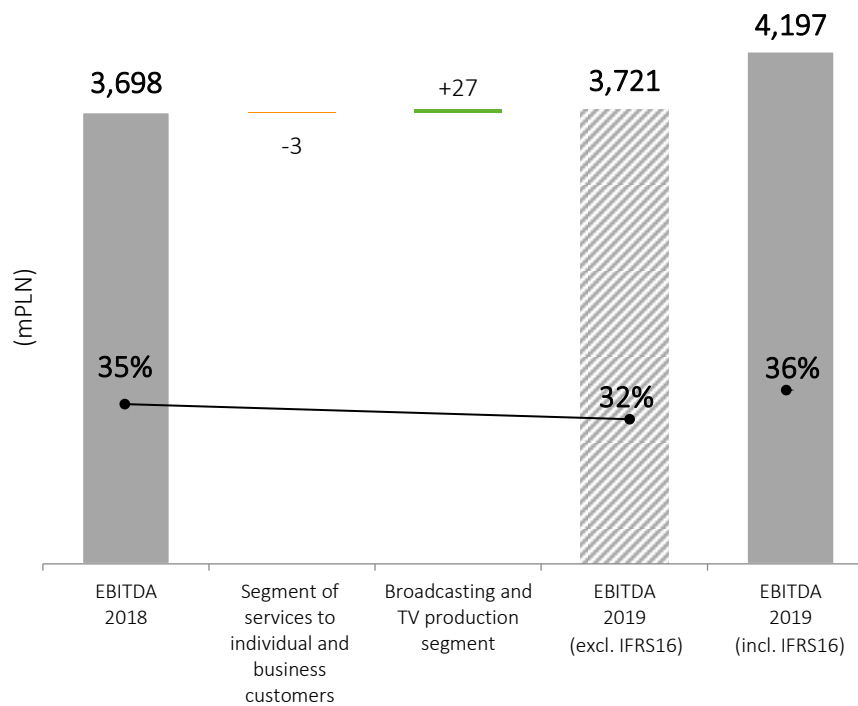
Revenue

YoY change **+9%**
+951m



EBITDA

YoY change **+1%**
+24m



●● EBITDA margin

Source: Consolidated financial statements for the year ended December 31, 2019 and internal analysis

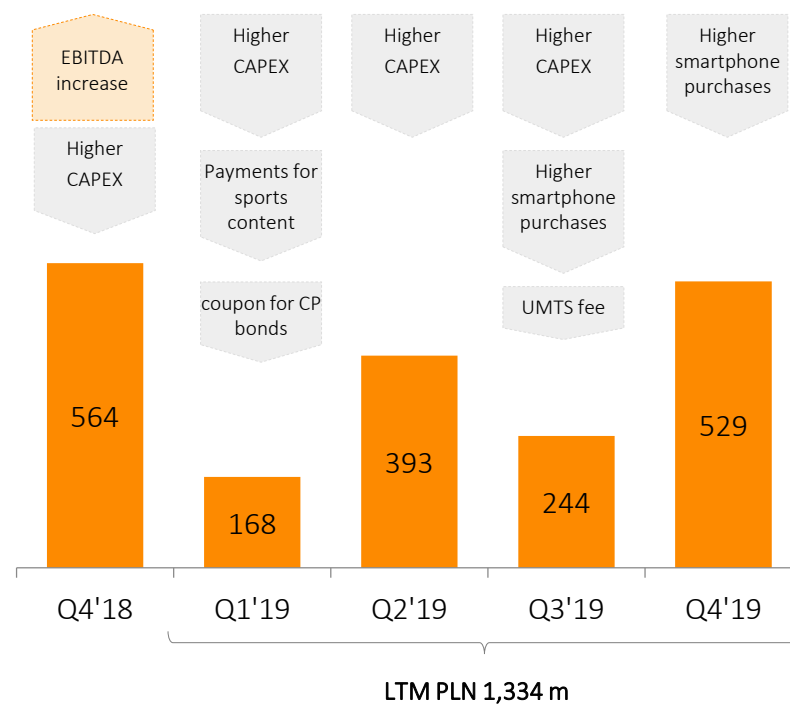
Note: consolidation of Netia S.A. from 22 May 2018

In Q4'19 we generated over half a billion of free cash flow



mPLN	Q4'19	2019
Net cash from operating activities	914	3,087
Net cash used in investing activities	-1,533	-2,715
Payment of interest on loans, borrowings, bonds and commissions	-103	-465
FCF after interest	-722	-93
Acquisition of stakes/shares and share capital increase	1,251	1,357
Flat-rate tax on the interest and discount (RB 24/2019)		70
Adjusted FCF after interest	529	1,334

Skorygowany FCF po odsetkach

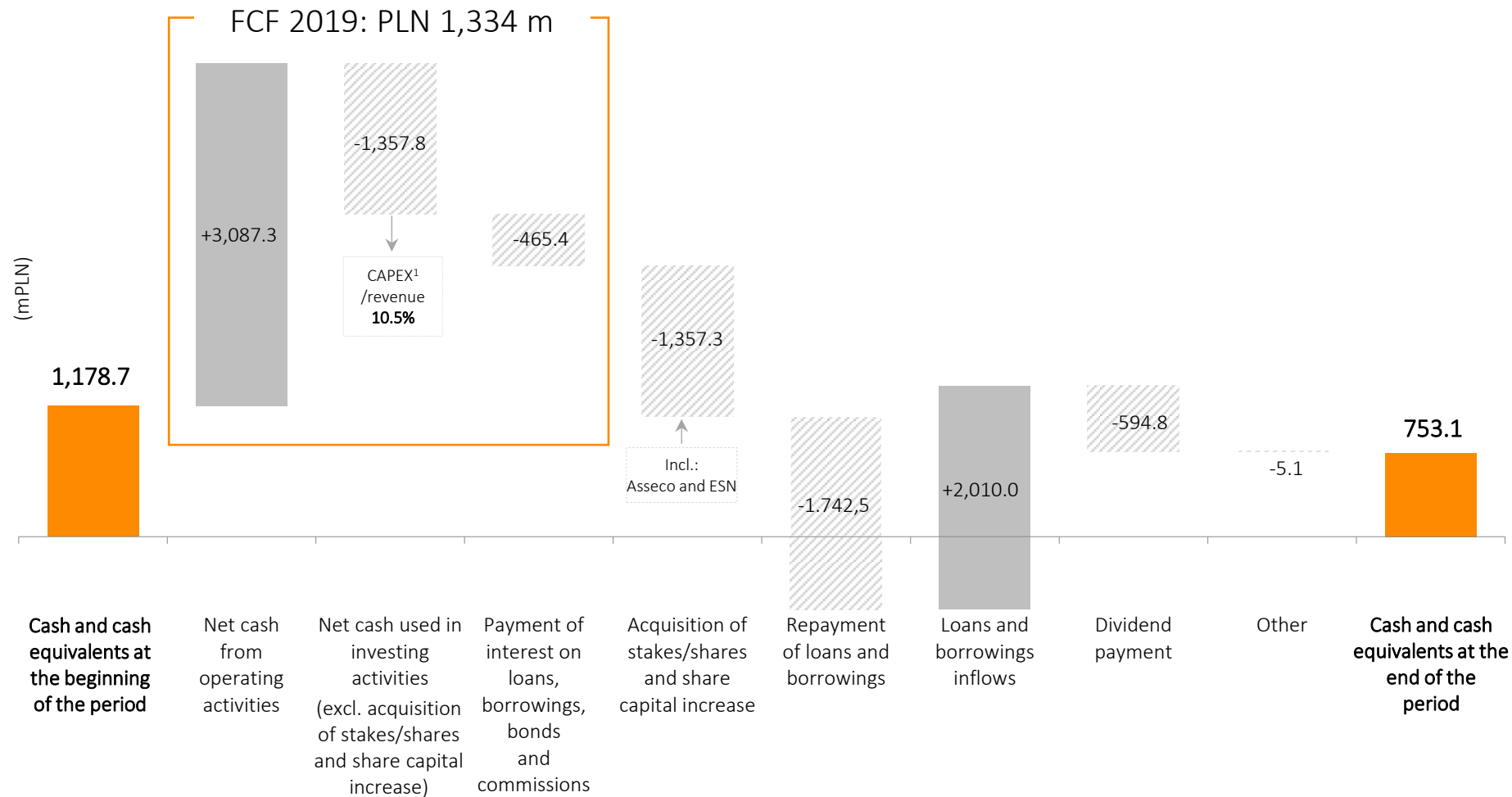


Source: Consolidated financial statements for the year ended December 31, 2019 and internal analysis; FCF excl. IFRS16



N E T I A

Cash flow statement in 2019



Source: Consolidated financial statements for the year ended December 31, 2019 and internal analysis; FCF excl. IFRS16

Note: (1) Expenses on the acquisition of property, plant and equipment and intangible assets

The Group's debt

	Carrying amount as at 31 Dec.'19 excl. IFRS16, in accordance with the requirements of the Combined SFA	Carrying amount as at 31 Dec.'19 incl. IFRS16
mPLN		
Combined SFA (Tranche A and B)	9,604	9,604
Revolving Credit Facility (RCF)	900	900
Series B Bonds	1,004	1,004
Leasing and other	28	1,443
Gross debt	11,536	12,951
Cash and cash equivalents ¹	(753)	(753)
Net debt	10,783	12,198
EBITDA LTM	3,721 ²	4,197
Total net debt / EBITDA LTM	2.90x	2.91x
Weighted average interest cost ³	3.3%	3.3%

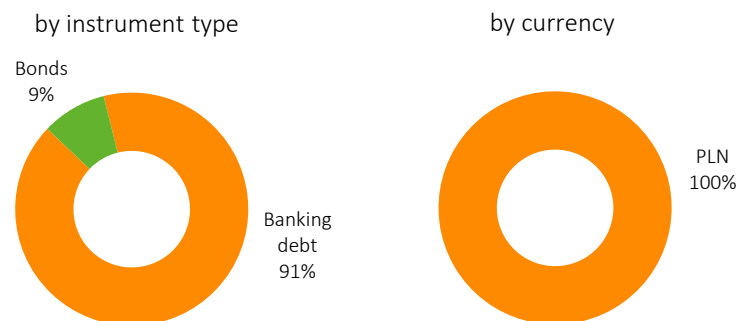
¹ This position comprises cash and cash equivalents, including restricted cash, as well as short-term deposits.

² accordance with the requirements of the Combined SFA, the calculation excludes the impact from the implementation of IFRS 16 binding from January 1, 2019. The exclusion concerns both the calculation of EBITDA LTM and the calculation of debt.

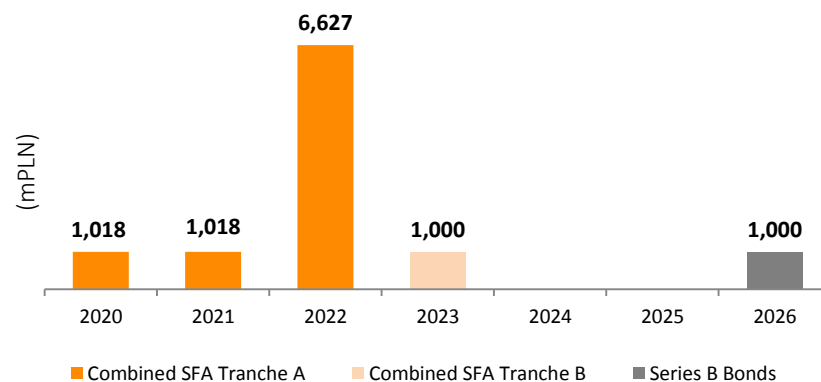
³ Prospective average weighted interest cost of the Combined SFA (including the Revolving Credit Facility) and the Series B Bonds, excluding hedging instruments, as at December 31, 2019 assuming WIBOR 1M of 1.63% and WIBOR 6M of 1.79%.

⁴ Nominal value of the indebtedness as at 31 December 2019 (excluding the Revolving Facility Loan and leasing).

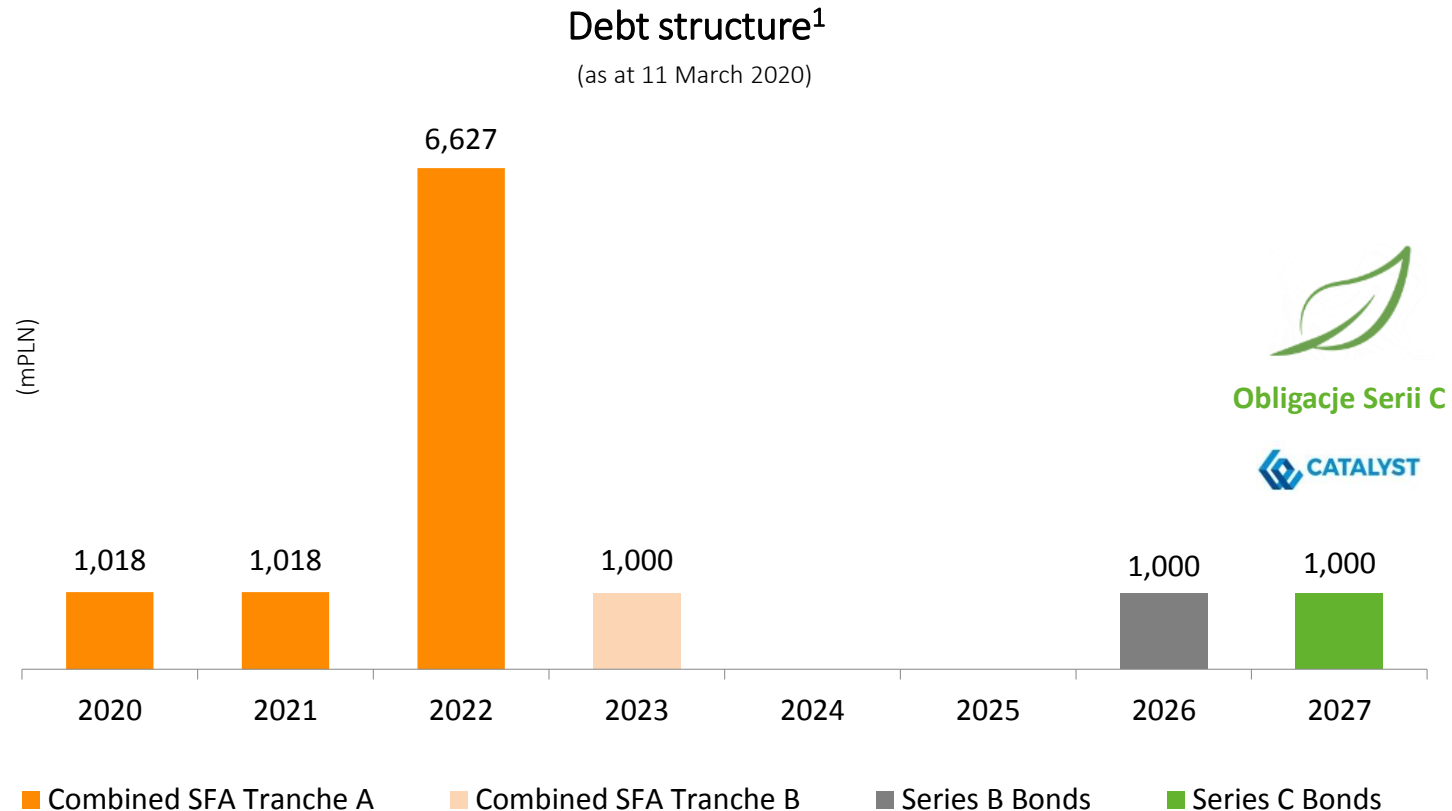
Debt structure⁴



Debt maturing profile⁴



We issued the first corporate green bonds in PLN in February 2020



Note: (1) Nominal value of the indebtedness as at 11 March 2020 (excluding the Revolving Facility Loan and leasing).



N E T I A

Additional information

A horizontal bar with a color gradient from orange on the left to green on the right, positioned below the title.

Shareholding structure



Shareholder	Number of shares	% of shares	Number of votes	% of votes
Zygmunt Solorz, through	364,244,418	56.95%	523,961,929	63.98%
TiVi Foundation, including through:	298,080,297	46.61%	457,797,808	55.90%
<i>Reddev Investments Limited</i>	298,080,287	46.61%	457,797,788	55.90%
Embud 2 Sp. z o.o. S.K.A.	64,011,733	10.01%	64,011,733	7.82%
Tipeca Consulting Limited ¹	2,152,388	0.34%	2,152,388	0.26%
Others	275,301,598	43.05%	295,001,588	36.02%
Total	639,546,016	100.00%	818,963,517	100.00%

Note: (1) Company under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Public Offering Act
As at November 8, 2019



N E T I A

KPIs – retail customer services



SEGMENT OF SERVICES TO INDIVIDUAL AND BUSINESS CUSTOMERS ¹⁾	2016	2017				2017	2018				2018	2019				2019
		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Total number of RGUs ²⁾ (contract + prepaid)	16,524,936	16,216,128	16,273,840	16,410,325	16,522,597	16,522,597	16,579,337	16,698,622	16,851,153	16,906,133	16,906,133	16,973,770	17,058,921	17,266,759	17,386,252	17,386,252
CONTRACT SERVICES																
Total number of RGUs, including:	13,254,598	13,337,038	13,419,539	13,530,164	13,685,044	13,685,044	13,796,153	13,929,804	14,057,045	14,259,264	14,259,264	14,330,995	14,451,610	14,587,869	14,728,758	14,728,758
Pay TV, including:	4,766,429	4,785,947	4,835,534	4,882,505	4,942,640	4,942,640	4,984,391	5,027,520	5,038,210	5,098,917	5,098,917	5,077,221	5,058,740	5,033,398	5,038,448	5,038,448
<i>Multiroom</i>	1,021,720	1,031,294	1,058,982	1,072,513	1,099,582	1,099,582	1,114,833	1,127,285	1,141,820	1,160,353	1,160,353	1,167,983	1,173,866	1,180,891	1,192,984	1,192,984
Mobile telephony	6,730,427	6,785,002	6,810,999	6,864,787	6,932,676	6,932,676	6,997,850	7,098,239	7,209,240	7,345,213	7,345,213	7,452,479	7,597,611	7,752,113	7,894,581	7,894,581
Internet	1,757,742	1,766,089	1,773,006	1,782,872	1,809,728	1,809,728	1,813,912	1,804,045	1,809,595	1,815,134	1,815,134	1,801,295	1,795,259	1,802,358	1,795,729	1,795,729
Number of customers	5,882,804	5,847,401	5,819,386	5,791,841	5,776,598	5,776,598	5,743,832	5,724,492	5,712,151	5,706,147	5,706,147	5,672,790	5,652,912	5,644,291	5,637,734	5,637,734
ARPU per customer ³⁾ acc. to IFRS 15 [PLN]	-	80.3	81.2	80.5	81.9	81.9	81.9	82.9	84.0	84.0	83.2	82.9	83.4	84.8	85.6	84.2
ARPU per customer ³⁾ acc. to IAS 18 [PLN]	88.7	89.1	89.6	88.4	89.0	89.0	88.7	89.6	90.1	90.5	89.7	-	-	-	-	-
Churn per customer ⁴⁾	8.3%	8.5%	8.6%	8.8%	8.8%	8.8%	8.5%	8.3%	7.9%	7.6%	7.6%	7.2%	7.0%	6.8%	6.4%	6.4%
RGU saturation per one customer	2.25	2.28	2.31	2.34	2.37	2.37	2.40	2.43	2.46	2.50	2.50	2.53	2.56	2.58	2.61	2.61
PREPAID SERVICES																
Total number of RGUs, including:	3,270,338	2,879,090	2,854,301	2,880,161	2,837,553	2,837,553	2,783,184	2,768,818	2,794,108	2,646,869	2,646,869	2,642,775	2,607,311	2,678,890	2,657,494	2,657,494
Pay TV	79,306	48,224	57,183	63,627	79,561	79,561	75,159	59,722	91,261	95,685	95,685	144,586	87,176	142,886	161,208	161,208
Mobile telephony	2,972,443	2,646,477	2,616,592	2,623,950	2,579,613	2,579,613	2,539,402	2,545,749	2,550,355	2,423,774	2,423,774	2,387,672	2,418,370	2,443,295	2,415,819	2,415,819
Internet	218,589	184,389	180,526	192,584	178,379	178,379	168,623	163,347	152,492	127,410	127,410	110,517	101,765	92,709	80,467	80,467
ARPU per total prepaid RGU ⁵⁾ [PLN]	18.6	18.7	20.5	20.2	20.1	19.9	20.1	20.4	20.8	20.3	20.4	20.1	20.8	20.8	20.3	20.5

1) Customer - natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a contract model.

2) RGU (revenue generating unit) - single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.

3) ARPU per customer - average monthly revenue per customer generated in a given settlement period (including interconnect revenue).

4) Churn - termination of the contract with 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.

5) ARPU per total prepaid RGU - average monthly revenue per prepaid RGU generated in a given settlement period (including interconnect revenue)



Key financial data



mPLN	2018 ¹				2018	2019 ²				2019	2019				2019
	IFRS 15 basis, Netia Group consolidated as of May 22, 2018					IFRS 15 and IAS 17 basis					IFRS 15 and IFRS 16 basis				
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
Revenue	2,345.9	2,603.2	2,735.0	3,002.0	10,686.1	2,782.4	2,913.0	2,882.3	3,059.0	11,636.7	2,791.6	2,923.0	2,892.4	3,069.1	11,676.1
Retail revenue	1,352.2	1,482.1	1,630.5	1,627.8	6,092.6	1,606.0	1,616.1	1,618.3	1,618.4	6,458.8	1,606.0	1,616.1	1,618.3	1,618.4	6,458.8
Wholesale revenue	635.9	738.5	741.6	927.8	3,043.8	772.7	861.6	790.5	925.4	3,350.2	772.7	861.6	790.5	925.4	3,350.2
Sale of equipment	317.5	341.7	328.6	398.2	1,386.0	347.4	379.3	412.9	445.4	1,585.0	347.4	379.3	412.9	445.4	1,585.0
Other revenue	40.3	40.9	34.3	48.2	163.7	56.3	56.0	60.6	69.8	242.7	65.5	66.0	70.7	79.9	282.1
Operating costs	-1,917.1	-2,127.0	-2,345.8	-2,588.9	-8,978.8	-2,317.1	-2,404.4	-2,433.0	-2,593.0	-9,747.5	-2,317.0	-2,407.2	-2,436.8	-2,593.8	-9,754.8
Technical costs and cost of settlements with telecommunication operators	-504.5	-578.5	-674.8	-691.1	-2,448.9	-651.3	-678.4	-664.1	-670.2	-2,664.0	-563.8	-591.4	-575.8	-580.3	-2,311.3
Depreciation, amortization, impairment and liquidation	-454.5	-470.8	-523.5	-521.9	-1,970.7	-440.1	-444.6	-448.5	-453.2	-1,786.4	-547.1	-553.6	-561.5	-567.5	-2,229.7
Cost of equipment sold	-272.5	-282.5	-281.1	-338.1	-1,174.2	-289.4	-321.7	-340.7	-368.6	-1,320.4	-289.4	-321.7	-340.7	-368.6	-1,320.4
Content costs	-269.4	-323.0	-338.9	-424.0	-1,355.3	-369.0	-418.0	-423.0	-456.9	-1,666.9	-366.9	-415.8	-421.0	-454.8	-1,658.5
Distribution, marketing, customer relation management and retention costs	-205.2	-223.5	-236.5	-268.7	-933.9	-249.5	-245.6	-261.0	-282.7	-1,038.8	-244.8	-241.8	-256.6	-278.1	-1,021.3
Salaries and employee-related costs	-143.8	-169.3	-187.1	-238.7	-738.9	-212.6	-205.6	-199.3	-253.1	-870.6	-212.6	-205.6	-199.3	-253.1	-870.6
Cost of debt collection services and bad debt allowance and receivables written off	-11.9	-17.6	-34.8	-19.6	-83.9	-34.6	-16.9	-19.8	-27.6	-98.9	-34.6	-16.9	-19.8	-27.6	-98.9
Other costs	-55.3	-61.8	-69.1	-86.8	-273.0	-70.6	-73.6	-76.6	-80.7	301.5	-57.8	-60.4	-62.1	-63.8	-244.1
Other operating income, net	6.7	-0.6	7.3	6.3	19.7	16.6	6.7	3.4	19.0	45.7	16.6	6.7	3.4	19.0	45.7
Profit from operating activities	435.5	475.6	396.5	419.4	1,727.0	481.9	515.3	452.7	485.0	1,934.9	491.2	522.5	459.0	494.3	1,967.0
Gain/loss on investment activities, net	-3.4	-45.9	11.7	4.6	-33.0	1.3	13.6	-34.5	39.2	19.6	-12.2	4.8	-53.8	34.2	-27.0
Finance costs	-72.6	-98.9	-101.6	-113.6	-386.7	-102.7	-170.0	-97.9	-95.3	-465.9	-102.7	-170.0	-97.9	-95.3	-465.9
Share of the profit of associates accounted for using the equity method	5.2	-0.1	-3.5	-2.8	-1.2	-1.7	-1.9	-1.3	-1.6	-6.5	-1.7	-1.9	-1.3	-1.6	-6.5
Gross profit for the period	364.7	330.7	303.1	307.6	1,306.1	378.8	357.0	319.0	427.3	1,482.1	374.6	355.4	306.0	431.6	1,467.6
Income tax	-72.5	-99.3	-76	-242.2	-490.0	-78.0	-86.9	-72.0	-118.9	-355.8	-77.3	-86.5	-69.5	-119.7	-353.0
Net profit for the period	292.2	231.4	227.1	65.4	816.1	300.8	270.1	247.0	308.4	1,126.3	297.3	268.9	236.5	311.9	1,114.6
EBITDA	890.0	946.4	920.0	941.3	3,697.7	922.0	959.9	901.2	938.2	3,721.3	1,038.3	1,076.1	1,020.5	1,061.8	4,196.7
EBITDA margin	37.9%	36.4%	33.6%	31.4%	34.6%	33.1%	33.0%	31.3%	30.7%	32.0%	37.2%	36.8%	35.3%	34.6%	35.9%

Note: 1) Data presented in accordance with standards IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers. Data is not comparable to data for previous periods.

2) Data excluding the impact of IFRS 16

Glossary



RGU (Revenue Generating Unit)

Single, active service of pay TV, Internet Access or mobile telephony provided in contract or prepaid model.

Customer

Natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a **contract model**.

Contract ARPU

Average monthly revenue per **Customer** generated in a given settlement period (including interconnect revenue).

Prepaid ARPU

Average monthly revenue per **prepaid RGU** generated in a given settlement period (including interconnect revenue).

Churn

Termination of the contract with **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.

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. In the case of free of charge Internet access services provided by Aero 2, the Internet prepaid RGUs were calculated based on only those SIM cards, which used data transmission services under paid packages within the last 90 days.



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