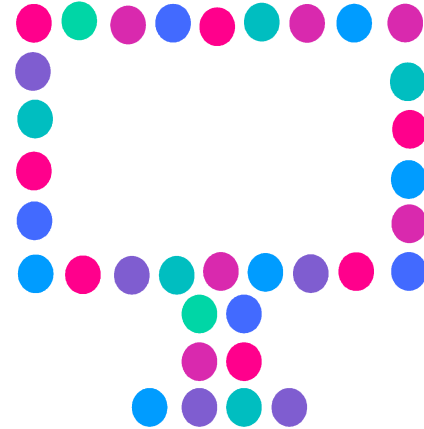


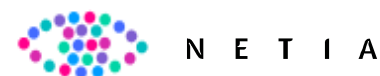
GIGA WOLNOŚĆ



Q4 and FY 2020 Financial Results

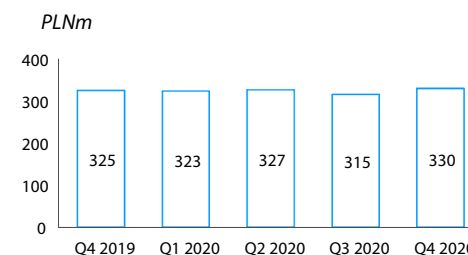
March 19, 2021

N E T I A

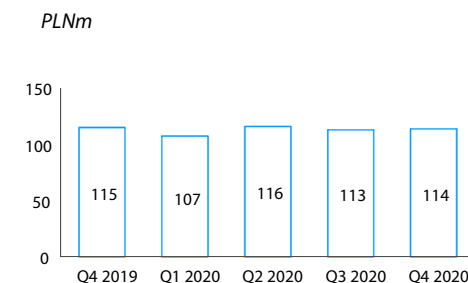


- Revenue was PLN 1,295m for FY 2020 (0% y-o-y) and PLN 330m for Q4 2020 (+5% q-o-q and +2% y-o-y)
- EBITDA was PLN 451m for FY 2020 (-1% y-o-y) and PLN 114m for Q4 2020 (+1% q-o-q and -1% y-o-y)
- Netia generated PLN -25m OpFCF¹ for FY 2020 mainly due to investment in the modern Data Center in Jawczyce
- Net debt on December 31, 2020 at PLN 572m according to IFRS 16² standard representing 1.27x of EBITDA for full 2020 year according to IFRS 16 standard at PLN 451m
- On December 23, 2020, the majority shareholder, Cyfrowy Polsat S.A. announced a tender offer for all the remaining shares of the Company. As a result of the call, Cyfrowy Polsat S.A. exceeded 66% of Netia's shares

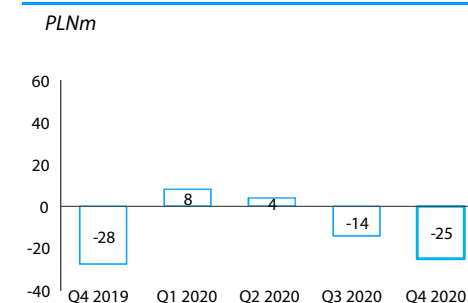
Revenues



EBITDA



OpFCF¹

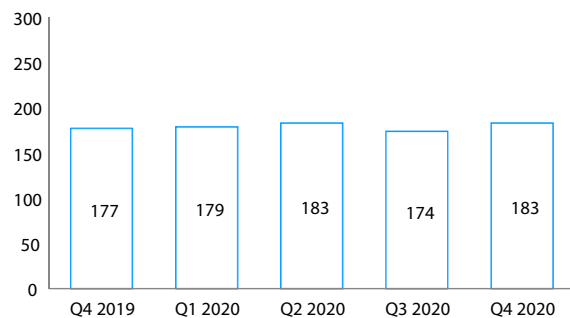


¹ OpFCF = EBITDA less additions to property, plant, equipment, intangible assets and IFRS 16 impact

² Loans, borrowings and lease liabilities minus cash and short term deposits

B2B Market¹

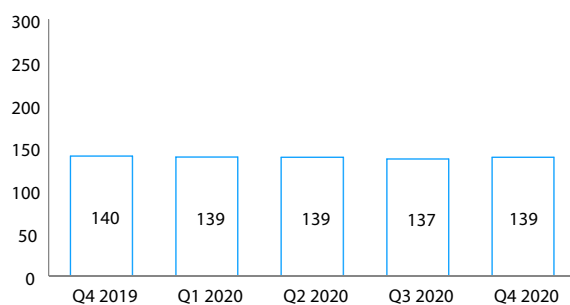
PLNm



- **Revenue** was PLN 183m in Q4 2020 (+5% q-o-q and +4% y-o-y)

B2C Market²

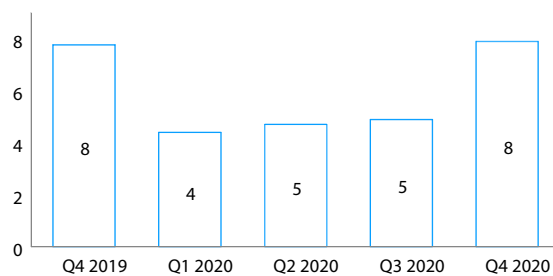
PLNm



- **Revenue** was PLN 139m in Q4 2020, +1% compared to Q3 2020 and down by 1% y-o-y
- **RGUs** at 1,388k (+1% q-o-q, +2% y-o-y)

Petrotel

PLNm



- One-off revenue related to the projects executed by the Company result in q-o-q fluctuations



As at the date of publication the Management Board of Netia S.A. does not change its assessment of the impact of SARS-CoV-2 pandemic on the Capital Group's operations and perceives it as moderate. All basic revenue streams and current cash flow are stable

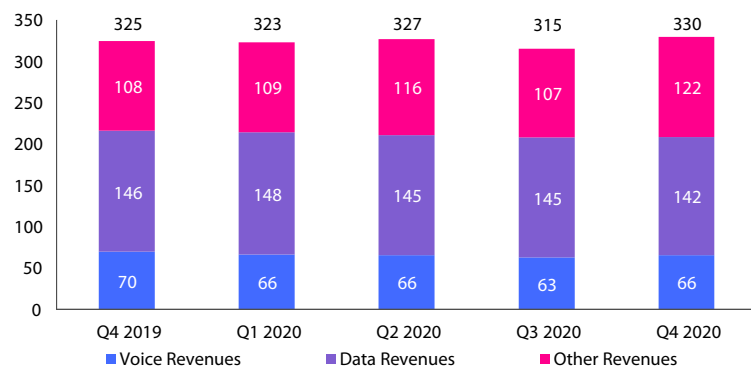
In particular:

1. all important processes existing in the Group before pandemic are maintained by the transition of most employees to home office mode;
2. employees working in the field and customer locations have been equipped with personal protective equipment (masks, protective gloves, disinfectants);
3. the Group regularly sends messages to its employees regarding safety rules that must be followed during a pandemic;
4. higher percent of new sales on the B2C market is carried out via remote channels (e-commerce, telesales);
5. The key transformation project aimed at upgrading the B2C access infrastructure was continued in 2020 although the pandemic situation had an impact on the pace of its implementation;
6. Netia's debt is based on the variable WIBOR rate which means that the decisions of the Monetary Policy Council regarding the reduction of the reference rate had a positive impact on the financial costs.

It should be remembered that the situation in Poland and in the world is changing dynamically therefore in the long run the impact of the epidemic situation is difficult to estimate

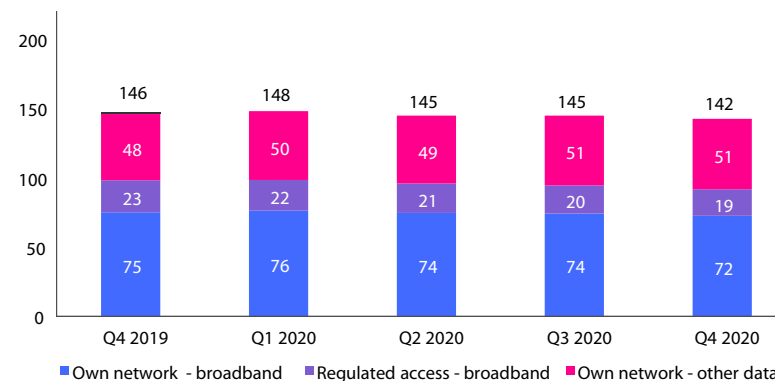
Revenue breakdown by service

PLNm



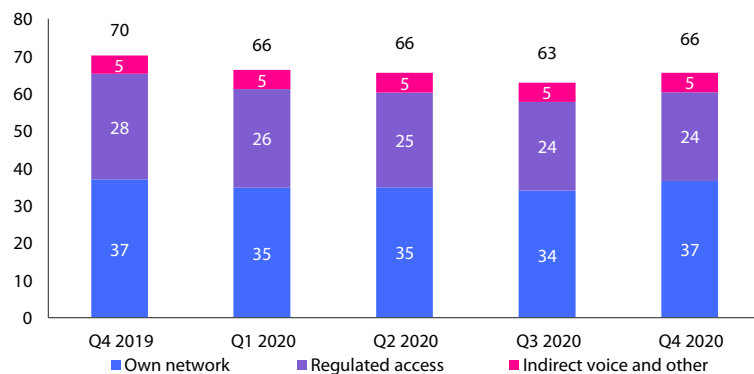
Data revenue breakdown by access

PLNm



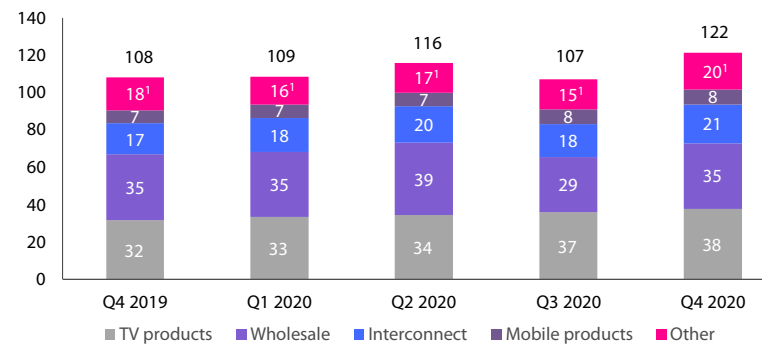
Voice revenue breakdown by access

PLNm

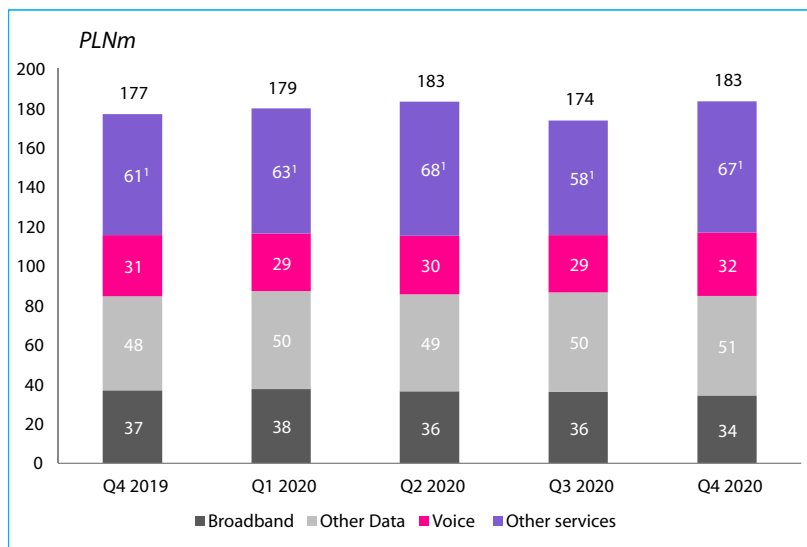


Other revenue

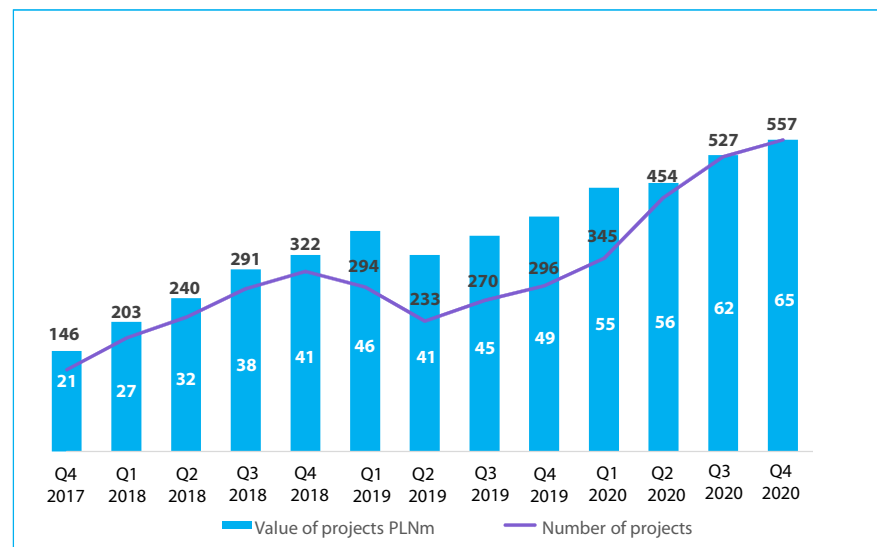
PLNm



Revenue by service



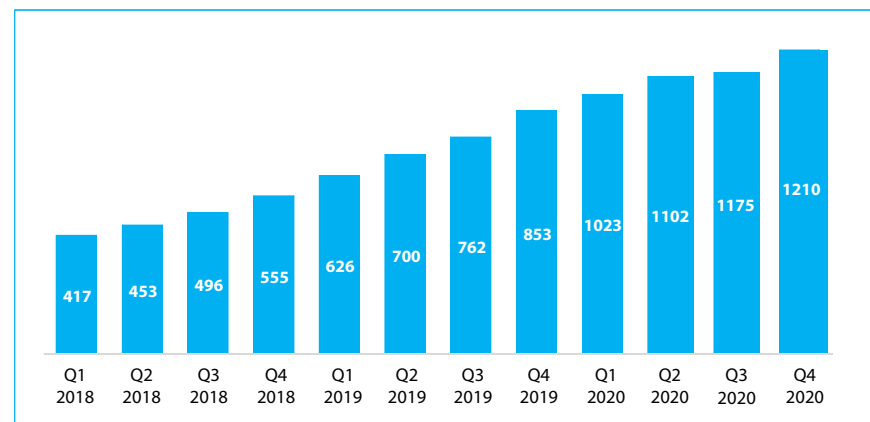
Number of new NetiaNext projects

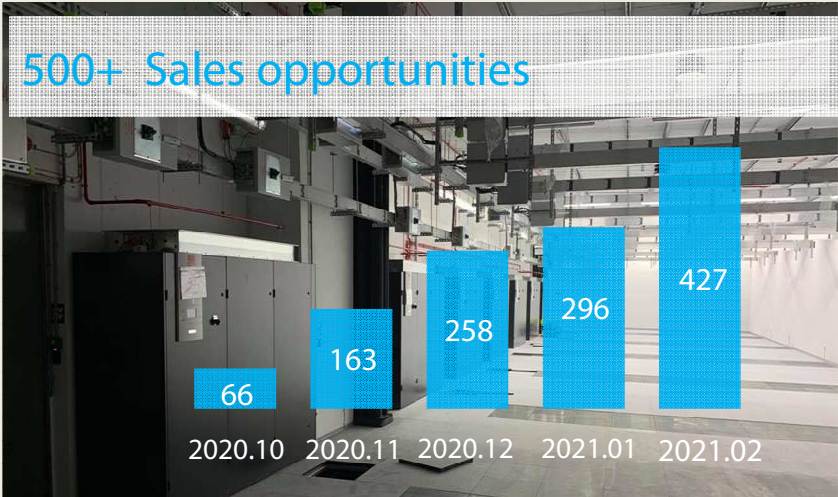


Comments

- Near **3x** increase in the number of ICT customers during three years transformation of the B2B market
- Over **1,200 customers** of Netia Next services
- Over **55%** growth of Netia Next revenue y-o-y
- Consistent development of ICT competences combined with new large customers contracts in the corporate segment effectively amortizes decline in revenue from traditional services
- Increase in Q4 2020 revenue y-o-y and q-o-q despite significant competition and price pressure on the market

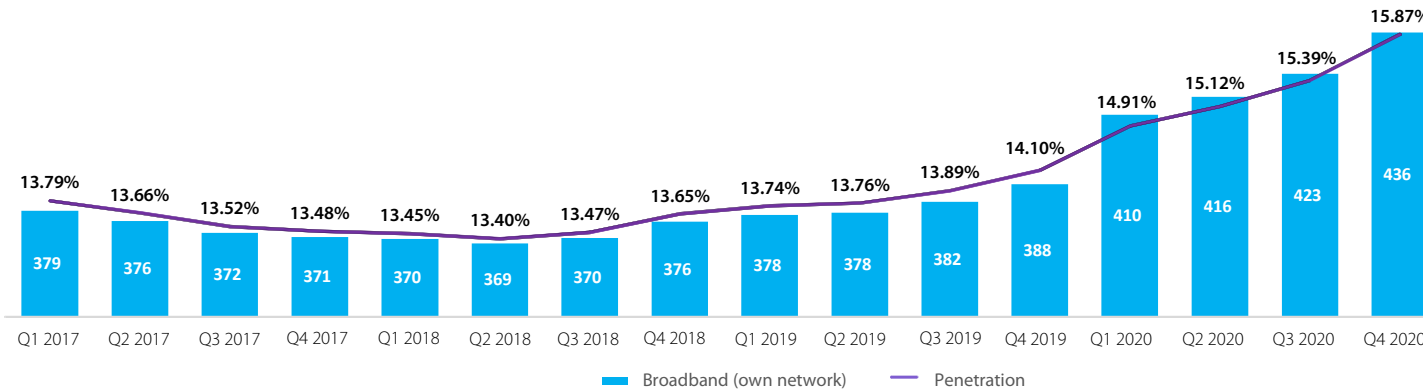
Number of NetiaNext customers





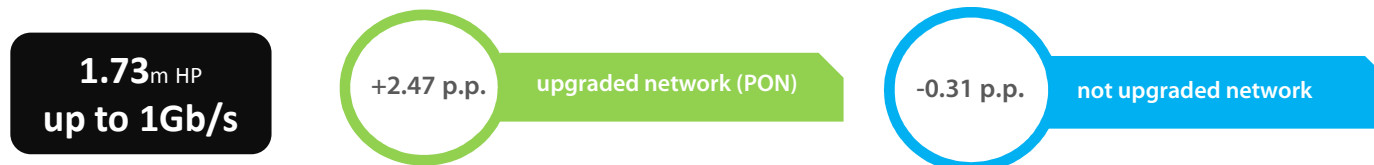


On-net broadband penetration change¹

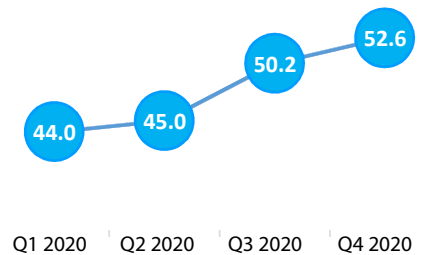


Annual change of penetration 2019.12 – 2020.12

Over 1.73m households in range of Netia’s broadband with bandwidth 1 Gb/s at the end of Q4 2020



Increasing average monthly fee from Internet and TV package

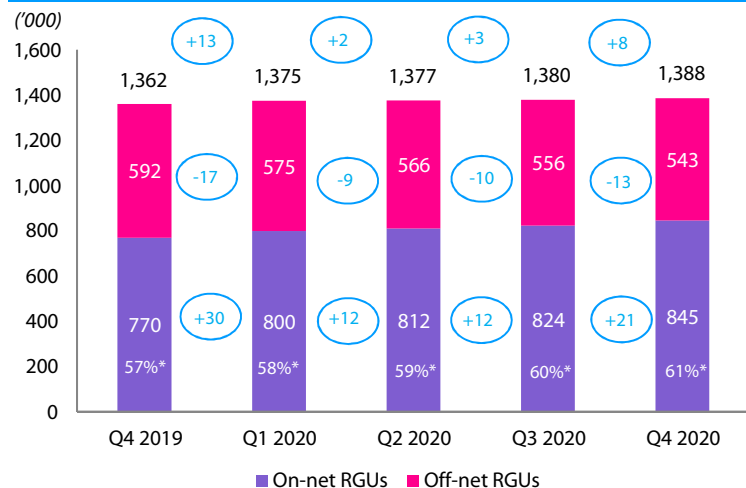


Product and offer

- A new SML offer supports sale of new contracts (45% increase in Q4 compared to Q4 2019)
- Over 35,000 on the latest Evobox TV set-top boxes distributed to our customers

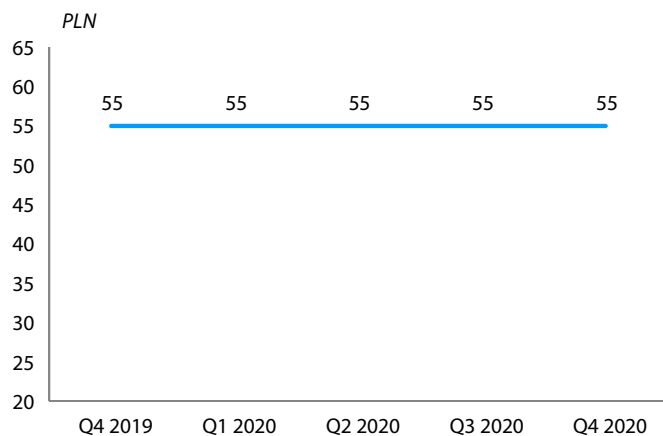


RGUs by access type¹

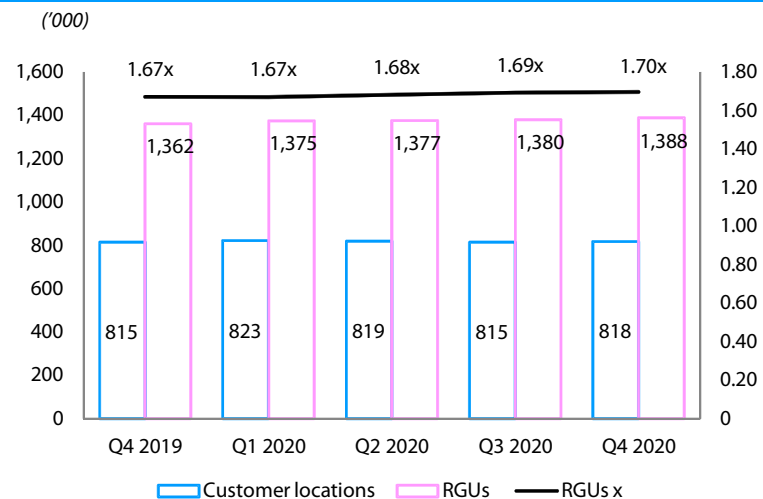


*Share of on-net services

Average ARPU per Customer



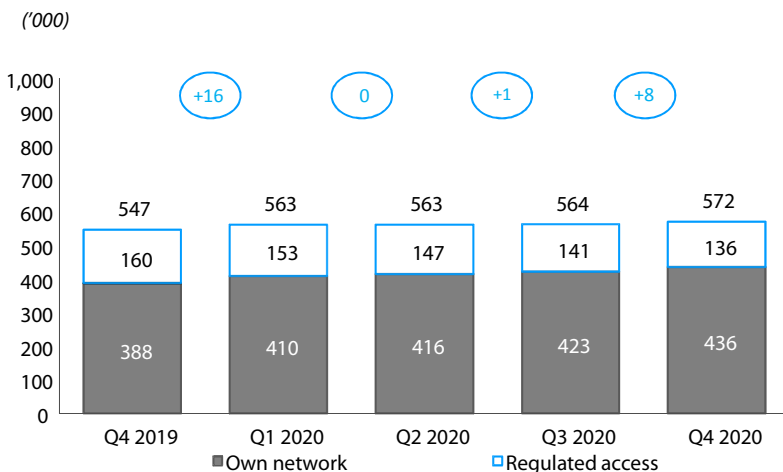
Customer locations and RGUs



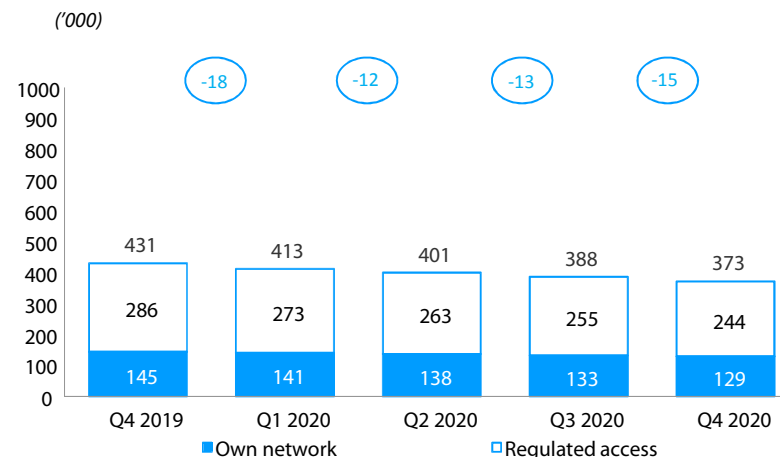
Comments

- Share of on-net RGUs up by 4 pp y-o-y to 61%
- TV cross-sell, higher broadband speeds offered and unlimited voice keep ARPU per customer at a relatively stable level
- On-net bundling increases number of RGUs per customer
- Access network upgrade program combined with an offer tailored to the customer needs result in on-net services increase

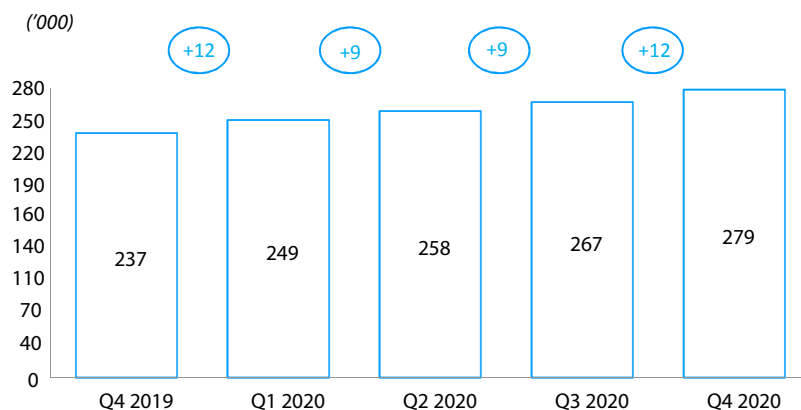
Broadband ports



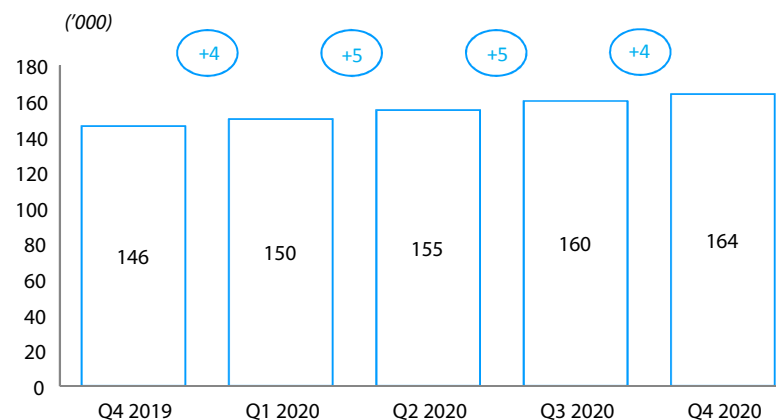
Voice lines



TV services



Mobile services



- Higher broadband services between quarters despite negative trends on off-net services
- 76% of broadband customers served directly via Netia’s own network (+1 pp q-o-q and +5 pp y-o-y)
- 18% increase of TV services y-o-y
- 12% increase of mobile services y-o-y



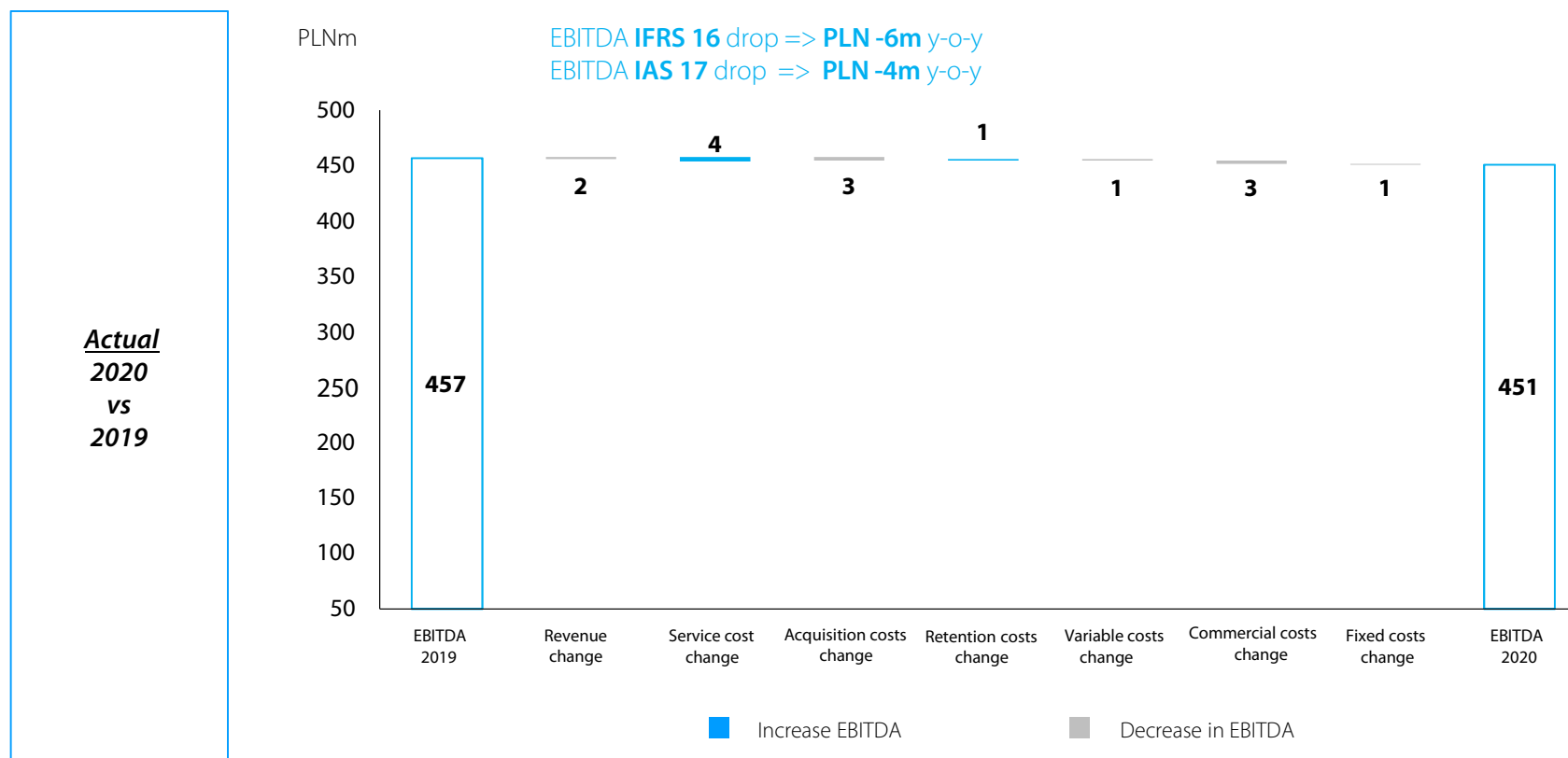
N E T I A

Netia Group Financial Overview

Financial performance | EBITDA bridge for FY 2020



N E T I A



Comments

- In 2020 the Company significantly flattened the downward revenue trends caused mainly by loss of off-net services and voice revenue
- Lower service costs reflect mainly lower off-net rental payments to incumbent combined with off-net revenue loss
- Increased acquisition costs mainly due to higher B2C sales on own networks
- Commercial costs mainly reflect advertising related to higher B2C on-net sales
- Higher variable costs are mainly related to new B2B projects, higher fixed costs, among others, to the development of NetiaNext project and the reorganization as a result to pandemic

Financial Performance | Key figures for Q4 and FY 2020



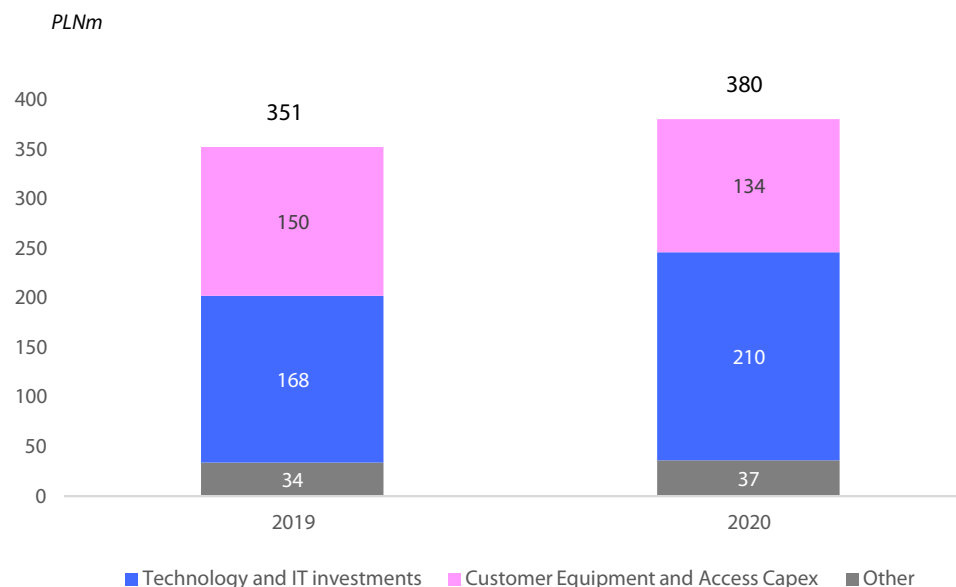
N E T I A

	2019				2020				2019 vs 2020	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
(PLN' 000)										
Revenues	327,323	325,646	319,845	324,583	323,117	326,690	315,164	329,628	1,297,397	1,294,599
Change (y-o-y%)	(5.6%)	(5.0%)	(6.2%)	(5.2%)	(1.3%)	0.3%	(1.5%)	1.6%	(5.5%)	(0.2%)
EBITDA	107,221	114,258	120,146	115,050	107,170	116,009	113,307	114,097	456,675	450,673
Margin (%)	32.8%	35.1%	37.6%	35.4%	33.2%	35.5%	36.0%	34.6%	35.2%	34.8%
Depreciation ¹	92,197	91,815	91,700	95,558	89,765	91,492	92,835	98,446	371,270	372,538
Liquidation of non-financial fixed assets	842	1,225	1,303	1,761	755	1,912	630	2,280	5,131	5,577
Interest and foreign exchange differences	(116)	261	364	699	(239)	122	1,069	149	1,208	1,101
Interest on installment sale (financial income)	173	213	238	248	249	242	230	208	872	929
EBIT	14,125	20,744	26,541	16,784	16,640	22,331	18,543	13,014	78,194	70,528
Margin (%)	4.3%	6.4%	8.3%	5.2%	5.1%	6.8%	5.9%	3.9%	6.0%	5.4%

Comments

- Stabilization of revenue and EBITDA profit achieved thanks to sales on the networks upgraded to 1Gb/s standard on the B2C market, increase in the number of customers and revenues from ICT services on the B2B market and cost synergies achieved as a result of cooperation with Cyfrowy Polsat Group

Capital investments by Operating Segments



Comments

- Customer Equipment and Access Capex refers to equipment necessary to connect new residential and business customers and installation process
- Technology capex includes mainly extension of the transmission network, colocation, switching B2B customers from radio access to fiber, investments in access network upgrade related to 1 Gb/s standard and in Data Center in Jawczyce. 21 Century Network project expenditures at PLN 12m in Q4 2020. IT capex related to licenses and IT systems development



- Over 1.73m households in range of Netia's broadband with bandwidth 1 Gb/s at the end of Q4 2020
- Transformation of the B2B market within the NetiaNext results in a stable increase in the number of advanced ICT sales projects and related revenues
- In the B2C area continuation of the positive trends regarding an increase in number of services and stabilization of revenue
- As at the date of publication of the report the Management Board of Netia S.A. does not change its assessment of the impact of the SARS-CoV-2 virus pandemic on the Group's operations perceived as moderate
- On December 23, 2020, the majority shareholder, Cyfrowy Polsat S.A. announced a tender offer for all the remaining shares of the Company. As a result of the call, Cyfrowy Polsat S.A. exceeded 66% of Netia's shares

Disclaimer



N E T I A

Some of the information included in this material contains forward-looking statements. Readers are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and that actual results may differ materially from those in the forward-looking statements as a result of various factors. For a more detailed description of these risks and factors, please see Netia's most recent financial report and press release. Netia undertakes no obligation to publicly update or revise any forward-looking statements.

THANK
YOU

NETIA