



Dom Maklerski BDM S.A.

# KINO POLSKA TV

EQUITY RESEARCH

We anticipate that KPL will demonstrate continued growth at the EBITDA adjusted level during the 2024 fiscal year. The recently published preliminary results for Q1 2024 indicate a perceptible growth momentum coming from TV advertising, including the effect of a new agreement with an advertising broker. Furthermore, we anticipate that a number of initiatives will result in increased broadcast revenues in future periods, including further growth in sales of FilmBox channels in foreign markets. At this time, we do not assume any significant impact from the introduction of advertising blocks on FilmBox channels. Taking into account our assumptions, we are raising the valuation of the company to PLN 20.05 per share, up from PLN 18.4 per share. This represents a premium of over 35% to the current market price, which justifies our reiteration of the Buy recommendation.

Since our previous recommendation, there has been a 7% increase in the company's share price. Concurrently, the sentiment around KPL has cooled following the publication of its 2023 annual results. One contributing factor may be the perception of the extent to which the company participates in cash pooling within the Vivendi group. As of the end of 2023, this was estimated at approximately PLN 37 million. The management message from the Q4 2023 earnings conference call (in our view) indicates that KPL, as part of the Vivendi group, will continue to actively participate in cash pooling in the future. Therefore, it should be noted that our forecast of cash balances in future periods may be subject to a high risk of error. This is because, in particular, we note that future excess cash balances (above a certain value defined by the company) may be actively used within the framework of the aforementioned mechanism (on the balance sheet, this will be the item loans granted). In our valuation, we treat the item "loans granted" on the balance sheet (related to the cash pooling mechanism) as a cash equivalent and include it in the calculation of net debt.

We maintain our previous assessment that Kino Polska TV is at an interesting corporate juncture due to the process of change resulting from its entry into the Vivendi concern (directly into the Canal+ group). We anticipate that in the course of 2024, the company's authorities will provide more detailed information on future initiatives that may outline KPL's target position in the Canal+ group, as the process of separating Canal+ from Vivendi as a separate listed entity is underway.

The company's board of directors has recommended the payment of a PLN 0.63 dividend from 2023 earnings. We view the proposed dividend level as moderately positive, given the decline in the share price in recent weeks. Please note that the previous DPS level was PLN 0.35. Concurrently, however, in our most recent analyst report our forecast assumed a DPS of PLN 0.79.

	2022	2023	2024E	2025E	2026E	2027E
Revenue [PLN m]	284,8	294,2	302,8	317,1	328,3	337,8
EBITDA adj. [PLN m]	70,5	74,8	82,7	87,4	91,0	94,6
EBIT [PLN m]	60,7	66,5	73,9	77,6	80,7	83,1
Net income [PLN m]	47,7	51,9	60,8	64,4	67,2	69,4
EPS [PLN]	2,4	2,6	3,1	3,2	3,4	3,5
P/BV	1,4	1,2	1,0	0,9	0,8	0,7
P/E	6,2	5,7	4,8	4,6	4,4	4,2
EV/EBITDA	3,8	3,1	2,5	2,0	1,6	1,3
EV/EBIT	4,5	3,5	2,8	2,3	1,8	1,4
DPS [PLN]	0,50	0,35	0,63	0,80	0,97	1,19
Dividend yield	3%	2%	4%	5%	7%	8%

## BUY

(PREVIOUSLY: BUY)

### PRICE TARGET: PLN 20,05

21 MAY 2024, 09:15 CEST

Price target [PLN]	20,05
Potential upside/downside	+35%
Price [PLN]	14,8
Market Cap [PLN mn]	293
Shares outstanding [mn]	19,82
Max. price 6M [PLN]	17,3
Min. price 6M [PLN]	13,6
Rate of return 3M	-7%
Rate of return 6M	2%
Rate of return 9M	8%
Rate of return YTD	4%
Shareholders:	
SPI International B.V.	66,0%
Ipopema TFI (Total FIZ, TTL 1)	8,6%
Nationale-Nederlanden PTE	5,3%
Other shareholders	20,1%

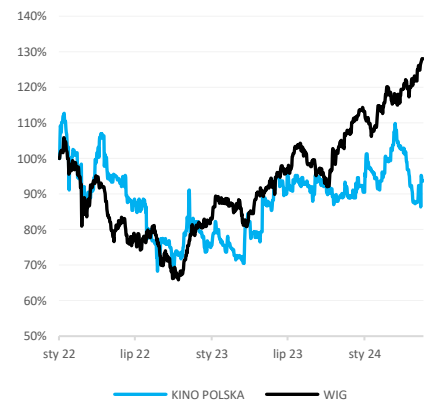
Maciej Bobrowski

maciej.bobrowski@bdm.pl

tel. (0-32) 208-14-12

Dom Maklerski BDM S.A.

ul. 3-go Maja 23, 40-096 Katowice



## VALUATION AND SUMMARY

Taking into account our assumptions, we have raised our valuation of the company to PLN 20.05/share (previously it was PLN 18.4/share). This is more than 35% above the current market price and we therefore reiterate our Buy recommendation.

Our valuation is based on the DCF model and multiplier analysis. The DCF methodology yields a PLN 19,96/share value. The EV/EBITDA multiple analysis for 2024-2025 results in a share price of PLN 20,19. The final valuation is determined by taking the average of the two methods used.

### Valuation summary

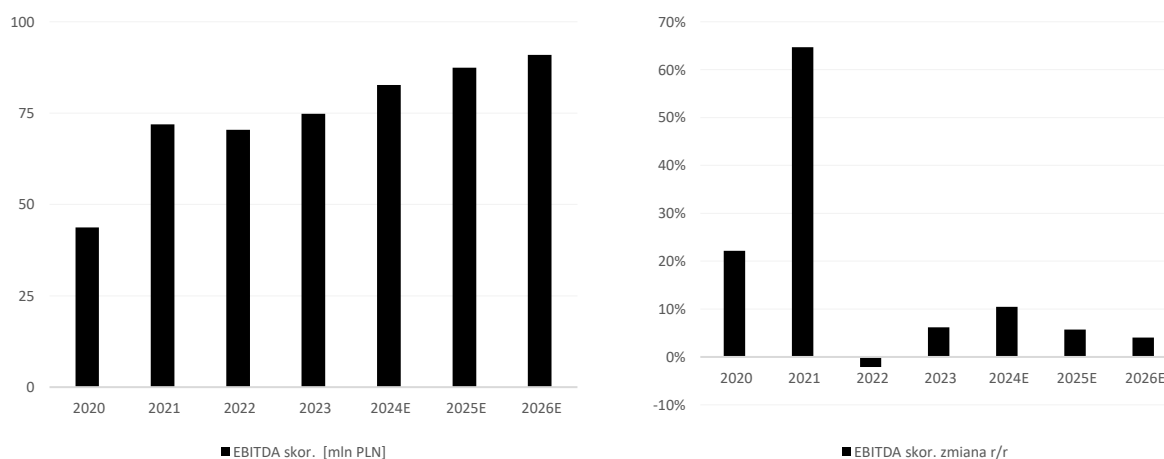
A	DCF [PLN]	19,96
B	Peer valuation [PLN]	20,19
<b>C = (A*50%+B*50%)</b>	<b>Price target [PLN/share]</b>	<b>20,05</b>

Source: Dom Maklerski BDM S.A.

For the full year 2024, we anticipate that EBITDA adjusted will be PLN 82.7 million, representing a 10.5% year-over-year increase (2023 was approximately PLN 74.8 million). For 2024, we anticipate that Stopklatka and Zoom TV will experience noticeable growth. In total, the Stopklatka and Zoom TV segments have been included with a positive result of PLN 3.7 million (in 2023, the areas showed a loss of PLN 2.6 million). For the years 2025-2026, we anticipate an increase in EBITDA to PLN 87.4 million and PLN 91 million, representing a 5.7% and 4% year-over-year growth, respectively.

We maintain our previous assessment that Kino Polska TV is currently undergoing a period of significant corporate change due to its entry into the Vivendi concern (directly into the Canal+ group). We anticipate that in the course of 2024, the company's authorities will provide further details on future initiatives that may outline KPL's target position in the Canal+ group (as the process of separating Canal+ from Vivendi as a separate listed entity is underway). In 2024, we anticipate that one of the potential changes will be a greater degree of sharing of program libraries. We believe that future decisions regarding the development of the digital area at KPL will also be of great importance to us.

### Historical and assumed future path of EBITDA adj. behavior and y/y growth rate



Source: Dom Maklerski BDM S.A.

## FINANCIALS

### KPL - Income statement [PLN m]

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Total Revenues	257,2	284,8	294,2	302,8	317,1	328,3	337,8	346,3
Subscriptions	128,8	146,1	150,7	152,3	155,9	160,2	164,3	168,0
Advertising	96,7	106,8	107,0	119,4	128,4	134,2	138,7	142,7
License Sales	28,4	27,3	30,0	23,6	24,1	24,4	24,8	25,2
TV Channel Production	1,3	2,0	4,4	6,1	6,9	7,6	8,1	8,5
Other	1,9	2,6	2,1	1,4	1,8	1,8	1,8	1,9
<b>EBITDA adj.</b>	<b>71,9</b>	<b>70,5</b>	<b>74,8</b>	<b>82,7</b>	<b>87,4</b>	<b>91,0</b>	<b>94,6</b>	<b>97,4</b>
EBIT	59,8	60,7	66,5	73,9	77,6	80,7	83,1	84,9
Net Financial Income/(Losses)	-0,5	-0,5	-0,9	0,9	1,9	2,2	2,5	2,9
Profit before income tax	59,3	60,2	65,6	74,9	79,5	82,9	85,7	87,8
Income tax	-10,7	-12,5	-13,8	-14,1	-15,1	-15,8	-16,3	-16,7
Net profit	48,6	47,7	51,9	60,8	64,4	67,2	69,4	71,1
<b>Operating divisions</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024E</b>	<b>2025E</b>	<b>2026E</b>	<b>2027E</b>	<b>2028E</b>
Total Revenues	257,2	284,8	294,2	302,8	317,1	328,3	337,8	346,3
FilmBox	128,9	148,5	154,4	156,6	160,7	165,8	170,4	174,7
Kino Polska	36,1	37,3	33,5	34,3	34,1	33,9	33,7	33,5
TV Channel Production	1,3	2,0	4,4	6,1	6,9	7,6	8,1	8,5
Zoom TV	20,0	24,0	26,4	29,4	32,9	35,9	37,9	39,7
Stopklatka	41,5	44,4	43,9	51,2	56,8	59,1	61,1	62,9
License Sales	28,4	27,3	30,0	23,6	24,1	24,4	24,8	25,2
Other	1,0	1,4	1,6	1,6	1,6	1,6	1,7	1,7
EBIT	59,8	60,7	66,5	73,9	77,6	80,7	83,1	84,9
FilmBox	39,9	45,6	49,2	51,7	53,6	54,5	55,4	56,4
Kino Polska	19,3	17,9	14,2	14,6	14,5	14,3	14,2	14,1
TV Channel Production	0,3	0,7	1,7	1,9	2,1	2,3	2,5	2,6
Zoom TV	-5,7	-9,6	-2,7	-0,1	2,8	3,8	4,6	5,1
Stopklatka	7,6	6,7	0,1	3,8	5,5	6,4	7,3	7,9
License Sales	3,4	3,2	2,7	2,2	1,3	1,6	1,6	1,6
Other	-0,2	-0,4	0,1	-0,2	-0,2	-0,2	-0,2	-0,2
Other items, net	-4,6	-3,4	1,2	0,0	-2,0	-2,2	-2,4	-2,7

Source: Dom Maklerski BDM S.A.

**KPL - Selected data from the balance sheet and cash flow statement [PLN m]**

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
<b>Balance sheet</b>								
Fixed Assets	6,4	5,6	7,2	6,8	7,3	8,2	8,9	9,5
Goodwill	55,7	55,7	55,7	55,7	55,7	55,7	55,7	55,7
Programming Assets	55,3	59,4	67,7	79,4	91,4	104,3	117,4	130,8
Other Non Current Assets	29,3	24,8	40,2	38,4	40,8	44,6	48,0	50,9
<b>Non Current Assets</b>	<b>146,7</b>	<b>145,4</b>	<b>170,7</b>	<b>180,2</b>	<b>195,2</b>	<b>212,7</b>	<b>229,9</b>	<b>246,9</b>
Programming Assets	8,6	13,9	11,0	11,3	11,9	12,3	12,6	13,0
Trade Receivables	73,7	95,0	103,9	102,9	107,8	111,6	114,8	117,7
Other Current Assets	2,3	1,2	37,1	37,2	37,2	37,2	37,2	37,2
Cash and Cash Equivalents	30,5	40,9	24,7	53,5	85,4	114,5	142,0	167,4
<b>Current Assets</b>	<b>115,1</b>	<b>151,0</b>	<b>176,7</b>	<b>205,0</b>	<b>242,3</b>	<b>275,6</b>	<b>306,7</b>	<b>335,4</b>
<b>Total Assets</b>	<b>261,8</b>	<b>296,4</b>	<b>347,4</b>	<b>385,2</b>	<b>437,5</b>	<b>488,3</b>	<b>536,7</b>	<b>582,2</b>
<b>Shareholders' Equity</b>	<b>168,2</b>	<b>204,1</b>	<b>243,0</b>	<b>291,3</b>	<b>339,8</b>	<b>387,7</b>	<b>433,6</b>	<b>476,9</b>
Financial Debt	12,0	0,1	2,7	2,7	2,7	2,7	2,7	2,7
Trade Payables	3,4	4,7	1,5	1,5	1,6	1,7	1,7	1,8
Other Liabilities	11,2	8,8	21,7	21,7	21,8	21,8	21,8	21,8
<b>Long Term Liabilities</b>	<b>26,7</b>	<b>13,6</b>	<b>25,9</b>	<b>26,0</b>	<b>26,1</b>	<b>26,1</b>	<b>26,2</b>	<b>26,2</b>
Financial Debt	7,2	17,9	1,3	1,3	1,3	1,3	1,3	1,3
Trade Payables	49,3	49,3	56,3	45,3	48,3	50,6	52,6	54,4
Other Liabilities	10,5	11,4	20,9	21,4	22,1	22,6	23,0	23,4
<b>Current Liabilities</b>	<b>67,0</b>	<b>78,7</b>	<b>78,5</b>	<b>68,0</b>	<b>71,7</b>	<b>74,5</b>	<b>76,9</b>	<b>79,1</b>
<b>Total Liabilities &amp; Equity</b>	<b>261,8</b>	<b>296,4</b>	<b>347,4</b>	<b>385,2</b>	<b>437,5</b>	<b>488,3</b>	<b>536,7</b>	<b>582,2</b>

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
<b>Cash flow statement</b>								
Cash Flow from Operating Activities	57,3	28,2	50,0	48,0	59,5	61,8	64,9	67,3
Cash Flow from Investing Activities	-6,4	-5,2	-41,2	-6,1	-11,1	-13,1	-13,5	-13,9
Cash Flow from Financing Activities	-29,6	-12,5	-25,0	-13,1	-16,5	-19,6	-23,8	-28,1
Change in Cash	21,4	10,5	-16,2	28,8	31,9	29,0	27,6	25,4

Source: Dom Maklerski BDM S.A.

**KPL- Ratio analysis**

	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
Price [PLN]	14,8	14,8	14,8	14,8	14,8	14,8	14,8	14,8
Shares outstanding [m]	19,8	19,8	19,8	19,8	19,8	19,8	19,8	19,8
BVPS [PLN]	8,5	10,3	12,3	14,7	17,1	19,6	21,9	24,1
EPS [PLN]	2,5	2,4	2,6	3,1	3,2	3,4	3,5	3,6
P/E [x]	6,0	6,2	5,7	4,8	4,6	4,4	4,2	4,1
EV/Revenue [x]	1,1	0,9	0,8	0,7	0,6	0,4	0,4	0,3
EV/EBITDA adj. [x]	3,9	3,8	3,1	2,5	2,0	1,6	1,3	1,0
EV/EBIT [x]	4,7	4,5	3,5	2,8	2,3	1,8	1,4	1,1
P/BV [x]	1,7	1,4	1,2	1,0	0,9	0,8	0,7	0,6
EV [PLN m]	282	270	236	207	175	146	118	93
Market Cap [PLN m]	293	293	293	293	293	293	293	293
Net Debt [PLN m]	-12	-23	-58	-86	-118	-147	-175	-200
Net Debt / EBITDA adj. [x]	-0,2	-0,3	-0,8	-1,0	-1,4	-1,6	-1,8	-2,1
Revenue y/y	21,4%	10,8%	3,3%	2,9%	4,7%	3,5%	2,9%	2,5%
EBITDA adj. change y/y	64,7%	-2,1%	6,2%	10,5%	5,7%	4,0%	4,0%	3,0%
EBITDA adj. margin	28,0%	24,7%	25,4%	27,3%	27,6%	27,7%	28,0%	28,1%
Net margin	18,9%	16,7%	17,6%	20,1%	20,3%	20,5%	20,5%	20,5%
Revenue/Assets [x]	1,0	1,0	0,8	0,8	0,7	0,7	0,6	0,6
Assets/Equity [x]	1,6	1,5	1,4	1,3	1,3	1,3	1,2	1,2
EBIT/Interests costs [x]	46,0	46,5	37,3	123,3	130,6	254,7	262,4	267,9
Short-term liabilities / Revenue [x]	0,3	0,3	0,3	0,2	0,2	0,2	0,2	0,2
Long-term liabilities / Revenue [x]	0,1	0,0	0,1	0,1	0,1	0,1	0,1	0,1
Total liabilities/ Total liabilities & equity [x]	0,4	0,3	0,3	0,2	0,2	0,2	0,2	0,2
Equity / Total liabilities & equity [x]	0,6	0,7	0,7	0,8	0,8	0,8	0,8	0,8
ROA	19%	16%	15%	16%	15%	14%	13%	12%
ROE	29%	23%	21%	21%	19%	17%	16%	15%
ROCE	31%	31%	30%	33%	31%	30%	28%	27%
DPS [PLN]	0,00	0,50	0,35	0,63	0,80	0,97	1,19	1,40
Dividend yield	0%	3%	2%	4%	5%	7%	8%	9%
Financial debt [PLN m]	19,2	18,0	4,0	4,0	4,0	4,0	4,0	4,0
Cash [PLN m]	30,5	40,9	24,7	53,5	85,4	114,5	142,0	167,4

Source: Dom Maklerski BDM S.A.

**EQUITY RESEARCH DEPARTMENT:****Maciej Bobrowski**

Director

tel. (032) 208 14 12

e-mail: [maciej.bobrowski@bdm.pl](mailto:maciej.bobrowski@bdm.pl)[strategy, industry, media/entertainment, TMT](#)**Krzysztof Pado**

Deputy Director

Investment Adviser

tel. (032) 208 14 32

e-mail: [krzysztof.pado@bdm.pl](mailto:krzysztof.pado@bdm.pl)[oil&gas, construction, building materials, real estate](#)**Krzysztof Tkocz**

Analyst

tel. (032) 208 14 38

e-mail: [krzysztof.tkocz@bdm.pl](mailto:krzysztof.tkocz@bdm.pl)[gaming](#)**Anna Tobiasz**

Junior analyst

Investment Adviser

tel. (032) 208 14 35

e-mail: [anna.tobiasz@bdm.pl](mailto:anna.tobiasz@bdm.pl)**INSTITUTIONAL SALES DEPARTMENT:****Leszek Mackiewicz**

Director

tel. (022) 62-20-848

e-mail: [leszek.mackiewicz@bdm.pl](mailto:leszek.mackiewicz@bdm.pl)**Piotr Dedecjus**

tel. (022) 62-20-100

e-mail: [piotr.dedecjus@bdm.pl](mailto:piotr.dedecjus@bdm.pl)**Maciej Fink-Finowicki**

tel. (022) 62-20-855

e-mail: [maciej.fink-finowicki@bdm.pl](mailto:maciej.fink-finowicki@bdm.pl)**Tomasz Grzeszczyk**

tel. (022) 62-20-854

e-mail: [tomasz.grzeszczyk@bdm.pl](mailto:tomasz.grzeszczyk@bdm.pl)**Piotr Komorowski**

tel. (022) 62-20-851

e-mail: [piotr.komorowski@bdm.pl](mailto:piotr.komorowski@bdm.pl)**Ratings and price targets history:**

rating	price target	previous rating	previous target price	report date	report date (hour)	price	WIG
buy	20,05	buy	18,4	2024-05-21	09:15	14,8	89 082
buy	18,4	---	---	2023-12-11	10:57	14,2	77 400

**Explanations of terminology:**

EBIT - earnings before interest and tax  
 EBITDA — earnings before interest, taxes, depreciation, and amortization  
 Net debt – interest bearing debt minus cash and equivalents  
 WACC - weighted average cost of capital  
 CAGR - cumulative average annual growth  
 EPS - earnings per share  
 DPS - dividend per share  
 CEPS - net profit plus depreciation per share  
 EV – market capitalization plus interest bearing debt minus cash and equivalents  
 EV/S – market capitalization / sales  
 EV/EBITDA – EV / sales  
 P/EBIT – market capitalization / EBIT  
 MC/S – market capitalization / sales  
 P/E – market capitalization / net profit  
 P/BV – market capitalization / book value  
 P/CE - market capitalization / net profit plus depreciation  
 ROE – net profit / equity  
 ROA - net income / assets  
 Gross margin - gross profit on sales / sales  
 EBITDA margin – EBITDA / sales  
 EBIT margin – EBIT / sales  
 Net margin – net profit / sales

**Explanation of ratings:**

Buy – we believe that the security will reach the target price in the recommended period, which significantly exceeds the current market price (at least + 15%);  
 Accumulate – we believe that the security will reach the target price in the recommended period, which exceeds the current market price (in the range of +5 to + 14.99%);  
 Hold – we believe that a security in the recommended period will fluctuate around the target price, which is close to the current market price (in the range from -4.99% to + 4.99%);  
 Reduce – we believe that the security will reach the target price in the recommended period, which is lower than the market price (range of decline from 5% to 14.99%);  
 Sell – we believe that a security in the recommended period will reach the target price, which is significantly lower than the market price (suggested erosion of the value exceeds 15%).  
 Target price – the theoretical price which, in our opinion, should reach a security in the recommended period; This price is the result of the company's value (eg based on DCF, comparative and other valuations), market conditions and the industry as well as other factors subjectively considered by the analyst.  
 Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

**The strengths and weaknesses of the valuation methods used in the report:**

DCF – the most popular and the most effective of the valuation methods - it is based on the discounting of future cash flows generated by the company. The disadvantage is the high sensitivity to changes in the basic financial parameters forecast in the model (interest rates, exchange rates, profits, residual value).

DDM – the method is based on discounting future cash flows from dividends. The advantage of the valuation is the inclusion of future financial results and cash flows from dividends. The main disadvantages are the high sensitivity to changes in the basic financial parameters forecasted in the model (capital cost, profits, residual value) and the risk of changing the dividend payment policy.

Comparative – the method is based on current and forecasted market multipliers of companies from the industry or related industries, which better than DCF shows the current market situation. The main disadvantages are the difficulty in choosing the right companies for comparison, the risk of ineffective valuation of companies compared at a given moment, as well as high volatility (along with price fluctuations).

Distribution of BDM's recommendations in Q2 2024*:		, distribution of BDM's recommendations for the companies which BDM has supplied with investment banking services within the last 12 months		
	numbers	%	numbers	%
Buy	7	47%	0	0%
Accumulate	3	20%	0	0%
Hold	3	20%	0	0%
Reduce	2	13%	0	0%
Sell	0	0%	0	0%

\* detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included at <https://www.bdm.pl/analizy-i-informacje/analizy/historia-rekomendacji>

#### A Legal note:

This report (hereinafter also referred to as an analysis, a document) has been prepared in compliance with Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (on market abuse), Commission Delegated Regulation (EU) 2016/958 and Commission Delegated Regulation (EU) 2017/565.

The report constitutes an investment research within the meaning of art. 36 §1 of Commission Delegated Regulation (EU) 2017/565.

The report has been prepared by Dom Maklerski BDM S.A. (hereinafter BDM S.A.) within the Exchange Analytical Coverage Support Programme (<https://www.gpw.pl/gpwpa>). BDM S.A. is a party to the „Agreement on the provision of analytical report services” concluded with the Warsaw Stock Exchange Company („GPW”), on the basis of which BDM provides services of analytical coverage of the Issuer for the term of the Agreement. Under the agreement BDM obtains remuneration from GPW. All materials prepared by BDM within the framework of co-operation are available at <https://www.bdm.pl/program-wsparcia-pokrycia-analitycznego-gpw>.

The report has been prepared and made available for distribution by BDM.

GPW shall be a copyright holder to this report from the date of its publication. The report can be published and made available without limitation by GPW through any mass communication media as decided by GPW.

This report does not constitute an investment, legal, accounting advice or any other, and BDM shall not be responsible for damages arising from or connected with the use of the data presented in the report or the use of any elements of the report by recipients. The report or any copy of it cannot be disseminated, directly or indirectly, in the United States, Canada, Australia or Japan, or transmitted to citizens or residents of a state where its distribution can be restricted by law, which does not limit the possibility of publishing the report on internet websites of the Issuer, BDM or GPW. Persons who disseminate this document should be aware of the necessity to comply with such restrictions.

The document can be intended for professional or institutional customers of BDM as well as for other BDM qualified customers entitled to receive general recommendations based on agreements for brokerage services. This report can also reach other entities through media distribution channels based on a decision of the manager of the analysis department. The fact that a recipient has obtained this report does not mean that he shall be treated as a BDM customer. The compilation cannot be published or copied without a prior written consent of BDM.

Persons who will receive this report and who are not professional customers or qualified investors should consult an independent financial advisor before making any investment decision based on this analysis in order to obtain any necessary and crucial explanations concerning the contents of this analysis.

To prepare this analytical report BDM has not considered individual needs or situations of customers. BDM is not obliged to guarantee that a financial instrument or financial instruments covered by this report are appropriate for a given investor.

Opinions of an analyst and any recommendations included in this report neither constitute an investment, legal, accounting or tax advice or a statement that any investment strategy is adequate or appropriate because of individual circumstances concerning the customer, nor constitute personal recommendation.

The analysis is for information purposes only and does not constitute an advertisement or an offer or an invitation to subscribe or purchase financial instruments.

An investor should be aware that each investment decision in the capital market is subject to numerous risks that finally can result in a financial loss suffered by him. The return rate on individual investments can fluctuate depending on various factors beyond the control of the investor. Therefore, a customer who makes a single investment decision should not only check currency and correctness of individual assumptions made by the analyst in the report but also to have an independent assessment and own analysis (also based on scenarios other than the ones presented in the report) taking into consideration the level of acceptable risk. When deciding on activity on the capital market the Investor should take into consideration the fact that the investment portfolio structure (diversification of investment through possessing more than one financial instrument) can reduce risk exposure to an individual instrument bringing a negative rate of return in a given period. At the same time, however, it can lead to limitation of a positive rate of return the investor could achieve in the case of a single financial instrument in a given time period. The investor should be aware that the investment portfolio structure and any investment strategy for the stock market do not guarantee the achievement of a positive rate of return and do not protect him against final loss.

For the first time this report has been made available to the public on 2024-05-21 (09:15 CEST). Date of preparing the report is the date of making it accessible. Before the recommendation was made accessible, information included in it had been confidential.

The prices of the financial instruments listed in the document have been taken from the real-time pricing as provided by Bloomberg. Data concerning financial instrument prices used in the report could be loaded to 24 hours before the moment of completing the report.

Detailed list of all analytical reports (recommendations) published by BDM during the last 12 months is included in a cyclical “Monthly Report”.

In the opinion of BDM this report has been prepared observing principles of methodological correctness and objectivity on the basis of sources available to the public which BDM considers reliable. The sources of information used in recommendation are all data related to financial instruments concerned and available to an analyst, including current and periodic reports of the company, current and periodic reports of entities used for comparative valuation, business reports, press releases and other. However, BDM S.A., in no case, guarantees the accuracy and completeness of this report, in particular should sources on the basis of which the report was prepared prove to be inaccurate, incomplete or not fully consistent with the facts. The forecasts presented in the report are solely based on the analysis made by BDM without consultations with companies or other entities and are based on a number of assumptions which could prove to be wrong in the future. BDM does not guarantee that the presented forecasts will prove right.

Recommendations made by BDM are binding for 12 months from the issue date or until the target level is reached, unless they are updated during this period of time.

Any opinions, forecasts or estimates made in the report are merely an expression of analyst assessment as of the day of preparation of the report and at any moment they can be changed without notice. BDM does not guarantee that the opinions or assumptions made by an analyst/analysts and included in this report are compatible with other analysis prepared by BDM. BDM updates issued recommendations depending on the market situation and analyst assessment, and the frequency of such updates is not defined.

According to BDM this report has been made with due diligence and reliability. However, BDM shall not be held liable for any damages incurred as a result of decisions made on the basis of information included in this report.

The report was not transferred to the issuer prior to its publication.

An analyst (analysts) preparing this document receives a fixed remuneration and the BDM Management Board has the right to grant them additional remuneration. Additional remuneration may indirectly depend on the results of other services offered by BDM, including investment banking services, but it shall not depend directly on financial results resulting from other services, including financial banking, which have been or could have been reached by BDM.

BDM is not obliged to take any actions which could cause financial instruments that are the subject of the valuation contained in this document to be valued by the market in accordance with the valuation contained in this document.

The investor should assume that BDM employees or proxies or shareholders may hold long or short positions in the issuer’s shares or other financial instruments related to the issuer’s shares; this particularly concerns the situation of holding not more than 5% of the capital, and they may also carry out transactions on them as proxies.

Each of the above-mentioned persons could carry out transaction relating to the financial instruments concerned prior to this publication. At the same time, however, the instruments concerned are entered in the restrictive list for employees of the Analysis Department immediately at the start of work on the report.

We have not identified significant conflicts of interest between BDM and persons associated with BDM and the financial instrument issuer. If a conflict of interest arises BDM shall manage it by applying the principles defined in the “Policy of management of conflicts of interest at the BDM S.A.”. We point out that as for 2024-05-21:

- BDM states and assures that BDM is involved financially in financial instruments of the Issuer.
- BDM is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The person that participated in preparing recommendation is not a holder of net long or short positions exceeding the threshold of 0,5 % of the total issued share capital of the issuer,
- The issuer does not hold shares exceeding 5 % of the BDM issued share capital,
- BDM is not a market maker or liquidity provider in the financial instruments of the issuer,
- BDM has not been lead manager or co-lead manager over the previous 12 months of any publicly disclosed offer of financial instruments of the issuer;
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25<sup>th</sup> July 2005,
- BDM is not a party to an agreement with the issuer relating to the provision of investment banking services pursuant to section A and B of Annex I to the Directive 2014/65/EU of the European Parliament and of the Council (hereinafter the Directive 2014/65/EU),
- BDM is not a party to an agreement with the issuer relating to the production of the recommendation,
- There is other significant financial interest that BDM or its related affiliates have in relation to the issuer of financial instruments\*
- There are other significant connections between BDM or its related affiliates and the issuer of financial instruments\*\*
- The person affiliated with BDM who was involved in the preparation of recommendations did not receive or purchase the shares of the issuer, to whom the recommendation relates directly or indirectly, prior to public offering of such shares,
- The person affiliated with BDM who was involved in the preparation of recommendations declares that they respect internal regulations and are subject to organizational and technical solutions and information barriers established by BDM to eliminate any conflicts of interest concerning recommendations and to avoid them,
- The person affiliated with BDM who was involved in the preparation of recommendations was not rewarded in any form by the issuer, to whom the recommendation relates directly or indirectly, or was not directly connected with any possible transactions concerning services defined in art. 69 §2 and 4 of the Act on Trading in Financial Instruments dated 25<sup>th</sup> July 2005.

\*BDM is a party to the “ANALYTICAL REPORT PREPARATION SERVICES AGREEMENT” concluded with the WSE.

According to the best knowledge of the party recommending upon the publication of the report there are no other connections between BDM and the company described in this report that the party preparing this report would know of. However, the investor should be aware that the list disclosing conflicts of interest is long and that in the future there may occur situations leading to conflicts of interest which have not been identified or disclosed at the moment of publication of the report concerned. Especially, the investor should assume that BDM may submit an offer for services to a company or other companies mentioned in this report.

BDM is subject to supervision by the Polish Financial Supervision Commission.

**This document is a summary of a full version of the report prepared in Polish. In case of any disputes the Polish version shall prevail.**