Cyfrowy Polsat S.A. Capital Group

Interim Consolidated Report for the three month period ended March 31, 2024

Warsaw, May 22, 2024

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Cyfrowy Polsat S.A. Capital Group

Interim Condensed Consolidated Financial Statements for the 3 months ended 31 March 2024

Prepared in accordance with International Accounting Standard 34 Interim Financial Reporting

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Approval of the Interim Condensed Consolidated Financial Statements

On 22 May 2024, 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 2024 to 31 March 2024 showing a net profit for the period of: PLN 184.3

Interim Consolidated Statement of Comprehensive Income for the period

from 1 January 2024 to 31 March 2024 showing a total comprehensive income for the period of: PLN 188.2

Interim Consolidated Balance Sheet as at

31 March 2024 showing total assets and total equity and liabilities of: PLN 36,560.5

Interim Consolidated Cash Flow Statement for the period

from 1 January 2024 to 31 March 2024 showing a net decrease in cash and cash equivalents amounting to: PLN 596.8

Interim Consolidated Statement of Changes in Equity for the period

from 1 January 2024 to 31 March 2024 showing an increase in equity of: PLN 182.5

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, 22 May 2024

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

Interim Consolidated Income Statement

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Continuing operations			
Revenue	8	3,405.0	3,199.3
Operating costs	9	(3,116.3)	(2,891.9)
Gain on disposal of a subsidiary and an associate		10.0	-
Other operating income/(cost), net		154.0	(8.7)
Profit from operating activities		**452.7**	**298.7**
Gain/(loss) on investment activities, net	10	19.2	20.8
Finance costs, net	11	(201.3)	(255.7)
Share of the profit/(loss) of associates accounted for using the equity method		-	20.3
Gross profit for the period		**270.6**	**84.1**
Income tax		(86.3)	(13.1)
Net profit for the period		**184.3**	**71.0**
Net profit attributable to equity holders of the Parent		180.1	64.5
Net profit/(loss) attributable to non-controlling interest		4.2	6.5
Basic and diluted earnings per share (in PLN)		**0.33**	**0.13**

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

Interim Consolidated Statement of Comprehensive Income

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Net profit for the period		**184.3**	**71.0**
Items that may be reclassified subsequently to profit or loss:			
Valuation of hedging instruments	13	4.6	(9.7)
Share of other comprehensive income of subsidiaries and associates		(0.7)	(0.2)
Other comprehensive income/(loss), net of tax		**3.9**	**(9.9)**
Total comprehensive income for the period		**188.2**	**61.1**
Total comprehensive income attributable to equity holders of the Parent		184.1	54.7
Total comprehensive income attributable to non-controlling interest		4.1	6.4

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Interim Consolidated Balance Sheet - Assets

	Note	31 March 2024 unaudited	31 December 2023
Property, plant and equipment		6,571.9	6,494.3
Goodwill	16	10,975.4	10,980.2
Customer relationships		191.1	300.2
Brands		1,959.7	1,979.7
Other intangible assets		4,807.1	4,835.8
Right-of-use assets		685.3	644.6
Non-current programming assets		285,9	304.8
Investment property		694.9	700.0
Non-current deferred distribution fees		74.5	85.0
Non-current trade receivables		925.7	968.1
Non-current loans granted		11.0	10.9
Other non-current assets, includes:		741.7	702.8
shares in associates accounted for using the equity method		*10.1*	*10.1*
shares in third parties valued in fair value through profit or loss		*652.9*	*615.9*
derivative instruments		*22.2*	*35.2*
Deferred tax assets		157.4	142.8
Total non-current assets		**28,081.6**	**28,149.2**
Current programming assets		674.5	678.2
Contract assets		340.8	349.0
Inventories		1,229.3	1,215.6
Trade and other receivables		2,914.1	2,947.1
Current loans granted		117.7	116.2
Income tax receivable		28.0	20.0
Current deferred distribution fees		241.0	227.4
Other current assets, includes:		207.0	139.7
derivative instruments		*33.9*	*21.6*
Short-term deposits		1.6	-
Cash and cash equivalents		2,694.9	3,306.0
Restricted cash		24.3	19.7
Total current assets		**8,473.2**	**9,018.9**
Assets held for sale		**5.7**	**8.6**
cash and cash equivalents		-	*1.2*
Total assets		**36,560.5**	**37,176.7**

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Interim Consolidated Balance Sheet - Equity and Liabilities

	Note	31 March 2024 unaudited	31 December 2023
Share capital	12	25.6	25.6
Share premium	12	7,174.0	7,174.0
Share of other comprehensive income of associates		(0.1)	-
Other reserves	12	2,755.7	2,752.8
Retained earnings		8,514.2	8,334.1
Treasury shares	12	(2,854.7)	(2,854.7)
Equity attributable to equity holders of the Parent		**15,614.7**	**15,431.8**
Non-controlling interests		873.0	873.4
Total equity		**16,487.7**	**16,305.2**
Loans and borrowings	14	9,429.7	9,534.3
Issued bonds	15	3,581.6	3,955.4
Lease liabilities		454.9	444.6
Deferred tax liabilities		1,088.3	1,035.0
Other non-current liabilities and provisions, includes:		341.4	385.6
derivative instruments		*12.1*	*24.0*
Total non-current liabilities		**14,895.9**	**15,354.9**
Loans and borrowings	14	1,190.8	1,069.7
Issued bonds	15	358.2	393.7
Lease liabilities		184.4	166.2
Contract liabilities		719.9	682.2
Trade and other payables, includes:		2,703.7	3,172.6
derivative instruments		*13.3*	*20.2*
Income tax liability		19.9	31.4
Total current liabilities		**5,176.9**	**5,515.8**
Liabilities held for sale		-	0.8
Total liabilities		**20,072.8**	**20,871.5**
Total equity and liabilities		**36,560.5**	**37,176.7**

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Interim Consolidated Cash Flow Statement

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Net profit		**184.3**	**71.0**
Adjustments for:		**616.2**	**284.7**
Depreciation, amortization, impairment and liquidation	9	493.6	462.5
Payments for film licenses and sports rights		(206.7)	(187.2)
Amortization of film licenses and sports rights		146.4	151.3
Interest expense		264.2	236.9
Change in inventories		(4.2)	(109.8)
Change in receivables and other assets		(71.0)	132.5
Change in liabilities and provisions		0.6	(330.2)
Change in contract assets		8.2	(14.6)
Change in contract liabilities		37.7	22.1
Foreign exchange (gain)/losses, net		(20.5)	0.1
Income tax		86.3	13.1
Net additions of reception equipment		(45.8)	(24.8)
Share of the profit of associates accounted for using the equity method		-	(20.3)
Gain on disposal of a subsidiary and an associate		(10.0)	-
Premium for early redemption of bonds		0.4	9.7
Cumulative catch-up		(2.5)	(19.2)
Other adjustments		(60.5)	(37.4)
Cash from operating activities		**800.5**	**355.7**
Income tax paid		(67.8)	(80.5)
Interest received from operating activities		30.5	24.4
Net cash from operating activities		**763.2**	**299.6**
Acquisition of property, plant and equipment		(233.7)	(215.4)
Acquisition of intangible assets		(101.9)	(79.8)
Concessions payments		(271.9)	(852.2)
Acquisition of subsidiaries, net of cash acquired		(6.2)	(0.1)
Proceeds from disposal of a subsidiary and an associate		12.0	-
Proceeds from sale of property, plant and equipment		6.5	6.4
Loans granted		(0.5)	(144.0)
Repayment of loans granted		0.5	60.5
Dividends received from associate		-	7.1
Other inflows/(outflows)		(2.0)	6.4
Net cash used in investing activities		**(597.2)**	**(1,211.1)**

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	Note	for the 3 months ended 31 March 2024 unaudited	31 March 2023 unaudited
Bonds issue	15	-	1,142.1
Loans and borrowings inflows	14	39.4	865.9
Repayment of loans and borrowings	14	(22.1)	(200.0)
Bonds redemption	15	(311.9)	-
Payment of interest on loans, borrowings, bonds and commissions *		(398.7)	(219.4)
Payment of lease liabilities		(61.8)	(57.6)
Payment of interest on lease liabilities		(8.7)	(6.3)
Hedging instrument effect		4.6	32.8
Other inflows/(outflows)		(3.6)	9.8
Net cash from/(used in) financing activities		**(762.8)**	**1,567.3**
Net increase/(decrease) in cash and cash equivalents		**(596.8)**	**655.8**
Cash and cash equivalents at the beginning of the period		**3,325.7(1)**	**817.8(2)**
Effect of exchange rate fluctuations on cash and cash equivalents		(9.7)	(0.2)
Cash and cash equivalents at the end of the period		**2,719.2(3)**	**1,473.4(4)**

* Includes amount paid for costs related to the new financing
(1) Includes restricted cash amounting to PLN 19.7
(2) Includes restricted cash amounting to PLN 9.3
(3) Includes restricted cash amounting to PLN 24.3
(4) Includes restricted cash amounting to PLN 9.9

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Interim Consolidated Statement of Changes in Equity for 3 monthes ended 31 March 2024

	Share capital	Share premium	Share of other comprehensive income of associates	Other reserves	Retained earnings [1]	Treasury shares	**Equity attributable to equity holders of the Parent**	**Non-controlling interests**	**Total equity**
Balance as at 1 January 2024	**25.6**	**7,174.0**	**-**	**2,752.8**	**8,334.1**	**(2,854.7)**	**15,431.8**	**873.4**	**16,305.2**
Dividend approved and share of profits	-	-	-	-	-	-	**-**	(4.2)	**(4.2)**
Acquisition/disposal of subsidiaries/associates	-	-	-	(1.2)	-	-	**(1.2)**	(0.3)	**(1.5)**
Total comprehensive income/(loss)	-	-	(0.1)	4.1	180.1	-	**184.1**	4.1	**188.2**
Hedge valuation reserve	-	-	-	*4.6*	-	-	***4.6***	-	***4.6***
Share of other comprehensive income of subsidiaries and associates	-	-	*(0.1)*	*(0.5)*	-	-	***(0.6)***	*(0.1)*	***(0.7)***
Net profit for the period	-	-	-	-	*180.1*	-	***180.1***	*4.2*	***184.3***
Balance as at 31 March 2024 unaudited	**25.6**	**7,174.0**	**(0.1)**	**2,755.7**	**8,514.2**	**(2,854.7)**	**15,614.7**	**873.0**	**16,487.7**

[1] In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. As at 31 March 2024 the capital excluded from distribution amounts to PLN 8.5

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

	Share capital	Share premium	Share of other comprehensive income of associates	Other reserves	Retained earnings [1]	Treasury shares	**Equity attributable to equity holders of the Parent**	**Non-controlling interests**	**Total equity**
Balance as at 1 January 2023	**25.6**	**7,174.0**	**51.9**	**2,815.9**	**8,057.6**	**(2,854.7)**	**15,270.3**	**540.5**	**15,810.8**
Dividend approved and share of profits	-	-	-	-	-	-	**-**	(2.2)	**(2.2)**
Total comprehensive income/(loss)	-	-	0.1	(9.9)	64.5	-	**54.7**	6.4	**61.1**
Hedge valuation reserve	-	-	-	*(9.7)*	-	-	***(9.7)***	-	***(9.7)***
Share of other comprehensive income of subsidiaries and associates	-	-	*0.1*	*(0.2)*	-	-	***(0.1)***	*(0.1)*	***(0.2)***
Net profit for the period	-	-	-	-	*64.5*	-	***64.5***	*6.5*	***71.0***
Balance as at 31 March 2023 unaudited	**25.6**	**7,174.0**	**52.0**	**2,806.0**	**8,122.1**	**(2,854.7)**	**15,325.0**	**544.7**	**15,869.7**

[1] In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. As at 31 March 2023 the capital excluded from distribution amounts to PLN 8.5

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

- Zygmunt Solorz — Chairman of the Supervisory Board,
- Tobias 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 Szeląg — Member of the Supervisory Board.

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

Statement of compliance

These interim condensed consolidated financial statements for the 3 months ended 31 March 2024 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 2023, 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 2023, except for the adoption of new, amended Standards or Interpretations that apply to the annual reporting periods beginning on or after 1 January 2024.

During the three-month period ended 31 March 2024 the following became effective:

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

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

Standards published but not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability,
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements,
- IFRS 18: Presentation and disclosure in financial statements.

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5. Group structure

These interim condensed consolidated financial statements for the 3 months ended 31 March 2024 include the following entities:

			Share in voting rights (%)*	
	Entity's registered office	Activity	31 March 2024	31 December 2023
Parent Company:				
Cyfrowy Polsat S.A.	Łubinowa 4a, 03-878 Warsaw	radio, TV and telecommunication activities	n/a	n/a
Subsidiaries accounted for using full method:				
Telewizja Polsat Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	television broadcasting and production	100%	100%
Polsat Media Sp. z o.o. (formerly Polsat Media Biuro Reklamy Sp. z o.o. Sp.k.)	Ostrobramska 77, 04-175 Warsaw	media	100%	100%
Polsat License Ltd.	Alte Landstrasse 17, 8863 Buttikon, Switzerland	media	100%	100%
Polsat Investments Ltd.	3, Krinou Agios Athanasios, 4103 Limassol, Cyprus	media	100%	100%
Polsat Ltd.	238A King Street, W6 0RF London, United Kingdom	media	100%	100%
naEKRANIE.pl Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	media	60%	60%
4FUN Sp. z o.o.	Fabryczna 5a, 00-446 Warsaw	media	60%	60%
Muzo.fm Sp. z o.o. (f)	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	media	- (f)	100%
INFO-TV-FM Sp. z o.o.	Łubinowa 4a, 03-878 Warsaw	radio and TV activities	100%	100%
CPSPV1 Sp. z o.o. (g)	Łubinowa 4a, 03-878 Warsaw	technical services	100%	100%
CPSPV2 Sp. z o.o. (g)	Łubinowa 4a, 03-878 Warsaw	technical services	100%	100%

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

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

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			Share in voting rights (%)*	
	Entity's registered office	Activity	31 March 2024	31 December 2023
Subsidiaries accounted for using full method (cont):				
Mobiem Sp. z o.o. (formerly Mobiem Polska Sp. z o.o. Sp.k.)	Fabryczna 5a, 00-446 Warsaw	advertising activities	100%	100%
TV Spektrum Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	Media	100%	100%
Polot Media Sp. z o.o.	Ludwika Solskiego 55, 52-401 Wroclaw	consulting	60%	60%
Polot Media Sp. z o.o. Sp.k.	Ludwika Solskiego 55, 52-401 Wroclaw	movie and TV production	60%	60%
BCAST Sp. z o.o. [(e)]	Rakowiecka 41/21, 02-521 Warsaw	telecommunication activities	80.01%	70.02%
Polsat Talenty Sp. z o.o.	Ostrobramska 77, 04-175 Warsaw	cooperation with artists and presenters	100%	100%
Premium Mobile Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	telecommunication activities	100%	100%
Saveadvisor Sp. z o.o.	Warszawska 18, 35-205 Rzeszów	call center services	100%	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%

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

	Entity's registered office	Activity	Share in voting rights (%)* 31 March 2024	Share in voting rights (%)* 31 December 2023
Subsidiaries accounted for using full method (cont):				
Vindix Sp. z o.o.	Heroiv UPA 73 ż, 79018, Lviv	call center services	100%	100%
Vindix NSFIZ	Mokotowska 49, 00-542 Warsaw	financial services	**	**
Mag7soft Sp. z o.o.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	software activities	100%	100%
Port Praski Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	66.94%	66.94%
Port Praski Nowe Inwestycje Sp. z o.o.	Krowia 6, 03-711 Warsaw	real estate management	66.94%	66.94%
Port Praski Office Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City III Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City IV Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Sp. z o.o. S.K.A.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Education Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Doki Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Doki II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Media Park Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%

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

			Share in voting rights (%)*	
	Entity's registered office	Activity	31 March 2024	31 December 2023
Subsidiaries accounted for using full method (cont):				
Port Praski II Sp. z o.o.	Krowia 6, 03-711 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski Hotel Sp. z o.o.	Krowia 6, 03-711 Warsaw	hotel services	77.52%	77.52%
Pantanomo Limited	3 KRINOU, Limassol 4103, Cyprus	holding activities	77.52%	77.52%
Laris Investments Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	real estate rental	66.94%	66.94%
Laris Development Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	66.94%	66.94%
Laris Technologies Sp. z o.o.	Pańska 77/79, 00-834 Warsaw	property rental and management	66.94%	66.94%
SPV Baletowa Sp. z o.o. (c)	Pańska 77/79, 00-834 Warsaw	implementation of construction projects	-(c)	66.94%
Megadex Development Sp. z o.o.	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%
Enterpol Sp. z o.o. (b)	Braci Wieniawskich 5, 20-844 Lublin	telecommunication activities	-(b)	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	79.88%	79.88%
PAK-Polska Czysta Energia Sp. z o.o.	Kazimierska 45, 62-510 Konin	holding activity	50.5%	50.5%
Great Wind Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Farma Wiatrowa Okonek Sp. z o.o. (d)	Kazimierska 45, 62-510 Konin	holding activity	-(d)	50.5%

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

	Entity's registered office	Activity	Share in voting rights (%)* 31 March 2024	Share in voting rights (%)* 31 December 2023
Subsidiaries accounted for using full method (cont):				
PAK-PCE Farma Wiatrowa Jastrowie Sp. z o.o. (d)	Kazimierska 45, 62-510 Konin	holding activity	-(d)	50.5%
Eviva Lębork Sp. z o.o. (a)	Kazimierska 45, 62-510 Konin	production of electricity	-(a)	50.5%
Eviva Drzeżewo Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
Mese Sp. z o.o. (d)	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	movie and TV production	-(d)	55.45%
PCE OZE 1 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 2 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 3 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 4 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PCE OZE 6 Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
Exion Hydrogen Polskie Elektrolizery Sp. z o.o.	Ku Ujściu 19, 80-701 Gdańsk	manufacture of electrical equipment	50.4%	50.4%
Exion Hydrogen Belgium BV	Slachthuisstraat 120, bus 12, 2300 Turnhout Belgium	manufacture of electrical equipment	50.4%	50.4%
PAK-PCE Fotowoltaika Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-Volt S.A.	Al. Stanów Zjednoczonych 61A, 04-028 Warsaw	trade of electricity	50.5%	50.5%
PG Hydrogen Sp. z o.o.	Konstruktorska 4, 02-673 Warsaw	manufacrture of engines and turibinas	26.26%	26.26%
PAK-PCE Biopaliwa i Wodór Sp. z o.o.	Przemysłowa 158, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Wiatr Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%

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

			Share in voting rights (%)*	
	Entity's registered office	Activity	31 March 2024	31 December 2023
Subsidiaries accounted for using full method (cont):				
PAK-PCE Polski Autobus Wodorowy Sp. z o.o.	Kazimierska 45, 62-510 Konin	manufacture of buses	50.5%	50.5%
PAK-PCE Stacje H2 Sp. z o.o.	Kazimierska 45, 62-510 Konin	retail of hydrogen	50.5%	50.5%
Farma Wiatrowa Przyrów Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
Elektrownie Wiatrowe Dobra Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
Farma Wiatrowa Kazimierz Biskupi Sp. z o.o.	Kazimierska 45, 62-510 Konin	production of electricity	50.5%	50.5%
PAK-PCE Miłosław Sp. z o.o. (formely Park Wiatrowy Pałczyn 1 Sp. z o.o.)	Al. Wojska Polskiego 68, 70-479 Szczecin	production of electricity	50.5%	50.5%
Port Praski Medical Center Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	77.52%	77.52%
Port Praski City II Sp. z o.o.	Postępu 14, 02-676 Warsaw	implementation of construction projects	77.52%	77.52%

* including direct and indirect shares
** Cyfrowy Polsat S.A. indirectly holds 100% of certificates
(a) On 3 January 2024 merger of Eviva Drzeżewo Sp. z o.o. (acquiring company) with Eviva Lębork Sp. z o.o. (acquired company) was registred.
(b) On 5 January 2024 merger of Netia S.A. (acquiring company) with Enterpol Sp. z o.o. (acquired company) was registred.
(c) On 18 January 2024 merger of Laris Development Sp. z o.o. (acquiring company) with SPV Baletowa Sp. z o.o. (acquired company) was registred.
(d) On 31 January 2024 merger of PAK-PCE Wiatr Sp. z o.o. (acquiring company) with companies: PAK-PCE Jastrowie Sp. z o.o., PAK-PCE Okonek Sp. z o.o. and Mese Sp. z o.o. (acquired companies) was registered.
(e) On 14 March 2024 Cyfrowy Polsat S.A. aquired additional 10% shares in BCAST Sp. z o.o. Following the transaction, Cyfrowy Polsat S.A. holds 80.01% shares in BCAST Sp. z o.o.
(f) On 27 March 2024 Telewizja Polsat Sp. z o.o. sold 100% of shares in Muzo.fm Sp. z o.o.
(g) On 30 April 2024 merger of Polkomtel Business Development Sp. z o.o. (acquiring company) with companies: CPSPV1 Sp. z o.o. and CPSPV2 Sp. z o.o. (acquired companies) was registered.

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Investments accounted for under the equity method:

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

* including direct and indirect shares

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

	Entity's registered office	Activity	Share in voting rights (%) 31 March 2024	31 December 2023
Karpacka Telewizja Kablowa Sp. z o.o.(1)	Warszawska 220, 26-600 Radom	dormant	99%	99%
Polskie Badania Internetu Sp. z o.o.(2)	Al. Jerozolimskie 65/79, 00-697 Warsaw	web portals activities	21.43%	21.43%
Pluszak Sp. z o.o.	Domaniewska 47, 02-672 Warsaw	retail sales	9%	9%
Towerlink Poland Sp. z o.o.	Marcina Kasprzaka 4, 01-211 Warsaw	telecommunication activities	0.01%	0.01%
Megadex SPV Sp. z o.o.	Adama Mickiewicza 63, 01-625 Warsaw	other financial services	7.02%	7.02%
Stocznia Remontowa NAUTA S.A.	Budowniczych 10, 81-336 Gdynia	repair and maintenance of ships and boats	0.03%	0.03%
Asseco Poland S.A.(5)	Olchowa 14, 35-322 Rzeszów	software activities	10.13%	10.13%

(1) Investment accounted for at cost less any accumulated impairment losses
(2) Not included in investments accounted for under the equity method due to immateriality

6. Approval of the Interim Condensed Consolidated Financial Statements

These interim condensed consolidated financial statements were approved for publication by the Management Board of Cyfrowy Polsat S.A. on 22 May 2024.

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

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.

Revenues from sales of energy produced from wind sources are subject to seasonal fluctuations during the year in such a way that the highest production usually occurs in the fourth and first quarters, which is related to the higher number of windy days. Revenues from sales of energy produced from photovoltaics are subject to seasonal fluctuations during the year in such a way that the highest production is usually in the second and third quarters, which is related to the higher number of sunny days.

8. Revenue

	for the 3 months ended	
	31 March 2024 unaudited	**31 March 2023 unaudited**
Retail revenue	1,770.6	1,733.8
Wholesale revenue	749.7	792.3
Sale of equipment	425.9	484.9
Energy revenue	281.9	-
Other revenue	176.9	188.3
Total	**3,405.0**	**3,199.3**

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.

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9. Operating costs

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Technical costs and cost of settlements with telecommunication operators		802.6	808.6
Depreciation, amortization, impairment and liquidation		481.0	462.5
Cost of equipment sold		328.0	392.6
Content costs		513.0	514.5
Cost of energy sold, includes:		241.8	-
*Depreciation**		*11.6*	-
Distribution, marketing, customer relation management and retention costs		268.7	243.6
Salaries and employee-related costs	a)	304.0	276.1
Cost of debt collection services, bad debt allowance and receivables written off		13.1	29.4
Other costs, includes:		164.1	164.6
*Depreciation**		*1.0*	-
Total		**3,116.3**	**2.891.9**

a) Salaries and employee related costs

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Salaries	247,5	227.5
Social security contributions	42,6	38.8
Other employee-related costs	13,9	9.8
Total	**304,0**	**276.1**

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

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Interest on lease liabilities	(9.8)	(6.3)
Interest on loans granted	2.3	11.6
Other interest, net	27.6	18.3
Other foreign exchange gains/(losses), net	(6.4)	(1.9)
Other income/(costs)	5.5	(0.9)
Total	**19.2**	**20.8**

11. Finance costs, net

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Interest expense on loans and borrowings	175.8	191.1
Interest expense on issued bonds*	95.4	86.7
Foreign exchange differences on loans and borrowings	(23.9)	-
Cumulative catch-up	(2.5)	(19.2)
Valuation and realization of hedging instruments	(0.7)	(7.8)
Valuation and realization of derivatives not used in hedge accounting – relating to interest	(43.8)	4.4
Guarantee fees, bank and other charges	1.0	0.5
Total	**201.3**	**255.7**

*includes early redemption bonuses

12. Equity

Share capital

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

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

* not in millions

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

	Number of shares*	Nominal value of shares	% of share capital held	Number of votes*	% of voting rights
Zygmunt Solorz, 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] 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%
Others	242,743,994	9.7	37.96%	242,743,994	26.94%
Total	**639,546,016**	**25.6**	**100%**	**818,963,517**	**100%**

* not in millions
[1] Own shares acquired under the buy-back program announced on 16 November 2021. Pursuant to Art. 364 Item 2 of the Commercial Companies Code, Cyfrowy Polsat S.A. does not exercise voting rights attached to own shares.
[2] Person is under the presumption of the existence of an agreement referred to in article 87 section 1 item 5 of the Public Offering Act.

Share premium

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

Other reserves

Other reserves as at 31 March 2024 and 31 December 2023 include mainly the reserve capital created for the purposes of the share buyback program in the amount of PLN 2,914.8.

Treasury shares

Treasury shares as at 31 March 2024 and 31 December 2023 include a total of 88.842.485 (not in millions) own shares, representing in total 13,89% of the share capital of the Company and entitling to exercise 88.842.485 (not in millions) votes at the general meeting of the Company, constituting 10,85% of the total number of votes at the general meeting of the Company.

Non-controlling interests

Non-controlling interests relate primarily to interests attributable to non-controlling shareholders of 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.

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13. Hedge valuation reserve

Impact of hedging instruments valuation on other reserves

	2024	2023
Balance as at 1 January	**(5.1)**	**18.2**
Valuation of cash flow hedges	5.7	(12.0)
Deferred tax	(1.1)	2.3
Change for the period	**4.6**	**(9.7)**
Balance as at 31 March unaudited	**(0.5)**	**8.5**

14. Loans and borrowings

	31 March 2024 unaudited	31 December 2023
Short-term liabilities	1,190.8	1,069.7
Long-term liabilities	9,429.7	9,534.3
Total	**10,620.5**	**10,604.0**

Change in loans and borrowings liabilities:

	2024	2023
Balance as at 1 January	**10,604.0**	**8.137,4**
Loans and borrowings inflows	39.4	865.9
Repayment of capital	(22.1)	(200.0)
Repayment of interest and commissions	(204.1)	(148.4)
Interest accrued and commissions	227.2	191.1
Foreign exchange	(23.9)	-
Balance as at 31 March unaudited	**10,620.5**	**8,846.0**

15. Issued bonds

	31 March 2024 unaudited	31 December 2023
Short-term liabilities	358.2	393.7
Long-term liabilities	3,581.6	3,955.4
Total	**3,939.8**	**4,349.1**

Change in issued bonds:

	2024	2023
Balance as at 1 January	**4,349.1**	**2,076.4**
Bonds issue (series D bonds)	-	2,670.0
Bonds redemption (series B and C bonds)	(311.9)	(1,527.9)
Repayment of interest and commissions	(191.5)	(71.0)
Cumulative catch-up	(2.5)	(19.2)
Interest accrued and commissions	96.6	86.7
Balance as at 31 March unaudited	**3,939.8**	**3,215.0**

Early redemption of Series B and C bonds

On 17 January 2024, the Company's Board of Directors decided to carry out an early redemption (the "Early Redemption") of all outstanding:

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

The early redemption was carried out by the Company on 5 February 2024 by way of payment:

- for each series B bond, the cash amount of its face value, i.e. PLN 1,000 (not in millions), plus accrued interest of PLN 20.46 (not in millions), and
- for each series C bond, a cash amount equal to its face value, i.e. PLN 1,000 (not in millions), plus accrued interest in the amount of PLN 39.41 (not in millions) and an early redemption premium in the amount of PLN 5.00 (not in millions).

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

Other notes

16. Acquisition of subsidiaries

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”).

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

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PROVISIONAL CONSIDERATION TRANSFERRED

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

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

RECONCILIATION OF TRANSACTIONAL CASH FLOW

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

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

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

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:	
Property, plant and equipment	1,827.9
Customer relationships	88.1
Other intangible assets	900.1
Right-of-use assets	89.9
Other non-current assets	117.1
Deferred tax assets	16.5
Inventories	129.1
Trade and other receivables	214.3
Income tax receivable	0.8
Other current assets	64.9
Cash and cash equivalents	269.5
Loans and borrowings	(1,704.2)
Lease liabilities	(76.4)
Deferred tax liability	(211.1)
Other non-current liabilities and provisions	(87.5)
Contract liabilities	(113.4)
Trade and other payables	(318.5)
Provisional value of net assets (100%) [A]	**1,207.1**
Provisional value of net assets attributable to non-controlling interest (49.5%) [B]	**597.5**
Provisional value of net assets attributable to the Group (50.5%)	**609.6**
Provisional consideration transferred [C]	**735.3**
Provisional goodwill [C]-([A]-[B])	**125.7**

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

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

The provisional fair value of the Permits in the amount of PLN 880.2 (included in Other intangible assets) was estimated based on the cost approach using the residual method and corresponds to the difference between the fair value of the farm and the value of the adjusted net assets of the farm as at the valuation date. The Management Board concluded that there is a predictable period during which the Permits will bring benefits to the Group and therefore a definite useful life was adopted. The permits are subject to depreciation for a period equal to the depreciation period of the farms for which the permits were obtained, i.e. for a period of 30 years from the date the farm was put into operation.

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

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

The provisional goodwill was allocated to the “Green energy” operating segment and consist largely of the synergies and economies of scale that can be achieved through further development of the business.

The revenue and net loss included in the consolidated income statement for the reporting period since 3 July 2023 to 31 December 2023 contributed by PAK-PCE Group amounted to PLN 771.6 and PLN 48.2, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 12 December 2023 would have amounted to PLN 14,362.8 and PLN 284.7, 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 11.1 (including price adjustment in accordance with the contract).

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

PROVISIONAL CONSIDERATION TRANSFERRED

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

RECONCILIATION OF TRANSACTIONAL CASH FLOW

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

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

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	**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	**11.1**
Provisional goodwill	**10.3**

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 31 December 2023 contributed by naEKRANIE.pl Sp. z o.o. amounted to PLN 1.7 and PLN 0.7, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2023 would have amounted to PLN 13,629.8 and PLN 313.0, 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 37.5 (including price adjustment in accordance with the contract).

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	37.5
Provisional value as at 21 July 2023	**37.5**

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

RECONCILIATION OF TRANSACTIONAL CASH FLOW

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

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 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 intangible assets	1.7
Trade and other receivables	2.0
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	**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	**37.5**
Provisional goodwill	**26.0**

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 31 December 2023 contributed by 4FUN Sp. z o.o. amounted to PLN 10.6 and PLN 3.0, respectively. Had it been acquired on 1 January 2023, the pro forma revenue and net income included in the consolidated income statement for the 12 months ended 31 December 2023 would have amounted to PLN 13,645.8 and PLN 320.2, respectively.

17. Operating segments

The Group operates in the following four segments:

- B2C and B2B services segment which relates to the provision of services to the general public, including digital television transmission signal, mobile services, the

Internet access services, the mobile TV services, the online TV services, set-top boxes production and assembly of photovoltaic installations,

- Media segment,
- Real Estate segment,
- Green energy segment (starting from 3 July 2023).

The Group conducts its operating activities primarily in Poland.

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

B2C and B2B services segment includes:

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

The Green energy segment consists primarily of:

- production and sale of energy 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,
- investing in renewalbe energy sources projects such as photovoltaics and wind farms.

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

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

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the 3 months ended 31 March 2024:

the 3 months ended 31 March 2024 (unaudited)	B2C and B2B services	Media: TV and online	Real Estate	Green energy	Consolidation adjustments	Total
Revenues from sales to third parties	2,562.2	509.4	25.4	308.0	-	**3,405.0**
Inter-segment revenues	13.3	75.9	14.8	46.3	(150.3)	**-**
Revenues	**2,575.5**	**585.3**	**40.2**	**354.3**	**(150.3)**	**3,405.0**
EBITDA adjusted (unaudited)	**797.8**	**90.9**	**0.3**	**47.3**	**-**	**936.3**
Gain on disposal of a subsidiary and an associate	-	10.0	-	-	-	10.0
EBITDA (unaudited)	**797.8**	**100.9**	**0.3**	**47.3**	**-**	**946.3**
Depreciation, amortization, impairment and liquidation	430.4	37.6	6.6	6.4	-	**481.0**
Depreciation included in energy and buses production costs	-	-	-	12.6	-	**12.6**
Profit/(loss) from operating activities	**367.4**	**63.3**	**(6.3)**	**28.3**	**-**	**452.7**
Acquisition of property, plant and equipment and other intangible assets	217.2	26.3	5.1	87.0	-	**335.6**
Acquisition of reception equipment	45.8	-	-	-	-	**45.8**
Balance as at 31 March 2024 (unaudited)						
Assets, including:	25,930.6	4,133.0	1,468.8	4,683.4	344.7	**36,560.5**
Investments in joint venture and shares in associates	-	-	10.1	-	-	**10.1**

* Includes non-current assets located outside of Poland in the amount of PLN 1.0

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

All material revenues are generated in Poland.

It should be noted that the data for 3 months ended 31 March 2024 allocated to both the "B2C and B2B services" segment, "Media" segment and "Real Estate" segment are not fully comparable to the data for 3 months ended 31 March 2023 due to changes in the structure of the Group, described in notes 5 and 16 as well as in the consolidated financial statements for the financial year ended 31 December 2023.

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the 3 months ended 31 March 2023:

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

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

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

Reconciliation of EBITDA and Net profit for the period:

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
EBITDA adjusted (unaudited)	**936.3**	**761.2**
Gain on disposal of a subsidiary and an associate	10.0	-
EBITDA (unaudited)	**946.3**	**761.2**
Depreciation, amortization, impairment and liquidation (note 9)	(481.0)	(462.5)
Depreciation included in energy and bus production costs (note 9)	(12.6)	-
Profit from operating activities	**452.7**	**298.7**
Other foreign exchange rate differences, net (note 10 and 11)	17.5	(1.9)
Interest costs, net (note 10 and 11)	(206.6)	(250.8)
Share of the profit of associates accounted for using the equity method	-	20.3
Cumulative catch-up (note 11)	2.5	19.2
Other	4.5	(1.4)
Gross profit for the period	**270.6**	**84.1**
Income tax	(86.3)	(13.1)
Net profit for the period	**184.3**	**71.0**

18. Transactions with related parties

Receivables

	31 March 2024 unaudited	31 December 2023
Joint ventures and associates	0.7	0.2
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	13.6	13.2
Total *	**14.3**	**13.4**

* Amounts presented above do not include deposits paid (31 March 2024 – PLN 3.4, 31 December 2023 – PLN 3.4)

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

Other assets

	31 March 2024 unaudited	31 December 2023
Joint ventures and associates	4.2	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.	1.2	-
Total	**5.4**	**0.3**

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

Liabilities

	31 March 2024 unaudited	31 December 2023
Joint ventures and associates	36.2	10.6
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	219.3	209.6
Total	**255.5**	**220.2**

The liability mainly includes a liability for the acquisition of shares by Cyfrowy Polsat, and liabilities for IT software and its maintenance.

Loans granted

	31 March 2024 unaudited	31 December 2023
Associates	15.9	15.0
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	12.5	12.5
Total	**28.4**	**27.5**

Loans granted as at 31 December 2024 include mainly loans to Polsat Boxing Promotion Sp. z o.o. and Dystrybucja Mówi Serwis Sp. z o.o. Sp.k.

Loans received

	31 March 2024 unaudited	31 December 2023
Associates	11.6	11.3
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	6.7	6.6
Total	**18.3**	**17.9**

Loans received as at 31 December 2024 include mainly loans to ZE PAK S.A.

Revenues

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Joint ventures and associates	1.3	15.8
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	10.7	6.9
Total	**12.0**	**22.7**

In the period of 3 months ended 31 March 2024 most significant transactions relate to income from IT and telemarketing shared services.

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

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Expenses and purchases of programming assets

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Joint ventures and associates	8.6	83.0
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.	35.4	43.9
Total	**44.0**	**126.9**

In the period of 3 months ended 31 March 2024 the most significant transactions include *inter alia* cost of premises rental and advertising services.

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

Gain/(loss) on investment activities, net

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Joint ventures and associates	0.3	10.9
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	-	7.0
Total	**0.3**	**17.9**

Finance costs, net

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Joint ventures and associates	0.4	-
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.	0.2	0.2
Total	**0.6**	**0.2**

19. Contingent liabilities

Management believes that the provisions as at 31 March 2024 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Group's financial situation.

Proceedings before the Office of Competition and Consumer Protection („UOKiK")

On 22 January 2020 the President of UOKiK issued a decision stating that the operations of Polkomtel (Company's subsidiary) were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK Polkomtel was charged with a penalty in the amount of PLN 20.4. Polkomtel appealed to SOKiK against the decision. On 8 April 2022, SOKiK dismissed Polkomtel's appeal. On 31 May 2022 Polkomtel submitted appeal against the SOKiK verdict. On 28 March 2023 the Court of Appeal dismissed the appeal. On 11 April 2023 Polkomtel paid a penalty of PLN 20.4. After receiving written justification of the judgment of the Court of Appeal, on 30 June 2023 Polkomtel filed a cassation complaint. On 7 March 2024, Polkomtel received a decision of the Supreme Court refusing to accept the cassation appeal in this case for consideration.

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, containig 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 120.0. The court set the hearing dates for: 15 December 2023 and 17 April 2024. The hearing on 15 December 2023 and on 17 April 2024 has been canceled.

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 17 January 2024. The hearing was postponed without a date.

In addition to the matters described above, there are also other proceedings, for which provisions have been made according to the best estimates of the management board members as to potential future outflows of the economic benefits required for their settlement. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Group's Management, such disclosure could prejudice the outcome of the pending cases. Other significant proceedings described in the consolidated financial statements for the year ended 31 December 2023 remained unchanged.

20. 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 2023. There have been no significant changes in any risk management policies since the end of year 2023.

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

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.

			31 March 2024 unaudited		31 December 2023	
	Category according to IFRS 9	The level of the fair value hierarchy	Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	128.8	128.7	127.4	127.1
Trade and other receivables	A	*	3,726.8	3,726.8	3,742.6	3,742.6
Cash and cash equivalents and short-term deposits	A	*	2,696.5	2,696.5	3,307.2	3,307.2
Restricted cash	A	*	24.3	24.3	19.7	19.7
Loans and borrowings	B	2	(11,065.2)	(10,620.5)	(11,150.1)	(10,604.0)
Issued bonds	B	1	(4,039.4)	(3,939.8)	(4,433.7)	(4,349.1)
Lease liabilities	B	2	(639.3)	(639.3)	(610.8)	(610.8)
Accruals	B	*	(1,049.1)	(1,049.1)	(1,213.7)	(1,213.7)
Trade and other payables and deposits	B	*	(1,570.3)	(1,570.3)	(2,096.3)	(2,096.3)
Total			**(11,786.9)**	**(11,242.7)**	**(12,307.7)**	**(11,677.3)**
Unrecognized loss				(544.2)		(630.4)

A – assets subsequently measured at amortised cost
B – liabilities subsequently measured at amortised cost
* It is assumed that the fair value of these financial assets and liabilities is equal to their nominal value, therefore no evaluation methods were used in order to calculate their fair value.

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

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

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

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

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

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

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

Assets measured at fair value

	31 March 2024 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		**-**	**44.4**	**7.2**
IRS		-	44.1	-
CIRS		-	0.3	-
Financial PPA		-	-	7.2
Hedging derivative instruments		**-**	**4.5**	**-**
IRS		-	4.1	-
CIRS		-	0.4	-
Other assets		**-**	**15.4**	**-**
Investments in equity instruments		**651.4**	**1.5**	**-**
Total		**651.4**	**65.8**	**7.2**

Liabilities measured at fair value

	31 March 2024 unaudited	Level 1	Level 2	Level 3
Derivative instruments not designated as hedging instruments		**-**	**(12.5)**	**(6.4)**
IRS		-	(8.9)	-
CIRS		-	(3.5)	-
Forward		-	(0.1)	-
Financial PPA		-	-	(6.4)
Hedging derivative instruments		**-**	**(6.5)**	**-**
IRS		-	(2.8)	-
CIRS		-	(3.5)	-
Forward		-	(0.2)	-
Put option		**-**	**-**	**(39.5)**
Total		**-**	**(19.0)**	**(45.9)**

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

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

Assets measured at fair value

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

Liabilities measured at fair value

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

The fair value of forwards, interest rate swaps and currency interest rate swaps is determined using financial instruments valuation models, based on generally published currency exchange rates, interest rates, forward rate curves and volatility curves for foreign currencies taken from active markets. Fair value of derivatives is determined based on the discounted future cash flows from transactions, calculated based on the difference between the forward price and the transaction price.

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

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

21. Important agreements and events

Sale of intangible assets

On 25 January 2024, Polkomtel entered into a sale agreement regarding the sale of intangible assets, consisting of a portion of its Internet Protocol version 4 (IPv4) communications protocol address package, to an unrelated party for a total consideration of USD 56.1. The transaction took place as part of and as a result of an ongoing asset review process, and the intangible assets divested were non-strategic assets.

The agreed schedule provides for the completion of the above transaction and payment in three tranches. The first payment instalment of PLN 164.0, net of transaction costs, was recognised under 'Other operating income' in the consolidated income statement for the first quarter of 2024.

Sale of shares in Muzo.fm Sp. z o.o.

On 27 March 2024 Telewizja Polsat Sp. z o.o. sold 100% of shares in Muzo.fm Sp. z o.o. The total sale price amounted to PLN 13.3.

Decisions of the Head of the Małopolska Tax Office in Cracow

On 15 February 2018 the Head of the Małopolska Tax Office in Cracow (“Tax Office”) issued the decision assessing the tax liability from uncollected withholding corporate income tax in 2012 in the amount of PLN 24.2 increased by interest on tax arrears.

In the issued decision the Tax Office contested the Company’s right to an exemption from the obligation to withhold income tax on certain interest payments in 2012. The Company appealed against the decision of the Tax Authority on the basis of acquired opinions issued by renowned entities. The Company has not created any provisions encumbering its financial results.

On 10 July 2018 the Tax Office upheld the previous decision dated 15 February 2018. The Company did not agree with the decision of the Tax Office in question and appealed against it to the Voivodship Administrative Court in Cracow. The Voivodship Administrative Court in Cracow dismissed the complaint in the ruling as of 21 February 2019. The Company also did not agree with this decision and filled a cassation complaint to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court upheld the complaint and transferred the case to the Voivodship Administrative Court for re-examination in its decision on 17 August 2022. The Voivodship Administrative Court, at the hearing on 15 March 2023, revoked the decision of the Head of the Małopolska Tax Office in Cracow and referred the case for reconsideration by this authority. On 23 January 2024, the Company received the decision of the tax authority discontinuing the proceedings in the case.

The Tax Office control activities in the aforesaid matter were in progress in relation to 2013 and 2014.

The Head of the Małopolska Tax Office in Cracow issued a decision on 19 July 2019 in respect to the year 2013. The decision assessed the Company’s tax liability from uncollected withholding corporate income tax in 2013 in the amount of PLN 25.1 increased by interest on tax arrears. The Company appealed against the decision, but on 14 February 2020 the Tax Authority maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 15 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, did not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgements of the first instance court and the decisions of the

Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. The Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines. 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, did not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgments of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. The Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines. The Company has not created any provisions encumbering its financial results.

Renewal of the frequency reservations

Due to the upcoming expiry of the frequency reservation in the 2600 MHz band (at the end of 2024), the current holder of which was Aero2 Sp. z o. o. (on 30 November 2021, Polkomtel Sp. z o. o. and Aero2 Sp. z o. o. merged, as a result of which Polkomtel entered the rights and obligations of Aero2, thus taking over the right to use Aero2 frequencies), pursuant to the provisions of the Telecommunications Law, Polkomtel Sp. z o. o. in December 2023, submitted an application to the President of UKE for a frequency reservation in the 2600 MHz band for the next period.

It is estimated that the issuance of a decision by the President of UKE regarding the above-mentioned frequency reservations in the 2600 MHz band for the next period will take place in the third quarter of 2024.

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 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.

On 19 December 2023, the President of UKE issued a reservation decision for Polkomtel regarding the acquired frequency block in the 3.6 GHz band. On 10 January 2024, Polkomtel paid the President of UKE an additional fee for making the frequency reservation.

The legal dispute in respect to the telecommunication concession

The legal dispute in respect to the telecommunication concession for the 1800 MHz frequency granted in 2007 to Mobyland Sp. z o.o. (currently Polkomtel Sp. z o.o.) and CenterNet S.A. (currently Polkomtel Sp. z o.o.) has ended. Proceedings to invalidate the 1800 MHz frequency allocation tender have been instigated by T-Mobile and Orange. Supreme Administrative Court (NSA), in its ruling dated 8 May 2014, sustained the decision of the Court of First Instance and repealed the decision issued by the President of the Office of Electronic Communications (UKE) on 23 September 2011 which partially invalidated the above mentioned tender. Following the decision of the Supreme Administrative Court, UKE informed that “the decisions regarding re-running the tender will be taken by the Office upon careful analysis of the written justification of NSA’s rulings and the Court’s guidelines regarding further procedure as well as upon analysis of the legal situation”. UKE also stated that the “reservation decisions issued by UKE President remained valid while the operators could continue providing their services while using these frequencies”. On 23 December 2016 President of UKE notified the parties that the tender annulment proceedings relating to the 1800 MHz frequency have been adopted. Pursuant to the decision dated 4 August 2017 President of UKE notified the parties that the tender dated 2007 has been annulled. On 13 October 2017 Aero 2 Sp. z o.o. (a successor of CenterNet S.A. and Mobyland Sp. z o.o., currently Polkomtel Sp. z o.o.) filed a motion to reconsider the decision of the President of UKE dated 4 August 2017 concerning the annulment of the tender procedure. On 31 January 2018 the President of UKE upheld its decision dated 4 August 2017. On 7 March 2018 Aero2 (currently Polkomtel Sp. z o.o.) filed a complaint with the Provincial Administrative Court in Warsaw, on 4 October 2018 complaint was dismissed. On 27 December 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a cassation appeal against judgment, which was dismissed by the Supreme Administrative Court on 25 November 2022.

The decision issued by UKE President does not affect reservation decisions issued following the administrative tender. Moreover, on 5 December 2022, Aero2 (currently Polkomtel Sp. z o.o.) obtained the decision of the President of UKE to grant a frequency reservation in the 1800 MHz range for the next period.

In the proceedings instigated by T-Mobile Polska S.A., the President of UKE resumed the proceedings which were terminated on 23 April 2009 by the issuance of a final decision by the President of UKE which sustained the decision of the President of UKE dated 30 November 2007 concerning the frequency reservation in the 1710-1730 MHz and 1805-1825 MHz range. Under these proceedings, in the decision dated 28 November 2017 the President of UKE refused, after resuming the proceedings, to annul the reservation decision of the President of UKE dated 23 April 2009. This decision was upheld by the decision of the President of UKE dated 4 June 2018. In connection with complaints filed against this decision, in the ruling of 11 March 2019 the Voivodship Administrative Court in Warsaw annulled the decision of the President of UKE dated 4 June 2018. On 10 October 2023, the Supreme Administrative Court overturned the contested judgment and referred the case to the Court of First Instance for reconsideration. On 3 April 2024, the Voivodship Administrative Court in Warsaw dismissed the complaint of T-Mobile Polska S.A., however the judgment is not final.

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

The initiation by the European Commission of the procedure based on Art. 108 sec. 2 of the European Union Treaty

In the beginning of October 2020, Cyfrowy Polsat S.A. and Sferia S.A. (Sferia), a company owned by the Cyfrowy Polsat Group in 51% since 29 February 2016, received from the Ministry of Digital Affairs a copy of the European Commission’s decision dated 21 September 2020 regarding the initiation of the formal investigation procedure against the Republic of Poland concerning the alleged illegal state aid provided to Sferia. The alleged illegal state aid relates to granting in 2013 to Sferia the right to use a frequency block of 800 MHz range in place of the frequency 850 MHz range previously held by Sferia. According to the decision, the European Commission intends to investigate, whether the state aid was granted, and if so, whether it can be considered compatible with the internal market. On 4 February 2022, the European Commission began consultations on this matter and Cyfrowy Polsat and Sferia submitted their comments. Both companies believe that no illegal state aid was granted.

Influence of the political and economic situation in Ukraine on the Group's operations and financial prospects

In the Management Board’s view, the Company and Group’s core business is relatively resistant to the adverse impact of the political and economic situation in Ukraine. More information is presented in note 5.1 in the Management Report for 2023.

22. Events subsequent to the reporting date

In the period up to the date of approval of these condensed interim consolidated financial statements, there were no significant events after the balance sheet date other than those disclosed in the other notes to these condensed interim consolidated financial statements.

23. 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 3.3.2.

Other securities

The Company provided guarantees to its subsidiaries and other related parties in respect to purchase contracts. Additionally, Group’s entities also have bank guarantees in respect to purchase contracts as well as payments. Further information is presented in the Management Report in note 4.3.

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

Commitments to purchase programming assets

As at 31 March 2024 the Group had outstanding contractual commitments in relation to purchases of programming assets. The table below presents a maturity analysis for such commitments:

	31 March 2024 unaudited	31 December 2023
within one year	289.0	225.4
between 1 to 5 years	348.8	287.3
more than 5 years	226.2	162.8
Total	**864.0**	**675.5**

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

	31 March 2024 unaudited	31 December 2023
within one year	13.2	15.8
Total	**13.2**	**15.8**

Contractual liabilities related to purchases of non-current assets

Total amount of contractual liabilities resulting from agreements on the production and purchasing of property, plant and equipment was PLN 1,388.9 as at 31 March 2024 (PLN 1,383.0 as at 31 December 2023). Total amount of contractual liabilities resulting from agreements for the purchases of intangible assets was PLN 148.3 as at 31 March 2024 (PLN 78.4 as at 31 December 2023).

Future contractual obligations

As at 31 March 2024 and 31 December 2023 the Group had future liabilities due to transponder capacity agreements.

The table below presents future payments (total):

	31 March 2024 unaudited	31 December 2023
within one year	114.9	116.1
between 1 to 5 years	86.2	116.1
Total	**201.1**	**232.2**

24. Judgments, financial estimates and assumptions

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

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

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

Cyfrowy Polsat S.A.

Interim Condensed Financial Statements for the 3 months ended 31 March 2024

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

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Approval of the interim condensed financial statements

On 22 May 2024, 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 2024 to 31 March 2024 showing a net profit for the period of:	PLN 5.2

Interim Statement of Comprehensive Income for the period

from 1 January 2024 to 31 March 2024 showing a total comprehensive income for the period of:	PLN 9.8

Interim Balance Sheet as at

31 March 2024 showing total assets and total equity and liabilities of:	PLN 19,405.3

Interim Cash Flow Statement for the period

from 1 January 2024 to 31 March 2024 showing a net increase in cash and cash equivalents amounting to:	PLN 364.3

Interim Statement of Changes in Equity for the period

from 1 January 2024 to 31 March 2024 showing an increase in equity of:	PLN 9.8

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	

Warsaw, 22 May 2024

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

Interim Income Statement

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Revenue	7	563.4	572.3
Operating costs	8	(533.5)	(513.2)
Other operating income/(costs), net		(1.3)	1.1
Profit from operating activities		**28.6**	**60.2**
Gain on investment activities, net	9	126.8	33.7
Finance costs, net	10	(120.2)	(88.4)
Gross profit for the period		**35.2**	**5.5**
Income tax		(30.0)	(1.3)
Net profit for the period		**5.2**	**4.2**
Basic and diluted earnings per share (in PLN)		**0.01**	**0.01**

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

Interim Statement of Comprehensive Income

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Net profit for the period		**5.2**	**4.2**
Items that may be reclassified subsequently to profit or loss:			
Valuation of hedging instruments	12	4.6	(9.7)
Other comprehensive income/(loss), net of tax		**4.6**	**(9.7)**
Total comprehensive income/(loss) for the period		**9.8**	**(5.5)**

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

Interim Balance Sheet - Assets

	Note	31 March 2024 unaudited	31 December 2023
Reception equipment		378.2	362.6
Other property, plant and equipment		130.5	130.2
Goodwill		197.0	197.0
Other intangible assets		132.7	127.7
Right-of-use assets		21.0	21.5
Investment property		94.8	94.3
Shares in subsidiaries, associates and other includes:		12,812.9	12,774.4
shares in associates		*0.1*	*0.1*
Non-current deferred distribution fees		18.2	19.5
Non-current loans granted		3,550.2	3,584.2
Other non-current assets, includes:		80.7	33.4
derivative instruments		*77.5*	*30.1*
Total non-current assets		**17,416.2**	**17,344.8**
Contract assets		70.7	72.0
Inventories		98.3	122.7
Trade and other receivables		171.5	189.5
Current loans granted		15.3	24.3
Income tax receivables		10.2	7.2
Current deferred distribution fees		49.5	48.0
Other current assets includes:		62.9	40.8
derivative instruments		*43.7*	*15.9*
Cash and cash equivalents		1,510.7	1,883.6
Total current assets		**1,989.1**	**2,388.1**
Total assets		**19,405.3**	**19,732.9**

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

Interim Balance Sheet - Equity and Liabilities

	Note	31 March 2024 unaudited	31 December 2023
Share capital	11	25.6	25.6
Share premium	11	7,174.0	7,174.0
Other reserves		2,914.2	2,909.6
Retained earnings		4,860.6	4,855.4
Treasury shares		(2,854.7)	(2,854.7)
Total equity		**12,119.7**	**12,109.9**
Loans and borrowings	13	2.012.4	2,022.0
Issued bonds	14	3.601.7	3,975.5
Lease liabilities		19.3	19.8
Deferred tax liabilities		73.6	40.3
Other non-current liabilities and provisions, includes:		111.2	58.7
derivative instruments		*109.1*	*56.5*
Total non-current liabilities		**5,818.2**	**6,116.3**
Loans and borrowings	13	180.0	185.7
Issued bonds	14	358.7	394.7
Lease liabilities		3.2	3.1
Contract liabilities		238.4	230.7
Trade and other payables, includes:		683.4	688.8
derivative instruments		*41.6*	*15.5*
Deposits for equipment		3.7	3.7
Total current liabilities		**1,467.4**	**1,506.7**
Total liabilities		**7,285.6**	**7,623.0**
Total equity and liabilities		**19,405.3**	**19,732.9**

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

Interim Cash Flow Statement

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Net profit		**5.2**	**4.2**
Adjustments for:		**15.0**	**55.8**
Depreciation, amortization, impairment and liquidation	8	49.0	42.1
Interest expense		43.9	65.3
Change in inventories		24.4	(30.7)
Change in receivables and other assets		(81.4)	49.5
Change in liabilities and provisions		52.5	(28.5)
Change in contract assets		1.3	(6.3)
Change in contract liabilities		7.7	11.5
Income tax		30.0	1.3
Net increase in reception equipment		(51.7)	(27.7)
Dividends income and share in the profits of partnerships	9	(23.5)	(0.2)
Cost of premium for scheduled early redemption of bonds		0.4	9.7
One-time income resulting from modification of cash flows as a result of bond conversion/redemption	10	(2.5)	(19.2)
Valuation of hedging instruments		5.7	(12.0)
Foreign exchange losses/(gains), net		(6.7)	-
Other adjustments		(34.1)	1.0
Cash from operating activities		**20.2**	**60.0**
Income tax paid		(0.9)	(7.2)
Interest received from operating activities		16.1	15.6
Net cash from operating activities		**35.4**	**68.4**
Received dividends and shares in the profits of partnerships		46.8	-
Acquisition of shares in subsidiaries and associates		(1.5)	-
Acquisition of property, plant and equipment		(5.4)	(14.0)
Acquisition of intangible assets		(12.9)	(9.7)
Loans granted		(14.7)	(140.9)
Loans repaid		79.3	61.9
Interest on loans repaid		49.7	8.5
Other inflows		10.2	4.1
Net cash used in/from investing activities		**151.5**	**(90.1)**

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

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Bonds issue[1]	14	(311.9)	1,142.1
Repayment of loans and borrowings	13	-	(39.0)
Payment of interest on loans, borrowings, bonds and commissions[2]		(232.5)	(84.6)
Inflows/(outflows) from realization of derivatives		1.0	7.9
Other outflows		(7.8)	(2.6)
Net cash used in/from financing activities		**(551.2)**	**1,023.8**
Net increase/(decrease) in cash and cash equivalents		**(364.3)**	**1,002.1**
Cash and cash equivalents at the beginning of period		**1,883.6**	**120.7**
Effect of exchange rate fluctuations on cash and cash equivalents		(8.6)	-
Cash and cash equivalents at the end of period		**1,510.7**	**1,122.8**

[1] Value of bond issue less bond interest and early redemption premium settled in conversion
[2] Includes payment for costs related to the new financing

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

Interim Statement of Changes in Equity for the 3 months ended 31 March 2024

	Share capital	Share premium	Other reserves	Retained earnings [1]	Treasury shares	**Total Equity**
Balance as at 1 January 2024	**25.6**	**7,174.0**	**2,909.6**	**4,855.4**	**(2,854.7)**	**12,109.9**
Total comprehensive loss	-	-	4.6	5.2	-	**9.8**
Hedge valuation reserve	-	-	*4.6*	-	-	***4.6***
Net profit for the period	-	-	-	*5.2*	-	***5.2***
Balance as at 31 March 2024 unaudited	**25.6**	**7,174.0**	**2,914.2**	**4,860.6**	**(2,854.7)**	**12,119.7**

[1] In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. The capital excluded from distribution amounts to PLN 8.5 as at 31 March 2024.

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

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

[1] In accordance with the provisions of the Commercial Companies Code, joint-stock companies are required to transfer at least 8% of their annual net profits to reserve capital until its amount reaches one third of the amount of their share capital. The capital excluded from distribution amounts to PLN 8.5 as at 31 March 2023.

Notes to the Interim Condensed Financial Statements

General information

1. The Company

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

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

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

The Company is the Parent Company of Cyfrowy Polsat S.A. Capital Group (the 'Group'). As at 31 March 2024 the Group encompasses the Company, Polkomtel Sp. z o.o. and its subsidiaries, 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., Orsen Holding Limited and its subsidiaries, Esoleo Sp. z o.o. and its subsidiaries, Stork 5 Sp. z o.o. and its subsidiary, BCAST Sp. z o.o., Plus Finanse Sp. z o.o., Vindix S.A. and its subsidiaries and Port Praski Sp. z o.o. and its subsidiaries and PAK-Polska Czysta Energia Sp. z o.o. and its subsidiaries.

2. Composition of the Management Board of the Company

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

3. Composition of the Supervisory Board of the Company

- Zygmunt Solorz — Chairman of the Supervisory Board,
- Tobias 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 — Independent Member of the Supervisory Board,
- Alojzy Nowak — Independent Member of the Supervisory Board,
- Tomasz Szeląg — Member of the Supervisory Board.

4. Basis of preparation of the interim condensed financial statements

Statement of compliance

These interim condensed financial statements for the 3 months ended 31 March 2024 have been prepared in accordance with the International Accounting Standard ("IAS") 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 2023, 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 22 May 2024). 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 2023, except for the adoption of new, amended Standards or Interpretations that apply to the annual reporting periods beginning on or after 1 January 2024.

During the three-month period ended 31 March 2024 the following became effective:

a) Amendments to IAS 1 "Presentation of financial statements" - classification of liabilities as current or non-current,
b) Amendments to IFRS 16 "Leasing" - Leasing liabilities in sale and leaseback transactions.

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

Standards published but not yet effective:

a) Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates" - Non-convertibility of currencies,
b) Amendments to IAS 7 "Cash Flow Statement" and IFRS 7 "Financial Instruments - Disclosures" - agreements for financing liabilities to suppliers,
c) IFRS 18 "Presentation and Disclosure in Financial Statements".

5. Approval of the Interim Condensed Financial Statements

These interim condensed financial statements were approved for publication by the Management Board on 22 May 2024.

Explanatory notes

6. Information on seasonality in the Company's operations

Retail revenue is not directly subject to any seasonal trend.

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

7. Revenue

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Retail revenue	510.9	521.0
Wholesale revenue	19.0	19.6
Sale of equipment	10.6	8.6
Other revenue	22.9	23.1
Total	**563.4**	**572.3**

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

		for the 3 months ended	
	Note	31 March 2024 unaudited	31 March 2023 unaudited
Content costs		216.9	212.9
Technical costs and costs of settlements with telecommunication operators		106.5	113.6
Distribution, marketing, customer relation management and retention costs		79.8	73.4
Depreciation, amortization, impairment and liquidation		49.0	42.1
Salaries and employee-related costs	a)	41.8	38.5
Cost of equipment sold		8.5	6.9
Cost of debt collection services and bad debt allowance and receivables written off		3.9	1.7
Other costs		27.1	24.1
Total		**533.5**	**513.2**

a) Salaries and employee-related costs

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Salaries	34.1	31.6
Social security contributions	6.1	5.7
Other employee-related costs	1.6	1.2
Total	**41.8**	**38.5**

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

9. Gain on investment activities, net

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Dividends	23.0	-
Share in the profits of partnerships	0.5	0.2
Interest income from loans granted	76.3	15.3
Interest income other	16.1	15.7
Exchange rate differences	(16.9)	(1.0)
Other income/(expense)	27.8	3.5
Total	**126.8**	**33.7**

10. Finance costs, net

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Interest expense on loans and borrowings	41.0	26.9
Interest expense on issued bonds	95.9	86.7
Exchange rate differences on loan valuation	(16.7)	-
One-time income resulting from modification of cash flows as a result of bond conversion/redemption	(2.5)	(19.2)
Valuation and realization of hedging instruments	(0.7)	(7.8)
Guarantee fees	2.4	1.5
Bank and other charges	0.8	0.3
Total	**120.2**	**88.4**

11. Equity

Share capital

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

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

* not in millions.

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

	Number of shares *	Nominal value of shares	% of share capital held	Number of votes *	% of voting rights
Zygmunt Solorz, through:	396,802,022	15.9	62.04%	576,219,523	70.36%
TiVi Foundation, including through:	386,745,257	15.5	60.47%	566,162,758	69.13%
Reddev Investments Ltd., including through:	386,745,247	15.5	60.47%	566,162,738	69.13%
Cyfrowy Polsat S.A.[1]	88,842,485	3.6	13.89%	88,842,485	10.85%
Tobias Solorz [2], *including through:*	10,056,765	0.4	1.57%	10,056,765	1.23%
ToBe Investments Group Ltd.	4,449,156	0.2	0.70%	4,449,156	0.54%
Others	242,743,994	9.7	37.96%	242,743,994	26.94%
Total	**639,546,016**	**25.6**	**100%**	**818,963,517**	**100%**

* not in millions

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

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

Share premium

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

Other reserves

As at 31 March 2024 and 31 December 2023 other reserves include mainly the reserve capital created for the purposes of the share buyback program in the amount of PLN 2,914.8.

Treasury shares

As at 31 March 2024 and 31 December 2023 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

	2024	2023
Balance as at 1 January	**(5.1)**	**18.2**
Valuation of cash flow hedges	5.7	(12.0)
Deferred tax	(1.1)	2.3
Change for the period	**4.6**	**(9.7)**
Balance as at 31 March unaudited	**(0.5)**	**8.5**

13. Loans and borrowings

	31 March 2024 unaudited	31 December 2023
Short-term liabilities	180.0	185.7
Long-term liabilities	2,012.4	2,022.0
Total	**2,192.4**	**2,207.7**

Change in loans and borrowings liabilities:

	2024	2023
Balance as at 1 January	**2,207.7**	**1,298.5**
Repayment of capital	-	(39.0)
Repayment of interest and commissions	(39.6)	(5.6)
Interest and commissions accrued	41.0	26.9
Exchange rate differences	(16.7)	-
Balance as at 31 March unaudited	**2,192.4**	**1,280.8**

14. Issued bonds

	31 March 2024 unaudited	31 December 2023
Short-term liabilities	358.7	394.7
Long-term liabilities	3,601.7	3,975.5
Total	**3,960.4**	**4,370.2**

Change in issued bonds:

	2024	2023
Balance as at 1 January	**4,370.2**	**2,076.4**
Bond issue (series D bonds)	-	2,670.0
Redemption of series B series C	(311.9)	(1,527.9)
Repayment of interest and commissions	(192.5)	(71.0)
Cumulative catch-up	(2.5)	(19.2)
Interest accrued and commissions	97.1	86.7
Balance as at 31 March unaudited	**3,960.4**	**3,215.0**

Early redemption of Series B and C Bonds

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

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

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

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

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

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

15. Transactions with related parties

RECEIVABLES

	31 March 2024 unaudited	31 December 2023
Subsidiaries	111.3	135.4
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	**112.7**	**136.7**

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

OTHER ASSETS

	31 March 2024 unaudited	31 December 2023
Subsidiaries	125.4	57.9
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.	0.2	-
Total	**125.6**	**57.9**

Other current assets comprise mainly financial instruments entered into with Pak-Volt and unbilled revenue from Polkomtel, Telewizja Polsat, InterPhone Service and Netia.

LIABILITIES

	31 March 2024 unaudited	31 December 2023
Subsidiaries	361.4	297.9
Joint ventures and associates	1.7	-
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.	179.0	179.4
Total	**542.1**	**477.3**

A significant portion of liabilities include, among others: liabilities due to the purchase of shares, liabilities due to the issued bonds, fees for software licenses, liabilities due to services provided by InterPhone, Polkomtel and Liberty Poland, liabilities related to financial instruments and leasing liabilities.

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

Loans granted

	31 March 2024 unaudited	31 December 2023
Subsidiaries	3,565.3	3,608.3
Total	**3,565.3**	**3,608.3**

Loans granted as at 31 March 2024 mainly include loans to Polkomtel, PAK-Polska Czysta Energia Sp. z o. o., Netia S.A., Esoleo Sp. z o. o. and Pantanomo Ltd. with repayment due date in 2024 – 2031.

Revenues

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Subsidiaries	32.4	29.7
Joint ventures and associates	-	0.3
Entities controlled by a person (or a close member of that person's family) who has control, joint control or significant influence over Cyfrowy Polsat S.A.	0.9	0.9
Total	**33.3**	**30.9**

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

Expenses

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Subsidiaries	179.0	174.2
Joint ventures and associates	1.2	0.7
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.	4.2	3.1
Total	**184.4**	**178.0**

The most significant transactions include data transfer services.

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

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

Gain/(loss) on investment activities, net

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Subsidiaries	100.2	8.8
Joint ventures and associates	-	10.6
Total	**100.2**	**19.4**

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

Finance costs, net

	for the 3 months ended	
	31 March 2024 unaudited	31 March 2023 unaudited
Subsidiaries	2.9	1.5
Total	**2.9**	**1.5**

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

Other notes

16. Litigations

Management believes that the provisions for litigations as at 31 March 2024 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Company's 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 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. Mediations ended without a settlement. The last hearing took place on 8 May 2019. Both parties have submitted an application for re-referral to the mediation proceedings for a period of three months. The court approved application and postponed the hearing without a deadline. Mediation ended without a settlement. On 6 May 2020, the Company received a letter from the Court, containing the mediator's position summarizing the course of the mediation, with a request to refer to its content. On 25 May 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The hearing took place on 20 October 2021. At the end of March 2022, the Company received a letter extending the previous claim by the period from 1 January 2010 to 31 December 2020, the value of the lawsuit was increased by over PLN 120.0. The court set hearing dates for 15 December 2023 and 17 April 2024. The both hearings, scheduled for 15 December 2023 and 17 April 2024 have been canceled.

By lawsuit, delivered to the Company on 16 December 2019, the Association of Performing Artists (SAWP) filed two claims against the Company: information and a claim for payment. The information claim relates to television programs rebroadcasted by the Company in the period from 20 August 2009 to 20 August 2019. In the claim for payment, SAWP claims PLN

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

153.3 for the alleged violation of related rights to artistic performances of musical and verbal-musical works through their non-contractual cable rebroadcast. The Company filled for the dismissal entirely. The last hearing took place on 17 January 2024. The hearing was postponed without a date.

The status of other significant disputes described in the financial statements for the financial year ended 31 December 2023 has not changed.

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 2023. There have been no significant changes in any risk management policies since the end of year 2023.

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.

			31 March 2024 unaudited		31 December 2023	
	Category according to IFRS 9	Level of the fair value hierarchy	Fair value	Carrying amount	Fair value	Carrying amount
Loans granted	A	2	3,631.6	3,565.5	3,696.8	3,608.5
Trade and other receivables	A	*	144.9	144.9	166.4	166.4
Cash and cash equivalents	A	*	1,510.7	1,510.7	1,883.6	1,883.6
Loans and borrowings	B	2	(2,296.1)	(2,192.4)	(2,341.6)	(2,207.7)
Issued bonds	B	1	(4,060.2)	(3,960.4)	(4,454.9)	(4,370.2)
Lease liability	B	2	(22.5)	(22.5)	(22.9)	(22.9)
Accruals	B	*	(281.3)	(281.3)	(289.7)	(289.7)
Trade and other payables and deposits	B	*	(305.5)	(305.5)	(330.3)	(330.3)
Total			**(1,678.4)**	**(1,541.0)**	**(1,692.6)**	**(1,562.3)**
Unrecognized loss				**(137.4)**		**(168.4)**

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.

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

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

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

As at 31 March 2024 and 31 December 2023 loans and borrowings comprised term facility loan. The discount rate for each payment was calculated as a sum of implied WIBOR/EURIBOR interest rate and a margin regarding the Company's credit risk.

The fair value of bonds as at 31 March 2024 and 31 December 2023 is calculated based on the last bid price as at the balance sheet date as quoted on the Catalyst market.

As at 31 March 2024, the Company held the following financial instruments measured at fair value:

ASSETS MEASURED AT FAIR VALUE

31 March 2024 unaudited	Level 1	Level 2	Level 3
Derivatives other than hedging instruments	**-**	**-**	**116.7**
Financial PPA	-	-	116.7
Hedging derivative instruments	**-**	**4.5**	**-**
IRS	-	4.1	-
CIRS	-	0.4	
Investments in equity instruments	651.4	-	-
Total	**651.4**	**4.5**	**116.7**

LIABILITIES MEASURED AT FAIR VALUE

31 March 2024 unaudited	Level 1	Level 2	Level 3
Derivatives other than hedging instruments	**-**	**-**	**144.2**
Financial PPA	-	-	144.2
Hedging derivative instruments	**-**	**6.5**	**-**
IRS	-	2.8	-
CIRS	-	3.5	-
Forward	-	0.2	-
Total	**-**	**6.5**	**144.2**

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

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

Assets measured at fair value

	31 December 2023	Level 1	Level 2	Level 3
Derivatives other than hedging instruments		**-**	**-**	**41.7**
Financial PPA		-	-	41.7
Hedging derivative instruments		**-**	**4.3**	**-**
IRS		-	4.3	-
Investments in equity instruments		614.4	-	-
Total		**614.4**	**4.3**	**41.7**

Liabilities measured at fair value

	31 December 2023	Level 1	Level 2	Level 3
Derivatives other than hedging instruments		**-**	**-**	**60.1**
Financial PPA		-	-	60.1
Hedging derivative instruments		**-**	**11.9**	**-**
IRS		-	5.7	-
CIRS		-	5.8	-
Forward		-	0.4	-
Total		**-**	**11.9**	**60.1**

The fair value of interest rate swaps, currency interest rate swaps and forward transactions 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.

The fair value of financial PPA transactions was determined using financial instrument pricing models, using expert assumptions on energy price levels, seasonality, production profile as well as using generally available interest rates. The fair value is determined based on discounted future transaction flows calculated on the basis of the difference between the market price over the contract horizon and the settlement price (plus the inflation rate).

18. Important agreements and events

Decisions of the Head of the Małopolska Tax Office in Cracow

On 15 February 2018 the Head of the Małopolska Tax Office in Cracow ("Tax Office") issued the decision assessing the tax liability from uncollected withholding corporate income tax in 2012 in the amount of PLN 24.2 increased by interest on tax arrears.

In the issued decision the Tax Office contested the Company's right to an exemption from the obligation to withhold income tax on certain interest payments in 2012. The Company appealed against the decision of the Tax Authority on the basis of acquired opinions issued by renowned entities. The Company has not created any provisions encumbering its financial results.

On 10 July 2018 the Tax Office upheld the previous decision dated 15 February 2018. The Company did not agree with the decision of the Tax Office in question and appealed against it to the Voivodship Administrative Court in Cracow. The Voivodship Administrative Court in Cracow dismissed the complaint in the ruling as of 21 February 2019. The Company does not agree with this decision and filled a cassation complaint to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court upheld the complaint and transferred the case to the Voivodship Administrative Court for re-examination in its decision on 17 August 2022. The Voivodship Administrative Court, at the hearing on 15 March 2023, revoked the decision of the Head of the Małopolska Tax Office in Kraków and referred the case for reconsideration by this authority. On 23 January 2024, the Company received the decision of the tax authority discontinuing the proceedings in the case.

The Tax Office control activities in the aforesaid matter were in progress in relation to 2013 and 2014.

The Head of the Małopolska Tax Office in Cracow issued a decision on 19 July 2019 in respect to the year 2013. The decision assessed the Company’s tax liability from uncollected withholding corporate income tax in 2013 in the amount of PLN 25.1 increased by interest on tax arrears. The Company appealed against the decision, but on 14 February 2020 the Tax Authority maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 15 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgements of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines. The Company has not created any provisions encumbering its financial results.

The Head of the Małopolska Tax Office in Cracow issued a decision on 20 September 2019 in respect to the year 2014. The decision assessed the Company’s tax liability from uncollected withholding corporate income tax in 2014 in the amount of PLN 1.7 increased by interest on tax arrears. The Company appealed against the decision of the Tax Authority. In a second instance decision issued on 8 June 2020, the Tax Authority fully maintained its position. The Company filed a complaint against the decision to the Administrative Court. On 20 October 2020, the Voivodship Administrative Court in Cracow dismissed the complaint. The Company, based on the opinions of reputable advisers, does not agree with the court's decision and filed a cassation appeal to the Supreme Administrative Court in Warsaw. The Supreme Administrative Court, at the hearing on 10 January 2024, dismissed the judgments of the first instance court and the decisions of the Head of the Małopolska Tax Office in Cracow issued in these cases in the second instance. Company is waiting for the above-mentioned actions of tax authority consuming the court's position and guidelines. The Company has not created any provisions encumbering its financial results.

19. Other disclosures

Security relating to loans and borrowings

The Company entered into a series of agreements establishing security under the loans agreement. Detailed information in respect to the agreements is presented in the Management Report in note 3.3.2.

Other securities

The Company provided sureties and guarantees to its subsidiaries and related entities for the performance of the contracts. Detailed information in respect to the agreements is presented in the Management Report in note 4.3.

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

Contractual liabilities related to purchases of non-current assets

Total amount of capital commitments resulting from agreements on property construction and improvements was PLN 5.9 as at 31 March 2024 (PLN 14.6 as at 31 December 2023).

Future contractual obligations

As at 31 March 2024 and 31 December 2023 the Company had future liabilities due to transponder capacity agreements.

The table below presents future payments (total):

	31 March 2024 unaudited	31 December 2023
within one year	111.6	112.8
between 1 to 5 years	83.7	112.8
Total	**195.3**	**225.6**

20. Events subsequent to the reporting date

In the period until the date of approval of these condensed interim financial statements, there were no significant events after the balance sheet date other than those disclosed in the remaining notes to these condensed interim financial statements.

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.

Grupa Polsat Plus

Report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group for the three month period ended March 31, 2024

Warsaw, May 22, 2024

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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(2) and (2) and Article 66 of the Ordinance of the Minister of Finance of March 29, 2018 regarding current and periodic information to be submitted by issuers of securities, and the conditions for recognizing equivalence of information required under non-member states regulations.

Presentation of financial data and other information

References to the Company or Cyfrowy Polsat contained in this Management Board’s report on the activities of Polsat Plus Group apply to Cyfrowy Polsat S.A., while all references to the Group or Polsat Plus Group apply to Cyfrowy Polsat S.A. and its consolidated subsidiaries. Expressions such as "we," "us," "our" and similar apply generally to the Group, unless it is clear from the context that they apply only to the Company. A glossary of terms used in this document is presented at the end of this Report.

This Report contains financial statements and financial information relating to the Company and the Group. In particular, this Report contains our condensed financial statements for the three-month period ended March 31, 2024, prepared in accordance with International Financial Reporting Standards as approved for use in the European Union ("IFRS") and are presented in millions of zlotys. The financial statements attached to this Report have not been audited by an independent auditor.

Certain financial data contained in this Report have been subject to rounding adjustments. Accordingly, certain numbers presented as the sum may not conform exactly to the arithmetical sum of their components.

Forward-looking statements

This Report contains forward looking statements relating to future expectations, understood as all statements (other than statements of historical facts) regarding our financial results, business strategy, plans and objectives pertaining to our future operations (including development plans related to our products and services). These statements are expressed, without limitation, through words such as "may," "will," "expect," "anticipate," "believe," "estimate" and similar words used in this Report. Such forward-looking statements do not constitute a guarantee of future performance and involve risks and uncertainties which may affect the fulfilment of these expectations, as by their nature they are subject to many factors, risks and uncertainties. Accordingly, actual results may differ materially from those expressed or implied by the forward looking statements. Even if our financial results, business strategy, plans and objectives pertaining to our future operations are consistent with the forward-looking statements included herein, this does not necessarily mean that these statements will be true for subsequent periods. These forward-looking statements express our position only as at the date of this Report.

The cautionary statements set out above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We expressly disclaim any obligation or undertaking to publish any updates or revisions to any forward-looking statements contained herein in order to reflect any change in our expectations, change of circumstances on which any such statement is based or any event that occurred after the date of this Report.

In this Report, we disclose important factors which may impact our future operating activities and financial results that could cause our actual results to differ materially from our expectations.

Industry and market data

In this Report, we set out information relating to our business and the markets in which we and our competitors operate. The information regarding the market, its size, the market share, the market position, the growth rates and other industry data relating to our business and markets in which we operate consists of data and reports compiled by various third-party entities, including other operators present on the Polish market, and our internal estimates. We believe that industry publications, surveys and forecasts we use are reliable but we have not independently verified them and cannot guarantee their accuracy or completeness.

Moreover, in numerous cases we have made statements in this Report regarding our industry and our position in the industry based on our own experience and our examination of market conditions. We cannot guarantee that any of these assumptions properly reflect our market position. Our internal surveys have not been verified by any independent sources.

Financial data overview

The following tables set out selected consolidated financial data for the three-month periods ended March 31, 2024 and March 31, 2023. This information should be read in conjunction with the consolidated financial statements for the three-month period ended March 31, 2024 (including notes thereto) constituting part of this Report and the information included in item 3 of this Report – *Operating and financial review of Polsat Plus Group*.

Selected financial data:

- from the consolidated income statement and the consolidated cash flow statement for the three-month periods ended March 31, 2024 and March 31, 2023 have been converted into euro at a rate of PLN 4.3335 per EUR 1.00 (average exchange rate in the period from January 1, 2024 to March 31, 2024 announced by the NBP);
- from the consolidated balance sheet data as at March 31, 2024 and December 31, 2023 have been converted into euro at a rate of PLN 4.3009 per EUR 1.00 (average exchange rate on March 29, 2024 published by the NBP).

Such recalculations shall not be viewed as a representation that such zloty amounts actually represent such euro amounts, or could be or could have been converted into euro at the rates indicated or at any other rate.

It should be noted that the financial data for the three-month periods ended March 31, 2024 and March 31, 2023 are not comparable due to acquisitions and changes to the Group's structure in the period from January 1, 2023 to March 31, 2024, 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 1.5. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023.

Consolidated income statement

	for the three-month period ended March 31			
	2024	2023	2024	2023
	mPLN	mPLN	mEUR	mEUR
Revenue	**3,405.0**	**3,199.3**	**785.7**	**738.3**
Retail revenue	1,770.6	1,733.8	408.6	400.1
Wholesale revenue	749.7	792.3	173.0	182.8
Sale of equipment	425.9	484.9	98.3	111.9
Energy revenue	281.9	-	65.0	-
Other sales revenue	176.9	188.3	40.8	43.5
Operating costs	**(3,116.3)**	**(2,891.9)**	**(719.1)**	**(667.4)**
Technical costs and cost of settlements with telecommunication operators	(802.6)	(808.6)	(185.2)	(186.6)
Depreciation, amortization, impairment and liquidation	(481.0)	(462.5)	(111.0)	(106.7)
Cost of equipment sold	(328.0)	(392.6)	(75.7)	(90.6)
Content costs	(513.0)	(514.5)	(118.4)	(118.8)
Cost of energy sold, includes	(241.8)	-	(55.8)	-
depreciation	*(11.6)*	-	*(2.7)*	-
Distribution, marketing, customer relation management and retention costs	(268.7)	(243.6)	(62.0)	(56.2)
Salaries and employee-related costs	(304.0)	(276.1)	(70.1)	(63.7)
Cost of debt collection services and bad debt allowance and receivables written off	(13.1)	(29.4)	(3.0)	(6.8)
Other costs, includes	(164.1)	(164.6)	(37.9)	(38.0)
depreciation	(1.0)	-	(0.2)	-
Gain on disposal of a subsidiary and an associate	10.0	-	2.3	-
Other operating income/(cost), net	154.0	(8.7)	35.5	(2.0)
Profit from operating activities	**452.7**	**298.7**	**104.5**	**68.9**
Gain/(loss) on investment activities, net	19.2	20.8	4.4	4.8
Finance costs, net	(201.3)	(255.7)	(46.5)	(59.0)
Share of the profit/(loss) of associates accounted for using the equity method	-	20.3	-	4.7
Gross profit for the period	**270.6**	**84.1**	**62.4**	**19.4**
Income tax	(86.3)	(13.1)	(19.9)	(3.0)
Net profit for the period	**184.3**	**71.0**	**42.5**	**16.4**
Net profit attributable to equity holders of the Parent	180.1	64.5	41.5	14.9
Net profit/(loss) attributable to non-controlling interest	4.2	6.5	1.0	1.5
Basic and diluted earnings per share (not in millions)	**0.33**	**0.13**	**0.08**	**0.03**
Weighted number of issued shares (not in millions)	550,703,531	550,703,531	550,703,531	550,703,531
EBITDA(1)	**946.3**	**761.2**	**218.4**	**175.6**
EBITDA margin	27.8%	23.8%	27.8%	23.8%
adjusted EBITDA(2)	**936.3**	**761.2**	**216.1**	**175.6**
adjusted EBITDA margin	27.5%	23.8%	27.5%	23.8%
adjusted EBITDA excl. asset disposal(3)	**772.3**	**761.2**	**178.2**	**175.6**
adjusted EBITDA margin excl. asset disposal	22.7%	23.8%	22.7%	23.8%
Operating margin	13.3%	9.3%	13.3%	9.3%

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

(2) EBITDA adjusted by a gain on disposal of a subsidiary and an associate.

(3) The result on the disposal of assets, comprising an IPv4 address package, amounted to PLN 164.0 million, net of transaction costs, in the first quarter of 2024.

Consolidated cash flow statement

	for the three-month period ended March 31			
	2024	2023	2024	2023
	mPLN	mPLN	mEUR	mEUR
Net cash from operating activities	763.2	299.6	176.1	69.1
Net cash used in investing activities	(597.2)	(1,211.1)	(137.8)	(279.5)
Incl. capital expenditures[(1)]	*(335.6)*	*(295.2)*	*(77.4)*	*(68.1)*
Net cash used in financing activities	(762.8)	1,567.3	(176.0)	361.7
Net increase/(decrease) in cash and cash equivalents	(596.8)	655.8	(137.7)	151.3

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

Consolidated balance sheet

	March 31 2024	Dec. 31 2023	March 31 2024	Dec. 31 2023
	mPLN	mPLN	mEUR	mEUR
Cash and cash equivalents[(1)]	2,720.8	3,325.7	632.6	773.3
Assets	36,560.5	37,176.7	8,500.7	8,643.9
Non-current liabilities, incl.:	14,895.9	15,354.9	3,463.4	3,570.2
Non-current financial liabilities[(2)]	13,466.2	13,934.3	3,131.0	3,239.9
Current liabilities, incl.:	5,176.9	5,515.8	1,203.7	1,282.5
Current financial liabilities[(2)]	1,733.4	1,629.6	403.0	378.9
Equity	16,487.7	16,305.2	3,833.6	3,791.1
Share capital	25.6	25.6	6.0	6.0

(1) Includes Cash and cash equivalents, Deposits and Restricted cash .

(2) Includes Loans and borrowings, Issued bonds and Lease liabilities.

1. Characteristics of Polsat Plus Group

1.1. Who we are

Polsat Plus Group is Poland's largest media and telecommunications group and the leader in the Polish entertainment and telecommunications markets. We are the leading pay TV provider and one of the leading telecommunications operators in the country. We are also one of Poland's largest content producers and hold a leading position among 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 160 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 43 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 sale of energy** from renewable sources such as wind, solar and biomass. Within the green energy segment, we are also developing a value chain based on green hydrogen, including its production, storage, transportation and distribution and sales, as well as the construction of hydrogen stations and hydrogen-powered buses.

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

From January 1, 2024 until the date of publication of this Report, i.e. May 22, 2024, changes presented in the table below were implemented in the structure of Polsat Plus Group.

Date	Description
B2C and B2B services segment	
January 5, 2024	Merger of Netia S.A. (acquiring company) with Enterpol Sp. z o.o. (acquired company)
March 14, 2024	Acquisition of additional 10% of shares in BCAST Sp. z o.o. by Cyfrowy Polsat. Following this transaction, Cyfrowy Polsat S.A. holds 80.01% of shares in BCAST Sp. z o.o.
April 30, 2024	Merger of Polkomtel Business Development Sp. z o.o. (acquiring company) with CPSPV1 Sp. z o.o. and CPSPV2 Sp. z o.o. (acquired companies)
Media segment	
March 27, 2024	Disposal of 100% of shares in Muzo.fm Sp. z o.o. by Telewizja Polsat
Green energy segment	
January 3, 2024	Merger of Eviva Drzeżewo Sp. z o.o. (acquiring company) with Eviva Lębork Sp. z o.o. (acquired company)
January 31, 2024	Merger of PAK-PCE Wiatr Sp. z o.o. (acquiring company) with PAK-PCE JW Jastrowie Sp. z o.o., PAK-PCE JW Okonek Sp. z o.o. and Mese Sp. z o.o. (acquired companies)
Real estate segment	
January 18, 2024	Merger of Laris Development Sp. z o.o. (acquiring company) with SPV Baletowa Sp. z o.o. (acquired company)

The changes described above are the effect of the systematically executed process of steady optimization of the capital structure of the Group. The changes in the Group's structure entail, among other things, improved efficiency of financial management on the consolidated level through the simplification and streamlining of intragroup financial flows and the elimination of redundant costs.

A detailed description of the Group's structure, including the above mentioned changes, is presented in Note 5 to the Company's condensed consolidated financial statements for the three months ended March 31, 2024.

1.3. Shareholders with qualifying holdings of shares in Cyfrowy Polsat

The table below presents shareholders of Cyfrowy Polsat S.A. holding at least 5% of votes at the General Meeting of the Company as at the date of publication of this Report, i.e. May 22, 2024.

Shareholder	Number of shares	% of shares	Number of votes	% of votes
Zygmunt Solorz, through:	**396,802,022**	**62.04%**	**576,219,523**	70.36%
TiVi Foundation, including through:	386,745,257	60.47%	566,162,758	69.13%
Reddev Investments Limited, including through:	*386,745,247*	*60.47%*	*566,162,738*	*69.13%*
Cyfrowy Polsat S.A.(1)	*88,842,485*	*13.89%*	*88,842,485*	*10.85%*
Tobias Solorz(2), including through:	10,056,765	1.57%	10,056,765	1.23%
ToBe Investments Group Limited	*4,449,156*	*0.70%*	*4,449,156*	*0.54%*
Others	**242,743,994**	**37.96%**	**242,743,994**	**29.64%**
Total	**639,546,016**	**100%**	**818,963,517**	**100%**

(1) Own shares acquired under the buy-back program announced on November 16, 2021. Pursuant to Art. 364 Item 2 of the Commercial Companies Code, the Company does not exercise voting rights attached to own shares.

(2) Person under the presumption of the existence of an agreement referred to in Art. 87 Section 1 Item 5 of the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organized Trading and Public Companies.

Changes in the structure of qualifying holdings of shares in the Company since the publication of the previous interim report

From the date of publication of the previous interim report, i.e. April 11, 2024 (annual report for 2023), until the date of publication of this Report, i.e. May 22, 2024, the Company did not receive notifications concerning changes in the structure of ownership of significant blocks of Cyfrowy Polsat shares.

1.4. Shares in the Company held by Members of the Management Board and the Supervisory Board

To the Company's best knowledge, Members of the Management Board of Cyfrowy Polsat did not hold any shares in the Company, directly or indirectly, as at the date of publication of this Report, i.e. May 22, 2024, nor as at the date of publication of the previous report, i.e., April 11, 2024 (annual report for 2023).

The table below presents the number of shares in Cyfrowy Polsat which, according to the Company's best knowledge, were held, directly or indirectly, by Members of the Company's Supervisory Board as at the date of publication of this Report, i.e. May 22, 2024, along with changes in holdings from the date of publication of the previous report, i.e. April 11, 2024 (annual report for 2023).

Name and surname / Function	Holding as at April 11, 2024	Acquisitions	Disposals	Holding as at May 22, 2024
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 Szeląg(4) Member of the Supervisory Board	100,000	25,000	-	125,000

(1) Mr. Zygmunt Solorz holds the Company's shares through the following companies: TiVi Foundation (the parent of Reddev Investments Limited, which in turn is the parent of Cyfrowy Polsat S.A.). Within the block of shares held by Mr. Zygmunt Solorz, 10,056,765 shares held indirectly and directly by Mr. Tobias Solorz were disclosed.

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

(3) The disclosed shares were acquired by Ms. Ewa Birka, a person closely related to Mr. Józef Birka, a person discharging managerial responsibilities within the meaning of Article 19 of the Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse.

(4) Mr. Tomasz Szeląg holds the Company's shares indirectly, through Pigreto Ltd.

To the Company's best knowledge the remaining Members of the Supervisory Board did not hold any shares of the Company, directly and indirectly, as at the date of publication of this Report, i.e. May 22, 2024, nor at the date of publication of the previous report, i.e. April 11, 2024 (annual report for 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 April 22, 2024, the Company received a notification issued pursuant to Article 19 (1) of the MAR Regulation from Pigreto Limited, a person closely related to Tomasz Szeląg, notifying of a transaction whereby Pigreto Limited acquired 25,000 shares in the Company.

2. Significant investments, agreements and events

2.1. Corporate events

Early Redemption of the Series B and C Bonds

On January 17, 2024, the Company decided to carry out the early redemption of all outstanding:

(i) 223,798 Series B bearer bonds with the total nominal value of PLN 223.8 million issued by the Company on April 26, 2019 with the redemption date specified in the terms and conditions of the issuance of the series B bonds of April 24, 2026, with the ISIN PLCFRPT00047, listed in the Alternative Trading System operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A., the "WSE") within the Catalyst market under the abbreviated title CPS0426; and

(ii) 88,053 Series C bearer bonds with the total nominal value of PLN 88.1 million issued by the Company on February 14, 2020 with the redemption date specified in the terms and conditions of the issuance of the series C bonds of February 12, 2027, with the ISIN PLCFRPT00054, listed in the Alternative Trading System operated by the WSE within the Catalyst market under the abbreviated title CPS0227.

The Early Redemption was effected on February 5, 2024 through the payment of (i) for each Series B Bond, a cash amount equal to the nominal value, i.e. PLN 1,000, plus accrued interest of PLN 20.46, and (ii) for each Series C Bond, a cash amount equal to the nominal value, i.e. PLN 1,000, plus accrued interest of PLN 39.41 and the Early Redemption premium of PLN 5.00.

In connection with the Early Redemption, all Series B Bonds and Series C Bonds were retired.

Disposal of shares in Muzo.fm Sp. z o.o.

Telewizja Polsat sold 100% of shares in Muzo.fm Sp. z o.o. on March 27, 2024. The total sale price was PLN 13.3 million.

2.2. Business related events

Sale of intangible assets

On January 25, 2024, Polkomtel entered into a sale agreement regarding the sale of intangible assets, consisting of a portion of its Internet Protocol version 4 (IPv4) communications protocol address package, to an unrelated party for a total consideration of USD 56.1 million. The transaction took place as part of and as a result of an ongoing asset review process, and the intangible assets divested were non-strategic assets.

The agreed schedule provides for the completion of the above transaction and payment in three tranches. The first payment instalment of PLN 164.0 million, net of transaction costs, was recognized under 'Other operating income' in the consolidated income statement for the first quarter of 2024 while the second tranche of ca. PLN 21 million (net of transaction costs) will be recognized in the second quarter of 2024.

Contract for delivery of NesoBus hydrogen buses to Chelm

On March 18, 2024, the Chelm City Hall signed a contract with our subsidiary PAK-PCE Polski Autobus Wodorowy Sp. z o.o. for the supply of 26 hydrogen buses for the city, in the result of a tender. The delivery of zero-emission, environmentally friendly NesoBus hydrogen buses to Chelm will take place in three tranches and will be completed by October 30, 2025. The contract value is PLN 97.0 million. The agreement with Chelm is the third major order for NesoBus hydrogen buses for Polish cities (previous agreements were signed with Rybnik and Gdansk).

Modifications of offers for customers

In March 2024, we introduced an innovative *All In Streaming* bundle to our Plus-branded mobile offerings, providing combined access to the offerings of three popular streaming platforms: Disney+, HBO MAX and Polsat Box Go Plus (via a Polsat Box Go account linked to a Plus phone number). The new package gives users the freedom to choose the content offered by these platforms at a price of PLN 49.99 per month (with a 24-month contract), while offering the possibility of using the service free of charge for a promotional period of 3 or 6 months, depending on their voice subscription (subscriptions up to and beyond PLN 69 per month with a 24-month contract). Plus is the only operator on the Polish market to offer simultaneous access to several streaming platforms in a single package.

3. Operating and financial review of Polsat Plus Group

3.1. Operating review of the Group

3.1.1. B2C and B2B services segment

	for the 3-month period ended March 31		change / %	
	2024	2023	nominal	% / p.p.
Contract services for B2C customers				
Total number of B2C RGUs (EOP) [thous.], incl.:	**13,077**	**13,163**	**(86)**	**(0.7%)**
Pay TV	4,804	4,951	(147)	(3.0%)
Mobile telephony	6,273	6,232	41	0.7%
Internet	2,000	1,980	20	1.0%
Number of B2C customers (EOP) [thous.]	**5,772**	**5,887**	**(115)**	**(2.0%)**
ARPU per B2C customer [PLN]	74.6	71.4	3.2	4.5%
Churn in B2C subsegment	7.6%	7.2%	-	0.4 p.p.
RGU saturation per one B2C customer	2.27	2.24	0.03	1.3%
Prepaid services				
Total number of RGUs (EOP) [thous.], incl.:	**2,624**	**2,693**	**(69)**	**(2.6%)**
Pay TV	123	121	2	1.7%
Mobile telephony(1)	2,476	2,542	(66)	(2.6%)
Mobile Internet(1)	25	30	(5)	(16.7%)
ARPU per prepaid RGU [PLN]	17.3	17.1	0.2	1.2%
Contract services for B2B customers				
Total number of B2B customers (EOP) [thous.]	**68.4**	**69.3**	**(0.9)**	**(1.3%)**
ARPU per B2B customer [PLN]	1,490	1,434	56.0	3.9%

(1) The number of reported RGUs of prepaid services of mobile telephony and internet access refers to the number of SIM cards which received or answered calls, sent or received SMS/MMS or used data transmission services within the last 90 days.

Contract services for B2C customers

The total number of B2C customers to whom we provided contract services as at the end of the first quarter 2024 was 5,772 thousand (-2.0% YoY). The erosion of the base was influenced by the declining popularity of the satellite technology as well as the continued process of merging contracts under one common contract for the household within our base. Following 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 7.6% in the twelve-month period ended March 31, 2024 (+0.4 p.p. YoY). The continued low churn rate is primarily the effect of a high level of loyalty of our customers of bundled services, resulting from the successful implementation of our multiplay strategy, as well as our actions aimed at fostering high customer satisfaction.

In line with the assumptions of our long-term strategy, we aim to maximize revenue per contract B2C customer through up-selling and cross-selling, i.e., selling additional products and services to our customer base within the framework of our bundled services offer, and offering enhanced television and telecommunications packages (the more-for-more strategy). In the first quarter of 2024, average revenue per B2C customer increased to PLN 74.6 (+4.5% YoY). The growth of ARPU per B2C contract customer results, in particular, from the continuous building of customer value through bundling services.

The number of contract services for B2C customers provided by us at the end of the first quarter 2024 amounted to 13,077 thousand RGUs, i.e., 86 thousand less compared to the previous year (-0.7% YoY). The main reason for this decline was the decrease in the number of contract pay TV services by 147 thousand (-3.0% YoY) to the level of 4,804 thousand RGUs. The key drivers of this decline include a lower number of provided satellite TV services and 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). This decrease was partially offset by an increasing number of TV services offered in online technologies (IPTV/OTT).

At the end of March 2024, the base of contract mobile telephony services for B2C customers increased by 41 thousand (+0.7% YoY) and amounted to 6,273 thousand.

At the end of the first quarter of 2024, the number of Internet access services provided to B2C customers in the contract model amounted to 2,000 thousand, recording an increase by 20 thousand (+1.0% YoY). Within this service category, the share of fixed-line Internet access services is consistently increasing at the cost of declining mobile Internet RGUs. This is driven 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 saturation of our B2C customer base with integrated services, expressed as the ratio of contract services per customer, remains at a stable, high level and as at the end of March 2024 amounted to 2.27 contract services per customer (+1.3% YoY). We believe that further saturation of our customer base with integrated services, including our flagship product smartDOM, will positively influence the rate of growth of the number of contract RGUs provided by us in the future and will support keeping the churn rate at a low level.

Our bundled services offer is based on a mechanism of offering attractive discounts on every additional product or service purchased from the Group’s portfolio and has a positive effect on the churn rate, RGU saturation per customer ratio and ARPU per contract B2C customer. At the end of March 2024, the number of customers using our bundled services remained at a high, stable level YoY and amounted to 2,466 thousand, which translates into a 42.7% saturation of our contract customer base with multiplay services. This group of customers had 7,468 thousand RGUs at the end of the first quarter of 2024, up by 47 thousand (+0.6% 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 69 thousand (-2.6% YoY) to 2,624 thousand as at 31 March 2024.

The main reason behind the decline in the prepaid service base in the analyzed period was a decrease by 66 thousand (-2.6% YoY) in the number of prepaid mobile telephony RGUs, which amounted to 2,476 thousand services at the end of the first quarter of 2024. The above decrease is due to the high level of competition reflected, among others, in very large data packs offered in prepaid mobile tariffs. In addition, the number of prepaid mobile broadband Internet access services remains in a downward trend (-5 thousand RGUs, -16.7% YoY). This is primarily attributable to the growing popularity of data transmission in mobile tariffs (smartphones) due to the size of data packages offered. The number of prepaid pay TV services increased by 2 thousand (+1.7% YoY). The prepaid pay TV RGU base has been adjusted to exclude the promotional package Polsat Box Go Start offered at PLN 30 per year, which was launched in the third quarter of 2023 in connection with the decision to discontinue the ad-based service Polsat Go.

In the first quarter of 2024, ARPU per prepaid RGU stood at PLN 17.3 (+1.2% YoY).

Contract services for B2B customers

The total number of B2B customers as at the end of the first quarter of 2024 was 68.4 thousand (-1.3% 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 1,490 (+3.9% YoY) per month in the first quarter of 2024.

The B2B area continues to be under strong competitive pressure, which translates into pricing levels for traditional telecommunication services. Building the value of our B2B base in founded in a natural way on additional services provided to our business customers. We strive to constantly expand our offering for business customers by new services which generate incremental revenue. 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

When analyzing and evaluating our media segment we consider predominantly audience share by TV channel and TV advertising and sponsoring market share as well as the average monthly number of users and average monthly number of page views in case of online activities. The following tables set forth these key performance indicators for the relevant periods.

	3 months ended March 31		Change
	2024	2023	p.p. / %
TV channels			
Audience share [(1) (2)], including:	**21.53%**	**21.85%**	**(0.32 p.p.)**
POLSAT (main channel)	7.10%	8.00%	(0.90 p.p.)
Thematic channels	14.43%	13.85%	0.58 p.p.
TV advertising and sponsoring market share	**28.1%**	**28.4%**	**(0.3 p.p.)**
Online – Internet portals			
Average number of users [millions]	21.0	21.2	(0.9%)
Average number of page views [millions]	1,926	1,938	(0.6%)

Audience shares

Audience share	3 months ended March 31		Change / p.p.
	2024	2023	
Audience share (1) (2), including:	**21.53%**	**21.85%**	**(0.32)**
POLSAT (main channel)	**7.10%**	**8.00%**	**(0.90)**
Thematic channels	**14.43%**	**13.85%**	**0.58**
TV4	2.68%	3.04%	(0.36)
TV6	1.54%	1.11%	0.43
Polsat News	1.31%	1.25%	0.06
Super Polsat	1.00%	1.02%	(0.02)
Polsat 2	0.97%	1.34%	(0.37)
Fokus TV	0.93%	0.88%	0.05
Wydarzenia24	0.73%	0.61%	0.12
Polsat Film	0.60%	0.67%	(0.07)
Nowa TV	0.53%	0.38%	0.15
Polsat Play	0.52%	0.72%	(0.20)
Polsat Seriale	0.45%	0.46%	(0.01)
Polo TV	0.44%	0.39%	0.05
Polsat Sport 1 (formerly Polsat Sport) (3)	0.38%	0.24%	0.14
Polsat Cafe	0.37%	0.40%	(0.03)
Eska TV	0.35%	0.31%	0.04
4FUN.TV(4)	0.22%	n/a	n/a
4FUN KIDS(4)	0.20%	n/a	n/a
Polsat News Polityka(5)	0.20%	n/a	n/a
Eleven Sports 1	0.16%	0.17%	(0.01)
Polsat Doku	0.13%	0.15%	(0.02)
Polsat Sport 2 (formerly Polsat Sport Extra) (3)	0.11%	0.09%	0.02
Disco Polo Music	0.10%	0.18%	(0.08)
Polsat News 2	0.07%	0.06%	0.01
Polsat Games	0.07%	0.05%	0.02
Polsat Rodzina	0.06%	0.07%	(0.01)
Polsat Music HD	0.05%	0.05%	-
Eska TV Extra	0.05%	0.06%	(0.01)
Polsat Sport 3 (formerly Polsat Sport News) (3)	0.05%	0.05%	-
Eleven Sports 2	0.05%	0.04%	0.01
4FUN DANCE(4)	0.05%	n/a	n/a
Vox Music TV	0.03%	0.04%	(0.01)
Polsat Sport Fight	0.03%	0.02%	0.01
Eska Rock TV	0.02%	0.02%	-
Polsat 1(5)	n/a	n/a	n/a
Polsat Sport Premium 1(6)	n/a	n/a	n/a
Polsat Sport Premium 2(6)	n/a	n/a	n/a
Eleven Sports 3(6)	n/a	n/a	n/a

Audience share	3 months ended March 31		Change / p.p.
	2024	2023	
Eleven Sports 4(6)	n/a	n/a	n/a
TV Okazje(6)	n/a	n/a	n/a
Polsat Film 2(6)	n/a	n/a	n/a
Polsat X(6)	n/a	n/a	n/a
Polsat Reality(6)	n/a	n/a	n/a

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

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

(3) As of April 26, 2024, the names of the Polsat sports channels changed: Polsat Sport became Polsat Sport 1, Polsat Sport Extra became Polsat Sport 2, and Polsat Sport News became Polsat Sport 3.

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

(5) The channel has been broadcasting since January 10, 2024.

(6) Channel not included in the telemetric panel.

Channels cooperating with Polsat Plus Group (non-consolidated)

Audience share	3 months ended March 31		Change / p.p.
	2024	2023	
Polsat Comedy Central Extra	0.28%	0.34%	*(0.06)*
Polsat Viasat History	0.21%	0.24%	*(0.03)*
CI Polsat	0.19%	0.15%	*0.04*
Polsat Viasat Explore	0.15%	0.16%	*(0.01)*
Polsat Viasat Nature	0.11%	0.09%	*0.02*

The audience share in the commercial group for Polsat Plus Group amounted to 21.5% in the first quarter of 2024 (-0.3 p.p. YoY).

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 0.9 p.p. YoY in the first quarter of 2024 to 7.1%. Our thematic channels recorded an increase by 0.6 p.p. YoY to 14.4% in the same period.

As mentioned above, the audience levels of the Group's channels is under the influence of the growing audience of non-linear video content (including OTT services) and unmonitored TV channels displayed on TV sets, referred to by Nielsen Media as the "others" category. In January 2022, Nielsen broadened the definition of content eligible for this node, and as a result, we are observing sustained growth of "others" audience shares. It is worth noting that a significant portion of the "others" category does not compete with traditional TV channels for TV advertising revenue. Thus, the changes introduced by Nielsen Media may permanently reduce the audience shares of traditional TV channels, with far less impact on their position in the TV advertising and sponsorship market. In March 2024, Nielsen Media changed its methodology for measuring out-of-home (OOH) audiences, adjusting the size of the out-of-home audience phenomenon to a more realistic value. As a result, OOH viewership figures increased by 4.2 p.p. compared to March 2023. For Polsat Plus Group, this represents an increase in the advertising resources that can be offered to advertisers.

Compared to the first quarter of 2023, we can observe higher viewership of news channels. The parliamentary elections in Poland in the fall of 2023 and the victory of the opposition caused an increase in viewers' interest in politics and news journalism, thanks to which the audience share of our main news channel, Polsat News, increased in the first quarter of 2024 to 1.3% (+0.1 p.p. YoY). In addition, in January 2024, we expanded the information and journalism section by a new channel - Polsat News Politics, which offers, among others, live broadcasts of the Sejm (Lower House of Parliament) and Senate debates, interviews with politicians, coverage of press conferences and investigative committee meetings. As a result, the combined share of our portfolio of news channels (Polsat News, Polsat News 2, Wydarzenia 24, Polsat News Polityka) was 2.3% (+0.4 p.p. YoY) in the first quarter of 2024.

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 further enhances the attractiveness of our programing offer with the ability to reach younger audiences, contributing to an increase in viewership of our thematic channels.

In April 2024, we introduced changes in the names of Polsat sports channels. The main and primary brand is Polsat Sport, which is one of the strongest media brands in Poland. Polsat Plus Group and TV Polsat have a wide range of media rights to many events from a variety of sports, which they broadcast on their various channels. The simplification of the names makes it easier to navigate Polsat's sports channel offering. As of April 26, Polsat Sport became Polsat Sport 1, Polsat Sport Extra became Polsat Sport 2 and Polsat Sport News became Polsat Sport 3.

TV advertising and sponsoring market share

According to initial estimates of Publicis Group, expenditures on TV advertising and sponsoring in the first quarter of 2024 amounted to approximately PLN 1.1 billion (+9.0% YoY). Based on these data, we estimate that our TV advertising market share was 28.1% in the analyzed period, which represents a decrease by 0.3 p.p. from the 28.4% share recorded in the first quarter of 2023.

Average monthly number of Internet users

In the first quarter of 2024, the average monthly number of users (the ‘real users’ indicator from the Mediapanel survey) of Polsat-Interia Group websites and apps amounted to 21.0 million, which represents a decrease by 0.2 million (-0.9%) YoY.

The table below presents a list of websites, whose number of average users per month exceeded 0.5 million in the first quarter of 2024. The Interia.pl portal is presented as a whole, without a breakdown into thematic services.

Average number of users (1) [millions]	3 months ended March 31		Change	
	2024	2023	nominal	%
Polsat-Interia Group(2)	**21.0**	**21.2**	**(0.2)**	**(0.9)**
Selected websites:				
interia.pl	15.9	15.5	0.4	2.6
pomponik.pl	8.3	7.3	1.0	13.7
polsatnews.pl	5.3	6.5	(1.2)	(18.5)
top.pl(3)	4.0	-	-	-
smaker.pl	3.6	4.4	(0.8)	(18.2)
deccoria.pl	3.4	4.2	(0.8)	(19.0)
polsatsport.pl	3.0	3.3	(0.3)	(9.1)
twojapogoda.pl	2.8	1.3	1.5	115.4
bryk.pl	1.9	2.7	(0.8)	(29.6)
naekranie.pl(4)	1.7	2.1	(0.4)	(19.0)
polsatboxgo.pl	1.2	1.5	(0.3)	(20.0)
okazjum.pl	0.9	1.0	(0.1)	(10.0)

(1) Mediapanel survey, Real Users indicator.

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

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

(4) The service 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.

The horizontal portal Interia.pl was the portal with the highest number of users, with a 3% YoY increase in the average number of users in the first quarter of 2024. The gossip site pomponik.pl had the second highest number of users (+14% YoY). The largest increase in the number of users was recorded by the weather service twojapogoda.pl (+115% YoY). The largest percentage decrease in the number of users was recorded by bryk.pl (-30% YoY). A decrease in the number of users was also recorded by polsatboxgo.pl (-20% YoY), due to growing international competition in the segment of VOD services on the Polish market.

Average monthly number of Internet views

The average monthly number of page and app views of Polsat-Interia Group websites reached ca. 2 billion in the first quarter of 2024 (-0.6% YoY).

The table below presents the list of websites, whose number of views exceeded 0.5 million in the first quarter of 2024. The Interia.pl portal is presented as a whole, without a breakdown into thematic services.

Average number of views[1]	3 months ended March 31		Change	
[millions]	2024	2023	nominal	%
Polsat-Interia Group[2]	**1,925.9**	**1,937.7**	**(11.8)**	**(0.6)**
Selected websites:				
interia.pl	865.2	972.9	(107.7)	(11.1)
pomponik.pl	71.7	51.2	20.5	40.0
polsatnews.pl	32.5	35.7	(3.2)	(9.0)
okazjum.pl	21.1	28.8	(7.7)	(26.7)
polsatsport.pl	20.7	18.0	2.7	15.0
smaker.pl	15.6	22.4	(6.8)	(30.4)
top.pl[3]	13.3	-	-	-
twojapogoda.pl	12.6	12.3	0.3	2.4
bryk.pl	9.6	12.4	(2.8)	(22.6)
deccoria.pl	9.0	12.1	(3.1)	(25.6)
naekranie.pl[4]	7.5	9.2	(1.7)	(18.5)
polsatboxgo.pl	5.4	5.8	(0.4)	(6.9)

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

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

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

(4) The service 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.

The portal with the highest number of page views in the analyzed period was the horizontal portal Interia.pl, whose content was viewed on average 865 million times per month (-11% YoY) in the first quarter of 2024. During the analyzed period, pomponik.pl recorded the largest increase in page views (+40% YoY), confirming its popularity as a leader among gossip sites. The sports site polsatsport.pl also achieved very good results (+15% YoY). On the other hand, the culinary site smaker.pl (-30% YoY) and the advertising site okazjum.pl (-27% YoY) saw a decrease in page views, which may be due to growing competition from sites with similar themes.

3.1.3. Green energy segment

Energy production from renewable sources

When 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 generated energy. The results of PAK-PCE Group are consolidated as of July 3, 2023, but the following table presents operating data for the comparative period when companies belonging to PAK-PCE Group were controlled by ZE PAK S.A.

	3-month period ended March 31		Change	
	2024	2023	nominal	% / p.p.
Total electricity generation (GWh), of which:	**198.9**	**149.3**	**49.6**	**33.2%**
Biomass	*135.1*	*140.0*	*(4.9)*	*(3.5%)*
Photovoltaics	*11.9*	*9.3*	*2.6*	*28.0%*
Onshoe wind farms	*51.9*	*-*	*51.9*	*n/a*
Average sales price of generated energy[1)] [PLN/MWh]	650.8	-	-	-

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

In the first quarter of 2024, the total volume of electricity produced was 198.9 GWh, up by 49.6 GWh (+33.2%) YoY. The growth was driven by the launch of energy production from Miłosław (9.6 MW) and Kazimierz Biskupi (17.5 MW) wind farms in 2023 and the technical commissioning of the Człuchów farm (72.6 MW). The Group's wind farms generated a total of 51.9 GWh of electricity in the first quarter of 2024. Solar power generation amounted to 11.9 GWh, up 28.0% YoY, as a result of a capacity increase at the Brudzew farm in the third quarter of 2023. In the period under review, the volume of energy generated from biomass was 135.1 GWh (-3.5% YoY).

The average sales price of energy produced from own resources was PLN 650.8 per 1 MWh in the first quarter of 2024.

Implementation of renewable energy projects

Wind farms. The following onshore wind farm projects are currently under construction:

- 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;
- Drzeżewo with installed capacity of 138.6 MW and potential annual production of ca. 410 GWh, production start-up planned for the fourth quarter of 2025;
- Dobra with installed capacity of 7.8 MW and potential annual production of ca. 24 GWh, production start-up planned for the fourth quarter of 2025.

Once the ongoing investments are completed, the total installed capacity of the wind projects will be close to 300 MW.

Photovoltaic farms. In the area of photovoltaic systems, the Przykona project with an installed capacity of 260 MW and a potential annual production of approximately 250 GWh is currently under construction. The project will be implemented in cooperation with ZE PAK Group, on whose land the plant will be built. The project is at the stage of obtaining necessary permits.

Green hydrogen projects

In addition to dynamically developing renewable energy projects, we are also focused on building a complete value chain of an economy based on green hydrogen. Currently, we are in the process of commissioning the first electrolyzer with 2,5 MW of capacity and finalizing the work on an alkaline electrolyzer of our own production with a capacity of 0.5 MW.

In the area of hydrogen distribution, construction work is nearing completion on hydrogen refueling stations in Gdansk, Gdynia, Wroclaw and Lublin. The expected launch dates for the new stations are in the second and third quarters of 2024. The construction of a network of hydrogen refueling stations is supported by the National Fund for Environmental Protection and Water Management, which granted PAK-PCE a subsidy of PLN 20 million in February 2023 for the construction of a network of publicly accessible hydrogen refueling stations in Rybnik, Gdańsk, Wrocław, Gdynia and Lublin.

In September 2023, PAK-PCE Polski Autobus Wodorowy 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. In addition, in March 2024, PAK-PCE Polski Autobus Wodorowy won a tender for the delivery of 26 buses to Chelm, which will be executed in three tranches by the end of 2025.

3.2. Review of the Group's financial situation

The following review of results for the three-month period ended March 31, 2024 was prepared based on the condensed consolidated financial statements for the three-month ended March 31, 2024, prepared in accordance with International Financial Reporting Standards as approved for use by the European Union and based on internal analyses.

It should be noted that the financial data for the three-month periods ended March 31, 2024 and March 31, 2023 are not fully comparable due to the acquisitions and changes to the Group's structure, which are described in detail in item 1.2. of this Report – *Changes in the organizational structure of Polsat Plus Group and their effects,* and item 1.5. of the Report of the Management Board on activities of Cyfrowy Polsat S.A. Capital Group for 2023. In particular, as of July 3, 2023, the Group consolidates the results of PAK-PCE and its subsidiaries using the full method.

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, 2023 to March 31, 2024. However, if the impact of an acquisition or a disposal is a significant factor, this is indicated for the item in question.

An explanation of the accounting policies used and key positions from the consolidated income statement and consolidated balance sheet are included in the consolidated financial statements for the financial year 2003 (Note 6).

3.2.1. Income statement analysis

Results for the first quarter of 2023

[mPLN]	for the 3-month period ended March 31		change	
	2024	2023	[mPLN]	[% / p.p.]
Revenue	3,405.0	3,199.3	205.7	6.4%
Operating costs	(3,116.3)	(2,891.9)	(224.4)	7.8%
Gain on disposal of a subsidiary and an associate	10.0	-	10.0	n/d
Other operating income/(cost), net	154.0	(8.7)	162.7	n/d
Profit from operating activities	**452.7**	**298.7**	**154.0**	**51.6%**
Gain/(loss) on investment activities, net	19.2	20.8	(1.6)	(7.7%)
Finance costs, net	(201.3)	(255.7)	54.4	(21.3%)
Share of the profit of associates accounted for using the equity method	-	20.3	(20.3)	(100.0%)
Gross profit for the period	**270.6**	**84.1**	**186.5**	**221.8%**
Income tax	(86.3)	(13.1)	(73.2)	558.8%
Net profit for the period	**184.3**	**71.0**	**113.3**	**159.6%**
EBITDA	**946.3**	**761.2**	***185.1***	***24.3%***
EBITDA margin	*27.8%*	*23.8%*	-	*4.0 p,p,*
EBITDA adjusted	936.3	761.2	175.1	23.0%
EBITDA adjusted margin	*27.5%*	*23.8%*	-	*3.7 p,p,*
Gain on asset disposal	164.0	-	164.0	n/a
EBITDA adjusted excl. asset disposal	***772.3***	***761.2***	***11.1***	***1.5%***
EBITDA adjusted margin excl. asset disposal	*22.7%*	*23.8%*	-	*(1.1 p,p,)*

Revenue

Consolidated **total revenue** increased by PLN 205.7 million (+6.4% YoY) in the first quarter of 2024, 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 3,102.8 million (-3.0% YoY). The change was primarily due to lower wholesale revenue and revenue from equipment sales.

[mPLN]	for the 3-month period ended March 31		change	
	2024	2023	[mPLN]	[%]
Retail revenue	1,770.6	1,733.8	36.8	2.1%
Wholesale revenue	749.7	792.3	(42.6)	(5.4%)
Sale of equipment	425.9	484.9	(59.0)	(12.2%)
Energy revenue	281.9	-	281.9	n/a
Other revenue	176.9	188.3	(11.4)	(6.1%)
Revenue	**3,405.0**	**3,199.3**	**205.7**	**6.4%**

Retail revenue increased by PLN 36.8 million (+2.1%) YoY in the first quarter of 2024 and amounted to PLN 1,770.6 million, which resulted from higher ARPU from contract B2C and B2B customers, as well as higher prepaid ARPU.

Wholesale revenue decreased by PLN 42.6 million (-5.4%) YoY, mainly due to the recognition of lower interconnection revenue, resulting from the final regulatory reduction of MTR rates in January 2024, and lower revenue from the sale of TV sublicenses, which was partially offset by an increase in advertising and sponsorship revenue.

Revenue from the **sale of equipment** decreased by PLN 59.0 million (-12.2%) YoY mainly due to high sales volumes in the comparative period.

In connection with the consolidation of PAK-PCE Group's results, as of July 3, 2023, the Group recognizes **energy revenue**, which includes revenue from the sale of generated electricity and resale of energy, revenue from the sale of heat and revenue from the sale of property rights, particularly certificates of origin. In the first quarter of 2024, the Group recognized, on a consolidated level, energy revenue of PLN 281.9 million, of which revenue from the sale of generated electricity amounted to PLN 86.8 million and revenue from energy resale amounted to PLN 167.8 million.

Other revenue decreased by PLN 11.4 million (-6.1%) YoY, mainly as a result of lower revenue from photovoltaic market activities and lower revenue from the sold apartments. This decrease was partly offset by the recognition of revenue from the sale of gas in connection with the consolidation of the results of PAK-PCE Group from July 3, 2023.

Excluding the impact of the consolidation of PAK-PCE Group, other revenue amounted to PLN 156.5 million, down by -16.9% YoY.

Operating costs

Consolidated **operating costs** increased by PLN 224.4 million (+7.8%) YoY in the first quarter of 2024. Excluding the impact of the consolidation of the results of PAK-PCE Group, consolidated operating costs amounted to PLN 2,842.9 million (-1.7% YoY).

[mPLN]	for the 3-month period ended March 31		change	
	2024	2023	[mPLN]	[%]
Technical costs and cost of settlements with telecommunication operators	802.6	808.6	(6.0)	(0.7%)
Depreciation, amortization, impairment and liquidation	481.0	462.5	18.5	4.0%
Cost of equipment sold	328.0	392.6	(64.6)	(16.5%)
Content costs	513.0	514.5	(1.5)	(0.3%)
Cost of energy sold, includes	241.8	-	241.8	n/a
Depreciation	*11.6*	-	*11.6*	*n/a*
Distribution, marketing, customer relation management and retention costs	268.7	243.6	25.1	10.3%
Salaries and employee-related costs	304.0	276.1	27.9	10.1%
Cost of debt collection services and bad debt allowance and receivables written off	13.1	29.4	(16.3)	(55.4%)
Other costs, includes	164.1	164.6	(0.5)	(0.3%)
Depreciation	1.0	-	(1.0)	n/a
Operating costs	**3,116.3**	**2,891.9**	**224.4**	**7.8%**

Technical costs and cost of settlements with telecommunication operators decreased by PLN 6.0 million (-0.7%) YoY. This decrease was caused mainly by lower costs of interconnect settlements due to the final regulatory reduction of MTR rates in 2024, and was largely offset by higher network maintenance costs due to, among others, higher costs of energy and the valorization of rental contracts.

Depreciation, amortization, impairment and liquidation costs increased by PLN 18.5 million (+4.0%) YoY, which resulted, among others, from the consolidation of PAK-PCE Group which caused additional depreciation, amortization, impairment and liquidation expenses of PLN 6.4 million. At the same time, we would like to point out that depreciation and amortization in the green energy segment are also included in the cost of energy sold and the cost of buses sold (in the item Other costs).

The **cost of equipment sold** decreased by PLN 64.6 million (-16.5%) YoY, which reflected lower sales volumes of equipment in the reported quarter and corresponds with lower revenue from the sale of equipment.

Content costs remained relatively stable YoY during the period under review.

Distribution, marketing, customer relation management and retention costs increased by PLN 25.1 million (+10.3%) YoY, mainly as a result of the recognition of higher costs of call center and marketing activities in the first quarter of 2024.

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 241.8 million, of which PLN 11.6 million was depreciation and amortization.

Salaries and employee-related costs increased by PLN 27.9 million (+10.1%) YoY, mainly due to the increased headcount and persisting inflationary pressure. The impact of the consolidation of PAK-PCE Group on this cost item was PLN 3.1 million in the first quarter of 2024.

Average headcount in the Group increased by 370 FTEs (+4.7%) YoY, following the changes in the Group's structure in the last 12 months, in particular the consolidation of PAK-PCE Group from July 2023.

Average employment	for the 3-month period ended March 31		Change	
	2024	2023	[FTEs]	[%]
Permanent workers not engaged in production[(1)]	8,243	7,873	370	4.7%

(1) Excluding workers who did not perform work in the reporting period due to long-term absences.

Cost of debt collection services and bad debt allowance and receivables written off decreased by PLN 16.3 million (-55.4%) YoY. The decrease was primarily due to a one-time revalution of the total package of receivables according to a higher ratio than in the comparative period. In addition, the lower level of bad debt was influenced by better collection rates and lower sales in the installment model than in the first quarter of 2023.

Other costs remained relatively stable YoY. Excluding the impact of the consolidation of PAK-PCE Group, other costs amounted to PLN 142.0 million, recording a decrease by 13.8%, mainly due to lower costs related to operations in the photovoltaic market and lower cost of apartments sold.

Gain on the disposal of a subsidiary and an associate amounted to PLN 10.0 million and resulted from the disposal of shares held by the Group in Muzo.fm.

Other operating income, net amounted to PLN 154.0 million in the first quarter of 2024, primarily due to the recognition by the Company of the income from the sale of the first tranche of an IPv4 communications protocol address package in the amount of PLN 164.0 million (net of the transaction costs).

Reported EBITDA increased to PLN 946.3 million (+24.3% YoY), primarily as a result of the recognition of the income from the disposal of assets comprising the first tranche of the IPv4 communications protocol address package in the amount of PLN 164.0 million.

EBITDA adjusted by the gain on the disposal of a subsidiary and an associates, excluding asset disposal amounted to PLN 772.3 million (+1.5%) YoY in the first quarter of 2024, resulting in adjusted EBITDA margin of 22.7%. The main reason for the increase in adjusted EBITDA was the contribution from the green energy segment following the consolidation of PAK-PCE Group in the amount of PLN 49.4 million.

Gain on investment activities, net amounted to PLN 19.2 million in the first quarter of 2024 and was relatively stable YoY. This item included the income recognized on the valuation of the stake of 10.13% shares held in Asseco Poland S.A. in the amount of PLN 37.0 million (in the comparative period, the share of profit of Asseco Poland S.A. was included in the item “Share of profit of associates accounted for using the equity method”), which was largely offset by a negative reassessment of financial PPA contracts due to the situation on the energy market.

Finance costs, net decreased by PLN 54.4 million (-21.3%) YoY, primarily due to the recognition of a non-cash, positive impact of PLN 23.9 million from the revaluation of the euro-denominated tranche of the SFA following the appreciation of the Polish zloty in the first quarter of 2024. Moreover, the Group recognized a positive impact from the execution and valuation of hedging instruments in the amount of PLN 44.5 million.

Net profit for the first quarter of 2024 increased by PLN 113.3 million (+159.6%) YoY to PLN 184.3 million.

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**, which consists mainly of production, acquisition and broadcasting of information and entertainment programs as well as TV series and feature films broadcasted on television, radio and Internet channels in Poland,
- **green energy segment**, which consists mainly of production and sale of electricity from renewable sources, construction of a complete hydrogen-based value chain and investments in renewable energy sources projects such as photovoltaic and wind farms (starting from July 3, 2023), and
- **real estate segment**, which consists mainly of implementation of construction projects as well as sale, rental and management of own or leased real estate (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.

The operations carried out within each segment are described in detail in item 2 of the the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023 – *Our business*.

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 three-month period ended March 31, 2024.

3-month period ended March 31, 2024 [mPLN]	B2C and B2B services segment	Media segment	Real estate segment	Green energy segment	Consolidation adjustments	Total
Revenues from sales to third parties	2,562.2	509.4	25.4	308.0	-	**3,405.0**
Inter-segment revenues	13.3	75.9	14.8	46.3	(150.3)	**-**
Revenues	**2,575.5**	**585.3**	**40.2**	**354.3**	**(150.3)**	**3,405.0**
EBITDA adjusted (unaudited)	**797.8**	**90.9**	**0.3**	**47.3**	**-**	**936.3**
Gain on disposal of a subsidiary and an associate	-	10.0	-	-	-	10.0
EBITDA (unaudited)	**797.8**	**100.9**	**0.3**	**47.3**	**-**	**946.3**
Depreciation, amortization, impairment and liquidation	430.4	37.6	6.6	6.4	-	**481.0**
Depreciation included in energy and bus production costs	-	-	-	12.6	-	**12.6**
Profit/(loss) from operating activities	**367.4**	**63.3**	**(6.3)**	**28.3**	**-**	**452.7**
Acquisition of property, plant and equipment and other intangible assets	217.2	26.3	5.1	87.0	-	**335.6**
Acquisition of reception equipment	45.8	-	-	-	-	**45.8**
Balance as at March 31, 2024						
Assets, including:	25,930.6	4,133.0[1)]	1,468.8	4,683.4	344.7	**36,560.5**
Investments in joint venture and associates	-	-	10.1	-	-	**10.1**

1) Includes non-current assets located outside of Poland in the amount of PLN 1.0 million.

All material revenues are generated in Poland.

It should be noted that the financial data for the three-month periods ended March 31, 2024 and March 31, 2023 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 2023.

The table below presents a summary of the Group's revenues, expenses, acquisition of property, plant and equipment, reception equipment and other intangible assets as well as assets by operating segment for the three-month period ended March 31, 2023.

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

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

3.2.3. Balance sheet analysis

As at March 31, 2024, our balance sheet amounted to PLN 36,560.5 million and was lower by PLN 616.2 million (-1.7%) compared to the balance as at December 31, 2023.

Assets

[mPLN]	March 31 2024	December 31 2023	Change [mPLN]	Change [%]
Property, plant and equipment	6,571.9	6,494.3	77.6	1.2%
Goodwill	10,975.4	10,980.2	(4.8)	-
Customer relationships	191.1	300.2	(109.1)	(36.3%)
Brands	1,959.7	1,979.7	(20.0)	(1.0%)
Other intangible assets	4,807.1	4,835.8	(28.7)	(0.6%)
Right-of-use assets	685.3	644.6	40.7	6.3%
Non-current programming assets	285.9	304.8	(18.9)	(6.2%)
Investment property	694.9	700.0	(5.1)	(0.7%)
Non-current deferred distribution fees	74.5	85.0	(10.5)	(12.4%)
Non-current trade receivables	925.7	968.1	(42.4)	(4.4%)
Non-current loans granted	11.0	10.9	0.1	0.9%
Other non-current assets, includes:	741.7	702.8	38.9	5.5%
shares in associates accounted for using the equity method	*10.1*	*10.1*	-	-
shares in third parties valued in fair value through profit or loss	*652.9*	*615.9*	*37.0*	*6.0%*
derivative instruments	*22.2*	*35.2*	*(13.0)*	*(36.9%)*
Deferred tax assets	157.4	142.8	14.6	*10.2%*
Total non-current assets	**28,081.6**	**28,149.2**	**(67.6)**	**(0.2%)**
Current programming assets	674.5	678.2	(3.7)	(0.5%)
Contract assets	340.8	349.0	(8.2)	(2.3%)
Inventories	1,229.3	1,215.6	13.7	1.1%
Trade and other receivables	2,914.1	2,947.1	(33.0)	(1.1%)
Current loans granted	117.7	116.2	1.5	1.3%
Income tax receivable	28.0	20.0	8.0	40.0%
Current deferred distribution fees	241.0	227.4	13.6	6.0%
Other current assets, includes:	207.0	139.7	67.3	48.2%
derivative instruments	*33.9*	*21.6*	*12.3*	56.9%
Short-term deposits	1.6	-	1.6	n/a
Cash and cash equivalents	2,694.9	3,306.0	(611.1)	(18.5%)
Restricted cash	24.3	19.7	4.6	23.4%
Total current assets	**8,473.2**	**9,018.9**	**(545.7)**	**(6.1%)**
Assets held for sale, includes	5.7	8.6	(2.9)	(33.7%)
Cash and cash equivalents	-	*1.2*	*(1.2)*	*(100%)*
Total assets	**36,560.5**	**37,176.7**	**(616.2)**	**(1.7%)**

The value of non-current assets amounted to PLN 28,081.6 million (76.8% of total assets) as of March 31, 2024 and decreased by PLN 67.6 million (-0.2%) compared to the balance at the end of 2023. The main reasons for the decrease were a lower value of customer relationships due to the successive amortization (-PLN 109.1 million, -36.3%), a decrease of non-current trade receivables by PLN 42.2 million (-4.4%) and a decrease of other intangible assets by PLN 28.7 million (-0.6%). This decrease was partially offset by an increase of property, plant and equipment by PLN 77.6 million (+1.2%) and an increase of right-of-use assets (+PLN 40.7 million, +6.3%), associated with the execution of investments in renewable energy projects. Furthermore, the value of other non-current assets increased by PLN 38.9 million (+5.5%) compared to the balance as at December 31, 2023, mainly as a result of the revaluation to market value of the 10.13% stake held in Asseco Poland S.A.

The value of current assets amounted to PLN 8,473.2 million (23.2% of total assets) decreasing by PLN 545.7 million (-6.1%) compared to the balance as at December 31, 2023. The main reasons for the decrease of current assets were a reduction of cash and cash equivalents (-PLN 611.1 million), due to, among others, the execution of the remaining balance of the 5G spectrum auction payment and repurchase for redemption of the Seires B and C bonds.

During the three-months of 2024, the value of non-current and current programming assets decreased by PLN 22.6 million (-2.3%), which was associated mainly with the gradual debiting of costs of previously purchased film licenses and sports rights.

Equity and liabilities

[mPLN]	March 31 2024	December 31 2023	Change	
			[mPLN]	[%]
Share capital	25.6	25.6	-	-
Share premium	7,174.0	7,174.0	-	-
Share of other comprehensive income of associates	(0.1)	-	(0.1)	n/a
Other reserves	2,755.7	2,752.8	2.9	0.1%
Retained earnings	8,514.2	8,334.1	180.1	2.2%
Treasury shares	(2,854.7)	(2,854.7)	-	-
Equity attributable to equity holders of the Parent Company	**15,614.7**	**15,431.8**	**182.9**	**1.2%**
Non-controlling interests	873.0	873.4	(0.4)	(0.0%)
Total equity	**16,487.7**	**16,305.2**	**182.5**	**1.1%**
Loans and borrowings	9,429.7	9,534.3	(104.6)	(1.1%)
Issued bonds	3,581.6	3,955.4	(373.8)	(9.5%)
Lease liabilities	454.9	444.6	10.3	2.3%
Deferred tax liabilities	1,088.3	1,035.0	53.3	5.1%
Other non-current liabilities and provisions	341.4	385.6	(44.2)	(11.5%)
includes derivative instruments	*12.1*	*24.0*	*(11.9)*	(49.6%)
Total non-current liabilities	**14,895.9**	**15,354.9**	**(459.0)**	**(3.0%)**
Loans and borrowings	1,190.8	1,069.7	121.1	11.3%
Issued bonds	358.2	393.7	(35.5)	(9.0%)
Lease liabilities	184.4	166.2	18.2	11.0%
Contract liabilities	719.9	682.2	37.7	5.5%
Trade and other payables	2,703.7	3,172.6	(468.9)	(14.8%)
includes derivative instruments	*13.3*	*20.2*	*(6.9)*	(34.2%)
Income tax liability	19.9	31.4	(11.5)	(36.6%)
Total current liabilities	**5,176.9**	**5,515.8**	**(338.9)**	**(6.1%)**
Liabilities held for sale	-	0.8	(0.8)	(100.0%)
Total liabilities	**20,072.8**	**20,871.5**	**(798.7)**	**(3.8%)**
Total equity and liabilities	**36,560.5**	**37,176.7**	**(616.2)**	**(1.7%)**

Equity increased by PLN 182.5 million (+1.1%), to PLN 16,487.7 million as at March 31, 2024, mainly as a result of the recognition of net profit of PLN 184.3 million generated in the first three months of 2024.

Total liabilities decreased by PLN 798.7 million (-3.8%) and amounted to PLN 20,072.8 million as at March 31, 2024, of which current liabilities amounted to PLN 5,176,9 million and non-current liabilities amounted to PLN 14,895.9 million, constituting 25.8% and 74.2% of total liabilities, respectively.

The decrease in the value of non-current liabilities by PLN 459.0 million (-3.0%) was primarily due to a lower value of non-current liabilities (PLN -373.8 million, -9.5%) resulting from the early redemption of the Series B and C bonds in February 2024. Non-current liabilities from loans and borrowings decreased by PLN 104.6 million (-1.1%) as a result of their partial reclassification to current liabilities due to scheduled maturity.

Compared to the end of December 2023, the value of current liabilities decreased by PLN 338.9 million (-6.1%). This change was mainly the result of a decrease in current liabilities from trade and other payables by PLN 468.9 million (-14.8%) compared to the value at the end of 2023. The above mentioned decrease was due primarily to the payment of the remaining part of the reservation fee for the 3,6 GHz band under the 5G auction in the amount of PLN 266.6 million.

3.2.4. Consolidated cash flow analysis

The table below presents selected data from the consolidated cash flow statement for the three-month periods ended March 31, 2024 and March 31, 2023.

[mPLN]	for the 3-month period ended March 31		Change	
	2024	2023	[mPLN]	[% / p.p.]
Net cash from operating activities	**763.2**	**299.6**	**463.6**	**154.7%**
Net cash used in investing activities, incl.	**(597.2)**	**(1,211.1)**	**613.9**	**(50.7%)**
Capital expenditures	*(335.6)*	*(295.2)*	*(40.4)*	*13.7%*
Net cash from/(used in) financing activities	**(762.8)**	**1,567.3**	**(2,330.1)**	**(148.7%)**
Net increase/(decrease) in cash and cash equivalents	(596.8)	655.8	(1,252.6)	n/a
Cash and cash equivalents at the beginning of the period	3,325.7	817.8	2,507.9	*306.7%*
Cash and cash equivalents at the end of the period	**2,719.2**	**1,473.4**	**1,245.8**	**84.6%**

Net cash from operating activities

Net cash received from operating activities amounted to PLN 763.2 million in the three months of 2024 and increased by PLN 463,6 million (+154.7%) YoY, mainly due to higher EBITDA in the period under review when compared to the first quarter of 2023 and lower value of working capital employed, which was mainly a result of a lower balance of inventories and liabilities.

Net cash used in investing activities

Net cash used in investing activities amounted to PLN 597.2 million in the first quarter of 2024 and was lower by PLN 613.9 million (-50.7%) YoY, primarily as a result of lower expenses related to license payments. On January 10, 2024, the Group made an additional payment of PLN 266.6 million for the reservation of a frequency block in the 3.6 GHz band, while on January 3, 2023, the Group made a payment of PLN 847.0 million for the renewal of the reservation of a block in the 1800 MHz band.

In the analyzed period, we recognized PLN 12.0 million in proceeds from the disposal of a subsidiary and an associate following the disposal of a 100% stake in Muzo.fm Sp. z o.o. by Telewizja Polsat on March 27, 2024.

Capital expenditures on the purchase of property, plant and equipment, and intangible assets amounted to PLN 335.6 million in the first quarter of 2024 and increased by PLN 40.4 million (+13.7%) YoY. In the TMT area, which includes the B2C and B2B services and media segments, capex amounted to PLN 243.5 million in the first quarter of 2024 and was lower by PLN 48.4 million (-16.6%) YoY. The capex-to-revenue ratio remained at a low level of 7.7% for the three months ended March 31, 2024. In the first quarter of 2024, investment spending on projects related to the development of renewable energy sources and the green hydrogen value chain amounted to PLN 87.0 million. Capital expenditures in the renewable energy area are concentrated in the initial phase of projects and once the project becomes operational, replacement and maintenance capex expenses are negligible.

Net cash used in finance activities

Net cash used in financing activities amounted to PLN 762.8 million in the first quarter of 2024 compared to PLN 1,567.3 million of net cash from financing activities in the comparative period. This change was mainly due to the refinancing of debt from bonds in January 2023 which included, among others, the issuance of Series D Bonds worth ca. PLN 2.67 billion and the early redemption of a portion of Series B and C Bonds totaling PLN 1.53 billion. In the first quarter of 2024, the level of net cash used in financing activities was principally impacted by the early redemption of the outstanding Series B and C Bonds totaling PLN 311.9 million and higher interest paid than in the comparative period.

3.3. External financing

We maintain cash to fund the day-to-day requirements of our business. Our objective is to ensure cost-efficient access to various financing sources, including bank loans, bonds and other borrowings.

We believe that cash balances and cash generated from our current operations, as well as funds available under our revolving credit facilities should be sufficient to satisfy the future needs related to our operating activities, development of our services, service of our debt as well as for the execution of investment plans in the field of the Company’s current activity.

3.3.1. Indebtedness

The table below presents a summary of the financial debt of the Group as at March 31, 2024.

	Balance value as at March 31, 2024 [mPLN]
Loans and borrowings liabilities, including:	10,620.5
loans and borrowings liabilities excluding project financing	*9,361.1*
project financing liabilities	*1,259.4*
liabilities under the revolving credit facility	-
Bond liabilities	3,939.8
Leasing and other liabilities	639.3
Gross debt	15,199.6
Cash and cash equivalents(1)	2,694.9
Net debt	12,504.7
EBITDA LTM(2)	3,380.0
Total net debt / EBITDA LTM	**3.70x**
Net debt / EBITDA LTM, excluding project financing(3)	**3.40x**
Weighted average interest cost of loans and bonds(4)	8.5%

(1) Includes cash and cash equivalents held for sale.

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

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

(4) Prospective average weighted interest cost of the Group's debt (including the Revolving Credit Facility) in accordance with WIBOR/EURIBOR ratios as of the balance sheet date, excluding hedging instruments, project financing and leases.

Repurchase and redemption of bonds

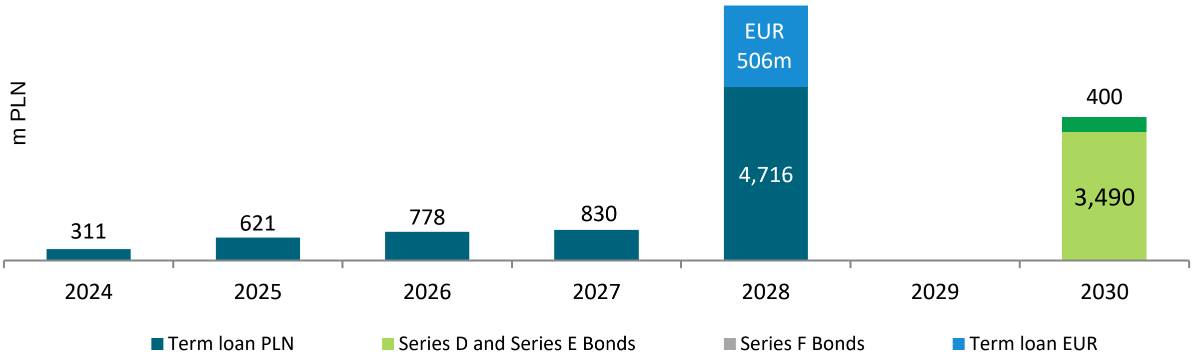
On February 5, 2024 the Company repurchased for redemption 223,798 unsecured Series B bearer bonds with the aggregate nominal value of PLN 223.8 million and 88,053 unsecured Series C bearer bonds with the aggregate nominal value of PLN 88.1 million. In connection with the early redemption, all Series B Bonds and Series C Bonds were retired.

After the redemption of Series B and Series C Bonds, bonds listed in the Alternative Trading System operated by the WSE on the Catalyst market include 3,490,000 Series D and Series E bonds while Series F bonds are not listed.

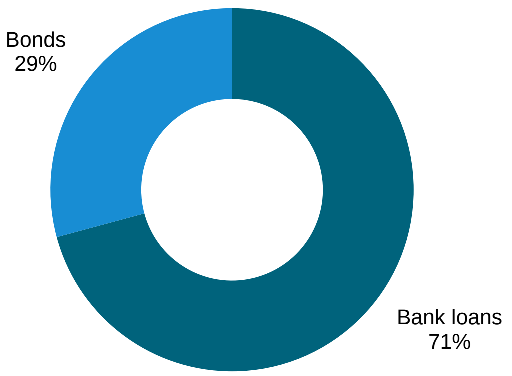
Debt structure and maturity

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 March 31, 2024.

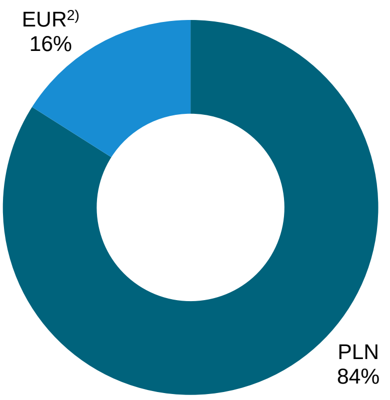
Maturity profile of debt under the Senior Facitlies Agreement and bonds as of March 31, 2024



Debt structure by instrument type(1) as at March 31, 2024



Debt structure by currency(1) as at March 31, 2024



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

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

3.3.2. Significant financing agreements

Senior Facilities Agreement of April 28, 2023

On April 28, 2023, the Group companies concluded with a consortium of Polish and foreign financial institutions the unsubordinated Senior Facilities Agreement, sustainability linked financing (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").

A detailed description of the conditions of the Senior Facility Agreement dated April 28, 2023, which remained in effect as of the date of publication of this Report, is presented in item 4.3.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023.

In order to secure the repayment of claims under the Senior Facilities Agreement, the Company, other Group companies listed below, as guarantors, and the security agent, entered into and signed agreements and other documents providing for the establishment of the following collateral:

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

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

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

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

(v) registered pledges over the rights to the trademarks of the 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. and Polsat Media sp. z o.o.;

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

(ix) a joint contractual mortgage, governed by Polish law, over 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.

Series D, E and F Bonds

On January 11, 2023, Cyfrowy Polsat issued 2,670,000 unsecured, sustainability-linked Series D bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 2,670.0 million, maturing on January 11, 2030. On September 28, 2023, Cyfrowy Polsat issued 820,000 unsecured, sustainability-linked Series E bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 820.0 million, which were assimilated with the Series D Bonds. On December 21, 2023, Cyfrowy Polsat issued 400,000 unsecured, sustainability-linked Series F bearer bonds with a nominal value of PLN 1,000.0 each and a total nominal value of PLN 400.0 million, maturing on January 11, 2030.

A detailed description of the terms of issuance of the Series D, E and F bonds is presented in item 4.3.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023.

Financing of green energy production projects

PAK-PCE Group companies have entered into investment loan agreements to finance the implementation of renewable energy investment projects in 2021-2023.

A detailed description of the financing of green energy projects is presented in item 4.3.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023.

4. Other significant information

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

Transactions with parties related to Polsat Plus Group in the three-month period ended March 31, 2024 have been concluded exclusively on market conditions and are described in Note 18 of the condensed consolidated financial statements for the three-month period ended March 31, 2024.

4.2. Achievement of previously published forecasts

Pursuant to Article 35 (1b) and (1c) of the Bonds Act, the Company presented an explanation regarding the achievement of published projections of the development of financial liabilities from loans and borrowings, issue of debt securities, and leasing as at December 31, 2023 in item 7.2. of the report of the Management Board on the activities of Cyfrowy Polsat S.A. Capital Group in 2023.

The Company did not publish forecasts for other financial results.

4.3. Information on sureties and guarantees granted by the Company and its subsidiaries

In connection with the implementation of investment projects in the green energy segment by its subsidiaries, the Company provided guarantees of a significant value for the execution of contracts for the implementation of individual wind farm projects, in particular contracts for the supply and installation of wind turbines concluded with Vestas Poland S.A. and Nordex Poland S.A. As of March 31, 2024, 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.

In addition, the Company issued corporate guarantees and warranties in EUR and USD, which guarantee the trade payables of its subsidiary Polkomtel sp. z o.o. to its suppliers. As of March 31, 2024, the total value of granted guarantees, converted into PLN at the exchange rate as of the balance sheet date, amounted to PLN 221.1 million. The guarantees expire between 2024 and 2026. The financial terms of the granted guarantees and warranties do not differ from market terms.

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

Management believes that the provisions as at March 31, 2024 are sufficient to cover potential future outflows and the adverse outcome of the disputes will not have a significant negative impact on the Group's financial situation.

Proceedings before the Office of Competition and Consumer Protection (UOKiK)

On January 22, 2020, the President of UOKiK issued a decision stating that the operations of Polkomtel were allegedly infringing collective consumer interests by clauses included in the terms and conditions of telecommunications services regarding prepaid services and expiration of the unused value of the subscribers' accounts. Pursuant to the decision of the President of UOKiK, Polkomtel was charged with a penalty in the amount of PLN 20.4 million. Polkomtel appealed to SOKiK against the decision. On April 8, 2022, SOKIK dismissed Polkomtel's appeal. On May 31, 2022, Polkomtel submitted an appeal against the SOKiK verdict. On March 28, 2023 the Court of Appeal dismissed the appeal. On April 11, 2023, Polkomtel paid a penalty of PLN 20.4 million. After receiving written justification of the judgment of the Court of Appeal, on June 30, 2023, Polkomtel filed a cassation complaint. On March 7, 2024, Polkomtel received a decision of the Supreme Court refusing to accept the cassation appeal in this case for consideration.

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 last hearing took place on May 8, 2019. Both parties have submitted an application for re-referral to the mediation proceedings for a period of three months. The court approved application and postponed the hearing without a deadline. Mediation ended without a settlement. On May 6, 2020, the Company received a letter from the Court, containing the mediator's position summarizing the course of mediation, with a request to refer to its content. On May 25, 2020, the Company submitted a response informing the Court about the settlement being impossible to reach by the parties. The next 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. The hearing on December 15, 2023 and on April 17, 2024 have been canceled.

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 January 17, 2024. The hearing was postponed without a date.

The legal dispute in respect to the telecommunication concession

The legal dispute in respect to the telecommunication concession for the 1800 MHz frequency granted in 2007 to Mobyland Sp. z o.o. (currently Polkomtel Sp. z o.o.) and CenterNet S.A. (currently Polkomtel Sp. z o.o.) has ended. Proceedings to invalidate the 1800 MHz frequency allocation tender have been instigated by T-Mobile and Orange. Supreme Administrative Court (NSA), in its ruling dated May 8, 2014, sustained the decision of the Court of First Instance and repealed the decision issued by the President of the Office of Electronic Communications (UKE) on September 23, 2011, which partially invalidated the above mentioned tender. Following the decision of the Supreme Administrative Court, UKE informed that "the decisions regarding re-running the tender will be taken by the Office upon careful analysis of the written justification of NSA's rulings and the Court's guidelines regarding further procedure as well as upon analysis of the legal situation". UKE also stated that the "reservation decisions issued by UKE President remained valid while the operators could continue providing their services while using these frequencies". On December 23, 2016, President of UKE notified the parties that the tender annulment proceedings relating to the 1800 MHz frequency have been adopted. Pursuant to the decision dated August 4, 2017, President of UKE notified the parties that the tender dated 2007 has been annulled. On October 13, 2017, Aero 2 Sp. z o.o. (a successor of CenterNet S.A. and Mobyland Sp. z o.o., currently Polkomtel Sp. z o.o.) filed a motion to reconsider the decision of the President of UKE dated August 4, 2017 concerning the annulment of the tender procedure. On January 31, 2018 the President of UKE upheld its decision dated August 4, 2017. On March 7, 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a complaint with the Provincial Administrative Court in Warsaw, on October 4, 2018, the complaint was dismissed. On December 27, 2018, Aero2 (currently Polkomtel Sp. z o.o.) filed a cassation appeal against judgment, which was dismissed by the Supreme Administrative Court on November 25, 2022.

The decision issued by UKE President did not affect reservation decisions issued following the administrative tender. 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. The WSA in Warsaw dismissed T-Mobile Polska S.A.'s appeal in a ruling dated April 3, 2024, which is not yet final.

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.

The initiation by the European Commission of the procedure based on Art. 108 sec. 2 of the European Union Treaty

In the beginning of October 2020, Cyfrowy Polsat S.A. and Sferia S.A., a company owned by the Cyfrowy Polsat Group in 51% since 29 February 2016, received from the Ministry of Digital Affairs a copy of the European Commission's decision dated 21 September 2020 regarding the initiation of the formal investigation procedure against the Republic of Poland concerning the alleged illegal state aid provided to Sferia. The alleged illegal state aid relates to granting in 2013 to Sferia the right to use a frequency block of 800 MHz range in place of the frequency 850 MHz range previously held by Sferia. According to the decision, the European Commission intends to investigate, whether the state aid was granted, and if so, whether it can be considered compatible with the internal market. On 4 February 2022, the European Commission began consultations on this matter and Cyfrowy Polsat and Sferia submitted their comments. Both companies believe that no illegal state aid was granted.

In addition to the matters described above, there are also other proceedings, for which provisions have been made according to the best estimates of the Management Board as to potential future outflows of the economic benefits required for their settlement. Information regarding the amount of provisions was not separately disclosed, as in the opinion of the Group's Management, such disclosure could prejudice the outcome of the pending cases. Other proceedings described in item 5.4. of the report of the Management Board on activities of Cyfrowy Polsat S.A. Capital Group for 2023 remain unchanged.

5. Factors and trends that may impact our results in subsequent periods

5.1. Factors related to social-economic environment

Impact of the military conflict on the territory of Ukraine on the Company's current operations and expected results

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

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

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

Macroeconomic outlook in Poland

Macroeconomic trends in the Polish economy as well as global market conditions affect our operations and operating results, and are expected to continue affecting them in the future, in particular with respect to the demand for advertisements, the level of expenditures on services that we provide as well as demand for end-user devices.

According to the data of the Polish Central Statistical Office (GUS), Poland's GDP grew by 0.2% in 2023. This is below market expectations and the lowest result since the country joined the EU. Private consumption data was particularly disappointing (-1.0% YoY). The pressures that led to the slower-than-expected recovery included persistently high inflation and interest rates.

According to the European Commission's February 2024 forecast, the current year is expected to be marked by a gradual economic recovery. The GDP recovery is expected to be driven by an increase in the purchasing power of money and household consumption, including a record increase in the minimum wage to PLN 4,242 as of January 1, 2024 and to PLN 4,300 as of July 1, 2024 (vs. PLN 3,600 as of July 2023), and an increase in social transfers. Salaries are also expected to increase across other sectors, including public administration and education. Under these circumstances, one of the challenges for companies in the coming year may be pressure on wages. In addition, the inflow of EU funds under the National Recovery Program (KPO) is expected to significantly stimulate investment levels in the second half of the year. As a result of the above factors, the European Commission forecasts Poland's economic growth to reach 2.8% in 2024 and 3.4% in 2025, with continued elevated average annual inflation above the target of the National Bank of Poland.

Although the level of CPI gradually declined in 2023, the average annual inflation rate remained high at 11.4% (compared to 14.4% in 2022). Forecasts for the level of inflation in 2024 are subject to a high degree of uncertainty due to, among others, the government's anti-inflationary shields. Taking into account the factors described above, and given that the 0% VAT on food expired in April, inflation is expected to pick up later in the year. According to the European Commission's forecasts, average annual inflation in Poland will reach 4.3% in 2024 and 4.2% in 2025, with Poland's CPI well above the EU average in these years.

Situation on the pay TV market in Poland

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

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

Dynamic growth of non-linear distribution of content, delivered by video on demand and OTT (over-the-top) services is a global trend. In Poland, this market has been growing rapidly in recent years and its attractiveness is proved by the launch of services by global players, such as Netflix, Amazon Prime, HBO, Disney+ or SkyShowtime. 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, 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, it may cause a part of customers to be inclined to limit their parallel use of more forms of access to paid content.

Development of the advertising market in Poland

A significant part of our wholesale revenue comes from the sale of advertising airtime and sponsoring slots on our TV channels. Demand for advertising airtime is highly correlated with the macroeconomic situation. We expect that the development of the TV advertising market in the coming quarters and years will be influenced by the growth rate of the national GDP, which, according to the estimates of the European Commission, will reach 2.8% and 3.4% in 2024 and 2025, respectively.

In our opinion, television will remain an effective advertising medium given the relatively low level of advertising expenditures in Poland as a percentage of GDP and per capita in comparison to other European markets. We believe there is still growth potential for TV advertising in Poland in the long term. In 2022-2023, the average time spent watching TV among the surveyed population remained high, estimated at 239 to 250 minutes per day. It is worth noting that despite the growing importance of new media and the declining trend in the length of time spent watching traditional television, it is forecasted that television will still remain an attractive and popular pastime thanks to, among others, new technical opportunities and given that television remains a widely available and affordable source of entertainment for the whole family.

As of March 2024, the method of measuring out of home TV viewership has changed. Starting from September 2021, the TV audience used for advertising settlements takes into account viewing performed away from home – out of home viewership (OOH). Nielsen Media's measurement, based on a household panel, has been enriched with out-of-home viewing data collected by Gemius, which is then added to Nielsen Media's data. An audit conducted by the French auditor CESP (Centre d'Etude des Supports de Publicité) showed, among other things, that the measured out-of-home audience level was defined as a lower estimate of the phenomenon. In order to make the out-of-home viewership figures more realistic, two modifications were made to the methodology. The first modification was to change the definition of the place of residence.

It was changed from a dynamic approach, where Gemius determines, on the basis of GPS coordinates (measurement carried out using smartphones equipped with a special meter), the place where the respondent watches TV most often (defined as home), to a static definition, i.e. the place declared by the respondent as home and confirmed by Gemius in a verification process. The second modification was to reduce the distance from the place of residence, defining TV viewing as out-of-home viewing, from 100 meters to 40 meters. The result of the changes is a more realistic measurement of viewing away from home, as well as greater consistency with Nielsen Media's core measurement of viewing at home. For TV Polsat Group, this means an increase in the advertising resources that can be offered to advertisers by approximately 4% in the period March - December 2024, while keeping other station parameters unchanged.

Prospects of the online advertising market are positive. According to the IAB AdEx report for 2023, online advertising expenditures in Poland increased at a rate of 12.6% YoY and reached the value of PLN 7.8 billion. The two main segments of the online advertising market in which we are present, i.e., display and video, were responsible for 44% of total expenditures on the online advertising market and their total value increased by 8% YoY. We believe that following the acquisition of Interia.pl Group, through which we gained a leading position on the online advertising market we are one of the beneficiaries of the development of these promising segments of the advertising market in the following periods.

Growing importance of convergent services

Convergence of services is one of the strongest trends both on the Polish media and telecommunications market and worldwide. Operators develop their bundled offerings in response to changing preferences of customers, who seek media and telecommunications services provided at competitive prices by a single operator under a single contract, a single invoice and a single fee. Given the high saturation of the pay TV and mobile telephony markets, bundled services play a very important role in maintaining the existing customer base.

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

Consolidation trends in the telecommunications and pay TV markets

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 and in December 2023 started to cooperate with the wholesale operator Polski Światłowód Otwarty.

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. As the largest dedicated wholesale operator in Poland, Polski Światłowód Otwarty makes its network infrastructure available to other telecom operators under an open and non-discriminatory wholesale access model. It intends to cover a total of more than 6 million households by 2028. 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.

Increases 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 driven by increased demand for data transmission, low level of prices of telecommunication services in Poland, inflationary pressure on costs of telecommunication activities and a shift in strategies of certain operators towards building customer value and fostering revenue and profitability connected, among others, with the investments in 5G network construction.

The strong inflationary pressure that is being experienced in the Polish market in 2022 and 2023 was reflected in the observed adjustments of price lists introduced by telecom operators, including, among others, the implementation of inflation clauses into customer contracts, increasing subscription fees after the basic 24-month contract period, withdrawing the cheapest tariffs from the offer or raising subscription thresholds in line with the more-for-more strategy.

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

Development of the market for new technologies and devices and the consequent increase in access to and consumption of audiovisual content

With the expansion of the new technology market, the number of mobile devices owned by consumers is growing rapidly: smartphones, laptops and tablets, or smart TVs. This is leading to a dynamic increase in access to, and viewing of, video content. Consumers expect providers to enable them to watch content on any screen they own, anywhere, anytime. We see this group as a potential customer segment not only for TV services, but also for opportunities to monetize our audiovisual content. At the same time, this trend will lead to increased demand from our customers for data services on mobile devices, which in turn will lead to a growing revenue stream from the sale of these services to our customers.

The successive launch of 5G networks has also allowed operators to apply price differentiation to offers based on the latest technology, providing a far superior mobile experience. 5G technology will make it possible to achieve speeds that will ultimately exceed 1 Gbps with minimal latency, while at the same time offering significantly higher capacity in newly built networks, which means that a greater number of terminals will be able to comfortably enjoy transmissions at the same time. However, intensive use of 5G technology will require larger data bundles, which can be offered at higher tariffs.

We expect that the above-mentioned developments, combined with the growing demand for transfers between mobile devices and the continued popularity of remote working and learning, will have a positive impact on the value of the Polish mobile market in the medium to long term.

Development of 5G technology in Poland

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 expected, 4 blocks of 100 MHz each were distributed among the four MNOs. In accordance with the auction documentation, quantitative, coverage and qualitative commitments for network development, as detailed in Section 3.2 – *Business related events* – of the Group's annual report for 2023. The implementation of 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.

Precise information regarding the distribution and use of frequencies in the 700 MHz and 26 GHz bands is lacking. As of the date of publication of this Report no plans are known regarding the terms and timing of distribution of the above mentioned frequencies.

Growing 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, in particular those supporting 5G technology.

The growing popularity of smartphones is reflected in increasing demand for data transmission in the small screen equipment segment. According to estimates presented in the Ericsson Mobility Report of November 2023, the scale of data transmission in the Central and Eastern Europe region, to which Poland is classified, will increase from 19 GB per month in 2023 to 43 GB per month in 2029, driven also by the increasing popularity of 5G technology.

We expect that the growing popularity, availability and technological advancement of smartphones combined with improving quality parameters of mobile data transmission and the constantly expanded offer of applications and content for customers shall continue to be the driving factor behind growing demand for data transmission services.

Situation in the electricity market

The majority of our green energy revenue is derived from the sale of renewable energy and the trading of electricity on the market, and is highly dependent on the level of market energy prices and their volatility. The year 2022 was characterized by record-high energy prices and their very high volatility, as a result of the global energy crisis, fueled by the COVID-19 pandemic, followed by Russia's invasion of Ukraine and destabilization of the gas market in Europe. In 2023, spot electricity prices in Poland fell by 33% compared to the record year of 2022.

Volatility in market energy prices. Market energy prices affect the financial performance of the Group's various generation units in different ways. Market prices will largely determine the level of revenues from the production and sale of electricity generated by the two biomass units. PAK-PCE Biopaliwa i Wodór Sp. z o.o., which produces energy from biomass, is an active member of the Towarowa Giełda Energii S.A. (Polish Power Exchange), where it contracts part of its production and also sells energy on the OTC market, while also participating in the balancing market.

In order to reduce its exposure to energy price fluctuations, some of PAK-PCE Group's solar and wind generation companies have entered into Power Purchase Agreements (PPAs). This type of contract is intended to provide funds for the repayment of obligations to banks financing investments in renewable energy sources, which is particularly important from the point of view of managing the risk of fluctuations in electricity market prices in a market environment characterized by significant price volatility.

Energy price regulation. In connection with the continuation of state support mechanisms for energy consumers in the first half of 2024, the conduct of business in energy trading (both electricity and gaseous fuels) is subject to restrictions on the prices charged to eligible entities. Under the current legislation, the maximum prices for the most sensitive consumers of energy, heat and gas, including households, public buildings, local government units and SMEs, were maintained at the same levels as in 2023. The adopted law maintains the system and mechanism of compensation of energy companies in the period from January 1, 2024 to December 31, 2024. According to the current state of the law, the regulations on maximum energy prices for selected groups of customers will remain in force until the end of the first half of 2024, however, as of the date of this Report, the legislative process is underway, as a result of which they may be extended until the end of 2024.

The Group expects that the regulations freezing energy prices for selected groups of customers in their current form will not have a significant negative impact on the financial results of the energy segment in 2024, mainly due to the profile of the customer base and the type of products of PAK Volt, the Group's energy trading company, and the lower expected magnitude of the impact of the compensation system as a result of lower fluctuations in market energy prices than in the previous year. In addition, the obligation to make deductions to the Price Difference Payment Fund for power generators and energy traders expired on December 31, 2023.

Green certificate prices. One of our biomass sources participates in the "green certificates" system, i.e. PMOZE_A. The revenue we receive from the sale of green certificates is derived from their market price. The price of green certificates is subject to market laws, but it can also be influenced by regulations introduced by the legislator, in particular the so-called green certificate redemption factor. As a rule, an increase in this coefficient causes an increase in the price of certificates, while a decrease in the coefficient causes a decrease in the price of certificates.

Biomass prices. The biomass units owned by the Group, with a total capacity of 105 MW, produce electricity and heat using biomass as a feedstock. The Polish biomass market is highly fragmented. Certified biomass is purchased from many suppliers. Purchases are made through a competitive bidding process. It should be noted that the current biomass market does not allow for long-term price security for a large volume of supplies. Biomass supply contracts are usually signed for one year. The price of purchased biomass has a significant impact on the profitability of energy production from this feedstock.

Seasonality and meteorological conditions affect the level of production from RES sources

Meteorological conditions, particularly wind strength and ensolation levels, are an important factor influencing the level of energy production from wind and photovoltaic installations in a given period, and thus also the level of revenue generation. The peak period of energy generation from photovoltaic farms is in the spring and summer, while wind farms record the highest level of production in the first and fourth quarters. The production volume of renewable energy sources also affects the level of electricity prices. During periods of strong wind or high ensolation there can be overproduction of RES energy, resulting in a temporary drop in market energy prices. On the other hand, unfavorable wind or solar conditions combined with high energy demand (e.g. due to low temperatures) lead to temporary increases in market energy prices.

The risk of meteorological conditions is therefore strongly correlated with the price risk, as the imbalance of the renewable energy generation companies will be settled on the balancing market, in spite of contracting. This means the purchase of missing energy or the sale of surplus energy at unknown prices, which will be determined by the meteorological conditions prevailing during the period.

In addition, during periods of very high RES energy production due to weather conditions, power system operators may use the mechanism of non-market curtailment of RES energy production in order to balance electricity supply or ensure the safety of grid operation. In this case, RES producers receive financial compensation based on the balancing market prices and not on the prices resulting from the PPAs of the RES sources.

5.2. Factors related to the operations of the Group

Implementation of renewable energy investment projects

In accordance with Strategy 2023+, we are implementing large-scale investments in the development of renewable energy facilities. Between 2022 and 2026, we intend to invest about PLN 5 billion in development of clean energy production from photovoltaics, biomass, onshore wind farms or thermal waste treatment, and about PLN 0.5 billion in order to build a complete value chain for the green hydrogen economy. The Group's goal is to reach a production capacity of about 2 TWh of green energy from RES in 2026. Our key performance indicators and quantified long-term sustainability performance targets are presented in item 1.3. of the Group’s annual report for 2023.

On July 3, 2023, we acquired a majority stake in PAK-Polska Czysta Energia, around which special purpose companies implementing RES and hydrogen projects are clustered, and began consolidating the financial results of PAK-PCE Group using the full consolidation method. The successive construction and commissioning of projects currently under construction (for details see section 4.1.3. of the Group’s annaual report for 2023) by PAK-PCE Group companies will have a significant impact on our consolidated financial results. Due to the magnitude of the ongoing investments, we expect a significantly higher level of capital expenditures in the coming periods related to the expansion of renewable energy production capacity and the implementation of hydrogen projects, which in turn will be reflected in the Group's net debt/EBITDA ratio. At the same time, part of the investments will be financed by external bank loans, which will have an impact on the Group's debt level. On the other hand, we expect that the current projects, once in operation, will make a significant positive contribution to the Group's revenues and EBITDA.

Building an offer based on bundled services

Growing interest in bundled 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.

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 March 2024, 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 cooperation with wholesale partners, such as 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 ca. 7 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.

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.

Demand for data transmission and 5G services

In 2023, our customers transferred over 2.2 EB of data as compared to over 2 EB transferred in 2022, which represents a 10% 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.

The Group is successively expanding its 5G network, launched in May 2020, operating on dedicated frequencies in the 2600 MHz TDD band. With nearly 3,700 transmitters, Plus' 5G network already covers more than 23 million people living in 1,150 towns and cities. In June 2023, we launched the 5G Ultra network, which is currently available to 6 million people in over 250 locations in Poland, thanks to nearly 1,000 base stations, and offers transfer speeds similar to fiber - 1Gbps. With the planned aggregation of existing radio resources with the newly acquired 3600 MHz band, we will further improve the quality and coverage of our 5G network.

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.

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 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 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 an annual fee of PLN 30 and with a very limited number of commercials aired before the video material.

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.

Development of thematic channels

Main general entertainment channels (FTA) are experiencing a gradual decline in audience shares as a result of the high penetration level of the Polish market by pay TV which provides viewers with an increasingly greater selection of thematic channels, as well as an offer of channels available via digital terrestrial television (DTT). In turn, the advertising market share of thematic stations and channels broadcast via terrestrial television multiplexes is consistently growing.

In order to maintain total audience shares and advertising market shares, we focus on developing our thematic channels portfolio and increasing the attractiveness of content offered to our viewers. From that point of view, the initiation of cooperation and acquisitions in the field of thematic TV channels, made by the Group from 2017 to 2023, are perfectly in line with the Group's long-term strategy to maintain a strong market presence, measured by viewership results, on an increasingly fragmented market. The channels Eska TV, Eska TV Extra, Eska Rock TV, Polo TV and Vox Music TV, acquired in December 2017, significantly strengthened the music programming of Telewizja Polsat. Moreover, in June 2018 we included Superstacja (currently Wydarzenia24), a news channel, and in May 2019 TV Okazje, a telesales channel, into our thematic channels portfolio. In turn, in September 2020 we increased our capital engagement in Nowa TV and Fokus TV channels, becoming their sole owner and, at the same time, strengthening our position among channels available via digital terrestrial television. Our most recent acquisitions include the purchase of three channels from the 4FUN family: 4FUN.TV, 4FAN DANCE and 4FUN KIDS, which target younger audiences. All of these channels have established market positions and solid viewership. On January 10, 2024, we launched a new news and current affairs channel, Polsat News Polityka, which offers viewers, among others, interviews with politicians, live broadcasts of press conferences or coverage of the Sejm (Lower House of Parliament) and

Senate debates. At the same time, the Wydarzenia24 channel was moved to the national MUX1 multiplex and broadcasts under a new license.

We pay a lot of attention to creating a strong sports offering for our viewers. An important step in strengthening our position in this field consisted in entering into strategic cooperation with Eleven Sports in Poland in May 2018. By taking control over its Polish subsidiary, Eleven Sports Network, we included premium sports content of the highest quality in our retail and wholesale offering. This represented yet another strategic investment aimed at consistently creating the best programming offering for our viewers.

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

We offer the biggest and most versatile portfolio of TV channels on the Polish market, which places us in the leading position in terms of viewership among private television groups in Poland and translates into our share in the advertising market. Our direct production covers mainly news programs, documentaries, shows and series based on international formats as well as own concepts. Moreover, we have contracts with major film studios which provide access to a wide selection of the most attractive films and series. In June 2022, we entered into cooperation with Disney+ and 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. Polsat Plus Group offers its viewers and subscribers matches from the prestigious club football competition - the UEFA Champions League - for all distribution channels, including TV, Internet and mobile devices. These matches are broadcast on specially created dedicated Polsat Sport Premium channels. We currently hold the license for the UEFA Champions League up to and including the 2023/2024 season. Under the current agreement with the International Volleyball Federation FIVB, we will broadcast the most important events of world and national team volleyball until 2032. The package of acquired rights includes the Volleyball Nations League, the qualifying tournaments for the Volleyball Nations League - Challenger Cup, the qualifying tournaments for the 2024 Olympic Games and the men's and women's World Championships. For the past decade, we have also held the rights acquired from the Professional Volleyball League to broadcast Plus League and Tauron League matches. In 2020, we extended this contract up to and including the 2027/2028 season. Among other sports, we concluded agreements to broadcast the ORLEN Super League and the ORLEN Super League Women's Handball matches for the next 7 seasons - until 2030, extended the license agreement with the Polish Basketball League to broadcast the Energa Basket League until the end of the 2029/2030 season and acquired the exclusive rights to broadcast the Ice Hockey World Championships from 2024 to 2029.

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

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. Following the acquisition of Interia.pl Group, we have gained an additional channel for distribution and monetization of content produced by Telewizja Polsat. 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 with our media house Polsat Media. As a result of these actions, we achieved the synergies announced during the acquisition, in particular, we doubled the EBITDA of Interia.pl Group.

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

5.3. Financial factors

Interest rate fluctuations

Market interest rate fluctuations do not impact the Group’s 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%. After the September and October 2023 cuts, the reference rate level is 5.75%. In 2023, EURIBOR remained in an upward trend as a result of the successive tightening of monetary policy by the European Central Bank. The ECB's interest rates, which have remained high since last September (deposit rate at 4.00%, refinancing rate at 4.50%) will have an impact on the level of our interest expense and, as a result, on our financial results.

We systematically analyze the Company’s interest rate risk, including a risk hedging scenario. We estimate the impact of specific interest rate fluctuations on our financial result. In order to reduce exposure to interest rate risk related to interest payments based on a floating rate, we actively apply hedging strategies based on derivative instruments, swaps (IRS and CIRS) in particular. As at March 31, 2024, transactions hedging the WIBOR interest rate changes, opened and entered into by the Group companies for future periods and maturing in different periods in the years 2024-2027, hedged around 27% of the Group's exposure in relation to the indebtedness under the PLN tranche of the SFA and the bonds issued while EURIBOR interest rate hedging transactions, maturing in 2026 and 2027, hedged about 20% of the exposure with respect to the Group's debt arising from the Euro-denominated tranche of the SFA.

Interest rate fluctuationswill have a material effect (both positive and negative) on our results of operations, financial condition and prospects.

Exchange rates fluctuations

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

Foreign exchange rate fluctuations affect the level of our operating costs, finance 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. The amount of the aforementioned equipment purchase exposure was reduced in the middle of last year as a result of the renegotiation of the terms and the switch to local currency payments.

The Group is exposed to foreign exchange risk in connection with the euro-denominated tranche of the SFA. Changes in the euro exchange rate against the zloty will result in an increase or decrease, respectively, in the zloty-denominated cash required to service interest payments on the euro-denominated tranche of the SFA, which will have a corresponding impact on the level of reported financial expenses.

Strong fluctuations in foreign exchange rates may also affect the amount of foreign exchange differences resulting from the recognition in the income statement of assets and liabilities denominated in foreign currencies, in particular the euro-denominated tranche of the SFA.

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

Valuation of financial Power Purchase Agreements

In recent years, the rise in market energy prices has enabled the development of renewable energy investments outside the support system, based on long-term power purchase agreements (PPAs). PPAs allow to purchase electricity directly from renewable energy producers (physical PPA) or to hedge the price of electricity against future energy prices on the Polish Power Exchange (financial PPA). A financial PPA is a financial derivative where the underlying price of electricity is settled through a contract for difference in which the parties agree on a strike price for electricity and a market reference price for the duration of the contract. Like other derivative instruments entered into by Group companies, financial PPAs are subject to periodic valuation at present value.

Due to the increasing volume of RES electricity generation by the Group's companies and the increasing use of financial PPAs by both electricity producers and consumers, the valuation of these contracts can have a significant impact on our results, in particular on gains on investment activities. The main factors influencing the valuation are the long duration of the financial PPAs (more than 10 years), changes in current and forecasted market electricity prices and fluctuations in market interest rates.

The financial PPAs are concluded both between Group companies and with third parties, so that the valuation can have different effects on the standalone results of the individual companies and on the consolidated results of the Group.

5.4. Factors related to the regulatory environment

Cap interconnect rates for termination of calls in other networks

The provisions of the European Code of Electronic Communication assume regulation of MTRs and FTRs. In line with the provisions of this directive, in 2020 the European Commission issued a delegated regulation specifying the highest levels of MTRs and FTRs that can be applied by operators in the European Union. The delegated regulation adopted by the European Commission provides for a transition period with a time schedule for reducing the rates in order to reach their assumed level in January 2024 for MTRs and January 2022 for FTRs, respectively. The time schedule for reducing the rates came into force on July 1, 2021 and is presented in the table below.

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

The gradual reduction of the MTR and FTR rates implemented by the EU will impact the results of Polsat Plus Group until the end of 2024. In particular, the above mentioned regulation translates into a decrease of wholesale revenue from interconnection settlements, both mobile and fixed-line, and a decrease of interconnection costs which are recognized in our technical costs. Due to the fact that the levels of outgoing and incoming traffic in interconnection settlements are similar we expect the impact of the regulation on Polsat Plus Group's EBITDA result to remain relatively neutral.

Extension of the Rome Like at Home (RLAH) regulation

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

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

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

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

Mirosław Błaszczyk
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Vice President of the Management Board

Jacek Felczykowski
Member of the Management Board

Aneta Jaskólska
Member of the Management Board

Agnieszka Odorowicz
Member of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Warsaw, May 22, 2024

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.