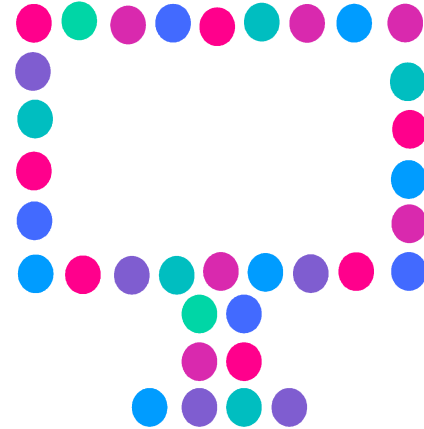


GIGA WOLNOŚĆ

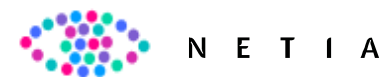


## Q1 2021 Financial Results

May 6, 2021

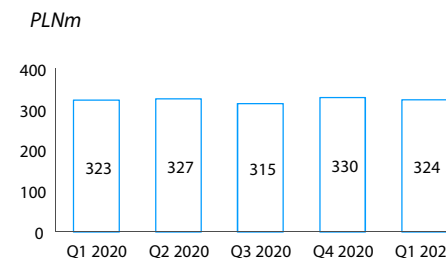
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## Total Netia | Key highlights for Q1 2021

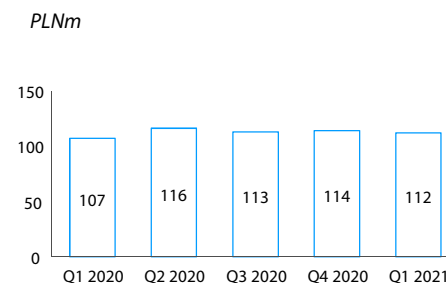


- Revenue was PLN 324m for Q1 2021 (-2% q-o-q and 0% y-o-y)
- EBITDA was PLN 112m for Q1 2021 (-2% q-o-q and +5% y-o-y)
- Netia generated PLN 9m OpFCF<sup>1</sup> for Q1 2021
- Net debt on March 31, 2021 at PLN 586m according to IFRS 16<sup>2</sup> standard representing 1.3x of EBITDA for Q1 2021 year according to IFRS 16 standard at PLN 451m
- In April 2021 Netia commercially launched a new Data Center in Jawczyce near Warsaw
- On March 29, 2021 Aster Papazyan resigned from his position as the member of the Company's Management Board, General B2B Manager
- On April 23, 2021, the majority shareholder, Cyfrowy Polsat S.A. announced an increase in an exposure to 69.40% of Netia shares

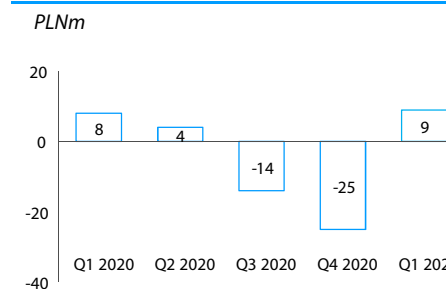
### Revenues



### EBITDA



### OpFCF<sup>1</sup>

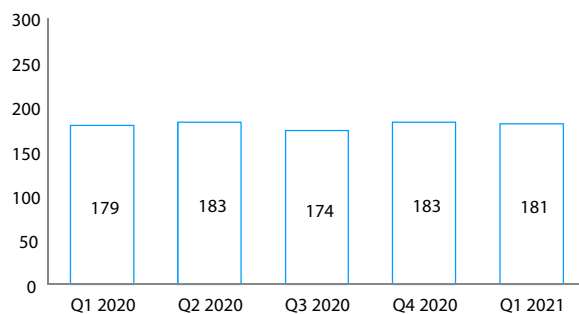


<sup>1</sup> OpFCF = EBITDA less additions to property, plant, equipment, intangible assets and IFRS 16 impact

<sup>2</sup> Loans, borrowings and lease liabilities minus cash and short term deposits

### B2B Market<sup>1</sup>

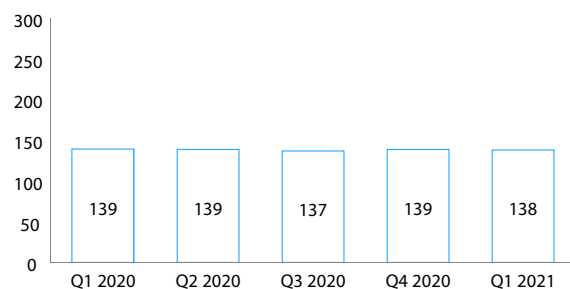
PLNm



- **Revenue** was PLN 181m in Q1 2021 (-1% q-o-q and +1% y-o-y)

### B2C Market<sup>2</sup>

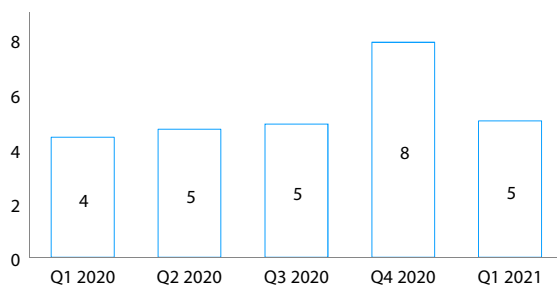
PLNm



- **Revenue** was PLN 138m in Q1 2021, 0% compared to Q4 2020 and down by 1% y-o-y
- **RGUs** at 1,388k (0% q-o-q, +1% y-o-y)

### Petrotel

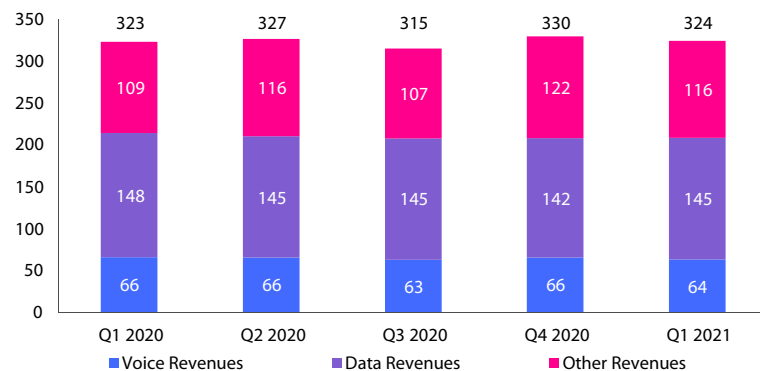
PLNm



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

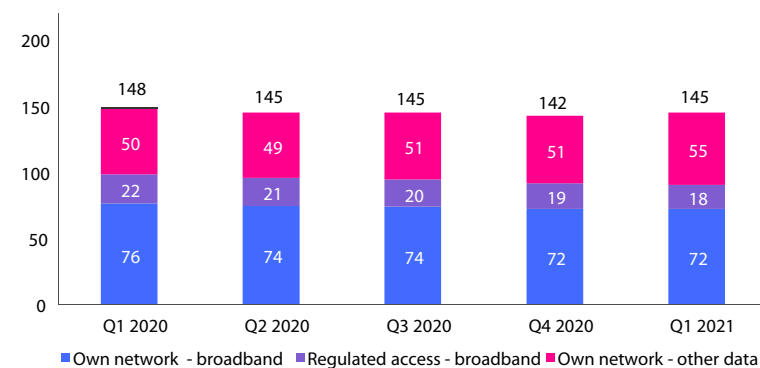
### Revenue breakdown by service

PLNm



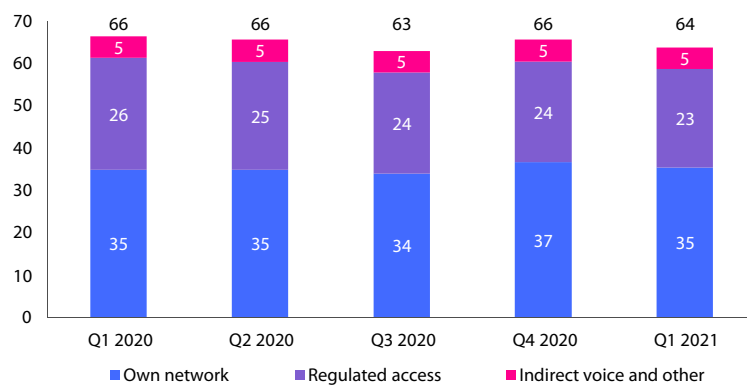
### Data revenue breakdown by access

PLNm



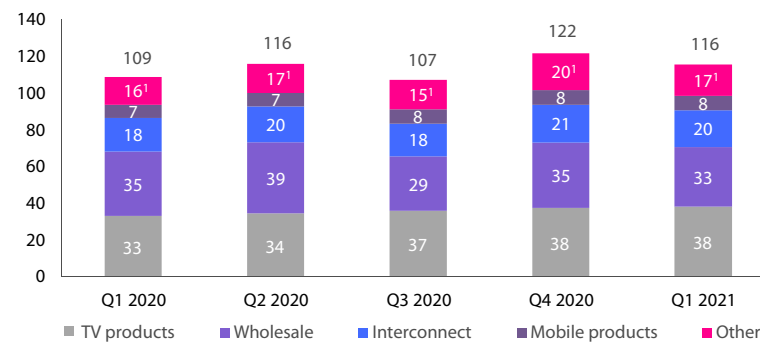
### Voice revenue breakdown by access

PLNm

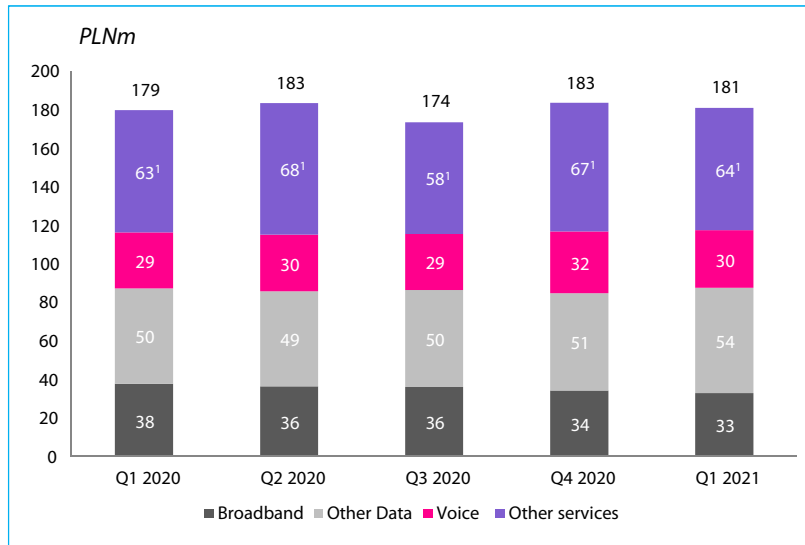


### Other revenue

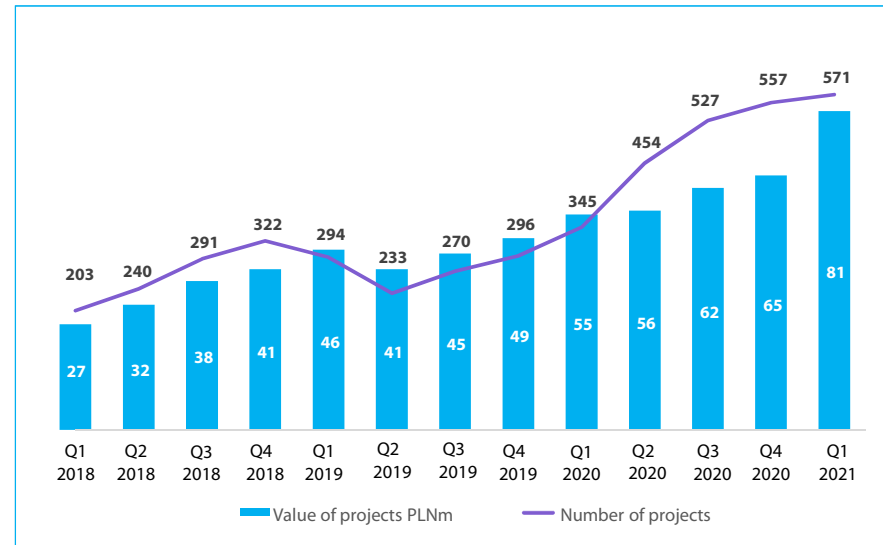
PLNm



### Revenue by service



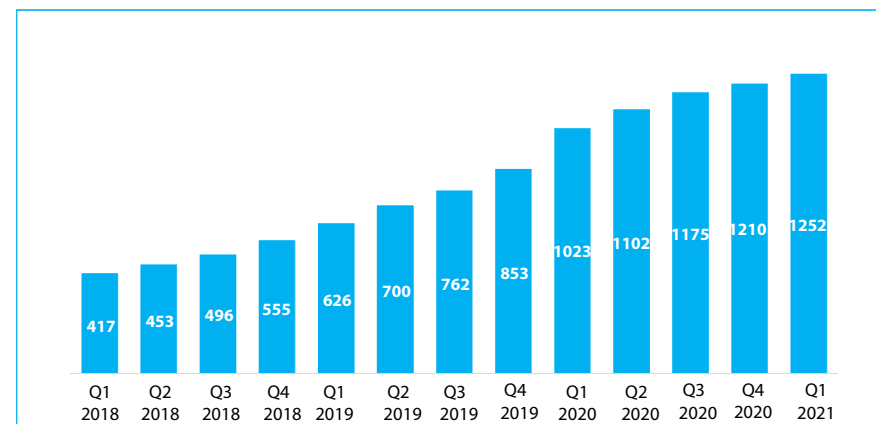
### Number of new NetiaNext projects



### Comments

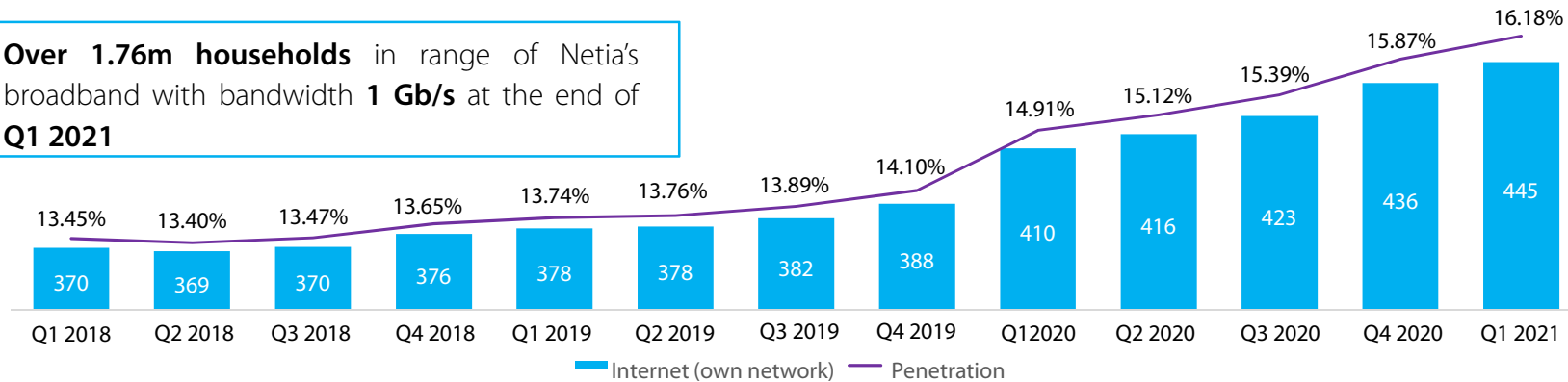
- **3x** increase in the number of ICT customers during three years transformation of the B2B market
- Over **1,250 customers** of Netia Next services
- Consistent development of ICT competences combined with the new large customers contracts in the corporate segment effectively amortizes decline in revenue from traditional services and is reflected in higher y-o-y revenue in Q1 2021

### Number of NetiaNext customers

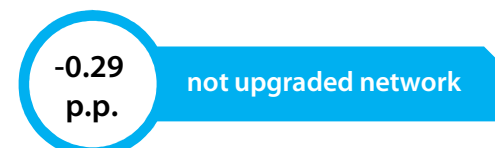
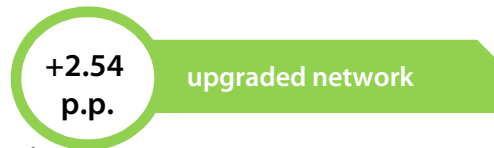


**On-net broadband penetration change**

Over 1.76m households in range of Netia's broadband with bandwidth 1 Gb/s at the end of Q1 2021



**Annual change of penetration 2020.03 – 2021.03**



**Commercial development**



**Increase in new customer contracts Q1 2021 vs Q1 2020:**

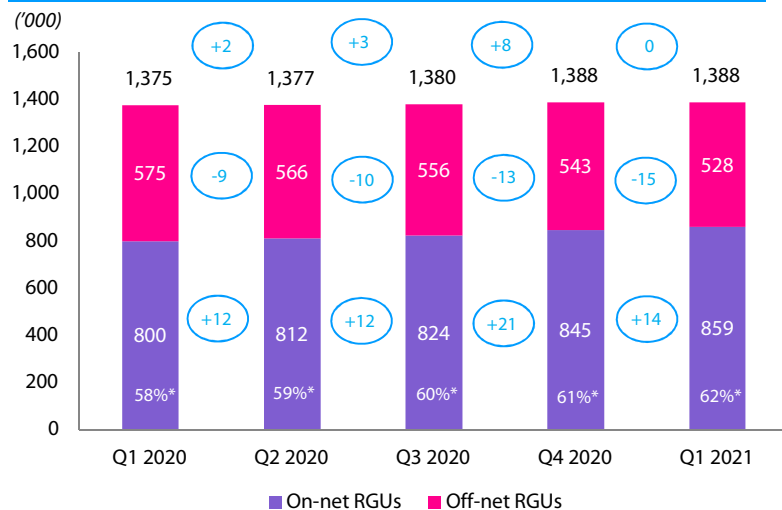


- 13% Internet sales increase
- Over 75k EVOBOX TV set-top boxes distributed to our customers
- 15% TV sales increase

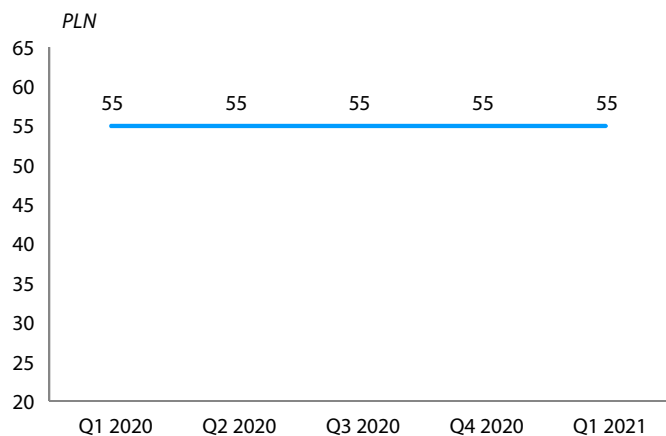


**New product** - home internet LTE (ODU-IDU) up to 1000 GB  
Enhanced home internet coverage beyond Netia's fiber optic range

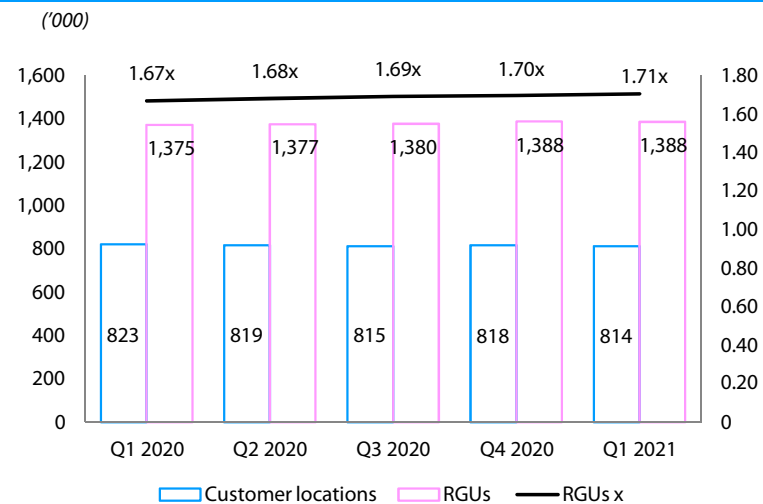
### RGUs by access type<sup>1</sup>



### Average ARPU per Customer



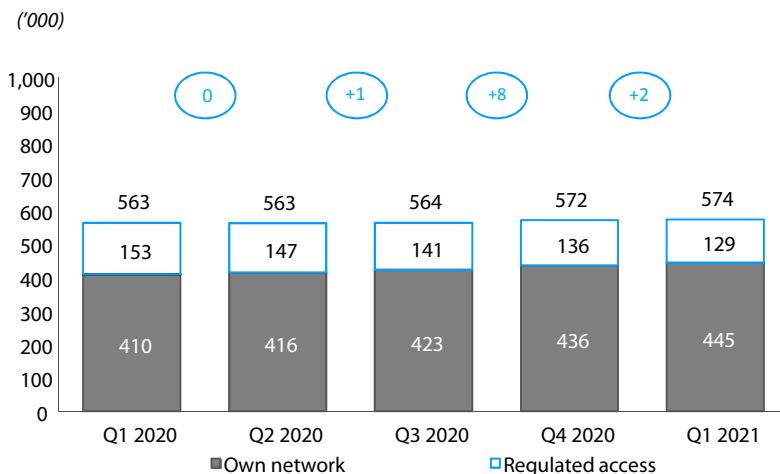
### Customer locations and RGUs



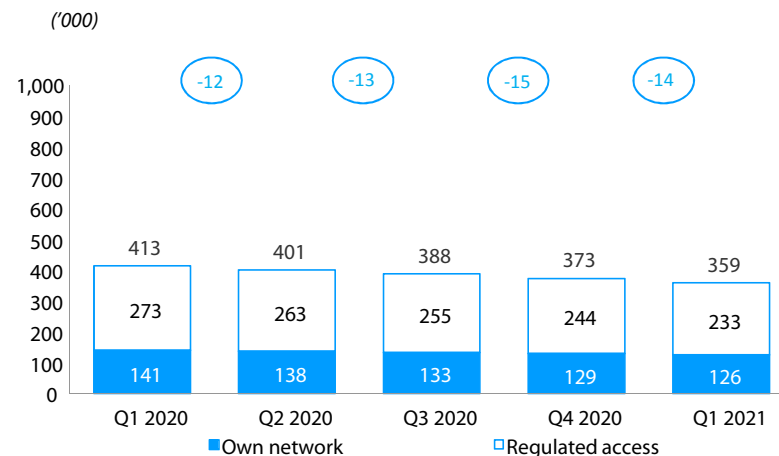
### Comments

- Share of on-net RGUs up by 4 pp y-o-y to 62%
- 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

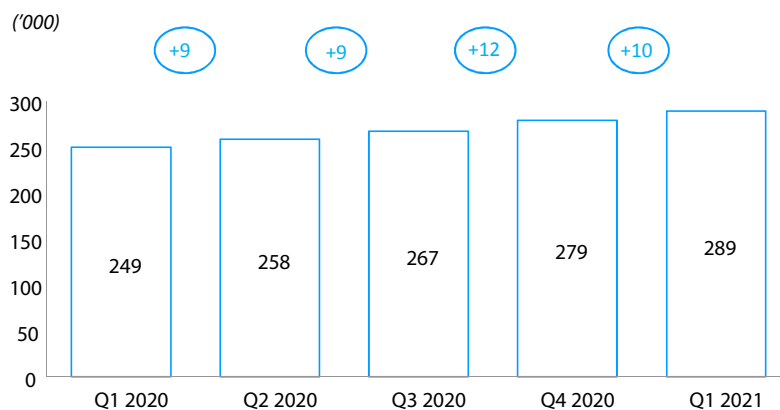
**Broadband ports**



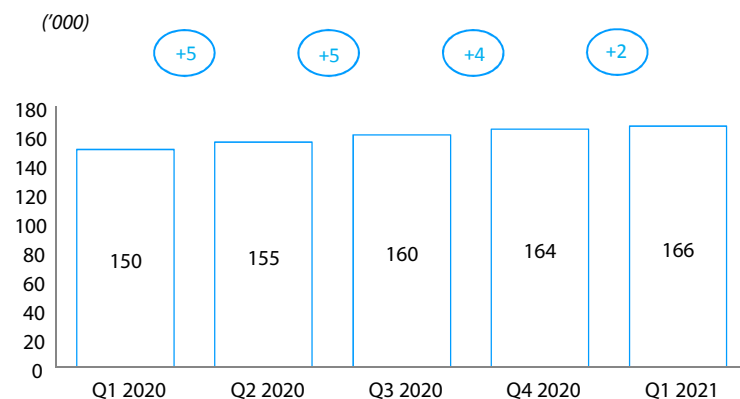
**Voice lines**



**TV services**



**Mobile services**



- Higher broadband services between quarters despite negative trends on off-net services
- 78% of broadband customers served directly via Netia’s own network (+1 pp q-o-q and +5 pp y-o-y)
- 16% increase of TV services y-o-y
- 11% increase of mobile services y-o-y





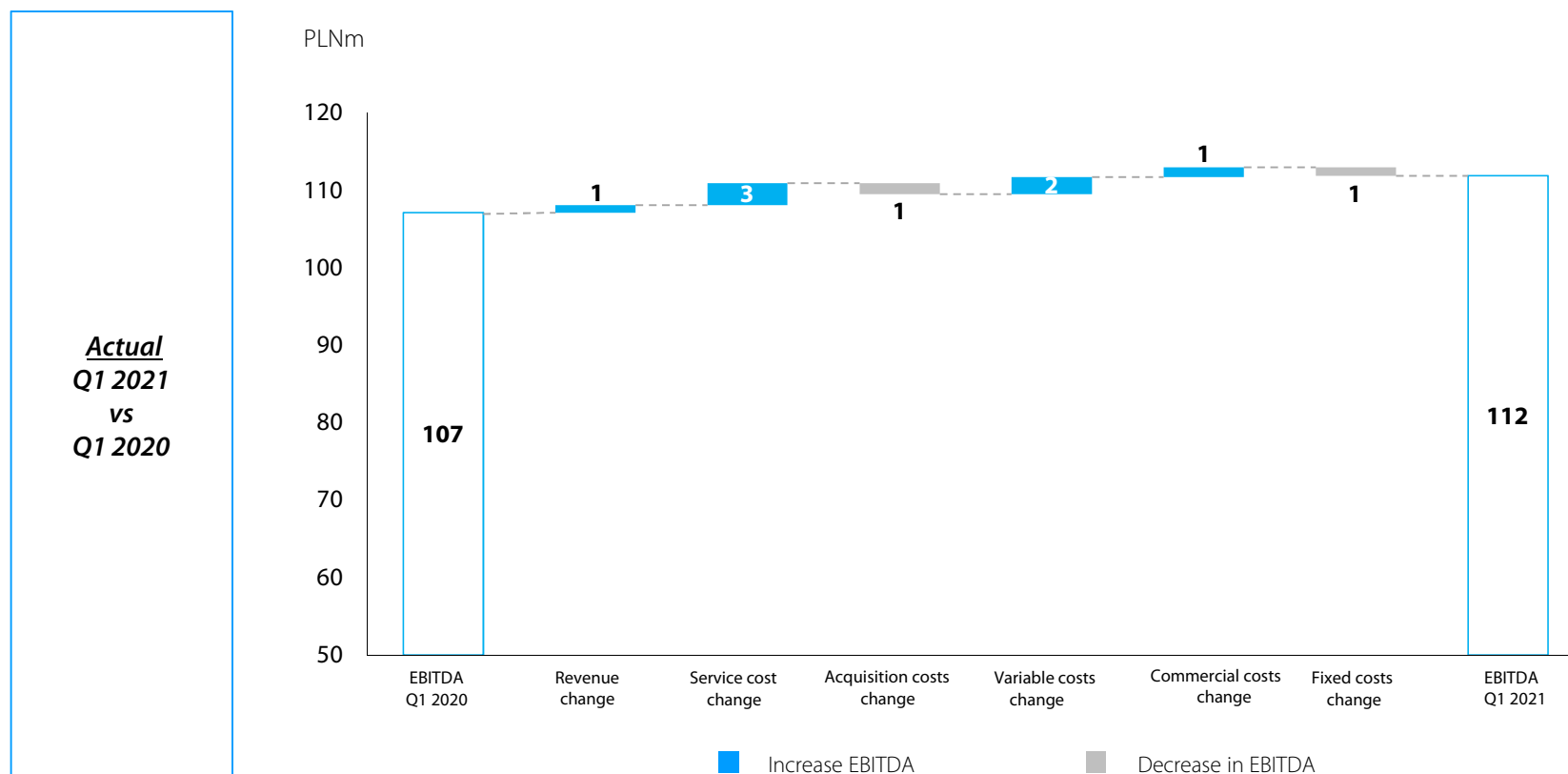
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## *Netia Group Financial Overview*

## Financial performance | EBITDA bridge for Q1 2021



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### Comments

- 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 fixed costs are mainly related to the development of NetiaNext project and are reflected in the additional revenue generated by this segment

## Financial Performance | Key figures for Q1 2021



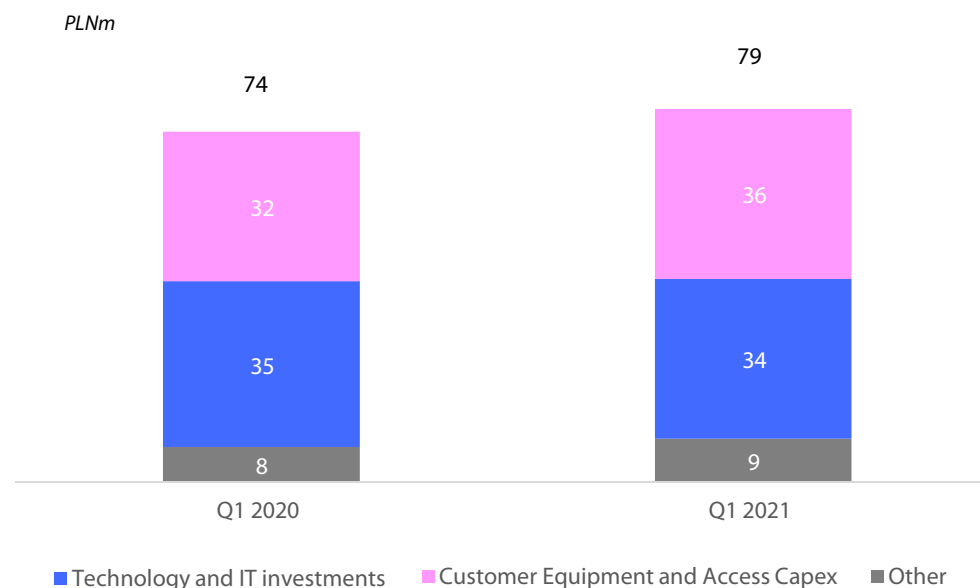
N E T I A

	2020				2021
	Q1	Q2	Q3	Q4	Q1
(PLN' 000)					
<b>Revenues</b>	<b>323,117</b>	<b>326,690</b>	<b>315,164</b>	<b>329,628</b>	<b>324,288</b>
Change (y-o-y%)	(1.3%)	0.3%	(1.5%)	1.6%	0.4%
<b>EBITDA</b>	<b>107,170</b>	<b>116,009</b>	<b>113,307</b>	<b>114,097</b>	<b>112,180</b>
<b>Margin (%)</b>	<b>33.2%</b>	<b>35.5%</b>	<b>36.0%</b>	<b>34.6%</b>	<b>34.6%</b>
Depreciation <sup>1</sup>	89,765	91,492	92,835	98,446	90,697
Liquidation of non-financial fixed assets	755	1,912	630	2,280	1,406
Interest and foreign exchange differences	(239)	122	1,069	149	182
Interest on installment sale (financial income)	249	242	230	208	20
<b>EBIT</b>	<b>16,640</b>	<b>22,331</b>	<b>18,543</b>	<b>13,014</b>	<b>19,875</b>
<b>Margin (%)</b>	<b>5.1%</b>	<b>6.8%</b>	<b>5.9%</b>	<b>3.9%</b>	<b>6.1%</b>

### 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 6m in Q1 2021. IT capex related to licenses and IT systems development



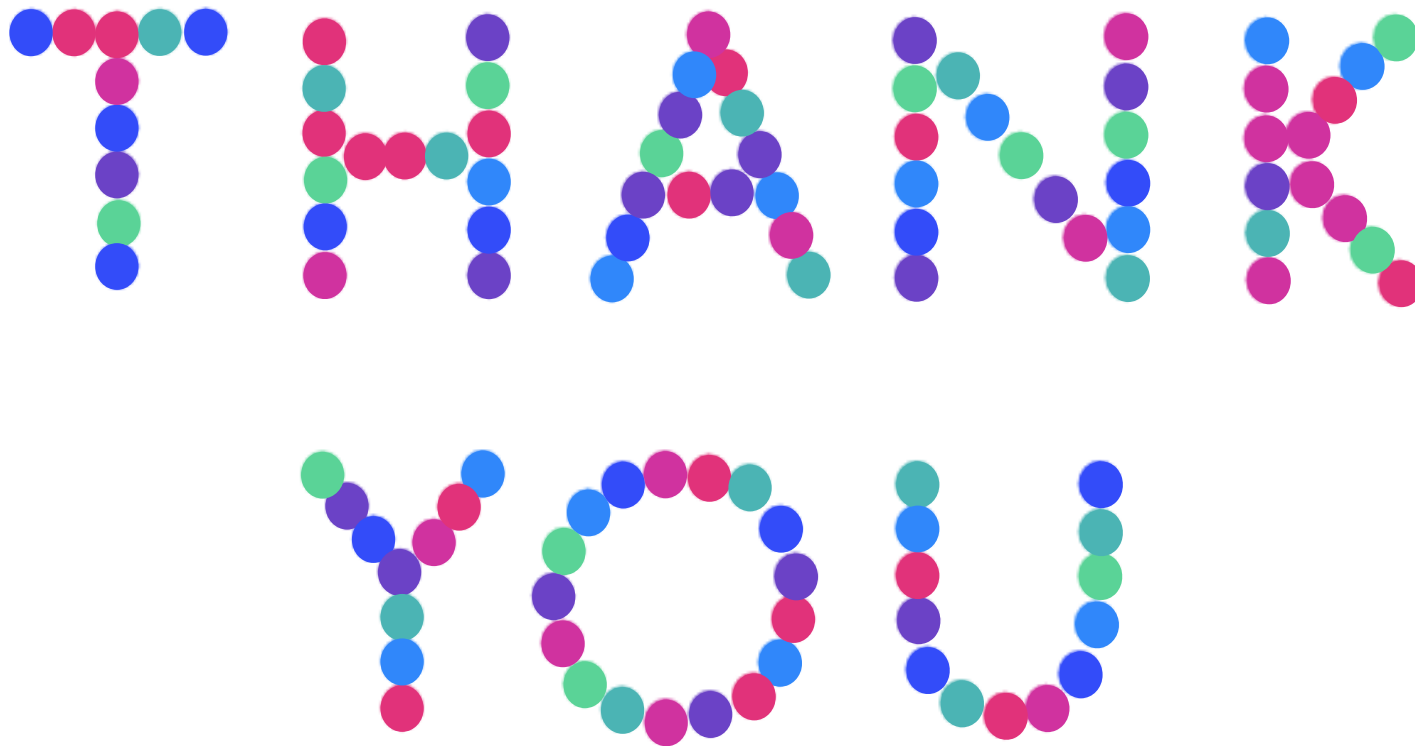
- Over 1.76m households in range of Netia's broadband with bandwidth 1 Gb/s at the end of Q1 2021
- Transformation of the B2B market within the NetiaNext results in a stable increase in the number of advanced ICT sales projects and related revenues
- In the B2C area continuation of the positive trends regarding an increase in number of on-net 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
- In April 2021 Netia commercially launched a new Data Center in Jawczyce near Warsaw
- On March 29, 2021 Aster Papazyan resigned from his position as the member of the Company's Management Board, General B2B Manager
- On April 23, 2021, the majority shareholder, Cyfrowy Polsat S.A. announced an increase in an exposure to 69.40% of Netia shares

# Disclaimer



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*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.*



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