



Cyfrowy Polsat S.A. Capital Group

**Interim Consolidated Report
for the three month period ended
March 31, 2023**

Warsaw, May 15, 2023

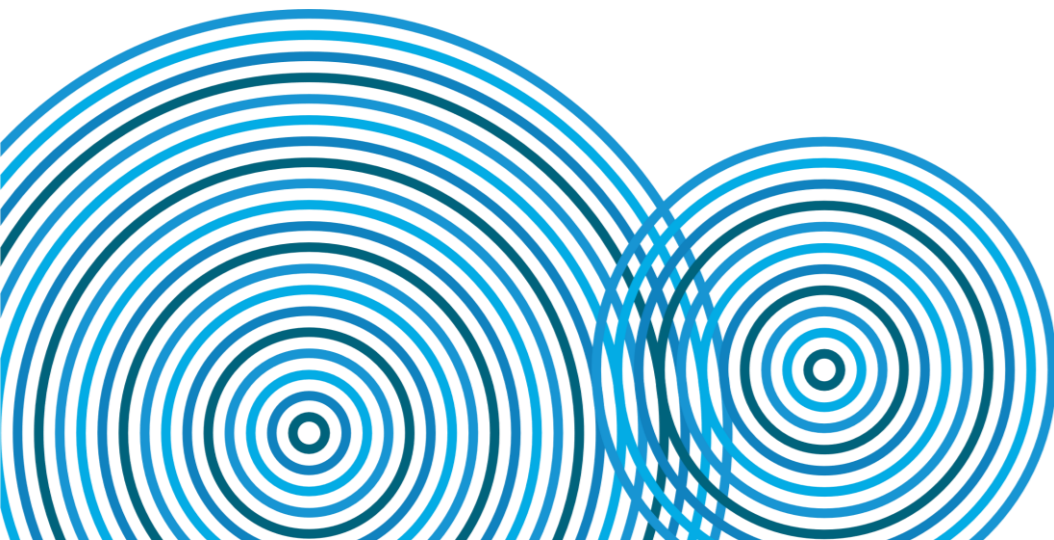




Table of Contents

Report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group for the three month period ended March 31, 2023

Interim condensed consolidated financial statements for the 3 months ended March 31, 2023

Interim condensed financial statements for the 3 months ended March 31, 2023



**Report of the Management Board
on the activities
of Cyfrowy Polsat S.A. Capital Group
for the three month period ended
March 31, 2023**

Warsaw, May 15, 2023

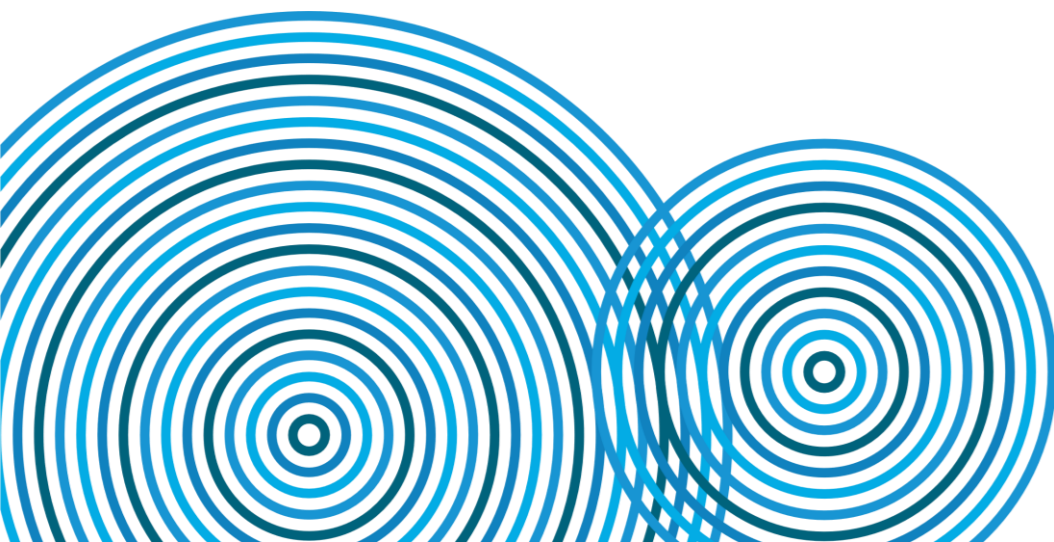


Table of contents

Disclaimers	3
Financial data overview	4
1. Characteristics of Polsat Plus Group	7
1.1. Activities of the Group	7
1.2. Changes in the organizational structure of Polsat Plus Group and their effects	8
1.3. Shareholders with qualifying holdings of shares in Cyfrowy Polsat	9
1.4. Shares in the Company held by Members of the Management Board and the Supervisory Board	9
2. Significant investments, agreements and events	11
2.1. Events after the balance sheet date	13
3. Operating and financial review of Polsat Plus Group	15
3.1. Operating review of the Group	15
3.2. Review of the Group's financial situation	22
4. Other significant information	41
4.1. Transactions concluded with related parties on conditions other than market conditions	41
4.2. Discussion of the difference of the Company's results to published forecasts	41
4.3. Material proceedings at the court, arbitration body or public authorities	41
4.4. Factors that may impact our results in subsequent periods	44
Glossary	46

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, under the number KRS 0000010078. The Company is the parent company of Cyfrowy Polsat S.A. Capital Group.

This constitutes the report of Cyfrowy Polsat Capital Group S.A. (the "Report") prepared as required by Article 60 sections 1(1) and 2 and Article 66 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.

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 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 our condensed financial statements for the three-month period ended March 31, 2023, 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 not 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 in order 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 financial data for the three-month periods ended March 31, 2023 and March 31, 2022. This information should be read in conjunction with the consolidated financial statements for the three-month period ended March 31, 2023 (including notes thereto) constituting part of this Report and the information included in item 3 of this Report – *Operating and financial review of Polsat Plus Group*.

Selected financial data:

- from the consolidated income statement and the consolidated cash flow statement for the three-month periods ended March 31, 2023 and March 31, 2022 have been converted into euro at a rate of PLN 4.7096 per EUR 1.00 (average exchange rate in the period from January 1, 2023 to March 31, 2023 announced by the NBP)
- from the consolidated balance sheet data as at March 31, 2023 and December 31, 2022 have been converted into euro at a rate of PLN 4.6755 per EUR 1.00 (average exchange rate on March 31, 2023 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 financial data for the three-month period ended March 31, 2023 and March 31, 2022 are not fully comparable due to acquisitions and changes to the Group's structure in the period from January 1, 2022 to March 31, 2023, which are described in detail in item 1.2. - *Changes in the organizational structure of Polsat Plus Group and their effects* – of this Report, as well as in item 1.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2022.

Consolidated income statement

	for the three-month period ended March 31			
	2023	2022	2023	2022
	mPLN	mPLN	mEUR	mEUR
Revenue	3,199.3	2,986.7	679.3	634.2
Retail revenue	1,733.8	1,722.2	368.1	365.7
Wholesale revenue	792.3	813.1	168.2	172.7
Sale of equipment	484.9	336.5	103.0	71.4
Other sales revenue	188.3	114.9	40.0	24.4
Operating costs	(2,891.9)	(2,633.7)	(614.0)	(559.2)
Technical costs and cost of settlements with telecommunication operators	(808.6)	(809.5)	(171.7)	(171.9)
Depreciation, amortization, impairment and liquidation	(462.5)	(446.3)	(98.2)	(94.8)
Cost of equipment sold	(392.6)	(277.5)	(83.4)	(58.9)
Content costs	(514.5)	(473.5)	(109.2)	(100.5)
Distribution, marketing, customer relation management and retention costs	(243.6)	(251.1)	(51.7)	(53.3)
Salaries and employee-related costs	(276.1)	(244.6)	(58.6)	(51.9)
Cost of debt collection services and bad debt allowance and receivables written off	(29.4)	(24.8)	(6.2)	(5.3)
Other costs	(164.6)	(106.4)	(35.0)	(22.6)
Other operating income/(cost), net	(8.7)	(32.7)	(1.8)	(7.0)
Profit from operating activities	298.7	320.3	63.5	68.0
Gain/(loss) on investment activities, net	20.8	6.9	4.4	1.5
Finance costs, net	(255.7)	(76.8)	(54.3)	(16.3)
Share of the profit/(loss) of associates accounted for using the equity method	20.3	14.7	4.3	3.1
Gross profit for the period	84.1	265.1	17.9	56.3
Income tax	(13.1)	(52.3)	(2.8)	(11.1)
Net profit for the period	71.0	212.8	15.1	45.2
Net profit attributable to equity holders of the Parent	64.5	214.9	13.7	45.6
Net profit/(loss) attributable to non-controlling interest	6.5	(2.1)	1.4	(0.4)
Basic and diluted earnings per share (not in millions)	0.13	0.37	0.03	0.08
Weighted number of issued shares (not in millions)	550,703,531	568,371,890	550,703,531	568,371,890
EBITDA⁽¹⁾	761.2	766.6	161.7	162.8
EBITDA margin	23.8%	25.7%	23.8%	25.7%
Costs of supporting Ukraine	-	(34.1)	-	(7.2)
adjusted EBITDA⁽²⁾	761.2	800.7	161.7	170.0
adjusted EBITDA margin	23.8%	26.8%	23.8%	26.8%
Operating margin	9.3%	10.7%	9.3%	10.7%

(1) 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.

(2) Adjusted EBITDA excludes the costs of supporting Ukraine incurred in the first quarter of 2022.

Consolidated cash flow statement

	for the three-month period ended March 31			
	2023	2022	2023	2022
	mPLN	mPLN	mEUR	mEUR
Net cash from operating activities	299.6	578.8	63.6	122.9
Net cash used in investing activities	(1,211.1)	(534.8)	(257.2)	(113.6)
<i>Incl. capital expenditures⁽¹⁾</i>	<i>(295.2)</i>	<i>(324.9)</i>	<i>(62.7)</i>	<i>(69.0)</i>
Net cash used in financing activities	1,567.3	(332.2)	332.8	(70.5)
Net increase/(decrease) in cash and cash equivalents	655.8	(288.2)	139.2	(61.2)

(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

	March 31	March 31	March 31	March 31
	2023	2022	2023	2022
	mPLN	mPLN	mEUR	mEUR
Cash and cash equivalents ⁽¹⁾	1,473.4	817.8	315.1	174.9
Assets	32,810.6	32,306.6	7,017.6	6,909.8
Non-current liabilities	10,910.2	10,180.4	2,333.5	2,177.4
Non-current financial liabilities ⁽²⁾	9,708.9	8,870.8	2,076.5	1,897.3
Current liabilities	6,030.7	6,315.4	1,289.9	1,350.8
Current financial liabilities ⁽²⁾	2,874.9	1,867.2	614.9	399.4
Equity	15,869.7	15,810.8	3,394.2	3,381.6
Share capital	25.6	25.6	5.5	5.5

(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. Activities of the Group

Polsat Plus Group is Poland's largest media and telecommunications group and the leader in the Polish entertainment and telecommunications markets. Within the scope of our activities we provide a comprehensive array of integrated services in the following areas:

- **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 150 TV channels broadcast in satellite, terrestrial and Internet (IPTV, OTT) technologies as well as modern OTT services and Multiroom. We also provide online video services through online services 'Polsat Box Go' and 'Polsat Go', the leaders on Poland's online video market;
- **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;
- **mobile broadband Internet**, offered mainly under the 'Plus' brand in the state-of-the-art LTE, LTE Advanced and 5G technologies. We offer the largest LTE coverage and the first commercial, and concurrently the largest and fastest 5G network in Poland, thanks to which our customers enjoy the best quality of services;
- **fixed-line broadband Internet**, offered under the 'Netia' and 'Plus' brands based on our nationwide access infrastructure reaching approximately 3.2 million homes passed as well as based on access to networks of other fixed-line operators;
- **broadcasting and television production** through Telewizja Polsat, the leading commercial TV broadcaster on the Polish market, offering 39 own popular TV channels, including our main channel POLSAT, one of the leading FTA channels in Poland;
- **Internet media** through the portal Interia.pl, one of the three largest horizontal portals in Poland, as well as a number of thematic portals;
- **wholesale services to other operators**, including, i.a., network interconnection, IP and voice traffic transit, lease of lines, and national and international roaming services;
- **activities on the real estate market**, consisting mainly in the implementation of construction projects as well as the sales, rental and management of real estate. Our flagship project is the Port Praski investment located in the strict center of Warsaw.

In December 2021, we announced our new Strategy 2023+, expanding our activities to include a new business pillar based on clean, green energy production. Between 2022 and 2026, we want to invest about PLN 5 billion to install about 1,000 MW of clean energy production capacity and about PLN 0.5 billion to build the full value chain of an economy based on green hydrogen. According to our estimates, our investment plan will contribute to the reduction of greenhouse gas emissions by over 2 million tons of CO₂ equivalent per year, while creating an additional recurring EBITDA stream of PLN 500-600 million per year by 2026.

1.2. Changes in the organizational structure of Polsat Plus Group and their effects

From January 1, 2023 until the date of publication of this Report, i.e. May 15, 2023, changes presented in the table below were implemented in the structure of Polsat Plus Group.

Date	Description
B2C and B2B services segment	
January 2, 2023	Merger of Netia S.A. (acquiring company) with Logitus Sp. z o.o. (acquired company).
January 19, 2023	Disposal of 1,000 shares (0.0003%) in Netia by Cyfrowy Polsat to TiVi Foundation.
Media segment	
January 2, 2023	Registration in the court register of Interia.pl Sp. z o.o., established as a result of the transformation from Grupa Interia.pl Media Sp. z o.o. Sp.k.
January 2, 2023	Registration in the court register of Polsat Media Sp. z o.o., established as a result of the transformation from Polsat Media Biuro Reklamy Sp. z o.o. Sp.k.
February 15, 2023	Disposal of 50% shares in Polsat Jim Jam Ltd. by Telewizja Polsat.

The changes described above are the effect of acquisitions and 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.

Furthermore, the Group is acquiring selected assets in order to effectively and dynamically implement its Strategy 2023+ which is focused, in particular, on the Group's development in the area of energy production from low- and zero-emission sources and the acquisition of attractive real estate projects. Part of the acquisitions executed by the Group consists of financial investments which, in our opinion, represent an attractive alternative for allocation of free cash resources.

A detailed description of the Group's structure, including the above mentioned changes, is presented in Note 5 to the Company's condensed consolidated financial statements for the three months ended March 31, 2023.

1.3. 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. May 15, 2023.

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%
<i>Reddev Investments Limited, including through:</i>	386,745,247	60.47%	566,162,738	69.13%
<i>Cyfrowy Polsat S.A.⁽¹⁾</i>	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%
<i>ToBe Investments Group Limited</i>	4,449,156	0.70%	4,449,156	0.54%
Nationale Nederlanden PTE S.A.	41,066,962	6.42%	41,066,962	5.02%
Others	201,677,032	31.53%	201,677,032	24.63%
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 last periodic report

From the date of publication of the previous interim report, i.e. April 20, 2023 (annual report for 2022), until the date of publication of this Report, i.e. May 15, 2023, the Company did not receive notifications concerning changes in the structure of ownership of significant blocks of Cyfrowy Polsat shares.

1.4. 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. May 15, 2023.

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. May 15, 2023, along with changes in holdings from the date of publication of the previous report, i.e. April 20, 2023 (annual report for 2022).

Name and surname / Function	Holding as at April 20, 2023	Acquisitions	Disposals	Holding as at May 15, 2023
Mr. Zygmunt Solorz ⁽¹⁾ Chairman of the Supervisory Board	396,802,022	-	-	396,802,022
Mr. Tobias Solorz ⁽²⁾ Member of the Supervisory Board	10,056,765	-	-	10,056,765
Mr. Józef Birka ⁽³⁾ Member of the Supervisory Board	79,268	-	-	79,268
Mr. Marek Kapuściński Deputy Chairman of the Supervisory Board	22,150	-	-	22,150
Mr. Tomasz Szeląg ⁽³⁾ Member of the Supervisory Board	53,810	-	-	53,810

(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) Person under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies. Mr. Tobias Solorz holds shares directly and indirectly through ToBe Investments Group Limited.

(3) 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.

(4) 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. May 15, 2023, nor at the date of publication of the previous report, i.e. April 20, 2023 (annual report for 2022).

Changes in the ownership of the Company's shares by Members of the Management Board and the Supervisory Board since the publication of the previous interim report

From the date of publication of the previous interim report, i.e. April 20, 2023 (annual report for 2022), until the date of publication of this Report, i.e. May 15, 2023, the Company did not receive notifications concerning changes in the structure of ownership of significant blocks of Cyfrowy Polsat shares.

2. Significant investments, agreements and events

Issuance of Series D Bonds linked with the sustainable growth objectives

As part of the Bond Issuance Program of November 29, 2022 with the total maximum nominal value of PLN 4 billion, on January 11, 2023, the Company issued 2,670,000 unsecured, PLN-denominated series D bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 2,670 million, maturing on January 11, 2030 ("Series D Bonds").

In line with Polsat Plus Group's Sustainability-Linked Financing Framework, the Series D Bonds are linked to sustainability goals (Sustainability-Linked Bonds). This is the first Polish issue of Sustainability-Linked Bonds fully compliant with the International Capital Market Association (ICMA) standards. At the same time, the issuance of Series D Bonds is the largest corporate bond issue by a private company in the history of the Polish capital market.

Proceeds from the issuance of the Series D Bonds will be used to support the implementation of Strategy 2023+, in particular the planned construction of 1,000 MW of installed low- and zero-emission clean electricity generation capacity and the full value chain of an economy based on green hydrogen, which will ultimately contribute to the reduction of CO₂ emissions in the Polish economy by approximately 2 million tons per year. Polsat Plus Group also made a commitment to bondholders to gradually migrate to zero-emission sources of electricity used for own purposes.

Part of the funds raised in the Series D Bond issue were used for the redemption of 691,952 Series B Bonds and 835,991 Series C Bonds.

Introduction of new tariffs for telecommunications services

In March 2023, Plus introduced new subscription plans for B2C and B2B customers using its mobile voice services and 5G/LTE and fiber Internet access. The new plans include larger data bundles than those offered previously with a simultaneously increased subscription fees (the more-for-more strategy). As a promotion, Plus offered its customers free access to the Disney+ streaming service for one year and made 5G technology available to all its customers: users of post-paid, prepaid and mobile Internet offers.

In the headline tariff for B2C customers, four monthly subscription variants are available: PLN 39/ 6 GB, PLN 59/ 50 GB, 79 PLN/120 GB and PLN 99/250 GB. The offer for business customers includes six variants of monthly subscriptions ranging from PLN 49/30 GB to PLN 119 zł/600 GB (excluding VAT). Plus also introduced special family subscriptions priced from PLN 29/50 GB to PLN 69/250 GB. The new 5G/LTE mobile Internet offer consists of seven subscription options priced from PLN 39/50 GB to PLN 129/1000 GB. Customers using Internet services bundled with TV or voice services will be eligible for discounts and/or doubled data packages.

Consultation process of the auction for frequency reservations in the 3.6 GHz band

In the period from December 20, 2022 to January 31, 2023, the Office of Electronic Communications (UKE) conducted a process of public consultations of auction documentation for four frequency reservations in the 3.6 GHz band. The subject of the initially planned frequency distribution were 4 blocks of 80 MHz each and the minimum price per block was set at PLN 450 million.

On April 6, 2023, the President of UKE announced a subsequent consultation process of the revised auction documentation for four frequency reservations in the 3.6 GHz band. The consultations were conducted until May 12, 2023. According to the consulted documentation, the current subject of the auction are to be 4 blocks of 100 MHz each. The starting price per block has not changed and remains at PLN 450 million.

The conditions for participating in the auction include the necessity to document investment expenditures in telecommunication of at least PLN 1 billion between 2016 and 2021 and the possession of a nationwide frequency reservation in the 900 MHz, 1800 MHz, 2100 MHz and 2600 MHz bands.

The new auction documentation specifies quantitative, coverage and qualitative commitments for network development. The quantitative commitments consist in the launch of at least 3,800 base stations by the operators who will obtain the spectrum within 36 months from the date of delivery of the decision. In terms of coverage and qualitative commitments, the quality requirements were applied which constitute a new element of the frequency distribution process in Poland. 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 will be required to provide throughput (using any frequency band) of 100 Mbps to 99% of households nationwide within 60 months, in 95% of the country's territory within 84 months, along all national roads within 60 months, along 100% of provincial roads within 84 months, along designated railroads within 60 months, and to 24-hour border crossings within 12 months from the date of delivery of the reservation decision.

The deadline projected by President of UKE for allocating the 3.6 GHz band is the fourth quarter of 2023.

Development of clean energy projects

Within the framework of Polsat Plus Group's *Strategy 2023+* in the new area of clean energy, we work intensively with ZE PAK to quickly launch the production of clean energy and green hydrogen. In particular, taking into account the ongoing process of the acquisition of 67% of shares of PAK-PCE, we are already actively supporting the activities of PAK-PCE Group by granting strictly controlled guarantees and loans for the development of renewable energy projects.

We are dynamically developing onshore wind farm projects. At present, six wind farms are under construction: in Miłosław (9.6 MW), Kazimierz Biskupi (17.5 MW), Przyrów (50 MW), Człuchów (73 MW), Drzeżewo (139 MW) and Dobra (7.8 MW). The first two projects are expected to be completed in the third quarter of 2023, while the following two are scheduled for the second and third quarter of 2024. Completion of work on the Drzeżewo and Dobra projects is scheduled for 2025. With the implementation of the projects described above, the installed capacity of onshore wind farms will exceed 296 MW in 2025.

In the area of photovoltaics, work is being finalized on the 12.4 MW Cambria farm, which is being built next to the Brudzew farm already in operation and will be a natural extension of it. Simultaneously, PAK-PCE is also preparing to launch a project to build a photovoltaic farm with the capacity of about 180-200 MW in Przykona, on post-mining land owned by PAK-PCE.

In addition to dynamically developing projects oriented towards the production of clean energy from renewable sources, we are also focusing on building the full value chain of the green hydrogen economy. Of particular note, the installation of the first 2.5 MW electrolyzer, which will be capable of producing 1,000 kg of green hydrogen per day, is currently underway.

The hydrogen bus designed by PAK-PCE and Polsat Plus Group, the NesoBus (where "Neso" stands for the Polish phrase "Nie Emituje Spalin i Oczyszcza" which means "does not emit exhaust fumes and purifies the air"), received European type-approval, which means that it can be sold and operated throughout the EU. The NesoBus had its premiere in May 2022. In March 2023, we signed a contract with the city of Rybnik for the delivery of 20 NesoBus hydrogen buses, the first of which will hit the city's streets this fall.

Simultaneously, the construction of a bus factory in Świdnik is underway. The bus factory is expected to become operational in the third quarter of 2023 and, ultimately, we want to produce more than 100 hydrogen buses per year. In December 2022, an agreement was signed with the National Fund for Environmental

Protection and Water Management (NFOŚiGW) to subsidize the above project with a preferential loan of up to PLN 50 million.

We are also working to develop a hydrogen distribution network. Design work is currently underway for the construction and commissioning of stationary hydrogen refueling stations in 6 cities in Poland. In February 2023, PAK-PCE's subsidiary entered into an agreement with the National Fund for Environmental Protection and Water Management, according to which the NFOŚiGW will provide a grant of PLN 20 million for the construction of a network of publicly accessible hydrogen refueling stations in five cities in Poland. In addition, contracts have been concluded for the supply of 4 mobile hydrogen stations and 7 hydrogen trailers with completion dates falling in 2023.

Guarantees and loans for investment projects related to clean energy production

In connection with the development of the clean energy projects, the Company, as a party to the preliminary agreement dated December 20, 2021 (as amended) concerning the Company's purchase of shares in PAK-Polska Czysta Energia, decided to grant sureties or guarantees and a number of loans in order to support PAK-PCE in the execution of its investment projects. A description of granted loans and guarantees is presented in item 3.2.6. – *Information on granting by the Company or its subsidiaries of sureties for credit or loan or granting of guarantees* – of this Report.

Concluding financial PPA agreements with PAK-PCE Fotowoltaika Sp. z o.o. and PAK-VOLT S.A.

In March 2023, the Company entered into so-called financial PPA (Power Purchase Agreement) agreements with PAK-PCE Fotowoltaika Sp. z o.o. and PAK-VOLT S.A. concerning electricity generated by the photovoltaic farm in the municipality of Brudzew. The contracts were concluded for a period of 15 years, with the possibility of termination in certain situations, and became effective in April 2023.

In April 2023, the Company entered into financial PPA agreements with Park Wiatrowy Palczyn1 Sp. z o.o. and PAK-Volt S.A. for electricity generated by the wind farm in the municipality of Miloslaw. The agreements were concluded for a period of 15 years and 6 months, starting from the first settlement, which is scheduled for October 2023.

The Company committed in the financial PPA agreements to make financial settlements in order to ensure a fixed price for the sale or purchase of electricity (so-called contract on difference). The settlement price in the financial PPA agreements was established for the first year of the term and will be indexed in subsequent years by the inflation rate, subject to applicable legal regulations specifying the maximum sales price of electricity produced from renewable sources.

2.1. Events after the balance sheet date

Conclusion of significant financial agreements

On April 28, 2023, Cyfrowy Polsat and Polkomtel, as the borrowers, along with certain entities from the Group (i.e., 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.), concluded the Senior Facilities Agreement, sustainability linked financing, with a consortium of Polish and foreign financial institutions.

The facilities agreement provides for a PLN term facility loan to be granted to the Company and Polkomtel up to a maximum amount of PLN 7,255.0 million, an EUR term facility loan up to a maximum amount of EUR 506.0 million and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 million ("Senior Facilities Agreement", "SFA").

The facilities bear interest at a variable rate equal to WIBOR/EURIBOR for the relevant interest periods plus margin. The margin of the facilities depends on the level of the consolidated total debt ratio (net debt to consolidated EBITDA) calculated jointly for certain entities from the Group in such a way that the lower the ratio, the lower the applicable margin, and also on the achievement by the Group of certain targets concerning green energy production and zero-carbon electricity consumption by certain entities from the Group.

The term of the facilities is 5 years from the date of execution of the facilities agreement and the final repayment date of each of these facilities is April 28, 2028.

The facilities will be utilized by the Company in particular:

- (i) to repay in full the indebtedness under the senior facilities agreement of September 21, 2015, as amended;
- (ii) to make funds available to companies implementing investment projects defined in the SFA; and
- (iii) to finance general corporate needs of the Group.

The SFA provides for the establishment of collateral by the Company and other entities from the Group securing the repayment of loans granted thereunder. Detailed information on the concluded Senior Facilities Agreement is described in item 3.2.5. of this Report – *Liquidity and capital resources – Significant financing agreements*, and in the Company's current reports No. 8/2023 dated April 28, 2023 and No. 10/2023 dated May 9, 2023.

In connection with the concluded SFA the Company has convened an Extraordinary General Meeting for May 25, 2023 with an aim to adopt a resolution regarding consent to execute a pledge agreement and to establish registered pledge(s) on a collection of property and rights constituting an organizational whole with variable composition forming part of the Company's enterprise as well as to establish mortgage(s) on real estate owned or held in perpetual usufruct by the Company to secure the liabilities resulting from finance documents.

Early repayment of the Group's outstanding debt

On 9 May 2023, the Company and Polkomtel submitted to the facility agent an irrevocable instruction to initiate the procedure of an early repayment of the full amount of the term facility loan and the revolving facility loan granted under the senior facilities agreement of September 21, 2015, as amended by the amendment, restatement and consolidation deeds of March 2, 2018 and April 27, 2020.

The prepayment in the aggregate amount of PLN 8,843.7 million is planned for May 16, 2023.

As a result of the prepayment, the Company and Polkomtel will repay the entire debt under the facilities agreement referred to above.

3. Operating and financial review of Polsat Plus Group

3.1. Operating review of the Group

When assessing our operating results in the B2C area, we analyze contract services and prepaid services separately. In the case of contract services we consider the number of unique, active services provided in the contract model (RGUs), the number of customers, churn rate and average revenue per customer (ARPU). When analyzing prepaid services we consider the number of unique, active services provided in the prepaid model (prepaid RGUs) as well as average revenue per prepaid RGU. 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.

In turn, the B2B area is analyzed by us across two base dimensions. We focus on maintaining and building the scale of our customer base, expressed as the number of businesses serviced by us, as well as on measuring their value through ARPU.

Due to ongoing analysis and work on the assumptions for the development of a new real estate segment, as of the date of this Report the Company has not determined key performance indicators for this business segment. Once the work on strategic assumptions for the segment is completed, the Company will select and present key operating indicators for this area of operations.

	for the 3-month period ended March 31		change / %	
	2023	nominal	nominal	% / p.p.
B2C and B2B SERVICES SEGMENT¹				
Contract services for B2C customers				
Total number of B2C RGUs⁽²⁾ (EOP) [thous.], incl.:	13,163	13,379	(216)	(1.6%)
Pay TV	4,951	5,177	(226)	(4.4%)
Mobile telephony	6,232	6,205	27	0.4%
Internet	1,980	1,997	(17)	(0.9%)
Number of B2C customers (EOP) [thous.]	5,887	6,012	(125)	(2.1%)
ARPU per B2C ⁽³⁾ customer [PLN]	71.4	69.8	1.6	2.3%
Churn in B2C ⁽⁴⁾ subsegment	7.2%	6.8%	-	0.4 p.p.
RGU saturation per one B2C customer	2.24	2.23	0.01	0.4%
Prepaid services				
Total number of RGUs (EOP) [thous.], incl.:	2,693	2,832	(139)	(4.9%)
Pay TV	121	129	(8)	(6.2%)
Mobile telephony	2,542	2,666	(124)	(4.7%)
Mobile Internet	30	37	(7)	(18.9%)
ARPU per prepaid RGU ⁽⁵⁾ [PLN]	17.1	17.2	(0.1)	(0.6%)
Contract services for B2B customers				
Total number of B2B customers (EOP) [thous.]	69.3	68.9	0.4	0.6%
ARPU per B2B ⁽³⁾ customer [PLN]	1,434	1,392	42.0	3.0%

	for the 3-month period ended March 31		change / %	
	2023	nominal	nominal	% / p.p.
MEDIA SEGMENT: TELEVISION AND ONLINE				
TV channels				
TV audience share	21.9%	23.2%	-	(1.3 p.p.)
Advertising market share	28.2%	28.2%	-	-
Online – internet portals				
Average number of users [millions]	21.2	21.2	-	-
Average number of page views [millions]	1,938	2,170	(232.7)	(10.7%)
1) Customer – a natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in the contract model. A customer is identified by a unique national identification number (PESEL), tax identification number (NIP) or national business registry number (REGON). 2) RGU (revenue generating unit) – a single, active and retail revenue generating service of pay TV provided in all types of access technologies, mobile or fixed-line internet access, or mobile telephony provided in the contract or prepaid model. 3) ARPU per B2C/B2B customer - average monthly revenue per customer generated in a given settlement period. 4) Churn - termination of the contract with a B2C customer by means of a termination notice, collections or other activities resulting in the situation that after the termination of the contract the customer does not have any active services 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 a 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 prepaid RGU - average monthly revenue per prepaid RGU generated in a given settlement period.				

3.1.1. B2C and B2B services segment

Contract services for B2C customers

The total number of B2C customers to whom we provided contract services as at the end of the first quarter of 2023 was 5,887 thousand (-2.1% YoY). The main reason behind the decrease of the contract customer base was 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 same time, we effectively care about customer satisfaction, which translated into a low churn ratio. The churn rate for our B2C customers amounted to only 7.2% in the twelve-month period ended March 31, 2023 (+0.4 p.p. YoY). Low churn is primarily the effect of a high level of loyalty of our customers of bundled services, which results 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 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). In the first quarter of 2023, average revenue per B2C customer increased to PLN 71.4 (+2.3% YoY). The pace of growth of ARPU per B2C contract customer results, in particular, from the continuous building of customer value. We believe that our decisions to rapidly roll-out the 5G network and the growing popularity of tariff plans enabling the use of this technology by our customers as well as continued expansion of our content offer will contribute to the further building of customer value, reflected in the level of ARPU.

The number of contract services for B2C customers provided by us at the end of the first quarter of 2023 amounted to 13,163 thousand RGUs, i.e., 216 thousand less compared to the previous year (-1.6% YoY). The main reason for this decline was the decrease in the number of contract pay TV services by 226 thousand

(-4.4% YoY) to the level of 4,951 thousand RGUs, mainly due to the price repositioning and change in the strategy of offering our video online services (in 2021, we replaced the Ipla platform with the new Polsat Box Go offer, which is differently positioned in terms of pricing), a lower number of provided satellite TV services as well as the decision to discontinue the Mobile TV service. This decrease was partially compensated by an increasing number of TV services offered in online technologies (IPTV/OTT).

In parallel, we recorded the continued increase of contract mobile telephony services for B2C customers – by 27 thousand (+0.4%) YoY to the level of 6,232 thousand. This result was achieved thanks to the successful implementation of our strategy of cross-selling services to an individual customer, including 5G services, which are available in our offer since May 2020.

In the analyzed period, the number of Internet access services provided to B2C customers in the contract model remained at a stable level and amounted to 1,980 thousand as at the end of the first quarter of 2023. A factor supporting our Internet RGU base is the constantly improving quality of our telecommunications networks – a consequence of our investments, exemplified by the high quality 5G network covering over 50% of Poland's population and the gradual modernization of our fixed-line network.

We observe a steadily increasing saturation of our B2C customer base with integrated services, which is reflected in the high ratio of contract services per customer. As at the end of March 2023, every customer had on average 2.24 contract services (+0.4% YoY). We believe that further saturation of our customer base with integrated services, including our flagship product smartDOM to which we systematically add new products, will positively influence the 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, based on a mechanism of offering attractive discounts on every additional product or service purchased from the Group's portfolio, remains popular among our customers and has a positive effect on the churn rate, RGU saturation per customer ratio and ARPU per contract B2C customer. At the end of March 2023, the number of customers using our bundled services remained stable year on year and amounted to 2,462 thousand, which translates to a 41.8% saturation of our contract customer base with multiplay services. This group of customers had 7,421 thousand RGUs as at the end of the first quarter of 2023, up by 65 thousand (+0.9%) 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 139 thousand (-4.9%) YoY and amounted to 2,693 thousand as at March 31, 2023.

In the analyzed period, the main reason behind the decline of our prepaid services base was the decrease in the number of prepaid mobile telephony services by 124 thousand (-4.7%) YoY, to 2,542 thousand RGUs. The year on year decrease in the number of provided prepaid mobile telephony services is related to a high reference point due to the support action in the form of distribution of free starters enabling free communication for the newly arrived refugees from Ukraine in the first quarter of 2022. At the same time, the number of prepaid mobile broadband Internet services remained in a downward trend, decreasing by 7 thousand YoY as at the end of the first quarter of 2023. This change was driven primarily by the increasing popularity of data transmission packages in mobile telephony tariff plans (smartphones) which is associated with diminishing differences between the sizes of data packages offered in both product lines. The number of prepaid TV services provided by us decreased by 8 thousand, to the level of 121 thousand at the end of March 2023.

In the first quarter of 2023, average revenue per prepaid RGU amounted to PLN 17.1 (-0.6% YoY) and remained relatively stable year on year.

Contract services for B2B customers

The total number of B2B customers to whom we provided contract services as at the end of the first quarter of 2023 was 69.3 thousand (+0.6% YoY). The scale of our B2B customer base remains 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 1,434 (+3.0% YoY) per month in the first quarter of 2023.

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 is 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. The continued expansion of data center resources offered to business customers, cybersecurity solutions or cloud computing can serve as an example. In parallel, we seek to provide specialized IT solutions for specific sectors of the economy (finance and banking, real estate, hotels, energy production, etc.). We believe that thanks to a comprehensive telecommunication and IT services offering for our B2B customers we will be in a position to maintain their high level of satisfaction and therefore to secure our revenue in this market segment.

3.1.2. Media segment: television and online

We consider predominantly audience share by channel and TV advertising market share when analyzing and evaluating our television broadcasting and production activities and the average monthly number of users and average monthly number of page views when analyzing and evaluating our online activities. The following tables set forth these key performance indicators for the relevant periods.

Audience shares

Audience share	3 months ended March 31		Change / p.p.
	2023	2022	
Audience share ⁽¹⁾⁽²⁾, including:	21.85%	23.19%	(1.34)
POLSAT (main channel)	8.00%	8.32%	(0.32)
Other channels	13.85%	14.87%	(1.02)
TV4	3.04%	2.66%	0.38
Polsat 2	1.34%	1.27%	0.07
Polsat News	1.25%	2.17%	(0.92)
TV6	1.11%	1.31%	(0.20)
Super Polsat	1.02%	1.07%	(0.05)
Fokus TV	0.88%	1.27%	(0.39)
Polsat Play	0.72%	0.65%	0.07
Polsat Film	0.67%	0.74%	(0.07)
Wydarzenia24	0.61%	0.63%	(0.02)
Polsat Seriale	0.46%	0.33%	0.13
Polsat Cafe	0.40%	0.40%	-
Polo TV	0.39%	0.42%	(0.03)
Nowa TV	0.38%	0.30%	0.08
Eska TV	0.31%	0.43%	(0.12)
Polsat Sport	0.24%	0.22%	0.02
Disco Polo Music	0.18%	0.12%	0.06
Eleven Sports 1	0.17%	0.17%	-
Polsat Doku	0.15%	0.12%	0.03
Polsat Sport Extra	0.09%	0.07%	0.02

Audience share	3 months ended March 31		Change / p.p.
	2023	2022	
Polsat Rodzina	0.07%	0.09%	(0.02)
Eska TV Extra	0.06%	0.06%	-
Polsat News 2	0.06%	0.09%	(0.03)
Polsat Music HD	0.05%	0.07%	(0.02)
Polsat Sport News HD	0.05%	0.04%	0.01
Polsat Games	0.05%	0.04%	0.01
Vox Music TV	0.04%	0.05%	(0.01)
Eleven Sports 2	0.04%	0.04%	-
Polsat Sport Fight	0.02%	0.03%	(0.01)
Eska Rock TV	0.02%	0.03%	(0.01)
Polsat 1 ⁽³⁾	n/a	n/a	n/a
Polsat Sport Premium 1 ⁽³⁾	n/a	n/a	n/a
Polsat Sport Premium 2 ⁽³⁾	n/a	n/a	n/a
Eleven Sports 3 ⁽³⁾	n/a	n/a	n/a
Eleven Sports 4 ⁽³⁾	n/a	n/a	n/a
TV Okazje ⁽³⁾	n/a	n/a	n/a
Polsat Film 2 ⁽³⁾	n/a	n/a	n/a
Polsat X ⁽³⁾	n/a	n/a	n/a
Polsat Reality ⁽³⁾	n/a	n/a	n/a
Advertising market share⁽⁴⁾	28.2%	28.2%	-

- (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) Channel not included in the telemetric panel.
- (4) Our evaluation based on Publicis Group's estimates.

Channels cooperating with Polsat Plus Group (non-consolidated)

Audience share	3 months ended March 31		Change / p.p.
	2023	2022	
Polsat Comedy Central Extra	0.34%	0.29%	0.05
Polsat JimJam	0.18%	0.12%	0.06
CI Polsat	0.15%	0.17%	(0.02)
Polsat Viasat Explore	0.16%	0.15%	0.01
Polsat Viasat History	0.24%	0.19%	0.05
Polsat Viasat Nature	0.09%	0.04%	0.05

The audience share in the commercial group (all viewers aged 16-59, including Live+2, i.e. 2 additional days of time-shifted viewing; including out of home viewing, i.e. OOH) for Polsat Plus Group amounted to 21.9% (-1.3 p.p. YoY) in the first quarter of 2023. The Group's channels audience shares were adversely affected by the refarming from the DVB-T to DVB-T2 standard, completed on June 27, 2022, in which commercial broadcasters were treated unequally by favoring the public broadcaster, who was allowed by an administrative decision to continue broadcasting TVP channels in the old standard until the end of 2023. As a result of the refarming process, which was carried out in stages, terrestrial TV viewers equipped with older-generation TV sets were deprived of access to the commercial broadcasters' offer until they purchased a new set-top box or TV set. In the case of Polsat Plus Group, channels with limited access to digital terrestrial television include Polsat, TV4, TV6, Super Polsat, Eska TV, Polo TV and Fokus TV.

In parallel, continuous market fragmentation can be observed on the Polish market, as a result of which audience shares of the main TV channels (Polsat, TVN, TVP1 and TVP2) are decreasing in favor of the audience shares of thematic channels and rapidly growing popularity of other forms of consumption of video content displayed on TV sets. This phenomenon affects the audience of our main Polsat channel which fell by 0.3 p.p. YoY to 8.0% in the first quarter of 2023 and also the thematic channels which recorded a decrease by 1.0 p.p. YoY to 13.9%.

Another factor influencing the audience levels of the Group's channels is 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.

Compared to the first quarter of 2022, a marked decline in viewership was recorded by news channels, in particular Polsat News. Polsat News posted record shares in March 2022 (SHR 3.14%), which was the result of increased viewer interest in current news due to the outbreak of the armed conflict in Ukraine. This phenomenon gradually faded over the course of the year, and as a result, the station's audience share in the first quarter of 2023 was 1.3%.

TV advertising and sponsoring market share

According to initial estimates of Publicis Group, expenditures on TV advertising and sponsoring in the first quarter of 2023 amounted to approximately PLN 1.0 billion (+4.0% YoY). Based on these data, we estimate that our TV advertising market share was 28.2% in the analysed period.

If we compare the current portfolio of Polsat Plus Group's channels, we generated around 11% less EqGRPs in the first quarter of 2023 compared to the first quarter of 2022.

Average monthly number of Internet users

In the first quarter of 2023 the average monthly number of users (the 'real users' indicator from the Mediapanel survey) of Polsat-Interia Group websites and apps remained stable YoY and amounted to 21.2 million.

The table below presents a list of websites, whose number of average users per month exceeded 0.5 million in the first quarter of 2023. The Interia.pl portal is presented as a whole, without a breakdown into services.

Average number of users ⁽¹⁾ [millions]	3 months ended March 31		Change	
	2023	2022	nominal	%
Polsat-Interia Group	21.2	21.2	-	-
<i>Selected websites:</i>				
interia.pl	15.5	15.5	-	-
pomponik.pl	7.3	6.7	0.6	9.0%
polsatnews.pl	6.5	4.7	1.8	38.3%
smaker.pl	4.4	3.7	0.7	18.9%
deccoria.pl	4.2	2.8	1.4	50.0%
polsatsport.pl	3.3	2.5	0.8	32.0%
bryk.pl	2.7	2.2	0.5	22.7%
polsatboxgo.pl	1.5	1.8	(0.3)	(16.7%)
twojapogoda.pl	1.3	1.5	(0.2)	(13.3%)

Average number of users ⁽¹⁾ [millions]	3 months ended March 31		Change	
	2023	2022	nominal	%
polsatgo.pl	1.0	1.1	(0.1)	(9.1%)
okazjum.pl	1.0	0.8	0.2	25.0%
opracowania.pl	0.6	0.6	-	-
ding.pl	0.6	0.8	(0.2)	(25.0%)

(1) Mediapanel survey, Real Users indicator.

The portal with the highest number of users was the horizontal portal Interia.pl, which recorded a stable YoY average number of 15.5 million users in the first quarter of 2023. In turn, we recorded noticeable increases in the number of users of some other services. The news website polsatnews.pl was visited by 6.5 million users in the first quarter of 2023, up by 1.8 million from a year ago (+38.3% YoY). The deccoria.pl home renovation service was visited in the first quarter of 2023 by 4.2 million users, i.e. by 1.4 million users more than a year ago (+50.0% YoY). Good upward dynamics was recorded by polsatsport.pl sports service, with an increase in the average monthly number of users by 0.8 million (+32.0% YoY). The largest decline in the first quarter of 2023, by 0.2 million users (-25.0% YoY), was recorded by ding.pl, which presents promotional newsletters. Its sister site on the same topic, okazjum.pl, on the other hand, recorded identical levels of growth during this period (+0.2 million users and +25.0% YoY).

Average monthly number of Internet views

The average monthly number of page and app views of Polsat-Interia Group websites reached 1.9 billion in the first quarter of 2023 (-10.7% YoY).

The table below presents the list of websites, whose number of views exceeded 0.5 million in the first quarter of 2023. The Interia.pl portal is presented as a whole, without a breakdown into services.

Average number of views ⁽¹⁾ [millions]	3 months ended March 31		Change	
	2023	2022	nominal	%
Group	1,937.7	2,170.4	(232.7)	(10.7%)
<i>Selected websites:</i>				
interia.pl	972.9	1,123.1	(150.2)	(13.4%)
pomponik.pl	51.2	53.0	(1.8)	(3.4%)
polsatnews.pl	35.7	39.5	(3.8)	(9.6%)
okazjum.pl	28.8	16.6	12.2	73.5%
smaker.pl	22.4	17.7	4.7	26.6%
polsatsport.pl	18.0	11.7	6.3	53.8%
bryk.pl	12.4	9.8	2.6	26.5%
twojapogoda.pl	12.3	12.8	(0.5)	(3.9%)
deccoria.pl	12.1	6.3	5.8	92.1%
ding.pl	9.1	22.0	(12.9)	(58.6%)
polsatboxgo.pl	5.8	6.4	(0.6)	(9.4%)
polsatgo.pl	3.6	4.3	(0.7)	(16.3%)
opracowania.pl	1.8	1.5	0.3	20.0%

1) Data from Mediapanel survey, Views indicator –views of websites/apps. Starting from the second quarter of 2021, the above indicator measures, in addition to the website views, the plays of embedded video content.

In the analyzed period the highest number of views was generated by the Interia.pl horizontal portal. Its content was viewed on average 972.9 million times per month during the first quarter of 2023 (-13.4% YoY). The decrease in the number of the portal's page views compared to the first quarter of 2022 was influenced by users' high interest in news content related to the war in Ukraine during the comparative period. A similar

situation occurred with polsatnews.pl, which recorded 35.7 million page views in the first quarter of 2023, which translated into a decrease of 3.8 million page views (-9.6% YoY) despite the fact that the service recorded a significant increase in the number of users during the period.

The second place in terms of the number of views was invariably held by the gossip site pomponik.pl, with an average monthly number of 51.2 million views in the first quarter of 2023, however this website recorded a decline of 1.8 million views (-3.4% YoY) compared to the first quarter of 2022. Dynamic increase in the number of page views was recorded by our home renovation service deccoria.pl (+5.8 million views, +92.1% YoY). Very good results were also achieved by the promotional service okazjum.pl (+12.2 million views, +73.5%) while its sister service on the same topic, ding.pl, saw a decline in page views of a similar size (-12.9 million views, -58.6% YoY). A very good result was also recorded by polsatsport.pl service (+6.3 million page views, +53.8% YoY). In turn, a change in the strategy of offering our online video services and growing competition from international players resulted in a reported decrease in the number of views of the streaming services polsatgo.pl (-0.7 million, -16.3% YoY) and polsatboxgo.pl (-0.6 million, -9.4% YoY) in the first quarter of 2023.

3.2. Review of the Group's financial situation

The following review of results for the three-month period ended March 31, 2023 was prepared based on the condensed consolidated financial statements for the three-month period ended March 31, 2023, 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 financial data for the three-month periods ended March 31, 2023 and March 31, 2022 are not fully comparable due to the acquisitions and changes to the Group's structure, which are described in detail 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 activities of Cyfrowy Polsat S.A. Capital Group for 2022.

When analyzing the financial position of the Group, we do not eliminate the impact of companies acquired or disposed of in the period from January 1, 2022 to March 31, 2023. However, if the impact of an acquisition or a disposal is a significant factor, this is indicated for the item in question.

Please note that the comparability of EBITDA results in the analyzed periods was disrupted due to the Group's substantial support to Ukraine in the first quarter of 2022. In order to ensure comparability of EBITDA for the analyzed periods, the Group presents the adjusted EBITDA result, which excludes the above mentioned factor.

3.2.1. Income statement analysis

The description of key positions in the consolidated income statement is presented in item 4.2. of the Report of the Management Board on activities of Cyfrowy Polsat S.A. Capital Group for 2022.

Results for the first quarter of 2023

[mPLN]	for the 3-month period ended March 31		change	
	2023	2022	[mPLN]	[% / p.p.]
Revenue	3,199.3	2,986.7	212.6	7.1%
Operating costs	(2,891.9)	(2,633.7)	(258.2)	9.8%
Other operating cost, net	(8.7)	(32.7)	24.0	(73.4%)
Profit from operating activities	298.7	320.3	(21.6)	(6.7%)
Gain on investment activities, net	20.8	6.9	13.9	201.4%
Finance costs, net	(255.7)	(76.8)	(178.9)	232.9%
Share of the profit of associates accounted for using the equity method	20.3	14.7	5.6	38.1%
Gross profit for the period	84.1	265.1	(181.0)	(68.3%)
Income tax	(13.1)	(52.3)	39.2	(75.0%)
Net profit for the period	71.0	212.8	(141.8)	(66.6%)
EBITDA	761.2	766.6	(5.4)	(0.7%)
EBITDA margin	23.8%	25.7%	-	(1.9 p.p.)
Costs of supporting Ukraine	-	(34.1)	34.1	(100%)
EBITDA adjusted	761.2	800.7	(39.5)	(4.9%)
EBITDA adjusted margin	23.8%	26.8%	-	(3.0 p.p.)

Revenue

Our **total revenue** increased by PLN 212.6 million (+7.1% YoY) in the first quarter of 2023.

[mPLN]	for the 3-month period ended March 31		change	
	2023	2022	[mPLN]	[%]
Retail revenue	1,733.8	1,722.2	11.6	0.7%
Wholesale revenue	792.3	813.1	(20.8)	(2.6%)
Sale of equipment	484.9	336.5	148.4	44.1%
Other revenue	188.3	114.9	73.4	63.9%
Revenue	3,199.3	2,986.7	212.6	7.1%

Retail revenue increased by PLN 11.6 million (+0.7%) YoY, as a result of the successful execution of our strategy aimed at building customer value, which is reflected in ARPU growth dynamics from contract B2C and B2B customers.

Wholesale revenue decreased by PLN 20.8 million (-2.6%) YoY. The decrease in interconnection revenue, due to the gradual regulatory reduction of MTR rates, was to a significant extent compensated by higher advertising and sponsorship revenue as well as higher revenue from cable and satellite operator fees.

Revenue from the **sale of equipment** increased by PLN 148.4 million (+44.1%), principally as a result of an increased share of more expensive smartphone models in the sales mix with stable sales volumes.

Other revenue increased by PLN 73.4 million (+63.9%) YoY. The most important factors behind the growth in this revenue category include revenue from the sale of apartments (no such revenue in the comparative period), higher revenue from rental of premises, a better result on the sale of gas and electricity, higher revenues from operations on the photovoltaic market and increasing interest revenue from sales in the installment plan model.

Operating costs

Our **operating costs** increased by PLN 258.2 million (+9.8%) YoY in the first quarter of 2023.

[mPLN]	for the 3-month period ended March 31		change	
	2023	2022	[mPLN]	[%]
Technical costs and cost of settlements with telecommunication operators	808.6	809.5	(0.9)	(0.1%)
Depreciation, amortization, impairment and liquidation	462.5	446.3	16.2	3.6%
Cost of equipment sold	392.6	277.5	115.1	41.5%
Content costs	514.5	473.5	41.0	8.7%
Distribution, marketing, customer relation management and retention costs	243.6	251.1	(7.5)	(3.0%)
Salaries and employee-related costs	276.1	244.6	31.5	12.9%
Cost of debt collection services and bad debt allowance and receivables written off	29.4	24.8	4.6	18.5%
Other costs	164.6	106.4	58.2	54.7%
Operating costs	2,891.9	2,633.7	258.2	9.8%

Technical costs and cost of settlements with telecommunication operators remained stable YoY. Lower costs of interconnection settlements, resulting from the successive regulatory reduction of MTR rates, was fully offset, mainly by significantly higher electricity costs.

Depreciation, amortization, impairment and liquidation costs increased by PLN 16.2 million (+3.6%) YoY, due to, among others, the accrual of depreciation of Port Praski group companies acquired in April 2022.

The **cost of equipment sold** increased by PLN 115.1 million (+41.5%) YoY as a result of an increased share of more expensive models of smartphones in the sales mix, which corresponds with increased revenue from the sale of equipment.

Content costs increased by PLN 41.0 million (+8.7%) YoY, mainly as a result of higher costs of internal production and investments aimed at increasing the attractiveness of our TV channels' programming as well as higher costs of sports rights.

Distribution, marketing, customer relation management and retention costs decreased by PLN 7.5 million (-3.0%) YoY. This decrease resulted from a high reference point in the comparative period, in which we recorded higher distribution and logistics costs related to our activities on the photovoltaics market as well as additional costs of promotional offers for our customers based on a cash-back mechanism.

Salaries and employee-related costs increased by PLN 31.5 million (+12.9%) YoY, mainly due to the increased headcount and continuing inflationary pressure. Average headcount in the Group increased by 422 FTEs (+5.7%) YoY, which was an effect of the changes in the Group structure within the last 12 months including, in particular, the consolidation of Port Praski capital group from April 2022 and the acquisition of 69 points of sale in December 2022 by Liberty Poland, our subsidiary managing the sales network.

Average employment	for the 3-month period ended		Change	
	March 31		[FTEs]	[%]
	2023	2022		
Permanent workers not engaged in production ⁽¹⁾	7,873	7,451	422	5.7%

(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 increased by PLN 4.6 million (+18.5%) YoY, which is mainly due to a low reference point in the comparative period due to the provision released at that time.

Other costs increased by PLN 58.2 million (+54.7%) YoY, which was related, among others, to the recognition of higher cost of operations in the photovoltaics market, cost of apartments sold in our real estate segment (no corresponding costs in the comparative period), higher property maintenance costs, which were due to significantly higher electricity costs and inflationary pressure on rental fees, and higher legal, advisory and consulting costs.

Other operating cost, net amounted to PLN 8.7 million in the first quarter of 2023 and were lower by PLN 24.0 million (-73.4%) YoY. This decrease resulted mainly from the recognition in this cost category of the support provided to Ukraine in the face of war in the comparative period.

Gain on investment activities, net amounted to PLN 20.8 million in the first quarter of 2023 and was higher by PLN 13.9 million YoY, mainly as a result of higher interest income on bank deposits and loans granted.

Finance costs, net increased by PLN 178.9 million YoY, primarily on the back of higher costs of servicing the Group's debt driven by persistently high interest rates. In connection with the issuance of Series D Bonds on January 11, 2023 and the early redemption of part of the Series B and C Bonds, a one-time income resulting from the modification of cash flows following the conversion of bonds, totaling PLN 19.2 million, was recognized in finance costs, net in the first quarter of 2023.

The **share of the profit of associates accounted for using the equity method** amounted to PLN 20.3 million in the first quarter of 2023. This item mainly reflects the recognition of our share in the net profit of Asseco Poland and PAK-Polska Czysta Energia Sp. z o.o.

Income tax was lower by PLN 39.2 million YoY, mainly as a result of as a result of lower by 71,9% gross profit in the first quarter of 2023.

Net profit for the first quarter of 2023 decreased by PLN 141.8 million (-66.6%) YoY to PLN 71.0 million, primarily due to increasing pressure from operating and financial costs.

EBITDA amounted to PLN 761.2 million (-0.7%) YoY in the first quarter of 2023, with EBITDA margin at 23.8%. The main factors behind the decline in EBITDA on the backdrop of strong, positive dynamics of revenue growth include general inflationary pressure on operating costs and significantly higher costs of electricity. Compared to adjusted EBITDA in the first quarter of 2022 (excluding the cost of support for Ukraine), EBITDA fell by PLN 39.5 million (-4.9% YoY) in the period under review.

3.2.2. Operating segments

The Group operates in the following three 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 and
- real estate segment (starting from April 1, 2022).

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.

Services provided in the B2C and B2B customers segment include:

- digital pay television services which primarily relate to direct distribution of technologically advanced pay TV services where revenues are generated mainly from pay TV subscription fees,
- mobile telecommunication services (postpaid and mix) which generate revenues mainly from settlements with mobile network operators, traffic and subscription fees,
- mobile telecommunication prepaid services which generate revenues mainly from traffic and settlements with mobile network operators,
- fixed telecommunication services, which generate revenues mainly from subscription fees, traffic and settlements with network operators,
- 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 fiber optic lines and infrastructure,
- online TV services (Polsat Box Go) available on computers, smartphones, tablets, smart TV sets, game consoles and other TV equipment which generate revenues mainly from subscription fees and advertising in the Internet,
- premium rate services based on SMS/IVR/MMS/WAP technologies,
- production of set-top boxes,
- sale of telecommunication equipment,
- sale of electric energy and other utilities to retail customers,
- sale of photovoltaic installations.

The media segment consists mainly of production, acquisition and broadcasting of information and entertainment programs as well as TV series and feature films broadcast on television, radio and Internet channels in Poland.

Revenues generated by the media segment relate mainly to advertising and sponsorship revenues, as well as revenues from cable and satellite operators.

The real estate segment includes mainly the implementation of construction projects as well as sales, rental and management of owned or leased real estate.

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. 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 three-month period ended March 31, 2023.

3-month period ended March 31, 2023 [mPLN]	B2C and B2B services segment	Media segment	Real estate segment	Consolidation adjustments	Total
Revenues from sales to third parties	2,658.9	501.5	38.9	-	3,199.3
Inter-segment revenues	15.6	66.4	5.9	(87.9)	-
Revenues	2,674.5	567.9	44.8	(87.9)	3,199.3
EBITDA (unaudited)	663.2	92.5	7.0	(1.5)	761.2
Depreciation, amortization, impairment and liquidation	418.6	38.6	5.3	-	462.5
Profit from operating activities	244.6	53.9	1.7	(1.5)	298.7
Acquisition of property, plant and equipment and other intangible assets	269.6	22.3	3.3	-	295.2
Acquisition of reception equipment	24.8	-	-	-	24.8
Balance as at March 31, 2023 (unaudited)					
Assets, including:	25,100.4	6,367.4 ⁽¹⁾	1,603.6	(260.8)	32,810.6
Investments in joint venture and associates	1,821.9	-	82.7	-	1,904.6

1) Includes non-current assets located outside of Poland in the amount of PLN 1.5 million.

All material revenues are generated in Poland.

It should be noted that the financial data for the three-month periods ended March 31, 2023 and March 31, 2022 allocated to the B2C and B2B services segment, the media segment and the real estate segment are not fully comparable due 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 2022.

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 three-month period ended March 31, 2022.

3-month period ended March 31, 2022 [mPLN]	B2C and B2B services segment	Media segment	Consolidation adjustments	Total
Revenues from sales to third parties	2,512.2	474.5	-	2,986.7
Inter-segment revenues	13.7	59.0	(72.7)	-
Revenues	2,525.9	533.5	(72.7)	2,986.7
EBITDA adjusted (unaudited)	704.1	96.6	-	800.7
Costs of supporting Ukraine	(33.0)	(1.1)	-	(34.1)
EBITDA (unaudited)	671.1	95.5	-	766.6
Depreciation, amortization, impairment and liquidation	418.7	27.6	-	446.3
Profit from operating activities	252.4	67.9	-	320.3
Acquisition of property, plant and equipment and other intangible assets	257.9	67.0	-	324.9
Acquisition of reception equipment	37.7	-	-	37.7
Balance as at March 31, 2022 (unaudited)				
Assets, including:	25,407.8	6,544.2 ⁽¹⁾	(56.8)	31,895.2
Investments in joint venture and associates	1,774.8	5.9	-	1,780.7

1) Includes non-current assets located outside of Poland in the amount of PLN 3.1 million.

3.2.3. Balance sheet analysis

As at March 31, 2023, our balance sheet amounted to PLN 32,810.6 million and was higher by PLN 504.0 million (+1.6%) compared to the balance as at December 31, 2022.

Assets

[mPLN]	March 31 2023	December 31 2022	Change	
			[mPLN]	[%]
Reception equipment	278.7	282.0	(3.3)	(1.2%)
Other property, plant and equipment	3,601.5	3,600.9	0.6	-
Goodwill	10,818.2	10,818.1	0.1	-
Customer relationships	538.7	643.7	(105.0)	(16.3%)
Brands	2,041.2	2,060.9	(19.7)	(1.0%)
Other intangible assets	3,255.2	3,340.6	(85.4)	(2.6%)
Right-of-use assets	527.0	527.0	-	-
Non-current programming assets	372.3	501.8	(129.5)	(25.8%)
Investment property	652.4	647.0	5.4	0.8%
Non-current deferred distribution fees	79.8	79.8	-	-
Non-current trade receivables	931.1	930.0	1.1	0.1%
Non-current loans granted	576.3	325.6	250.7	77.0%
Other non-current assets, includes:	1,933.7	1,918.0	15.7	0.8%
<i>shares in associates accounted for using the equity method</i>	1,904.6	1,884.2	20.4	1.1%
<i>derivative instruments</i>	10.1	17.4	(7.3)	(42.0%)
Deferred tax assets	110.5	99.9	10.6	10.6%
Total non-current assets	25,716.6	25,775.3	(58.7)	(0.2%)
Current programming assets	769.8	699.2	70.6	10.1%
Contract assets	377.5	362.9	14.6	4.0%
Inventories	1,272.2	1,162.4	109.8	9.4%
Trade and other receivables	2,614.2	2,751.3	(137.1)	(5.0%)
Current loans granted	86.2	250.5	(164.3)	(65.6%)
Income tax receivable	5.8	5.0	0.8	16.0%
Current deferred distribution fees	214.8	217.3	(2.5)	(1.2%)
Other current assets, includes:	152.4	137.2	15.2	11.1%
<i>derivative instruments</i>	36.5	63.9	(27.4)	(42.9%)
Cash and cash equivalents	1,463.5	808.5	655.0	81.0%
Restricted cash	9.9	9.3	0.6	6.5%
Total current assets	6,966.3	6,403.6	562.7	8.8%
Assets held for sale	127.7	127.7	-	-
Total assets	32,810.6	32,306.6	504.0	1.6%

In the first quarter of 2023, **non-current assets** decreased by PLN 58.7 million (-0.2%) and accounted for 78.4% of total assets. The decrease in the value of non-current assets was driven by a reduction in the value of non-current programming assets by PLN 129.5 million (-25.8%) as well as lower values of **customer relationships** by PLN 105.0 million (-16.3%) and **other intangible assets** (mostly telecommunication licenses) by PLN 85.4 million (-2.6%) due to the gradual recognition of amortization. Concurrently, during the first quarter of 2023 we recorded an increase by PLN 250.7 million (+77.0%) in the value of **non-current loans granted** mainly for the development of operations in the area of green energy.

As at the end of March 2023, **current assets** increased by PLN 562.7 million (+8.8%) compared to their balance as at the end of 2022 and accounted for 21.2% of the total assets of the Group. **Cash and cash equivalents** increased by PLN 655.0 million in the first quarter of 2023, mainly as a result of the issuance of the Series D Bonds with the total nominal value of PLN 2,670.0 million in January 2023 and the early redemption of Series B and Series C Bonds. The **value of inventories increased** by PLN 109.8 million (+9.4%), primarily due to an increase in the value of stocks of end-user equipment for our customers. At the same time, during the period under review, we recorded a PLN 164.3 million (-65.6%) **decrease in receivables from the current loans**, granted mainly for the development of our clean energy business, and a PLN 137.1 million (-5.0%) **decrease in trade and other receivables**, particularly from unrelated parties and from public-law receivables.

During the first quarter of 2023 the **value of non-current and current programming assets** decreased by PLN 58.9 million (-4.9%), which was associated mainly with the gradual debiting of costs of previously purchased film licenses and sports rights.

Moreover, as at March 31, 2023 the Company recognized the value of **assets held for sale** in the amount of PLN 127.7 million in connection with the planned disposal of selected properties.

Equity and liabilities

[mPLN]	March 31 2023	December 31 2022	Change	
			[mPLN]	[%]
Share capital	25.6	25.6	-	-
Share premium	7,174.0	7,174.0	-	-
Share of other comprehensive income of associates	52.0	51.9	0.1	0.2%
Other reserves	2,806.0	2,815.9	(9.9)	(0.4%)
Retained earnings	8,122.1	8,057.6	64.5	0.8%
Treasury shares	(2,854.7)	(2,854.7)	-	-
Equity attributable to equity holders of the Parent Company	15,325.0	15,270.3	54.7	0.4%
Non-controlling interests	544.7	540.5	4.2	0.8%
Total equity	15,869.7	15,810.8	58.9	0.4%
Loans and borrowings	6,469.7	6,624.8	(155.1)	(2.3%)
Issued bonds	2,897.0	1,900.4	996.6	52.4%
Lease liabilities	342.2	345.6	(3.4)	(1.0%)
Deferred tax liabilities	914.9	978.7	(63.8)	(6.5%)
Other non-current liabilities and provisions	286.4	330.9	(44.5)	(13.4%)
<i>includes derivative instruments</i>	11.9	4.3	7.6	176.7%
Total non-current liabilities	10,910.2	10,180.4	729.8	7.2%
Loans and borrowings	2,376.3	1,512.6	863.7	57.1%
Issued bonds	318.0	176.0	142.0	80.7%
Lease liabilities	180.6	178.6	2.0	1.1%
Contract liabilities	628.9	606.8	22.1	3.6%
Trade and other payables	2,445.5	3,767.1	(1,321.6)	(35.1%)
<i>includes derivative instruments</i>	0.5	2.1	(1.6)	(76.2%)
Income tax liability	81.4	74.3	7.1	9.6%
Total current liabilities	6,030.7	6,315.4	(284.7)	(4.5%)
Total liabilities	16,940.9	16,495.8	445.1	2.7%
Total equity and liabilities	32,810.6	32,306.6	504.0	1.6%

Equity increased by PLN 58.9 million (+0.4%), to PLN 15,869.7 million as at March 31, 2023. The increase in the value of equity resulted mainly from net profit generated in the first quarter of 2023 in the amount of PLN 71.0 million.

Total liabilities increased by PLN 445.1 million (+2.7%) and amounted to 16,940.9 million as at March 31, 2023. Current liabilities amounted to PLN 6,030.7 million and non-current liabilities amounted to PLN 10,910.2 million, constituting 35.6% and 64.4% of total liabilities, respectively. The value of non-current liabilities increased by PLN 729.8 million (+7.2%) and the main driver of this change was an increase in non-current liabilities related to issued bond by PLN 996.6 million (+52.4%) following the issuance of Series D Bonds and the redemption of part of the Series B and Series C Bonds in January 2023.

Compared to the end of December 2022, the **value of current liabilities decreased** by PLN 284.7 million (-4.5%). This decrease was mainly the result of a **decrease in trade and other payables** by PLN 1,321.6 million (-35.1%) due primarily to the settlement of the payment for the renewal of the frequency reservation in the 1800 MHz band and lower current accruals. The aforementioned decrease was offset to a significant extent by an **increase in the value of current liabilities related to loans and borrowings** by PLN 863.7 million (+57.1%), which was due to the drawdown of the revolving credit facility.

Contractual obligations

Commitments to purchase programming assets

As at March 31, 2023 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments:

[mPLN]	March 31, 2023	December 31, 2022
within one year	394.8	251.6
between 1 to 5 years	399.9	258.1
more than 5 years	179.7	13.3
Total	974.4	523.0

The table below presents commitments to purchase programming assets from related parties not included in the consolidated financial statements:

[mPLN]	March 31, 2023	December 31, 2022
within one year	43.3	20.0
Total	43.3	20.0

Contractual liabilities related to purchases of non-current assets

Total amount of contractual liabilities resulting from agreements for the production and purchasing of property, plant and equipment was PLN 130.2 million as at March 31, 2023 (PLN 138.2 million as at December 31, 2022). The total amount of contractual liabilities resulting from agreements for the purchases of intangible assets was PLN 94.1 million as at March 31, 2023 (PLN 73.4 million as at December 31, 2022).

Future contractual obligations

As at March 31, 2023 and December 31, 2022 the Group had future liabilities due for transponder capacity agreements. The table below presents future payments (total):

[mPLN]	March 31, 2023	December 31, 2022
within one year	124.9	125.3
between 1 to 5 years	218.5	250.5
Total	343.4	375.8

3.2.4. Cash flow analysis

The table below presents selected data from the consolidated cash flow statement for the three-month periods ended March 31, 2023 and March 31, 2022.

[mPLN]	for the 3-month period ended March 31		Change	
	2023	2022	[mPLN]	[% / p.p.]
Net profit	71.0	212.8	(141.8)	(66.6%)
Net cash from operating activities	299.6	578.8	(279.2)	(48.2%)
Net cash used in investing activities, incl.	(1,211.1)	(534.8)	(676.3)	126.5%
Capital expenditures	(295.2)	(324.9)	29.7	(9.1%)
<i>Capital expenditures / revenue</i>	9.2%	10.9%	n/a	(1.7 p.p.)
Net cash used in financing activities	1,567.3	(332.2)	1,899.5	n/a
Net increase/(decrease) in cash and cash equivalents	655.8	(288.2)	944.0	n/a
Cash and cash equivalents at the beginning of the period	817.8	3,644.3	(2,826.5)	(77.6%)
Cash and cash equivalents at the end of the period	1,473.4	3,353.7	(1,880.3)	(56.1%)

Net cash from operating activities

Net cash received from operating activities amounted to PLN 299.6 million in the first quarter of 2023 and decreased by PLN 279.2 million (-48.2%) YoY, primarily due to higher working capital employed, which was mainly the result of increasing installment receivables, associated with high revenue generated from the sale of equipment to retail customers, as well as a faster increase in inventories and decrease in liabilities than in the comparative period.

Net cash used in investing activities

Net cash used in investing activities amounted to PLN 1,211.1 million in the first quarter of 2023 and increased by PLN 676.3 million YoY (+126.5%). The main reason for this increase was the recognition of the payment for the renewal of the frequency reservation in the 1800 MHz band for the next 15 years totaling PLN 847.0 million, which was offset by a lower balance of net loans granted than in the comparative period.

Capital expenditures on the purchase of property, plant and equipment, and intangible assets amounted to PLN 295.2 million in the first quarter of 2023 and decreased by PLN 29.7 million (-9.1%) YoY while the ratio of capital expenditures to revenue amounted to 9.2%.

Net cash used in finance activities

Net cash received from financing activities amounted to PLN 1,567.3 million in the first quarter of 2023 compared to PLN 332.2 million of net cash used in financing activities in the comparative period. This increase was associated with the issuance of Series D Bonds coupled with earlier redemption of part of Series B and Series C bonds and the drawdown under our revolving credit facility.

3.2.5. Liquidity and capital resources

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. On April 28, 2023, the Company and Polkomtel, as borrowers, entered into new financing agreements that provide additional liquidity resources.

Indebtedness of Polsat Plus Group

The table below presents a summary of the financial debt of the Group as at March 31, 2023.

	Balance value as at March 31, 2023 [mPLN]	Coupon / interest / discount	Maturity date
SFA (Tranche A and B)	7,822.2	WIBOR + margin	Tranche A - 2024 Tranche B - 2025
Revolving Credit Facility (RCF)	1,017.1	WIBOR + margin	-
Bonds	3,215.0	Series B - WIBOR + 1.75% Series C - WIBOR + 1.65% Series D - WIBOR + 3.85%	Series B - 2026 Series C - 2027 Series D - 2030
Leasing and other	529.5	-	-
Gross debt	12,583.8	-	-
Cash and cash equivalents ¹	(1,463.5)	-	-
Net debt	11,120.3	-	-
EBITDA LTM ²	3,415.9	-	-
Total net debt / EBITDA LTM	3.26x	-	-
Weighted average interest cost of loans and bonds ³		9.0%	-

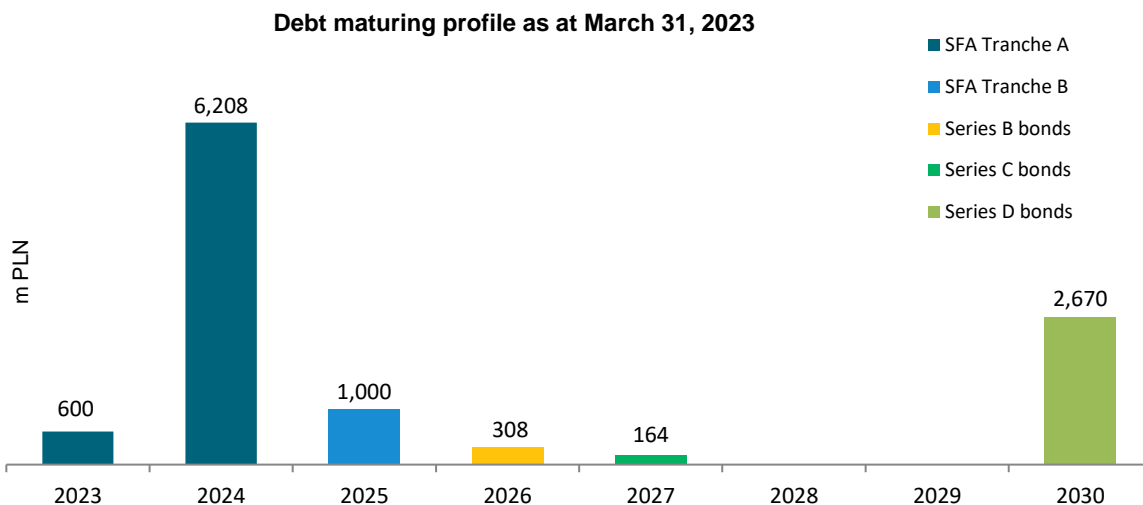
(1) Includes cash and cash equivalents.

(2) EBITDA LTM adjusted in accordance with the requirements of the facility agreement.

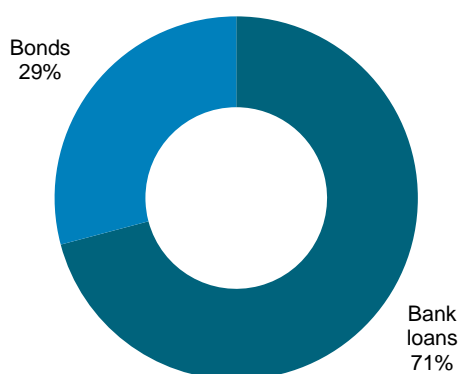
(3) Prospective average weighted interest cost of the SFA (including the Revolving Credit Facility) and the Series B, Series C and Series D Bonds, excluding hedging instruments, as at March 31, 2023 assuming WIBOR 1M of 6.84% and WIBOR 6M of 6.95%.

On January 11, 2023, the Company issued 2,670,000 unsecured Series D bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 2,670.0 million, maturing on January 11, 2030. In parallel, on January 11, 2023, the Company carried out an early redemption of 691,952 Series B bonds with the total nominal value of PLN 692.0 million and 835,991 Series C bonds with the total nominal value of PLN 836.0 million. After redemption of the Series B and Series C bonds, bonds listed in the Alternative Trading System operated by the WSE on the Catalyst market include 2,670,000 Series D bonds, 308,048 Series B bonds and 164,009 Series C bonds.

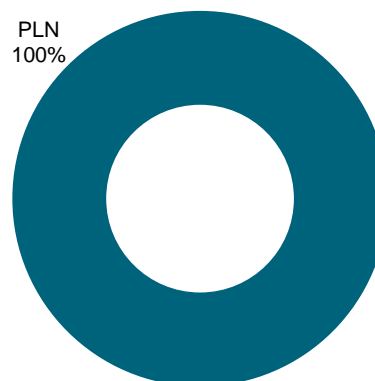
The graphs below present the debt maturity profile of Polsat Plus Group's debt as well as its structure according to instrument type and currency (expressed in nominal values and excluding the indebtedness under the RCF and leasing) as at March 31, 2023.



Debt structure by instrument type as at March 31, 2023



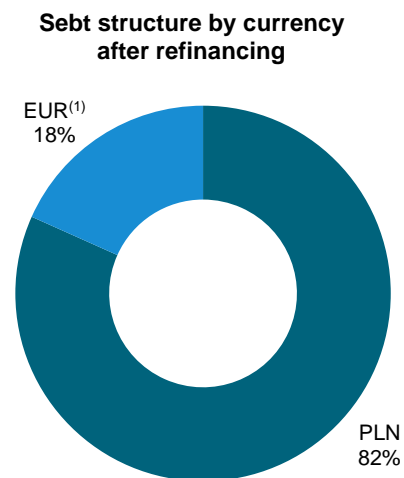
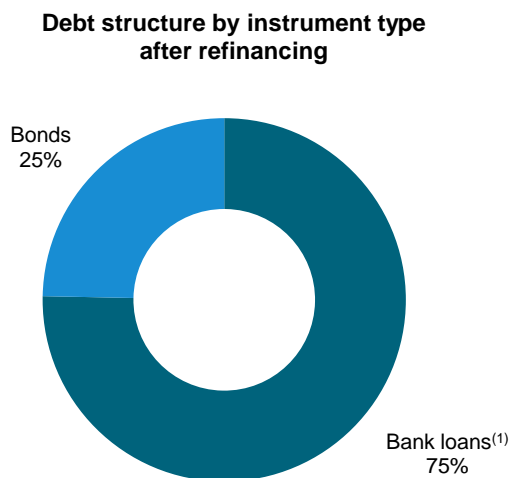
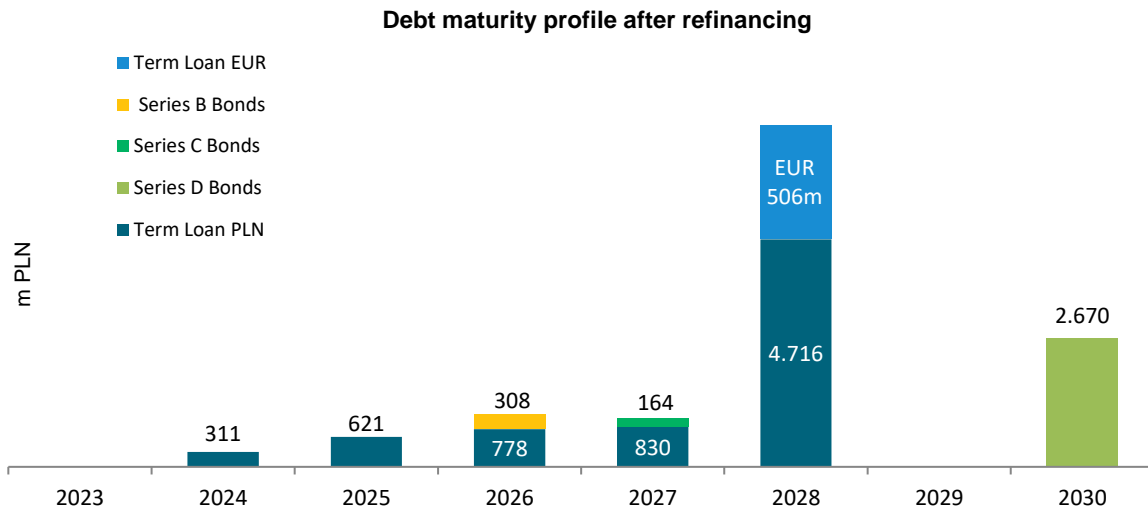
Debt structure by currency as at March 31, 2023



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) in particular. As at March 31, 2023, transactions hedging the WIBOR interest rate changes, opened by companies from the Group and maturing in different periods in the years 2023-2025, hedged nearly 30% of the exposure with respect to the Group's total debt.

After the balance date, on April 28, 2023, the Company and Polkomtel, along with certain entities from the Group, concluded the sustainability linked Senior Facilities Agreement (for details please see section *Significant financing agreements* below). The above-mentioned facilities agreement provides for the use of newly raised funds for, among others, repayment in full the indebtedness under the senior facilities agreement of September 21, 2015, as amended. On 9 May 2023, the Company and Polkomtel submitted an irrevocable instruction to initiate the procedure of an early repayment of the full amount of the loans granted under the senior facilities agreement of September 21, 2015, which is planned for May 16, 2023.

Following the aforementioned refinancing, the new maturity structure and the instrument and currency structure of Polsat Plus Group's debt (expressed in nominal terms, excluding debt resulting from the revolving credit facility and leases) will be as follows.



(1) The EUR tranche in the amount of EUR 506 million has been converted into euro at a rate of PLN 4.6039 per EUR 1.00.

Significant financing agreements

A description of the senior facility agreement dated September 21, 2015, as amended, which remained in effect as of the date of publication of this Report, as well as a description of the terms and conditions of the issuance of the Series B, Series C and Series D Bonds are presented in Section 4.3.5 of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2022.

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. concluded the 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 provides for a PLN term facility loan to be granted 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 Term Facilities and the Revolving Facility will be 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 such 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 installments of varying amounts. The EUR term facility will be repaid in one installment on the final repayment date.

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. Specifically, such collateral will include registered pledges over collections of movables and property rights of variable composition that form part of the enterprises of the Company and its selected subsidiaries, registered and financial pledges over shares in selected subsidiaries of the Company, financial and registered pledges over receivables related to

bank accounts maintained for the Company and its selected subsidiaries, registered pledges over selected trademarks, assignments of rights as collateral, mortgages and representations on submission to enforcement under a notarial deed. 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 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 Senior Facilities Agreement provides for an obligation to satisfy conditions precedent customary for similar transactions before the disbursement of the loans described above, as well as an obligation to satisfy, after the disbursement of the loans mentioned above, conditions subsequent, which are also standard for such transactions.

Ratings

The table below presents a summary of ratings assigned to Polsat Plus Group as at the date of publication of this Report. The rating agencies' detailed justifications for the assigned ratings are presented in item 4.3.5. – *Liquidity and capital resources – Ratings* – of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2022.

Rating agency	Rating / outlook	Previous rating / outlook	Rating / outlook date	Last review date
Moody's Investor Service	Ba3 / negative	Ba1 / on review for downgrade	05.10.2022	05.10.2022
S&P Global Ratings	BB/ stable	BB+/ negative	21.12.2022	21.12.2022

3.2.6. Information on guarantees granted by the Company or subsidiaries

Guarantees and loans granted to PAK-PCE

In view of the fact that the Company is a party to the preliminary agreement dated December 20, 2021 (as amended) concerning the Company's purchase of shares in PAK-Polska Czysta Energia, the Company decided to grant sureties or guarantees and a number of loans in order to support PAK-PCE in the execution of investment projects in the area of clean energy production. In particular:

- on June 2, 2022, the Company decided to grant sureties or guarantees in the amount not exceeding EUR 53.0 million with regard to the construction and operation of 14 wind turbines within the commune of Przyrów, Częstochowa county, Silesian Voivodeship;
- on June 10, 2022, the Company decided to grant sureties or guarantees in the amount not exceeding EUR 96.0 million and to grant a loan in the amount not exceeding the equivalent of PLN 236.4 million with regard to the construction and operation of 33 wind turbines within the commune of Człuchów, Człuchów county, Pomeranian voivodship, with the potential to construct a photovoltaic farm within the obtained connection capacity of the project;
- on September 6, 2022, the Company decided to grant sureties or guarantees in the amount not exceeding EUR 73.0 million with regard to the construction and operation of 23 wind turbines within the commune of Potęgowo, Słupsk county, Pomeranian Voivodship;
- on April 14, 2023, the Company decided to grant a loan in the amount not exceeding the equivalent of PLN 99 million with regard to the construction and operation of a renewable energy installation within the commune of Główny, Damnica, Potęgowo, Słupsk county, Pomeranian Voivodship.

In the first quarter of 2023, the balance of loans extended by the Company to PAK-PCE amounted to PLN 478.6 million. The loans were granted for the purpose of executing specific investments related to the production of clean energy from renewable sources and projects related to building a complete value chain based on green hydrogen. All the loans were extended at arm's length and the repayment dates of individual loans fall between 2023 and 2025.

Securities established in relation to the senior facilities agreement of September 21, 2015

In order to secure the repayment of claims under the senior facilities agreement dated September 21, 2015, as amended, the Company and other Group companies listed below and UniCredit Bank AG, London Branch, entered into and signed agreements and other documents providing for the establishment of the following collateral, which remain in effect as of the date of publication of this Report:

- (i) registered pledges over variable collections of movable property and rights comprised in the enterprises of the Company, Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., Telewizja Polsat, Polkomtel and Plus Flota Sp. z o.o., governed by Polish law.
- (ii) financial and registered pledges on shares in Telewizja Polsat (with an aggregate nominal value of PLN 236,945,700), governed by Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the said company. The pledged shares represent 100% less 10 shares of the share capital of the company and are held by the Company as a long-term capital investment.
- (iii) financial and registered pledges on shares in Polkomtel (with a total nominal value of PLN 2,360,068,800), governed by Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the said company. The pledged shares represent 100%

less 10 shares of the share capital of the company and are held by the Company as a long-term capital investment.

- (iv) financial and registered pledges on shares in Netia S.A. (with a total nominal value of PLN 110,702,441), governed by Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the said company, the pledged shares represent 32.99% of the share capital of the company.
- (v) financial and registered pledges on shares in TV Spektrum Sp. z o.o. (with a total nominal value of PLN 2,400,000), governed by Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the said company, the pledged shares represent 16.11% of the share capital of the company.
- (vi) financial and registered pledges on receivables under bank account agreements of the Company, Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., Telewizja Polsat, and Polkomtel, governed by Polish law.
- (vii) powers of attorney to bank accounts of the Company, Polsat Media Biuro Reklamy spółka z ograniczoną odpowiedzialnością Sp.k., Telewizja Polsat, Polkomtel, Dwa Sp. z o.o., Teleaudio Dwa Spółka z ograniczoną odpowiedzialnością Sp. k., Polsat Media Biuro Reklamy Sp. z o.o., Interphone Service Sp. z o.o., Muzo.fm Sp. z o.o., INFO-TV-FM Sp. z o.o., Polkomtel Business Development Sp. z o.o., TM Rental Sp. z o.o., Liberty Poland S.A. and Plus Flota Sp. z o.o., governed by Polish law.
- (viii) ordinary and registered pledges on protection rights to trademarks vested in Telewizja Polsat and Polsat Investments Ltd. (formerly Polsat Brands AG), governed by Polish law.
- (ix) assignment for security of certain property rights in Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością Sp.k., governed by Polish law.
- (x) contractual joint mortgage under Polish law on the following real properties owned by the Company: (a) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register WA3M/00102149/9, (b) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00136943/2, (c) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00102615/7, (d) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00101039/8, (e) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00132063/1, (f) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00104992/7, (g) land located in Warsaw, Targówek district, vicinity of ul. Łubinowa, Title and Mortgage Register WA3M/00100109/3, (h) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00103400/4, (i) land located in Warsaw, Targówek district, vicinity of ul.Łubinowa, Title and Mortgage Register WA3M/00100110/3, (j) land located in Warsaw, Targówek district, ul. Łubinowa, Title and Mortgage Register WA3M/00131411/9.
- (xi) contractual mortgage governed by Polish law on the land property owned by Polkomtel and located in Warsaw, Ursynów district, in the vicinity of Baletowa street, comprising plots of land no. 131/4 and 132/6, Land and Mortgage Register No. WA5M/00478842/7.
- (xii) assignment for security of receivables under hedge agreements of the Company and Polkomtel, governed by English law.
- (xiii) assignment for security of rights under insurance agreements covering the property referred to in item (i) and item (ix) above.

- (xiv) pledge on shares in Polsat License Ltd. (with an aggregate nominal value of CHF 1,000,000), governed by the Swiss law, the pledged shares represent 100% of the company's share capital and are held by the Company as a long-term capital investment.
- (xv) assignment for security of: (a) receivables due from various debtors, (b) receivables and rights to and in bank accounts. and (c) rights under insurance agreements of Polsat License Ltd., governed by the Swiss law.
- (xvi) assignment for security of rights under a license agreement between Polsat Investments Ltd. (formerly Polsat Brands AG) and Polsat License Ltd. and rights under bank account agreements, governed by the Swiss law.
- (xvii) pledge on bank accounts taken over by Cyfrowy Polsat following the merger with Metelem, governed by Cypriot law.
- (xviii) assignment for security of receivables and rights to and in bank accounts taken over by Cyfrowy Polsat following the merger with Metelem, governed by the Swiss law.
- (xix) pledge on shares in Polsat Investments Ltd. (formerly Polsat Brands AG) (with the total nominal value of CHF 250,074), governed by the Swiss law.
- (xx) pledge on receivables under bank account agreements taken over by Polkomtel following the merger with Litenite, governed by Swiss law.
- (xxi) statements of the Company, Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością sp.k., Telewizja Polsat, Polkomtel, and
- (xxii) statement of Polsat Brands AG on the submission to enforcement on the basis of a notarial deed executed under the Polish law (concerning all property located in Poland or governed by Polish law).

4. Other significant information

4.1. Transactions concluded with related parties on conditions other than market conditions

Transactions with parties related to Polsat Plus Group in the three-month period ended March 31, 2023 have been concluded exclusively on market conditions and are described in Note 19 of the condensed consolidated financial statements for the three-month period ended March 31, 2023.

4.2. Discussion of the difference of the Company's results to published forecasts

Polsat Plus Group did not publish any financial forecasts.

4.3. Material proceedings at the court, arbitration body or public authorities

Management believes that the provisions as at March 31, 2023 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 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 was changed by SOKiK, reducing the penalty to PLN 4.0 million (i.e. EUR 1.0 million). On October 20, 2015 SOKiK's verdict was revoked and the case was transferred for re-examination. On April 28, 2017, the decision of the President of UOKiK was 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 were dismissed. The Court of Appeal upheld 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 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, 2016, the President of UOKiK issued a decision stating that the operations of the Company and Polkomtel were allegedly infringing collective consumer interests by presenting promotional offers, which in the opinion of the authorities were impossible to conclude. Pursuant to the decision of the President of UOKiK, the Company and Polkomtel were charged with a penalty in the amount of PLN 4.4 million and PLN 12.3 million, respectively. The Group appealed to the Court against the decision. On October 14, 2019, SOKiK dismissed the appeal. The Group appealed against the decision. On December 31, 2020, the Group appeal was dismissed. On January 14, 2021, Cyfrowy Polsat and Polkomtel paid the penalty. The Group submitted a cassation appeal to the Supreme Court. On April 20, 2022, the Supreme Court accepted the Company's cassation appeal for consideration. The case was referred for resolution at a closed session on May 25, 2023.

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 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 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. After receiving justification of the judgment of the Court of Appeal, Polkomtel will consider filing a cassation appeal. On April 11, 2023, Polkomtel paid a penalty of PLN 20.4 million.

Other proceedings

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 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, which included 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, thus the value of the lawsuit was increased by over PLN 120.0 million. The court set the hearing date for July 5, 2023.

The legal dispute in respect to the telecommunication concession

There is a pending 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.). 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. In accordance with President of UKE's press release, these reservation decisions remain valid and telecommunication operators may continue to provide their services based on these reservation decisions. In management's opinion this issue should have no negative impact on the results and financial condition of the Group. Accordingly, no valuation adjustment has been made in the interim condensed consolidated financial statements for the three-month period ended March 31, 2023.

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. Aero2 Sp. z o.o. (currently Polkomtel Sp. z o.o.) filed a cassation appeal against the judgment, which is awaiting consideration by the NSA.

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., the judgment is not final and T-Mobile Polska filed a cassation appeal to the Supreme Administrative Court.

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 Company's Management, such disclosure could prejudice the outcome of the pending cases. Other significant proceedings described in item 5.4. of the report of the Management Board on activities of Cyfrowy Polsat S.A. Capital Group for 2022 remain unchanged.

4.4. Factors that may impact our results in subsequent periods

The Company identifies the factors described below as having an impact on its results in future periods. Detailed descriptions of these factors are presented in section 5.10. of the Management Board's report on the activities of Cyfrowy Polsat S.A. Capital Group for 2022 and, in the opinion of the Company's Management, remain valid and continue to have or potentially have an impact on the Group's results in subsequent periods.

Factors related to the social-economic environment

- military conflict on the territory of Ukraine, which has a negative impact on a number of macroeconomic indicators;
- economic situation in Poland and on a global scale, in particular changes in GDP, the unemployment rate, inflation, real wage dynamics, social transfers, the level of household consumer spending, and businesses' investment outlays;
- situation on the pay TV market in Poland;
- development of the advertising market in Poland;
- growing importance of convergent services and consolidation trends on the telecommunication and pay TV markets;
- increases in pricing of telecommunication and pay TV services;
- development of 5G technology in Poland;
- the auction of frequency reservations in the 3.6 GHz band;
- growing demand for data transmission on smartphones.

Factors related to the operations of the Group

- entering the market of energy production from low- and zero-emission sources;
- activities on the photovoltaic market for B2C and B2B customers;
- strengthening the Group's position in the online advertising market through the Internet portal Interia.pl;
- demand for data transmission and 5G services and change of telecommunication services tariffs;
- development of the Group's streaming platforms;
- investments in increasing the attractiveness of offered content and monetization of sports rights.

Financial factors

- exchange rates fluctuations;
- interest rate fluctuations.

Factors related to the regulatory environment

- cap interconnect rates for termination of calls in mobile (MTR) and fixed-line (FTR) networks;
- implementation of the European Code of Electronic Communication to national legislation;

- extension of the currently binding Rome Like at Home (RLAH) regulation;
- draft amendment to the National Cybersecurity Act;
- draft law on combating abuse of electronic communications;
- draft law on protecting minors from accessing inappropriate content on the Internet.

Mirosław Błaszczuk
President of the Management Board

Maciej Stec
Vice President of the Management Board

Jacek Felczykowski
Member of the Management Board

Aneta Jaskólska
Member of the Management Board

Agnieszka Odorowicz
Member of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Warsaw, May 15, 2023

Glossary

Term	Definition
B2B	Business to Business, a transaction between businesses.
B2C	Business to Consumer, a transaction between a business and a consumer.
Revolving Facility Loan	The revolving facility loan of up to PLN 1,000 million, issued under the Senior Facilities Agreement of April 28, 2023, with the maturity date of April 28, 2028.
Senior Facilities Agreement of 2015, SFA 2015	Senior Facilities Agreement of September 21, 2015, entered into by, among others, the Company (as the borrower) and a consortium of financial institutions, as amended by the amendment, restatement and consolidation deed of September 21, 2015, the second amendment and restatement deed of March 2, 2018 and the third amendment and restatement deed of April 27, 2020.
Senior Facilities Agreement, SFA 2023	Senior Facilities Agreement of April 28, 2023, sustainability linked financing, entered into by the Company and Polkomtel sp. z o.o., as the borrowers, 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. with a consortium of Polish and foreign financial institutions.
PLN Term Facility Loan	The PLN-denominated term facility loan of up to PLN 7,225 million, issued under the Senior Facilities Agreement of April 28, 2023, with the maturity date of April 28, 2028.
EUR Term Facility Loan	The EUR-denominated term facility loan of up to EUR 506 million, issued under the Senior Facilities Agreement of April 28, 2023, with the maturity date of April 28, 2028.
Series B Bonds	Dematerialized, interest-bearing, senior and unsecured Series B bearer bonds with the total nominal value of PLN 1 billion and the nominal value of PLN 1,000 each, issued pursuant to the Resolution of the Management Board of the Company dated January 29, 2020.
Series C Bonds	Dematerialized, interest-bearing, senior and unsecured Series C bearer bonds with the total nominal value of PLN 1 billion and the nominal value of PLN 1,000 each, issued pursuant to the Resolution of the Management Board of the Company dated March 25, 2019.
Series D Bonds	Dematerialized, interest-bearing, senior and unsecured Series D bearer bonds with the total nominal value of PLN 2.67 billion and the nominal value of PLN 1,000 each, issued pursuant to the Resolution of the Management Board of the Company dated December 16, 2022.

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.

Term	Definition
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).
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).

Term	Definition
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. 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.



Cyfrowy Polsat S.A. Capital Group

**Interim Condensed Consolidated Financial Statements
for the 3 months ended 31 March 2023**

**Prepared in accordance
with International Accounting Standard 34
Interim Financial Reporting**

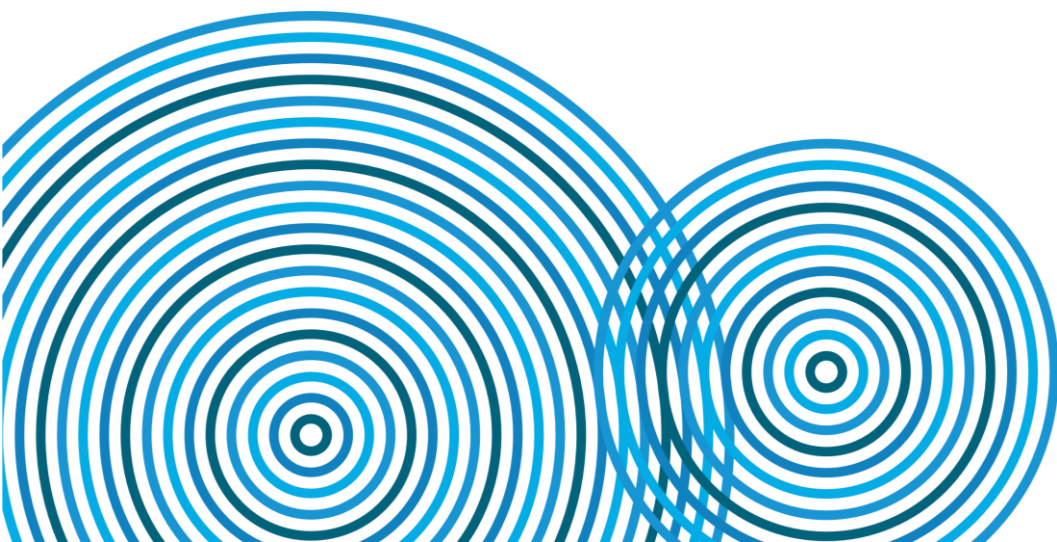


Table of contents

Approval of the Interim Condensed Consolidated Financial Statements	3
Interim Consolidated Income Statement	4
Interim Consolidated Statement of Comprehensive Income	5
Interim Consolidated Balance Sheet	6
Interim Consolidated Cash Flow Statement	8
Interim Consolidated Statement of Changes in Equity	10
Notes to the Interim Condensed Consolidated Financial Statements	12
General information	12
1. The Parent Company	12
2. Composition of the Management Board of the Company	12
3. Composition of the Supervisory Board of the Company	13
4. Basis of preparation of the interim condensed consolidated financial statements	13
5. Group structure	14
6. Approval of the Interim Condensed Consolidated Financial Statements	23
Explanatory notes	23
7. Information on seasonality in the Group's operations	23
8. Revenue	23
9. Operating costs	24
10. Gain/(loss) on investment activities, net	24
11. Finance costs, net	25
12. Equity	25
13. Hedge valuation reserve	27
14. Loans and borrowings	27
15. Issued bonds	28
Other notes	29
16. Acquisition of subsidiaries	29
17. Investment in associates	34
18. Operating segments	35
19. Transactions with related parties	38
20. Contingent liabilities	40
21. Risk and fair value	42
22. Important agreements and events	44
23. Events subsequent to the reporting date	48
24. Other disclosures	49
25. Judgments, financial estimates and assumptions	50

Approval of the Interim Condensed Consolidated Financial Statements

On 15 May 2023, the Management Board of Cyfrowy Polsat S.A. approved the interim condensed consolidated financial statements of Cyfrowy Polsat S.A. Capital Group prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union, which include:

Interim Consolidated Income Statement for the period

from 1 January 2023 to 31 March 2023 showing a net profit for the period of: PLN 71.0

Interim Consolidated Statement of Comprehensive Income for the period

from 1 January 2023 to 31 March 2023 showing a total comprehensive income for the period of: PLN 61.1

Interim Consolidated Balance Sheet as at

31 March 2023 showing total assets and total equity and liabilities of: PLN 32,810.6

Interim Consolidated Cash Flow Statement for the period

from 1 January 2023 to 31 March 2023 showing a net increase in cash and cash equivalents amounting to: PLN 655.8

Interim Consolidated Statement of Changes in Equity for the period

from 1 January 2023 to 31 March 2023 showing an increase in equity of: PLN 58.9

Notes to the Interim Condensed Consolidated Financial Statements

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

Mirosław Błaszczuk
President of the Management Board

Maciej Stec
Vice-President of the Management Board

Jacek Felczykowski
Member of the Management Board

Aneta Jaskólska
Member of the Management Board

Agnieszka Odorowicz
Member of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Warsaw, 15 May 2023

Interim Consolidated Income Statement

	for the 3 months ended		
	Note	31 March 2023 unaudited	31 March 2022 unaudited
Continuing operations			
Revenue	8	3,199.3	2,986.7
Operating costs	9	(2,891.9)	(2,633.7)
Other operating income/(cost), net		(8.7)	(32.7)
Profit from operating activities		298.7	320.3
Gain/(loss) on investment activities, net	10	20.8	6.9
Finance costs, net	11	(255.7)	(76.8)
Share of the profit/(loss) of associates accounted for using the equity method		20.3	14.7
Gross profit for the period		84.1	265.1
Income tax		(13.1)	(52.3)
Net profit for the period		71.0	212.8
Net profit attributable to equity holders of the Parent		64.5	214.9
Net profit/(loss) attributable to non-controlling interest		6.5	(2.1)
Basic and diluted earnings per share (in PLN)		0.13	0.37

Interim Consolidated Statement of Comprehensive Income

	for the 3 months ended		
	Note	31 March 2023 unaudited	31 March 2022 unaudited
Net profit for the period		71.0	212.8
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Valuation of hedging instruments	13	(9.7)	10.8
Share of other comprehensive income of subsidiaries and associates		(0.2)	0.1
Other comprehensive income, net of tax		(9.9)	10.9
Total comprehensive income for the period		61.1	223.7
Total comprehensive income attributable to equity holders of the Parent		54.7	225.8
Total comprehensive income/(loss) attributable to non-controlling interest		6.4	(2.1)

Interim Consolidated Balance Sheet - Assets

	Note	31 March 2023 unaudited	31 December 2022
Reception equipment		278.7	282.0
Other property, plant and equipment		3,601.5	3,600.9
Goodwill	16	10,818.2	10,818.1
Customer relationships		538.7	643.7
Brands		2,041.2	2,060.9
Other intangible assets		3,255.2	3,340.6
Right-of-use assets		527.0	527.0
Non-current programming assets		372.3	501.8
Investment property		652.4	647.0
Non-current deferred distribution fees		79.8	79.8
Non-current trade receivables		931.1	930.0
Non-current loans granted		576.3	325.6
Other non-current assets, includes:		1,933.7	1,918.0
<i>shares in associates accounted for using the equity method</i>		1,904.6	1,884.2
<i>derivative instruments</i>		10.1	17.4
Deferred tax assets		110.5	99.9
Total non-current assets		25,716.6	25,775.3
Current programming assets		769.8	699.2
Contract assets		377.5	362.9
Inventories		1,272.2	1,162.4
Trade and other receivables		2,614.2	2,751.3
Current loans granted		86.2	250.5
Income tax receivable		5.8	5.0
Current deferred distribution fees		214.8	217.3
Other current assets, includes:		152.4	137.2
<i>derivative instruments</i>		36.5	63.9
Cash and cash equivalents		1,463.5	808.5
Restricted cash		9.9	9.3
Total current assets		6,966.3	6,403.6
Assets held for sale		127.7	127.7
Total assets		32,810.6	32,306.6

Interim Consolidated Balance Sheet - Equity and Liabilities

	Note	31 March 2023 unaudited	31 December 2022
Share capital	12	25.6	25.6
Share premium	12	7,174.0	7,174.0
Share of other comprehensive income of associates		52.0	51.9
Other reserves	12	2,806.0	2,815.9
Retained earnings		8,122.1	8,057.6
Treasury shares	12	(2,854.7)	(2,854.7)
Equity attributable to equity holders of the Parent		15,325.0	15,270.3
Non-controlling interests		544.7	540.5
Total equity		15,869.7	15,810.8
Loans and borrowings	14	6,469.7	6,624.8
Issued bonds	15	2,897.0	1,900.4
Lease liabilities		342.2	345.6
Deferred tax liabilities		914.9	978.7
Other non-current liabilities and provisions, includes:		286.4	330.9
<i>derivative instruments</i>		11.9	4.3
Total non-current liabilities		10,910.2	10,180.4
Loans and borrowings	14	2,376.3	1,512.6
Issued bonds	15	318.0	176.0
Lease liabilities		180.6	178.6
Contract liabilities		628.9	606.8
Trade and other payables, includes:		2,445.5	3,767.1
<i>derivative instruments</i>		0,5	2.1
Income tax liability		81.4	74.3
Total current liabilities		6,030.7	6,315.4
Total liabilities		16,940.9	16,495.8
Total equity and liabilities		32,810.6	32,306.6

Interim Consolidated Cash Flow Statement

	Note	for the 3 months ended	
		31 March 2023 unaudited	31 March 2022 unaudited
Net profit		71.0	212.8
Adjustments for:		284.7	454.0
Depreciation, amortization, impairment and liquidation	9	462.5	446.3
Payments for film licenses and sports rights		(187.2)	(178.0)
Amortization of film licenses and sports rights		151.3	149.8
Interest expense		236.9	112.3
Change in inventories		(109.8)	(1.8)
Change in receivables and other assets		132.5	41.7
Change in liabilities and provisions		(330.2)	(143.8)
Change in contract assets		(14.6)	24.2
Change in contract liabilities		22.1	(13.3)
Foreign exchange losses, net		0.1	2.6
Income tax		13.1	52.3
Net additions of reception equipment		(24.8)	(37.7)
Share of the profit of associates accounted for using the equity method		(20.3)	(14.7)
Premium for early redemption of bonds		9.7	-
Cumulative catch-up		(19.2)	-
Other adjustments		(37.4)	14.1
Cash from operating activities		355.7	666.8
Income tax paid		(80.5)	(98.9)
Interest received from operating activities		24.4	10.9
Net cash from operating activities		299.6	578.8
Acquisition of property, plant and equipment		(215.4)	(222.5)
Acquisition of intangible assets		(79.8)	(102.4)
Concessions payments		(852.2)	(6.4)
Acquisition of subsidiaries, net of cash acquired	16	(0.1)	(13.0)
Proceeds from sale of property, plant and equipment		6.4	0.6
Loans granted		(144.0)	(192.7)
Repayment of loans granted		60.5	1.2
Dividends received from associate		7.1	-
Other inflows		6.4	0.4
Net cash used in investing activities		(1,211.1)	(534.8)

	Note	for the 3 months ended	
		31 March 2023 unaudited	31 March 2022 unaudited
Bonds issue	15	1,142.1	-
Loans and borrowings inflows	14	865.9	-
Repayment of loans and borrowings	14	(200.0)	(200.0)
Payment of interest on loans, borrowings, bonds and commissions ⁽¹⁾		(219.4)	(79.8)
Payment of lease liabilities		(57.6)	(52.9)
Payment of interest on lease liabilities		(6.3)	(5.4)
Hedging instrument effect		32.8	7.4
Other inflows/(outflows)		9.8	(1.5)
Net cash from/(used in) financing activities		1,567.3	(332.2)
Net increase/(decrease) in cash and cash equivalents		655.8	(288.2)
Cash and cash equivalents at the beginning of the period		817.8⁽¹⁾	3,644.3⁽²⁾
Effect of exchange rate fluctuations on cash and cash equivalents		(0.2)	(2.4)
Cash and cash equivalents at the end of the period		1,473.4⁽³⁾	3,353.7⁽⁴⁾

⁽¹⁾ Includes restricted cash amounting to PLN 9.3

⁽²⁾ Includes restricted cash amounting to PLN 11.9

⁽³⁾ Includes restricted cash amounting to PLN 9.9

⁽⁴⁾ Includes restricted cash amounting to PLN 10.8

Interim Consolidated Statement of Changes in Equity for 3 months ended 31 March 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	-	-	-	-	-	-	-	(2.2)	(2.2)
Total comprehensive income	-	-	0.1	(9.9)	64.5	-	54.7	6.4	61.1
<i>Hedge valuation reserve</i>	-	-	-	(9.7)	-	-	(9.7)	-	(9.7)
<i>Share of other comprehensive income of subsidiaries and associates</i>	-	-	0.1	(0.2)	-	-	(0.1)	(0.1)	(0.2)
<i>Net profit for the period</i>	-	-	-	-	64.5	-	64.5	6.5	71.0
Balance as at 31 March 2023 unaudited	25.6	7,174.0	52.0	2,806.0	8,122.1	(2,854.7)	15,325.0	544.7	15,869.7

⁽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 March 2023 the capital excluded from distribution amounts to PLN 8.5

Interim Consolidated Statement of Changes in Equity for the 3 months ended 31 March 2022

	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 2022	25.6	7,174.0	32.1	2,801.3	7,823.6	(2,461.0)	15,395.6	(11.0)	15,384.6
Dividend approved and share of profits	-	-	-	-	-	-	-	(1.4)	(1.4)
Total comprehensive income	-	-	0.1	10.8	214.9	-	225.8	(2.1)	223.7
<i>Hedge valuation reserve</i>	-	-	-	10.8	-	-	10.8	-	10.8
<i>Share of other comprehensive income of associates</i>	-	-	0.1	-	-	-	0.1	-	0.1
<i>Net profit for the period</i>	-	-	-	-	214.9	-	214.9	(2.1)	212.8
Balance as at 31 March 2022 unaudited	25.6	7,174.0	32.2	2,812.1	8,038.5	(2,461.0)	15,621.4	(14.5)	15,606.9

⁽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 March 2022 the capital excluded from distribution amounts to PLN 8.5

Notes to the Interim Condensed Consolidated Financial Statements

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 interim condensed consolidated financial statements comprise the Parent and its subsidiaries ('the Group') and joint ventures. The Group operates in three 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.

2. Composition of the Management Board of the Company

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

3. Composition of the Supervisory Board of the Company

- Zygmunt Solorz Chairman of the Supervisory Board,
- Marek Kapuściński Vice-Chairman of the Supervisory Board,
- Józef Birka Member of the Supervisory Board,
- Jarosław Grzesiak Member of the Supervisory Board,
- Marek Grzybowski Member of the Supervisory Board,
- Alojzy Nowak Member of the Supervisory Board,
- Tobiasz Solorz Member of the Supervisory Board,
- Tomasz Szelaąg Member of the Supervisory Board,
- Piotr Żak Member of the Supervisory Board.

4. Basis of preparation of the interim condensed consolidated financial statements

Statement of compliance

These interim condensed consolidated financial statements for the 3 months ended 31 March 2023 have been prepared in accordance with the International Accounting Standard (“IAS”) 34 Interim Financial Reporting as adopted by the EU. These interim condensed consolidated financial statements should be read together with the annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS EU”). These interim condensed consolidated financial statements have been prepared on a going concern basis.

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2022, except for the adoption of new, amended Standards or Interpretations that apply to the annual reporting periods beginning on or after 1 January 2023.

During the three-month period ended 31 March 2023 the following became effective:

- a) IFRS 17 Insurance Contracts and Amendments to IFRS 17,
- b) Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information,
- c) Amendments to IAS 1 Presentation of Financial Statements and IFRS Board guidelines: Disclosure of Accounting policies,
- d) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates,
- e) Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction.

Amendments and interpretations that apply for the first time in 2023 do not have a material impact on the interim condensed consolidated financial statements of the Group.

Standards published but not yet effective:

- a) Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback,
- b) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.

5. Group structure

These interim condensed consolidated financial statements for the 3 months ended 31 March 2023 include the following entities:

	Entity's registered office	Activity	Share in voting rights (%)*	
			31 March 2023	31 December 2022
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.)^(a)	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polsat License Ltd.	Alte Landstrasse 17, 8863 Buttikon, Switzerland	media	100%	100%
Polsat Media Biuro Reklamy Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	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%
Muzo.fm Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	media	100%	100%
INFO-TV-FM Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	radio and TV activities	100%	100%
CPSPV1 Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	technical services	100%	100%
CPSPV2 Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	technical services	100%	100%
Polkomtel Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	telecommunication activities	100%	100%

Interim Condensed Consolidated Financial Statements for the 3 months ended 31 March 2023
(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 March 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
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%
TM Rental Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	intellectual property rights rental	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%
Music TV Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polo TV Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	media	100%	100%

Interim Condensed Consolidated Financial Statements for the 3 months ended 31 March 2023
(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 March 2023	31 December 2022
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	99.99%	99.99%
Superstacja Sp. z o.o.	Ostrobramska 77, 04-175 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.	Al. Wyścigowa 6, 02-681 Warsaw	technical services	51.25%	51.25%
Alledo Express Sp. z o.o.	Broniwoja 3/85, 02-655 Warsaw	rental services	51.25%	51.25%
Alledo Parts Sp. z o.o.	Broniwoja 3/85, 02-655 Warsaw	wholesale	51.25%	51.25%
Alledo Parts Sp. z o.o. Sp.k.	Broniwoja 3/85, 02-655 Warsaw	wholesale	51.25%	51.25%
Alledo Setup Sp. z o.o.	Broniwoja 3/85, 02-655 Warsaw	technical services	51.25%	51.25%
Alledo Setup Sp. z o.o. Sp.k.	Broniwoja 3/85, 02-655 Warsaw	technical services	51.25%	51.25%

	Entity's registered office	Activity	Share in voting rights (%)*	
			31 March 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
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.)^(b)	Os. Teatralne 9a, 31-946 Cracow	web portals activities	100%	100%
Grupa Interia.pl Sp. z o.o. Sp.k.	Os. Teatralne 9a, 31-946 Cracow	web portals activities	100%	100%
Mobiem Polska Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	holding activities	100%	100%
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.	Rakowiecka 41/21, 02-521 Warsaw	telecommunication activities	70.02%	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%
Visignio Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	sales network management	100%	100%
Saveadvisor Sp. z o.o.	Warszawska 18, 35-205 Rzeszów	call center services	100%	100%

	Entity's registered office	Activity	Share in voting rights (%)*	
			31 March 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
Logitus Sp. z o.o. ^(c)	Orzechowa 5, 80-175 Gdańsk	wired communication	-	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	**	**
Mag7soft Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	software activities	100%	100%
Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o.	Zwierzyniecka 18, 60-814 Poznań	real estate services	100%	100%
Port Praski Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	66.94%	66.94%
Port Praski Inwestycje 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%

	Entity's registered office	Activity	Share in voting rights (%)*	
			31 March 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
Port Praski Sp. z o.o. Białystok Sp.k.	Krowia 6, 03-711 Warsaw	implementation of construction projects	66.94%	66.94%
Port Praski Office Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski City Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski City III Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski City IV Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski Sp. z o.o. S.K.A.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski Education Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski Doki Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski Doki II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski Media Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	45.52%	45.52%
Port Praski Hotel Sp. z o.o.	Krowia 6, 03-711 Warsaw	hotel services	45.52%	45.52%
Pantanomo Limited	3 KRINO, Limassol 4103, Cyprus	holding activities	45.52%	45.52%
Laris Investments Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	real estate rental	66.94%	66.94%

Interim Condensed Consolidated Financial Statements for the 3 months ended 31 March 2023
(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 March 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
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%	66.94%
Megadex Development Sp. z o.o.	Gdańska 14/1, 01-691 Warsaw	property rental and management	66.94%	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%
Turystyka Zdrowotna Verano Plus Sp. z o.o.	Sikorskiego 8A, 78-100 Kołobrzeg	catering services	66.94%	66.94%
Enterpol Sp. z o.o.	Braci Wieniawskich 5, 20-844 Lublin	telecommunication activities	100%	100%
Oktawave S.A.	ul. Poleczki 13, 02-822 Warsaw	website management	100%	100%
Antyweb Sp. z o.o.	Sarmacka 12C/14, 02-972 Warsaw	web portal activities	70%	70%

^{*} including direct and indirect shares

^{**} Cyfrowy Polsat S.A. indirectly holds 100% of certificates.

^(a) On 2 January 2023, Polsat Media Sp. z o.o. was registered. The Company was established as a result of the transformation from Polsat Media Biuro Reklamy Sp. z o. o. Sp.k.

^(b) On 2 January 2023, Interia.pl Sp. z o.o. was registered. The Company was established as a result of transformation from Grupa Interia.pl Media Sp. z o.o. Sp.k.

^(c) On 2 January 2023 merger of Netia S.A. (acquiring company) with Logitus Sp. z o.o. (acquired company) was registered.

Investments accounted for under the equity method:

	Entity's registered office	Activity	Share in voting rights (%)*	
			31 March 2023	31 December 2022
Polsat JimJam Ltd. ^(a)	33 Broadwick Street Soho London W1F 0DQ, United Kingdom	media	-	50%
Polski Operator Telewizyjny Sp. z o.o.	Wiertnicza 166, 02-952 Warsaw	technical services	50%	50%
Asseco Poland S.A.	Olchowa 14, 35-322 Rzeszów	software activities	22.95%	22.95%
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%
PAK-Polska Czysta Energia Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	40.41%	40.41%
Port Praski Medical Center Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	22.76%	22.76%
Port Praski City II Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	22.76%	22.76%

* including direct and indirect shares

^(a) On 15 February 2023 Telewizja Polsat Sp. z o.o. sold 50% shares of Polsat JimJam Ltd.

Additionally, the following entities were included in these interim condensed consolidated financial statements for the 3 months ended 31 March 2023:

	Entity's registered office	Activity	Share in voting rights (%)	
			31 March 2023	31 December 2022
Karpacka Telewizja Kablowa Sp. z o.o. ⁽¹⁾	Warszawska 220, 26-600 Radom	dormant	99%	99%
Polskie Badania Internetu Sp. z o.o.	Al. Jerozolimskie 65/79, 00-697 Warsaw	web portals activities	21.43% ⁽²⁾	21.43% ⁽²⁾
Pluszak Sp. z o.o.	Domaniewska 47, 02-672 Warsaw	retail sales	9%	9%
Exion Hydrogen Polskie Elektrolizery Sp. z o.o.	Ku Ujściu 19, 80-701 Gdańsk	production of electrical equipment	10%	10%
Towerlink Poland Sp. z o.o.	Marcina Kasprzaka 4, 01-211 Warsaw	telecommunication activities	0.01%	0.01%
MESE Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	movie and TV production	10%	10%
Megadex SPV Sp. z o.o.	Adama Mickiewicza 63, 01-625 Warsaw	other financial services	7.02%	7.02%
Megadex Księży Młyn Sp. z o.o.	Adama Mickiewicza 63, 01-625 Warsaw	implementation of construction projects	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%

⁽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.

6. Approval of the Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements were approved for publication by the Management Board of Cyfrowy Polsat S.A. on 15 May 2023.

Explanatory notes

7. Information on seasonality in the Group's operations

Wholesale revenue includes *inter alia* advertising and sponsoring revenue which tends to be lowest during the third quarter of each calendar year due to the summer holidays period and highest during the second and fourth quarter of each calendar year due to the introduction of a new programming offer.

Within retail revenue category mobile revenue is a subject to slight fluctuations during the year. This revenue stream tends to decrease in the first quarter of each year due to fewer number of calendar and business days.

8. Revenue

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Retail revenue	1,733.8	1,722.2
Wholesale revenue	792.3	813.1
Sale of equipment	484.9	336.5
Other revenue	188.3	114.9
Total	3,199.3	2,986.7

Retail revenue mainly consists of pay-TV, telecommunication services, 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.

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 electric energy, revenue from the sale of photovoltaic installations and and sale of apartments.

9. Operating costs

	Note	for the 3 months ended	
		31 March 2023 unaudited	31 March 2022 unaudited
Technical costs and cost of settlements with telecommunication operators		808.6	809.5
Depreciation, amortization, impairment and liquidation		462.5	446.3
Cost of equipment sold		392.6	277.5
Content costs		514.5	473.5
Distribution, marketing, customer relation management and retention costs		243.6	251.1
Salaries and employee-related costs	a)	276.1	244.6
Cost of debt collection services, bad debt allowance and receivables written off		29.4	24.8
Other costs		164.6	106.4
Total		2,891.9	2,633.7

a) Salaries and employee related costs

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Salaries	227.5	200.2
Social security contributions	38.8	35.0
Other employee-related costs	9.8	9.4
Total	276.1	244.6

10. Gain/(loss) on investment activities, net

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Interest on lease liabilities	(6.3)	(5.3)
Interest, net	29.9	10.3
Other foreign exchange gains/(losses), net	(1.9)	(11.8)
Other income/(costs)	(0.9)	13.7
Total	20.8	6.9

11. Finance costs, net

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Interest expense on loans and borrowings	191.1	90.1
Interest expense on issued bonds*	86.7	28.3
Cumulative catch-up	(19.2)	-
Valuation and realization of hedging instruments	(7.8)	(1.1)
Valuation and realization of derivatives not used in hedge accounting – relating to interest	4.4	(41.7)
Guarantee fees, bank and other charges	0.5	1.2
Total	255.7	76.8

*includes early redemption bonuses

12. Equity

Share capital

Presented below is the structure of the Company's share capital as at 31 March 2023 and 31 December 2022:

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 March 2023 was as follows:

	Number of shares*	Nominal value of shares	% of share capital held	Number of votes*	% of voting rights
Zygmunt Solorz, by	396,802,022	15.9	62.04%	576,219,523	70.36%
TiVi Foundation, incl.through:	386,745,257	15.5	60.47%	566,162,758	69.13%
<i>Reddev Investments Ltd., incl. through:</i>	386,745,247	15.5	60.47%	566,162,738	69.13%
<i>Cyfrowy Polsat S.A. ¹</i>	88,842,485	3.6	13.89%	88,842,485	10.85%
Tobias Solorz ² incl.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%
Nationale-Nederlanden PTE	41,066,962	1.6	6.42%	41,066,962	5.02%
Others	201,677,032	8.1	31.53%	201,677,032	24.63%
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 is under the presumption of the existence of an agreement referred to in article 87 section 1 item 5 of the Public Offering Act.

The shareholders' structure as at 31 December 2022 was as follows:

	Number of shares*	Nominal value of shares	% of share capital held	Number of votes*	% of voting rights
Zygmunt Solorz, by	396,802,022	15.9	62.04%	576,219,523	70.36%
TiVi Foundation, incl.through:	386,745,257	15.5	60.47%	566,162,758	69.13%
<i>Reddev Investments Ltd., incl. through:</i>	386,745,247	15.5	60.47%	566,162,738	69.13%
<i>Cyfrowy Polsat S.A. ¹</i>	88,842,485	3.6	13.89%	88,842,485	10.85%
Tobias Solorz ²	5,607,609	0.2	0.88%	5,607,609	0,68%
ToBe Investments Group Ltd.	4,449,156	0.2	0.70%	4,449,156	0.54%
Nationale-Nederlanden PTE	41,066,962	1.6	6.42%	41,066,962	5.02%
Others	201,677,032	8.1	31.53%	201,677,032	24.63%
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 is under the presumption of the existence of an agreement referred to in article 87 section 1 item 5 of the Public Offering Act.

Share premium

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

Other reserves

Other reserves as at 31 March 2023 and 31 December 2022 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 March 2023 and 31 December 2022 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 Port Praski Sp. z o.o. and its subsidiaries. Port Praski Sp. z o.o. and its subsidiaries are included in Real Estate segments.

13. Hedge valuation reserve

Impact of hedging instruments valuation on other reserves

	2023	2022
Balance as at 1 January	18.2	9.0
Valuation of cash flow hedges	(12.0)	13.3
Deferred tax	2.3	(2.5)
Change for the period	(9.7)	10.8
Balance as at 31 March unaudited	8.5	19.8

14. Loans and borrowings

	31 March 2023 unaudited	31 December 2022
Short-term liabilities	2,376.3	1,512.6
Long-term liabilities	6,469.7	6,624.8
Total	8,846.0	8,137.4

Change in loans and borrowings liabilities:

	2023	2022
Balance as at 1 January	8,137.4	8,744.5
Loans and borrowings inflows	865.9	-
Repayment of capital	(200.0)	(200.0)
Repayment of interest and commissions	(148.4)	(69.3)
Interest accrued and commissions	191.1	90.1
Balance as at 31 March unaudited	8,846.0	8,565.3

15. Issued bonds

	31 March 2023 unaudited	31 December 2022
Short-term liabilities	318.0	176.0
Long-term liabilities	2,897.0	1,900.4
Total	3,215.0	2,076.4

Change in issued bonds:

	2023	2022
Balance as at 1 January	2,076.4	2,008.5
Bonds issue (series D bonds)	2,670.0	-
Bonds redemption (series B and C bonds*)	(1,527.9)	-
Issued bonds on acquisition of Vindix S.A.	-	28.0
Effect of gaining control over Vindix S.A. and consolidation	-	(19.7)
Repayment of interest and commissions	(71.0)	(9.9)
Cumulative catch-up	(19.2)	-
Interest accrued and commissions	86.7	28.3
Balance as at 31 March unaudited	3,215.0	2,035.2

*redemption through conversion into series D bonds

Issuance of series D bonds and refinancing of debts under series B bonds and series C bonds

On 16 December 2022 the Management Board of the Company adopted resolutions on:

- issuance of no more than 2,670,000 (not in millions) unsecured series D bearer bonds with the nominal value of PLN 1,000 each and the total nominal value of no more than PLN 2,670 ("series D bonds")
- purchase by the Company from the bondholders of the series B bonds and series C bonds issued by the Company, some or all of the series B bonds and series C bonds for the purpose of their redemption, based on sale and set-off agreements to be entered into by the Company with those of the series B bonds and series C bonds bondholders who declare their intention to sell such bonds and have their

receivables for the series B bonds and series C bonds sale credited against the purchase price of the series D bonds.

On 11 January 2023, the issue of 2,670,000 (not in millions) series D bonds, with the total nominal value of PLN 2,670 was completed. The maturity date of the series D bonds is 11 January 2030. Interest on the series D bonds is paid in arrears every six months. The first payment will be made on 11 July 2023.

At the same time, on 11 January 2023, Cyfrowy Polsat S.A. repurchased for redemption 691,952 (not in millions) series B bearer bonds with the total nominal value of PLN 692 issued by the Company on 26 April 2019 with the redemption date set for 24 April 2026 and 835,991 (not in millions) series C bearer bonds with the total nominal value of PLN 836 issued by the Company on 14 February 2020, with the redemption date set for 12 February 2027 (collectively “Bonds Repurchased for Redemption”) from investors holding rights to the Bonds Repurchased for Redemption who paid the issue price of the series D bonds, registered on 11 January 2023 with the securities depository, by setting off the amounts due to the Company from the issuance of the series D bonds against the amounts due to the relevant investors in respect of the sale of the Bonds Repurchased for Redemption to the Company.

On 11 January 2023 the Management Board of the Company adopted a resolution to redeem the Bonds Repurchased for Redemption.

After the redemption of the Bonds Repurchased for Redemption, 308,048 (not in millions) series B bonds and 164,009 (not in millions) series C bonds remain listed on Catalyst market in the Alternative Trading System operated by the Warsaw Stock Exchange. The Management Board has not decided on the early redemption of the remaining outstanding series B bonds and series C bonds.

The first trading day for the series D bonds in the Alternative Trading System as part of the Catalyst market (in the continuous trading system) was set for 20 January 2023.

Other notes

16. Acquisition of subsidiaries

Acquisition of shares in Enterpol Sp. z o.o. – provisional purchase price allocation

On 7 June 2022 Netia S.A. (Company’s subsidiary) acquired 100% shares in Enterpol Sp. z o.o. (“Enterpol”).

The consideration for 100% shares of Enterpol Sp. z o.o. amounted to PLN 15.0.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Cash transferred for the 100% shares of Enterpol	14.4
Liability due pursuant to the purchase agreement	0.6
Provisional value as at 7 June 2022	15.0

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred	(14.4)
Cash and cash equivalents received	0.2
Cash decrease in the period of 12 months ended 31 December 2022	(14.2)

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

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

Provisional and temporary fair value of assets and liabilities as at 7 June 2022:

	Provisional fair value as at the acquisition date (7 June 2022)
Net assets:	
Customer relationships	4.0
Other property, plant and equipment	0.1
Right-of-use assets	0.4
Trade and other receivables	0.1
Cash and cash equivalents	0.2
Lease liabilities	(0.3)
Trade and other payables	(0.3)
Deferred tax liabilities	(0.7)
Provisional value of net assets	3.5
Provisional consideration transferred	15.0
Provisional goodwill	11.5

Goodwill is allocated to the “B2C and B2B services” operating segment.

The revenue and net loss included in the consolidated income statement for the reporting period since 7 June 2022 to 31 December 2022 contributed by Enterpol amounted to PLN 2.4 and PLN 0.0, respectively. Had it been acquired on 1 January 2022, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2022 would have amounted to PLN 12,916.3 and PLN 900.9 respectively.

Acquisition of shares in Oktawave S.A. – provisional purchase price allocation

On 21 June 2022 Netia S.A. (Company’s subsidiary) acquired 100% shares in Oktawave S.A. (“Oktawave”).

The consideration for 100% shares of Oktawave S.A. amounted to PLN 34.3.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	34.3
Provisional value as at 21 June 2022	34.3

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred	(34.3)
Cash and cash equivalents received	1.6
Cash decrease in the period of 12 months ended 31 December 2022	(32.7)

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

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

Provisional and temporary fair value of assets and liabilities as at 21 June 2022:

	Provisional fair value as at the acquisition date (21 June 2022)
Net assets:	
Customer relationships	15.3
Other intangible assets	6.5
Other property, plant and equipment	0.8
Right-of-use assets	1.5
Deferred tax assets	0.9
Trade and other receivables	2.9
Other current assets	0.1
Cash and cash equivalents	1.6
Lease liabilities	(1.0)
Trade and other payables	(2.4)
Contract liabilities	(0.8)
Deferred tax liabilities	(3.5)
Provisional value of net assets	21.9
Provisional consideration transferred	34.3
Provisional goodwill	12.4

Goodwill is allocated to the “B2C and B2B services” operating segment.

The revenue and net loss included in the consolidated income statement for the reporting period since 21 June 2022 to 31 December 2022 contributed by Oktawave amounted to PLN 10.9 and PLN 1.1, respectively. Had it been acquired on 1 January 2022, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2022 would have amounted to PLN 12,925.6 and PLN 899.3 respectively.

Acquisition of shares in Antyweb Sp. z o.o. – provisional purchase price allocation

On 26 September 2022 Grupa Interia.pl Sp. z o.o. Sp. k. (Company's subsidiary) acquired 70% shares in Antyweb Sp. z o.o. for the purchase price of PLN 10.1.

Consequently, the Group obtained control over Antyweb Sp. z o.o.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	10.1
Provisional value as at 26 September 2022	10.1

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 70%	(10.1)
Cash and cash equivalents received	0.7
Cash decrease in the period of 12 months ended 31 December 2022	(9.4)

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

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

Provisional and temporary fair value of assets and liabilities as at 26 September 2022:

	Provisional fair value as at the acquisition date (26 September 2022)
Net assets:	
Other property, plant and equipment	0.0
Other intangible assets	0.0
Trade and other receivables	0.6
Other current assets	0.0
Cash and cash equivalents	0.7
Trade and other payables	(0.1)
Provisional value of net assets	1.2
Provisional value of net assets attributable to non-controlling interest	0.4
Provisional value of net assets attributable to the Group	0.8
Provisional consideration transferred	10.1
Provisional goodwill	9.3

Goodwill is allocated to the "Media" operating segment.

The revenue and net profit included in the consolidated income statement for the period since 26 September 2022 to 31 December 2022 contributed by Antyweb Sp. z o.o. amounted to PLN 1.0 and PLN 0.4, respectively. Had it been acquired on 1 January 2022, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2022 would have amounted to PLN 12,916.3 and PLN 901.5 respectively.

Acquisition of 69 Specialist Sales and Customer Service Points in the form of an organized part of the enterprise – provisional purchase price allocation

On 1 December 2022 Liberty Poland Sp. z o.o. (Company's subsidiary) acquired 69 Specialist Sales and Customer Service Points in the form of an organized part of the enterprise for the purchase prices of PLN 6.4.

In February 2023, as part of the final settlement of the purchase of 69 Specialist Sales and Customer Service Points in the form of an organized part of the enterprise, the company paid an additional amount of PLN 0.1, thus the purchase price increased to PLN 6.5.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Cash transferred for the organized part of the enterprise	6.5
Provisional value	6.5

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred in the period of 12 months ended 31 December 2022	(6.4)
Cash transferred in the period of 3 months ended 31 March 2023	(0.1)
Cash decrease	(6.5)

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

The table below presents provisional and temporary 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 and temporary fair value of assets and liabilities as at 1 December 2022:

	Provisional fair value as at the acquisition date (1 December 2022)
Net assets:	
Other property, plant and equipment	0.0
Deferred tax assets	0.2
Trade and other payables	(1.1)
Provisional value of net assets	(0.9)
Provisional consideration transferred	6.5
Provisional goodwill	7.4

Goodwill is allocated to the "B2C and B2B services" operating segment.

17. Investment in associates

Acquisition of Asseco Poland S.A. shares

The transfer of ownership of the Asseco Poland S.A. (Asseco) shares was settled through the depository and settlement system operated by Krajowy Depozyt Papierów Wartościowych S.A. on 30 December 2019.

After settlement of the acquisition, the Company held a total of 22.73% Asseco shares as at 30 December 2019.

On 31 July 2020 Cyfrowy Polsat purchased from Reddev 184,127 (not in million) Asseco shares for the price of PLN 11.4. Following the transaction, the Company holds a total of 22.95% of Asseco shares.

The table below presents summary of Asseco's financial data (these are the most current consolidated financial data of Asseco's capital group published before the date of the approval of these Group's interim condensed consolidated financial statements):

	for the 12 months ended
	31 December 2022
Revenue	17,370.1
Profit from operating activities	1,815.2
Net profit	1,358.7
Other comprehensive income, net	23.8
Total comprehensive income	1,382.5
	31 December 2022
Non-current assets	10,760.3
Current assets	9,328.5
Assets held for sale	42.5
Total assets	20,131.3
Non-current liabilities	3,621.9
Current liabilities	6,295.9
Total liabilities	9,917.8

Fair value of the investment held in Asseco as at 30 December 2019 amounted to PLN 1,226. Following the completion of the purchase price allocation process for the acquisition of Asseco as at 30 December 2019, the Group identified goodwill in the amount of PLN 644, included in the carrying amount of the investment.

Acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o.

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

18. Operating segments

The Group operates in the following three 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 (starting from 1 April 2022)

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, formerly IPLA) 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 electric energy and other utilities to retail customers,
- 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.

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. The EBITDA is not an EU IFRS measure and thus its calculations may differ among the 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 3 months ended 31 March 2023:

the 3 months ended 31 March 2023 (unaudited)	B2C and B2B services	Media: TV and online	Real Estate	Consolidation adjustments	Total
Revenues from sales to third parties	2,658.9	501.5	38.9	-	3,199.3
Inter-segment revenues	15.6	66.4	5.9	(87.9)	-
Revenues	2,674.5	567.9	44.8	(87.9)	3,199.3
EBITDA (unaudited)	663.2	92.5	7.0	(1.5)	761.2
Depreciation, amortization, impairment and liquidation	418.6	38.6	5.3	-	462.5
Profit from operating activities	244.6	53.9	1.7	(1.5)	298.7
Acquisition of property, plant and equipment and other intangible assets	269.6	22.3	3.3	-	295.2
Acquisition of reception equipment	24.8	-	-	-	24.8
Balance as at 31 March 2023 (unaudited)					
Assets, including:	25,100.4	6,367.4*	1,603.6	(250.8)	32,810.6
Investments in joint venture and shares in associates	1,821.9	-	82.7	-	1,904.6

* Includes non-current assets located outside of Poland in the amount of PLN 1,5

All material revenues are generated in Poland.

It should be noted that the data for 3 months ended 31 March 2023 allocated to both the "B2C and B2B services" segment, "Media" segment and "Real Estate" segment are not fully comparable to the data for 3 months ended 31 March 2022 due to changes in the structure of the Group, described in notes 5, 16 and 17 as well as in the consolidated financial statements for the financial year ended 31 December 2022.

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 3 months ended 31 March 2022:

the 3 months ended 31 March 2022 (unaudited)	B2C and B2B services	Media: TV and online	Consolidation adjustments	Total
Revenues from sales to third parties	2,512.2	474.5	-	2,986.7
Inter-segment revenues	13.7	59.0	(72.7)	-
Revenues	2,525.9	533.5	(72.7)	2,986.7
EBITDA adjusted (unaudited)	704.1	96.6	-	800.7
Costs of support for Ukraine	33.0	1.1	-	34.1
EBITDA (unaudited)	671.1	95.5	-	766.6
Depreciation, amortization, impairment and liquidation	418.7	27.6	-	446.3
Profit from operating activities	252.4	67.9	-	320.3
Acquisition of property, plant and equipment and other intangible assets	257.9	67.0	-	324.9
Acquisition of reception equipment	37.7	-	-	37.7
Balance as at 31 March 2022 (unaudited)				
Assets, including:	25,407.8	6,544.2*	(56.8)	31,895.2
Investments in joint venture and shares in associates	1,774.8	5.9	-	1,780.7

* Includes non-current assets located outside of Poland in the amount of PLN 3.1.

Reconciliation of EBITDA and Net profit for the period:

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
EBITDA adjusted (unaudited)	761.2	800.7
Costs of supporting Ukraine*	-	(34.1)
EBITDA (unaudited)	761.2	766.6
Depreciation, amortization, impairment and liquidation (note 9)	(462.5)	(446.3)
Profit from operating activities	298.7	320.3
Other foreign exchange rate differences, net (note 10)	(1.9)	(11.8)
Interest costs, net (note 10 and 11)	(250.8)	(70.6)
Share of the profit of associates accounted for using the equity method	20.3	14.7
Cumulative catch-up (note 11)	19.2	-
Other	(1.4)	12.5
Gross profit for the period	84.1	265.1
Income tax	(13.1)	(52.3)
Net profit for the period	71.0	212.8

19. Transactions with related parties

RECEIVABLES

	31 March 2023 unaudited	31 December 2022
Joint ventures and associates	11.8	4.9
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.	10.2	14.6
Total *	22.0	19.5

* Amounts presented above do not include deposits paid (31 March 2023 – PLN 3.5, 31 December 2022 – PLN 3.5)

Receivables due from related parties have not been pledged as security.

OTHER ASSETS

	31 March 2023 unaudited	31 December 2022
Joint ventures and associates	25.0	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.	7.6	7.6
Total	32.6	9.1

LIABILITIES

	31 March 2023 unaudited	31 December 2022
Joint ventures and associates	11.3	81.0
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.	165.3	194.4
Total	176.6	275.4

Liabilities relate mainly to liabilities for the advance payment for the sale of real estate by Polkomtel as well as lease of premises and facilities.

LOANS GRANTED

	31 March 2023 unaudited	31 December 2022
Associates	541.0	456.2
Joint ventures	2.2	-
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	12.2	12.2
Total	555.4	468.4

Loans granted as at 31 March 2023 include mainly loans to PAK-Polska Czysta Energia Sp. z o.o.

LOANS RECEIVED

	31 March 2023 unaudited	31 December 2022
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.	6.7	6.6
Total	6.7	6.6

REVENUES

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Joint ventures and associates	15.8	1.0
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.	6.9	6.0
Total	22.7	7.0

* Applies to transactions with subsidiaries concluded before taking over control.

In the period of 3 months ended 31 March 2023 most significant transactions relate to income from construction services – H2 station.

EXPENSES AND PURCHASES OF PROGRAMMING ASSETS

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Subsidiaries*	-	0,1*
Joint ventures and associates	83.0	3.8
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.	43.9	102.5
Total	126.9	106.4

* Concerns transaction with subsidiaries executed prior to gaining control.

In the period of 3 months ended 31 March 2023 and 31 March 2022 the most significant transactions include *inter alia* cost of electrical energy and advertising services.

GAIN/(LOSS) ON INVESTMENT ACTIVITIES, NET

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Joint ventures and associates	10.9	-
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	7.0	-
Total	17.9	-

FINANCE COSTS, NET

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	0.2	-
Total	0.2	-

20. Contingent liabilities

Management believes that the provisions as at 31 March 2023 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 („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 2016 the President of UOKiK issued a decision stating that the operations of the Company and Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by presenting promotional offers, which in the opinion of the authorities

were impossible to conclude. Pursuant to the decision of the President of UOKiK the Company and Polkomtel were charged with a penalty in the amount of PLN 4.4 and PLN 12.3, respectively. The Group appealed to the Court against the decision. On 14 October 2019 SOKiK dismissed the appeal. The Group appealed against the decision. On 31 December 2020 the Group's appeal was dismissed. On 14 January 2021 Cyfrowy Polsat and Polkomtel paid the penalty. The Group submitted a cassation appeal to the Supreme Court. On 20 April 2022, the Supreme Court accepted the Company's cassation appeal for consideration. The case was referred for resolution at a closed session on 25 May 2023.

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 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. After receiving justification of the judgment of the Court of Appeal, Polkomtel will consider filing a cassation appeal. On 11 April 2023 Polkomtel paid a penalty of PLN 20.4.

Other proceedings

On 28 April 2017, Association of Polish Stage Artists ("ZASP") filed a lawsuit against Cyfrowy Polsat for payment of PLN 20.3. The Company issued an objection in the writ-of-payment proceedings and filed for its dismissal entirely. On 10 January 2018 the Court issued a decision to refer the case to mediation proceedings. Mediation ended without a settlement. The hearing took place on 8 May 2019. Both parties have submitted an application for re-referral to the mediation proceedings for a period of three months. The court approved application and postponed the hearing without a deadline. Mediation ended without a settlement. On 6 May 2020, the Company received a letter from the Court, included the mediator's position summarizing the course of mediation, with a request to refer to its content. On 25 May 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The hearing took place on 20 October 2021. 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, thus the value of the lawsuit was increased by over PLN 120.0. The court set the hearing date for 5 July 2023.

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. Other significant proceedings described in the consolidated financial statements for the year ended 31 December 2022 remained unchanged.

21. Risk and fair value

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual consolidated financial statements. These interim condensed consolidated financial statements should be read in conjunction with the Group's annual consolidated financial statements for the year ended as at 31 December 2022. There have been no significant changes in any risk management policies since the end of year 2022.

Fair value

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.

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

	Category according to IFRS 9	The level of the fair value hierarchy	31 March 2023 unaudited		31 December 2022	
			Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	655.7	662.5	570.6	576.1
Trade and other receivables	A	*	3,419.1	3,419.1	3,522.1	3,522.1
Cash and cash equivalents and short-term deposits	A	*	1,463.5	1,463.5	808.5	808.5
Restricted cash	A	*	9.9	9.9	9.3	9.3
Loans and borrowings	B	2	(8,972.1)	(8,846.0)	(8,232.7)	(8,137.4)
Issued bonds	B	1	(3,237.9)	(3,215.0)	(1,982.1)	(2,076.4)
Lease liabilities	B	2	(522.8)	(522.8)	(524.2)	(524.2)
Accruals	B	*	(966.1)	(966.1)	(1,220.5)	(1,220.5)
Trade and other payables and deposits	B	*	(1,316.0)	(1,316.0)	(2,371.3)	(2,371.3)
Total			(9,466.7)	(9,310.9)	(9,420.3)	(9,413.8)
Unrecognized gain/(loss)				(155.8)		(6.5)

A – assets subsequently measured at amortised cost

B – liabilities subsequently measured at amortised cost

* It is assumed that the fair value of these financial assets and liabilities is equal to their nominal value, therefore no evaluation methods were used in order to calculate their fair value.

When determining the fair value of 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 March 2023 and 31 December 2022 loans and borrowings comprised bank loans and other loans. The discount rate for each payment was calculated as a sum of implied WIBOR interest rate and a margin regarding the Group's credit risk. When determining the fair value of bank loans as at 31 March 2023 and as at 31 December 2022, forecasted cash flows from the reporting date to 30 September 2024 (assumed date of repayment of the loans obtained in 2015, changed in 2018 and changed in 2020) and to 31 March 2025 (assumed date of repayment of the additional loan obtained in 2019 and changed in 2020) were considered.

The fair value of issued bonds as at 31 March 2023 and 31 December 2022 was estimated as a last purchase price at the balance sheet date according to GPW Catalyst quotations.

As at 31 March 2023, the Group held the following financial instruments carried at fair value on the statement of financial position:

ASSETS MEASURED AT FAIR VALUE

	31 March 2023 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	33.5	-
Interest rate swaps		-	33.5	-
Hedging derivative instruments		-	13.1	-
Interest rate swaps		-	13.1	-
Other assets		-	27.8	-
Investments in equity instruments		-	1.6	-
Total		-	76.0	-

LIABILITIES MEASURED AT FAIR VALUE

	31 March 2023 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	(9.5)	-
Interest rate swaps		-	(9.3)	-
Forward		-	(0.2)	-
Hedging derivative instruments		-	(2.9)	-
Interest rate swaps		-	(2.9)	-
Total		-	(12.4)	-

As at 31 December 2022, the Group held the following financial instruments carried at fair value on the statement of financial position:

ASSETS MEASURED AT FAIR VALUE

	31 December 2022	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	58.2	-
Interest rate swaps		-	58.2	-
Hedging derivative instruments		-	23.1	-
Interest rate swaps		-	23.1	-
Other		-	23.8	-
Investments in equity instruments		-	1.6	-
Total		-	106.7	-

LIABILITIES MEASURED AT FAIR VALUE

	31 December 2022	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	(5.7)	-
Interest rate swaps		-	(4.7)	-
Forward		-	(1.0)	-
Hedging derivative instruments		-	(0.7)	-
Interest rate swaps		-	(0.7)	-
Total		-	(6.4)	-

The fair value of forwards and 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.

22. Important agreements and events

Concluding financial PPA agreements

In March 2023, Cyfrowy Polsat S.A. entered into so-called financial PPA (Power Purchase Agreement) agreements with PAK-PCE Fotowoltaika Sp. z o.o. and PAK-Volt S.A. regarding electricity generated by a photovoltaic farm in the Brudzew municipality. The financial PPA agreements were concluded for a period of 15 years, with the possibility of termination in certain situations and is effective since April 2023.

In April 2023, Cyfrowy Polsat S.A. entered into so-called financial PPA (Power Purchase Agreement) agreements with Park Wiatrowy Pałczyn1 Sp. z o.o. and PAK-Volt S.A. regarding electricity generated by a wind farm in the Miłosław municipality. The financial PPA agreements were concluded for a period of 15 years and 6 months and shall be effective since October 2023.

The Company committed in the financial PPA agreements to make financial settlements in order to ensure a fixed price for the sale or purchase of electricity (so-called contract on difference). The settlement price in the financial PPA agreements was established for the first year of the term and will be indexed in subsequent years by the inflation rate, subject to applicable legal regulations specifying the maximum sales price of electricity produced from renewable sources.

Decision 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 does 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 Kraków and referred the case for reconsideration by this authority.

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 date of the hearing has not been set. 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

date of the hearing has not been set. The Company has not created any provisions encumbering its financial results.

Renewal of the frequency reservations

Frequency reservations allocated in the 1800 MHz band expired at the end of 2022, while the frequency reservation in the 900 MHz will expire at the end of 2023. On 30 November 2021 Polkomtel and Aero 2 were merged, consequently Polkomtel entered into the rights and obligations of Aero 2 and thus taking over the right to Aero 2 frequencies. Pursuant to the Telecommunications Law, in December 2021 and December 2022, respectively, Polkomtel Sp. z o. o. applied to UKE President for the reservation of frequency in the 1800 MHz band for the next period and in the 900 MHz band.

On 20 December 2022, Polkomtel received the decisions of the President of UKE granting Polkomtel a frequency reservation in the 1800 MHz band for the next 15 years - until 31 December 2037. Pursuant to these decisions, Polkomtel was obliged to pay fees to the State Treasury in the amount of PLN 847.0 for the above reservation. The payment in the amount of PLN 847.0 was made on 3 January 2023.

It is estimated that the President of UKE will issue decisions relating to the frequency reservation in the 900 MHz band for the next period around June and July 2023. The total amount presented by the President of UKE during the consultations of draft reservation decisions for granting frequency reservation in the 900 MHz band for the next 15 years is PLN 300.3

Auction for spectrum reservation from the 3.6 GHz band

On December 2022, the President of UKE announced consultations regarding the auction for four frequency licenses in the 3.6 GHz band. The subject of the auction will be 4 blocks with a width of 80 MHz each from the 3.6 GHz band. The minimum price for a block has been set at PLN 450.0.

On 6 April 2023, the President of UKE announced consultations on the amended auction documentation for four frequency reservations in the 3.6 GHz band. The consultations will last until 12 May 2023. According to the consulted documentation, 4 blocks of 100 MHz each are to be auctioned. The starting price for the block has not changed and still amounts to PLN 450.0.

In accordance with the new auction documentation, each of the auction winners will be subject to identical network development obligations consisting in launching in the indicated areas by each operator at least 3,800 (not in millions) base stations using allocated frequencies within 36 months from the date of delivery of the reservation decision. In addition, auction winners will be required to ensure capacity (using any frequency range) of 100Mbps for 99% of households throughout the country within 60 months, for 95% of the country within 84 months, for all national roads within 60 months, for 100% of provincial roads within 84 months, for the indicated railway routes within 60 months, for 24-hour border crossings within 12 months from the date of delivery of the reservation decision.

The date for the allocation of the 3.6 GHz band, as expected by the President of UKE, is fourth quarter 2023.

The legal dispute in respect to the telecommunication concession

There is a pending 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.). 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. In accordance with President of UKE’s press release, these reservation decisions remain valid and telecommunication operators may continue to provide their services based on these reservation decisions. In management’s opinion this issue should have no negative impact on the results and financial condition of the Group. Accordingly, no valuation adjustment has been made in these interim condensed consolidated financial statements.

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. Aero2 Sp. z o.o. (currently Polkomtel Sp. z o.o.) filed a cassation appeal against the judgment, which is awaiting the consideration by the NSA.

On 4 October 2018, T-Mobile Polska S.A. 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., the judgment is not final and T-Mobile Polska S.A. filed a cassation appeal to the Supreme Administrative Court.

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 5.10.1 in the Management Report for 2022.

23. Events subsequent to the reporting date

Conclusion of Senior Facilities Agreement with a consortium of financial institutions

On 28 April 2023, Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o. and other Group's subsidiaries concluded the Senior Facilities Agreement, sustainability linked financing (the "Facilities Agreement"), with a consortium of Polish and foreign financial institutions, including, among others, Santander Bank Polska S.A. acting as an Agent and Bank Polska Kasa Opieki S.A. acting as a Security Agent.

The Facilities Agreement provides for PLN term facility loan to be granted up to a maximum amount of PLN 7,255.0, an EUR term facility loan up to a maximum amount of EUR 506.0 (the "Term Facilities") and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 (the "Revolving Facility").

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 Group entities, and also on the achievement by the Group of certain targets concerning green energy production and zero-carbon electricity consumption by certain Group entities.

The Term Facilities and the Revolving Facility will be used by the Company in particular for:

- a) repayment of all indebtedness under the Senior Facilities Agreement concluded on 21 September 2015, as amended by agreements dated 2 March 2018 and 27 April 2020,
- b) making funds available to companies implementing investment projects defined in the Facilities Agreement; and
- c) financing general corporate needs of the Group.

The Facilities Agreement provides for the establishment by the Company and other Group entities of collateral for the repayment of loans granted thereunder.

The term of the Term Facilities and the Revolving Facility is 5 years from the date of execution of the Facilities Agreement and the final repayment date of each of these facilities is 28 April 2028. The PLN term facility will be repaid in quarterly installments of varying amounts. The EUR term facility will be repaid in one installment on the final repayment date.

Decision on early repayment of facility loans

On 9 May 2023 Cyfrowy Polsat and Polkomtel Sp. z o.o. (a subsidiary of the Company) submitted to the facility agent an irrevocable instruction to activate the procedure for early repayment of the full amount of the term facility loan and the revolving facility loan granted under the Senior Facilities Agreement concluded on 21 September 2015, as amended by agreements dated 2 March 2018 and 27 April 2020.

A prepayment in the aggregate amount of PLN 8,843.7 is planned for 16 May 2023.

As a result of the prepayment, the Company and Polkomtel Sp. z o.o. will repay the entire debt under the indicated facilities agreement.

24. Other disclosures

Security relating to loans and borrowings

The Group entered into a series of agreements establishing collateral under the loan agreements. Detailed information in respect to the agreements is presented in the Management Report in note 3.2.6.

Other securities

The Company provided guarantees to its subsidiaries and other related parties in respect to purchase contracts. Additionally, Group's entities also have bank guarantees in respect to purchase contracts as well as payments. Information regarding the amounts of guarantees provided was not separately disclosed, as in the opinion of the Group's Management, such disclosure could have a negative impact on the relations with the third parties.

Commitments to purchase programming assets

As at 31 March 2023 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments:

	31 March 2023 unaudited	31 December 2022
within one year	394.8	251.6
between 1 to 5 years	399.9	258.1
more than 5 years	179.7	13.3
Total	974.4	523.0

The table below presents commitments to purchase programming assets from related parties not included in the consolidated financial statements:

	31 March 2023 unaudited	31 December 2022
within one year	43.3	20.0
Total	43.3	20.0

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 130.2 as at 31 March 2023 (PLN 138.2 as at 31 December 2022). Total amount of contractual liabilities resulting from

agreements for the purchases of intangible assets was PLN 94.1 as at 31 March 2023 (PLN 73.4 as at 31 December 2022).

Future contractual obligations

As at 31 March 2023 and 31 December 2022 the Group had future liabilities due to transponder capacity agreements.

The table below presents future payments (total):

	31 March 2023 unaudited	31 December 2022
within one year	124.9	125.3
between 1 to 5 years	218.5	250.5
Total	343.4	375.8

25. 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.

Detailed description of the accounting estimates is presented in the annual consolidated financial statements.



Cyfrowy Polsat S.A.

**Interim Condensed Financial Statements
for the 3 months ended 31 March 2023**

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

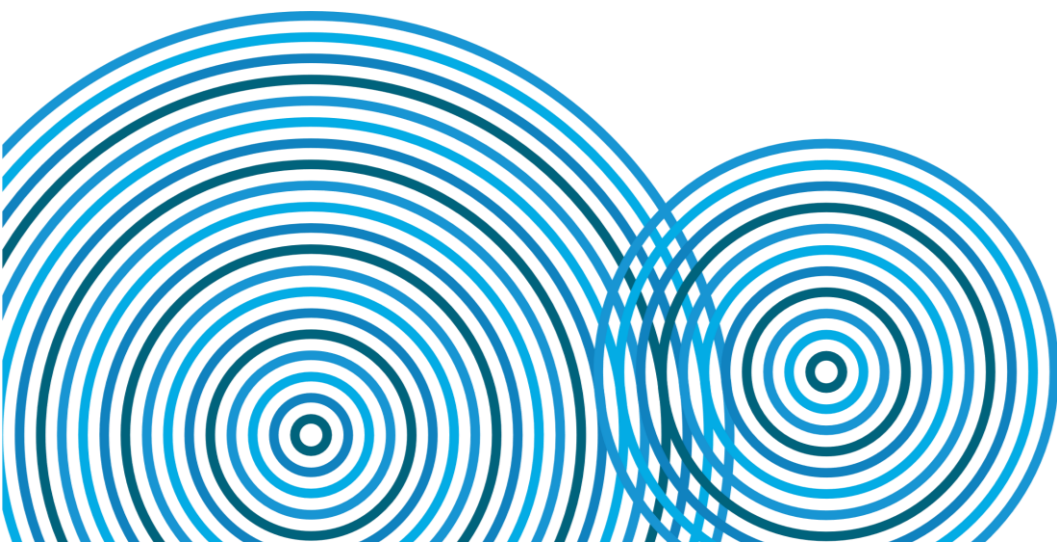


Table of contents

Approval of the interim condensed financial statements	3
Interim Income Statement	4
Interim Statement of Comprehensive Income	5
Interim Balance Sheet	6
Interim Cash Flow Statement	8
Interim Statement of Changes in Equity for the 3 months ended 31 March 2023	10
Notes to the Interim Condensed Financial Statements	11
General information	11
1. The Company	11
2. Composition of the Management Board of the Company	11
3. Composition of the Supervisory Board of the Company	11
4. Basis of preparation of the interim condensed financial statements	12
5. Approval of the Interim Condensed Financial Statements	12
Explanatory notes	12
6. Information on seasonality in the Company's operations	12
7. Revenue	13
8. Operating costs	13
9. Gain on investment activities, net	14
10. Finance costs, net	14
11. Equity	14
12. Hedge valuation reserve	16
13. Loans and borrowings	16
14. Issued bonds	17
15. Transactions with related parties	18
Other notes	21
16. Litigations	21
17. Risk and fair value	21
18. Important agreements and events	23
19. Other disclosures	25
20. Events subsequent to the reporting date	25
21. Judgments, financial estimates and assumptions	26

Approval of the interim condensed financial statements

On 15 May 2023, the Management Board of Cyfrowy Polsat S.A. approved the interim condensed financial statements of Cyfrowy Polsat S.A. prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, as adopted by the European Union, which include:

Interim Income Statement for the period

from 1 January 2023 to 31 March 2023 showing a net profit for the period of: PLN 4.2

Interim Statement of Comprehensive Income for the period

from 1 January 2023 to 31 March 2023 showing a total comprehensive income for the period of: PLN 5.5

Interim Balance Sheet as at

31 March 2023 showing total assets and total equity and liabilities of: PLN 16,730.4

Interim Cash Flow Statement for the period

from 1 January 2023 to 31 March 2023 showing a net increase in cash and cash equivalents amounting to: PLN 1,002.1

Interim Statement of Changes in Equity for the period

from 1 January 2023 to 31 March 2023 showing an decrease in equity of: PLN 5.5

Notes to the Interim Condensed Financial Statements

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

Mirosław Błaszczuk
President of the Management Board

Maciej Stec
Vice-President of the Management Board

Jacek Felczykowski
Member of the Management Board

Aneta Jaskólska
Member of the Management Board

Agnieszka Odorowicz
Member of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Agnieszka Szatan
Chief Accountant

Warsaw, 15 May 2023

Interim Income Statement

	Note	for the 3 months ended	
		31 March 2023 unaudited	31 March 2022 unaudited
Revenue	7	572.3	598.5
Operating costs	8	(513.2)	(488.9)
Other operating income/(costs), net		1.1	(0.6)
Profit from operating activities		60.2	109.0
Gain on investment activities, net	9	33.7	23.4
Finance costs, net	10	(88.4)	(47.2)
Gross profit for the period		5.5	85.2
Income tax		(1.3)	(17.6)
Net profit for the period		4.2	67.6
Basic and diluted earnings per share (in PLN)		0.01	0.12

Interim Statement of Comprehensive Income

	for the 3 months ended		
	Note	31 March 2023 unaudited	31 March 2022 unaudited
Net profit for the period		4.2	67.6
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Valuation of hedging instruments	12	(9.7)	10.8
Other comprehensive income/(loss), net of tax		(9.7)	10.8
Total comprehensive income/(loss) for the period		(5.5)	78.4

Interim Balance Sheet - Assets

	Note	31 March 2023 unaudited	31 December 2022
Reception equipment		326.6	331.8
Other property, plant and equipment		193.4	194.2
Goodwill		197.0	197.0
Other intangible assets		114.6	110.6
Right-of-use assets		17.1	15.8
Investment property		36.2	36.8
Shares in subsidiaries, associates and other includes:		12,966.7	12,966.7
<i>shares in associates</i>		1,708.0	1,708.0
Non-current deferred distribution fees		17.4	17.7
Non-current loans granted		652.9	573.6
Other non-current assets, includes:		3.9	7.3
<i>derivative instruments</i>		3.7	6.6
Total non-current assets		14,525.8	14,451.5
Contract assets		99.6	93.3
Inventories		161.7	131.0
Trade and other receivables		171.1	212.1
Current loans granted		549.3	544.8
Current deferred distribution fees		48.8	54.3
Other current assets includes:		51.3	50.6
<i>derivative instruments</i>		9.4	16.5
Cash and cash equivalents		1,122.8	120.7
Total current assets		2,204.6	1,206.8
Total assets		16,730.4	15,658.3

Interim Balance Sheet - Equity and Liabilities

	Note	31 March 2023 unaudited	31 December 2022
Share capital	11	25.6	25.6
Share premium	11	7,174.0	7,174.0
Other reserves		2,923.8	2,933.5
Retained earnings		4,220.0	4,215.8
Treasury shares		(2,854.7)	(2,854.7)
Total equity		11,488.7	11,494.2
Loans and borrowings	13	1,031.6	1,047.8
Issued bonds	14	2,897.0	1,900.4
Lease liabilities		15.5	13.7
Deferred tax liabilities		51.1	58.7
Other non-current liabilities and provisions, includes:		4.3	2.1
<i>derivative instruments</i>		2.9	0.7
Total non-current liabilities		3,999.5	3,022.7
Loans and borrowings	13	249.2	250.7
Issued bonds	14	318.0	176.0
Lease liabilities		2.9	3.3
Contract liabilities		236.8	225.3
Trade and other payables		427.4	477.6
Income tax liability		4.3	4.9
Deposits for equipment		3.6	3.6
Total current liabilities		1,242.2	1,141.4
Total liabilities		5,241.7	4,164.1
Total equity and liabilities		16,730.4	15,658.3

Interim Cash Flow Statement

	Note	for the 3 months ended	
		31 March 2023 unaudited	31 March 2022 unaudited
Net profit		4.2	67.6
Adjustments for:		55.8	39.9
Depreciation, amortization, impairment and liquidation	8	42.1	43.5
Interest expense		65.3	35.7
Change in inventories		(30.7)	(19.8)
Change in receivables and other assets		49.5	5.5
Change in liabilities and provisions		(28.5)	(1.3)
Change in contract assets		(6.3)	1.1
Change in contract liabilities		11.5	2.8
Income tax		1.3	17.6
Net increase in reception equipment		(27.7)	(43.2)
Dividends income and share in the profits of partnerships	9	(0.2)	(13.7)
Premium for scheduled early redemption of bonds		9.7	-
Cumulative catch-up	10	(19.2)	-
Valuation of hedging instruments		(12.0)	13.3
Other adjustments		1.0	(1.6)
Cash from operating activities		60.0	107.5
Income tax paid		(7.2)	(22.2)
Interest received from operating activities		15.6	4.5
Net cash from operating activities		68.4	89.8
Received dividends and shares in the profits of partnerships		-	46.2
Acquisition of shares in subsidiaries and associates		-	(24.0)
Acquisition of property, plant and equipment		(14.0)	(14.3)
Acquisition of intangible assets		(9.7)	(12.6)
Loans granted		(140.9)	(156.4)
Loans repaid		61.9	0.1
Interest on loans repaid		8.5	1.9
Other inflows		4.1	0.5
Net cash from investing activities		(90.1)	(158.6)

	Note	for the 3 months ended	
		31 March 2023 unaudited	31 March 2022 unaudited
Bonds issue	14	1,142.1	-
Repayment of loans and borrowings	13	(39.0)	(39.0)
Payment of interest on loans, borrowings, bonds and commissions		(84.6)	(13.6)
Hedging instrument effect		7.9	1.1
Other outflows		(2.6)	(2.7)
Net cash from financing activities		1,023.8	(54.2)
Net increase/(decrease) in cash and cash equivalents		1,002.1	(123.0)
Cash and cash equivalents at the beginning of period		120.7	1,934.8
Effect of exchange rate fluctuations on cash and cash equivalents		-	-
Cash and cash equivalents at the end of period		1,122.8	1,811.8

Interim Statement of Changes in Equity for the 3 months ended 31 March 2023

	Share capital	Share premium	Other reserves	Retained earnings ⁽¹⁾	Treasury shares	Total Equity
Balance as at 1 January 2023	25.6	7,174.0	2,933.5	4,215.8	(2,854.7)	11,494.2
Total comprehensive loss	-	-	(9.7)	4.2	-	(5.5)
<i>Hedge valuation reserve</i>	-	-	(9.7)	-	-	(9.7)
<i>Net profit for the period</i>	-	-	-	4.2	-	4.2
Balance as at 31 March 2023 unaudited	25.6	7,174.0	2,923.8	4,220.0	(2,854.7)	11,488.7

⁽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. The capital excluded from distribution amounts to PLN 8.5 as at 31 March 2023.

Interim Statement of Changes in Equity for the 3 months ended 31 March 2022

	Share capital	Share premium	Other reserves	Retained earnings ⁽¹⁾	Treasury shares	Total Equity
Balance as at 1 January 2022	25.6	7,174.0	2,923.8	3,628.0	(2,461.0)	11,290.4
Total comprehensive income	-	-	10.8	67.6	-	78.4
<i>Hedge valuation reserve</i>	-	-	10.8	-	-	10.8
<i>Net profit for the period</i>	-	-	-	67.6	-	67.6
Balance as at 31 March 2022 unaudited	25.6	7,174.0	2,934.6	3,695.6	(2,461.0)	11,368.8

⁽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. The capital excluded from distribution amounts to PLN 8.5 as at 31 March 2022.

Notes to the Interim Condensed Financial Statements

General information

1. The Company

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

The Company operates in Poland as a provider of a paid digital satellite platform under the name of 'Polsat Box' and paid digital terrestrial television as well as telecommunication services provider.

The Company was incorporated under the Notary Deed dated 30 October 1996.

The Company is the Parent Company of Cyfrowy Polsat S.A. Capital Group (the 'Group'). As at 31 March 2023 the Group encompasses the Company, Polkomtel Sp. z o.o. and its subsidiaries and joint ventures, Telewizja Polsat Sp. z o.o. and its subsidiaries and joint ventures, Netia S.A. and its subsidiaries, INFO-TV-FM Sp. z o.o., Interphone Service Sp. z o.o., Teleaudio Dwa Sp. z o.o. Sp.k., Netshare Media Group Sp. z o.o., CPSPV1 Sp. z o.o., CPSPV2 Sp. z o.o., Orsen Holding Limited and its subsidiaries, Esoleo Sp. z o.o. and its subsidiaries, Stork 5 Sp. z o.o. and its subsidiary, BCAST Sp. z o.o., Plus Finanse Sp. z o.o., Vindix S.A. and its subsidiaries and Port Praski Sp. z o.o. and its subsidiaries.

2. Composition of the Management Board of the Company

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

3. Composition of the Supervisory Board of the Company

- Zygmunt Solorz Chairman of the Supervisory Board,
- Marek Kapuściński Vice-Chairman of the Supervisory Board,
- Józef Birka Member of the Supervisory Board,
- Jarosław Grzesiak Member of the Supervisory Board,
- Marek Grzybowski Member of the Supervisory Board,
- Alojzy Nowak Member of the Supervisory Board,
- Tobiasz Solorz Member of the Supervisory Board,
- Tomasz Szelaż Member of the Supervisory Board,
- Piotr Żak Member of the Supervisory Board.

4. Basis of preparation of the interim condensed financial statements

Statement of compliance

These interim condensed financial statements for the 3 months ended 31 March 2023 have been prepared in accordance with the International Accounting Standard (“IAS”) 34 Interim Financial Reporting. These interim condensed financial statements should be read together with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (“IFRS EU”). These interim condensed financial statements have been prepared on a going concern basis.

The Company as the Parent company prepared the interim condensed consolidated financial statements (approved on 15 May 2023). These interim condensed financial statements should be read together with the interim condensed consolidated financial statements.

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company’s annual financial statements for the year ended 31 December 2022, except for the adoption of new, amended Standards or Interpretations that apply to the annual reporting periods beginning on or after 1 January 2023.

During the three-month period ended 31 March 2023 the following became effective:

- a) IFRS 17 Insurance Contracts and Amendments to IFRS 17,
- b) Amendments to IAS 1 Presentation of Financial Statements and IFRS Board guidelines: Disclosure of Accounting policies,
- c) Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates,
- d) Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction,
- e) Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

Amendments and interpretations that apply for the first time in 2023 do not have a material impact on the interim condensed financial statements of the Company.

Standards published but not yet effective:

- a) Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback,
- b) Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current.

5. Approval of the Interim Condensed Financial Statements

These interim condensed financial statements were approved for publication by the Management Board on 15 May 2023.

Explanatory notes

6. Information on seasonality in the Company’s operations

Retail revenue is not directly subject to any seasonal trend.

7. Revenue

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Retail revenue	521.0	553.9
Wholesale revenue	19.6	21.9
Sale of equipment	8.6	3.4
Other revenue	23.1	19.3
Total	572.3	598.5

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

8. Operating costs

	Note	for the 3 months ended	
		31 March 2023 unaudited	31 March 2022 unaudited
Content costs		212.9	202.6
Technical costs and costs of settlements with telecommunication operators		113.6	118.3
Distribution, marketing, customer relation management and retention costs		73.4	68.4
Depreciation, amortization, impairment and liquidation		42.1	43.5
Salaries and employee-related costs	a)	38.5	33.7
Cost of equipment sold		6.9	1.0
Cost of debt collection services and bad debt allowance and receivables written off		1.7	0.6
Other costs		24.1	20.8
Total		513.2	488.9

a) Salaries and employee-related costs

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Salaries	31.6	27.6
Social security contributions	5.7	4.9
Other employee-related costs	1.2	1.2
Total	38.5	33.7

9. Gain on investment activities, net

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Share in the profits of partnerships	0.2	13.7
Interest income	31.0	9.6
Other	2.5	0.1
Total	33.7	23.4

10. Finance costs, net

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Interest expense on loans and borrowings	26.9	18.1
Interest expense on issued bonds	86.7	28.1
Cumulative catch-up	(19.2)	-
Valuation and realization of hedging instruments	(7.8)	(1.1)
Guarantee fees	1.5	1.6
Bank and other charges	0.3	0.5
Total	88.4	47.2

11. Equity

Share capital

Presented below is the structure of the Company's share capital as at 31 March 2023 and 31 December 2022:

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

* not in millions.

The shareholders' structure as at 31 March 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%
<i>Reddev Investments Ltd., including through:</i>	386,745,247	15.5	60.47%	566,162,738	69.13%
<i>Cyfrowy Polsat S.A.</i> 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%
Nationale-Nederlanden PTE	41,066,962	1.6	6.42%	41,066,962	5.02%
Others	201,677,032	8.1	31.53%	201,677,032	24.63%
Total	639,546,016	25.6	100%	818,963,517	100%

* not in millions

¹ The acquired own shares under the share buy-back program announced on 16 November 2021. According to Art. 364 Section 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights from the own shares.

² Person is under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Public Offering Act.

The shareholders' structure as at 31 December 2022 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%
<i>Reddev Investments Ltd., including through:</i>	386,745,247	15.5	60.47%	566,162,738	69.13%
<i>Cyfrowy Polsat S.A.</i> ¹	88,842,485	3.6	13.89%	88,842,485	10.85%
Tobias Solorz ²	5,607,609	0.2	0.88%	5,607,609	0.68%
ToBe Investments Group Ltd.	4,449,156	0.2	0.70%	4,449,156	0.54%
Nationale-Nederlanden PTE	41,066,962	1.6	6.42%	41,066,962	5.02%
Others	201,677,032	8.1	31.53%	201,677,032	24.63%
Total	639,546,016	25.6	100%	818,963,517	100%

* not in millions

¹ The acquired own shares under the share buy-back program announced on 16 November 2021. According to Art. 364 Section 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights from the own shares.

² Person is under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Public Offering Act.

Share premium

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

Other reserves

As at 31 March 2023 and 31 December 2022 other reserves include mainly the reserve capital created for the purposes of the share buyback program in the amount of PLN 2,914.8.

Treasury shares

As at 31 March 2023 and 31 December 2022 treasury shares includes 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.

12. Hedge valuation reserve

Impact of hedging instruments valuation on hedge valuation reserve

	2023	2022
Balance as at 1 January	18.2	9.0
Valuation of cash flow hedges	(12.0)	13.3
Deferred tax	2.3	(2.5)
Change for the period	(9.7)	10.8
Balance as at 31 March unaudited	8.5	19.8

13. Loans and borrowings

	31 March 2023 unaudited	31 December 2022
Short-term liabilities	249.2	250.7
Long-term liabilities	1,031.6	1,047.8
Total	1,280.8	1,298.5

Change in loans and borrowings liabilities:

	2023	2022
Balance as at 1 January	1,298.5	1,424.5
Repayment of capital	(39.0)	(39.0)
Repayment of interest and commissions	(5.6)	(3.8)
Interest accrued	26.9	18.1
Balance as at 31 March unaudited	1,280.8	1,399.8

14. Issued bonds

	31 March 2023 unaudited	31 December 2022
Short-term liabilities	318.0	176.0
Long-term liabilities	2,897.0	1,900.4
Total	3,215.0	2,076.4

Change in issued bonds:

	2023	2022
Balance as at 1 January	2,076.4	2,008.5
Bonds issue (series D bonds)	2,670.0	-
Bonds redemption (series B and C bonds*)	(1,527.9)	-
Repayment of interest and commissions	(71.0)	(9.7)
Cumulative catch-up	(19.2)	-
Interest accrued and commissions	86.7	28.1
Balance as at 31 March unaudited	3,215.0	2,026.9

*redemption through conversion into series D bonds

Issuance of series D bonds and refinancing of debts under series B bonds and series C bonds

On 16 December 2022 the Management Board of the Company adopted resolutions on:

- issuance of no more than 2,670,000 (not in millions) unsecured series D bearer bonds with the nominal value of PLN 1,000 each and the total nominal value of no more than PLN 2,670 ("series D bonds")
- purchase by the Company from the bondholders of the series B bonds and series C bonds issued by the Company, some or all of the series B bonds and series C bonds for the purpose of their redemption, based on sale and set-off agreements to be entered into by the Company with those of the series B bonds and series C bonds bondholders who declare their intention to sell such bonds and have their receivables for the series B bonds and series C bonds sale credited against the purchase price of the series D bonds.

On 11 January 2023, the issue of 2,670,000 (not in millions) series D bonds, with the total nominal value of PLN 2,670 was completed. The maturity date of the series D bonds is 11 January 2030. Interest on the series D bonds is paid in arrears every six months. The first interest payment will be made on 11 July 2023.

At the same time, on 11 January 2023, Cyfrowy Polsat S.A. repurchased for redemption 691,952 (not in millions) series B bearer bonds with the total nominal value of PLN 692 issued by the Company on 26 April 2019 with the redemption date set for 24 April 2026 and 835,991 (not in millions) series C bearer bonds with the total nominal value of PLN 836 issued by the Company on 14 February 2020, with the redemption date set for 12 February 2027 (collectively "Bonds Repurchased for Redemption") from investors holding rights to the Bonds Repurchased for Redemption who paid the issue price of the series D bonds, registered on 11 January 2023 with the securities depository, by setting off the amounts due to the Company from the issuance of the series D bonds against the amounts due to the relevant investors in respect of the sale of the Bonds Repurchased for Redemption to the Company.

On 11 January 2023 the Management Board of the Company adopted a resolution to redeem the Bonds Repurchased for Redemption.

After the redemption of the Bonds Repurchased for Redemption, 308,048 (not in millions) series B bonds and 164,009 (not in millions) series C bonds remain listed on Catalyst market in the Alternative Trading System operated by the Warsaw Stock Exchange. The Management Board has not decided on the early redemption of the remaining outstanding series B bonds and series C bonds.

The first trading day for the series D bonds in the Alternative Trading System as part of the Catalyst market (in the continuous trading system) was set for 20 January 2023.

15. Transactions with related parties

RECEIVABLES

	31 March 2023 unaudited	31 December 2022
Subsidiaries	98.1	100.0
Joint ventures and associates	1.5	0.3
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	0.9	1.1
Total	100.5	101.4

A significant portion of receivables is represented by receivables from share of the profits of partnerships and receivables related to sale of Netia and Polkomtel Sp. z o.o. ('Polkomtel') services.

OTHER ASSETS

	31 March 2023 unaudited	31 December 2022
Subsidiaries	31.4	22.3
Joint ventures and associates	1.9	1.4
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	1.4	1.3
Total	34.7	25.0

Other current assets comprise mainly unbilled revenue from Telewizja Polsat, InterPhone Service, Polkomtel and Netia.

LIABILITIES

	31 March 2023 unaudited	31 December 2022
Subsidiaries	143.5	183.9
Joint ventures and associates	2.0	5.6
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.	2.2	3.4
Total	147.7	192.9

A significant portion of liabilities is represented by InterPhone, Polkomtel and Liberty Poland services, programming licence fees and lease liabilities.

LOANS GRANTED

	31 March 2023 unaudited	31 December 2022
Subsidiaries	673.6	673.2
Joint ventures and associates	528.3	444.9
Total	1,201.9	1,118.1

Loans granted as at 31 March 2023 mainly include loans to PAK-Polska Czysta Energia Sp. z o.o., Netia S.A. and Esoleo Sp. z o.o. with repayment due date in 2023 – 2026.

REVENUES

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Subsidiaries	29.7	26.8
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.	0.9	0.4
Total	30.9	27.2

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

EXPENSES

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Subsidiaries	174.2	178.2
Joint ventures and associates	0.7	1.8
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.	3.1	5.1
Total	178.0	185.1

The most significant transactions include data transfer services.

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

GAIN/(LOSS) ON INVESTMENT ACTIVITIES, NET

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Subsidiaries	8.8	20.0
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.	-	1.2
Total	19.4	21.2

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

FINANCE COSTS, NET

	for the 3 months ended	
	31 March 2023 unaudited	31 March 2022 unaudited
Subsidiaries	1.5	1.6
Total	1.5	1.6

Finance costs comprise mostly of guarantee fees in respect to settlement of term facilities.

Other notes

16. Litigations

Management believes that the provisions for litigations as at 31 March 2023 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Company's financial situation. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Company's Management such disclosure could prejudice the outcome of the pending cases.

On 30 December 2016 the President of UOKiK issued a decision stating that the Company's operations were allegedly infringing collective consumer interests by presenting promotional offers, which in the opinion of the authorities were impossible to conclude. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 4.4. The Company appealed to SOKiK against the decision. On 14 October 2019 SOKiK dismissed the appeal. The Company appealed against the decision. On 31 December 2020 the Company's appeal was dismissed. On 14 January 2021 the Company paid the penalty. The Company submitted a cassation appeal to the Supreme Court. On 20 April 2022, the Supreme Court accepted the Company's cassation appeal for consideration. The case was referred for resolution at a closed session on 25 May 2023.

Other proceedings

On 28 April 2017, Association of Polish Stage Artists ("ZASP") filed a lawsuit against Cyfrowy Polsat for payment of PLN 20.3. The Company issued an objection in the writ-of-payment proceedings and filed for its dismissal entirely. On 10 January 2018 the Court issued a decision to refer the case to mediation proceedings. Mediation ended without a settlement. The last hearing took place on 8 May 2019. Both parties have submitted an application for re-referral to the mediation proceedings for a period of three months. The court approved application and postponed the hearing without a deadline. Mediation ended without a settlement. On 6 May 2020, the Company received a letter from the Court, containing the mediator's position summarizing the course of mediation, with a request to refer to its content. On 25 May 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The hearing took place on 20 October 2021. 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. The court set the hearing date for 5 July 2023.

Other significant proceedings described in the financial statements for the year ended 31 December 2022 remained unchanged.

17. Risk and fair value

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, the risk of changes in cash flows related to interest rate risk and price risk), credit risk and liquidity risk.

The interim condensed financial statements do not include all financial risk management information and disclosures required in the annual financial statements. These interim condensed financial statements should be read in conjunction with the Company's annual financial statements for the year ended as at 31 December 2022. There have been no significant changes in any risk management policies since the end of year 2022.

Fair value

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments, depending on the selected valuation method:

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 (e.g. prices) or indirectly,

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

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

	Category according to IFRS 9	Level of the fair value hierarchy	31 March 2023 unaudited		31 December 2022	
			Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	1,200.8	1,202.2	1,105.7	1,118.4
Trade and other receivables	A	*	133.5	133.5	135.1	135.1
Cash and cash equivalents	A	*	1,122.8	1,122.8	120.7	120.7
Loans and borrowings	B	2	(1,284.1)	(1,280.8)	(1,299.0)	(1,298.5)
Issued bonds	B	1	(3,237.9)	(3,215.0)	(1,982.1)	(2,076.4)
Lease liability	B	2	(18.4)	(18.4)	(17.0)	(17.0)
Accruals	B	*	(255.3)	(255.3)	(276.3)	(276.3)
Trade and other payables and deposits	B	*	(128.3)	(128.3)	(161.0)	(161.0)
Total			(2,466.9)	(2,439.3)	(2,373.9)	(2,455.0)
Unrecognized gain/(loss)				(27.6)		81.1

A – assets subsequently measured at amortised cost

B – liabilities subsequently measured at amortised cost

* it is assumed that the fair value of these financial assets and liabilities is equal to their nominal value, therefore no evaluation methods were used in order to calculate their fair value.

When determining the fair value of loans granted, forecasted cash flows from the reporting date to assumed dates of repayments of the loans were analyzed. The discount rate for each payment was calculated as an applicable WIBOR or EURIBOR interest rate plus a margin regarding the credit risk.

Trade and other receivables, accruals and trade and other payables and deposits comprise mainly receivables and payables which will be settled no later than at the end of the first month after the reporting date. It was therefore assumed that the effect of their valuation, taking the effect of time value of money into account, would approximately be equal to their nominal value.

As at 31 March 2023 and 31 December 2022 loans and borrowings comprised term facility loan. The discount rate for each payment was calculated as a sum of implied WIBOR interest rate and a margin regarding the Company's credit risk. When determining the fair value of senior facility as at 31 March 2023 and 31 December 2022, forecasted cash flows from the reporting date to 30 September 2024 (assumed date of repayment of the loan obtained in 2015, changed in 2018 and changed in 2020) and to 31 March 2025 (assumed date of repayment of the additional loan obtained in 2019 and changed in 2020).

The fair value of bonds as at 31 March 2023 and 31 December 2022 is calculated based on the last bid price as at the balance sheet date as quoted on the Catalyst market.

As at 31 March 2023, the Company held the following financial instruments measured at fair value:

ASSETS MEASURED AT FAIR VALUE

	31 March 2023 unaudited	Level 1	Level 2	Level 3
IRS		-	13.1	-
Total		-	13.1	-

LIABILITIES MEASURED AT FAIR VALUE

	31 March 2023 unaudited	Level 1	Level 2	Level 3
IRS		-	2.9	-
Total		-	2.9	-

As at 31 December 2022, the Company held the following financial instruments measured at fair value:

ASSETS MEASURED AT FAIR VALUE

	31 December 2022	Level 1	Level 2	Level 3
IRS		-	23.1	-
Total		-	23.1	-

LIABILITIES MEASURED AT FAIR VALUE

	31 December 2022	Level 1	Level 2	Level 3
IRS		-	0.7	-
Total		-	0.7	-

The fair value of interest rate swaps is determined using financial instruments valuation models, based on generally published interest rates. Fair value of derivatives is determined based on the discounted future cash flows from transactions, calculated based on the difference between the forward price and the transaction price.

18. Important agreements and events

Concluding financial PPA agreements

In March 2023, Cyfrowy Polsat S.A. entered into so-called financial PPA (Power Purchase Agreement) agreements with PAK-PCE Fotowoltaika Sp. z o.o. and PAK-Volt S.A. regarding electricity generated by a photovoltaic farm in the Brudzew municipality. The financial PPA agreements were concluded for a period of 15 years, with the possibility of termination in certain situations and are effective since April 2023.

In April 2023, Cyfrowy Polsat S.A. entered into so-called financial PPA (Power Purchase Agreement) agreements with Park Wiatrowy Pałczyn1 Sp. z o.o. and PAK-Volt S.A. regarding electricity generated by a wind farm in the Miłosław municipality. The financial PPA agreements were concluded for a period of 15 years and 6 months and shall be effective since October 2023.

The Company committed in the financial PPA agreements to make financial settlements in order to ensure a fixed price for the sale or purchase of electricity (so-called contract on difference). The settlement price in the financial PPA agreements was established for the first year of the term and will be indexed in subsequent years by the inflation rate, subject to applicable legal regulations specifying the maximum sales price of electricity produced from renewable sources.

Decision 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 does 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 filed 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 Kraków and referred the case for reconsideration by this authority.

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 date of the hearing has not been set. 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 date of the hearing has not been set. The Company has not created any provisions encumbering its financial results.

19. Other disclosures

Security relating to loans and borrowings

The Company entered into a series of agreements establishing security under the Loans Agreement. Detailed information in respect to the agreements is presented in the Management Report in note 3.2.6.

Other securities

The Company provided guarantees to its subsidiaries in respect to purchase contracts. Information regarding the amounts of guarantees provided was not separately disclosed, as in the opinion of the Group's Management, such disclosure could have a negative impact on the relations with the third parties.

Contractual liabilities related to purchases of non-current assets

Total amount of capital commitments resulting from agreements on property construction and improvements was PLN 10.3 as at 31 March 2023 (PLN 19.2 as at 31 December 2022).

Future contractual obligations

As at 31 March 2023 and 31 December 2022 the Company had future liabilities due to transponder capacity agreements. The table below presents future payments (total):

	31 March 2023 unaudited	31 December 2022
within one year	121.3	121.7
between 1 to 5 years	212.3	243.4
Total	333.6	365.1

20. Events subsequent to the reporting date

Conclusion of Senior Facilities Agreement with a consortium of financial institutions

On 28 April 2023, Cyfrowy Polsat S.A. and Polkomtel Sp. z o.o. and other subsidiaries of the Cyfrowy Polsat S.A. Capital Group concluded the Senior Facilities Agreement, sustainability linked financing (the "Facilities Agreement"), with a consortium of Polish and foreign financial institutions, including, among others, Santander Bank Polska S.A. acting as an Agent and Bank Polska Kasa Opieki S.A. acting as a Security Agent.

The Facilities Agreement provides for PLN term facility loan to be granted up to a maximum amount of PLN 7,255.0, an EUR term facility loan up to a maximum amount of EUR 506.0 (the "Term Facilities") and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 (the "Revolving Facility").

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, and also on the achievement by the Cyfrowy Polsat S.A. 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 Facilities and the Revolving Facility will be used by the Company in particular for:

- a) repayment of all indebtedness under the Senior Facilities Agreement concluded on 21 September 2015, as amended by agreements dated 2 March 2018 and 27 April 2020,
- b) making funds available to companies implementing investment projects defined in the Facilities Agreement; and
- c) financing general corporate needs of the Company's capital group.

The Facilities Agreement provides for the establishment by the Company and other entities in the Cyfrowy Polsat S.A. Capital Group of collateral for the repayment of loans granted thereunder.

The term of the Term Facilities and the Revolving Facility is 5 years from the date of execution of the Facilities Agreement and the final repayment date of each of these facilities is 28 April 2028. The PLN term facility will be repaid in quarterly installments of varying amounts. The EUR term facility will be repaid in one installment on the final repayment date.

Decision on early repayment of facility loans

On 9 May 2023 Cyfrowy Polsat and Polkomtel Sp. z o.o. (a subsidiary of the Company) submitted to the facility agent an irrevocable instruction to activate the procedure for early repayment of the full amount of the term facility loan and the revolving facility loan granted under the Senior Facilities Agreement concluded on 21 September 2015, as amended by agreements dated 2 March 2018 and 27 April 2020.

A prepayment in the aggregate amount of PLN 8,843.7 is planned for 16 May 2023.

As a result of the prepayment, the Company and Polkomtel Sp. z o.o. will repay the entire debt under the indicated facilities agreement.

21. Judgments, financial estimates and assumptions

The preparation of interim condensed financial statements in conformity with IFRS EU requires the Management Board to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenues and costs. Estimates and underlying assumptions are based on historical data and other factors considered as reliable under the circumstances, and their results provide grounds for an assessment of the carrying amounts of assets and liabilities which cannot be based directly on any other sources. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Detailed description of the judgements, accounting estimates and assumptions is presented in the annual financial statements.