



Cyfrowy Polsat S.A. Capital Group

**Interim Consolidated Report
for the three and nine month periods ended
September 30, 2023**

Warsaw, November 8, 2023

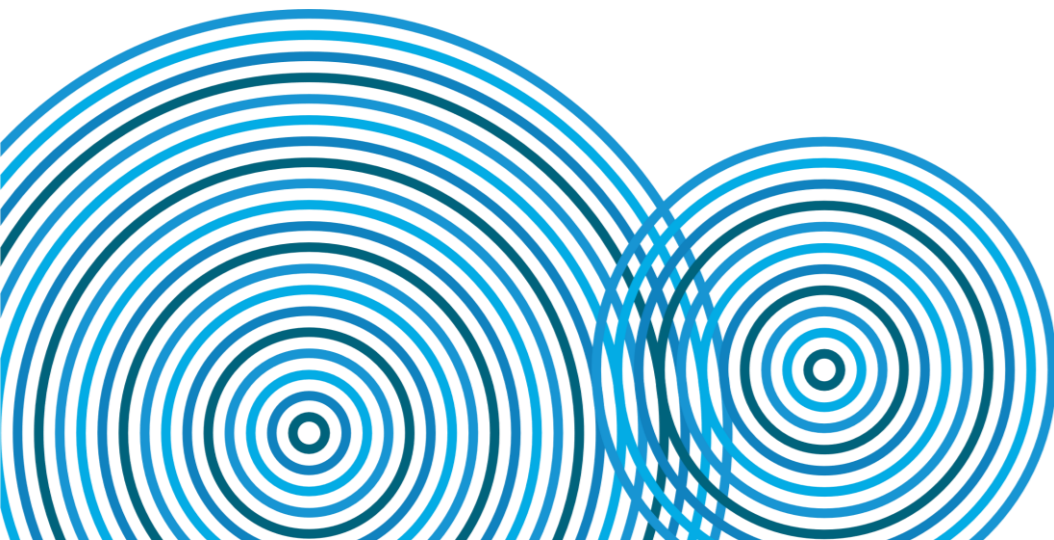




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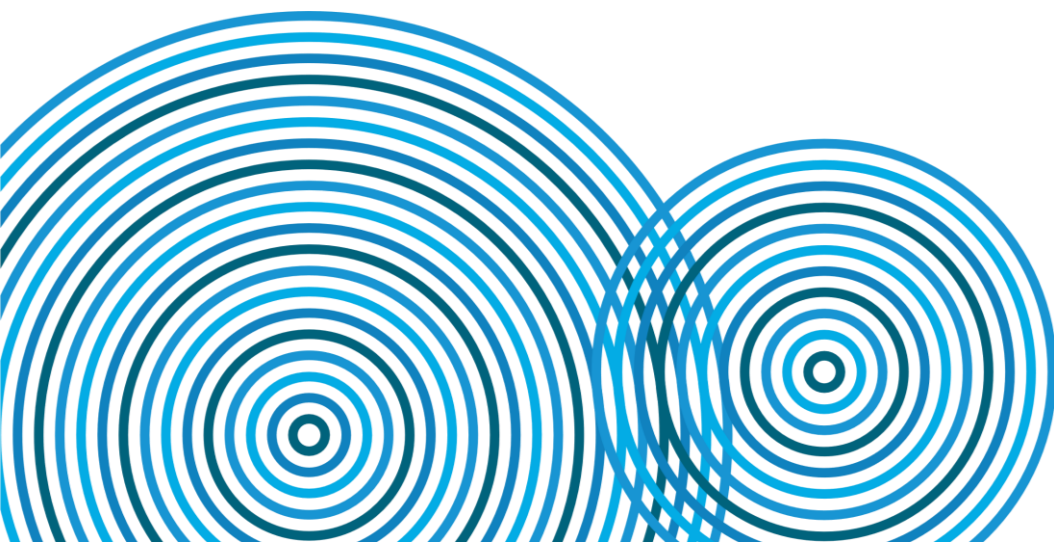


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Disclaimers

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 ("Polsat Plus 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 nine-month period ended September 30, 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 reviewed 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- and nine-month periods ended September 30, 2023 and September 30, 2022. This information should be read in conjunction with the consolidated financial statements for the nine-month period ended September 30, 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 for the three-month periods ended September 30, 2023 and September 30, 2022 have been converted into euro at a rate of PLN 4.4988 per EUR 1.00 (average exchange rate in the period from July 1, 2023 to September 30, 2023 announced by the NBP);
- from the consolidated income statement and the consolidated cash flow statement for the nine-month periods ended September 30, 2023 and September 30, 2022 have been converted into euro at a rate of PLN 4.5850 per EUR 1.00 (average exchange rate in the period from January 1, 2023 to September 30, 2023 announced by the NBP);
- from the consolidated balance sheet data as at September 30, 2023 and December 31, 2022 have been converted into euro at a rate of PLN 4.6356 per EUR 1.00 (average exchange rate on September 29, 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- and nine-month periods ended September 30, 2023 and September 30, 2022 are not comparable due to acquisitions and changes to the Group's structure in the period from January 1, 2022 to September 30, 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. In particular, from April 1, 2022, we consolidate the results of Port Praski Group, and from July 3, 2023, we consolidate the results of PAK-PCE Group.

Consolidated income statement

	for the three-month period ended September 30				for the nine-month period ended September 30			
	2023	2022	2023	2022	2023	2022	2023	2022
	mPLN	mPLN	mEUR	mEUR	mPLN	mPLN	mEUR	mEUR
Revenue	3,455.7	3,270.9	768.1	727.1	9,944.8	9,485.7	2,169.0	2,068.9
Retail revenue	1,754.8	1,753.3	390.0	389.7	5,223.4	5,201.3	1,139.2	1,134.4
Wholesale revenue	799.3	840.9	177.7	186.9	2,450.6	2,533.8	534.5	552.6
Sale of equipment	446.5	472.7	99.2	105.1	1,415.0	1,259.7	308.6	274.8
Energy revenue	272.0	-	60.5	-	272.0	-	59.3	-
Other revenue	183.1	204.0	40.7	45.4	583.8	490.9	127.4	107.1
Total operating costs	(3,165.2)	(2,877.3)	(703.5)	(639.6)	(9,002.1)	(8,326.4)	(1,963.4)	(1,816.0)
Technical costs and cost of settlements with telecommunication operators	(838.1)	(823.2)	(186.3)	(183.0)	(2,470.6)	(2,440.7)	(538.9)	(532.3)
Depreciation, amortization, impairment and liquidation	(475.0)	(452.1)	(105.6)	(100.5)	(1,406.2)	(1,365.9)	(306.7)	(297.9)
Cost of equipment sold	(348.1)	(365.4)	(77.4)	(81.2)	(1,124.7)	(1,024.9)	(245.3)	(223.5)
Content costs	(516.6)	(530.0)	(114.8)	(117.8)	(1,560.5)	(1,508.4)	(340.3)	(329.0)
Cost of energy sold, includes	(255.1)	-	(56.7)	-	(255.1)	-	(55.6)	-
<i>depreciation</i>	<i>(8.5)</i>	<i>-</i>	<i>(1.8)</i>	<i>-</i>	<i>(8.5)</i>	<i>-</i>	<i>(1.9)</i>	<i>-</i>
Distribution, marketing, customer relation management and retention costs	(258.2)	(256.6)	(57.4)	(57.0)	(749.5)	(763.9)	(163.5)	(166.6)
Salaries and employee-related costs	(271.6)	(242.3)	(60.4)	(53.9)	(822.6)	(734.0)	(179.4)	(160.1)
Cost of debt collection services and bad debt allowance and receivables written off	(32.9)	(25.6)	(7.3)	(5.7)	(94.8)	(72.7)	(20.7)	(15.9)
Other costs, includes	(169.6)	(182.1)	(37.6)	(40.5)	(518.1)	(415.9)	(113.0)	(90.7)
<i>depreciation</i>	<i>(0.4)</i>	<i>-</i>	<i>(0.1)</i>	<i>-</i>	<i>(0.4)</i>	<i>-</i>	<i>(0.1)</i>	<i>-</i>
Gain on disposal of a subsidiary and an associate ⁽¹⁾	220.1	113.4	48.9	25.2	220.1	113.4	48.0	24.7
Other operating income/(cost), net	0.3	(6.1)	0.1	(1.4)	(23.4)	(25.7)	(5.1)	(5.6)
Profit from operating activities	510.9	500.9	113.6	111.3	1,139.4	1,247.0	248.5	272.0
Gain/(loss) on investment activities, net	39.9	(18.1)	8.8	(4.0)	81.7	(5.5)	17.8	(1.2)
Finance costs, net	(399.0)	(209.3)	(88.7)	(46.5)	(955.4)	(416.8)	(208.4)	(90.9)
Share of the profit of associates accounted for using the equity method ⁽¹⁾	19.3	23.8	4.3	5.3	29.7	62.7	6.5	13.7
Gross profit for the period	171.1	297.3	38.0	66.1	295.4	887.4	64.4	193.6
Income tax	(68.9)	(66.2)	(15.3)	(14.7)	(114.1)	(160.8)	(24.9)	(35.1)
Net profit for the period	102.2	231.1	22.7	51.4	181.3	726.6	39.5	158.5
Net profit attributable to equity holders of the Parent	120.8	236.7	26.8	52.6	178.0	740.5	38.8	161.5

	for the three-month period ended September 30				for the nine-month period ended September 30			
	2023	2022	2023	2022	2023	2022	2023	2022
	mPLN	mPLN	mEUR	mEUR	mPLN	mPLN	mEUR	mEUR
Net profit/(loss) attributable to non-controlling interest	(18.6)	(5.6)	(4.1)	(1.2)	3.3	(13.9)	0.7	(3.0)
Basic and diluted earnings per share in PLN (not in millions)	0.19	0.42	0.04	0.09	0.33	1.30	0.07	0.28
Weighted number of issued shares (not in millions)	550,703,531	550,703,531	550,703,531	550,703,531	550,703,531	560,135,689	550,703,531	560,135,689
EBITDA⁽²⁾	994.8	953.0	221.1	211.8	2,554.5	2,612.9	557.2	569.9
EBITDA margin	28.8%	29.1%	28.8%	29.1%	25.7%	27.5%	25.7%	27.5%
Gain on disposal of a subsidiary and an associate	220.1	113.4	48.9	25.2	220.1	113.4	48.0	24.7
Costs of supporting Ukraine	-	-	-	-	-	(34.1)	-	(7.4)
adjusted EBITDA⁽³⁾	774.7	839.6	172.2	186.6	2,334.4	2,533.6	509.2	552.6
adjusted EBITDA margin	22.4%	25.7%	22.4%	25.7%	23.5%	26.7%	23.5%	26.7%
Operating margin	14.8%	15.3%	14.8%	15.3%	11.5%	13.1%	11.5%	13.1%

(1) Includes estimated data of the Asseco Poland Group attributable to the Group as at September 30, 2023.

(2) We define EBITDA as net profit/(loss), as determined in accordance with IFRS, before depreciation and amortization (other than for programming rights), impairment charges and reversals on property, plant and equipment and intangible assets, net value of disposed property, plant and equipment and intangible assets, revenue obtained from interest, finance costs, positive/(negative) exchange rate differences, income taxes and share of net results of joint ventures. The reconciling item between EBITDA and reported operating profit/ (loss) is depreciation and amortization expense and impairment charges and reversals on property, plant and equipment and intangible assets and net value of disposed property, plant and equipment and intangible assets.

(3) Adjusted EBITDA excludes the gains on disposal of subsidiaries and associates and the costs of supporting Ukraine.

Consolidated cash flow statement

	for the nine-month period ended September 30			
	2023	2022	2023	2022
	mPLN	mPLN	mEUR	mEUR
Net cash from operating activities	1,468.3	1,090.2	320.2	237.8
Net cash used in investing activities	(1,234.7)	(1,402.5)	(269.3)	(305.9)
<i>Incl. capital expenditures⁽¹⁾</i>	<i>(1,004.5)</i>	<i>(812.2)</i>	<i>(219.1)</i>	<i>(177.1)</i>
Net cash used in financing activities	3,091.0	(1,729.7)	674.2	(377.3)
Net increase/(decrease) in cash and cash equivalents	3,324.6	(2,042.0)	725.1	(445.4)

(1) Capital expenditures represent payments for our investments in property, plant and equipment and intangible assets. Excludes expenditures on purchase of reception equipment leased to our customers, which are reflected in the cash flow from operating activities, or payments for concessions, which are reported in a separate line of our cash flow statement.

Consolidated balance sheet

	Sept. 30 2023	Dec. 31 2022	Sept. 30 2023	Dec. 31 2022
	mPLN	mPLN	mEUR	mEUR
Cash and cash equivalents ⁽¹⁾	4,181.7	817.8	902.1	176.4
Assets	36,772.3	32,306.6	7,932.6	6,969.2
Non-current liabilities	14,252.5	10,180.4	3,074.6	2,196.1
Non-current financial liabilities ⁽²⁾	12,969.5	8,870.8	2,797.8	1,913.6
Current liabilities	6,756.3	6,315.4	1,457.5	1,362.4
Current financial liabilities ⁽²⁾	3,084.9	1,867.2	665.5	402.8
Equity	15,763.5	15,810.8	3,400.5	3,410.7
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. We are the leading pay TV provider and one of the leading telecommunications operators in the country. We are also one of Poland's largest content producers and hold a leading position among private TV broadcasters in terms of both audience and advertising market shares. We offer a complete package of multimedia services designed for the entire family and a wide array of wholesale services to other telecommunications operators, television operators and broadcasters. In addition, based on our Strategy 2023+, we have expanded our business activities into the production and distribution of clean energy.

Our operating activities include four business segments: the B2C and B2B services segment, the media segment: television and online, the real estate segment (from April 1, 2022) and the green energy segment (from July 3, 2023). The portfolio of services and products offered by Group companies includes:

- **pay TV services** offered under the 'Polsat Box' brand by Cyfrowy Polsat – the largest pay TV provider in Poland – and our subsidiary Netia. We offer our customers access to over 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', the leader 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;
- **fixed-line broadband Internet**, offered under the 'Netia' and 'Plus' brands based on our nationwide access infrastructure reaching approximately 3.3 million homes passed as well as based on access to networks of other fixed-line operators;
- **broadcasting and television production** through Telewizja Polsat Group, the leading commercial TV broadcaster on the Polish market, offering 42 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 sale, rental and management of real estate. Our flagship project is the Port Praski investment located in the strict center of Warsaw;
- **production and sales of energy** from renewable sources such as wind, solar and biomass. Within the green energy segment, we are also developing a value chain based on green hydrogen, including its production, storage, transportation and distribution and sales, as well as the construction of hydrogen stations and hydrogen-powered buses.

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. November 8, 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
May 31, 2023	Merger of Polkomtel (acquiring company) with TM Rental Sp. z o.o. (acquired company)
August 2, 2023	Disposal of 100% of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. by Polkomtel to Embud 2 Sp. z o.o. S.K.A.
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% of shares in Polsat Jim Jam Ltd. by Telewizja Polsat
July 20, 2023	Acquisition of 60% of shares in naEkranie.pl Sp. z o.o. by Polsat Investments Ltd.
July 21, 2023	Acquisition of 60% of shares in 4Fun Sp. z o.o. by Polsat Investments Ltd.
July 31, 2023	Merger of Interia.pl Sp. z o.o. (acquiring company) with Grupa Interia.pl. Sp. z o.o. Sp.k. (acquired company)
July 31, 2023	Acquisition of 0.01% of shares in Eleven Sports Network Sp. z o.o. by Telewizja Polsat. As a result of the transaction, Telewizja Polsat owns 100% of shares in Eleven Sports Network Sp. z o.o.
August 31, 2023	Merger of Telewizja Polsat Sp. z o.o. (acquiring company) with Polsat Media Biuro Reklamy Sp. z o.o. (acquired company)
September 1, 2023	Registration in the court register of Mobiem Sp. z o.o., established as a result of the transformation from Mobiem Polska Sp. z o.o. Sp. k.
Real estate segment	
May 31, 2023	Merger of Megadex SPV Sp. z o.o. (acquiring company) with Megadex Księży Młyn Sp. z o.o. (acquired company)
July 3, 2023	Acquisition of ca. 32% of shares in Pantanomo Ltd. by Cyfrowy Polsat
August 17, 2023	Merger of Port Praski Sp. z o.o. (acquiring company) with Port Praski Inwestycje Sp. z o.o. (acquired company)
September 4, 2023	Deregistration of Port Praski Sp. z o.o. Białystok Sp. k. from the register of entrepreneurs
October 4, 2023	Acquisition of 50% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. by Pantanomo Ltd. As a result of the transaction, Pantanomo Ltd. owns 100% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o.
Green energy segment	
July 3, 2023	Acquisition of 10.1% of shares in PAK-Polska Czysta Energia Sp. z o.o. by Cyfrowy Polsat. As a result of the transaction, Cyfrowy Polsat owns ca. 50.5% of shares in PAK-PCE and took control over PAK-PCE together with its subsidiaries ("PAK-PCE Group")

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 is presented in Note 5 to the Company's condensed consolidated financial statements for the nine months ended September 30, 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. November 8, 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 previous interim report

From the date of publication of the previous interim report, i.e. August 16, 2023 (report for the first half of 2023), until the date of publication of this Report, i.e. November 8, 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 Management Board and Supervisory Board Members

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. November 8, 2023, nor as at the date of publication of the previous report, i.e., August 16, 2023 (report for the first half of 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. November 8, 2023, along with changes in holdings from the date of publication of the previous report, i.e. August 16, 2023 (report for the first half of 2023).

Name and surname / Function	Holding as at August 16, 2023	Acquisitions	Disposals	Holding as at November 8, 2023
Mr. Zygmunt Solorz ⁽¹⁾ Chairman of the Supervisory Board	396,802,022	-	-	396,802,022
Mr. Tobias Solorz ⁽²⁾ Vice-Chairman of the Supervisory Board	10,056,765	-	-	10,056,765
Mr. Józef Birka ⁽³⁾ Member of the Supervisory Board	79,268	-	-	79,268
Mr. Tomasz Szela ⁽⁴⁾ Member of the Supervisory Board	53,810	21,190	-	75,000

- (1) Mr. Zygmunt Solorz holds the Company's shares through the following companies: TiVi Foundation (the parent of Reddev Investments Limited, which in turn is the parent of Cyfrowy Polsat S.A.). Within the block of shares held by Mr. Zygmunt Solorz, 10,056,765 shares held indirectly and directly by Mr. Tobias Solorz were disclosed.
- (2) 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 Szela 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. November 8, 2023, nor at the date of publication of the previous report, i.e. August 16, 2023 (report for the first half of 2023).

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

On October 10, 2023, the Company received a notification issued pursuant to Article 19 (1) of the MAR Regulation from Pigreto Limited, a person closely related to Tomasz Szela, notifying of a transaction whereby Pigreto Limited acquired 21,190 shares in the Company.

2. Significant investments, agreements and events in the third quarter of 2023

2.1. Corporate events

Acquisition of shares in PAK-Polska Czysta Energia

On July 3, 2023, in execution of the preliminary share purchase agreement with ZE PAK S.A. dated December 20, 2021, as amended, the Company acquired from ZE PAK S.A. for the amount of PLN 117.0 million 2,390,600 shares in PAK-PCE, representing approx. 10.1% of the share capital of PAK-PCE and entitling to exercise approx. 10.1% of votes at the shareholders' meeting of PAK-PCE. Furthermore, based on an annex to the preliminary share purchase agreement dated December 20, 2021 two companies from PAK-PCE group: (i) Przedsiębiorstwo Remontowe "PAK Serwis" sp. z o.o. and (ii) PCE-OZE 5 sp. z o.o., were transferred to ZE PAK and therefore were not subject of the transaction.

Following the above mentioned transaction and taking into account the shares previously acquired and subscribed for by the Company in PAK-PCE, as of the date of this Report the Company holds approx. 50.5% of the shares in the share capital of PAK-PCE. In connection with the acquisition of a majority stake in PAK-PCE, as of July 3, 2023, the Group consolidates the financial results of PAK-PCE and its subsidiaries (PAK-PCE Group) using the full method.

Acquisition of shares in Pantanomo Limited

On July 3, 2023, the Company and Tobe Investments Group Limited entered into a share purchase agreement, pursuant to which the Company acquired from Tobe 4,705 shares in Pantanomo, representing approx. 32% of Pantanomo's share capital. Pantanomo is a subsidiary of Port Praski Sp. z o.o., a company from the Group, and its operating activities include, among others, the management of its real estate holdings.

The purchase price for the Pantanomo shares amounted to PLN 307.2 million and will be paid by the Company in instalments. The first instalment of PLN 107.2 million was paid on October 31, 2023, the second and the third instalment of PLN 100.0 each will be paid by April 30, 2024 and by October 31, 2024, respectively.

Issuance of Series E bonds

On September 28, 2023, the Company issued 820,000 unsecured Series E bearer bonds with the nominal value of PLN 1.000 each and the total nominal value of PLN 820 million ("Series E Bonds"). The interest rate on the Series E Bonds is variable and based on the 6M WIBOR rate increased by a margin, which amounted to 335 bps for the first coupon payment. The coupon is paid biannually and the planned redemption date of the Series E Bonds is January 11, 2030. The bonds are linked to the sustainability goals described in Polsat Plus Group's Sustainability-Linked Financing Framework, thus linking the margin to the achievement of the ESG targets.

The Series E Bonds were assimilated with the Company's outstanding Series D Bonds and are listed in the Alternative Trading System operated by the WSE on the Catalyst market in the continuous trading system under the ISIN code PLCFRPT00070 and the abbreviated name CPS0130.

In parallel, on September 28, 2023 the Company repurchased for redemption 84,250 Series B Bonds with the total nominal value of PLN 84.3 million and 75,956 Series C Bonds with the total nominal value of PLN 76.0 million from investors who paid the issue price of the Series E Bonds. After the redemption of the repurchased bonds, 223,798 Series B Bonds and 88,053 Series C Bonds are listed on the Catalyst market.

The total value of the Bonds Issuance Program is PLN 4 billion, and as of the dated of this Report the total nominal value of outstanding bonds issued by the Company thereunder is PLN 3.49 million.

Disposal of shares in Asseco Poland S.A.

On September 21, 2023, Cyfrowy Polsat sold 10,642,046 shares in Asseco Poland S.A. at a price of PLN 80.00 per share, for a total of PLN 851.4 million, in response to Asseco Poland S.A.'s invitation to submit offers for the sale of shares, published on September 6, 2023.

At present, Cyfrowy Polsat holds 8,405,327 shares in Asseco Poland S.A., representing 10.13% of its share capital and 10.13% of the total number of votes at the General Meeting.

2.2. Business related events

Renewal of frequency reservation

On July 10, 2023, Polkomtel received a decision of the President of UKE reserving frequencies in the 900 MHz band for Polkomtel for the next 15 years – until December 31, 2038. According to this decision, Polkomtel paid a fee of PLN 300.3 million to the State Treasury for making the reservation on July 24, 2023.

Acquisition of the naEKRANIE.pl website and 4FUN channels

On July 20, 2023, Polsat Investments Ltd. acquired 60% of shares in naEkranie.pl, a company which owns the naEKRANIE.pl website for the amount of PLN 10.8 million. On July 21, 2023, Polsat Investments Ltd. acquired 60% of shares in 4Fun Sp. z o.o., a company which owns 4FUN.TV, 4FUN KIDS and 4FUN DANCE TV channels for the amount of PLN 37.1 million. At the same time, the companies entered into a long-term investment agreement under which they will jointly develop the existing 4FUN and naEKRANIE.pl businesses.

With the above acquisition, Polsat Plus Group expanded its portfolio of thematic channels, thereby increasing the attractiveness of the content offered to viewers. naEKRANIE.pl is a pop culture website writing about movies, series, books, comics and games, as well as technology. 4FUN.TV has been on the television market since February 14, 2004. It is a music television channel broadcasting entertainment music, for years characterized, in addition to broadcasting music videos, by a very strong interaction with viewers. 4FUN DANCE has been on the television market since September 27, 2011 (it started under the name TV DISCO). This channel features Polish dance music - disco polo and dance. 4FUN KIDS is a music, educational and interactive channel for children. It premiered on September 1, 2020.

Launch of renewable energy projects

In the third quarter of 2023, Polsat Plus Group's first two wind farms were commissioned in Kazimierz Biskupi and Miłosław. The total installed capacity of these farms is 27.1 MW and the production capacity reaches 98 GWh per year.

In addition, work was completed on the expansion of the Brudzew photovoltaic farm by an additional installed capacity of 12.4 MW. The total installed capacity of the Group's photovoltaic farm in Brudzew is now 82.4 MW and the production capacity reaches 83 GWh per year.

Launch of hydrogen refueling stations under the brand name NESO

In September 2023, Polsat Plus Group and ZE PAK Group launched the first publicly accessible hydrogen refueling station for cars and buses in Poland in Warsaw. The second station was launched in Rybnik in

October 2023. Subsequent stations of the NESO network are being implemented in Gdansk, Gdynia, Wroclaw and Lublin.

The station is fully self-service and vehicle refueling is similar to a traditional refueling station. The NESO station is largely energy self-sufficient - it is equipped with photovoltaic panels and energy storage. The launch of the hydrogen filling station is part of the full value chain of the green hydrogen economy that we are building together with the ZE PAK Group.

2.3. Events after the balance sheet date

Conclusion of significant agreements for the execution of the Drzeżewo wind farm

In connection with the execution of the Drzeżewo wind farm, located in the Pomeranian Voivodeship, with a total installed capacity of 138.6 MW and estimated production of 410 GWh/year, on 2 October 2023, Eviva Drzeżewo sp. z o.o., an indirect subsidiary of Cyfrowy Polsat, entered into a turbine supply agreement with Vestas Poland sp. z o.o. for the supply, installation and commissioning of 63 wind turbines, and an operations and maintenance agreement covering maintenance work and a guarantee of the availability of the aforementioned turbines by Vestas for a period of 15 years from the date of commissioning.

Concurrently, the Company established collateral in favor of Vestas in the form of a surety in order to secure the liabilities of Eviva under the turbine supply and installation agreement described above, in an amount not exceeding EUR 180 million.

Repayment of part of the financial indebtedness of PAK–Polska Czysta Energia

On July 3, 2023 PAK-PCE repaid the financial indebtedness in the total amount of approximately PLN 568 million arising from the investment loan granted to PAK-PCE under the loan agreement dated June 23, 2021 by EFG Bank Ltd. and loans granted to PAK-PCE by entities that are not members of the Company's capital group.

Repurchase of 50% of shares in Port Praski City II sp. z o.o. and Port Praski Medical Center sp. z o.o. and termination of the joint venture agreement concluded with HB Reavis

On October 4, 2023, the Company's subsidiary Pantanomo Limited repurchased from HB Reavis Holding CZ a.s. 50% of the shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. for the amount of ca. EUR 21.1 million.

In addition, on 4 October 2023, the Company's subsidiaries entered into an agreement confirming the expiry of the joint venture agreement which was entered into by Port Praski City II, Port Praski Medical Center and Pantanomo with HB Reavis on 21 July 2022.

The repurchase of the shares by the Company's subsidiaries and the consequent termination of the joint venture agreement is the result of a change in HB Reavis' strategy, which is now to reduce development activity in Poland.

Execution of a loan agreement for the execution of the Przyrów wind farm

On October 16, 2023, an indirect subsidiary of the Company, Farma Wiatrowa Przyrów sp. z o.o., entered into a credit agreement with EFG Bank (Luxembourg) S.A., which envisages granting financing in the form of a term loan of up to PLN 360.0 million with a variable interest rate. The obtained funds will serve as financial security for the execution of the Przyrów wind farm with targeted installed capacity of 50.4 MW. Pursuant to the provisions of the agreement, the final repayment date of the term loan was set for October 16, 2028.

Auction for frequency reservations in the 3.6 GHz band

On October 18, 2023, the President of UKE announced the results of an auction for frequency reservations in the 3.6 GHz band, the subject of which were 4 frequency blocks of 100 MHz each. Polkomtel, acquired Block A (3400-3500 MHz) for PLN 450.0 million. In the case of the other frequency blocks, the following operators won the auction: P4 - Block B (3500-3600 MHz) for PLN 487.1 million, Orange - Block C (3600-3700 MHz) for PLN 487.1 million and T-Mobile - Block D (3700-3800 MHz) for PLN 496.8 million.

Reservations of frequencies will be made following a reservation procedure initiated after the auction. We anticipate that reservation decisions will be issued in December 2023. Upon receipt of the reservation decision, each participant will have 14 days to pay the auctioned reservation fee. The deposit of PLN 182.0 million paid by the participants together with the initial bid will be deducted from the auctioned reservation fee.

The auction documentation indicated 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 48 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 95 Mbps to 99% of households nationwide within 60 months, in 90% of the country's territory within 60 months, along 95% of national roads within 84 months, along 95% of provincial roads within 84 months, along 95% of designated railroads within 84 months, and to 24-hour border crossings within 24 months from the date of delivery of the reservation decision.

Strategic partnership between Google Cloud and Polsat Plus Group

On October 26, 2023, Google Cloud and Polsat Plus Group announced a strategic partnership under which Google Cloud concluded a long-term power purchase agreement with the Group for the purchase of green energy produced by the Przyrów wind farm. In parallel, Polsat Plus Group will accelerate its technological development and digital transformation through the use of Google Cloud solutions. For Polsat Plus Group, the partnership with Google is one of the practical elements of implementing its sustainable development strategy and supporting its digital transformation towards increasing the use of cloud solutions in the daily business activities of the Group's companies.

In order to support its development and to adjust to the evolving customer needs, Polsat Plus Group will be migrating part of its IT infrastructure to clean-energy-powered cloud solutions provided by Google. Cloud solutions enhance flexibility in terms of selection of IT services and tools, offer faster and more efficient adaptation of products and services to customer needs as well as easier access and analysis of the data coming from various sources, while reducing the cost of maintenance of own infrastructure and, thanks to the use of off-the-shelf components, offering shorter lead times for delivery of new applications as well as cost reduction which is owed to increased adoption of cloud-based approach, reduction of number of systems and lower energy consumption.

As part of the partnership, on October 25, 2023, Farma Wiatrowa Przyrów Sp. z o.o. entered into a financial PPA (Power Purchase Agreement) agreement with Topaz Computing Sp. z o.o. regarding electricity generated by the Przyrów wind farm. The financial PPA agreement was concluded for a period of 10 years and will be effective from the date of the commercial launch of the farm, which is planned for the second half of 2024.

3. Operating and financial review of Polsat Plus Group

3.1. Operating review of the Group

3.1.1. B2C and B2B services segment

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.

	for the 3-month period ended September 30		change / %	
	2023	2022	nominal	% / p.p.
Contract services for B2C customers				
Total number of B2C RGUs⁽²⁾ (EOP) [thous.], incl.:	13,054	13,341	(287)	(2.2%)
Pay TV	4,863	5,106	(243)	(4.8%)
Mobile telephony	6,213	6,232	(19)	(0.3%)
Internet	1,978	2,003	(25)	(1.2%)
Number of B2C customers (EOP) [thous.]	5,820	5,967	(147)	(2.5%)
ARPU per B2C ³⁾ customer [PLN]	73.5	71.3	2.2	3.1%
ARPU per B2C ³⁾ customer (YTD) [PLN]	72.2	70.4	1.8	2.6%
Churn in B2C ⁴⁾ subsegment	7.5%	6.8%	-	0.7 p.p.
RGU saturation per one B2C customer	2.24	2.24	-	-
Prepaid services				
Total number of RGUs (EOP) [thous.], incl.:	2,805	2,832	(27)	(1.0%)
Pay TV	195	161	34	21.1%
Mobile telephony	2,582	2,636	(54)	(2.0%)
Mobile Internet	28	35	(7)	(20.0%)
ARPU per prepaid RGU ⁵⁾ [PLN]	17.9	17.9	-	-
ARPU per prepaid RGU ⁵⁾ (YTD) [PLN]	17.6	17.5	0.1	0.6%
Contract services for B2B customers				
Total number of B2B customers (EOP) [thous.]	68.8	69.1	(0.3)	(0.4%)
ARPU per B2B ³⁾ customer [PLN]	1,456	1,425	31.0	2.2%
ARPU per B2B ³⁾ customer (YTD) [PLN]	1,451	1,398	53.0	3.8%

Contract services for B2C customers

The total number of B2C customers to whom we provided contract services as at the end of the third quarter of 2023 was 5,820 thousand (-2.5% 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.

The churn rate for our B2C customers amounted to 7.5% in the twelve-month period ended September 30, 2023 (+0.7 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 third quarter of 2023, average revenue per B2C customer increased to PLN 73.5 (+3.1% YoY) while in the nine months of 2023 it reached the level of PLN 72.2 (+2.6%). The growth of ARPU per B2C contract customer results, in particular, from the continuous building of customer value. We believe that the growing popularity of 5G tariff plans, coupled with our more-for-more strategy, 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 third quarter of 2023 amounted to 13,054 thousand RGUs, i.e., 287 thousand less compared to the previous year (-2.2% YoY). The main reason for this decline was the decrease in the number of contract pay TV services by 243 thousand (-4.8% YoY) to the level of 4,863 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 Polsat Box Go offer, which is differently positioned in terms of pricing) and a lower number of provided satellite TV services. This decrease was partially compensated by an increasing number of TV services offered in online technologies (IPTV/OTT).

At the end of September 2023, the base of contract mobile telephony services for B2C customers remained stable YoY and amounted to 6,213 thousand.

At the end of the third quarter of 2023, the number of Internet access services provided to B2C customers in the contract model amounted to 1,978 thousand, decreasing by 25 thousand (-1.2% YoY) due to the lower number of users of dedicated mobile Internet. This change was driven, among others, 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 outflow of mobile Internet RGUs is largely offset by the growing number of fixed-line Internet access services.

The saturation of our B2C customer base with integrated services, expressed in the ratio of contract services per customer, develops at a stable, high level and as at the end of September 2023 amounted to 2.24 contract services per customer. We believe that further saturation of our customer base with integrated services, including our flagship product smartDOM 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 is based on a mechanism of offering attractive discounts on every additional product or service purchased from the Group's portfolio and has a positive effect on the churn rate, RGU saturation per customer ratio and ARPU per contract B2C customer. At the end of September 2023, the number of customers using our bundled services remained strong year on year and amounted to 2,445 thousand, which translates to a 42.0% saturation of our contract customer base with multiplay services. This

group of customers had 7,397 thousand RGUs as at the end of September 2023, down by 6 thousand (-0.1%) 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 27 thousand (-1.0%) YoY and amounted to 2,805 thousand as at September 30, 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 54 thousand (-2.0%) YoY, to 2,582 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 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 third 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 increased by 34 thousand (+21.1%) YoY to the level of 195 thousand at the end of the third quarter of 2023, mainly on the back of the introduction of a new pay TV tariff Polsat Box Go Start, for customers migrating from the discontinued service Polsat Go.

In both the third quarter and nine months of 2023, average revenue per prepaid RGU remained stable YoY and amounted to PLN 17.9 and PLN 17.6, respectively.

Contract services for B2B customers

The total number of B2B customers as at the end of the third quarter of 2023 was 68.8 thousand (-0.4% 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 1,456 (+2.2% YoY) per month in the third quarter of 2023 and PLN 1,451 (+3.8% YoY) per month in nine months 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 and sponsoring 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.

	3 months ended September 30		Change p.p. / %	9 months ended September 30		Change p.p. / %
	2023	2022		2023	2022	
TV channels						
Audience share ⁽¹⁾⁽²⁾, including:	22.22%	22.47%	(0.25 p.p.)	22.00%	22.85%	(0.85 p.p.)
POLSAT (main channel)	7.16%	7.51%	(0.35 p.p.)	7.66%	7.87%	(0.21 p.p.)
Other channels	15.06%	14.96%	0.10 p.p.	14.35%	14.98%	(0.63 p.p.)
TV advertising and sponsoring market share	29.0%	29.3%	(0.3 p.p.)	28.6%	28.7%	(0.1 p.p.)
Online – Internet portals						
Average number of users [millions]	20.5	20.5	-	20.9	20.8	0.5%
Average number of page views [millions]	1,944	1,970	(1.3%)	1,928	2,055	(6.2%)

Audience shares

Audience share	3 months ended September 30		Change / p.p.	9 months ended September 30		Change / p.p.
	2023	2022		2023	2022	
Audience share ⁽¹⁾⁽²⁾, including:	22.22%	22.47%	(0.25)	22.00%	22.85%	(0.85)
POLSAT (main channel)	7.16%	7.51%	(0.35)	7.66%	7.87%	(0.21)
Other channels	15.06%	14.96%	0.10	14.35%	14.98%	(0.63)
TV4	2.72%	2.67%	0.05	2.93%	2.73%	0.20
Polsat 2	1.20%	1.34%	(0.14)	1.30%	1.29%	0.01
Polsat News	1.30%	1.53%	(0.23)	1.27%	1.83%	(0.56)
TV6	1.24%	1.13%	0.11	1.16%	1.24%	(0.08)
Super Polsat	1.04%	0.97%	0.07	1.00%	1.04%	(0.04)
Fokus TV	0.87%	1.05%	(0.18)	0.87%	1.18%	(0.31)
Polsat Play	0.62%	0.64%	(0.02)	0.68%	0.65%	0.03
Polsat Film	0.63%	0.62%	0.01	0.65%	0.68%	(0.03)
Wydarzenia24	0.73%	0.68%	0.05	0.63%	0.64%	(0.01)
Polsat Sport	1.05%	0.72%	0.33	0.57%	0.45%	0.12
Polo TV	0.50%	0.52%	(0.02)	0.45%	0.46%	(0.01)
Polsat Seriale	0.49%	0.44%	0.05	0.47%	0.38%	0.09
Nowa TV	0.36%	0.47%	(0.11)	0.37%	0.38%	(0.01)
Polsat Cafe	0.42%	0.45%	(0.03)	0.40%	0.41%	(0.01)
Eska TV	0.44%	0.43%	0.01	0.36%	0.44%	(0.08)
Eleven Sports 1	0.13%	0.25%	(0.12)	0.17%	0.22%	(0.05)
Disco Polo Music	0.17%	0.19%	(0.02)	0.17%	0.16%	0.01
Polsat Doku	0.13%	0.14%	(0.01)	0.14%	0.13%	0.01
Polsat Sport Extra	0.16%	0.14%	0.02	0.13%	0.11%	0.02
Polsat News 2	0.07%	0.09%	(0.02)	0.07%	0.09%	(0.02)

Audience share	3 months ended September 30		Change / p.p.	9 months ended September 30		Change / p.p.
	2023	2022		2023	2022	
Polsat Rodzina	0.07%	0.09%	(0.02)	0.07%	0.09%	(0.02)
Vox Music TV	0.05%	0.06%	(0.01)	0.05%	0.06%	(0.01)
Polsat Music HD	0.07%	0.07%	-	0.06%	0.07%	(0.01)
Eska TV Extra	0.07%	0.07%	-	0.06%	0.07%	(0.01)
Polsat Sport News HD	0.06%	0.06%	-	0.05%	0.05%	-
Eleven Sports 2	0.03%	0.04%	(0.01)	0.04%	0.04%	-
Polsat Games	0.07%	0.05%	0.02	0.05%	0.04%	0.01
Eska Rock TV	0.03%	0.03%	-	0.02%	0.02%	-
Polsat Sport Fight	0.03%	0.03%	-	0.03%	0.03%	-
4FUN.TV ⁽³⁾	0.26%	0.30%	(0.04)	0.23%	0.19%	0.04
4FUN KIDS ⁽³⁾	0.10%	0.12%	(0.02)	0.15%	0.16%	(0.01)
4FUN DANCE ⁽³⁾	0.08%	0.08%	-	0.07%	0.07%	-
Polsat 1 ⁽⁴⁾	n/a	n/a	n/a	n/a	n/a	n/a
Polsat Sport Premium 1 ⁽⁴⁾	n/a	n/a	n/a	n/a	n/a	n/a
Polsat Sport Premium 2 ⁽⁴⁾	n/a	n/a	n/a	n/a	n/a	n/a
Eleven Sports 3 ⁽⁴⁾	n/a	n/a	n/a	n/a	n/a	n/a
Eleven Sports 4 ⁽⁴⁾	n/a	n/a	n/a	n/a	n/a	n/a
TV Okazje ⁽⁴⁾	n/a	n/a	n/a	n/a	n/a	n/a

(1) Nielsen Media, All day ages 16-59 audience share, including Live+2 (viewership results include 2 additional days of time-shifted viewing) + out of home viewing – OOH).

(2) When calculating the total audience share of Polsat Plus Group and audience share of thematic channels, we take into account the moment of including the channel in our portfolio.

(3) As of July 21, 2023, Polsat Plus Group is the majority shareholder of the companies that own the 4FUN.TV, 4FUN KIDS and 4FUN DANCE channels.

(4) Channel not included in the telemetric panel.

(5) Our evaluation based on Publicis Group's estimates.

Channels cooperating with Polsat Plus Group (non-consolidated)

Audience share	3 months ended September 30		Change / p.p.	9 months ended September 30		Change / p.p.
	2023	2022		2023	2023	
Polsat Comedy Central Extra	0.34%	0.36%	(0.02)	0.34%	0.32%	0.02
Polsat Viasat History	0.27%	0.19%	0.08	0.25%	0.19%	0.06
Polsat Viasat Explore	0.17%	0.15%	0.02	0.17%	0.15%	0.02
CI Polsat	0.22%	0.21%	0.01	0.17%	0.19%	(0.02)
Polsat Viasat Nature	0.04%	0.06%	(0.02)	0.08%	0.05%	0.03

The audience share in the commercial group for Polsat Plus Group amounted to 22.2% (-0.25 p.p. YoY) in the third quarter of 2023 and 22.0% in the nine months of 2023 (-0.85 p.p. YoY).

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, which, by dispersing audiences, adversely impacts audience shares of the four main TV channels (Polsat, TVN, TVP1 and TVP2). Rapidly growing popularity of other forms of consumption of video content displayed on TV sets also determines the viewership of traditional linear TV. Despite the fact that the intensity of these phenomena slowed down slightly in the periods under review, it continues to shape the audience of, among others, our main Polsat channel, which decreased by 0.4 p.p. YoY in the third quarter of 2023 to 7.2% and by 0.2 p.p. YoY to 7.7% in nine months of 2023. Our thematic channels recorded an increase by 0.1 p.p. YoY to 15.1% in the third quarter of 2023 and a decrease by 0.6 p.p. YoY to 14.3% in nine months of 2023.

As mentioned above, the audience levels of the Group's channels is under the influence of the growing audience of non-linear video content (including OTT services) and unmonitored TV channels displayed on TV sets, referred to by Nielsen Media as the "others" category. In January 2022, Nielsen broadened the definition of content eligible for this node, and as a result, we are observing sustained growth of "others" audience shares. It is worth noting that a significant portion of the "others" category does not compete with traditional TV channels for TV advertising revenue. Thus, the changes introduced by Nielsen Media may permanently reduce the audience shares of traditional TV channels, with far less impact on their position in the TV advertising and sponsorship market.

Compared to nine months of 2022, a time of the outbreak and the initial phase of the armed conflict in Ukraine, we can observe lower viewership of news channels. Polsat News, our main news channel, posted an audience share of 1.8% during that period. The interest in the conflict gradually faded over the course of the year, and as a result, the station's audience share was 1.3% in both in the third quarter of 2023 and nine months of 2023.

On the other hand, our sports channels, in particular Polsat Sport, which saw its audience share in the commercial group rise to 0.6% (+0.1pp YoY) in the nine months of 2023 and to 1.1% (+0.3pp YoY) in the third quarter of 2023, saw a significant increase in viewership during the analyzed periods. Among the drivers of Polsat Sport's viewership were volleyball and football national team games (League of Nations, UEFA EURO 2024 qualifiers) and Grand Slam tennis tournaments featuring Poland's representatives. Thanks to the above events, in July 2023 Polsat Sport, with a 1.4% share of the audience, was the leading sports channel in Poland. After May and June, this was another successful month for Polsat's sports editorial team, which, thanks to the cooperation between Polsatsport.pl and Interia Sport, records excellent results also on the Internet. Polsat Sport also had a record high audience share on September 16, 2023 (13.4%) during the broadcast of the final match of the European Men's Volleyball Championship Italy - Poland.

Moreover, in July 2023 we expanded the portfolio of our stations by three channels from the 4FUN family: 4FUN.TV, 4FAN DANCE and 4FUN KIDS, which in our opinion will further enhance the attractiveness of our programming offer with the ability to reach younger audiences, contributing to an increase in viewership of our thematic channels.

TV advertising and sponsoring market share

According to estimates of Publicis Group, expenditures on TV advertising and sponsoring in three quarters of 2023 amounted to approximately PLN 3.2 billion (+4.6% YoY). Based on these data, we estimate that our TV advertising market share was 28.6% in the analyzed period, remaining stable YoY.

Publicis Group estimated that in the third quarter of 2023 expenditures on TV advertising and sponsoring amounted to approximately PLN 992 million (+5.8% YoY) and our TV advertising market share amounted to 29.0%, which represents a decrease by 0.3 p.p. from the 29.3% share recorded in the third quarter of 2022.

Average monthly number of Internet users

In the third quarter of 2023 the average monthly number of users (the 'real users' indicator from the Mediapanel survey) of Polsat-Interia Group websites and apps amounted to 20.5 million, unchanged from the same period in 2022, and in nine months of 2023 it amounted to 20.9 million, which represents an increase by 0.1 million YoY (+0.5%).

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

Average number of users ⁽¹⁾ [millions]	3 months ended September 30		Change		9 months ended September 30		Change	
	2023	2022	nominal	%	2023	2022	nominal	%
Polsat-Interia Group⁽²⁾	20.5	20.5	-	-	20.9	20.8	0.1	0.5%
<i>Selected websites:</i>								
interia.pl	15.6	15.7	(0.1)	(0.6%)	15.6	15.6	-	-
pomponik.pl	7.3	6.3	1.0	15.9%	7.3	6.5	0.8	12.3%
polsatnews.pl	5.3	4.1	1.2	29.3%	6.1	4.0	2.1	52.5%
smaker.pl	4.1	4.1	-	-	4.2	3.7	0.5	13.5%
polsatsport.pl	4.0	3.1	0.9	29.0%	3.6	2.7	0.9	33.3%
deccoria.pl	3.4	3.1	0.3	9.7%	3.8	3.0	0.8	26.7%
twojapogoda.pl	2.4	2.5	(0.1)	(4.0%)	1.9	1.9	-	-
bryk.pl	1.8	1.1	0.7	63.6%	2.3	1.7	0.6	35.3%
naekranie.pl ⁽³⁾	1.6	2.2	(0.6)	(27.3%)	1.7	2.3	(0.6)	(26.1%)
top.pl ⁽⁴⁾	1.6	-	-	-	1.2	-	-	-
polsatboxgo.pl	1.1	1.0	0.1	10.0%	1.2	1.4	(0.2)	(14.3%)
okazjum.pl	0.9	0.8	0.1	12.5%	0.9	0.8	0.1	12.5%

(1) Mediapanel survey, Real Users indicator.

(2) In the data for the Group as a whole, the results of sites acquired by the Group during the reporting period are included only from the time of acquisition.

(3) The service has been part of Polsat Plus Group since July 2023. The comparative data presented also relates to the period when the service was not yet owned by the Group.

(4) The service was launched in June 2023. Data for the period of the service's existence.

The portal with the highest number of users was the horizontal portal Interia.pl, which recorded 15.6 million users in both periods under review (-0.6% YoY in the third quarter of 2023 and stable YoY in the period from January to September 2023). In addition, we recorded noticeable increases in the number of users of some other services. The news website polsatnews.pl was visited by 5.3 million users in the third quarter of 2023 and by 6.1 million users in the period from January to September 2023, up by 1.2 million (+29.3% YoY) from the third quarter of 2022 and up by 2.1 million (+52.5%) from the nine months of 2022. Good upward dynamics was recorded by polsatsport.pl sports service, with an increase in the average monthly number of users by 0.9 million in both periods (+29.0% YoY in the third quarter of 2023 and +33.3% YoY in nine months of 2023). It's worth noting that the polsatsport.pl service received a record high number of users in the third quarter of 2023. Large percentage increases were also recorded by the educational website bryk.pl, which in the third quarter and nine months of 2023 was visited by 1.8 million and 2.3 million users, respectively, i.e. 0.7 million and 0.6 million more than a year ago (+63.6% YoY and +35.3%). The largest decline was recorded by naekranie.pl (-0.6 million in both periods, i.e. -27.3% YoY in the third quarter of 2023 and -26.1% YoY in January-September 2023), affected by the stagnation in the film industry related to the US screenwriters' strike.

In September 2023, we introduced changes to our VOD service offerings. The former polsatgo.pl service, where users could watch video content free of charge in exchange for watching commercials before and during the broadcast of the material, was finally shut down. In turn, our subscription service polsatboxgo.pl has been enriched with a new *Polsat Box GO Start* package, whose users can watch their favorite programs for a small annual fee and with a very limited number of commercials aired before the video material. In addition, existing polsatgo.pl users have been offered free access to the new Polsat Box GO Start package at polsatboxgo.pl for a period of two months.

On July 20, 2023, we acquired the website naEKRANIE.pl. It is a pop culture portal writing about movies, TV series, books, comics and games, as well as technology. The above acquisition is another step supporting the development of Polsat Plus Group's position and significance on the new media market.

Average monthly number of Internet views

The average monthly number of page and app views of Polsat-Interia Group websites reached 1.9 billion both in the third quarter of 2023 (-1.3% YoY) and in nine months of 2023 (-6.2% YoY).

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

Average number of views ⁽¹⁾ [millions]	3 months ended September 30		Change		9 months ended September 30		Change	
	2023	2022	nominal	%	2023	2022	nominal	%
Polsat-Interia Group⁽²⁾	1,944.0	1,970.3	(26.3)	(1.3%)	1,927.7	2,054.5	(126.8)	(6.2%)
<i>Selected websites</i>								
interia.pl	920.0	996.8	(76.8)	(7.7%)	932.9	1,055.0	(122.1)	(11.6%)
pomponik.pl	65.7	46.0	19.7	42.8%	57.3	49.3	8.0	16.2%
polsatnews.pl	29.7	26.1	3.6	13.8%	33.2	30.4	2.8	9.2%
polsatsport.pl	24.6	18.1	6.5	35.9%	21.9	15.0	6.9	46.0%
okazjum.pl	23.9	21.4	2.5	11.7%	26.2	19.0	7.2	37.9%
smaker.pl	20.8	18.5	2.3	12.4%	20.2	17.0	3.2	18.8%
twojapogoda.pl	16.3	19.6	(3.3)	(16.8%)	14.7	16.2	(1.5)	(9.3%)
deccoria.pl	8.1	7.6	0.5	6.6%	10.7	7.4	3.3	44.6%
naekranie.pl ⁽³⁾	7.7	9.4	(1.7)	(18.1%)	8.0	8.7	(0.7)	(8.0%)
polsatboxgo.pl	5.7	10.4	(4.7)	(45.2%)	5.2	7.6	(2.4)	(31.6%)
bryk.pl	4.8	3.6	1.2	33.3%	9.1	7.2	1.9	26.4%
top.pl ⁽⁴⁾	2.5	-	-	-	2.0	-	-	-

(1) Data from Mediapanel survey, Views indicator –views of websites/apps.

(2) In the data for the Group as a whole, the results of sites acquired by the Group during the reporting period are included only from the time of acquisition.

(3) The service has been part of Polsat Plus Group since July 2023. The comparative data presented also relates to the period when the service was not yet owned by the Group.

(4) The service was launched in June 2023. Data for the period of the service's existence.

In the analyzed period the highest number of views was generated by the Interia.pl horizontal portal. Its content was viewed on average 920.0 million times per month during the third quarter of 2023 (-7.7% YoY) and 932.9 million times per month during nine months of 2023 (-11.6% YoY). The decrease in the number of the portal's page views was influenced by users' high interest in news content related to the war in Ukraine during the comparative periods.

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 65.7 million views in the third quarter of 2023 and 57.3 million views in nine months of 2023, this website recorded an increase of 19.7 million views (+42.8% YoY) and 8.0 million views (+16.2% YoY), respectively, compared to the last year's results. A dynamic increase in the number of page views was recorded in three quarters of 2023 by our home renovation service deccoria.pl (+3.3 million views, +44.6% YoY). Very good results were also achieved by the sports service polsatsport.pl (+6.5 million views, +35.9% YoY in the third quarter of 2023 and +6.9 million views, +46.0% YoY in nine months of 2023). 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 service polsatboxgo.pl (-4.7 million views, -45.2% YoY in the third quarter of 2023 and -2.4 million views, -31.6% YoY in nine months of 2023).

3.1.3. Green energy segment

Energy production from renewable sources

In analyzing and evaluating our renewable energy activities, which is presented as a new operating segment from July 3, 2023, we primarily consider electricity generation from low- and zero-emission sources and the average price received for the sale of the energy produced. Although the consolidation of the results of operations of PAK-PCE Group covers the period from July 3, 2023 to September 30, 2023, we also present in the following table operating data relating to electricity production by generation technology on a year-to-date basis and for the comparative periods.

	for the 3-month period ended September 30		change		for the 9-month period ended September 30		change	
	2023	2022	nominal	% / p.p.	2023	2022	nominal	% / p.p.
Total electricity generation (GWh), of which:	191.4	135.9	55.5	40.8%	485.8	328.3	157.5	48.0%
<i>Biomass</i>	157.1	108.9	48.2	44.3%	414.9	258.4	156.5	60.6%
<i>Photovoltaics</i>	27.9	27.0	0.9	3.3%	64.5	69.9	5.4	(7.7%)
<i>Wind farms onshore</i>	6.3	-	6.3	n/a	6.3	-	6.3	n/a
Average selling price of energy produced ¹⁾ [PLN/MWh]	748.2	-	-	-	-	-	-	-

1) Calculated as the ratio of the green energy segment's generated revenues from the sale of own electricity and the volume of production

As of the date of taking control over PAK-PCE Group, the operational generation assets in the area of renewable energy sources (RES) were 2 biomass units generating electricity and heat with a total capacity of 110 MW located at the Konin power plant, and the Brudzew photovoltaic farm with a capacity of 70 MW. In the third quarter of 2023, the expansion of the Brudzew farm was completed, bringing its total installed capacity to 82.4 MW, which will result in a higher level of solar power generation in future periods. In addition, the first wind farms, Miłosław with installed capacity of 9.6 MW and Kazimierz Biskupi with installed capacity of 17.5 MW, were commissioned in August and September 2023.

In the third quarter of 2023, the total volume of electricity produced was 191.4 GWh, up by 55.5 GWh (+40.8%) YoY. The higher production volume was mainly due to higher biomass energy production (157.1 GWh in the third quarter of 2023). Solar power generation volumes amounted to 27.9 GWh, up by 3.3% higher YoY, while newly-launched wind farms produced 6.3 GWh of electricity. We note that wind power production lasted for an incomplete quarter and the farms did not operate at full capacity due to technical commissioning.

The average sales price of produced energy in the third quarter of 2023 was PLN 748.2 per 1 MWh.

Implementation of renewable energy projects

Wind farms. There are currently 4 on-shore wind farm projects under construction:

- Człuchów with installed capacity of 72.6 MW and potential annual production of ca. 230 GWh, production start-up planned for the second quarter of 2024;
- Przyrów with installed capacity of 50.4 MW and potential annual production of ca. 105 GWh, production start-up planned for the third quarter of 2024;
- Drzeźwo with installed capacity of 138.6 MW and potential annual production of ca. 410 GWh, production start-up planned for the fourth quarter of 2025.
- Dobra with installed capacity of 7.8 MW and potential annual production of ca. 24 GWh, production start-up planned for the fourth quarter of 2025;

The total installed capacity of the wind projects, once all the planned wind investments are completed, will be close to 300 MW.

Photovoltaic farms. In the area of photovoltaic systems, we are currently working in the Przykona project with installed capacity of 260 MW and potential annual production of ca. 250 GWh. The project is being implemented in cooperation with ZE PAK Group, on whose land the plant will be built. The project is at the stage of obtaining necessary construction permits and the planned completion of construction and start of energy production is the first quarter of 2026. The total installed capacity of the planned photovoltaic projects in 2026 will exceed 340 MW.

Green hydrogen projects

In addition to dynamically developing renewable energy projects, we are also focused on building a full value chain of an economy based on green hydrogen.

Hydrogen production. The first electrolyzer with 2,5 MW of capacity and production capacity of 1,000 kg of green hydrogen per day, is currently being commissioned. The electrolyzer is located in Konin, next to our biomass power plant, and will use biomass energy to produce hydrogen in the future. We have also developed a prototype of Poland's first alkaline electrolyzer with capacity of 0.5 MW and production capacity of 200 kg of hydrogen per day. Work on the prototype is in its final stage. Green hydrogen production is expected to start in the first half of 2024.

Storage and transportation. Currently, 8 hydrogen trailers are in operation, one with the capacity of 371 kg and 7 with the capacity of 1,000 kg of hydrogen each. According to the concluded contracts, delivery of 2 more hydrogen trailers is scheduled for the first quarter of 2024.

Distribution. In line with our strategic goals, we intend to build a nationwide hydrogen distribution network. The first public hydrogen refueling station operating under the Neso brand was launched in Warsaw in September 2023, while the second such station was launched in Rybnik in October 2023. Construction work is currently underway in Gdansk and Gdynia, and the expected launch date for stations in these locations is the first half of 2024. In parallel, preparations are underway to start construction in Lublin and Wrocław. Work on these stations is expected to be completed in 2024.

The construction of a network of hydrogen refueling stations is supported by the National Fund for Environmental Protection and Water Management, which in February 2023 granted PAK-PCE a subsidy of PLN 20 million for the construction of a network of publicly accessible hydrogen refueling stations in Rybnik, Gdańsk, Wrocław, Gdynia and Lublin.

Hydrogen buses. Together with ZE PAK, we developed a hydrogen-powered bus, the NesoBus (where "Neso" stands for the Polish phrase "Nie Emituje Spalin i Oczyszcza," meaning "does not emit exhaust fumes and cleans the air"), which made its debut in May 2022. In March 2023, we signed a contract with the city of Rybnik for the delivery of 20 NesoBus hydrogen buses by the end of 2023. In September 2023, we signed an agreement with the city of Gdansk for a 10-year lease of 10 hydrogen buses with full service and supply of hydrogen fuel. Delivery of the NesoBuses to Gdansk is scheduled for the second and third quarters of 2024.

Furthermore, in the third quarter of 2023, we launched a bus manufacturing plant in Świdnik, where we intend to ultimately 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 to subsidize the above project with a preferential loan of up to PLN 50 million.

3.2. Review of the Group's financial situation

The following review of results for the three- and nine-month periods ended September 30, 2023 was prepared based on the condensed consolidated financial statements for the nine-month period ended September 30, 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- and nine-month periods ended September 30, 2023 and September 30, 2022 are not 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. In particular, as of April 1, 2022, the Group consolidates the results of Port Praski and its subsidiaries and as of July 3, 2023, the Group consolidates the results of PAK-PCE and its subsidiaries using the full method.

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 September 30, 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 recognition of a gain on disposal of shares in Modivo S.A. in the third quarter of 2022 and Asseco Poland S.A. and CSiZN sp. z o.o. in the third quarter of 2023 as well as 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 factors.

3.2.1. Income statement analysis

Results for the third quarter of 2023

[mPLN]	for the 3-month period ended September 30		change	
	2023	2022	[mPLN]	[% / p.p.]
Revenue	3,455.7	3,270.9	184.8	5.6%
Operating costs	(3,165.2)	(2,877.3)	(287.9)	10.0%
Gain on disposal of a subsidiary and an associate ⁽¹⁾	220.1	113.4	106.7	94.1%
Other operating income/(cost), net	0.3	(6.1)	6.4	n/a
Profit from operating activities	510.9	500.9	10.0	2.0%
Gain/(loss) on investment activities, net	39.9	(18.1)	58.0	n/a
Finance costs, net	(399.0)	(209.3)	(189.7)	90.6%
Share of the profit of associates accounted for using the equity method ⁽¹⁾	19.3	23.8	(4.5)	(18.9%)
Gross profit for the period	171.1	297.3	(126.2)	(42.4%)
Income tax	(68.9)	(66.2)	(2.7)	4.1%
Net profit for the period	102.2	231.1	(128.9)	(55.8%)
EBITDA	994.8	953.0	41.8	4.4%
EBITDA margin	28.8%	29.1%	-	(0.3 p.p.)
Gain on disposal of a subsidiary and an associate	220.1	113.4	106.7	94.1%
EBITDA adjusted	774.7	839.6	(64.9)	(7.7%)
EBITDA adjusted margin	22.4%	25.7%	-	(3.3 p.p.)

(1) Includes estimated data of the Asseco Poland Group attributable to the Group as at September 30, 2023.

Revenue

Consolidated **total revenue** increased by PLN 184.8 million (+5.6% YoY) in the third quarter of 2023, primarily as a result of the consolidation of revenues from the sales of energy generated in the green energy segment.

Excluding the impact of the consolidation of PAK-PCE Group's results, consolidated total revenue amounted to PLN 3,159.4 million (-3.4% YoY).

[mPLN]	for the 3-month period ended September 30		change	
	2023	2022	[mPLN]	[%]
Retail revenue	1,754.8	1,753.3	1.5	0.1%
Wholesale revenue	799.3	840.9	(41.6)	(4.9%)
Sale of equipment	446.5	472.7	(26.2)	(5.5%)
Energy revenue	272.0	-	272.0	n/a
Other revenue	183.1	204.0	(20.9)	(10.2%)
Revenue	3,455.7	3,270.9	184.8	5.6%

Retail revenue remained stable YoY and amounted to PLN 1,754.8 million.

Wholesale revenue decreased by PLN 41.6 million (-4.9%) YoY, mainly due to the recognition of lower interconnection revenue, resulting from the gradual regulatory reduction of MTR rates, and lower revenue from the sale of TV sublicenses. This decrease was partially compensated by higher advertising and sponsorship revenue.

Revenue from the **sale of equipment** decreased by PLN 26.2 million (-5.5%) YoY due to lower sales volumes.

In connection with the consolidation of PAK-PCE Group's results, as of July 3, 2023, the Group recognized **energy revenue**, which include revenues from the sale of electricity from production and resale of energy, revenues from the sale of heat and revenues from the sale of property rights, particularly certificates of origin. In the third quarter of 2023, the Group recognized energy revenue of PLN 272.0 million, of which revenues from own energy sales amounted to PLN 82.5 million and revenues from energy resale amounted to PLN 172.9 million.

Other revenue decreased by PLN 20.9 million (-10.2%) YoY. The main reasons for decrease in this revenue category were lower revenues from operations on the photovoltaic market and lower revenues from the sale of premises. In parallel, in connection with the full consolidation of PAK-PCE Group's results as of July 3, 2023, the Group recognizes in other revenue certain revenues related to its green energy business, in particular revenues from the sale of hydrogen buses, hydrogen and gas. The impact of PAK-PCE Group's consolidation on this revenue item amounted to PLN 24.4 million in the third quarter of 2023.

Operating costs

Consolidated **operating costs** increased by PLN 287.9 million (+10.0%) YoY in the third quarter of 2023. Excluding the impact of consolidating the results of PAK-PCE Group, consolidated operating costs amounted to PLN 2,881.3 million (+0.1% YoY).

[mPLN]	for the 3-month period ended September 30		change	
	2023	2022	[mPLN]	[%]
Technical costs and cost of settlements with telecommunication operators	838.1	823.2	14.9	1.8%
Depreciation, amortization, impairment and liquidation	475.0	452.1	22.9	5.1%
Cost of equipment sold	348.1	365.4	(17.3)	(4.7%)
Content costs	516.6	530.0	(13.4)	(2.5%)
Cost of energy sold, includes	255.1	-	255.1	n/a
<i>Depreciation</i>	8.5	-	8.5	n/a
Distribution, marketing, customer relation management and retention costs	258.2	256.6	1.6	0.6%
Salaries and employee-related costs	271.6	242.3	29.3	12.1%
Cost of debt collection services and bad debt allowance and receivables written off	32.9	25.6	7.3	28.5%
Other costs, includes	169.6	182.1	(12.5)	(6.9%)
<i>Depreciation</i>	0.4	-	0.4	n/a
Operating costs	3,165.2	2,877.3	287.9	10.0%

Technical costs and cost of settlements with telecommunication operators increased by PLN 14.9 million (+1.8%) YoY. This increase was caused mainly by higher network maintenance costs due to, among others, higher costs of energy and the valorization of rental contracts, and was largely offset by lower costs of interconnect settlements due to the successive regulatory reduction of MTR rates. The impact of the consolidation of PAK-PCE Group on this expense item was PLN -1.4 million in the third quarter of 2023.

Depreciation, amortization, impairment and liquidation costs increased by PLN 22.9 million (+5.1%) YoY, which resulted, among others, from amortizing trademarks owned by Telewizja Polsat due to the change in their useful lifetime from indefinite to finite. Moreover, as a result of the consolidation of PAK-PCE Group, we recorded additional depreciation, amortization, impairment and liquidation expenses of PLN 1.3 million in this cost item. At the same time, we would like to point out that depreciation and amortization expenses in the green energy segment are also included in the cost of energy sold and the cost of buses sold (under the item Other costs).

The **cost of equipment sold** decreased by PLN 17.3 million (-4.7%) YoY, which reflected lower sales volumes of equipment in the reported quarter and corresponds with lower revenue from the sale of equipment.

Content costs decreased by PLN 13.4 million (-2.5%) YoY, mainly as a result of lower costs of internal production and amortization of sports rights and film licenses.

Distribution, marketing, customer relation management and retention costs remained relatively stable YoY.

In connection with the consolidation of the results of PAK-PCE Group as of July 3, 2023, the Group recognized **costs of energy sold** in the amount of PLN 255.1 million, of which PLN 8.5 million was depreciation.

Salaries and employee-related costs increased by PLN 29.3 million (+12.1%) YoY, mainly due to the increased headcount and continuing inflationary pressure. The impact of the consolidation of PAK-PCE Group on this cost item was PLN 3.4 million in the third quarter of 2023.

Average headcount in the Group increased by 473 FTEs (+6.2%) YoY, which was an effect of the changes in the Group structure in the last 12 months.

Average employment	for the 3-month period ended September 30		Change	
	2023	2022	[FTEs]	[%]
Permanent workers not engaged in production ⁽¹⁾	8,112	7,639	473	6.2%

(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 7.3 million (+28.5%) YoY, as a result of adjusting the level of write-offs on receivables to the level of sales in the installment plan model while maintaining a high repayment ratio.

Other costs decreased by PLN 12.5 million (-6.9%) YoY, which was related, among others, to the recognition of lower cost of the sale of apartments and lower cost of operations in the photovoltaics market. The impact of the consolidation of PAK-PCE Group on this cost item amounted to PLN 24.7 million in the third quarter of 2023, and includes in particular the costs of gas sold and buses sold, including depreciation of PLN 0.4 million.

In the third quarter of 2023, the Group recognized a **gain on the disposal of a subsidiary and an associate** of PLN 220.1 million. It resulted mainly from the disposal of a 12.82% stake held by the Group in Asseco Poland S.A. under the tender offer for the sale of shares announced by Asseco at a price of PLN 80.0 per share, and the revaluation of the 10.13% stake of Asseco shares remaining in the Group's possession to their market value. It was PLN 106.7 million higher than in the comparative period, when the Group recognized a gain the disposal of shares in Modivo S.A.

Other operating income, net amounted to PLN 0.3 million in the third quarter of 2023 as compared to other operating cost, net of PLN 6.1 million in the comparative period.

Gain on investment activities, net amounted to PLN 39.9 million in the third quarter of 2023 and was higher by PLN 58.0 million YoY. This was mainly due to the recognition of a non-cash, positive impact of the foreign exchange valuation on cash held in foreign currency.

Finance costs, net increased by PLN 189.7 million (+90.6%) YoY as a result of an increase in the Group's debt service costs, reflecting a higher level of gross debt than in the comparative period, as well as a negative impact of PLN 93.6 million from the revaluation of the Euro-denominated tranche of the SFA following the depreciation of the Polish zloty in the third quarter of 2023. At the same time, net financial expenses in the third quarter of 2023 were negatively impacted by the valuation and execution of hedging instruments in the amount of PLN 24.1 million.

Excluding the impact of the consolidation of PAK-PCE Group's results, net financial expenses amounted to PLN 396.0 million (+89.1% YoY).

In the third quarter of 2023, we recognized the **share of the profit of associates accounted for using the equity method** in the amount of PLN 19.3 million in effect of recognizing a share in the profit of Asseco Poland S.A. We note that following the disposal of the 12.82% stake in Asseco Poland on September 21, 2023, the share in Asseco Poland's profit will no longer be recognized as of the fourth quarter of 2023.

Income tax amounted to PLN 68.9 million in the third quarter of 2023. The elevated effective tax rate was mainly the effect of the occurrence of debt financing costs in amounts exceeding the limits of such costs that can be recognized in the calculation of current income tax.

Net profit for the third quarter of 2023 decreased by PLN 128.8 million (-55.8%) YoY to PLN 102.2 million. The decline was caused among other by significantly higher debt service costs. In addition, the level of net income in the third quarter was affected by the recognition of income tax at a higher-than-statutory tax rate.

EBITDA amounted to PLN 994.8 million (+4.4%) YoY.

Adjusted EBITDA excluding the gain on disposal of subsidiaries and associates amounted to PLN 774.7 million (-7.7%) YoY in the third quarter of 2023, resulting in adjusted EBITDA margin of 22.4%. The consolidation of the results of PAK-PCE Group contributed PLN 22.8 million to consolidated EBITDA in the third quarter.

Results for three quarters of 2023

[mPLN]	for the 9-month period ended September 30		change	
	2023	2022	[mPLN]	[% / p.p.]
Revenue	9,944.8	9,485.7	459.1	4.8%
Operating costs	(9,002.1)	(8,326.4)	(675.7)	8.1%
Gain on disposal of a subsidiary and an associate ⁽¹⁾	220.1	113.4	106.7	94.1%
Other operating cost, net	(23.4)	(25.7)	2.3	(8.9%)
Profit from operating activities	1,139.4	1,247.0	(107.6)	(8.6%)
Gain/(loss) on investment activities. net	81.7	(5.5)	87.2	n/a
Finance costs, net	(955.4)	(416.8)	(538.6)	129.2%
Share of the profit of associates accounted for using the equity method ⁽¹⁾	29.7	62.7	(33.0)	(52.6%)
Gross profit for the period	295.4	887.4	(592.0)	(66.7%)
Income tax	(114.1)	(160.8)	46.7	(29.0%)
Net profit for the period	181.3	726.6	(545.3)	(75.0%)
EBITDA	2,554.5	2,612.9	(58.4)	(2.2%)
EBITDA margin	25.7%	27.5%	-	(1.8 p.p.)
Gain on disposal of a subsidiary and an associate	220.1	113.4	106.7	94.1%
Costs of supporting Ukraine	-	(34.1)	34.1	n/a
EBITDA adjusted	2,334.4	2,533.6	(199.2)	(7.9%)
EBITDA adjusted margin	23.5%	26.7%	-	(3.2 p.p.)

(1) Includes estimated data of the Asseco Poland Group attributable to the Group as at 30 September 2023.

Revenue

Our **total revenue** increased by PLN 459.1 million (+4.8% YoY) in the nine-month period ended September 30, 2023, primarily as a result of very good sales of equipment in the period under review and the consolidation of revenues from the sale of energy generated in the green energy segment.

Excluding the impact of consolidating the results of PAK-PCE Group, consolidated total revenue amounted to PLN 9,648.5 million (+1.7% YoY).

[mPLN]	for the 9-month period ended September 30		change	
	2023	2022	[mPLN]	[%]
Retail revenue	5,223.4	5,201.3	22.1	0.4%
Wholesale revenue	2,450.6	2,533.8	(83.2)	(3.3%)
Sale of equipment	1,415.0	1,259.7	155.3	12.3%
Energy revenue	272.0	-	272.0	n/a
Other revenue	583.8	490.9	92.9	18.9%
Revenue	9,944.8	9,485.7	459.1	4.8%

Retail revenue increased by PLN 22.1 million (+0.4%) YoY, mainly as a result of the implementation of the strategy focused on building customer value.

Wholesale revenue decreased by PLN 83.2 million (-3.3%) YoY, due to the recognition of lower interconnection revenue, resulting from the gradual regulatory reduction of MTR rates, and lower revenue

from the sale of TV sublicenses. This decrease was partially compensated by higher advertising and sponsorship revenue as well as higher revenue from cable and satellite operators.

Revenue from the **sale of equipment** increased by PLN 155.3 million (+12.3%) YoY, principally as a result of an increased share of more expensive smartphone models in the sales mix with relatively stable sales volume.

In connection with the consolidation of PAK-PCE Group's results under the full method, as of July 3, 2023, the Group recognized **energy revenue**, which include revenues from the sale of electricity from production and resale of energy, revenues from the sale of heat and revenues from the sale of property rights, particularly certificates of origin. In the three quarters of 2023, the Group recognized energy revenue for the consolidation period, i.e. from July 3, 2023 to September 30, 2023, in the amount of PLN 272.0 million, of which revenue from own energy production accounted for PLN 82.5 million and revenue from energy resale accounted for PLN 172.9 million.

Other revenue increased by PLN 92.9 million (+18.9%) YoY. The most important factors behind the growth in this revenue category include mainly higher revenues from operations on the photovoltaic market and increasing interest revenue from sales in the installment plan model. In parallel, in connection with the consolidation of PAK-PCE Group's results as of July 3, 2023, the Group recognized in other revenue certain revenues related to its energy business, in particular revenues from the sale of hydrogen buses, hydrogen and gas. The impact of PAK-PCE Group's consolidation on this revenue item amounted to PLN 24.4 million in the nine-month period ended September 30, 2023.

Operating costs

Our **operating costs** increased by PLN 675.7 million (+8.1%) YoY in the nine-month period ended September 30, 2023. The main drivers of the increase in operating costs were continued high inflation and the consolidation of the costs of PAK-PCE Group.

Excluding the impact of consolidating PAK-PCE Group's results, consolidated operating costs amounted to PLN 8,718.2 million (+4.7% YoY).

[mPLN]	for the 9-month period ended September 30		change	
	2023	2022	[mPLN]	[%]
Technical costs and cost of settlements with telecommunication operators	2,470.6	2,440.7	29.9	1.2%
Depreciation, amortization, impairment and liquidation	1,406.2	1,365.9	40.3	3.0%
Cost of equipment sold	1,124.7	1,024.9	99.8	9.7%
Content costs	1,560.5	1,508.4	52.1	3.5%
Cost of energy sold, includes	255.1	-	255.1	n/a
<i>Depreciation</i>	8.5	-	8.5	n/a
Distribution, marketing, customer relation management and retention costs	749.5	763.9	(14.4)	(1.9%)
Salaries and employee-related costs	822.6	734.0	88.6	12.1%
Cost of debt collection services and bad debt allowance and receivables written off	94.8	72.7	22.1	30.4%
Other costs, includes	518.1	415.9	102.2	24.6%
<i>Depreciation</i>	0.4	-	0.4	n/a
Operating costs	9,002.1	8,326.4	675.7	8.1%

Technical costs and cost of settlements with telecommunication operators increased by PLN 29.9 million (+1.2%) YoY. This increase, caused mainly by higher network maintenance costs due to higher costs of electricity and inflation indexation of rental contracts, was largely offset by lower costs of interconnect settlements due to the successive regulatory reduction of MTR rates. The impact of the consolidation of PAK-PCE Group on this expense item was PLN -1.4 million in the nine-month period ended September 30, 2023.

Depreciation, amortization, impairment and liquidation costs increased by PLN 40.3 million (+3.0%) YoY, due to, among others, the recognition of depreciation, amortization, impairment and liquidation costs of Port Praski Group acquired in April 2022 and from amortizing trademarks owned by Telewizja Polsat due to the change in their useful lifetime from indefinite to finite. Moreover, as a result of the consolidation of PAK-PCE Group, we recorded additional depreciation, amortization, impairment and liquidation expenses of PLN 1.3 million for the period from July 3 to September 30, 2023. At the same time, we would like to point out that depreciation and amortization expenses in the green energy segment are also included in the cost of energy sold and the cost of buses sold (under the item 'Other expenses').

The **cost of equipment sold** increased by PLN 99.8 million (+9.7%) 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 52.1 million (+3.5%) YoY, mainly as a result of higher costs of internal production and sports rights as well as investments aimed at increasing the attractiveness of our TV channels' programming and pay TV packages.

Distribution, marketing, customer relation management and retention costs decreased by PLN 14.4 million (-1.9%) YoY as a result of, among others, lower distribution and logistics costs.

In connection with the consolidation of the results of PAK-PCE Group as of July 3, 2023, the Group recognized **costs of energy sold** in the amount of PLN 255.1 million, of which PLN 8.5 million was depreciation.

Salaries and employee-related costs increased by PLN 88.6 million (+12.1%) YoY, mainly due to the increased headcount and continuing inflationary pressure. The impact of the consolidation of PAK-PCE Group on this cost item was PLN 3.4 million in the period from July 3 to September 30, 2023.

Average headcount in the Group increased by 389 FTEs (+5.1%) YoY, which was an effect of the changes in the Group structure.

Average employment	for the 9-month period ended		Change	
	September 30		[FTEs]	[%]
	2023	2022		
Permanent workers not engaged in production ⁽¹⁾	7,960	7,571	389	5.1%

(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 22.1 million (+30.4%) YoY, as a result of adjusting the level of write-offs on receivables to reflect very good sales in the installment plan model while maintaining a high repayment ratio.

Other costs increased by PLN 102.2 million (+24.6%) YoY, which was related, among others, to the recognition of higher cost of operations in the photovoltaics market and higher property maintenance costs, due to significantly higher electricity costs and inflationary pressure on rental fees. The impact of the consolidation of PAK-PCE Group on this cost item amounted to PLN 24.7 million for the period from July 3 to September 30, 2023, and includes in particular the costs of gas sold and buses sold, including depreciation of PLN 0.4 million.

In the nine-month period ended September 30, 2023, the Group recognized a **gain on the disposal of subsidiaries and associates** of PLN 220.1 million. It resulted mainly from the disposal of a 12.82% stake

held by the Group in Asseco Poland S.A. under the tender offer for the sale of shares announced by Asseco at a price of PLN 80.0 per share, and the revaluation of the 10.13% stake of Asseco shares remaining in the Group's possession to their market value. It was PLN 106.7 million higher than in the comparative period, when the Group recognized a gain the disposal of shares in Modivo S.A.

Other operating cost, net amounted to PLN 23.4 million in the nine-month period ended September 30, 2023 and was lower by PLN 2.3 million (-8.9%) YoY. In the comparative period, the support provided to Ukraine in the face of war was recognized in this cost category while in the period under review it included additional provisions.

Gain on investment activities, net amounted to PLN 81.7 million in the nine-month period ended September 30, 2023 as compared to a loss on investment activities, net of PLN 5.5 million YoY in the comparative period. The higher result from investment activities is mainly attributable to an increase in interest income from bank deposits and loans granted, as well as the recognition of positive exchange rate differences arising from the appreciation of the zloty in the period under review.

Finance costs, net increased by PLN 538.6 million (+129.2%) YoY. The main drivers behind the increase in finance costs, net were an increase in the level of the Group's debt service costs, which is derived from the higher level of gross debt, and higher than in the comparative period interest rates. In the nine-month period ended September 30, 2023 the Group recognized a one-time income of PLN 20.8 million resulting from the modification of cash flows following the conversion of part of the Series B and C Bonds into Series D and E Bonds and paid a premium for early redemption of part of Series B and C Bonds. At the same time, the level of net financial expenses was affected by a number of non-cash factors, the most important of which were the recognition of a negative foreign exchange impact from the valuation of the euro-denominated tranche of the SFA in the amount of PLN 63.6 million and the recognition of a one-time non-cash expense of PLN 20.8 million related to the early repayment of the loan. An important factor behind the increase in net finance costs is also the recognition of a significant positive revaluation of hedging instruments in the comparative period, resulting from the successive increases in interest rates implemented by the NBP in 2022, while in the three quarters of 2023 the revaluation of hedging instruments had a negative impact on the level of finance costs.

Excluding the impact of the consolidation of PAK-PCE Group's results, net financial expenses amounted to PLN 952.4 million (+128.5% YoY).

The **share of the profit of associates accounted for using the equity method** amounted to PLN 29.7 million in the nine-month period ended September 30, 2023. This result is the net effect of recognizing a share in the profit of Asseco Poland S.A. and a share in the loss of PAK-PCE in the first half of 2023. After taking control of PAK-PCE, PAK-PCE Group's results are consolidated using the full method since July 3, 2023. We note that as a result of the disposal of the 12.82% stake in Asseco Poland S.A. on September 21, 2023, the share in Asseco Poland S.A.'s profit will no longer be recognized as of the fourth quarter of 2023.

Income tax amounted to PLN 114.1 million in the nine-month period ended September 30, 2023. The elevated effective tax rate was mainly the effect of the occurrence of debt financing costs in amounts exceeding the limits of such costs that can be recognized in the calculation of current income tax.

Net profit for the nine-month period ended September 30, 2023 decreased by PLN 545.3 million (-75.0%) YoY to PLN 181.3 million. The decline was caused mainly by significantly higher finance costs and by continued inflationary pressure on costs. In addition, the level of net income was affected by the recognition of income tax at a higher-than-statutory tax rate.

EBITDA amounted to PLN 2,554.5 million (-2.2%) YoY.

Adjusted EBITDA excluding the gain on disposal of subsidiaries and associates amounted to PLN 2,334.4 million (-7.9%) YoY in the nine-month period ended September 30, 2023, with EBITDA margin at 23.5%. The main factor behind the decline in adjusted EBITDA on the backdrop of positive dynamics of revenue growth was general inflationary pressure on operating costs. EBITDA was positively impacted by the consolidation

of PAK-PCE Group, which contributed EBITDA of PLN 25.9 million in the period from July 3 to September 30, 2023.

3.2.2. Operating segments

The Group operates in the following four segments:

- B2C and B2B services segment which relates to the provision of services, including digital television transmission signal, mobile services, the Internet access services, the mobile TV services, the online TV services, set-top boxes production and assembly of photovoltaic installations,
- media segment,
- green energy segment (starting from July 1, 2023) 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 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.

Green energy segment consists mainly of:

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

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 (including depreciation included in the energy and buses production costs). EBITDA is not an EU IFRS measure and thus its calculations may differ among different entities.

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the nine-month period ended September 30, 2023.

9-month period ended September 30, 2023 [mPLN]	B2C and B2B services segment	Media segment	Real estate segment	Green energy segment	Consolidation adjustments	Total
Revenues from sales to third parties	7,972.2	1,568.8	101.5	302.3	-	9,944.8
Inter-segment revenues	46.4	197.6	22.4	74.2	(340.6)	-
Revenues	8,018.6	1,766.4	123.9	376.5	(340.6)	9,944.8
EBITDA adjusted (unaudited)	1,956.5	332.3	21.7	25.9	(2.0)	2,334.4
Gain on disposal of a subsidiary and an associate	220.1	-	-	-	-	220.1
EBITDA (unaudited)	2,176.6	332.3	21.7	25.9	(2.0)	2,554.5
Depreciation, amortization, impairment and liquidation	1,272.7	116.4	15.8	1.3	-	1,406.2
Depreciation included in energy and bus production costs	-	-	-	8.9	-	8.9
Profit from operating activities	903.9	215.9	5.9	15.7	(2.0)	1,139.4
Acquisition of property, plant and equipment and other intangible assets	619.2	62.6	21.1	301.6	-	1,004.5
Acquisition of reception equipment	89.5	-	-	-	-	89.5
Balance as at September 30, 2023 (unaudited)						
Assets, including:	27,013.2	6,396.8 ¹⁾	1,310.6	3,390.0	(1,338.3)	36,772.3
Investments in joint venture and associates	-	-	80.5	-	-	80.5

¹⁾ Includes non-current assets located outside of Poland in the amount of PLN 1.4 million.

All material revenues are generated in Poland.

It should be noted that the financial data for the nine-month periods ended September 30, 2023 and September 30, 2022 allocated to the B2C and B2B services segment, the media segment and the real estate segment are not fully comparable due to changes in the Group's structure which were described in item 1.2. of this Report – *Changes in the organizational structure of Polsat Plus Group and their effects* – and item 1.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 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 nine-month period ended September 30, 2022.

nine-month period ended September 30, 2022 [mPLN] (unaudited)	B2C and B2B services segment	Media segment	Real estate segment	Consolidation adjustments	Total
Revenues from sales to third parties	7,897.8	1,516.3	71.6	-	9,485.7
Inter-segment revenues	42.7	177.2	46.5	(266.4)	-
Revenues	7,940.5	1,693.5	118.1	(266.4)	9,485.7
EBITDA adjusted (unaudited)	2,211.7	315.8	14.0	(7.9)	2,533.6
Gain/(loss) on disposal of a subsidiary	113.4	-	-	-	113.4
Costs of supporting Ukraine ¹⁾	33.0	1.1	-	-	34.1
EBITDA (unaudited)	2,292.1	314.7	14.0	(7.9)	2,612.9
Depreciation, Amortization, impairment and liquidation	1,274.1	82.3	9.5	-	1,365.9
Profit from operating activities	1,018.0	232.4	4.5	(7.9)	1,247.0
Acquisition of property, plant and equipment and other intangible assets	692.2	97.9	22.1	-	812.2
Acquisition of reception equipment	85.1	-	-	-	85.1
Balance as at September 30, 2022 (unaudited)					
Assets, including:	23,871.8	6,487.0 ²⁾	1,622.9	(295.5)	31,686.2
Investments in joint venture and associates	1,776.4	5.9	9.7	-	1,792.0

1) Primarily, monetary donations made to implement aid to Ukraine.

2) Includes non-current assets located outside of Poland in the amount of PLN 1.9 million.

3.2.3. Balance sheet analysis

As at September 30, 2023, our balance sheet amounted to PLN 36,772.3 million and was higher by PLN 4,465.7 million (+12.8%) compared to the balance as at December 31, 2022.

Assets

[mPLN]	September 30 2023	December 31 2022	Change	
			[mPLN]	[%]
Reception equipment	287.2	282.0	5.2	1.8%
Other property, plant and equipment	5,680.9	3,600.9	2,080.0	57.8%
Goodwill	11,276.7	10,818.1	458.6	4.2%
Customer relationships	325.3	643.7	(318.4)	(49.5%)
Brands	2,000.0	2,060.9	(60.9)	(3.0%)
Other intangible assets	3,450.2	3,340.6	109.6	3.3%
Right-of-use assets	597.9	527.0	70.9	13.5%
Non-current programming assets	327.9	501.8	(173.9)	(34.7%)
Investment property	579.8	647.0	(67.2)	(10.4%)
Non-current deferred distribution fees	77.7	79.8	(2.1)	(2.6%)
Non-current trade receivables	964.2	930.0	34.2	3.7%
Non-current loans granted	117.6	325.6	(208.0)	(63.9%)
Other non-current assets, includes:	746.3	1,918.0	(1,171.7)	(61.1%)
<i>shares in associates accounted for using the equity method</i>	80.5	1,884.2	(1,803.7)	(95.7%)
<i>shares in associates valued in fair value</i>	604.2	1.6	602.6	n/a
<i>derivative instruments</i>	8.9	17.4	(8.5)	(48.9%)
Deferred tax assets	151.9	99.9	52.0	52.1%
Total non-current assets	26,583.6	25,775.3	808.3	3.1%
Current programming assets	752.1	699.2	52.9	7.6%
Contract assets	352.2	362.9	(10.7)	(3.0%)
Inventories	1,341.0	1,162.4	178.6	15.4%
Trade and other receivables	3,022.5	2,751.3	271.2	9.9%
Current loans granted	19.4	250.5	(231.1)	(92.3%)
Income tax receivable	1.3	5.0	(3.7)	(74.0%)
Current deferred distribution fees	226.3	217.3	9.0	4.1%
Other current assets, includes:	158.7	137.2	21.5	15.7%
<i>derivative instruments</i>	12.0	63.9	(51.9)	(81.2%)
Cash and cash equivalents	4,162.0	808.5	3,353.5	414.8%
Restricted cash	19.7	9.3	10.4	111.8%
Total current assets	10,055.2	6,403.6	3,651.6	57.0%
Assets held for sale	133.5	127.7	5.8	4.5%
Total assets	36,772.3	32,306.6	4,465.7	13.8%

The value of non-current assets amounted to PLN 26,583.6 million (72.3% of total assets) as of September 30, 2023 and increased by PLN 808.3 million (+3.1) compared to the balance at the end of 2022 while the value of current assets amounted to PLN 10,055.2 million (27.3% of total assets) increasing by PLN 3,651.6 million (+57.0%) compared to the balance as at December 31, 2022. The main reason for the increase in

non-current and current assets was the consolidation of PAK-PCE Group as of July 3, 2023. With regard to non-current assets, this was primarily reflected in an increase in the value of other property, plant and equipment (+2,080.0 million, +57.8%), goodwill (+458.6 million, +4.2%), and the value of rights of use (+70.9 million, +13.5%) compared to the end of December 2022. On the current assets side, the consolidation of PAK-PCE Group mainly impacted the increase in inventories (+178.6 million, +15.4%) at the end of September 2023. On the other hand, the increase in trade and other receivables (+271.2 million, +9.9%) was driven primarily by the recognition of a deposit payment for the 5G auction in the amount of PLN 182.0 million.

Simultaneously, as a result of the elimination on consolidation of loans granted to PAK-PCE after the transition to the full consolidation method, the balance of long- and short-term loans granted decreased by PLN 439.1 million (-76.2%) compared to the balance at the end of December 2022.

The factor partially offsetting the increase in the value of non-current assets at the end of September 2023 was the sale of 12.82% stake in Asseco Poland S.A., which resulted in a decrease in the value of other non-current assets by PLN 1,171.7 million (-61.1%) compared to the balance at the end of December 2022. The Group's remaining 10.13% stake in Asseco Poland S.A. was revalued to fair value.

As of the end of September 2023, the value of customer relationships decreased by PLN 318.4 million (-49.5%) as a result of successive amortization accruals. The balance of other intangible assets increased by PLN 109.6 million (+3.3%) which was due to, among others, the renewal of the frequency reservation in the 900 MHz band in July 2023.

During the nine-month period ended September 30, 2023 the value of non-current and current programming assets decreased by PLN 121.0 million (-10.1%), which was associated mainly with the gradual debiting of costs of previously purchased film licenses and sports rights.

In the nine-month period ended September 30, 2023, the balance of cash and cash equivalents increased by PLN 3,353.5 million as a result of the refinancing of bank loans, the issuance of Series D Bonds in January 2023 and Series E Bonds in September 2023, and the proceeds from the disposal of a 12.82% stake in Asseco Poland S.A. in the amount of PLN 850.5 million.

Moreover, as at September 30, 2023 the Company recognized the value of assets held for sale in the amount of PLN 133.5 million (+4.5%) in connection with the planned disposal of selected properties.

Equity and liabilities

[mPLN]	September 30	December 31	Change	
	2023	2022	[mPLN]	[%]
Share capital	25.6	25.6	-	-
Share premium	7,174.0	7,174.0	-	-
Share of other comprehensive income of associates	-	51.9	(51.9)	(100.0%)
Other reserves	2,776.7	2,815.9	(39.2)	(1.4%)
Retained earnings	8,233.6	8,057.6	176.0	2.2%
Treasury shares	(2,854.7)	(2,854.7)	-	-
Equity attributable to equity holders of the Parent Company	15,355.2	15,270.3	84.9	0.6%
Non-controlling interests	408.3	540.5	(132.2)	(24.5%)
Total equity	15,763.5	15,810.8	(47.3)	(0.3%)
Loans and borrowings	9,072.7	6,624.8	2,447.9	37.0%
Issued bonds	3,497.8	1,900.4	1,597.4	84.1%
Lease liabilities	399.0	345.6	53.4	15.5%
Deferred tax liabilities	872.8	978.7	(105.9)	(10.8%)
Other non-current liabilities and provisions	410.2	330.9	79.3	24.0%
<i>includes derivative instruments</i>	20.3	4.3	16.0	n/a
Total non-current liabilities	14,252.5	10,180.4	4,072.1	40.0%
Loans and borrowings	2,552.3	1,512.6	1,039.7	68.7%
Issued bonds	366.8	176.0	190.8	108.4%
Lease liabilities	165.8	178.6	(12.8)	(7.2%)
Contract liabilities	706.9	606.8	100.1	16.5%
Trade and other payables	2,904.4	3,767.1	(862.7)	(22.9%)
<i>includes derivative instruments</i>	28.6	2.1	26.5	n/a
Income tax liability	60.1	74.3	(14.2)	(19.1%)
Total current liabilities	6,756.3	6,315.4	440.9	7.0%
Total liabilities	21,008.8	16,495.8	4,513.0	27.4%
Total equity and liabilities	36,772.3	32,306.6	4,465.7	13.8%

Equity decreased by PLN 47.3 million (-0.3%), to PLN 15,763.5 million as at September 30, 2023. The reason behind the decrease in the value of equity was the disposal of a stake in Asseco Poland S.A., as a result of which no share in the comprehensive income of affiliates was recognized at the end of September 2023, as well as the recognition of a lower value of non-controlling interests, which resulted from the acquisition of a 32% stake in Pantanomo Ltd. and the acquisition of control of PAK-PCE. The decrease in equity was partially offset by the recognition of net income of PLN 181.3 million generated in the nine-month period ended September 30, 2023.

Total liabilities increased by PLN 4,513.0 million (+27.4%) and amounted to 21,008.8 million as at September 30, 2023, of which current liabilities amounted to PLN 6,756.3 million and non-current liabilities amounted to PLN 14,252.5 million, constituting 32.1% and 67.9% of total liabilities, respectively. The increase in liabilities was significantly impacted by the consolidation of PAK-PCE Group effective July 3, 2023.

The value of non-current liabilities increased by PLN 4,072.1 million (+40.0%) and the main driver of this change was an increase in the value of non-current liabilities related to issued bonds and loans and borrowings. Non-current bond liabilities increased by PLN 1,597.4 million (+84.1%) following the issuance of

the Series D and E Bonds in 2023, which was partially offset by the early redemption of a portion of the Series B and C bonds. Non-current liabilities from loans and borrowings increased by PLN 2,447.9 million (+37.0%) as a result of the refinancing of bank debt carried out in the second quarter of 2023 and the inclusion on PAK-PCE Group's balance sheet of non-current liabilities from loans and borrowings due to the transition to the full consolidation method as of July 3, 2023 (a detailed description of PAK-PCE Group's debt is presented in Section 3.2.5 of this Report).

The consolidation of PAK-PCE Group was also the main reason behind the increase in the balance of other non-current liabilities and provisions (+79.3 million, +24.0% vs. the balance at the end of December 2022) and long-term lease liabilities (+53.4 million, +15.5% vs. the balance at the end of December 2022).

Compared to the end of December 2022, the value of current liabilities increased by PLN 440.9 million (+7.0%). This increase was mainly the net result of an increase in current liabilities from loans and borrowings by PLN 1,039.7 million (+68.7%), which was largely due to the inclusion on the balance sheet of short-term borrowings of PAK-PCE Group companies, consolidated using the full method as of July 3, 2023, and a decrease in trade and other payables by PLN 862.7 million (-22.9%) due primarily to the settlement of the payment for the renewal of the frequency reservation in the 1800 MHz band, as well as the consolidation of PAK-PCE Group.

Contractual obligations

Commitments to purchase programming assets

As at September 30, 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]	September 30, 2023	December 31, 2022
within one year	323.0	251.6
between 1 to 5 years	312.4	258.1
more than 5 years	171.5	13.3
Total	806.9	523.0

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

[mPLN]	September 30, 2023	December 31, 2022
within one year	66.4	20.0
Total	66.4	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 1,849.5 million as at September 30, 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 57.9 million as at September 30, 2023 (PLN 73.4 million as at December 31, 2022).

Future contractual obligations

As at September 30, 2023 and December 31, 2022 the Group had future liabilities due for transponder capacity agreements. The table below presents future payments (total):

[mPLN]	September 30, 2023	December 31, 2022
within one year	123.8	125.3
between 1 to 5 years	154.8	250.5
Total	278.6	375.8

3.2.4. Cash flow analysis

The table below presents selected data from the consolidated cash flow statement for the nine-month periods ended September 30, 2023 and September 30, 2022.

[mPLN]	for the 9-month period ended September 30		Change	
	2023	2022	[mPLN]	[% / p.p.]
Net cash from operating activities	1,468.3	1,090.2	378.1	34.7%
Net cash used in investing activities, incl.	(1,234.7)	(1,402.5)	167.8	(12.0%)
Capital expenditures	(1,004.5)	(812.2)	(192.3)	23.7%
Net cash used in financing activities	3,091.0	(1,729.7)	4,820.7	n/d
Net increase/(decrease) in cash and cash equivalents	3,324.6	(2,042.0)	5,366.6	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	4,181.7	1,596.1	2,585.6	162.0%

Net cash from operating activities

Net cash received from operating activities amounted to PLN 1,468.3 million in the nine-month period ended September 30, 2023 and increased by PLN 378.1 million (+34.7%) YoY, mainly due to the recognition in the comparative period of a one-time tax payment of PLN 867.9 million resulting from the gain on sale of the Group's mobile infrastructure in 2021. On the other hand, net cash generated from operating activities for the period was under pressure from lower EBITDA and a higher value of working capital employed, which resulted from, among others, the recognition of the deposit paid for the 5G auction, the still increasing level of installment receivables related to strong sales of equipment as well as the recognition of incremental working capital related to the consolidation of PAK-PCE group.

Net cash used in investing activities

Net cash used in investing activities amounted to PLN 1,234.7 million in the period under review and decreased by PLN 167.8 million (-12.0%) YoY. In the analyzed period, we recognized PLN 913.8 million (+270.5 million, +42.1% YoY) in proceeds from the disposal in the third quarter of 2023 of a 12.82% stake in Asseco Poland S.A. and a 100% stake in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. At the same time, in the nine months ended September 30, 2023, we recorded an inflow of PLN 126.9 million from the acquisition of shares in subsidiaries due to PAK-PCE's cash holdings at the time of obtaining control, while in the comparative period the Group recorded a net outflow of PLN 739.0 million due to acquisitions made at that time (mainly the acquisition of a 40.41% stake in PAK-PCE and the acquisition of a 67% stake in Port Praski Sp. z o.o.). In addition, the balance of net loans granted during the three quarters of 2023

amounted to PLN 209.7 million, down by PLN 195.6 million YoY. We note that most of the loans were granted to PAK-PCE for the development of our renewable energy (RES) and green hydrogen projects.

On the other hand, in the first three quarters of 2023, the Group recorded PLN 1,159.4 million (+996.8 million YoY) in expenses related to license payments, in particular PLN 847.0 million related to the renewal of a frequency reservation in the 1800 MHz band in January 2023 and PLN 300.3 million in the 900 MHz band in July 2023.

Capital expenditures on the purchase of property, plant and equipment, and intangible assets amounted to PLN 1,004.5 million in the nine-month period ended September 30, 2023 and increased by PLN 192.3 million (+23.7%) YoY. The increase was mainly due to the consolidation of PAK-PCE Group companies, which are implementing a large-scale investment program aimed at developing our business in the new strategic area of clean energy and green hydrogen production. Investment spending in the RES area are concentrated in the initial phase of projects. In the TMT area, which includes the B2C and B2B services and media segments, the capex-to-revenue ratio remains low at 6.9% for the nine months ended September 30, 2023.

Net cash used in finance activities

Net cash received from financing activities amounted to PLN 3,091.0 million in the nine-month period ended September 30, 2023 compared to PLN 1,729.7 million of net cash used in financing activities in the comparative period. This increase was due to the refinancing of debt from bank loans and bonds which included the conclusion of a new senior facilities agreement with a consortium of banks in April 2023, the issuance of Series D Bonds worth PLN 2.67 billion in January 2023, the issuance of Series E Bonds worth PLN 820.0 million in September 2023 and the early redemption of a portion of Series B and C bonds (for details, see item 3.2.5. of this Report - *Liquidity and capital resources*). The increase in net cash used in financing activities was partially offset by higher interest on loans, borrowings and bonds and commissions paid, which amounted to PLN 942.3 million for the nine months ended September 30, 2023, and increased by PLN 551.4 million (+141.1%) YoY. The increase is partly due to the recognition of interest on loans and borrowings of PAK-PCE Group, consolidated as of July 3, 2023.

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.

Indebtedness of Polsat Plus Group

The table below presents a summary of the financial debt of the Group as at September 30, 2023.

[mPLN]	Balance value as at September 30, 2023]
Loans and borrowings liabilities, including:	11,625.0
<i>loans and borrowings liabilities excluding project financing</i>	10,097.1
<i>project financing liabilities</i>	524.9
<i>liabilities under the revolving credit facility</i>	1,003.0
Bond liabilities	3,864.6
Leasing and other liabilities	564.8
Gross debt	16,054.4
Cash and cash equivalents	4,162.0
Net debt	11,892.4
EBITDA LTM ⁽¹⁾	3,380.8
Total net debt / EBITDA LTM	3.52x
Net debt / EBITDA LTM, excluding project financing ⁽²⁾	3.40x
Weighted average interest cost of loans and bonds ⁽³⁾	8.7%

(1) Consolidated EBITDA LTM adjusted for non-controlling interests.

(2) EBITDA LTM and net debt of companies using project financing are excluded from the calculation of the ratio.

(3) Prospective average weighted interest cost of the Group's debt (including the Revolving Credit Facility) as of September 29, 2023 assuming WIBOR 1M of 6.04%, WIBOR 6M of 5.63% and EURIBOR 1M of 3.85%, excluding hedging instruments project financing and leases.

Bond issues. 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.

On September 28, 2023, the Company issued 820,000 unsecured Series E bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of PLN 8200 million, maturing on January 11, 2030, which were merged into the Series D Bonds as of the same date. At the same time, on September 28, 2023, the Company purchased for redemption 84,250 Series B unsecured bearer bonds with a total nominal value of PLN 84.3 million and 75,956 Series C unsecured bearer bonds with a total nominal value of PLN 76.0 million.

After the issuance of Series E Bonds and their merger with the Series D Bonds and following the redemption of the repurchased Series B and Series C Bonds, bonds listed in the Alternative Trading System operated by the WSE on the Catalyst market include 3,490,000 Series D and Series E bonds, 223,798 Series B bonds and 88,053 Series C bonds.

The Series D and Series E Bonds are Sustainability-Linked Bonds and are linked to sustainable development goals, set out by the Company in the Sustainability-Linked Financing Framework of Polsat Plus Group.

Conclusion of the Senior Facilities Agreement. On April 28, 2023, the Company and Polkomtel, as the borrowers, concluded the Senior Facilities Agreement, which provided for a PLN term facility loan up to PLN 7,255.0 million, a EUR term facility loan up to EUR 506.0 million and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 million. The loan was disbursed on May 16, 2023.

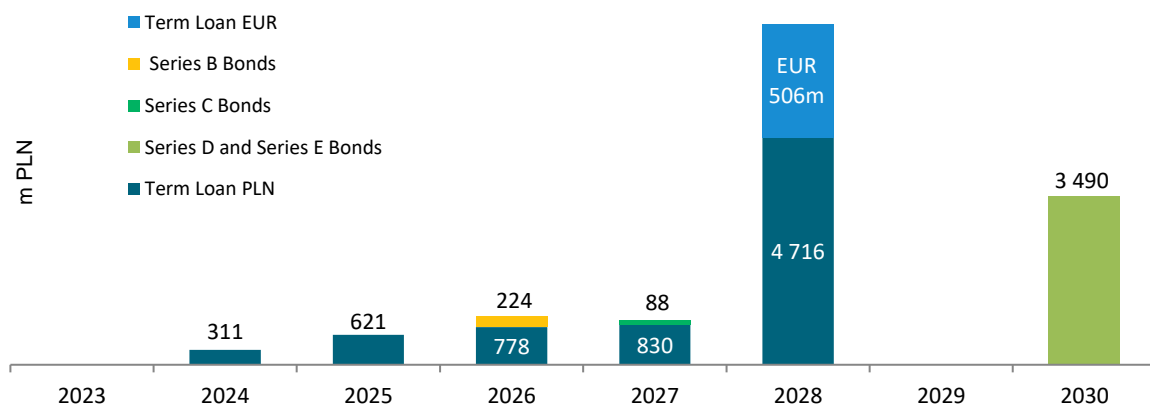
The Senior Facilities Agreement is linked to sustainability goals, set out by the Company in the Sustainability-Linked Financing Framework of Polsat Plus Group.

On May 16, 2023, Cyfrowy Polsat and Polkomtel made an early repayment of the entire term loan and revolving credit facility granted under the senior facilities agreement concluded on September 21, 2015, as amended by agreements dated March 2, 2018 and April 27, 2020, in the amount of PLN 8,843.7 million.

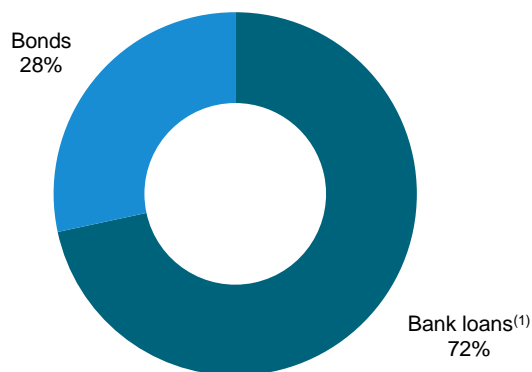
Project financing. With the commencement of the consolidation of PAK-PCE Group using the full consolidation method as of July 3, 2023, liabilities under loans and credits granted to PAK-PCE and investment loans granted to PAK-PCE subsidiaries (project companies) for certain investment projects related to the development of low- and zero-carbon energy sources (project financing) were recognized on the balance sheet (details under "Significant financing agreements" below). The indebtedness under project financings is in each case independent and separate from the Group's financing under the Senior Facility Agreement or the Company's issued series B, C, D and E bonds (corporate financing). Project financings are based on project companies' assets separated from the Group, their separate financial models and ratios (financial covenants) based on stand-alone financial statements, separately defined breaches, separate collateral packages, and serviced with cash generated by the project companies. There is no recourse between corporate financing and project financing. The Senior Facility Agreement does not allow companies other than project companies to guarantee or secure obligations under project financings, and restricts transactions between project companies and other Group companies.

Debt structure and maturity. The graphs below present the maturity profile and the structure of the Group's debt by type and currency, expressed in nominal terms, excluding liabilities arising from project financing, the revolving credit facility and leases, as of September 30, 2023.

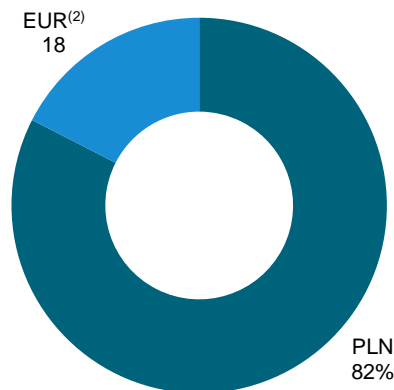
Maturity profile of debt under the Senior Facilities Agreement and bonds as of September 30, 2023



**Debt structure by instrument type⁽¹⁾
as at September 30, 2023**



**Debt structure by currency⁽¹⁾
as at September 30, 2023**



(1) Excluding project financing liabilities, the revolving credit facility and leases.

(2) EUR tranche under the SFA (EUR 506 million) converted into PLN at the exchange rate on the balance sheet date.

Significant financing agreements

A description of the terms and conditions of the issuance of the Series B, Series C and Series D Bonds was presented in item 3.2.5 of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in the first quarter of 2023 and item 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., as the guarantors, concluded the unsubordinated Senior Facilities Agreement, sustainability linked financing, with a consortium of Polish and foreign financial institutions led by Powszechna Kasa Oszczędności Bank Polski S.A., Santander Bank Polska S.A., Bank Polska Kasa Opieki S.A., BNP Paribas Bank Polska S.A., ING Bank Śląski S.A., (Global Banking Coordinators) and Santander Bank Polska S.A. (ESG Senior Coordinator), ING Bank Śląski S.A. and BNP Paribas Bank Polska S.A. (ESG Junior Coordinators) and including SMBC Bank EU AG, Bank of China Limited, Luxembourg Branch, Société Générale Spółka Akcyjna Oddział w Polsce, Bank Gospodarstwa Krajowego, Bank Millennium S.A., PZU Fundusz Inwestycyjny Zamknięty Aktywów Niepublicznych BIS 1, mBank S.A., Credit Agricole Bank Polska S.A., Erste Group Bank AG, Credit Agricole Corporate and Investment Bank, Bank Ochrony Środowiska S.A., Alior Bank S.A., Powszechny Zakład Ubezpieczeń S.A., Powszechny Zakład Ubezpieczeń na Życie S.A., Industrial and Commercial Bank of China (Europe) S.A. (Spółka Akcyjna) Oddział w Polsce, Haitong Bank S.A. Spółka Akcyjna Oddział w Polsce as well as Santander Bank Polska S.A. acting as an Agent and Bank Polska Kasa Opieki S.A. acting as a Security Agent (the “Senior Facilities Agreement”, “SFA”).

The SFA governs the granting of a PLN term facility loan to the Company and Polkomtel up to a maximum amount of PLN 7,255.0 million, a EUR term facility loan up to a maximum amount of EUR 506.0 million (the “Term Facilities”) and a revolving facility loan up to a maximum amount of the equivalent of PLN 1,000.0 million (the “Revolving Facility”).

The Term Facilities and the Revolving Facility are being utilized by the Company in particular:

- to repay in full the indebtedness under the senior facilities agreement of September 21, 2015, as amended,
- to make funds available to companies implementing investment projects defined in the Senior Facilities Agreement. and
- to finance general corporate needs of the Company's capital group.

The Term Facilities and the Revolving Facility bear interest at a variable rate equal to WIBOR/EURIBOR for the relevant interest periods plus margin. The margin of the Term Facilities and the Revolving Facility depends on the level of the consolidated total debt ratio (net debt to consolidated EBITDA) calculated jointly for certain entities from the Company's capital group in such a way that the lower the ratio, the lower the applicable margin, with the maximum margin level applicable when the debt ratio exceeds 4.50:1, and the minimum margin level when that ratio is equal to or less than 1.80:1. The margin of the Term Facilities and the Revolving Facility also depends on the achievement by the Company's capital group of certain targets concerning green energy production and zero-carbon electricity consumption by certain entities from the Company's capital group.

The term of the Term Facilities and the Revolving Facility is 5 years from the date of execution of the Senior Facilities Agreement and the final repayment date of each of these facilities is April 28, 2028. The PLN term facility will be repaid in quarterly 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 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.

Series E Bonds

Pursuant to the resolution of the Management Board adopted on September 7, 2023, Cyfrowy Polsat issued on September 28, 2023 820,000 unsecured Series E bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 820.0 million, maturing on January 11, 2030. The purpose of the issuance was not specified. Part of the proceeds from the Series E Bonds issue was used to refinance the debt under the Series B Bonds and the Series E Bonds. The Series E Bonds were issued by way of a public offering addressed to professional clients. Detailed terms and conditions of the Series E Bonds' issuance, redemption and payment of interest are specified in the Series E Bonds Terms.

The interest rate on the Series E Bonds is variable and depends on both financial indicators and a sustainability-linked KPI, i.e., the share of electric energy produced from zero-emissions sources in the total electric energy usage for own needs of the four main operating companies of Polsat Plus Group (Cyfrowy Polsat, Telewizja Polsat, Polkomtel and Netia).

The interest rate on the Series E Bonds is based on the WIBOR rate for six-month deposits denominated in PLN, increased by a margin whose value depends on the value of the Leverage Ratio (defined in the Series E Bonds Terms as the ratio of the net financial indebtedness to EBITDA) and on the value of the sustainability-linked KPI:

- (i) the margin amounts to 335 bps if the Leverage Ratio in the given period is less than or equal to 3.5:1,
- (ii) the margin amounts to 385 bps if the Leverage Ratio in the given period is greater than 3.5:1 but less than or equal to 4.5:1,
- (iii) the margin amounts to 435 bps if the Leverage Ratio in the given period is greater than 4.5:1.
- (iv) if the value of the sustainability-linked KPI for 2026 is below 30% or the Company fails to provide a settlement of the value of the sustainability-linked KPI as part of the first Compliance Certificate made available after the end of 2026, the interest rate will be permanently increased by 25 bps.

The coupon on Series E bonds is paid biannually on January 11 and July 11.

In accordance with the provisions of the Series E Bonds Terms, the Company may exercise at any time an early redemption of all or part of the Series E Bonds, however, the early redemption may not apply to Bonds that constitute less than 10% of the total nominal value of the Series E Bonds. An early redemption may be exercised based on the Series E Bonds' nominal value together with the accrued interest and a possible premium for the early redemption.

In case if the early redemption, performed as a result of exercising an issuer's right to early redemption by the Company, occurs:

- (i) before one year from the issuance date, the premium shall be equal to 3% of the nominal value of the Series E Bonds subject to the early redemption,
- (ii) before two years from the issuance date but after one year from the issuance date, the premium shall be equal to 1.5% of the nominal value of the Series E Bonds subject to the early redemption,

- (iii) before three years from the issuance date but after two years from the issuance date, the premium shall be equal to 0.75% of the nominal value of the Series E Bonds subject to the early redemption,
- (iv) before four years from the issuance date but after three years from the issuance date, the premium shall be equal to 0.5% of the nominal value of the Series E Bonds subject to the early redemption,
- (v) if the early redemption occurs after four years from the issuance date, the Series E Bonds shall be redeemed according to their nominal value.
- (vi) in each case the premium shall be increased by 0.25% p.a. for the period between the early redemption date and the redemption date in the event that the SPT is not satisfied or the SPT settlement is not submitted as part of the first Compliance Certificate after the end of 2026, if the early redemption date falls after the date on which the Compliance Certificate for 2026 was delivered or was to be delivered.

Additionally, pursuant to the Series E Bonds Terms, the Company and its subsidiaries are obliged to maintain required levels of certain financial ratios and are subject to restrictions, with respect to (but not limited to):

- (i) acquisition or taking up of shares in other companies,
- (ii) extending guarantees or granting sureties, accession to debt or release from liability,
- (iii) granting loans,
- (iv) disposing of assets,
- (v) payment of dividends or advance dividends, payment of the price for own shares, or returns of additional payment to shareholders,
- (vi) incurring of financial indebtedness, and
- (vii) entering into potential composition agreements with creditors which are regulated by the Restructuring Act or another regulation which could replace this law.

In the event of a breach of restrictions specified in the Series E Bonds Terms, Bondholders are entitled to demand an early redemption of Series E Bonds held by those Bondholders with the consent of the Meeting of Bondholders.

In the event of change of control, as defined in the Series E Bonds Terms, cessation of business activity or insolvency by the Company, i.a. by declaring bankruptcy or liquidation of the Company, culpable delay in payment of benefits under the Series E Bonds, withdrawal of all the Company's shares from trading on the regulated market operated by the WSE, or failure to convene the Bondholders' Meeting, Bondholders are entitled to demand an early redemption of Series E Bonds held by those Bondholders.

On September 28, 2023, the Series E Bonds were merged with the Series D Bonds issued by the Company on January 11, 2023.

The Series E Bonds have been traded since September 28, 2023 under the abbreviated name "CPS0130" in the continuous trading system called the Alternative Trading System, operated by the Warsaw Stock Exchange within the Catalyst market (ISIN number: PLCFRPT00070, uniform for series E and series D bonds).

The Series E Bonds are issued under Polish law and any potential disputes related to the Series E Bonds shall be resolved in proceedings at the Polish common court having jurisdiction over the registered office of the Company.

The full contents of the terms of Series E Bonds issue are available to the public on the Company's website at <https://grupapolsatplus.pl/en/investor-relations/bonds> and on the website of the Warsaw Stock Exchange at www.gpwcatalyst.pl.

Financing of green energy production projects

At the date of publication of this Report, in addition to loan agreements with the Group's companies, the companies that carry out investment projects within the Group related to the production of renewable energy and green hydrogen were parties to loan and credit agreements with external parties.

PAK-PCE Biopaliwa i Wodór Sp. z o.o. On July 1, 2022, an amendment to the loan agreement dated January 29, 2021 was concluded between ZE PAK S. A., PAK-PCE Biopaliwa i Wodór Sp. z o.o. (PAK-PCE BiW) and Bank Polska Kasa Opieki S.A., on the basis of which a loan in the total amount of up to PLN 160.0 million was transferred to PAK-PCE BiW to finance an investment project aimed at adapting the existing coal-fired unit at the Konin power plant for burning biomass. The loan is repayable in equal quarterly installments commencing June 30, 2022, with the final repayment date of December 31, 2030. The loan bears interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest period and the margin. The loan balance as of September 30, 2023 was PLN 131.6 million.

In order to secure the repayment of the loan granted, the following have been established and signed: (i) a mortgage on the indicated properties of PAK-PCE BiW, (ii) a financial and registered pledge on the bank accounts maintained by PAK-PCE BiW at Bank Pekao S.A. and a power of attorney for each of the above-mentioned bank accounts, (iii) a transfer for security from the insurance policies of PAK-PCE BiW's assets and an assignment of receivables from the heat supply contracts. bank accounts, (iii) assignment by way of security from insurance policies of PAK-PCE BiW's assets and assignment of receivables from contracts for heat supply to the city of Konin, and (iv) PAK-PCE BiW's statement of submission to execution pursuant to Article 777 § 1 item 5 of the Code of Civil Procedure Act.

On June 23, 2022, PAK-PCE BiW entered into a credit limit agreement with Bank Polska Kasa Opieki S.A. up to a maximum amount of PLN 25.0 million to finance the company's general corporate purposes. The credit limit agreement expires on November 30, 2023. The loan bears interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest period and a margin. As of September 30, 2023, the company had not used the limit.

Farma Wiatrowa Kazimierz Biskupi Sp. z o.o. On September 20, 2022, Farma Wiatrowa Kazimierz Biskupi Sp. z o.o. (FW Kazimierz Biskupi) entered into an agreement with Bank Gospodarstwa Krajowego for an investment loan for the construction of a wind farm. The loan agreement provides for a term loan of up to PLN 135.0 million and a VAT loan of up to PLN 30.0 million. The interest rate on the loans is variable and is the sum of the WIBOR rate for the relevant interest periods and the margin. The loan is repayable in quarterly installments. The first installment is due no later than June 20, 2024, and the final repayment date is December 20, 2038 for the term loan and September 20, 2024 for the VAT loan. The total amount of the investment loan as of September 30, 2023 was PLN 118.8 million.

In order to secure the repayment of the loan, the following have been signed: (i) a financial and registered pledge (subject to registration) on all shares in the share capital of FW Kazimierz Biskupi, together with a power of attorney to exercise corporate rights from such shares; (ii) financial and registered pledges (subject to registration) on receivables under FW Kazimierz Biskupi's bank account agreements, (iii) a registered pledge (subject to registration) on a collection of property and property rights belonging to FW Kazimierz Biskupi; (iv) an assignment for collateral in favor of the bank of rights and receivables under, among others, an electricity sale agreement, a construction works agreement and loan agreements; (iv) a subordination of receivables agreement, pursuant to which PAK-PCE's receivables from FW Kazimierz Biskupi were subordinated to the bank's receivables under the loan agreement; (v) a power of attorney to dispose of FW

Kazimierz Biskupi's bank accounts; and (vi) statements of FW Kazimierz Biskupi and PAK-PCE on submission to execution under Article 777 of the Code of Civil Procedure.

Park Wiatrowy Pałczyn 1 Sp. z o.o. On April 20, 2023, Park Wiatrowy Pałczyn 1 Sp. z o.o. (PW Pałczyn) entered into an investment loan agreement with Bank Polska Kasa Opieki S.A. for the construction of the Miłosław wind farm. The loan agreement provides for a term loan of up to PLN 95.5 million and a VAT loan of up to PLN 5.0 million. The loans bear interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The loan is repayable in equal quarterly installments. The first installment is due no later than June 20, 2024, and the final repayment date is December 20, 2038 for the term loan and December 31, 2023 for the VAT loan. The balance of the investment loan as of September 30, 2023 was PLN 75.3 million.

In order to secure the repayment of the loan, the following have been signed: (i) a financial and registered pledge on PW Pałczyn's shares, (ii) a financial and registered pledge on PW Pałczyn's bank accounts and a power of attorney over each of the aforementioned bank accounts, (iii) a registered pledge on the company's assets, (iv) an assignment of contracts constituting material documentation for the project, (v) an assignment of insurance policies, and (vi) PW Pałczyn's statements of submission to execution pursuant to Article 777 § 1 items 5 and 6 of the Code of Civil Procedure Act.

PAK-Polska Czysta Energia Sp. z o.o. On June 23, 2021, PAK-Polska Czysta Energia Sp. z o.o. entered into a loan agreement with EFG Bank of up to PLN 300.0 million to support all investments and other activities related to renewable energy projects. On March 17, 2023 the maximum amount of available credit was increased to PLN 360.0 million. The loan bore interest at a variable rate equal to the sum of WIBOR for the relevant interest periods and the margin. As of September 30, 2023, the loan balance was PLN 327.7 million. The entire loan balance plus interest was repaid on October 3, 2023.

In addition, PAK-PCE was a party to loan agreements with ZE PAK S.A. for an aggregate maximum amount of up to PLN 795.9 million drawn for the purpose of financing investments related to the development and production of green hydrogen, hydrogen buses and the implementation of RES installations. The loans carried interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The loans matured on December 31, 2023. The total loan debt as of September 30, 2023 was PLN 239.9 million and was repaid with interest on October 3, 2023.

PAK-PCE Fotowoltaika Sp. z o.o. On March 12, 2021, PAK-PCE Fotowoltaika Sp. z o.o. entered into a loan agreement with a consortium of banks consisting of PKO BP S.A., Bank Pekao S.A. and mBank S.A., under which the Company was granted an investment loan up to PLN 175.0 million to finance the construction of a photovoltaic farm, of which PLN 138.0 million was a term loan and PLN 37.0 million was a loan for VAT financing. The VAT loan was repaid on June 30, 2022. Pursuant to an amendment agreement dated March 31, 2023, the term loan limit was increased to a maximum of PLN 182.0 million. The loan bears interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The term loan is repayable in quarterly installments according to a payment schedule commencing on March 31, 2022 and the final repayment date is December 31, 2035. The balance of the loan as of September 30, 2023 was PLN 162.4 million.

In order to secure the repayment of the loan, the following have been signed: (i) mortgage on real estate, (ii) financial and registered pledge on bank accounts, (iii) financial and registered pledge on ZE PAK's shares in PAK-PCE Fotowoltaika, (iv) registered pledge on movable assets, (v) assignment of receivables from the main contracts of the project, including the insurance policy, (v) statement of submission to execution under Art. 777 of the Civil Procedure Code of PAK-PCE Fotowoltaika and ZE PAK, (vi) surety of ZE PAK up to PLN 10.0 million, (vii) power of attorney to the bank accounts of PAK-PCE Fotowoltaika.

In addition, PAK-PCE Fotowoltaika signed 3 loan agreements with ZE PAK S.A. (on March 8, 2021, March 9, 2021 and March 29, 2022) for a total maximum amount of up to PLN 9.5 million. The funds from the loans

received are intended for the construction of the photovoltaic farm and serve the company's current operating needs. The loans bear interest at a variable rate, which is the sum of the WIBOR rate for the relevant interest periods and the margin. The loans mature on December 31, 2035. The total debt on the loans as of September 30, 2023 amounted to PLN 11.1 million.

PAK-PCE Polski Autobus Wodorowy Sp. z o.o. On December 22, 2022, PAK-PCE Polski Autobus Wodorowy Sp. z o.o. (PAK-PCE PAW) entered into an agreement with the National Fund for Environmental Protection and Water Management for financing in the form of a loan for the construction of a production facility for innovative hydrogen buses in Świdnik. The loan was granted for a maximum amount of up to PLN 50.0 million and bears interest at a variable WIBOR 3M rate, with a limitation of its minimum level. The loan is repayable in equal quarterly installments in accordance with the payment schedule commencing on December 20, 2025 and the final repayment date of the loan is December 20, 2037. As of September 30, 2023, the loan balance amounted to PLN 25.7 million.

The agreement with the National Fund for Environmental Protection and Water Management provides for an innovation bonus, i.e. a reduction of the amount of the debt to be repaid by 20%, but not more than PLN 10 million, if the so-called "material effect" is achieved in the form of a production plant being put into operation. In addition, the agreement provides for the cancellation of 25% of the debt upon the achievement of the so-called "environmental effect" in the form of the launch of a sufficient number of innovative green hydrogen buses on the market.

In order to secure the repayment of the loan, the following have been signed: (i) a blank promissory note with a promissory note declaration, (ii) a promissory note surety of ZE PAK S.A. with a promissory note declaration, (iii) a mortgage on the real estate where the project is being implemented, (iv) a statement of submission to execution on the subject of the mortgage, and (v) a pledge on a set of property and rights - after the investment is implemented.

PAK Volt S.A. PAK Volt S.A. signed 2 loan agreements with ZE PAK S.A. to finance the company's ongoing operations: December 15, 2020 for a maximum amount of PLN 13.0 million and November 24, 2022 for an amount of up to PLN 120.0 million. The loans bore interest at a variable rate, being the sum of the WIBOR rate for the respective interest periods and the margin. The repayment date of the December 15, 2020 loan was December 15, 2023. The total loan debt as of September 30, 2023 was PLN 8.2 million and was repaid with interest on October 2, 2023. The November 24, 2022 loan matures on December 31, 2025 and was not drawn down as of September 30, 2023.

Farma Wiatrowa Przyrów Sp. z o.o. On October 16, 2023, Farma Wiatrowa Przyrów sp. z o.o. (FW Przyrów), entered into a loan agreement with EFG Bank (Luxembourg) S.A., which provides for the granting of financing in the form of a term loan of up to PLN 360.0 million, bearing interest at a variable rate equal to the sum of the WIBOR rate for the relevant interest periods and the margin. The funds raised are used to implement the "Przyrów" wind power project with an estimated target installed capacity of 50.4 MW. The final repayment date of the loan was set for October 16, 2028.

Ratings

The table below presents a summary of ratings assigned to Polsat Plus Group as at the date of publication of this Report. Fitch Ratings' detailed justification for the assigned rating is presented in item 3.2.5. – *Liquidity and capital resources – Ratings* – of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in the first half of 2023. S&P Global Ratings' detailed justification for the assigned rating is 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
S&P Global Ratings	BB/ stable	BB+/ negative	21.12.2022	21.12.2022
Fitch Ratings	BB / stable	n/a	n/a	02.06.2023

The Company decided not to prolong the agreement and to terminate its cooperation with Moody's Investors Service rating agency. Accordingly, on July 20, 2023 Moody's withdrew the corporate rating assigned to the Company. The last rating assigned to the Company by Moody's on October 5, 2022 was a long-term rating of "Ba3" with a negative outlook.

3.2.6. Information on guarantees granted by the Company or subsidiaries

Guarantees and sureties granted

In connection with the implementation of investment projects in the green energy segment by the subsidiaries of PAK-PCE, the Company provided guarantees of a significant value for the execution of contracts for the implementation of individual wind farm projects, in particular contracts for the supply and installation of wind turbines concluded with Vestas Poland S.A. and Nordex Poland S.A. As of the date of this Report, the total value of guarantees and warranties provided to the above companies for wind farm projects amounted to EUR 328.3 million, with maturity dates ranging from 2024 to 2026. The financial terms of the guarantees or sureties granted do not deviate from market conditions.

Securities established in relation to the senior facilities agreement of April 28, 2023

In order to secure the repayment of claims under the Senior Facilities Agreement dated April 28, 2023, the Company and other Group companies listed below and Bank Polska Kasa Opieki S.A., acting as a security agent, entered into and signed agreements and other documents providing for the establishment of the following collateral:

- (i) registered pledges over collections of movables and property rights of variable composition, included in the enterprises of the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o.;
- (ii) financial and registered pledges over all shares in Polkomtel sp. z o.o. and Telewizja Polsat sp. z o.o. held by the Company, as well as over all shares in Netia S.A. held by the Company, and all shares in Polsat Media Biuro Reklamy sp. z o.o. and Muzo.fm sp. z o.o. held by Telewizja Polsat sp. z o.o., and over all shares in Polsat Media sp. z o.o. held by the Company, Telewizja Polsat sp. z o.o., Polsat Media Biuro Reklamy sp. z o.o. and Muzo.fm sp. z o.o., for which the applicable law is Polish law, together with powers of attorney to exercise corporate rights attached to the shares in the aforementioned companies;
- (iii) financial and registered pledges over the receivables related to the bank accounts of the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o., for which the applicable law is the Polish law;
- (iv) powers of attorney to the bank accounts of the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o., for which the applicable law is the Polish law;
- (v) registered pledges over the rights to the trademarks of the Company, Polkomtel sp. z o.o., Telewizji Polsat sp. z o.o., Netia S.A., Polsat Media sp. z o.o., for which the applicable law is Polish law;

- (vi) assignment of receivables for security under hedging agreements payable to the Company and Polkomtel sp. z o.o., for which the applicable law is English law;
- (vii) assignment of rights for security under insurance agreements for real properties and assets made by the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o.;
- (viii) statements of the Company, Polkomtel sp. z o.o., Telewizja Polsat sp. z o.o., Netia S.A., Polsat Media Biuro Reklamy sp. z o.o., Polsat Media sp. z o.o. and Muzo.fm sp. z o.o. on submission to enforcement under a notarial deed, for which the applicable law is Polish law;
- (ix) a joint contractual mortgage, governed by Polish law, over the following real properties owned by or in perpetual usufruct of the Company: (a) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00104992/7, (b) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00102149/9, (c) land property located in Warsaw, Targówek district, in the area of ul. Łubinowa, land and mortgage register No. WA3M/00103400/4, (d) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00131411/9, (e) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00100110/3, (f) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00100109/3, (g) land property located in Warsaw, Praga Północ district, land and mortgage register No. WA3M/00102615/7, (h) land property located in Warsaw, Praga Północ district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00132063/1, (i) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00101039/8, (j) land property located in Warsaw, Targówek district, in the area of ul. Zabraniecka, land and mortgage register No. WA3M/00136943/2, (k) land held in perpetual usufruct and a building constituting a separate property located in Warsaw, Targówek district, in the area of ul. Utrata, land and mortgage register No. WA3M/00186120/2;
- (x) a contractual mortgage, governed by Polish law, over land property located in Warsaw, Ursynów district, in the area of ul. Baletowa and Puławska, land and mortgage register No. WA5M/00478842/7, owned by Polkomtel;
- (xi) a joint contractual mortgage, governed by Polish law, over the following properties owned or co-owned by Netia S.A.: (a) land property located in Jawczyce, Ożarów Mazowiecki commune, land and mortgage register WA1P/00133706/7, (b) land property located in Kraków, Podgórze district, in the area of ul. Luciany Frassati-Gawrońskiej, land and mortgage register KR1P/00359665/5, (c) land property located in Warsaw, Ursynów district, in the area of ul. Poleczki, land and mortgage register WA2M/00142936/8, (d) land property located in Warsaw, Ursynów district, in the area of ul. Poleczki, land and mortgage register WA5M/00468204/0, (e) land property located in Warsaw, Ursynów district, in the area of ul. Tango, land and mortgage register WA2M/00138733/4.

Securities established in relation to other loan agreements

Collaterals for the repayment of receivables under loan agreements entered into by companies implementing investment projects within the Group related to renewable energy and green hydrogen production are disclosed in Section 3.2.5 *Liquidity and capital resources - Financing of green energy production projects* of this Report.

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 nine-month period ended September 30, 2023 have been concluded exclusively on market conditions and are described in Note 20 of the condensed consolidated financial statements for the nine-month period ended September 30, 2023.

4.2. Management Board's position on the possibility of meeting previously 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 September 30, 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 May 25, 2023, cassation appeals were dismissed.

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 complaint. Complaint was accepted for consideration by the Supreme Court.

On December 19, 2019, the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and incomplete and unreliable information to consumers in response to claims regarding unavailability of the above programs. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 34.9 million. The Company appealed against this decision to SOKiK. On February 14, 2022, First Instance Court dismissed the Company's appeal in its entirety. The Company submitted a cassation appeal to the Court of Appeal in Warsaw. The appeal hearing took place on October 21, 2022. On November 21, 2022, the Court of Appeal in Warsaw repealed the appealed judgment in its entirety and referred the case to the Regional Court in Warsaw for examination and resolution. On July 24, 2023, Company's appeal was again dismissed. On September 6, 2023 the Company filed an appeal against the judgment.

On December 31, 2019, the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by charging additional fees for data transmission using the RSTP protocol, despite the subscribers having internet packages or unlimited LTE Internet services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 50.6 million. Polkomtel appealed to SOKiK against the decision. On December 15, 2021, SOKiK announced decision in which it dismissed Polkomtel's appeal in its entirety. Polkomtel submitted an appeal against the SOKiK verdict. On July 21, 2022, the Court of Appeal partially revoked the President of UOKiK's decision and reduced a penalty to PLN 16.8 million. On August 4, 2022, Polkomtel paid the penalty in the amount of PLN 16.8 million. Both Polkomtel and President of UOKiK filed a cassation appeals. On January 26, 2023, the Supreme Court refused cassation appeals.

On January 22, 2020, the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 20.4 million. Polkomtel appealed to SOKiK against the decision. On April 8, 2022, SOKiK dismissed Polkomtel's appeal. On May 31, 2022, Polkomtel submitted an appeal against the SOKiK verdict. On March 28, 2023 the Court of Appeal dismissed the appeal. On April 11, 2023, Polkomtel paid a penalty of PLN 20.4 million. After receiving written justification of the judgment of the Court of Appeal, on June 30, 2023, Polkomtel filed a cassation complaint.

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 dates for December 15, 2023 and April 17, 2024.

By lawsuit, delivered to the Company on 16 December 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information claim and claim for payment. The information claim relates to television programs rebroadcasted by the Company in the period from August 20, 2009 to August 20, 2019. In the claim for payment, SAWP claims PLN 153.3 million for the alleged violation of related rights to artistic performances of musical and verbal - musical works through their non-contractual cable rebroadcast. The Company filed for the dismissal entirely. The last hearing took place on March 16, 2022. The court set the hearing date for January 17, 2024.

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 nine-month period ended September 30, 2023. In addition, on December 5, 2022, the Company received a decision from the President of UKE to grant a frequency reservation in the 1800 MHz band for a further period.

In the proceedings instigated by T-Mobile Polska S.A., the President of UKE resumed the proceedings which were terminated on April 23, 2009 by the issuance of a final decision by the President of UKE which sustained the decision of the President of UKE dated November 30, 2007 concerning the frequency reservation in the 1710-1730 MHz and 1805-1825 MHz range. Under these proceedings, in the decision dated November 28, 2017 the President of UKE refused, after resuming the proceedings, to annul the reservation decision of

the President of UKE dated April 23, 2009. This decision was upheld by the decision of the President of UKE dated June 4, 2018. In connection with complaints filed against this decision, in the ruling of March 11, 2019, the Voivodship Administrative Court in Warsaw annulled the decision of the President of UKE dated June 4, 2018. In a judgment dated October 10, 2023, the NSA reversed the appealed judgment and sent the case back to the court of first instance for reconsideration.

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. In a judgment dated October 13, 2023, the Supreme Administrative Court dismissed T-Mobile Polska S.A.'s cassation complaint, as a result of which the proceedings were legally closed.

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

4.4.1. Factors related to social-economic environment

Impact of the military conflict on the territory of Ukraine on Polsat Plus Group's current operations and expected results

In the opinion of the Management Board, despite the lack of significant direct exposure of Polsat Plus Group to the Ukrainian, Russian or Belarusian markets, the war started by the Russian Federation may have a long-lasting effect on the operational and financial results of Polsat Plus Group companies.

In particular, the war has an adverse effect on a number of macroeconomic indicators. Persistent inflation, high interest rates, slowdown in economic growth and disruptions in the supply of raw materials and fossil fuels are reflected in the increasing costs of our current operating activities and the significantly higher debt service costs of the Group.

Apart from macroeconomic and geopolitical factors, which affect virtually every branch of the Polish economy to a varying degree, Polsat Plus Group assesses its operating prospects as relatively stable.

The full impact of the war caused by the Russian Federation on the operational and financial activities of both the Company and Polsat Plus Group cannot be predicted as of today and depends on many factors beyond the Group's control.

Economic situation in Poland and in the world

Macroeconomic trends in the Polish economy as well as global market conditions have thus far affected our operations and operating results, and are expected to continue affecting them in the future. The key factors that impact our operations, in particular the demand for advertisements, the level of expenditures for our services as well as demand for end-user devices that we sell, include GDP fluctuations, inflation, unemployment rate, dynamics of salaries in real terms, social transfers, household consumption, and capital expenditure incurred by enterprises.

After the global and domestic economic slowdown in 2020 following the coronavirus pandemic, Poland's GDP returned to considerable growth in 2021-2022 (+5.7% and +4.9%, respectively, according to the European Commission estimates). The recent OECD forecasts from June 2023 indicated a decelerating national GDP growth rate in 2023 which may remain under pressure (+0.9% YoY) as a result of high inflation, high uncertainty and tighter monetary policy which have an impact of weakening consumer and investment demand, among other factors. For 2024, on the other hand, OECD forecasts economic recovery (+2.1% YoY) as these effects recede.

At the same time, inflationary pressure in Poland clearly intensified, with the average inflation rate estimated by the Polish Central Statistical Office (GUS) at 5.1% in 2021 and 14.4% in 2022. In 2023, the level of inflation began to gradually decrease, nevertheless, only in September 2023 reached single digits. We expect that the persistently high level of inflation will translate in subsequent periods into an increase in the cost of conducting our business.

Situation on the pay TV market in Poland

Our revenue from subscription fees depends on the number of our customers and their loyalty, the pricing of our services and the penetration rate of pay TV in Poland, which we consider to be a saturated market. The high level of competition and the dynamically evolving market environment (including consolidation processes on the cable TV market as well as the continued convergence of mobile and fixed-line services) impact promotional offerings addressed to our new customers. In addition, due to high competition, we continuously invest in customer retention programs and building the loyalty of our customers.

We believe that at present our programming packages constitute an attractive value-for-money offer on the Polish pay TV market. Moreover, we invest in new, attractive and unique content. This gives us a chance to attract a significant portion of migrating customers to our platform. What is more, we offer pay TV services as part of our integrated offer, which has a positive impact of the level of loyalty of our customer base and contributes to maintaining a low churn rate.

Dynamic growth of non-linear distribution of content, delivered by video on demand and OTT (over-the-top) services is a global trend. This market is still underdeveloped in Poland as compared to Western Europe or the United States and in our opinion has significant growth prospects, especially in light of the improving quality of fixed broadband links. The launch of services by global players, such as Netflix, Amazon Prime, HBO, Disney+ or SkyShowtime, is proof that Poland is considered an attractive market. In addition, one of the consequences of the COVID-19 pandemic restrictions has been a deepening of pre-existing trends of consuming content at any time and on any device. In view of the above, we systematically develop our VOD and online television services and applications.

At the same time, in 2023, there has been a noticeable trend in Poland to increase prices for pay-TV services, which is a natural consequence of the distinctly rising costs of purchasing and producing in-house content. Retail price increases apply to basically all technologies - from traditional satellite platforms and cable offerings, through IPTV offerings, to VOD and OTT platforms. In the future, this trend may translate favorably into ARPU growth, while at the same time, in the face of the coming recession, it may cause a part of customers to be inclined to limit their parallel use of more forms of access to paid content.

Development of the advertising market in Poland

A significant part of our wholesale revenue comes from the sale of advertising airtime and sponsoring slots on our TV channels. Demand for advertising airtime is highly correlated with the macroeconomic situation. We expect that the development of the TV advertising market in the coming quarters and years will be influenced by the national GDP growth rate, which, according to OECD forecasts, may remain under pressure in 2023 (+0.9% YoY) as a result of high inflation, high uncertainty and tighter monetary policy which have an impact of weakening consumer and investment demand, among other factors. For 2024, on the other hand, OECD forecasts economic recovery (+2.1% YoY) as these effects recede.

In our opinion, television will remain an effective advertising medium and we believe there is still growth potential for TV advertising in Poland in the long term given the relatively low level of advertising expenditures in Poland as a percentage of GDP and per capita in comparison to other European markets. It is worth noting that despite the growing importance of new media, it is forecasted that television remains an attractive and popular pastime thanks to, among others, new technical opportunities and given that television remains a widely available and affordable source of entertainment for the whole family.

Starting from January 2022, our advertising office Polsat Media decided to replace the current age group used for sales settlements, 16-49, with a broader target group, 16-59. This change was justified by the results of published research, which indicates that people from older age groups remain professionally active for longer and are active consumers, which makes them an attractive target group for advertisers. A similar trend, consisting in expanding commercial age groups, is also observed in other European markets. The 16-59 year olds make up ca. 58% of the TV audience in Poland. In our opinion, the inclusion of the age group of 16-59 year olds in the advertising sales calculation may positively affect the value of the advertising market in Poland and, consequently, our advertising revenues.

The value of the TV advertising market was temporarily negatively affected by the refarming of the 700 MHz bandwidth finalized in the second quarter of 2022, which resulted in a change in the frequency and broadcasting standard of terrestrial TV stations from DVB-T to DVB-T2. The ability to receive terrestrial TV in the new standard requires a TV set with appropriate parameters. Owners of older-type TV sets, i.e. nearly 1 million viewers in Poland according to the survey of Krajowy Instytut Mediów from September 2022, will be able to use terrestrial TV, and thus will be a potential target group for advertisers, only after replacing the receiver or purchasing a new set-top box. As a result of an administrative decision, in the refarming process unequal treatment was given to commercial broadcasters, who had to switch to the new DVB-T2 broadcasting standard countrywide by the end of June 2022, and public broadcaster TVP, who can broadcast in the old DVB-T standard until the end of 2023. 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. The above described decisions have been adversely affecting the viewership results of our TV channels.

Prospects of the online advertising market are positive. According to the IAB AdEx report for 2022, online advertising expenditures in Poland increased at a rate of 10% YoY and reached the value of PLN 6.9 billion. The two main segments of the online advertising market in which we are present, i.e., display and video, were responsible for 45% of total expenditures on the online advertising market and their total value increased by 7% YoY. We believe that following the acquisition of Interia.pl Group and thus gaining a leading position on the online advertising market we are one of the beneficiaries of the development of these promising segments of the advertising market in the following periods.

Growing importance of convergent services and consolidation trends on the telecommunication and pay TV markets

Convergence of services is one of the strongest trends both on the Polish media and telecommunications market and worldwide. Operators develop their bundled offerings in response to changing preferences of

customers, who seek media and telecommunications services provided at competitive prices by a single operator under a single contract, a single invoice and a single fee. Given the high saturation of the pay TV and mobile telephony markets, bundled services play very important role in maintaining the existing customer base.

In the wake of the increasing importance of convergence and bearing in mind the significant level of fragmentation of the broadband access market, it can be expected that the future shape of the Polish telecommunications and media market will be substantially impacted by consolidation trends which have been visible for a long time on more developed foreign markets, where mobile and fixed-line operators merge with content providers.

The acquisition of a controlling stake in the fixed-line operator Netia by Polsat Plus Group in 2018 can serve as an example of such consolidation in Poland. Thanks to this acquisition we combined within our Group all assets necessary to provide fully convergent services, which facilitates better adjustment of the offering to customers' needs and more effective cost management.

Our immediate competitive environment is also undergoing changes in ownership and partnerships that will shape the markets in which we operate.

Orange Polska. In July 2021, Orange Polska together with Dutch pension fund APG Group established a company Światłowód Inwestycje in order to develop a fiber optic network, mostly in areas with a low or medium level of competition. We are of the opinion that the construction of an open fiber optic network by Światłowód Inwestycje may create a chance for certain telecommunication or pay TV operators to strengthen their convergent offers.

Orange has also entered into cooperation agreements with wholesale operators such as Inea, Nexera and Tauron to extend the reach of its fiber optic services.

T-Mobile Polska. In July 2018, T-Mobile Polska and Orange Polska signed an agreement based on which T-Mobile provides broadband services to its customers through part of Orange's fiber optic network. Through this collaboration T-Mobile rolled out a convergent service offering for residential customers in mid-2019. Since 2020 the operator has also been providing convergent services relying on access to fiber optic networks of Nexera and Inea.

P4. In November 2020, Iliad, a French telecommunications group, took control over P4. As part of its strategy to develop convergent services in Poland, P4 acquired cable operator UPC Polska in April 2022.

In March 2023, P4 transferred to Polski Światłowód Otwarty, a joint venture with French fund InfraVia Capital Partners, the broadband infrastructure of UPC Polska, covering more than 3.7 million households. Polski Światłowód Otwarty intends to make its network infrastructure available to other telecom operators under an open and non-discriminatory wholesale access model. In addition, in October 2022, P4 signed wholesale agreements with Orange Polska and Światłowód Inwestycje, with the aim of expanding its fixed-line broadband coverage.

Cable network operators. The fragmented Polish cable network market, which comprises around 300 operators, is undergoing consolidation. An example of the process is the acquisition by Vectra, the no. 2 operator in terms of size, of Multimedia Polska, the no. 3 cable player on the market in 2020.

In addition, the Polish cable network market saw similar acquisitions but on a smaller scale, executed by, among others, Orange, P4, Vectra and Netia. In particular, in 2019-2022 Netia acquired four local cable network players. We expect that the consolidation trends on the cable network market will continue in the years to come.

Changes in pricing of mobile services

An important trend visible since 2019 in the Polish mobile telephony market is the gradual introduction by all major telecommunication operators of modifications to their retail services pricelists which in particular consist in increasing monthly fees in exchange for higher data transmission packages (the more-for-more pricing strategy), cancelling selected low-end tariff plans or increasing rates for connections made above package limits. These changes are associated, among others, with increased demand for data transmission, low level of prices of telecommunication services in Poland, inflationary pressure on costs of telecommunication activities and a shift in strategies of certain operators towards building customer value and fostering revenue and profitability connected, among others, with the planned investments in 5G network construction.

The gradual launch of 5G networks enables operators to apply different prices to offers based on the latest technology, which ensures a definitely higher comfort of using mobile services. 5G technology will allow to obtain speeds which ultimately can exceed 1 Gb/s while minimizing latency. At the same time, it will ensure a significantly larger capacity of newly built networks, translating into a higher number of end-user equipment which can simultaneously use data transmission in a comfortable manner. However, intensive usage of 5G technology will require larger data packages, which may be offered in higher-end tariff plan proposals.

In 2021, Plus introduced new 5G pricelists, addressed to both individual and business customers, which offered larger data packages at higher subscription fee thresholds (more-for-more strategy). Changes of a similar nature, aimed at moving customers who use 5G services up the pricing ladder, are also being implemented by other operators. In our view, these changes reflect both the increasing demand for higher data packages and growing customer acceptance for paying more for services offered in the most advanced technological standards.

In parallel, the strong inflationary pressure that is being experienced in the Polish market in 2022 and 2023 is reflected in the observed adjustments of price lists introduced by telecom operators, including, among others, the implementation of inflation clauses into customer contracts, increasing subscription fees after the basic 24-month contract period, withdrawing the cheapest tariffs from the offer or raising subscription thresholds in line with the more-for-more strategy. In March 2023, Plus introduced new offers for voice, 5G/LTE Internet and fiber optic subscriptions for retail and business customers, offering larger data bundles for a higher monthly subscription, in line with its more-for-more strategy.

We expect that the above mentioned changes, in connection with increasing demand for transfer in mobile devices and persisting popularity of remote working and learning, shall translate favorably into the growth of the Polish telecommunication market in the medium and long-term.

Development of 5G technology in Poland

In accordance with the European Digital Single Market strategy and guidelines of the European Commission, in 2020 there should have been a fifth generation (5G) telecommunication network operating in at least one city of each EU Member State. According to EU expectations, Member States should have wide network coverage in 5G technology by 2025.

The frequencies from the 700 MHz, 3.4-3.8 GHz (3.6 GHz) and 26 GHz bandwidths have been designated for the purposes of development of 5G networks in Europe. At present, the processes of spectrum allocation, depending on availability, are ongoing in respective European states.

On June 22, 2023, the Office of Electronic Communications (UKE) announced an auction for frequency reservations in the 3.6 GHz band, which ended on October 18, 2023. As a result of the auction, 4 blocks of 100 MHz each were distributed as follows: Polkomtel acquired Block A (3400-3500 MHz) for PLN 450.0 million, P4 acquired Block B (3500-3600 MHz) for PLN 487.1 million, Orange acquired Block C (3600-3700 MHz) for PLN 487.1 million and T-Mobile acquired Block D (3700-3800 MHz) for PLN 496.8 million.

Reservations of frequencies will be made according to a reservation procedure that will be initiated after the auction. We anticipate that reservation decisions will be issued in December 2023. Upon receipt of the reservation decision, each participant will have 14 days to pay the auctioned reservation fee. The deposit of PLN 182 million paid by the participants together with the initial bid will be deducted from the auctioned reservation fee.

In accordance with the auction documentation, quantitative, coverage and qualitative commitments for network development, as detailed in Section 2.3 – *Events after the balance sheet date* – of this Report. These obligations will have a significant impact on our financial results, in particular the costs of further development of the 5G network, and our Group's operations.

The Group is successively expanding its 5G network, launched in May 2020, operating on dedicated frequencies in the 2600 MHz TDD band. With nearly 3,500 transmitters, Plus' 5G network already covers more than 20 million people living in nearly 1,000 towns and cities. In August 2023, we launched the 5G Ultra network, which is available to more than 4.2 million people in 171 locations in Poland, thanks to nearly 700 base stations, and offers transfer speeds similar to fiber - 1Gbps.

On the other hand, precise information regarding the distribution and use of frequencies in the 700 MHz band is lacking. In 2019, a concept was developed to implement 5G technology based on the 700 MHz band to build a unified infrastructure that would cover the entire territory of Poland. This concept assumed the cooperation of mobile operators and the State Treasury in the form of a company called #Polskie5G. As of the date of publication of this Report, the final conditions or deadlines for the distribution of the 700 MHz band in Poland are not known.

Regarding the 26 GHz spectrum, in July 2020 UKE conducted consultations with market representatives on the utilization of the spectrum from the 26 GHz band as well as of the spectrum from other millimeter frequency bands. According to operators, who took part in the consultations, frequency allocations in the 26 GHz band should be made in 2022- 2023 at the earliest, i.e., when greater availability of end-user equipment operating in this band is expected. As of the date of publication of this Report, however, no plans are known regarding the timing of distribution of frequencies in the 26 GHz band.

Demand for data transmission on smartphones

In Poland, the popularity of smartphones has been dynamically growing. Currently, smartphones have almost completely replaced traditional handsets in our sales mix. Concurrently, there is an increasing interest in more technologically advanced devices, which ensure much better user experience. In particular, this is the case for smartphones supporting 5G technology, the price of which has been rapidly reduced from initially high levels and now these devices are available at affordable prices.

The growing popularity of smartphones is reflected in increasing demand for data transmission in the small screen equipment segment. According to estimates presented in the Ericsson Mobility Report of June 2023, the scale of data transmission in the Central and Eastern Europe region, to which Poland is classified, will increase from 14 GB per month in 2022 to 37 GB per month in 2028, driven also by the increasing popularity of 5G technology. We expect that the growing popularity, availability and technological advancement of smartphones combined with improving quality parameters of mobile data transmission and the constantly expanded offer of applications and content for customers shall continue to be the driving factor behind growing demand for data transmission services.

4.4.2. Factors related to the operations of the Group

Entering the market for energy production from low- and zero-emission sources

The Polish energy sector is currently at the threshold of a transformation involving the need to replace coal in the national electricity generation mix with clean, renewable energy sources and building energy independence in view of geopolitical challenges. An important driving force behind the changes in the Polish energy sector is the growing awareness, both in Poland and at a global level, of the need to combat climate change as well as the consistent climate policy of the European Union, which, on the one hand, offers significant support for the development of renewable energy sources, and on the other hand, strongly limits the possibilities of financing investments based on conventional fuels. Geopolitical uncertainty caused by the war in Ukraine and Russia's aggressive energy policy are additional factors justifying the need for Poland to seek alternative energy sources.

We believe that Poland's energy transformation towards clean, zero- and low-emission energy constitutes an excellent moment for new players to enter this promising market and creates new development opportunities for Polsat Plus Group. We believe that solar and wind power plants as well as stable low-emission sources, such as biomass turbines, will dynamically gain in importance. At the same time we believe that from the perspective of strengthening the energy independence of Europe and Poland a step into the future is already necessary, towards an economy and society based on green hydrogen. In our opinion, hydrogen technology will be important in reducing greenhouse gas emissions on a global scale due to its wide applications in industry, transport and power generation.

In December 2021, we expanded our strategy to include a new business pillar based on clean energy production. Between 2022 and 2026, we want to invest ca. PLN 5 billion to achieve about 1,000 MW of installed clean energy production capacity from photovoltaics, biomass, wind farms or thermal waste treatment and ca. PLN 0.5 billion to build the full value chain of the economy based on green hydrogen.

As part of the implementation of Strategy 2023+ in the area of clean energy, on July 3, 2023, we acquired a majority stake in PAK-Polska Czysta Energia, as a result of which we began consolidating the financial results of PAK-PCE Group using the full method. The successive construction and commissioning of projects currently under construction (see Section 3.1.3. of this Report for details) by PAK-PCE Group companies will have a significant impact on our financial results, including, among others, the level of consolidated revenues, consolidated balance sheet, consolidated cash flow, consolidated EBITDA and debt/EBITDA ratio.

In particular, the results of the following quarters will be influenced by the recognition, starting from the third quarter of 2023, of the financial results of the renewable energy (RES) installations already operating within PAK-PCE Group, i.e. the Brudzew photovoltaic farm, expanded by the Cambria wind farm in the third quarter of 2023, Miłosław and Kazimierz Biskupi wind farms, commissioned in the third quarter of 2023 and the biomass units, as well as the results of PAK-VOLT, which trades in energy.

In view of the dynamic implementation of our Strategy 2023+, we expect a significantly higher level of capital expenditure in the following periods related to the expansion of the production capacity from renewable energy sources and the implementation of projects related to building the full value chain of a green hydrogen economy.

Strengthening of our market position in online advertising

Thanks to the strategic acquisition of Interia.pl Group in July 2020 we significantly strengthened our position on the dynamically growing Internet and online advertising market.

The Internet portal 'Interia.pl,' which belongs to the Group, is one of the largest horizontal portals in Poland and combines electronic mail, thematic services and mobile apps which generate income from many revenue

streams. The average monthly number of users of the websites and applications of the combined Polsat-Interia media group amounts to ca. 21 million, and the average monthly number of page views reaches 2 billion.

Following the acquisition of Interia.pl Group we have gained an additional channel for distribution and monetization of the content produced by Telewizja Polsat's channels. We achieve cost optimization thanks to the insourcing of online marketing campaigns for the brands from Polsat Plus Group's portfolio. Moreover, we have increased efficiency of sales of advertising space by Interia.pl Group thanks to its integration, from October 2020, with our media house Polsat Media. As a result of these actions, we quickly achieved the synergies we assumed, which translated directly into the financial results obtained by Interia.pl Group.

Furthermore, on July 20, 2023, we acquired the website naEKRANIE.pl. It is a pop culture portal writing about movies, TV series, books, comics and games, as well as technology. The above acquisition is another step supporting the development of Polsat Plus Group's position and significance on the new media market.

Demand for data transmission and 5G services

In 2022, our customers transferred over 2 EB of data as compared to 1.8 EB transferred in 2021, which represents a 14% growth YoY. To meet the rapidly growing consumption of data transmission while maintaining the highest quality of our services, we continue to develop our telecommunication network. In particular, having reached the level of coverage of 100% of the population with our LTE and HSPA/HSPA+ network, we focused on expanding the capacity of our telecommunication network and extending the footprint of the 5G technology, which covered over 20 million people in almost 1000 locations in March 2023.

The TDD technology implemented at the current stage of development of our 5G network enables data transmission using one common fragment of spectrum for alternating downlink/uplink transmission. This approach offers balance between data transmission speed (up to 600 Mbps) and coverage (i.e. wide availability), while maintaining the highest quality of both parameters. With the 5G Ultra project, a 2100 MHz band in TDD technology was added to the 2600 MHz band in FDD technology, thus launching the first 5G band aggregation in Poland and achieving up to 800 Mbps transfer to the subscriber in 5G and more than 1Gbps aggregate (5G and 4G). In the future, as the 5G network develops, the current use of the 2.6 GHz band will guarantee better land mass coverage than when using the 3.4-3.8 GHz bands only and it will enable us to maintain a competitive edge during subsequent stages of 5G network roll-out by offering the possibility of aggregating 5G frequency bands.

In early 2021, we introduced new 5G tariff plans addressed to both individual and business customers, which offered larger data packages compared to 4G tariff plans at higher prices with a minimum subscription fee threshold set at PLN 60 (premium positioning strategy). In turn, in August 2021, 5G was offered to all Plus new customers or customers extending their existing contract based on new tariff proposals (more-for-more strategy). Next, in March 2023, we introduced new subscription plans which include larger data bundles than those offered previously with a simultaneously increased subscription fees enabling 5G technology to all our customers. We believe that the 5G technology is associated with demand for larger data packages and thus supports customer migration to higher tariffs and building customer value.

Development of the Group's streaming platforms

Our Internet services and applications Polsat Box Go Go and Netia Go strengthen our position as an aggregator and distributor of content. We continue to develop our services using our experience in sales of pay TV, which helps us achieve synergies in terms of costs and revenues. The distinguishing element of our platforms is the unique, local content produced by TV Polsat.

In September 2023, we introduced changes to our VOD service offerings. The former polsatgo.pl service, where users could watch video content free of charge in exchange for watching commercials before and during the broadcast of the material, was finally shut down. In turn, our subscription service polsatboxgo.pl

has been enriched with a new *Polsat Box GO Start* package, whose users can watch their favorite programs for a small annual fee and with a very limited number of commercials aired before the video material. In addition, existing *polsatgo.pl* users have been offered free access to the new *Polsat Box GO Start* package at *polsatboxgo.pl* for a period of two months.

Mobile video traffic is the fastest growing segment of global mobile data traffic. Bearing this in mind, we believe that online television will make an increasingly significant element of our business in the future. Therefore, we pay attention to providing users of our video services with a wide variety of attractive content. In particular, the coronavirus epidemic and the accompanying lockdowns contributed to higher interest of customers in online television offer, especially with regard to sports events, film and series content as well as entertainment shows. We think that such a trend will continue in the future and that we will benefit from it thanks to investments in the development of this segment of our operations.

Growing importance of integrated services

Growing interest in integrated services, observed among our customers, provides us with the possibility to generate growth of average revenue per customer. We carefully follow the evolution of consumption patterns and our customers' expectations and strive to meet their growing needs by combining our pay TV, broadband access and mobile telephony services into attractive packages, complementing them with products and services outside our core activity. We are aspiring that our services meet the needs of every customer and are available everywhere. That is why we constantly work on expanding our offering and enter new distribution markets for our services.

Thanks to the acquisition of Netia we have strengthened of our market position in integrated services. We have expanded our portfolio with a wide range of fixed-line products and services, in particular with fixed-line broadband Internet offered, among others, in fiber optic technologies. Netia provides its services via its own access network with approximately 3.3 million homes passed, out of which, as at the end of September 2023, around 2.3 million were within the reach of broadband Internet with transmission speed of 1 Gbps. Netia's own network is supported by an extensive, nationwide backbone infrastructure. Thanks to the cooperation with wholesale partners, i.e. Orange Polska, Światłowód Inwestycje, Nexera, Fiberhost and Tauron this potential has been further strengthened. As a result Polsat Plus Group can already offer fixed broadband access services in fiber optic technologies at over 6 million address points.

Our bundled services offers, addressed both to our individual and business customers, enable our customers to combine products in a flexible way and benefit from attractive discounts. The possibility of selling additional products and services (cross-selling) to our customer base has a positive impact both on our stream of revenue and the level of ARPU per contract customer, and contributes to maintaining high loyalty of customers, who use our bundled services.

Furthermore, we offer a broad range of complementary services to every basic service. We combine our traditional pay TV services provided in the satellite and Internet (OTT, IPTV) technologies with VOD, PPV, Multiroom and online video services. We propose optional value added services (VAS) to our Internet access and mobile telephony services, which include, among others, entertainment, music, news, localization or insurance services.

Effective use of the potential in the area of provision of integrated services and value added services to our customers, both through up-selling of single products and value added services, as well as through the sale of bundled offers and cross-selling, may significantly increase the number of services used by each individual customer, thus increasing average revenue per customer (ARPU) and concurrently maintaining the churn ratio on a low level.

Investment in increasing the attractiveness of offered content and monetization of sports rights

We offer the biggest and most versatile portfolio of TV channels on the Polish market, which places us in the leading position in terms of viewership among private television groups in Poland and translates into our share in the advertising market. TV Polsat Plus Group channels' portfolio consists of 42 own channels. In July 2023, we expanded it to include three channels from the 4FUN family: 4FUN.TV, 4FAN DANCE and 4FUN KIDS, which in our opinion will further enhance the attractiveness of our offer and should contribute to increasing the audience of our thematic channels. Moreover, there is a group of 5 cooperating channels which are related with Polsat Plus Group either by capital or joint broadcasting projects. The portfolio of our thematic channels includes general entertainment, music, sports, news, lifestyle, movie and children's channels. Our direct production covers mainly news programs, documentaries, shows and series based on international formats as well as own concepts. Moreover, we have contracts with major film studios which provide access to a wide selection of the most attractive films and series. In June 2022, we entered into cooperation with Disney+ and were the only pay-TV and telecommunication service provider in Poland to include access to Disney+ platform in our packages when it entered the Polish market.

An important element that differentiates us on the market is a rich and unique broadcasting offer of the largest and most interesting sports events worldwide. Our offer is exceptionally attractive for fans of football and volleyball. We offer football fans broadcasts of qualifiers to the UEFA European Championships and the FIFA World Championships as well as the football Nations League. Additionally, we own rights to the world's most popular football club competitions – the UEFA Champions League. As for volleyball, we offer the biggest and most prestigious volleyball tournaments – the men's and women's World Volleyball Championships, exciting games of the volleyball Nations League, the men's and women's Europe Volleyball Championships, the club volleyball competitions of Polish Plus Liga and Tauron Liga and also the volleyball matches of CEV Champions League. We also offer boxing and mixed martial arts galas (UFC, Cage Warriors, FEN, Babilon MMA), Wimbledon and ATP 1000 and 500 tournaments, and many others.

Following the acquisition of a controlling stake in the Polish company Eleven Sports Network in May 2018 we gained access to attractive sports rights which are sold as program packages to pay TV operators active on the Polish market as well as directly to customers through OTT applications (among others, ELEVEN SPORTS and Polsat Box Go). This premium sports content includes Spanish LaLiga EA Sports and Supercopa de España, Italian Serie A, English The Emirates FA Cup, French Ligue 1 Uber Eats, German DFB-Pokal, Belgian Jupiler Pro League and speedway races of the Polish PGE Ekstraliga as well as the Swedish Bauhaus Ligan Elit Speedway and the Danish Speedwayligaen Denmark. The Eleven Sports 1 channel is available also in 4K technology - viewers can watch selected events in their native UHD quality, e.g. selected matches of LaLiga EA Sports or Serie A. Unique sports content represents an important element that builds the value of our pay TV offering.

In parallel, we also seek to monetize TV channels from our portfolio by offering them in a wholesale offer to other entities which provide pay TV services on the Polish market. This translates positively into the level of wholesale revenues we generate in the media segment.

4.4.3. Financial factors

Interest rate fluctuations

Market interest rate fluctuations do not impact our revenue directly, but they affect our cash flows from operating activities through the amount of interest on current bank accounts and deposits, and also cash flows from financing activities through the Group's costs of servicing debt. In particular, our liabilities under the SFA of April 28, 2023 and the issued bonds are calculated based on variable WIBOR/EURIBOR interest rates increased by a relevant margin. From January to August 2023, the NBP kept the reference interest rate at 6.75%.

The Euro-denominated tranche of the Term Loan bears interest based on the floating EURIBOR rate plus a specified margin. In 2023, EURIBOR remained on an upward trend as a result of the successive tightening of monetary policy by the European Central Bank.

After the reductions made in September and October 2023, the level of the reference rate is 5.75%. Persistently high interest rates translate and will continue to translate in future periods into a significant increase in our interest expense and, as a result, on our financial results.

We systematically analyze interest rate risk on an on-going basis, including refinancing and risk hedging scenarios, which are used to estimate the impact of specific interest rate fluctuations on our financial result. In order to reduce exposure to interest rate risk related to interest payments based on a floating rate, we actively apply hedging strategies based on derivative instruments, swaps (IRS) in particular. As at September 30, 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 around 23% of the Group's exposure to the Polish zloty tranche of the SFA and the bonds issued while EURIBOR interest rate hedging transactions, maturing in 2026, hedged about 10% of the exposure with respect to the Group's debt arising from the Euro-denominated tranche of the SFA.

Fluctuations in interest rates could limit our ability to meet our current obligations and could have a material effect, both positive and negative, on our results of operations, financial condition and prospects.

Exchange rates fluctuations

The Polish zloty (PLN) is our functional and reporting currency. Our revenue is primarily denominated in PLN, whereas a portion of our expenses and capital expenditures is denominated in foreign currencies.

Foreign exchange rate fluctuations have historically affected the level of our operating costs, finance costs, as well as the profit or loss on investing activities, and are expected to do so in the future. In particular, our exposure to foreign exchange rate fluctuations stems from our foreign currency payments made in different areas of our operations. These include, among others, payments for license fees, transponder capacity, purchase of content and equipment, international roaming and interconnect agreements or purchase of wind turbines or photovoltaic modules.

In addition, we may be exposed to foreign exchange risk in connection with the euro-denominated tranche of the SFA, as changes in the euro exchange rate against the zloty will result in an increase or decrease, respectively, in the zloty-denominated cash required to service interest payments on the euro-denominated tranche of the SFA.

We have no control over how exchange rates change in the future, and consequently foreign exchange rate fluctuations will continue to affect (positively or negatively) our operations and financial results. Considering our open exposure to currency exchange risk, we have in place a market risk management policy and use, *inter alia*, natural hedging and hedging transactions, in particular with regard to the currency risk arising from interest payments on the loan granted to the Group in euros.

4.4.4. Factors related to the regulatory environment

Cap interconnect rates for termination of calls in other networks

The provisions of the European Code of Electronic Communication assume regulation of MTRs and FTRs. In line with the provisions of this directive, in 2020 the European Commission issued a delegated act specifying the highest levels of MTRs and FTRs that can be applied by operators in the European Union. Ultimately, the cap rates are to amount to 0.2 euro cents per minute for MTRs and 0.07 euro cents per minute for FTRs. The delegated act adopted by the European Commission provides for a transition period with a time schedule for reducing the rates in order to reach their assumed level in January 2024 for MTRs and January

2022 for FTRs, respectively. The time schedule for reducing the rates came into force on July 1, 2021 and is presented in the table below.

[EUR or PLN per minute]	Cap rates for termination of calls in other operators' networks in the EU from:			
	July 1, 2021 to December 31, 2021	January 1, 2022	January 1, 2023	January 1, 2024
Mobile termination rate (MTR)	EUR 0.007	EUR 0.0055	EUR 0.004	EUR 0.002
Fixed termination rate (FTR)	PLN 0.005	EUR 0.0007	EUR 0.0007	EUR 0.0007

The gradual reduction of the MTR and FTR rates implemented by the EU will impact the results of Polsat Plus Group in the next periods. In particular, the above mentioned regulation translates into a decrease of wholesale revenue from interconnection settlements, both mobile and fixed-line, and a decrease of interconnection costs which are recognized in our technical costs. Due to the fact that the levels of outgoing and incoming traffic in interconnection settlements are similar we expect the impact of the regulation on Polsat Plus Group's EBITDA result to remain relatively neutral.

Extension of the Rome Like at Home (RLAH) regulation

In April 2022, the regulation of the European Parliament and of the Council was published which prolonged the currently binding Roam Like At Home principle (regarding roaming costs while travelling on the territory of the European Union) until 2032.

The regulation also introduced further reductions of the maximum wholesale rates for interconnection settlements for voice call and text messages (in July 2022 and January 2025) and for Internet usage (in July 2022 and then every January in the years 2023-2027). The new price caps are, respectively:

- 0.022 EUR and 0.019 EUR per minute of an outbound voice calls;
- 0.004 EUR and 0.003 EUR per text message;
- 2 EUR, 1.8 EUR, 1.55 EUR, 1.3 EUR, 1.1. EUR and 1 EUR per 1 GB of data transmission.

The regulation also introduces obligations for operators with regard to providing connections to emergency numbers and premium rates services as well as quality of services in regulated roaming.

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, November 8, 2023

Glossary of technical terms

Term	Definition
2G	Second-generation cellular telecommunications networks commercially launched on the GSM standard in Europe.
3G	Third-generation cellular telecommunications networks that allow simultaneous use of voice and data services.
4G	Fourth-generation cellular telecommunications networks.
5G	Fifth-generation cellular telecommunications networks.
ARPU per B2C/B2B customer	Average monthly revenue per B2C/B2B Customer generated in a given settlement period.
ARPU per prepaid RGU	Average monthly revenue per prepaid RGU generated in a given settlement period.
Base transceiver station	(or: relay station / base station / BTS / transmitter / nodeB / eNodeB) – a device equipped with an antenna transceiver which connects a mobile terminal (e.g., mobile phone or mobile router) with a transmission part of a telecommunications network. A base station uses a single technology (2G, 3G or LTE) on a separate carrier (a frequency block from a separate bandwidth). A base station shall not be mistaken with a site.
Catch-up TV	Services providing access to view selected programming content for a certain period after it was broadcast. Cyfrowy Polsat provides such services from 2011.
Churn	Termination of the contract with B2C Customer by means of the termination notice, collections or other activities resulting in the situation that after termination of the contract the Customer does not have any active service provided in the contract model. Churn rate presents the relation of the number of customers for whom the last service has been deactivated (by means of the termination notice as well as deactivation as a result of collection activities or other reasons) within the last 12 months to the annual average number of customers in this 12-month period.
Convergent (integrated) services	A package of two or more services from our pay TV, mobile telecommunications and broadband Internet access offering, provided under a single contract and for a single subscription fee.
Customer	Natural person, legal entity or an organizational unit without legal personality who has at least one active service provided in a contract model. A customer is identified by a unique ID number (PESEL, NIP or REGON).
DTH	Satellite pay TV services provided by us in Poland from 2001.
DTT	Digital Terrestrial Television.
DVB-T	Digital Video Broadcasting – Terrestrial technology.
DVB-T2	Digital Video Broadcasting – Terrestrial Second Generation.
ERP	A family of IT systems supporting enterprise management or shared operation of a group of collaborating enterprises through data collection and enabling transactions on the collected data (enterprise resource planning).
FTR	A wholesale charge for call termination in another operator's fixed-line telecommunications network (Fixed Termination Rate).
GRP	A rating point defined as the overall number of persons viewing a given advertising spot over a specific time, expressed as a percentage share of the target group. In Poland, one GRP equals 0.2 million residents in the primary target group for advertisers aged 16-49 (Gross Rating Point).

Term	Definition
HSPA/HSPA+	Radio data transmission technology for wireless networks, increasing the capacity of the UMTS network (High Speed Packet Access/High Speed Packet Access Plus). It also covers the HSPA+ Dual Carrier technology (Evolved High Speed Packet Access Dual Carrier). It supports transmission speeds of up to 42 Mbps for download and up to 5.7 Mbps for upload.
IPTV	Technology enabling transfer of a television signal over IP broadband networks (Internet Protocol Television).
LTE	Long Term Evolution - a standard for high-speed, wireless data transmission also referred to as 4G. Based on a carrier bandwidth limited to a maximum of 20MHz it supports data transmission speed of up to 150 Mbps (downlink, using MIMO 2x2 antennas).
LTE Advanced	Subsequence standard for high-speed, wireless data transmission of the fourth generation (4G). Through carrier aggregation from different bandwidths (a total of up to 100 MHz) it allows to significantly increase maximum data transmission speed up to 3 Gbps (downlink, using MIMO 8x8 antennas).
MIMO	Multiple Input Multiple Output, a method for multiplying the capacity of a wireless network using multiple transmit and receive antennas.
MTR	A wholesale charge for call termination in another operator's mobile telecommunications network (Mobile Termination Rate).
MUX, Multiplex	A package of TV and radio channels and additional services, simultaneously transmitted digitally to the user over a single frequency channel.
ODU-IDU	Outdoor Unit Indoor Unit, a proprietary solution of Polsat Plus Group based on a set comprising an external LTE modem (ODU) and an indoor WiFi router (IDU), which increases effective coverage and improve the quality of the LTE signal.
OTT (Over-The-Top)	A method of delivering content or television over the Internet without the direct involvement of an Internet access provider (known as an open network).
PPV	Services providing paid access to selected TV content (pay-per-view).
real users	An estimated number of persons who visit a website or open an Internet application at least once in a given month (Real Users).
RGU (Revenue Generating Unit)	Single, active and generating retail revenue service of pay TV in all types of access technology, mobile and fixed-line Internet Access or mobile telephony provided in contract or prepaid model.
Site	(or: mast/tower/roof construction) – a single steel construction located in a separated geographical region which allows to install one or a number of base stations in order to provide radio signal to mobile terminals of end-users within that region.
Usage definition (90-day for prepaid RGU)	Number of reported RGUs of prepaid services of mobile telephony and Internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days. 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 9 months ended 30 September 2023**

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

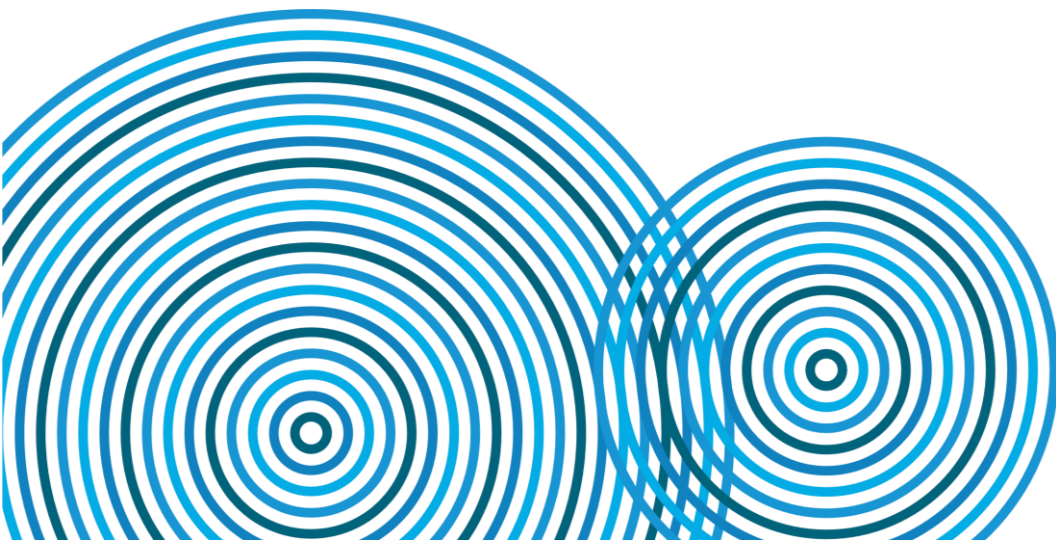


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Approval of the Interim Condensed Consolidated Financial Statements

On 8 November 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 30 September 2023 showing a net profit for the period of: PLN 181.3

Interim Consolidated Statement of Comprehensive Income for the period

from 1 January 2023 to 30 September 2023 showing a total comprehensive income for the period of: PLN 136.5

Interim Consolidated Balance Sheet as at

30 September 2023 showing total assets and total equity and liabilities of: PLN 36,772.3

Interim Consolidated Cash Flow Statement for the period

from 1 January 2023 to 30 September 2023 showing a net increase in cash and cash equivalents amounting to: PLN 3,324.6

Interim Consolidated Statement of Changes in Equity for the period

from 1 January 2023 to 30 September 2023 showing an decrease in equity of: PLN 47.3

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 Błaszczyk
President of the Management Board

Maciej Stec
Vice-President of the Management Board

Jacek Felczykowski
Member of the Management Board

Aneta Jaskólska
Member of the Management Board

Agnieszka Odorowicz
Member of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Warsaw, 8 November 2023

Interim Consolidated Income Statement

	Note	for the 3 months ended		for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Continuing operations					
Revenue	8	3,455.7	3,270.9	9,944.8	9,485.7
Operating costs	9	(3,165.2)	(2,877.3)	(9,002.1)	(8,326.4)
Gain on disposal of a subsidiary and an associate*		220.1	113.4	220.1	113.4
Other operating income/(cost), net		0.3	(6.1)	(23.4)	(25.7)
Profit from operating activities		510.9	500.9	1,139.4	1,247.0
Gain/(loss) on investment activities, net	10	39.9	(18.1)	81.7	(5.5)
Finance costs, net	11	(399.0)	(209.3)	(955.4)	(416.8)
Share of the profit/(loss) of associates accounted for using the equity method*		19.3	23.8	29.7	62.7
Gross profit for the period		171.1	297.3	295.4	887.4
Income tax		(68.9)	(66.2)	(114.1)	(160.8)
Net profit for the period		102.2	231.1	181.3	726.6
Net profit attributable to equity holders of the Parent		120.8	236.7	178.0	740.5
Net profit/(loss) attributable to non-controlling interest		(18.6)	(5.6)	3.3	(13.9)
Basic and diluted earnings per share (in PLN)		0.19	0.42	0.33	1.30

* includes estimated data of the Asseco Poland Group attributable to the Group for the 9 months ended 30 September 2023

Interim Consolidated Statement of Comprehensive Income

	Note	for the 3 months ended		for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Net profit for the period		102.2	231.1	181.3	726.6
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Valuation of hedging instruments	14	(10.1)	(3.6)	(24.4)	22.2
Exchange differences on translation of subsidiaries and associates*		(5.3)	20.0	(20.4)	29.9
Other comprehensive income/(loss), net of tax		(15.4)	16.4	(44.8)	52.1
Total comprehensive income for the period		86.8	247.5	136.5	778.7
Total comprehensive income attributable to equity holders of the Parent		105.1	251.6	135.8	791.0
Total comprehensive income/(loss) attributable to non-controlling interest		(18.3)	(4.1)	0.7	(12.3)

* includes estimated data of the Asseco Poland Group attributable for the 9 months ended 30 September 2023

Interim Consolidated Balance Sheet - Assets

	Note	30 September 2023 unaudited	31 December 2022
Reception equipment		287.2	282.0
Other property, plant and equipment		5,680.9	3,600.9
Goodwill	17	11,276.7	10,818.1
Customer relationships		325.3	643.7
Brands		2,000.0	2,060.9
Other intangible assets		3,450.2	3,340.6
Right-of-use assets		597.9	527.0
Non-current programming assets		327.9	501.8
Investment property		579.8	647.0
Non-current deferred distribution fees		77.7	79.8
Non-current trade receivables		964.2	930.0
Non-current loans granted		117.6	325.6
Other non-current assets, includes:		746.3	1,918.0
<i>shares in associates accounted for using the equity method</i>		80.5	1,884.2
<i>shares in associates valued in fair value</i>		604.2	1.6
<i>derivative instruments</i>		8.9	17.4
Deferred tax assets		151.9	99.9
Total non-current assets		26,583.6	25,775.3
Current programming assets		752.1	699.2
Contract assets		352.2	362.9
Inventories		1,341.0	1,162.4
Trade and other receivables		3,022.5	2,751.3
Current loans granted		19.4	250.5
Income tax receivable		1.3	5.0
Current deferred distribution fees		226.3	217.3
Other current assets, includes:		158.7	137.2
<i>derivative instruments</i>		12.0	63.9
Cash and cash equivalents		4,162.0	808.5
Restricted cash		19.7	9.3
Total current assets		10,055.2	6,403.6
Assets held for sale		133.5	127.7
Total assets		36,772.3	32,306.6

Interim Consolidated Balance Sheet - Equity and Liabilities

	Note	30 September 2023 unaudited	31 December 2022
Share capital	13	25.6	25.6
Share premium	13	7,174.0	7,174.0
Share of other comprehensive income of associates		-	51.9
Other reserves		2,776.7	2,815.9
Retained earnings		8,233.6	8,057.6
Treasury shares		(2,854.7)	(2,854.7)
Equity attributable to equity holders of the Parent		15,355.2	15,270.3
Non-controlling interests		408.3	540.5
Total equity		15,763.5	15,810.8
Loans and borrowings	15	9,072.7	6,624.8
Issued bonds	16	3,497.8	1,900.4
Lease liabilities		399.0	345.6
Deferred tax liabilities		872.8	978.7
Other non-current liabilities and provisions, includes: <i>derivative instruments</i>		410.2 20.3	330.9 4.3
Total non-current liabilities		14,252.5	10,180.4
Loans and borrowings	15	2,552.3	1,512.6
Issued bonds	16	366.8	176.0
Lease liabilities		165.8	178.6
Contract liabilities		706.9	606.8
Trade and other payables, includes: <i>derivative instruments</i>		2,904.4 28.6	3,767.1 2.1
Income tax liability		60.1	74.3
Total current liabilities		6,756.3	6,315.4
Total liabilities		21,008.8	16,495.8
Total equity and liabilities		36,772.3	32,306.6

Interim Consolidated Cash Flow Statement

	Note	for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited
Net profit		181.3	726.6
Adjustments for:		1,483.8	1,492.8
Depreciation, amortization, impairment and liquidation	9	1,415.1	1,365.9
Payments for film licenses and sports rights		(582.4)	(492.8)
Amortization of film licenses and sports rights		492.8	502.9
Interest expense		787.2	466.2
Change in inventories		(50.3)	(66.9)
Change in receivables and other assets		(246.2)	174.4
Change in liabilities and provisions		(122.4)	(391.4)
Change in contract assets		10.7	56.5
Change in contract liabilities		1.9	(27.1)
Foreign exchange losses, net		43.3	18.6
Income tax		114.1	160.8
Net additions of reception equipment		(89.5)	(84.5)
Share of the profit of associates accounted for using the equity method		(29.7)	(62.7)
Gain on disposal of a subsidiary and an associate		(220.1)	(113.4)
Premium for early redemption of bonds		10.1	-
Cumulative catch-up		(20.8)	-
One-time loans repayment		20.8	-
Valuation of hedging instruments		(30.1)	27.4
Profit on derivatives, net		(38.4)	(66.8)
Other adjustments		17.7	25.7
Cash from operating activities		1,665.1	2,219.4
Income tax paid		(266.5)	(1,175.8)
Interest received from operating activities		69.7	46.6
Net cash from operating activities		1,468.3	1,090.2

	Note	for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited
Acquisition of property, plant and equipment		(765.0)	(567.9)
Acquisition of intangible assets		(239.5)	(244.3)
Concessions payments		(1,159.4)	(162.6)
Acquisition of subsidiaries, net of cash acquired	17	126.9	(260.3)
Acquisition of shares in associates		-	(4.9)
Capital increase in an associate		-	(473.8)
Proceeds from disposal of a subsidiary and an associate		913.8	643.3
Proceeds from sale of property, plant and equipment		12.9	2.5
Loans granted		(342.5)	(551.4)
Repayment of loans granted		132.8	146.1
Acquisition of bonds		(20.0)	-
Bonds redemption with interest		22.0	-
Dividends received from associate		73.8	64.0
Other inflows		9.5	6.8
Net cash used in investing activities		(1,234.7)	(1,402.5)
Bonds issue ⁽¹⁾	16	1,745.3	-
Loans and borrowings inflows	15	3,162.9	7.1
Repayment of loans and borrowings	15	(760.1)	(845.1)
Payment of interest on loans, borrowings, bonds, and commissions ⁽²⁾		(942.3)	(390.9)
Payment of lease liabilities		(150.2)	(151.0)
Payment of interest on lease liabilities		(19.6)	(15.1)
Hedging instrument effect		56.5	75.7
Acquisition of treasury shares ⁽³⁾		-	(393.9)
Other outflows		(1.5)	(16.5)
Net cash used in financing activities		3,091.0	(1,729.7)
Net increase/(decrease) in cash and cash equivalents		3,324.6	(2,042.0)
Cash and cash equivalents at the beginning of the period		817.8⁽⁴⁾	3,644.3⁽⁵⁾
Effect of exchange rate fluctuations on cash and cash equivalents		39.3	(6.2)
Cash and cash equivalents at the end of the period		4,181.7⁽⁶⁾	1,596.1⁽⁷⁾

⁽¹⁾ Value of bonds issue reduced by bond interest and early redemption premium settled in conversion

⁽²⁾ Includes amount paid for costs related to the new financing

⁽³⁾ Includes amount paid for costs related to acquisition of treasury shares

⁽⁴⁾ Includes restricted cash amounting to PLN 9.3

⁽⁵⁾ Includes restricted cash amounting to PLN 11.9

⁽⁶⁾ Includes restricted cash amounting to PLN 19.7

⁽⁷⁾ Includes restricted cash amounting to PLN 10.1

Interim Consolidated Statement of Changes in Equity for the 9 months ended 30 September 2023

	Share capital	Share premium	Share of other comprehensive income of associates	Other reserves	Retained earnings ⁽¹⁾	Treasury shares	Equity attributable to equity holders of the Parent	Non-controlling interests	Total equity
Balance as at 1 January 2023	25.6	7,174.0	51.9	2,815.9	8,057.6	(2,854.7)	15,270.3	540.5	15,810.8
Dividend approved and share of profits	-	-	-	-	(2.0)	-	(2.0)	(7.3)	(9.3)
Acquisition/disposal of subsidiary/associate	-	-	(35.3)	(13.6)	-	-	(48.9)	(125.6)	(174.5)
Total comprehensive income	-	-	(16.6)	(25.6)	178.0	-	135.8	0.7	136.5
<i>Hedge valuation reserve</i>	-	-	-	(24.4)	-	-	(24.4)	-	(24.4)
<i>Exchange differences on translation of subsidiaries and associates</i>	-	-	(16.6)	(1.2)	-	-	(17.8)	(2.6)	(20.4)
<i>Net profit for the period</i>	-	-	-	-	178.0	-	178.0	3.3	181.3
Balance as at 30 September 2023 unaudited	25.6	7,174.0	-	2,776.7	8,233.6	(2,854.7)	15,355.2	408.3	15,763.5

⁽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 30 September 2023 the capital excluded from distribution amounts to PLN 8.5

Interim Consolidated Statement of Changes in Equity for the 9 months ended 30 September 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	-	-	-	-	(660.8)	-	(660.8)	(2.7)	(663.5)
Acquisition of treasury shares	-	-	-	(0.2)	-	(393.7)	(393.9)	-	(393.9)
Acquisition of subsidiary	-	-	-	-	(3.6)	-	(3.6)	552.2	548.6
Total comprehensive income	-	-	24.5	26.0	740.5	-	791.0	(12.3)	778.7
<i>Hedge valuation reserve</i>	-	-	-	22.2	-	-	22.2	-	22.2
<i>Exchange differences on translation of subsidiaries and associates</i>	-	-	24.5	3.8	-	-	28.3	1.6	29.9
<i>Net profit for the period</i>	-	-	-	-	740.5	-	740.5	(13.9)	726.6
Balance as at 30 September 2022 unaudited	25.6	7,174.0	56.6	2,827.1	7,899.7	(2,854.7)	15,128.3	526.2	15,654.5

⁽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 30 September 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 four segments:

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

2. Composition of the Management Board of the Company

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

3. Composition of the Supervisory Board of the Company

Composition of the Supervisory Board from 19 July 2023:

- Zygmunt Solorz Chairman of the Supervisory Board,
- Tobiasz Solorz Vice-Chairman of the Supervisory Board,
- Piotr Żak 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,
- Tomasz Szelaǳ Member of the Supervisory Board.

Composition of the Supervisory Board to 19 July 2023:

- Zygmunt Solorz Chairman of the Supervisory Board,
- Marek Kapuściński Vice-Chairman of the Supervisory Board (until 31 May 2023),
- 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 Szelaǳ 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 9 months ended 30 September 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 nine-month period ended 30 September 2023 the following become 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,
- c) Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules,
- d) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements,
- e) Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

5. Group structure

These interim condensed consolidated financial statements for the 9 months ended 30 September 2023 include the following entities:

	Entity's registered office	Activity	Share in voting rights (%)*	
			30 September 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	-(m)	100%
Polsat Investments Ltd.	3, Krinou Agios Athanasios, 4103 Limassol, Cyprus	media	100%	100%
Polsat Ltd.	238A King Street, W6 0RF London, United Kingdom	media	100%	100%
naEKRANIE.pl Sp. z o.o.^(g)	Fabryczna 5a, 00-446 Warsaw	media	60%	-

Interim Condensed Consolidated Financial Statements for the 9 months ended 30 September 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 (%)*	
			30 September 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
4FUN Sp. z o.o.^(h)	Fabryczna 5a, 00-446 Warsaw	media	60%	-
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%
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.^(d)	Konstruktorska 4, 02-673 Warsaw	intellectual property rights rental	-	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%

Interim Condensed Consolidated Financial Statements for the 9 months ended 30 September 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 (%)*	
			30 September 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
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%
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.⁽ⁱ⁾	Plac Europejski 2, 00-844 Warsaw	media	100%	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%

Interim Condensed Consolidated Financial Statements for the 9 months ended 30 September 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 (%)*	
			30 September 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
Esoleo Sp. z o.o.	Al. Wyciągowa 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%
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	.. ⁽ⁱ⁾	100%
Mobiem Polska Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	holding activities	100%	100%
Mobiem Sp. z o.o. (formerly Mobiem Polska Sp. z o.o. Sp.k.)^(c)	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 Wrocław	consulting	60%	60%
Polot Media Sp. z o.o. Sp.k.	Ludwika Solskiego 55, 52-401 Wrocław	movie and TV production	60%	60%
BCAST Sp. z o.o.	Rakowiecka 41/21, 02-521 Warsaw	telecommunication activities	70.02%	70.02%

	Entity's registered office	Activity	Share in voting rights (%)*	
			30 September 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
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%
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 ž, 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%

	Entity's registered office	Activity	Share in voting rights (%)*	
			30 September 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o.				
	Zwierzyniecka 18, 60-814 Poznań	real estate services	-(k)	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	-(l)	66.94%
Port Praski Nowe Inwestycje Sp. z o.o.				
	Krowia 6, 03-711 Warsaw	real estate management	66.94%	66.94%
Port Praski Sp. z o.o. Białystok Sp.k.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	-(p)	66.94%
Port Praski Office Park Sp. z o.o.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski City Sp. z o.o.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski City III Sp. z o.o.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski City IV Sp. z o.o.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski Sp. z o.o. S.K.A.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski Education Sp. z o.o.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski Doki Sp. z o.o.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski Doki II Sp. z o.o.				
	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%

Interim Condensed Consolidated Financial Statements for the 9 months ended 30 September 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 (%)*	
			30 September 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
Port Praski Media Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	45.52%
Port Praski Hotel Sp. z o.o.	Krowia 6, 03-711 Warsaw	hotel services	77.52%	45.52%
Pantanomo Limited^(f)	3 KRINOUE, Limassol 4103, Cyprus	holding activities	77.52%	45.52%
Laris Investments Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	real estate rental	66.94%	66.94%
Laris Development Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	66.94%	66.94%
Laris Technologies Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	property rental and management	66.94%	66.94%
SPV Baletowa Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	66.94%	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%
PAK-Polska Czysta Energia Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	50.5%	(e)
Great Wind Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-

Interim Condensed Consolidated Financial Statements for the 9 months ended 30 September 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 (%)*	
			30 September 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
PAK-PCE Farma Wiatrowa Okonek Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	50.5%	-
PAK-PCE Farma Wiatrowa Jastrowie Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	50.5%	-
Eviva Lębork Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
Eviva Drzeżewo Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
Mese Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	movie and TV production	55.45%	-
PCE OZE 1 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
PCE OZE 2 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
PCE OZE 3 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
PCE OZE 4 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
PCE OZE 6 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
Exion Hydrogen Polskie Elektrolizery Sp. z o.o.	Ku Ujściu 19, 80-701 Gdańsk	manufacture of electrical equipment	50.4%	-
Exion Hydrogen Belgium BV	Slachthuisstraat 120, bus 12, 2300 Turnhout Belgium	manufacture of electrical equipment	50.4%	-
PAK-PCE Fotowoltaika Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
PAK-VOLT S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	trade of electricity	50.5%	-
PG Hydrogen Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	manufacture of engines and turibinas	26.26%	-
PAK-PCE Biopaliwa i Wodór Sp. z o.o.	Przemysłowa 158, 62-510 Konin	production of electricity	50.5%	-

	Entity's registered office	Activity	Share in voting rights (%)*	
			30 September 2023	31 December 2022
Subsidiaries accounted for using full method (cont.):				
PAK-PCE Wiatr Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
PAK-PCE Polski Autobus Wodorowy Sp. z o.o.	Kazimierska 45, 62-510 Konin	manufacture of buses	50.5%	-
PAK-PCE Stacje H2 Sp. z o.o.	Kazimierska 45, 62-510 Konin	retail of hydrogen	50.5%	-
Farma Wiatrowa Przyrów Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
Elektrownie Wiatrowe Dobra Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	-
Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.	Kazimierska 45, 62-510 Konin	engineering activities and related technical consultancy	50.5%	-
Park Wiatrowy Palczyn 1 Sp. z o.o.	Al. Wojska Polskiego 68, 70-479 Szczecin	production of electricity	50.5%	-
Muzo Media Sp. z o.o.⁽ⁿ⁾	Ostrobramska 77, 04-175 Warsaw	movie and TV production	100%	-

* 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.

(d) On 31 May 2023 merger of Polkomtel Sp. z o.o. (acquiring company) with TM Rental Sp. z o.o. (acquired company) was registered.

(e) On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% shares and obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries ("PAK-PCE Group").

(f) On 3 July 2023 Cyfrowy Polsat acquired 32% shares in Pantanomo Limited

(g) On 20 July 2023 Polsat Investments Ltd. acquired 60.0% of shares in naEKRANIE.pl Sp. z o.o.

(h) On 21 July 2023 Polsat Investments Ltd. acquired 60.0% of shares in 4FUN Sp. z o.o.

(i) On 31 July 2023 merger of Interia.pl Sp. z o.o. (formerly Grupa Interia.pl Media Sp. z o.o. Sp.k.) (acquiring company) with Grupa Interia.pl Sp. z o.o. Sp.k. (acquired company) was registered

(j) As of 31 July 2023 Telewizja Polsat Sp. z o.o. holds 100% shares in Eleven Sports Network Sp. z o.o. (previously owned 99.99%)

(k) On 2 August 2023 Polkomtel Sp. z o.o. sold 100% of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. to Embud 2 Sp. z o.o. S.K.A. (company subsidiary)

(l) On 17 August 2023 merger of Port Praski Sp. z o.o. (acquiring company) with Port Praski Inwestycje Sp. z o.o. (acquired company) was registered

(m) On 31 August 2023 merger of Telewizja Polsat Sp. z o.o. (acquiring company) Polsat Media Biuro Reklamy Sp. z o.o. (acquired company) was registered

(n) On 31 August 2023 Muzo Media Sp. z o.o. was registered

(o) On 1 September 2023 Mobiem Sp. z o.o. was registered. The Company was established as a result of the transformation from Mobiem Polska Sp. z o.o. Sp.k

(p) On 4 September 2023 Port Praski Sp. z o.o. Białystok Sp. k. was removed from the National Court Register.

Investments accounted for under the equity method:

	Entity's registered office	Activity	Share in voting rights (%) [*]	
			30 September 2023	31 December 2022
Polsat JimJam Ltd. ^(a)	33 Broadwick Street Soho London W1F 0DQ, United Kingdom	media	– ^(a)	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	10.13% ^(c)	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	^(b)	40.41%
Port Praski Medical Center Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	38.76%	22.76%
Port Praski City II Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	38.76%	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.

^(b) On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% shares and obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries ("PAK-PCE Group").

^(c) On 21 September 2023 Cyfrowy Polsat S.A. sold 12.82% shares of Asseco Poland S.A.

Additionally, the following entities were included in these interim condensed consolidated financial statements for the 9 months ended 30 September 2023:

	Entity's registered office	Activity	Share in voting rights (%)	
			30 September 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	(4)	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	(4)	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. ⁽³⁾	Adama Mickiewicza 63, 01-625 Warsaw	implementation of construction projects	-	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.

⁽³⁾ On 31 May 2023 merger of Megadex SPV Sp. z o.o. (acquiring company) with Megadex Księży Młyn Sp. z o.o. (acquired company) was registered.

⁽⁴⁾ On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% shares and obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries ("PAK-PCE Group").

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 8 November 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		for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Retail revenue	1,754.8	1,753.3	5,223.4	5,201.3
Wholesale revenue	799.3	840.9	2,450.6	2,533.8
Sale of equipment	446.5	472.7	1,415.0	1,259.7
Energy revenue	272.0	-	272.0	-
Other revenue	183.1	204.0	583.8	490.9
Total	3,455.7	3,270.9	9,944.8	9,485.7

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.

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

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

9. Operating costs

	for the 3 months ended		for the 9 months ended		
	Note	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Technical costs and cost of settlements with telecommunication operators		838.1	823.2	2,470.6	2,440.7
Depreciation, amortization, impairment and liquidation		475.0	452.1	1,406.2	1,365.9
Cost of equipment sold		348.1	365.4	1,124.7	1,024.9
Content costs		516.6	530.0	1,560.5	1,508.4
Cost of energy sold, includes:		255.1	-	255.1	-
<i>Depreciation*</i>		8.5	-	8.5	-
Distribution, marketing, customer relation management and retention costs		258.2	256.6	749.5	763.9
Salaries and employee-related costs	a)	271.6	242.3	822.6	734.0
Cost of debt collection services, bad debt allowance and receivables written off		32.9	25.6	94.8	72.7
Other costs, includes:		169.6	182.1	518.1	415.9
<i>Depreciation*</i>		0.4	-	0.4	-
Total		3,165.2	2,877.3	9,002.1	8,326.4

*depreciation included in the energy and buses production costs

a) Salaries and employee related costs

	for the 3 months ended		for the 9 months ended		
		30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Salaries		224.3	201.3	675.2	603.1
Social security contributions		35.3	31.7	110.8	101.8
Other employee-related costs		12.0	9.3	36.6	29.1
Total		271.6	242.3	822.6	734.0

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

	for the 3 months ended		for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Interest on lease liabilities	(8.2)	(4.8)	(21.2)	(14.7)
Interest on loans granted	3.0	(7.4)	29.2	18.6
Other interest, net	13.0	27.7	43.2	34.2
Foreign exchange differences	39.0	(34.7)	20.6	(57.7)
Other income/(costs)	(6.9)	1.1	9.9	14.1
Total	39.9	(18.1)	81.7	(5.5)

11. Finance costs, net

	for the 3 months ended		for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Interest expense on loans and borrowings	201.9	171.6	611.0	400.6
Interest expense on issued bonds*	79.4	42.5	249.8	111.0
Foreign exchange differences on loans and borrowings	93.6	-	63.6	-
Cumulative catch-up	(1.6)	-	(20.8)	-
One-time loans repayment	-	-	20.8	-
Valuation and realization of hedging instruments	(3.0)	(6.6)	(13.8)	(11.5)
Valuation and realization of derivatives not used in hedge accounting – relating to interest	27.1	0.8	41.3	(86.6)
Guarantee fees, bank and other charges	1.6	1.0	3.5	3.3
Total	399.0	209.3	955.4	416.8

*includes early redemption bonuses

12. Effective tax rate

	for the 3 months ended		for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Profit before tax	171.1	297.3	295.4	887.4
Tax based on applicable tax rate – 19%	32.5	56.5	56.1	168.6
Excess financing costs	35.3	0.0	49.1	0.0
Capital loss	(8.9)	(0.5)	0.1	0.0
Use of limited costs from previous years	10.1	0.0	6.6	(23.9)
Other	(0.1)	10.2	2.2	16.1
Income tax for the financial year	68.9	66.2	114.1	160.8
Effective tax rate	40%	22%	39%	18%

13. Equity

Share capital

Presented below is the structure of the Company's share capital as at 30 September 2023 and 31 December 2022:

Share series	Number of shares*	Nominal value of shares	Type of shares
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 30 September 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%
Reddev Investments Ltd.	386,745,247	15.5	60.47%	566,162,738	69.13%
incl. through:					
Cyfrowy Polsat S.A. ¹	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 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%
Reddev Investments Ltd., incl. through:	386,745,247	15.5	60.47%	566,162,738	69.13%
Cyfrowy Polsat S.A. ¹	88,842,485	3.6	13.89%	88,842,485	10.85%
Tobias Solorz ²	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 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 30 September 2023 include mainly the reserve capital created for the purposes of the share buy-back program in the amount of PLN 2,914.8.

Retained earnings

On 29 June 2023 the Ordinary General Meeting of the Company adopted a resolution on the distribution of the Company's net profit for the financial year 2022. In accordance with the provisions of the resolution, the entire net profit in the amount of PLN 1,248.6 is allocated to supplementary capital.

Treasury shares

Treasury shares as at 30 September 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 interest

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

14. 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	(30.1)	27.4
Deferred tax	5.7	(5.2)
Change for the period	(24.4)	22.2
Balance as at 30 September unaudited	(6.2)	31.2

15. Loans and borrowings

	30 September 2023 unaudited	31 December 2022
Short-term liabilities	2,552.3	1,512.6
Long-term liabilities	9,072.7	6,624.8
Total	11,625.0	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 on acquisition of PAK-Polska Czysta Energia Sp. z o.o. (see note 17)	1,721.4	-
Effect of obtaining control over PAK-Polska Czysta Energia Sp. z o.o. and consolidation	(645.5)	-
Loans and borrowings on acquisition of Port Praski Sp. z o.o.	-	238.3
Loans and borrowings inflows	11,427.3	7.1
Loan conversion	(8,255.0)	-
Repayment of capital	(760.1)	(845.1)
Repayment of interest and commissions	(763.1)	(339.1)
One-time loans repayment	20.8	-
Interest accrued and commissions	678.2	400.6
Foreign exchange	63.6	1.5
Balance as at 30 September unaudited	11,625.0	8,207.8

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 the Company and Polkomtel Sp. z o.o. 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. (Company's subsidiary) 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 total amount of PLN 8,843.7 was made on 16 May 2023.

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

PAK-PCE Group loans

PAK-PCE Group's subsidiaries have entered into several investment loan agreements during the years 2021-2023 to finance the investment projects related to renewable energy sources, including the modernization of an electricity generating facility (PAK-PCE Biopaliwa i Wodór Sp. z o.o.), construction of wind farms (Park Wiatrowa Palczyn 1 Sp. z o.o. and Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.), construction of a photovoltaic farm (PAK-PCE Fotowoltaika Sp. z o.o.), as well as support for all investments and other activities related to renewable energy projects (PAK-Polska Czysta Energia Sp. z o.o.).

Loan agreements were entered into with Bank Polska Kasa Opieki S.A. (Park Wiatrowy Palczyn 1 Sp. z o.o. and PAK-PCE Biopaliwa i Wodór Sp. z o.o.), Bank Gospodarstwa Krajowego (Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.), EFG Bank Ltd (PAK-Polska Czysta Energia Sp. z o.o.), and a consortium of banks consisting of PKO Bank Polski S.A. (acting as the Loan Agent and Collateral Agent), Bank Polska Kasa Opieki S.A. and mBank S.A. (PAK-PCE Fotowoltaika Sp. z o.o.).

The loans bear interest at a variable rate equal to WIBOR for the relevant interest periods plus margin. The loan agreements provide for the investment loans of up to a maximum amount of PLN 1,029.5. The total outstanding loan balance amounts to PLN 815.9 as at 30 September 2023.

On 22 December 2022, PAK-PCE Polski Autobus Wodorowy Sp. z o.o. entered into an agreement with the National Fund for Environmental Protection and Water Management to provide financing in the form of a loan for the construction of a production facility for innovative hydrogen buses. The loan has been granted for a maximum amount of PLN 50.0 and bears interest at a variable rate equal to WIBOR for the relevant interest periods plus margin. The loan will be repaid quarterly in equal amounts according to the payment schedule starting from 20 December 2025, and the final repayment date of the loan is 20 December 2037. The outstanding loan balance amounts to PLN 25.7 as at 30 September 2023.

In addition, ZE PAK S.A. (Company's related entity) provided loans to PAK-Polska Czysta Energia Sp. z o.o., PAK-PCE Fotowoltaika Sp. z o.o. and PAK Volt S.A. for the purpose of financing investments related to the development and production of green hydrogen, hydrogen buses, construction of wind power plants, construction of a photovoltaic farm and ongoing operating activities. Loans were granted for a maximum total amount of PLN 938.4 and total outstanding loan balance amounts PLN 259.0 as at 30 September 2023.

16. Issued bonds

	30 September 2023 unaudited	31 December 2022
Short-term liabilities	366.8	176.0
Long-term liabilities	3,497.8	1,900.4
Total	3,864.6	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 issue (series E bonds)	799.5	-
Bonds redemption (series B and C bonds*)	(1,688.1)	-
Issued bonds on acquisition of Vindix S.A.	-	28.0
Effect of gaining control over Vindix S.A. and consolidation	-	(19.3)
Bonds repayment	-	(8.3)
Repayment of interest and commissions**	(241.7)	(49.7)
Cumulative catch-up	(20.8)	-
Interest accrued and commissions	269.3	111.0
Balance as at 30 September unaudited	3,864.6	2,070.2

* redemption through conversion into series D and E bonds

** incl. interests and premium for early redemption of bonds settled as part of the conversion

Issuance of series D and series E 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 was made on 11 July 2023.

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.

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.

On 7 September 2023 the Management Board of the Company adopted resolutions on:

- issuance of no more than 820,000 (not in millions) unsecured series E bearer bonds with the nominal value of PLN 1,000 each and the total nominal value of no more than PLN 820 ("series E 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 E bonds.

On 28 September 2023, the issue of 820,000 (not in millions) series E bonds, with the total nominal value of PLN 820 was completed. The maturity date of the series E bonds is 11 January 2030. Interest on the series E bonds is paid in arrears every six months. The first payment is scheduled to be made on 11 January 2024.

The first trading day for the series E bonds in the Alternative Trading System as part of the Catalyst market (in the continuous trading system) was set for 28 September 2023. On 28 September 2023 the assimilation of the series E bonds with the series D bonds was completed.

At the same time, on 28 September 2023, Cyfrowy Polsat S.A. repurchased for redemption 84,250 (not in millions) series B bearer bonds with the total nominal value of PLN 84 issued by the Company on 26 April 2019 with the redemption date set for 24 April 2026 and 75,956 (not in millions) series C bearer bonds with the total nominal value of PLN 76 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 E bonds, registered on 28 September 2023 with the securities depository, by setting off the amounts due to the Company from the issuance of the series E bonds against the amounts due to the relevant investors in respect of the sale of the Bonds Repurchased for Redemption to the Company.

On 28 September 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, 223,798 (not in millions) series B bonds and 88,053 (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.

Other notes

17. Acquisition of subsidiaries

Acquisition of shares in Enterpol Sp. z o.o. – final 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.

CONSIDERATION TRANSFERRED

	Final value of consideration transferred
Cash transferred for the 100% shares of Enterpol	14.4
Liability due pursuant to the purchase agreement	0.6
Final 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)

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

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

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

	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)
Value of net assets	3.5
Consideration transferred	15.0
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. – final 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.

CONSIDERATION TRANSFERRED

	Final value of consideration transferred
Consideration	34.3
Final 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)

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

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

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

	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)
Value of net assets	21.9
Consideration transferred	34.3
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. – final 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.

FINAL CONSIDERATION TRANSFERRED

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

RECONCILIATION OF TRANSACTIONAL CASH FLOW

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

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

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

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

	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)
Value of net assets	1.2
Value of net assets attributable to non-controlling interest	0.4
Value of net assets attributable to the Group	0.8
Consideration transferred	10.1
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 – final purchase price allocation

On 1 December 2022 Liberty Poland S.A. (Company's subsidiary) acquired 69 Specialist Sales and Customer Service Points in the form of an organized part of the enterprise for the purchase price 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.

FINAL CONSIDERATION TRANSFERRED

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

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred	(6.5)
Cash decrease	(6.5)

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

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

Final fair value of assets and liabilities as at 1 December 2022:

	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)
Value of net assets	(0.9)
Consideration transferred	6.5
Goodwill	7.4

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

Acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o. – provisional purchase price allocation

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

On 3 July 2023 Cyfrowy Polsat acquired additional 10.1% shares and obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries (“PAK-PCE Group”).

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	585.7
Provisional value as at 3 July 2023	585.7

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 10.1% shares	(117.0)
Cash and cash equivalents received	275.0
Cash increase in the period of 9 months ended 30 September 2023	158.0

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 companies, as at the acquisition date, and goodwill accounted for an acquisition.

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

	Provisional fair value as at the acquisition date (3 July 2023)
Net assets:	
Other property, plant and equipment	1,811.3
Other intangible assets	19.9
Right-of-use assets	89.9
Other non-current assets	155.5
Deferred tax assets	43.9
Inventories	128.3
Trade and other receivables	223.8
Income tax receivable	0.8
Other current assets	72.4
Cash and cash equivalents	269.5
Restricted cash	5.5
Loans and borrowings	(1,721.4)
Lease liabilities	(76.4)
Deferred tax liability	(25.3)
Other non-current liabilities and provisions	(243.5)
Trade and other payables	(431.8)
Provisional value of net assets (100%)	322.4
Provisional value of net assets attributable to non-controlling interest	159.6
Provisional value of net assets attributable to the Group	162.8
Provisional consideration transferred	585.7
Provisional goodwill	422.9

Goodwill is allocated to the “Green energy” operating segment.

The revenue and net loss included in the consolidated income statement for the reporting period since 3 July 2023 to 30 September 2023 contributed by PAK-PCE Group amounted to PLN 376.6 and PLN 3.1, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 9 months ended 30 September 2023 would have amounted to PLN 10,681.3 and PLN 149.9, respectively.

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

On 20 July 2023 Polsat Investments Ltd. (Company’s subsidiary) acquired 60% shares in naEKRANIE.pl Sp. z o.o. for the purchase price of PLN 10.8.

Consequently, the Group holds 60% of shares in naEKRAKIE.pl Sp. z o.o. and controls the entity.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	10.8
Provisional value as at 20 July 2023	10.8

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 60% shares	(10.8)
Cash nad cash equivalents received	0.3
Cash decrease in the period of 9 months ended 30 September 2023	(10.5)

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 20 July 2023:

	Provisional fair value as at the acquisition date (20 July 2023)
Net assets:	
Other intangible assets	0.6
Trade and other receivables	0.5
Cash and cash equivalents	0.3
Trade and other payables	(0.1)
Provisional value of net assets (100%)	1.3
Provisional value of net assets attributable to non-controlling interest	0.5
Provisional value of net assets attributable to the Group	0.8
Provisional consideration transferred	10.8
Provisional goodwill	10.0

Goodwill is allocated to the "Media" operating segment.

The revenue and net profit included in the consolidated income statement for the reporting period since 20 July 2023 to 30 September 2023 contributed by naEKRAKIE.pl Sp. z o.o. amounted to PLN 0.5 and PLN 0.1, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 9 months ended 30 September 2023 would have amounted to PLN 9,947.2 and PLN 182.2, respectively.

Acquisition of shares in 4FUN Sp. z o.o – provisional purchase price allocation

On 21 July 2023 Polsat Investments Ltd. (Company's subsidiary) acquired 60% shares in 4FUN Sp. z o.o. for the purchase price of PLN 37.1.

Consequently, the Group holds 60% of shares in 4FUN Sp. z o.o. and controls the entity.

PROVISIONAL CONSIDERATION TRANSFERRED

	Provisional value of consideration transferred
Consideration	37.1
Provisional value as at 21 July 2023	37.1

RECONCILIATION OF TRANSACTIONAL CASH FLOW

Cash transferred for 60% shares	(37.1)
Cash nad cash equivalents received	16.5
Cash decrease in the period of 9 months ended 30 September 2023	(20.6)

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 July 2023:

	Provisional fair value as at the acquisition date (21 July 2023)
Net assets:	
Other property, plant and equipment	0.1
Other intangible assets	1.7
Trade and other receivables	1.9
Income tax receivable	0.8
Cash and cash equivalents	16.5
Deferred tax liability	(0.4)
Trade and other payables	(1.2)
Provisional value of net assets (100%)	19.4
Provisional value of net assets attributable to non-controlling interest	7.9
Provisional value of net assets attributable to the Group	11.5
Provisional consideration transferred	37.1
Provisional goodwill	25.6

Goodwill is allocated to the "Media" operating segment.

The revenue and net loss included in the consolidated income statement for the reporting period since 21 July 2023 to 30 September 2023 contributed by 4FUN Sp. z o.o. amounted to PLN 3.2 and PLN 0.2, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 9 months ended 30 September 2023 would have amounted to PLN 9,957.7 and PLN 186.7, respectively.

18. Investment in associates

Asseco Poland S.A.

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 held a total of 22.95% of Asseco shares.

On 21 September 2023 Cyfrowy Polsat sold 10,642,046 (not in million) Asseco shares for the price PLN 80.0 (not in million) per share. Following the transaction, the Company holds a total of 10.13% 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 6 months ended
	30 June 2023
Revenue	8,515.4
Profit from operating activities	792.5
Net profit	598.1
Other comprehensive income/(loss), net	(404.3)
Total comprehensive income	193.8
	30 June 2023
Non-current assets	10,355.9
Current assets	8,348.6
Assets held for sale	41.4
Total assets	18,745.9
Non-current liabilities	3,167.7
Current liabilities	5,645.8
Total liabilities	8,813.5

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.

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.

On 3 July 2023 Cyfrowy Polsat obtained control over PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries (see note 17 and 23).

19. Operating segments

The Group operates in the following four segments:

- B2C and B2B services segment which relates to the provision of services to the general public, including digital television transmission signal, mobile services, the Internet access services, the mobile TV services, the online TV services, set-top boxes production and assembly of photovoltaic installations,
- Media segment,
- Real Estate segment (starting from 1 April 2022),
- Green energy segment (starting from 1 July 2023).

The Group conducts its operating activities primarily in Poland.

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

B2C and B2B services segment includes:

- digital pay television services which primarily relate to direct distribution of technologically advanced pay-TV services and revenues are generated mainly by pay-TV subscription fees,
- mobile telecommunication services (postpaid and mix) which generate revenues mainly from interconnect revenues, traffic revenues and subscription fees,
- mobile telecommunication prepaid services which generate revenues mainly from interconnect and traffic revenues,
- fixed telecommunication services, which generate revenues mainly from subscription fees, traffic and interconnect revenues,
- providing access to broadband Internet in mobile and fixed-line technologies which generates revenues mainly from traffic and subscription fees,
- telecommunication wholesale services, including international and domestic roaming as well as telecommunication infrastructure sharing services,
- lease of optical fibers and infrastructure,
- online TV services (Polsat Box Go, 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 photovoltaic installations.

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

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

Green energy segment consists mainly of:

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

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

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 9 months ended 30 September 2023:

the 9 months ended 30 September 2023 (unaudited)	B2C and B2B services	Media: TV and online	Real Estate	Green energy	Consolidation adjustments	Total
Revenues from sales to third parties	7,972.2	1,568.8	101.5	302.3	-	9,944.8
Inter-segment revenues	46.4	197.6	22.4	74.2	(340.6)	-
Revenues	8,018.6	1,766.4	123.9	376.5	(340.6)	9,944.8
EBITDA adjusted (unaudited)	1,956.5	332.3	21.7	25.9	(2.0)	2,334.4
Gain on disposal of a subsidiary and an associate	220.1	-	-	-	-	220.1
EBITDA (unaudited)	2,176.6	332.3	21.7	25.9	(2.0)	2,554.5
Depreciation, amortization, impairment and liquidation	1,272.7	116.4	15.8	1.3	-	1,406.2
Depreciation included in energy and buses production costs	-	-	-	8.9	-	8.9
Profit from operating activities	903.9	215.9	5.9	15.7	(2.0)	1,139.4
Acquisition of property, plant and equipment and other intangible assets	619.2	62.6	21.1	301.6	-	1,004.5
Acquisition of reception equipment	89.5	-	-	-	-	89.5
Balance as at 30 September 2023 (unaudited)
Assets, including:	27,013.2	6,396.8*	1,310.6	3,390.0	(1,338.3)	36,772.3
Investments in joint venture and shares in associates	-	-	80.5	-	-	80.5

* Includes non-current assets located outside of Poland in the amount of PLN 1.4.

All material revenues are generated in Poland.

It should be noted that the data for 9 months ended 30 September 2023 allocated to the “B2C and B2B services” segment, “Media” segment and “Real Estate” segment are not comparable to the 9 months ended 30 September 2022 due to changes in the Group’s structure described in notes 5, 17 and 18 and in the consolidated financial statements for the 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 9 months ended 30 September 2022:

the 9 months ended 30 September 2022 (unaudited)	B2C and B2B services	Media: TV and online	Real Estate	Consolidation adjustments	Total
Revenues from sales to third parties	7,897.8	1,516.3	71.6	-	9,485.7
Inter-segment revenues	42.7	177.2	46.5	(266.4)	-
Revenues	7,940.5	1,693.5	118.1	(266.4)	9,485.7
EBITDA adjusted (unaudited)	2,211.7	315.8	14.0	(7.9)	2,533.6
Gain on disposal of a subsidiary and an associate	113.4	-	-	-	113.4
Costs of support for Ukraine*	(33.0)	(1.1)	-	-	(34.1)
EBITDA (unaudited)	2,292.1	314.7	14.0	(7.9)	2,612.9
Depreciation, amortization, impairment and liquidation	1,274.1	82.3	9.5	-	1,365.9
Profit from operating activities	1,018.0	232.4	4.5	(7.9)	1,247.0
Acquisition of property, plant and equipment and other intangible assets	692.2	97.9	22.1	-	812.2
Acquisition of reception equipment	85.1	-	-	-	85.1
Balance as at 30 September 2022 (unaudited)	-	-	-	-	-
Assets, including:	23,871.8	6,487.0**	1,622.9	(295.5)	31,686.2
Investments in joint venture and shares in associates	1,776.4	5.9	9.7	-	1,792.0

* Mainly donations to support Ukraine

** Includes non-current assets located outside of Poland in the amount of PLN 1.9.

Reconciliation of EBITDA and Net profit for the period:

	for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited
EBITDA adjusted (unaudited)	2,334.4	2,533.6
Gain on disposal of a subsidiary and an associate	220.1	113.4
Costs of support for Ukraine*	-	(34.1)
EBITDA (unaudited)	2,554.5	2,612.9
Depreciation, amortization, impairment and liquidation (note 9)	(1,406.2)	(1,365.9)
Depreciation included in energy and buses production costs (note 9)	(8.9)	-
Profit from operating activities	1,139.4	1,247.0
Other foreign exchange rate differences, net (note 10 and 11)	(43.0)	(57.7)
Interest costs, net (note 10 and 11)	(837.1)	(375.4)
Share of the profit/(loss) of associates accounted for using the equity method	29.7	62.7
Cumulative catch-up (note 11)	20.8	-
One-time loans repayment	(20.8)	-
Other	6.4	10.8
Gross profit for the period	295.4	887.4
Income tax	(114.1)	(160.8)
Net profit for the period	181.3	726.6

* Mainly donations to support Ukraine.

20. Transactions with related parties

RECEIVABLES

	30 September 2023 unaudited	31 December 2022
Joint ventures and associates	0.8	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.	11.0	14.6
Total*	11.8	19.5

* Amounts presented above do not include deposits paid (30 September 2023 – PLN 3.5, 31 December 2022 – PLN 3.5)

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

OTHER ASSETS

	30 September 2023 unaudited	31 December 2022
Joint ventures and associates	0.5	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.	7.9	7.6
Total	8.4	9.1

LIABILITIES

	30 September 2023 unaudited	31 December 2022
Joint ventures and associates	19.4	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.	468.1	194.4
Total	487.5	275.4

Liabilities relate mainly to liabilities of Cyfrowy Polsat from share purchase agreement as well as for the advance payment for the sale of real estate by Polkomtel.

LOANS GRANTED

	30 September 2023 unaudited	31 December 2022
Joint ventures and associates	18.6	456.2
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.	12.4	12.2
Total	31.0	468.4

Loans granted as at 30 September 2023 mainly include loans to Polsat Boxing Promotion Sp. z o.o. and Dystrybucja Mówi Serwis Sp. z o.o. Sp. k.

LOANS RECEIVED

	30 September 2023 unaudited	31 December 2022
Joint ventures and associates	250.9	-
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.	15.2	6.6
Total	266.1	6.6

REVENUES

	for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited
Subsidiaries	37.6*	-
Joint ventures and associates	6.8	3.1
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.	85.3	673.8
Total	129.7	676.9

* Concerns transaction with subsidiaries executed prior to gaining control.

In the period of 9 months ended 30 September 2022 the most significant transactions relate to income from disposal of Modivo S.A. shares.

EXPENSES AND PURCHASES OF PROGRAMMING ASSETS

	for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited
Subsidiaries	133.3*	0.1*
Joint ventures and associates	13.5	76.0
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.	128.0	261.6
Total	274.8	337.7

* Concerns transaction with subsidiaries executed prior to gaining control.

In the period of 9 months ended 30 September 2023 and 30 September 2022 the most significant transactions include *inter alia* cost of electricity, property rental and advertising and television production services.

GAIN/(LOSS) ON INVESTMENT ACTIVITIES, NET

	for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited
Subsidiaries	27.1*	-
Joint ventures and associates	0.8	8.3
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.	7.7	5.8
Total	35.6	14.1

* Concerns transaction with subsidiaries executed prior to gaining control.

FINANCE COSTS, NET

	for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited
Joint ventures and associates	6.4	-
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.	0.5	2.8
Total	6.9	2.8

21. Contingent liabilities

Management believes that the provisions as at 30 September 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 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 25 May 2023 cassation appeals were dismissed.

On 29 April 2019 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by charging for activating the services to consumers, despite not obtaining an explicit approval

of the additional payment associated with these services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 39.5. Polkomtel appealed to SOKiK against the decision. On 26 May 2021 SOKiK dismissed Polkomtel's appeal. Polkomtel appealed against the SOKiK judgment. On 8 November 2022, the Court of Appeal dismissed the appeal. On 22 November 2022, Polkomtel paid a penalty of PLN 39.5. Polkomtel filed a cassation complaint. Complaint was accepted for consideration by the Supreme Court.

On 19 December 2019 the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and incomplete and unreliable information to consumers in response to claims regarding unavailability of the above programs. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 34.9. The Company appealed against this decision to SOKiK. On 14 February 2022 First Instance Court dismissed the Company's appeal in its entirety. The Company submitted a cassation appeal to the Court of Appeal in Warsaw. The appeal hearing took place on 21 October 2022. On 21 November 2022, the Court of Appeal in Warsaw repealed the appealed judgment in its entirety and referred the case to the Regional Court in Warsaw for examination and resolution. On 24 July 2023 Company's appeal was again dismissed. On 6 September 2023 the Company filed an appeal against the judgment.

On 31 December 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 additional fees for data transmission using the RSTP protocol, despite the subscribers having internet packages or unlimited LTE Internet services. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 50.6. Polkomtel appealed to SOKiK against the decision. On 15 December 2021, SOKiK announced decision in which it dismissed Polkomtel's appeal in its entirety. Polkomtel submitted an appeal against the SOKiK verdict. On 21 July 2022 the Court of Appeal partially revoked the President of UOKiK's decision and reduced a penalty to PLN 16.8. On 4 August 2022, Polkomtel paid the penalty in the amount of PLN 16.8. Both Polkomtel and President of UOKiK filed a cassation appeals. On 26 January 2023, the Supreme Court refused cassation appeals.

On 22 January 2020 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 20.4. Polkomtel appealed to SOKiK against the decision. On 8 April 2022, SOKiK dismissed Polkomtel's appeal. On 31 May 2022 Polkomtel submitted appeal against the SOKiK verdict. On 28 March 2023 the Court of Appeal dismissed the appeal. On 11 April 2023 Polkomtel paid a penalty of PLN 20.4. After receiving written justification of the judgment of the Court of Appeal, on 30 June 2023 Polkomtel filed a cassation complaint.

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. The court set the hearing dates for: 15 December 2023 and 17 April 2024.

By lawsuit, delivered to the Company on 16 December 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information claim and claim for payment. The information claim relates to television programs rebroadcasted by the Company in the period from 20 August 2009 to 20 August 2019. In the claim for payment, SAWP claims PLN 153.3 for the alleged violation of related rights to artistic performances of musical and verbal - musical works through their non-contractual cable rebroadcast. The Company filed for the dismissal entirely. The last hearing took place on 16 March 2022. The court set the hearing date for 17 January 2024.

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.

22. 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	30 September 2023 unaudited		31 December 2022	
			Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	137.0	137.0	570.6	576.1
Trade and other receivables	A	*	3,834.0	3,834.0	3,522.1	3,522.1
Cash and cash equivalents and short-term deposits	A	*	4,162.0	4,162.0	808.5	808.5
Restricted cash	A	*	19.7	19.7	9.3	9.3
Loans and borrowings	B	2	(12,074.8)	(11,625.0)	(8,232.7)	(8,137.4)
Issued bonds	B	1	(3,885.1)	(3,864.6)	(1,982.1)	(2,076.4)
Lease liabilities	B	2	(564.8)	(564.8)	(524.2)	(524.2)
Accruals	B	*	(1,091.9)	(1,091.9)	(1,220.5)	(1,220.5)
Trade and other payables and deposits	B	*	(1,752.2)	(1,752.2)	(2,371.3)	(2,371.3)
Total			(11,216.1)	(10,745.8)	(9,420.3)	(9,413.8)
Unrecognized profit/(loss)				(470.3)		(6.5)

A – assets measured at amortised cost

B – liabilities 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 30 September 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 or EURIBOR interest rate and a margin regarding the Group's credit risk.

The fair value of issued bonds as at 30 September 2023 and 31 December 2022 was estimated as a last purchase price at the balance sheet date according to GPW Catalyst quotations.

As at 30 September 2023, the Group held the following financial instruments carried at fair value on the statement of financial position:

ASSETS MEASURED AT FAIR VALUE

	30 September 2023 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	17.5	-
Interest rate swaps		-	16.5	-
CIRS		-	0.4	-
Forward		-	0.6	-
Hedging derivative instruments		-	3.4	-
Interest rate swaps		-	3.0	-
CIRS		-	0.4	-
Other assets		-	18.8	-
Investments in equity instruments		602.7	1.5	-
Total		602.7	41.2	-

LIABILITIES MEASURED AT FAIR VALUE

	30 September 2023 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	(36.2)	-
Interest rate swaps		-	(35.6)	-
CIRS		-	(0.6)	-
Hedging derivative instruments		-	(12.7)	-
Interest rate swaps		-	(12.0)	-
CIRS		-	(0.7)	-
Total		-	(48.9)	-

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 assets		-	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 was 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.

23. Important agreements and events

Conclusion of 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 January 2024.

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.

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 and in the 900 MHz band for the next period.

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.

On 10 July 2023, Polkomtel received a decision of the President of UKE reserving frequencies in the 900 MHz band for Polkomtel for the next 15 years – until 31 December 2038. According to this decision, Polkomtel was obliged to pay fees PLN 300.3 to the State Treasury for making the reservation. The payment in the amount of PLN 300.3 was made on 24 July 2023.

Auction for spectrum reservation in the 3.6 GHz band

On 22 June 2023, the President of UKE announced an auction for four frequency reservations in the 3.6 GHz band.

According to the published documentation, the subject of the auction were 4 blocks with a width of 100 MHz each. The asking price amounts to PLN 450.0 per block.

In accordance with the auction documentation, each of the auction winners will be subject to identical network development obligations to launch in the indicated areas by each operator at least 3,800 (not in millions) base stations using allocated frequencies within 48 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 95Mbps for 99% of households throughout the country within 60 months, for 90% of the country within 60 months, for 95% of national roads within 84 months, for 95% of provincial roads within 84 months, for 95% of railway routes within 84 months, for 24-hour border crossings within 24 months from the date of delivery of the reservation decision.

Initial offers were submitted by four mobile network operators: Orange, Polkomtel, P4 and T-Mobile until 8 August 2023 (first auction stage).

Polkomtel submitted an initial offer on 4 August 2023 and also paid a deposit in the required amount of PLN 182.

On 16 October 2023 the President of the UKE started the second stage of the auction bidding which ended on 18 October 2023. Accordingly, Polkomtel purchased block A (3400-3500 MHz band) for PLN 450.

Currently, the President of UKE has initiated proceedings for a frequency reservation, whereby each of the four auction participants (including Polkomtel) will receive a reservation decision regarding the acquired frequency block. Management assumes that reservations decisions will be issued in early December 2023. After receiving the reservation decision, each participant will have 14 days to pay the bid reservation fee (reduced by the deposit of PLN 182 paid by the participants along with the initial offer).

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. Moreover, on 5 December 2022, Aero2 (currently Polkomtel Sp. z o.o.) obtained the decision of the President of UKE to grant a frequency reservation in the 1800 MHz range for the next period.

In the proceedings instigated by T-Mobile Polska S.A., the President of UKE resumed the proceedings which were terminated on 23 April 2009 by the issuance of a final decision by the President of UKE which sustained the decision of the President of UKE dated 30 November 2007 concerning the frequency reservation in the 1710-1730 MHz and 1805-1825 MHz range. Under these proceedings, in the decision dated 28 November 2017 the President of UKE refused, after resuming the proceedings, to annul the reservation decision of the President of UKE dated 23 April 2009. This decision was upheld by the decision of the President of UKE dated 4 June 2018. In connection with complaints filed against this decision, in the ruling of 11 March 2019 the Voivodship Administrative Court in Warsaw annulled the decision of the President of UKE dated 4 June 2018. On 10 October 2023, the Supreme Administrative Court overturned the contested judgment and referred the case to the Court of First Instance for reconsideration.

On 4 October 2018, T-Mobile Polska filed a complaint with the Voivodship Administrative Court in Warsaw against the announcement dated 5 September 2018 issued by the President of UKE in respect to the activities necessary to remove the breach constituting the reason for invalidating two frequency reservations (each including 48 duplex radio channels with a duplex spacing of 95 MHz each, ranges 1710-1730 MHz and 1805-1825 MHz). On 20 November 2018, Voivodship Administrative Court in Warsaw rejected the complaint of T-Mobile Polska S.A. On 4 July 2019, the Supreme Administrative Court annulled the decision of the Voivodship Administrative Court in Warsaw dated 20 November 2018, as a result of a cassation appeal filed by T-Mobile Polska S.A. On 18 August 2020, the announcement of the President of UKE dated 5 September 2018 was considered ineffective by the Voivodship Administrative Court in Warsaw. NSA annulled that judgment on 9 December 2021. The case was remanded for re-examination to Voivodship Administrative Court in Warsaw. On 25 October 2022, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska S.A. On 13 October 2023, the Supreme Administrative Court dismissed the cassation appeal of T-Mobile Polska S.A., as a result of which the proceedings were legally terminated.

Conclusion of annex to the preliminary share purchase agreement concerning PAK-Polska Czysta Energia Sp. z o.o. and the acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o.

On 3 July 2023 Cyfrowy Polsat signed with ZE PAK S.A. (a related company) an annex to the preliminary agreement of 20 December 2021 regarding the Company's acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o.

Pursuant to annex, Cyfrowy Polsat and ZE PAK S.A. agreed that the subject matter of the final agreement ("Final Agreement") will be 2,390,600 (not in millions) shares in PAK-Polska Czysta Energia Sp. z o.o. ("PAK-PCE Shares"), representing approximately 10.1% of the share capital of PAK-Polska Czysta Energia Sp. z o.o. and approximately 10.1% of votes at the shareholders' meeting of PAK-Polska Czysta Energia Sp. z o.o. ("Transaction").

In addition, the Company and ZE PAK S.A. have agreed that two companies from the PAK-Polska Czysta Energia Sp. z o.o. group: Przedsiębiorstwo Remontowe "PAK Serwis" Sp. z o.o. and PCE-OZE 5 Sp. z o.o., will be transferred to ZE PAK S.A. before closing the Transaction and therefore will not be subject of Transaction.

On 3 July 2023 the Company concluded with ZE PAK S.A. the Final Agreement under which the Company acquired the PAK-PCE Shares from ZE PAK S.A. The final price for the PAK-PCE Shares amounted to PLN 117.0.

Following Transaction and taking into account the shares previously acquired and subscribed for by the Company in PAK-Polska Czysta Energia Sp. z o.o., Cyfrowy Polsat holds approximately 50.5% of the shares in the share capital of PAK-Polska Czysta Energia Sp. z o.o.

Acquisition of shares in Pantanomo Limited

On 3 July 2023 the Company and Tobe Investments Group Limited entered into a share purchase agreement, pursuant to which Cyfrowy Polsat acquired from Tobe Investments Group Limited 4,705 (not in millions) shares in Pantanomo Limited, representing approximately 32% of Pantanomo's share capital.

The purchase price for the Pantanomo Limited shares amounts to PLN 307.2 and will be paid by the Company in instalments, the first instalment in the amount of PLN 107.2 by 31 October 2023, the second instalment in the amount of PLN 100.0 by 30 April 2024, and the remaining part of the price in the amount of PLN 100.0 will be paid by 31 October 2024.

Acquisition of shares in 4FUN Sp. z o.o. and naEKRANIE.pl Sp. z o.o.

On 20 July 2023 Polsat Investments Ltd. (Company's subsidiary) acquired 60% of shares in the share capital of naEkranie.pl Sp. z o.o. for the amount of PLN 10.8.

On 21 July 2023 Polsat Investments Ltd. (Company's subsidiary) acquired 60% of shares in the share capital of 4FUN Sp. z o.o. for the amount of PLN 37.1.

Sale of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o.

On 2 August 2023 Polkomtel Sp. z o.o. sold 100% of shares in Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. to Embud 2 Sp. z o.o. S.K.A. (a related company). Total purchase price was PLN 63.7. At the moment of the sale of shares, the main part of assets of Centrum Szkolenia i Zarządzania Nieruchomościami Sp. z o.o. was real estate whose value in the consolidated financial statements of the Group as at 30 June 2023 was presented in the item "Assets held for sale" in the amount of PLN 55.5.

Sale of shares in Asseco Poland S.A.

On 21 September 2023, as part of the share buyback announced by Asseco Poland S.A., the Company sold 10,642,046 (not in million) ordinary bearer shares of Asseco Poland S.A. The total proceeds from the sale of shares, reduced of transaction costs, amounted to PLN 850.5.

The gain on disposal of Asseco shares recognized in these financial statements was estimated taking into account the estimated data of the Asseco Poland Group attributable to the Group for the period of 9 months ended 30 September 2023.

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.

24. Events subsequent to the reporting date

Conclusion of the agreement for the execution of wind farms "Drzeżewo I-IV"

On 2 October 2023, in connection with "Drzeżewo I-IV" wind power project, Eviva Drzeżewo Sp. z o.o., (Company's subsidiary), entered into a Turbine Supply Agreement with Vestas

Poland Sp. z o.o. for the supply of turbines, their installation, commissioning and servicing. The turbines' availability will be guaranteed for 15 years from the date of commissioning. The Company established collateral in favor of Vestas in the form of a surety in order to secure the liabilities of Eviva Drzeżewo Sp. z o.o. under the turbine supply and installation. The amount of the surety will not exceed EUR 180.0.

Repayment of part of the financial indebtedness of PAK – Polska Czysta Energia Sp. z o.o.

On 3 October 2023 PAK-Polska Czysta Energia Sp. z o.o. has repaid the financial indebtedness in the total amount of approximately PLN 568 pursuant to the investment loan agreement dated 23 June 2021. Other loans granted by entities that are not members of the Group were also repaid.

Repurchase of 50% of shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. and termination of the joint venture agreement concluded with HB Reavis Cz a.s.

On 4 October 2023, Pantanomo Limited (Company's subsidiary) acquired 50% of the shares in Port Praski City II Sp. z o.o. and Port Praski Medical Center Sp. z o.o. from HB Reavis Holding CZ a.s. The price for the shares was set at EUR 21.1.

On 4 October 2023, the Company's subsidiaries entered into an agreement confirming the expiry of the joint venture agreement (the "JV Agreement") which was entered into by Port Praski City II Sp. z o.o., Port Praski Medical Center Sp. z o.o. and Pantanomo Limited with HB Reavis Holding CZ a.s. on 21 July 2022. In addition to confirming the expiry of the JV Agreement, the parties also waived any mutual claims arising or which may arise in the future under the JV Agreement.

Conclusion of a financing agreement by Farma Wiatrowa Przyrów Sp. z o.o.

On 16 October 2023 Farma Wiatrowa Przyrów Sp. z o.o. (Company's subsidiary) entered into a loan agreement with EFG Bank Ltd. for financing in the form of a term loan of up to PLN 360.0. The funds serve as financial security for the execution of the "Przyrów" wind farm with targeted installed capacity of 50.4 MW. The repayment date of the term loan was set for 16 October 2028.

Strategic partnership between Google Cloud and the Group

On 26 October 2023, Google Cloud and the Group announced a strategic partnership, whereby the Group will accelerate its technological development and digital transformation through the use of Google Cloud solutions. The agreement defines the terms of co-operation, financial settlements as well as minimum contract obligations, resulting in Group's future payment commitments.

Concluding financial PPA agreement

As part of the partnership with Google, on 25 October 2023, Farma Wiatrowa Przyrów Sp. z o.o. (Company's subsidiary) entered into a so-called financial PPA (Power Purchase Agreement) agreement with Topaz Computing Sp. z o.o. regarding electricity generated by a wind farm in the Przyrów municipality. The financial PPA agreement was concluded for a period of 10 years and will be effective from the date of the commercial launch of the farm, which is planned for the second half of 2024.

25. 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 3.2.5 and 3.2.6.

Other securities

The Company provided guarantees to its subsidiaries and other related parties in respect to purchase contracts, including the realization of projects for the green energy segment. In addition, companies within the Group have bank guarantees for proper performance of the service and payment. Detailed information regarding the 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 30 September 2023 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments (total):

	30 September 2023 unaudited	31 December 2022
within one year	323.0	251.6
between 1 to 5 years	312.4	258.1
more than 5 years	171.5	13.3
Total	806.9	523.0

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

	30 September 2023 unaudited	31 December 2022
within one year	66.4	20.0
Total	66.4	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 1,849.5 as at 30 September 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 57.9 as at 30 September 2023 (PLN 73.4 as at 31 December 2022).

Future contractual obligations

As at 30 September 2023 and 31 December 2022 the Group had future liabilities due to transponder capacity agreements.

The table below presents future payments (total):

	30 September 2023 unaudited	31 December 2022
within one year	123.8	125.3
between 1 to 5 years	154.8	250.5
Total	278.6	375.8

26. 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.

Presentation of the result from disposal of shares in associates accounted for using the equity method

Management Board considered facts and circumstances related to investments accounted for using the equity method. In Management Board's opinion, disposal of the shares in Asseco Poland S.A. does not have any characteristics of an one-off transaction. Consequently, the result of this transaction is presented as operational activity.

Pursuant to obtaining control over PAK-PCE Group additional description of accounting principles is presented below:

Inventories

Inventories also include energy certificates purchased for redemption, purchased for resale, self-generated energy certificates.

Energy certificates of origin from "green energy" are recognized in fair value at the end of the month they are produced.

Purchased energy certificates are accounted as inventory at the purchase price.

The Group is required to obtain energy certificates and submit them for redemption by 30 June of the year following the settlement year.

At the reporting date, the Group creates provisions for the redemption of energy certificates if there is not enough of them.

Energy revenue

Energy revenue includes revenue from in-house produced energy, revenue from the sale of traded energy and gas as well as revenue related to energy certificates.

Revenue from in-house produced energy

Revenue from the sale of electricity and heat is recognised by the Group at the end of each billing period, which is no longer than one month, according to the volume of electricity and heat supplied to a customer within a given billing period. The Group recognises revenue over a period of time and uses a simplified method of revenue recognition based on invoicing, as it reflects the degree of obligation performance at the reporting date.

Revenue from the trading of energy and gas

Revenue from the sale of electric energy is recognised based on the month of sale as indicated on the invoice. In order to ensure the accuracy of revenue recognition, the Group adjusts energy sales supplied but not invoiced within the period. Electricity sales are estimated at the end of each month.

Revenue related to property rights

Revenue related to property rights to energy certificates of origin is recognised upon their production, certificates of origin held for sale are recognised as revenue upon completed sales transaction. Upon their subsequent sales via the Polish Power Exchange (TGE), the sales invoice is recognised in Energy revenue, while the cost of the certificates sold is recognised as an adjustment to this revenue.

Sales prices are determined by the signed contracts, tariffs or the Polish Power Exchange.



Cyfrowy Polsat S.A.

**Interim Condensed Financial Statements
for the 9 months ended 30 September 2023**

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

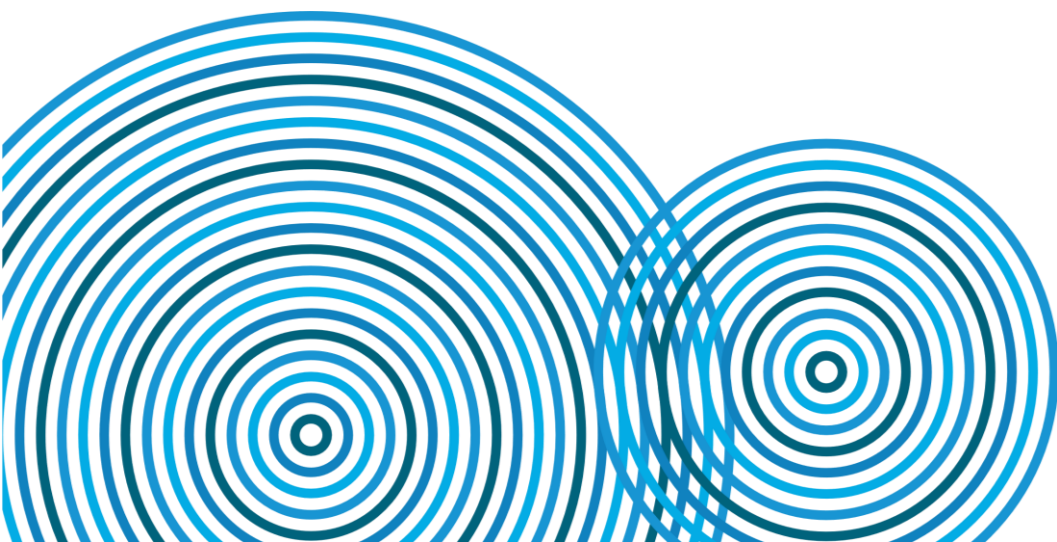


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Approval of the interim condensed financial statements

On 8 November 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 30 September 2023 showing a net profit for the period of: PLN 769.9

Interim Statement of Comprehensive Income for the period

from 1 January 2023 to 30 September 2023 showing a total comprehensive income for the period of: PLN 745.5

Interim Balance Sheet as at

30 September 2023 showing total assets and total equity and liabilities of: PLN 19,531.4

Interim Cash Flow Statement for the period

from 1 January 2023 to 30 September 2023 showing a net increase in cash and cash equivalents amounting to: PLN 2,955.6

Interim Statement of Changes in Equity for the period

from 1 January 2023 to 30 September 2023 showing an increase in equity of: PLN 745.5

Notes to the Interim Condensed Financial Statements

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

**Mirosław
Błaszczyk**
President of the
Management Board

**Maciej
Stec**
Vice-President of the
Management Board

**Jacek
Felczykowski**
Member of the
Management Board

**Aneta
Jaskólska**
Member of the
Management Board

**Agnieszka
Odorowicz**
Member of the
Management Board

**Katarzyna
Ostap-Tomann**
Member of the
Management Board

**Agnieszka
Szatan**
Chief Accountant

Interim Income Statement

	Note	for the 3 months ended		for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Revenue	7	554.6	593.3	1,687.8	1,788.7
Operating costs	8	(508.4)	(524.6)	(1,526.0)	(1,513.3)
Other operating income/(costs), net		2.5	0.3	(10.2)	0.5
Profit from operating activities		48.7	69.0	151.6	275.9
Gain on investment activities, net	9	342.5	144.1	1,027.7	1,144.8
Finance costs, net	10	(190.2)	(64.0)	(364.1)	(175.7)
Gross profit for the period		201.0	149.1	815.2	1,245.0
Income tax		(44.7)	(26.4)	(45.3)	(37.7)
Net profit for the period		156.3	122.7	769.9	1,207.3
Basic and diluted earnings per share (in PLN)		0.28	0.22	1.40	2.16

Interim Statement of Comprehensive Income

	Note	for the 3 months ended		for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Net profit for the period		156.3	122.7	769.9	1,207.3
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Valuation of hedging instruments	12	(10.1)	(3.6)	(24.4)	22.2
Other comprehensive income/(loss), net of tax		(10.1)	(3.6)	(24.4)	22.2
Total comprehensive income for the period		146.2	119.1	745.5	1,229.5

Interim Balance Sheet - Assets

	Note	30 September 2023 unaudited	31 December 2022
Reception equipment		333.7	331.8
Other property, plant and equipment		127.7	194.2
Goodwill		197.0	197.0
Other intangible assets		121.1	110.6
Right-of-use assets		15.7	15.8
Investment property		94.3	36.8
Shares in subsidiaries and associates and other, includes:		12,792.3	12,966.7
<i>shares in associates</i>		-	1,708.0
Non-current deferred distribution fees		18.7	17.7
Non-current loans granted		1,544.2	573.6
Other non-current assets, includes:		14.5	7.3
<i>derivative instruments</i>		10.8	6.6
Total non-current assets		15,259.2	14,451.5
Contract assets		80.1	93.3
Inventories		145.3	131.0
Trade and other receivables		772.9	212.1
Loans granted		76.2	544.8
Current deferred distribution fees		46.6	54.3
Other current assets includes:		37.7	50.6
<i>derivative instruments</i>		6.3	16.5
Cash and cash equivalents		3,113.4	120.7
Total current assets		4,272.2	1,206.8
Total assets		19,531.4	15,658.3

Interim Balance Sheet - Equity and Liabilities

	Note	30 September 2023 unaudited	31 December 2022
Share capital	11	25.6	25.6
Share premium	11	7,174.0	7,174.0
Other reserves		2,909.1	2,933.5
Retained earnings		4,985.7	4,215.8
Treasury shares		(2,854.7)	(2,854.7)
Total equity		12,239.7	11,494.2
Loans and borrowings	13	2,127.9	1,047.8
Issued bonds	14	3,518.3	1,900.4
Lease liabilities		14.8	13.7
Deferred tax liabilities		60.9	58.7
Other non-current liabilities and provisions, includes:		127.5	2.1
<i>derivative instruments</i>		26.1	0.7
Total non-current liabilities		5,849.4	3,022.7
Loans and borrowings	13	181.2	250.7
Issued bonds	14	366.8	176.0
Lease liabilities		2.3	3.3
Contract liabilities		237.8	225.3
Trade and other payables, includes:		632.1	477.6
<i>derivative instruments</i>		9.1	-
Income tax liability		18.5	4.9
Deposits for equipment		3.6	3.6
Total current liabilities		1,442.3	1,141.4
Total liabilities		7,291.7	4,164.1
Total equity and liabilities		19,531.4	15,658.3

Interim Cash Flow Statement

	Note	for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited
Net profit		769.9	1,207.3
Adjustments for:		(600.5)	(771.3)
Depreciation, amortization, impairment and liquidation	8	130.6	130.6
Interest expense		239.2	127.8
Change in inventories		(14.3)	(53.2)
Change in receivables and other assets		(266.4)	(42.3)
Change in liabilities and provisions		285.3	186.0
Change in contract assets		13.2	19.5
Change in contract liabilities		12.5	-
Income tax		45.3	37.7
Net increase in reception equipment		(100.2)	(96.0)
Dividends income and share in the profits of partnerships	9	(665.5)	(989.0)
Premium for scheduled early redemption of bonds		10.1	-
Cumulative catch-up	10	(20.8)	-
Gain on sale of shares in associate	9	(235.7)	(100.0)
Valuation of hedging instruments		(30.1)	27.4
Foreign exchange losses/(gains), net		5.6	(17.1)
Other adjustments		(9.3)	(2.7)
Cash from operating activities		169.4	436.0
Income tax paid		(23.8)	(688.4)
Interest received from operating activities		35.2	13.4
Net cash from/used in operating activities		180.8	(239.0)
Received dividends and shares in the profits of partnerships		74.8	851.8
Acquisition of shares in subsidiaries and associates		(117.0)	(582.6)
Capital increase in an associate		-	(473.8)
Capital increase in a subsidiary		(28.0)	-
Acquisition of property, plant and equipment		(18.5)	(64.3)
Acquisition of intangible assets		(25.1)	(29.1)
Proceeds from sale of shares in associate		850.5	600.0
Loans granted		(602.6)	(653.3)
Loans repaid		142.3	29.2
Interest on loans repaid		20.5	7.3
Other inflows		16.5	8.3
Net cash from/used in investing activities		313.4	(306.5)

	Note	for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited
Loans inflows	13	1,605.4	-
Bonds issue ⁽¹⁾	14	1,765.8	-
Repayment of loans and borrowings	13	(591.5)	(117.0)
Payment of interest on loans, borrowings, bonds and commissions ⁽²⁾		(325.3)	(76.4)
Acquisition of treasury shares ⁽³⁾		-	(393.9)
Hedging instrument effect		13.9	11.5
Other outflows		(6.9)	(7.4)
Net cash from/used in financing activities		2,461.4	(583.2)
Net increase/(decrease) in cash and cash equivalents		2,955.6	(1,128.7)
Cash and cash equivalents at the beginning of period		120.7	1,934.8
Effect of exchange rate fluctuations on cash and cash equivalents		37.1	-
Cash and cash equivalents at the end of period		3,113.4	806.1

⁽¹⁾ Value of bonds issue reduced by bond interest and early redemption premium settled in conversion

⁽²⁾ Includes amount paid for costs related to the new financing

⁽³⁾ Includes payment for costs related to the acquisition of treasury shares

Interim Statement of Changes in Equity for the 9 months ended 30 September 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 income	-	-	(24.4)	769.9	-	745.5
<i>Hedge valuation reserve</i>	-	-	(24.4)	-	-	(24.4)
<i>Net profit for the period</i>	-	-	-	769.9	-	769.9
Balance as at 30 September 2023 unaudited	25.6	7,174.0	2,909.1	4,985.7	(2,854.7)	12,239.7

⁽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 30 September 2023.

Interim Statement of Changes in Equity for the 9 months ended 30 September 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
Dividend approved	-	-	-	(660.8)	-	(660.8)
Acquisition of treasury shares	-	-	(0.2)	-	(393.7)	(393.9)
Total comprehensive income	-	-	22.2	1,207.3	-	1,229.5
<i>Hedge valuation reserve</i>	-	-	22.2	-	-	22.2
<i>Net profit for the period</i>	-	-	-	1,207.3	-	1,207.3
Balance as at 30 September 2022 unaudited	25.6	7,174.0	2,945.8	4,174.5	(2,854.7)	11,465.2

⁽¹⁾In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. The capital excluded from distribution amounts to PLN 8.5 as at 30 September 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 30 September 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, Port Praski Sp. z o.o. and its subsidiaries, and PAK-Polska Czysta Energia 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

Composition of the Supervisory Board from 19 July 2023:

- Zygmunt Solorz Chairman of the Supervisory Board,
- Tobiasz Solorz Vice-Chairman of the Supervisory Board,
- Piotr Żak 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,
- Tomasz Szelaąg Member of the Supervisory Board.

Composition of the Supervisory Board to 19 July 2023:

- Zygmunt Solorz Chairman of the Supervisory Board,
- Marek Kapuściński Vice-Chairman of the Supervisory Board (until 31 May 2023),
- 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 financial statements

Statement of compliance

These interim condensed financial statements for the 9 months ended 30 September 2023 have been prepared in accordance with the International Accounting Standard 34 Interim Financial Reporting as adopted by the EU. 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 8 November 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 nine-month period ended 30 September 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,
- c) Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules,
- d) Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements,
- e) Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability.

5. Approval of the Interim Condensed Financial Statements

These interim condensed financial statements were approved for publication by the Management Board on 8 November 2023.

Explanatory notes

6. Information on seasonality in the Company's operations

Revenue is not directly subject to any seasonal trend.

7. Revenue

	for the 3 months ended		for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Retail revenue	506.9	545.8	1,536.0	1,642.1
Wholesale revenue	18.7	20.9	57.0	63.6
Sale of equipment	7.4	5.3	27.0	22.3
Other revenue	21.6	21.3	67.8	60.7
Total	554.6	593.3	1,687.8	1,788.7

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		for the 9 months ended	
		30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Content costs		215.2	225.1	640.9	633.4
Technical costs and costs of settlements with telecommunication operators		109.8	116.2	333.4	348.8
Distribution, marketing, customer relation management and retention costs		74.6	71.9	213.7	209.3
Depreciation, amortization, impairment and liquidation		44.3	43.2	130.6	130.6
Salaries and employee-related costs	a)	36.6	33.6	113.2	100.4
Cost of equipment sold		5.5	2.8	21.2	14.8
Cost of debt collection services, bad debt allowance and receivables written off		1.2	0.8	4.6	2.2
Other costs		21.2	31.0	68.4	73.8
Total		508.4	524.6	1,526.0	1,513.3

a) Salaries and employee-related costs

	for the 3 months ended		for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Salaries	29.9	27.9	92.2	82.7
Social security contributions	4.9	4.6	15.8	14.3
Other employee-related costs	1.8	1.1	5.2	3.4
Total	36.6	33.6	113.2	100.4

9. Gain on investment activities, net

	for the 3 months ended		for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Dividends	3.4	1.4	659.5	945.4
Share in the profits of partnerships	0.3	14.0	6.0	43.6
Gain on sale of shares in a associate	235.7	100.0	235.7	100.0
Interest income on loans granted	25.8	16.2	59.5	29.3
Other interest income	8.7	1.7	35.4	13.4
Foreign exchange differences	81.6	8.5	36.1	6.8
Other income/(costs)	(13.0)	2.3	(4.5)	6.3
Total	342.5	144.1	1,027.7	1,144.8

10. Finance costs, net

	for the 3 months ended		for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited	30 September 2023 unaudited	30 September 2022 unaudited
Interest expense on loans and borrowings	45.3	26.1	96.9	70.1
Interest expense on issued bonds	79.4	42.5	249.8	111.0
Foreign exchange differences on loans and borrowings	65.7	-	44.6	-
Cumulative catch-up	(1.6)	-	(20.8)	-
Valuation and realization of hedging instruments	(3.0)	(6.6)	(13.8)	(11.5)
Guarantee fees	4.0	1.5	6.2	4.7
Bank and other charges	0.4	0.5	1.2	1.4
Total	190.2	64.0	364.1	175.7

11. Equity

Share capital

Presented below is the structure of the Company's share capital as at 30 September 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 30 September 2023 was as follows:

	Number of shares *	Nominal value of shares	% of share capital held	Number of votes *	% of voting rights
Zygmunt Solorz, through:	396,802,022	15.9	62.04%	576,219,523	70.36%
TiVi Foundation, including through:	386,745,257	15.5	60.47%	566,162,758	69.13%
Reddev Investments Ltd., including through:	386,745,247	15.5	60.47%	566,162,738	69.13%
Cyfrowy Polsat S.A. ¹	88,842,485	3.6	13.89%	88,842,485	10.85%
Tobias Solorz ² , including through:	10,056,765	0.4	1.57%	10,056,765	1.23%
ToBe Investments Group Ltd.	4,449,156	0.2	0.70%	4,449,156	0.54%
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/entity 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%
Reddev Investments Ltd., including through:	386,745,247	15.5	60.47%	566,162,738	69.13%
Cyfrowy Polsat S.A. ¹	88,842,485	3.6	13.89%	88,842,485	10.85%
Tobias Solorz ²	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 consulting costs.

Retained earnings

On 29 June 2023 the Annual General Meeting of the Company adopted a resolution on the distribution of the Company's net profit for the financial year 2022. In accordance with the provisions of the resolution, entire net profit in the amount of PLN 1,248.6 was allocated to supplementary capital.

Other reserves

As at 30 September 2023 other reserves included mainly the reserve capital created for the purposes of the share buy-back program in the amount of PLN 2,914.8.

Treasury shares

As at 30 September 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	(30.1)	27.4
Deferred tax	5.7	(5.2)
Change for the period	(24.4)	22.2
Balance as at 30 September unaudited	(6.2)	31.2

13. Loans and borrowings

	30 September 2023 unaudited	31 December 2022
Short-term liabilities	181.2	250.7
Long-term liabilities	2,127.9	1,047.8
Total	2,309.1	1,298.5

Change in loans and borrowings liabilities:

	2023	2022
Balance as at 1 January	1,298.5	1,424.5
Term loan inflows	2,284.9	-
Loan conversion	(679.5)	-
Repayment of capital	(591.5)	(117.0)
Repayment of interest and commissions	(142.0)	(26.4)
Interest and commissions accrued	94.1	70.1
Exchange differences	44.6	-
Balance as at 30 September unaudited	2,309.1	1,351.2

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 to the Company and Polkomtel Sp. z o.o. 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 securing 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 was made on 16 May 2023.

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

14. Issued Bonds

	30 September 2023 unaudited	31 December 2022
Short-term liabilities	366.8	176.0
Long-term liabilities	3,518.3	1,900.4
Total	3,885.1	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 issue (series E bonds)	820.0	-
Bonds redemption (series B and C bonds*)	(1,688.1)	-
Repayment of interest and commissions**	(241.7)	(49.3)
Cumulative catch-up	(20.8)	-
Interest accrued and commissions	269.3	111.0
Balance as at 30 September unaudited	3,885.1	2,070.2

* redemption through conversion into series D and E bonds

** including interest and early bond redemption premium settled in conversion

Issuance of series D and series E 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 was made on 11 July 2023.

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.

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.

On 7 September 2023 the Management Board of the Company adopted resolutions on:

- issuance of no more than 820,000 (not in millions) unsecured series E bearer bonds with the nominal value of PLN 1,000 (not in millions) each and the total nominal value of no more than PLN 820 ("series E 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 E bonds.

On 28 September 2023, the issue of 820,000 (not in millions) series E bonds, with the total nominal value of PLN 820 was completed. The maturity date of the series E bonds is 11 January 2030. Interest on the series E bonds is paid in arrears every six months. The first payment is scheduled to be made on 11 January 2024.

The first trading day for the series E bonds in the Alternative Trading System as part of the Catalyst market (in the continuous trading system) was set for 28 September 2023.

At the same time, on 28 September 2023, Cyfrowy Polsat S.A. repurchased for redemption 84,250 (not in millions) series B bearer bonds with the total nominal value of PLN 84 issued by the Company on 26 April 2019 with the redemption date set for 24 April 2026 and 75,956 (not in millions) series C bearer bonds with the total nominal value of PLN 76 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 E bonds, registered on 28 September 2023 with the securities depository, by setting off the amounts due to the Company from the issuance of the series E bonds against the amounts due to the relevant investors in respect of the sale of the Bonds Repurchased for Redemption to the Company.

On 28 September 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, 223,798 (not in millions) series B bonds and 88,053 (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.

15. Transactions with related parties

RECEIVABLES

	30 September 2023 unaudited	31 December 2022
Subsidiaries	704.2	100.0
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.	0.7	1.1
Total	704.9	101.4

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

OTHER ASSETS

	30 September 2023 unaudited	31 December 2022
Subsidiaries	20.8	22.3
Joint ventures and associates	-	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	22.2	25.0

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

LIABILITIES

	30 September 2023 unaudited	31 December 2022
Subsidiaries	179.7	183.9
Joint ventures and associates	1.5	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.	309.2	3.4
Total	490.4	192.9

A significant portion of liabilities is represented by share purchase liabilities, bond liabilities, software license fees and liabilities related to services provided by Polkomtel, InterPhone and Liberty Poland, and lease liabilities.

LOANS GRANTED

	30 September 2023 unaudited	31 December 2022
Subsidiaries	1,620.2	673.2
Joint ventures and associates	-	444.9
Total	1,620.2	1,118.1

Loans granted as at 30 September 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 2024 – 2026.

REVENUES

	for the 9 months ended	
	30 September 2023	30 September 2022
	unaudited	unaudited
Subsidiaries	87.1	91.5
Joint ventures and associates	1.3	0.1
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.	1.3	1.1
Total	89.7	92.7

The most significant transactions include revenues from subsidiaries from accounting services, signal broadcast, subscription, program licences, property rental and advertising services.

EXPENSES

	for the 9 months ended	
	30 September 2023	30 September 2022
	unaudited	unaudited
Subsidiaries	521.6	530.3
Joint ventures and associates	2.4	4.0
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.	9.2	17.6
Total	533.2	551.9

The most significant transactions include data transfer services.

The Company also pays license fees for broadcasting Telewizja Polsat's programs, sales commission costs, costs for 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 9 months ended	
	30 September 2023	30 September 2022
	unaudited	unaudited
Subsidiaries	647.9	948.4
Joint ventures and associates	93.8	72.1
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.	-	607.2
Total	741.7	1,627.7

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

FINANCE COSTS

	for the 9 months ended	
	30 September 2023 unaudited	30 September 2022 unaudited
Subsidiaries	6.2	4.7
Total	6.2	4.7

Finance costs mostly comprise the cost of guarantees provided by subsidiaries to secure the Facilities Agreement.

Other notes

16. Litigations

Management believes that the provisions for litigations as at 30 September 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. At a closed session on 25 May 2023, the company's cassation appeal was dismissed.

On 19 December 2019 the President of UOKiK issued a decision stating that the operations of the Company were allegedly infringing collective consumer interests by hindering access to ZDF and Das Erste channels during the Euro 2016 championship by removing these channels and by giving incomplete and unreliable information to consumers in response to claims regarding unavailability of the above programs. Pursuant to the decision of the President of UOKiK the Company was charged with a penalty in the amount of PLN 34.9. The company appealed against this decision to SOKiK. On 14 February 2022 First Instance Court dismissed the Company's appeal in its entirety. The Company submit a cassation appeal to the Court of Appeal in Warsaw. The appeal hearing took place on 21 October 2022. On 21 November 2022, the Court of Appeal in Warsaw repealed the appealed judgment in its entirety and referred the case to the Regional Court in Warsaw for examination and resolution. On 24 July 2023 Company's appeal was again dismissed. On 6 September the Company filed an appeal against the judgment.

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 dates for: 15 December 2023 and 17 April 2024.

By lawsuit, delivered to the Company on 16 December 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information claim and claim for payment. The information claim relates to television programs rebroadcasted by the Company in the period from 20 August 2009 to 20 August 2019. In the claim for payment, SAWP claims PLN 153.3 for the alleged violation of related rights to artistic performances of musical and verbal - musical works through their non-contractual cable rebroadcast. The Company filed for the dismissal entirely. The last hearing took place on 16 March 2022. The court set the hearing date for 17 January 2024.

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	30 September 2023 unaudited		31 December 2022	
			Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	1,604.3	1,620.4	1,105.7	1,118.4
Trade and other receivables	A	*	739.6	739.6	135.1	135.1
Cash and cash equivalents	A	*	3,113.4	3,113.4	120.7	120.7
Loans and borrowings	B	2	(2,395.0)	(2,309.1)	(1,299.0)	(1,298.5)
Issued bonds	B	1	(3,905.7)	(3,885.1)	(1,982.1)	(2,076.4)
Lease liabilities	B	2	(17.1)	(17.1)	(17.0)	(17.0)
Accruals	B	*	(272.7)	(272.7)	(276.3)	(276.3)
Trade and other payables and deposits	B	*	(394.6)	(394.6)	(161.0)	(161.0)
Total			(1,527.8)	(1,405.2)	(2,373.9)	(2,455.0)
Unrecognized gain/(loss)				(122.6)		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 30 September 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 or EURIBOR interest rate and a margin regarding the Company's credit risk. When determining the fair value of senior facility as at 30 September 2023, forecasted cash flows from the reporting date to 28 April 2028. When determining the fair value of senior facility as at 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 30 September 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 30 September 2023 the Company held the following financial instruments measured at fair value:

ASSETS MEASURED AT FAIR VALUE

	30 September 2023 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	-	13.7
Financial PPA		-	-	13.7
Hedging derivative instruments		-	3.4	-
IRS		-	3.0	-
CIRS		-	0.4	-
Investment in equity instruments		602.7	-	-
Total		602.7	3.4	13.7

LIABILITIES MEASURED AT FAIR VALUE

	30 September 2023 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		-	-	22.5
Financial PPA		-	-	22.5
Hedging derivative instruments		-	12.7	-
IRS		-	12.0	-
CIRS		-	0.7	-
Total		-	12.7	22.5

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
Hedging derivative instruments		-	23.1	-
IRS		-	23.1	-
Total		-	23.1	-

LIABILITIES MEASURED AT FAIR VALUE

	31 December 2022	Level 1	Level 2	Level 3
Hedging derivative instruments		-	0.7	-
IRS		-	0.7	-
Total		-	0.7	-

The fair value of interest rate swaps and currency interest rate swap 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

Conclusion of 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 from January 2024.

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.

Conclusion of annex to the preliminary share purchase agreement concerning PAK-Polska Czysta Energia Sp. z o.o. and the acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o.

On 3 July 2023 Cyfrowy Polsat signed with ZE PAK S.A. (a related company) an annex to the preliminary agreement of 20 December 2021 regarding the Company's acquisition of shares in PAK-Polska Czysta Energia Sp. z o.o.

According to annex, Cyfrowy Polsat and ZE PAK S.A. agreed that the subject matter of the final agreement ("Final Agreement") will be 2,390,600 (not in millions) shares in PAK-Polska Czysta Energia Sp. z o.o. ("PAK-PCE Shares"), representing approximately 10.1% of the share capital of PAK-Polska Czysta Energia Sp. z o.o. and approximately 10.1% of votes at the shareholders' meeting of PAK-Polska Czysta Energia Sp. z o.o. ("Transaction").

In addition, the Company and ZE PAK S.A. agreed that two companies from the PAK Polska Czysta Energia Sp. z o.o. group: Przedsiębiorstwo Remontowe "PAK Serwis" Sp. z o.o. and PCE-OZE 5 Sp. z o.o. will be transferred to ZE PAK S.A. before closing the Transaction and therefore will not be subject of Transaction.

On 3 July 2023 the Company concluded with ZE PAK S.A. the Final Agreement under which the Company acquired the PAK-PCE Shares from ZE PAK S.A. The final price for the PAK-PCE Shares amounted to PLN 117.0.

Following Transaction and taking into account the shares previously acquired and subscribed for by the Company in PAK-Polska Czysta Energia Sp. z o.o., Cyfrowy Polsat holds approximately 50.5% of the shares in the share capital of PAK-Polska Czysta Energia Sp. z o.o.

Acquisition of shares in Pantanomo Limited

On 3 July 2023 the Company and Tobe Investments Group Limited entered into a share purchase agreement, pursuant to which Cyfrowy Polsat acquired from Tobe Investments Group Limited 4,705 (not in millions) shares in Pantanomo Limited, representing approximately 32% of Pantanomo's share capital.

The purchase price for the Pantanomo Limited shares amounts to PLN 307.2 and will be paid by the Company in instalments, the first instalment in the amount of PLN 107.2 by 31 October 2023, the second instalment in the amount of PLN 100.0 by 30 April 2024, and the remaining part of the price in the amount of PLN 100.0 will be paid by 31 October 2024.

Sale of shares in Asseco Poland S.A.

On 21 September 2023, as part of the share buyback announced by Asseco Poland S.A., the Company sold 10,642,046 (not in million) ordinary bearer shares of Asseco Poland S.A. The total proceeds from the sale of shares, reduced of transaction costs, amounted to PLN 850.5.

19. Other disclosures

Security relating to loans and borrowings

The Company entered into a series of agreements establishing collateral under the Facilities 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 and other related parties in respect to purchase contracts, including the realization of projects for the green energy segment. Detailed information regarding the 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 30 September 2023 (PLN 19.2 as at 31 December 2022).

Future contractual obligations

As at 30 September 2023 and 31 December 2022 the Company had future liabilities due to transponder capacity agreements. The table below presents future payments (total):

	30 September 2023 unaudited	31 December 2022
within one year	120.3	121.7
between 1 to 5 years	150.4	243.4
Total	270.7	365.1

20. Events subsequent to the reporting date

Granting sureties for the execution of wind farms "Drzeżewo I-IV"

On 2 October 2023, in connection with execution of the "Drzeżewo I-IV" wind power project, Eviva Drzeżewo Sp. z o.o. (a subsidiary of the Company) entered into a turbine supply agreement with Vestas Poland Sp. z o.o. for the supply of turbines, installation and commissioning and service agreement covering service work and a guarantee of the availability of the above mentioned turbines by Vestas Poland Sp. z o.o. for the period of 15 years from the date of commissioning. At the same time, the Company established collateral in favour of Vestas Poland Sp. z o.o. in the form of a surety in order to secure the liabilities of Eviva Drzeżewo Sp. z o.o. under the turbine supply and installation agreement. The amount of the surety will not exceed EUR 180.0.

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.