

Polsat Plus Group Sustainability-Linked Financing Performance Report 2024

28 April 2025

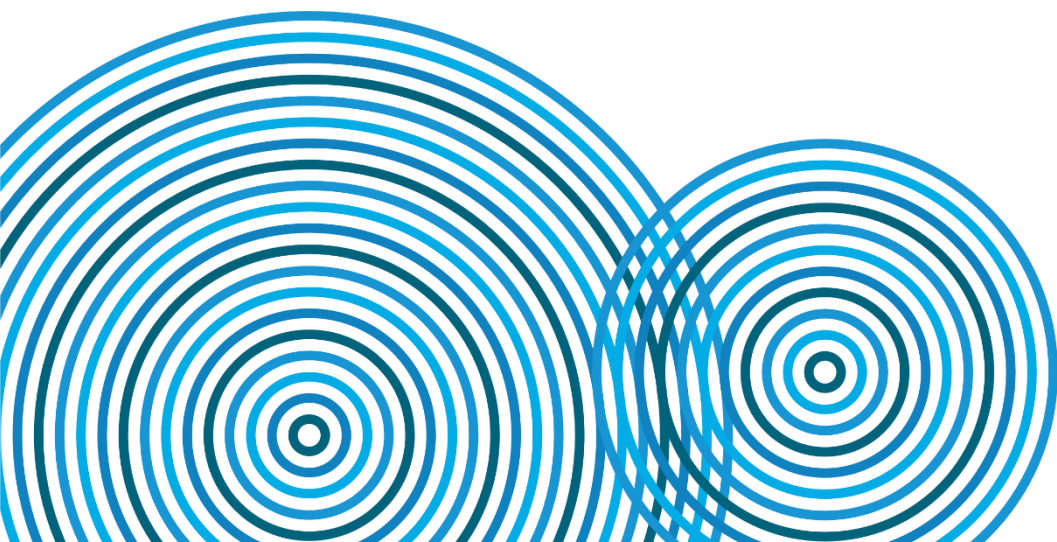


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Introduction

This report is intended to provide, on an annual basis, information for investors and other stakeholders on the Sustainability-Linked Financing Framework of the Polsat Plus Group (the “**SLFF**”, the “**Framework**”)¹ issued in 2022 and provides information on the progress of the Key Performance Indicators (KPIs) and the achievement of Sustainability Performance Targets (SPTs). The Sustainability-Linked Financing Framework was established in line with the Sustainability-Linked Bond Principles (SLBP) issued in June 2020 by the International Capital Market Association (ICMA) and includes the five core components of the Sustainability-Linked Loan Principles (SLLP) published in 2022 by the Loan Markets Association (LMA).

The SLFF was evaluated by an independent external verifier – Sustainalytics B.V. – who issued a Second Party Opinion to the SLFF in September 2022 (available on the Group’s website²) confirming the alignment of the Framework with the Sustainability-Linked Bond Principles 2020 and the Sustainability-Linked Loan Principles 2022. Polsat Plus Group has undertaken to comply with four key performance indicators (KPIs) set out in the Sustainability Linked-Financing Framework, which are described further in this report. Moreover, Sustainalytics evaluated the strength of the selected KPIs and ambitiousness of each SPT and their alignment with Polsat Plus Group’s sustainability strategy.

About Polsat Plus Group

Polsat Plus Group (“**GPP**”, the “**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 private 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 operators, television operators and broadcasters.

In December 2021, the Group adopted the Strategy 2023+ (the “**Strategy**”)³, which envisages the expansion of operating activities into a new area – clean energy. In order to effectively and dynamically implement our Strategy 2023+, in July 2023 GPP acquired control of the company PAK-Polska Czysta Energia sp. z o.o. and its subsidiaries and focused its activities on developing the green energy segment: the production of low- and zero-carbon energy from wind, solar and biomass sources and the production of green hydrogen, the development of hydrogen infrastructure, and the construction of hydrogen-powered buses and electrolyzers. The Group’s goal is to become a leading producer of clean, green energy and green hydrogen in Poland.

Currently Group’s operating activities include four business segments: B2C and B2B telecommunication services, media including television and online, real estate (from April 1, 2022) and green energy (from July 3, 2023). Detailed information on business activities of GPP can be found in the Group’s Annual Consolidated Report for the financial year 2024.⁴

¹ https://grupapolsatplus.pl/sites/default/files/polsat_group_sustainability_linked_financing_framework_1.pdf

² https://grupapolsatplus.pl/sites/default/files/grupa_polsat_plus_sustainability-linked_financing_framework_second-party_opinion.pdf

³ https://grupapolsatplus.pl/sites/default/files/documents/2021/strategy_of_gpp_2021_fv.pdf

⁴ https://grupapolsatplus.pl/sites/default/files/documents/2025/gpp_eng_fy2024.pdf

Key performance indicators and sustainability performance targets

Polsat Plus Group has undertaken to comply with four key performance indicators (KPIs) set out in the Sustainability Linked-Financing Framework which are core, relevant and material to its business and industry:

- KPI 1 Reduction of absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions (CO₂e tonnes/year)
- KPI 2 Energy production from renewable energy sources (RES) (GWh/year)
- KPI 3 Production of green hydrogen (tonnes/year)
- KPI 4 Share of zero-emission energy in the energy mix used by GPP (%).

Specific sustainability performance targets (SPTs) have been defined for each KPI. Sustainability assessed the relevance of KPIs and ambitiousness of the SPTs as outlined in the table below.

Key Performance Indicator (KPI)	Relevance	Sustainable Performance Target (SPT)	Ambition level
#1: Absolute greenhouse gas emissions, scope 1 and 2 (tCO ₂)	Very high	Reduction of total greenhouse gas emissions, scope 1 and 2, by 75% by 2025 and by 80% by 2030 relative to a 2019 baseline	Very ambitious
#2: Energy production from renewable sources (GWh)	Relevant	Increase of renewable energy production to 800 GWh by 2025 and to 1,600 GWh by 2030 relative to a 2021 baseline	Ambitious
#3: Green hydrogen production (t)	Relevant	Increase of green hydrogen production to 1,500 tonnes annually by 2025 and to 3,000 tonnes annually by 2030 relative to a 2021 baseline	Ambitious
#4: Share of zero-emission energy 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 relative to a 2019 baseline	Ambitious

KPIs performance

Key Performance Indicators and Sustainable Performance Targets of Polsat Plus Group and the Group's results in 2024 are presented in the table below.

KPI	SPT 2025	SPT 2030	Baseline	Result in 2024
#1: Reduction of absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions (CO ₂ equivalent tonnes/year)	Reduction by 75%	Reduction by 80%	2019	90%
#2: Energy production from Renewable Energy Sources (RES) (GWh/year)	800 GWh/year	1,600 GWh/year	2021	1,016 GWh
#3: Production of green hydrogen (tonnes/year)	1,500 tonnes/year	3,000 tonnes/year	2021	13.5 tonnes
#4: Share of zero-emission sources in the energy mix of Polsat Plus Group (%) ¹	25%	50%	2019	42.9%

¹ Data for Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o., and Netia S.A.

KPI 1: Reduction of absolute scope 1 and 2 greenhouse gas emissions

As defined in the scope of KPI 1 in the SLFF, this indicator measures the absolute scope 1 and 2 GHG emissions in tonnes of CO₂ equivalent (tCO₂e) generated by the main companies in the Group operating in the technology, media and entertainment, and telecommunications business.

GHG emissions (Scopes 1 and 2) are calculated in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. Detailed information and calculation methodology for each scope emissions is disclosed in GPP's Annual Consolidated Report for the financial year 2024.

	2019	2023	2024	SPT 2025	SPT 2030
Total emissions: scope 1 + scope 2 [tCO ₂ e] ¹	286,240	15,728	28,691	-	-
KPI 1. Reduction of absolute Scope 1 and 2 Greenhouse Gas (GHG) emissions	-	95%	90%	75%	80%

¹ location-based

In 2024, the Group not only managed to achieve both goals of reducing total greenhouse gas emissions in scopes 1 and 2 that were set for 2025 and 2030 but also exceeded them. The 2024's result reflects our consistent efforts to increase the share of electricity generated from renewable energy sources in Group's energy mix.

It should be noted that the greenhouse gas emissions for 2024 in both scopes were calculated for the Group's companies according to the principle of 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. Also, the calculations of GHG Scope 1 and 2

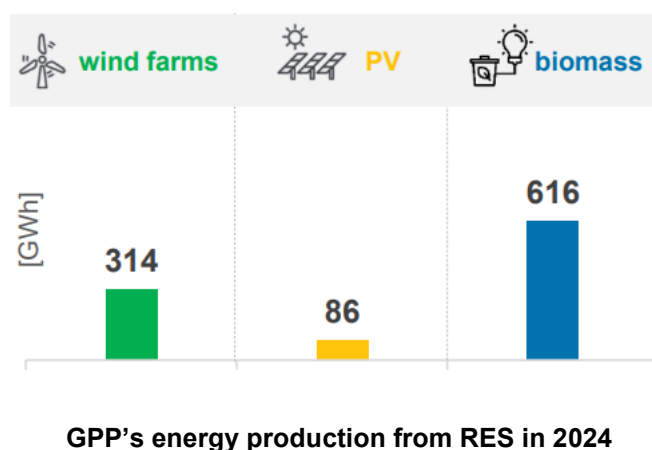
emissions in 2023 include the green energy segment only for the consolidation period, i.e. as of 3 July 2023.

KPI 2: Energy production from RES

The KPI is defined as the volume of the energy produced per year from renewable energy sources (RES) by Polsat Plus Group. Renewable energy sources defined for this KPI include solar, wind and biomass facilities.

As per the SLFF, if control over any entity is acquired during the relevant financial year, the KPI will be calculated as if that entity had been a member of the Group from the beginning of that financial year.

In 2024, Polsat Plus Group exceeded the target set for 2025 for renewable energy production by 27%. Its energy production from RES reached 1,016 GWh. This result was driven primarily by biomass energy, with a significant increase in the share of wind energy. In the following years, energy production from wind is expected to gradually increase as subsequent wind farms are launched.



KPI 3: Production of green hydrogen

The KPI is defined as the quantity of green hydrogen produced per year by Polsat Plus Group. Green hydrogen is defined as hydrogen produced through electrolysis based on electricity from renewable energy installations, i.e. wind, photovoltaic and biomass.

Green hydrogen production commenced in December 2024 when the Group commissioned its first electrolyser utilising PEM technology, with a capacity of 2.5 MW and the capability to produce approximately 1,000 kg of green hydrogen per day. Therefore, green hydrogen produced in 2024 amounted to 13.5 tonnes.

KPI 4: Share of zero-emission energy in the Group's energy mix

The KPI measures the share (%) of energy from zero-emission sources in the total energy mix used by GPP for any given year. The scope of this KPI refers to the main operating companies of the Group: Cyfrowy Polsat S.A., Telewizja Polsat sp. z o.o., Polkomtel sp. z o.o. and Netia S.A. Zero-emission energy is electricity sourced from solar and wind power facilities.

The KPI is calculated in the following way:

- the denominator is the volume of electricity purchased by the above mentioned entities for own use, that is:
 - 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 the role of an 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 center services or property sub-leases),
- the numerator is the part of the denominator that relates to the purchased electricity generated in solar and wind power facilities.

Energy source [MWh]	2019 ¹	2023	2024	SPT 2025	SPT 2030
Non-renewable	319,972	-	-	-	-
Biomass	13,290	102,060	62,180	-	-
Solar	29	6,004	-	-	-
Wind	80	-	46,766	-	-
Total	333,371	108,064	108,945	-	-
Zero-emission energy	109	6,004	46,766	-	-
KPI 4. Share of zero-emission energy in the energy mix	0%	5.6%	42.9%	25%	50%

¹ includes data of Polkomtel Infrastruktura sp. o.o., which was disposed in mid-2021.

Actions taken to achieve KPIs

To achieve the targets for each of KPI Polsat Plus Group has established relevant actions plans, which are in line with our Strategy 2023+.

KPI 1: Reduction of absolute scope 1 and 2 greenhouse gas emissions

The action plan, which the Group has developed to achieve its goals of the area of carbon footprint reduction in scopes 1 and 2, is focused primarily on activities aimed at reducing energy consumption and increasing the share of renewable energy sources in the energy consumed by the Group. It includes, among others, the following initiatives:

- producing and purchasing energy from renewable energy sources for the Group's own consumption;
- replacing outdated equipment and investing in energy efficient technologies, which consume less power;
- modernizing fixed telecommunications network infrastructure by implementing modern network management systems to optimize energy consumption;
- implementing advanced data storage and processing methods at our data centres and server rooms, enabling significant energy savings;
- modernization of power supply systems to minimize energy usage;
- replacement of cooling and ventilation systems in technical facilities and office buildings with more energy efficient ones;
- maintaining a fleet of low-emission vehicles by replacing combustion engine cars with electric and hydrogen-powered vehicles;
- monitoring and modifying the set-top box production processes to reduce energy consumption;
- using LED-type lighting in our buildings, stores and partner points of sale.

KPI 2: Energy production from RES

In order to support the dynamic implementation of the Group's Strategy 2023+ and development of the green energy segment, the following activities were undertaken to achieve the goals in the field of production of energy from renewable energy sources:

- launch of 2 on-shore wind farms: Czulchów and Przyrów, which increased the Group's total installed capacity to 338 MW,
- continued construction of 2 more on-shore wind farms:
 - Drzeżewo with installed capacity of 138.6 MW, scheduled to be launched in Q4 2025,
 - Dobra with installed capacity of 7.8 MW, scheduled to be launched in 2026.

In the coming years as new farms are being installed, the production of energy from renewable sources will be progressively rising to achieve the strategic goal of electricity production capacity from renewable sources of nearly 2.0 TWh per year from 2026 onwards, which will contribute to the reduction of greenhouse gas emissions by almost 2 million tons of CO₂ equivalent annually.

KPI 3: Production of green hydrogen

In line with our Strategy 2023+, we have built a complete value chain based on green hydrogen. To achieve this goal and meet the targets set for green hydrogen production, we have undertaken the following actions in 2024:

- commissioning of a 2.5 MW PEM electrolyser with total output capacity of 1,000 kg H₂ per day;
- advancing the proprietary prototype of a 0.5 MW alkaline electrolyser with total output capacity of 200 kg H₂ daily to the stage where it is fully developed and ready for production, with the launch scheduled for 2025.

The development of a green hydrogen value chain would not be possible without ensuring hydrogen storage and transportation, hydrogen distribution and fostering demand for hydrogen-powered vehicles. For this purpose, in 2024 we have undertaken the following activities:

- expansion of the green hydrogen refuelling stations chain – in Q4 2024 the Group opened NESO-branded hydrogen refuelling stations in Gdynia and Lublin, bringing the total number of NESO hydrogen refuelling stations up to five, with the sixth station in Wrocław opened in Q1 2025;
- delivery of 10 hydrogen buses to Gdańsk on the basis of a 10-year contract for the lease of buses with full service and supply of hydrogen fuel;
- delivery of 5 hydrogen buses for municipal transportation of Konin, partially made in Q4 2024 and concluded at the beginning of Q1 2025;
- winning 2 tenders for the delivery of hydrogen-powered buses [26 for Chelm, 8 for GZM Metropolis (Górnośląsko-Zagłębiowska Metropolia)], scheduled for 2025.

The plans for the upcoming reporting periods include expanding the production capacity of the Konin electrolysis plant, and the launch of the proprietary alkaline electrolyser with a capacity of 0.5 MW and a production capacity of 200 kg of hydrogen per day. The modular design of the latter will allow for easy increase of the production capacity in line with the demand for green hydrogen.

KPI 4: Share of zero-emission energy in the Group's energy mix

The action plan for increasing the share of zero-emission energy in the Group's energy mix assumes mainly activities aimed at ensuring supplies of energy from zero-emission sources to the companies of the Group. As a result of implementation of its Strategy 2023+, GPP is focused on the development of its own renewable energy sources, predominantly on-shore wind and photovoltaic power plants, as outlined earlier in this report. The Group's aim is to satisfy its internal energy needs in full by energy produced in its own RES units.

External verification

In accordance with the reporting and post-issuance verification requirements set forth in the Sustainability-Linked Financing Framework, KPIs selected in connection with issued financing are being verified annually by a qualified audit company.

In 2023, Cyfrowy Polsat S.A., the dominant company of Polsat Plus Group, issued three series of sustainability-linked bonds⁵, linked to KPI 4 (share of zero-emission sources in the Group's energy mix). Moreover, on 28 April 2023, Cyfrowy Polsat S.A. and its subsidiary Polkomtel sp. z o.o. executed a senior facilities agreement⁶ with margins related to KPI 2 (energy production from renewable energy sources) and KPI 4 (share of zero-emission sources in the Group's energy mix).

Consequently, another independent verifier – other than Sustainalytics, the provider of a Second Party Opinion on the Sustainability-Linked Financing Framework – has successfully performed (on an agreed limited assurance basis) the assessment of KPI 2 and KPI 4 and the achievement of SPTs for these KPIs in 2024. The assessment was carried out with a positive outcome.

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⁵ <https://grupapolsatplus.pl/en/investor-relations/bonds>

⁶ <https://grupapolsatplus.pl/en/archive/conclusion-material-financial-agreements-0>