

**Management's report  
on the activities of the  
Company and the Group  
Wirtualna Polska Holding**

for 3 and 12 months ending 31 December **2023**



## TABLE OF CONTENTS

<b>CEO LETTER</b>	<b>3</b>
<b>MANAGEMENT TEAM OF WIRTUALNA POLSKA HOLDING S.A.</b>	<b>5</b>
<b>RAPORT ON THE ACTIVITY OF THE COMPANY AND THE GROUP IN 2023</b>	<b>6</b>
1. CHARACTERISTICS OF THE WIRTUALNA POLSKA HOLDING CAPITAL GROUP	7
2. DISCUSSION ON THE OPERATING RESULTS AND THE FINANCIAL SITUATION OF THE WIRTUALNA POLSKA HOLDING CAPITAL GROUP	13
3. DISCUSSION ON OPERATING RESULTS AND THE FINANCIAL SITUATION OF THE COMPANY	29
4. DEVELOPMENT STRATEGY AND THE PROSPECTS OF WIRTUALNA POLSKA HOLDING SA AND ITS CAPITAL GROUP	33
5. FACTORS AND EVENTS, ESPECIALLY THOSE OF AN EXTRAORDINARY NATURE, THAT SIGNIFICANTLY AFFECT THE OPERATIONS AND FINANCIAL RESULTS OF THE COMPANY AND THE GROUP	41
6. FACTORS THAT, IN THE OPINION OF THE MANAGEMENT BOARD, WILL AFFECT THE FINANCIAL RESULTS OF THE COMPANY AND THE GROUP IN FUTURE PERIODS	43
7. SIGNIFICANT CONTRACTS AND EVENTS WHICH TOOK PLACE IN 2023	45
8. SIGNIFICANT RISKS TO DEVELOPMENT OF THE COMPANY AND THE GROUP	45
9. THE BODIES, SHARES AND SHAREHOLDERS	55
10. ADDITIONAL INFORMATION	61
11. SELECTED CONSOLIDATED FINANCIAL DATA IN EURO	67
<b>CORPORATE GOVERNANCE STATEMENT</b>	<b>70</b>
<b>STATEMENT OF NON-FINANCIAL INFORMATION</b>	<b>91</b>
<b>MANAGEMENT BOARD'S REPRESENTATION ON FINANCIAL STATEMENTS AND MANAGEMENT'S REPORT FOR 2023 AS WELL AS ON THE AUDIT FIRM</b>	<b>183</b>

## Dear Shareholders,

Wirtualna Polska invests PLN 150 million every year in developing its own technologies. For the first time, in our nearly 30-year history, we have decided to share with the market the products on which we have built our success to date. In addition to further developing a brokerage service called WPartner, we have decided to provide competitors with our own publishing and advertising platform, WPlatform.

### Why now?

In the year of the outbreak of the war in Ukraine, Wirtualna Polska Media recorded record viewing figures. The past 12 months we are ending with only a token increase (+1% in revenue), even though we sold ads 20% more expensive, due to an 18% drop in viewership from the 2022 records. It is a shame, because if we hadn't run out of space, it would have been a good year for our advertising business.

The most important thing, however, is that we have drawn conclusions for the future. We have done this so that we would never again run out of space on which to execute our clients' campaigns. Even if this space does not belong to us. I believe that WPartner and WPlatform will become an important place for joint business development of local publishers in the coming years.

### Why are we expanding cooperation with local competitors?

Vasco da Gama did not circumnavigate Africa alone. The need to build a local alternative to global platforms has never been so clear. The year 2024 will see big changes in the online advertising market, triggered by new restrictions on the most popular browser in our part of Europe - Google Chrome. For small publishers, this is a turning point in thinking about the domination of global players, in particular Google, which, step by step, has been cleverly taxing more areas of their business for years. Its search engine has so far been the most important source of traffic to their sites. Today, Google is already for many small publishers both an ad broker, the owner of the largest platform for selling and buying ads on the Internet, the owner

of the tools for selling and buying ads on that platform, and the dominant provider of the tool for broadcasting ads on their sites.

Every domination breeds abuse. According to Google, a fair auction is one in which it opens all the bidding envelopes and only then quotes its price. That is, the largest player in this market, unlike all others, does not want to participate in the fair rate-setting process that publishers carry out on their advertising space. With disarming candor, they say that if a publisher does not use their tools, they will substitute their advertising demand, but only on a "last look" basis - the right to decide after seeing the highest bid. This is an obvious distortion of the idea of an auction. And now, in addition to the above, while "increasing the level of privacy protection for Chrome users," they want to have a second, self-run auction, in case they lose the first one, the one run by the owner of the advertising space...

Google's appetite isn't even held back by the fact that websites for users will take noticeably longer to load... That is, the standby argument, perversely used by our Californian friends in other situations.

Small publishers understand that by feeding the crocodile, what they only achieve is that they will eventually be eaten themselves. What is more, this addiction carries many risks - such as the possibility of advertisements for questionable or outright fraudulent products appearing on their sites. It is reprehensible that Google refuses to provide publishers with information about who it orders advertising for during the auction process (even though it has it) and thus prevents publishers from independently and effectively defending themselves against advertising scammers. No one else does it, because no one else has a dominant position and would simply be turned off by publishers. But who can afford to turn off demand from Google?

The fact that Gizmodo wrote about in May 2018 has grown into a symbol - the famous motto "don't be evil" is no longer so prominent in Google's code of ethics. It is time to say it out loud: also with us - under Google's velvet glove lies an iron fist.

Is this an opportunity for us?

Yes. To date, there has been no viable alternative in Poland. Wirtualna Polska wants to build it, together with the largest local publishers.

On the initiative of the presidents of the largest Polish portals, the Union of Employers of Digital Publishers was established. The first industry organization formed primarily for joint representation in relations with global platforms. Contrary to the name, it's not just about the interests of employers, but also the interests of the several thousand workers employed by union members.

Wirtualna Polska will soon offer additional support to this young organization by putting under its supervision the service it has built to identify users in a third-party cookie-free environment for advertising purposes. This will allow improving the efficiency of running advertising campaigns on the space of all participants.

What can we offer the market beyond technology?

The demand from our e-commerce businesses. The strength of Wirtualna Polska Holding is that it has both advertising and e-commerce businesses in one group. Without this, it would not have been possible, for example, to improve advertising efficiency so significantly, tripling (Q4 2023 to Q4 2022) WP's share as an online sales generator with TOP40 customers. This is thanks to a product called WP SalesBooster, our holding's reason for pride. Understanding the needs of advertisers is a direct result of having companies with identical marketing needs in the group and the ability to reverse engineer global intermediaries' solutions and improve their own advertising products.

Especially relevant here is our travel e-commerce segment. One could briefly say that we are doing something right in it, since it grew by 117% last year. This is, of course, a cocktail of many activities, not just our natural marketing competence. Some of them have their origins still in Covid. It was then, at a time of revenue shortfalls, that the travel world divided into those who could not afford to invest in the future and those who could afford it (and wanted to do it). We, luckily, belonged to the latter group. Today we are reaping the benefits. We are also supported by market trends, such as the rising level of digitization of society and the increasing affluence of Eastern Europeans.

What is the future of the travel part of our business?

We have more than 25 years of experience in online advertising and only 10 years in online travel. Christopher Columbus began his voyaging career by trading in sugar on Madeira and we are at a similar stage.

Just like in the advertising business, we need to win against global competitors. This is how we build our business models so that we can fight effectively at an incomparably smaller scale. In practice, this includes taking on more risk, albeit limited geographically, one that is easier to manage and that global platforms cannot afford. This also means working on the product and strengthening cooperation with suppliers. We are an important partner for them, enabling them (as in our advertising business) to reduce their dependence on Google (in some tour operators exceeding 50% of online sales) and defend against the expansion of its travel counterparts. The scale itself, however, cannot remain at the level of a few countries, but at least entire regions. This means further acquisitions and an unwavering belief in the presence of land beyond the currently visible horizon.

Best regards,

**Jacek Świdorski**

CEO Wirtualna Polska Holding SA

**Management Team**



**Jacek Świdorski**  
CEO



**Krzysztof Sierota**  
CTO



**Michał Brański**  
VP Strategy



**Elżbieta Bujniewicz-Belka**  
CFO



**Joanna Pawlak**  
VP Media



**Aleksander Kusz**  
VP E-commerce



**Adam Rogaliński**  
VP Corporate Development



**Bartłomiej Haber**  
VP International

**Report on the activities of  
Wirtualna Polska Holding  
S.A. and its Capital Group  
in 2023**



## 1. CHARACTERISTICS OF THE WIRTUALNA POLSKA HOLDING CAPITAL GROUP

### GENERAL INFORMATION AND PARENT COMPANY'S SCOPE OF ACTIVITIES

Wirtualna Polska Holding SA ("Company", „WPH”, „WPL”) is entered in the Register of Business Entities maintained by the District Court for the Capital City of Warsaw in Warsaw, XIII Division of the National Court Register, under KRS No. 407130. The REGON number assigned by the Statistical Office is: 016366823. The Company headquarters is located in Warsaw at Żwirki i Wigury 16.

The Company was established for an indefinite term. The company core business comprises holding and management activities.

The Company is the Parent Company of Wirtualna Polska Holding Capital Group.

### LINE OF BUSINESS

The Wirtualna Polska Group is a technology holding. It conducts media, advertising, subscription and e-commerce activities. It is the owner of the WP Home Page,

operates specialized topical websites and offers online subscription products (Audioteka, Pilot WP, Patronite). In the e-commerce services, the Group has presence mainly in the travel sector (among others, Wakacje.pl, Szallas Group, Nocowanie.pl) and the financial services sector (Superauto.pl and Totalmoney.pl).

Our key business priorities include:

- creation and online distribution of quality content;
- engagement of our subscribers;
- sales of advertising services;
- inspiring and helping users in their daily online shopping decisions;
- offering e-commerce services (financial and travel).

We create WP Group's services on the basis of innovative solutions that allow us to expand the group of recipients and deliver services and advertisements tailored to the needs of users and advertisers.

The Group does business in the following areas:

# Advertising & Subscriptions

WP Group is one of the largest internet groups in Poland, and its websites and services attract more than 21 million users every month. It creates content, sells advertising on its own and third party inventory, and also sells subscription products (access to TV programs through the Pilot WP service, audiobooks produced and distributed by Audioteka, electronic mail services).

Wirtualna Polska Media operates on the Polish online advertising market offering its customers a wide range of advertising products. These include, among others, display ads, including video ads, email ads, ads for mobile devices and ads based on the performance model (i.e. billed for page views, form filling, registrations, purchase of goods or services, lead generation or performance marketing). WP has

been developing sales in an automated model that provides a number of powerful metrics to measure conducted campaigns.

In 2023, the company conducted a number of technology improvement activities. It continued the development of the WP Ads tool, which is a platform that allows them to independently plan and manage their advertising campaigns, including mailing. It bypasses middlemen and ensures settlements based on actual sales (ROAS).

The Group additionally continued the work on the development of WPartner, an SSP (Supply-Side Platform) which allows other publishers to effectively monetize

their own advertising space. The solution enables to select the optimal demand offer in real time, without having to integrate systems with multiple business partners. Thanks to WPartner publishers can broadcast ads from various sources (media houses, direct clients, regional clients, programmatic advertising) in one place, while maintaining the most effective campaign settlement model for them.

### **Our sites and content**

WP journalists prepare dozens of materials, including interviews, video reports, opinions, reportage and news. They provide current news, comment on current events, and present tidbits from the world of entertainment. It is thanks to them that Wirtualna Polska is a place to which Internet users return every day.

The WP portfolio contains a number of thematic sites. Every day we present the most important news from Poland and from across the globe, we run the most popular financial service in Poland, we provide a complete overview of sports news, and deliver automotive, technology, lifestyle and entertainment content.

### **E-mail**

WP Poczta and Poczta o2 are services that make communication easier for our users. They offer, among other things, unlimited mailbox capacity and attachments up to 100 MB. They stand out for their high level of security and solutions for businesses.

One of the main tools being developed as part of the email services is 1login from WP. Not only does it allow for additional two-factor account security, but it also allows for simpler logging to many other services. At the end of 2023, the mail had 8.3 million users per month. More and more third-party partners are giving their recipients the option to log in and authenticate their data through a 1login account from WP.

### **Television**

In WP TV's schedule one can find foreign films and series that have not been aired in Polish open television channels before. The station shows original news programs, entertainment programs, and documentaries and series on interior design and refurbishment. In 2022, WP TV maintained its no. 1 position on MUX8 in the 16-59 commercial group and in terrestrial distribution; the average share in the 16-59 group is 0.67%<sup>1</sup>

WP TV is available in terrestrial channels on the 8th multiplex (MUX8), on Cyfrowy Polsat and CANAL+ platforms, in the best cable networks and the Pilot WP service.

### **Radio**

OpenFM is the most popular Polish Internet radio. Listeners have access to nearly 200 diverse music stations, divided into thematic categories. The service is available at [www.open.fm](http://www.open.fm) and through a mobile app for Android and iOS platforms.

### **Subscriptions**

The Wirtualna Polska Group is consistently building its position in subscription services. Pilot WP is one of the key services here, allowing traditional TV channels to be viewed online, as well as audiobooks from Audioteka, a company acquired in 2022 and the leader in the Polish audiobook market. Through its platform, it offers over 20 thousand titles to its customers, both under a subscription model (Audioteka Club) and through retail sales (Audioteka Store). Audioteka's competitive advantage comes from developing its own content, including well-known blockbusters such as the Game of Thrones and Solaris.

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<sup>1</sup> Survey for Jan-Dec 2022, Nielsen.

## Travel

The Group is in the business of organized international travel (Wakacje.pl) as well as individual, local travel (Szallas Group, Nocowanie.pl).

The Group's travel websites provide a comprehensive offer for travelers and those looking for accommodation in Poland and abroad. Wakacje.pl is the largest online tourism intermediary in Poland and a dynamically developing chain of brick-and-mortar salons across Poland. Every day, the site features the offers from the biggest

and most respected tour operators. Wakacje.pl helps consumers make informed travel decisions with a unique database of hotel and destination reviews. Users interested in domestic holidays can use services of nocowanie.pl, which offers the largest database of domestic accommodation in Poland. The Szallas Group, acquired in 2022, is the leading platform offering local tourism services in the Central and Eastern Europe region.

## Consumer Finance

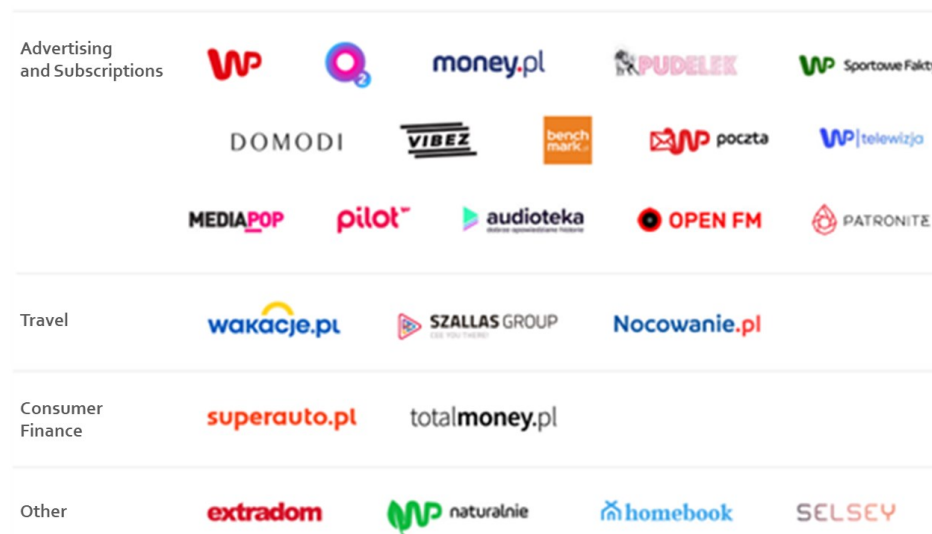
Superauto is an online car financing intermediary (offering leases, loans, insurance) and is the largest company selling new cars on the Polish Internet. It presents a broad range of new cars from authorized dealers of various brands. The highest standard of service provided by a team of experienced consultants allows individuals and companies to finance the purchase of a new car with a lease or a loan or through a rental arrangement without leaving home.

Totalmoney is a leading platform to compare various financial products, including cash loans. WP Group websites offer comparisons and selection of the best offers of insurance, bank and private loans, cards and accounts. Totalmoney experts use

simple language to create content that helps users navigate the complex world of finance. They also produce professional rankings and analysis for those who want in-depth knowledge.

The Group additionally sells house designs through Extradom. It also has "green assets", that is farms operating under the WP Naturalnie brand, which produce energy from renewable sources.

In the specified business areas, the Wirtualna Polska Group has a number of strong, recognizable brands:



We want to remain a partner of first choice, providing engaging information, entertainment and services, and inspiring daily decisions. We prepare WP Group's services based on innovative solutions that allow us to expand our audience and deliver services and advertising with precision.

The table below presents the Group's market position against competitors.

No	Entity	Real Users (mln)	Page views (bln)	Time spent (mln hrs)
1	Grupa Google	29,0	4,7	592,6
2	Grupa Meta Platforms	25,4	0,8	614,1
3	Grupa Polsat-Interia	21,1	2,1	40,9
4	<b>Grupa Wirtualna Polska</b>	<b>21,0</b>	<b>3,8</b>	<b>76,8</b>
5	Grupa RAS Polska	21,0	2,9	57,1
6	Grupa Allegro	20,1	2,7	38,4
7	Grupa Agora	18,8	1,0	17,9
8	Grupa Polska Press	16,9	0,9	4,5
9	Grupa OLX	16,7	1,7	28,3
10	Grupa ZPR Media	16,1	0,4	15,1

Source: Mediapanel, styczeń 2024

## STRUCTURE OF THE WIRTUALNA POLSKA HOLDING CAPITAL GROUP

The following table presents the structure of the Group as of 31 December 2023.

Segment	Entity	Headquarter	Parent company	Parent company's share
<b>Holding</b>	<b>Wirtualna Polska Holding S.A</b>	<b>Poland, Warszawa</b>		
<b>Advertising and Subscriptions</b>	Wirtualna Polska Media S.A.	Poland, Warszawa	Wirtualna Polska Holding	100%
	Businessclick sp. z o.o.	Poland, Warszawa	Wirtualna Polska Media	100%
	Open FM sp. z o.o.	Poland, Warszawa	Wirtualna Polska Media	100%
	Stacja Służew sp. z o.o.	Poland, Warszawa	Wirtualna Polska Media	100%
	Grupa Audioteka *	Poland, Czech Republic, Lithuania, Turkey	Wirtualna Polska Media	100%
<b>Travel</b>	Wakacje.pl S.A.	Poland, Gdank	Wirtualna Polska Media	100%
	Grupa Szallas **	Hungary, Czech Republic, Romania, Croatia, Poland	Wirtualna Polska Media	100%
<b>Consumer Finance</b>	Totalmoney.pl sp. z o.o.	Poland, Wrocław	Wirtualna Polska Media	100%
	Superauto24.com sp. z o.o.	Poland, Chorzów	Wirtualna Polska Holding	51%
<b>Other</b>	Extradom.pl sp. z o.o.	Poland, Wrocław	Wirtualna Polska Holding	100%
	WP Naturalnie Solar 1 sp. z o.o.	Poland, Warsaw	Wirtualna Polska Media	100%
	WP Naturalnie Solar 2 sp. z o.o.	Poland, Warsaw	Wirtualna Polska Media	100%
	<b>* Grupa Audioteka</b>			
	Audioteka Group Sp. z o.o.	Poland, Warsaw	Wirtualna Polska Media	100%
	Audiotéka CZ s.r.o.	Czech Republic	Audioteka Group	50%
	Audioteka Yayincilik Hizmetleri A.Ş.	Turkey	Audioteka Group	51%
	UAB "AMK"	Lithuania	Audioteka Group	70%
	Audio Apps Sp. z o.o.	Poland, Warsaw	Audioteka Group	100%
	<b>** Grupa Szallas</b>			
	Szallas Group Zrt	Hungary	Wirtualna Polska Media	100%
	Szallas.hu. ZRT	Hungary	Szallas Group Zrt	100%
	Szallas es Utazas Kft.	Hungary	Szallas.hu. ZRT	100%
	Utazok.hu Kft.	Hungary	Szallas es Utazas Kft.	100%
	Travelminit SRL	Romania	Szallas.hu. ZRT	100%
	Online Holding SRL	Czech Republic	Szallas.hu. ZRT	100%
	Hotel.cz a.s.	Czech Republic	Online Holding SRL	100%
	Nocowanie.pl sp. z o.o.	Poland, Lublin	Szallas Group Zrt	100%
	Szallas d.o.o.	Croatia	Szallas.hu. ZRT	100%

## **I Changes in the Group's structure**

On January 10, 2023, Benchmark Sp. z o.o. and Wirtualna Polska Media S.A. were merged by transferring all assets of Benchmark to Wirtualna Polska Media.

On February 1, 2023, Parklot Sp. z o.o. and Wakacje.pl S.A. were merged by transferring all of Parklot's assets to Wakacje.pl.

On February 2, 2023, Mediapop Sp. z o.o. and Wirtualna Polska Media S.A. were merged by transferring all of Mediapop's assets to Wirtualna Polska Media.

On Mai 4, 2023, Noclegi.pl Sp. z o.o. and Nocowanie.pl S.A. were merged by transferring all of Noclegi's assets to Nocowanie.pl.

On April 5, 2023, the name of Casalan Investments Sp. z o.o. was changed to WP Naturally Solar 2 Sp. z o.o.

On September 28, 2023, the name of Superauto24.com Sp. was changed. z o. o. to Superauto.pl Sp. z o. o.

On September 30, 2023, the name of Camellia Investments Kft. was changed to Szallas Group Zrt.

On November 2, 2023, Audioteka S.A. and Netwizor Sp. z o.o. were merged by transferring all of Audioteka's assets to Netwizor. At the same time, the name of Netwizor was changed to Audioteka Group Sp. z o.o.

On December 20, 2023, Nocowanie was transferred in structure to Szallas Group Zrt.

On December 27, 2023, the subsidiary Wev Partners Limited was sold.

### **Audioteka Group**

On June 2 2023, Wirtualna Polska Media S.A. and Stacja Służew sp. Z o.o. concluded purchase transaction of shares and subscription warrants of Audioteka S.A. The

transaction was concluded under conditions precedent, in particular in the form of a decision to consent to the concentration by the President of the Office of Competition and Consumer Protection, which was fulfilled on 14 July 2023.

Prior to the transaction, Stacja Służew held shares constituting a total of approx. 59.5% of Audioteka's share capital and representing approx. 59.5% of the total number of votes and subscription warrants entitling to conversion into Audioteka shares, which, together with the shares held, accounted for approx. 61% of the share capital of Audioteka.

The transaction was finalized on July 27, 2023. As a result of the transaction and after payment and transfer of rights to shares and subscription warrants as part of the transaction, the Company, through its subsidiaries, holds, together with the shares acquired earlier, shares constituting a total of 100% of Audioteka's share capital and representing 100% of the total number of votes at the General Meeting of Audioteka. The total value of the transaction is PLN 74.64 million and was financed with funds from the Capex Loan tranche under the loan agreement of February 25, 2020.

## **I Changes in the Group's structure after the balance sheet date**

On January 1, 2024, Hotel.cz a.s merged with Online Holding SRL by transferring all assets of Hotel.cz to Online Holding.

On January 12, 2024, Wirtualna Polska Media acquired 100% of shares in WIRTUALNEMEDIA.PL Sp. Z o.o.

Other than the events described above, there were no other changes in the Group's capital structure.

## 2. DISCUSSION ON THE OPERATING RESULTS AND THE FINANCIAL SITUATION OF THE WIRTUALNA POLSKA HOLDING CAPITAL GROUP

The financial data for the twelve months ending 31 December 2023 and 31 December 2022 was audited by an independent auditor, whereas the financial information for the fourth quarter of 2023 and 2022 was not subject to any audit or review. The information

presented in the following table should be read in conjunction with the information included in the consolidated financial statements.

### FINANCIAL DATA FROM THE CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the main positions of the income statement for the year ending 2023 and 2022.

PLN'000	Twelve months ending 31 December 2023	Twelve months ending 31 December 2022	Change	Change %
<b>Segment Advertising and subscription</b>				
Sales	714 405	624 621	89 784	14,4%
Cash sales	686 814	595 054	91 760	15,4%
Adjusted EBITDA (IFRS 16)	277 531	282 335	(4 804)	(1,7%)
<b>Segment Travel</b>				
Sales	494 744	242 770	251 974	103,8%
Cash sales	494 744	242 770	251 974	103,8%
Adjusted EBITDA (IFRS 16)	132 529	61 181	71 348	116,6%
<b>Segment Consumer Finance</b>				
Sales	199 457	171 033	28 424	16,6%
Cash sales	199 457	171 033	28 424	16,6%
Adjusted EBITDA (IFRS 16)	26 521	30 023	(3 502)	(11,7%)
<b>Segment Other</b>				
Sales	39 219	49 221	(10 002)	(20,3%)
Cash sales	39 219	49 221	(10 002)	(20,3%)
Adjusted EBITDA (IFRS 16)	2 390	(2 186)	4 576	(209,3%)
<b>Segments total</b>				
Sales	1 436 803	1 077 720	359 083	33,3%
Cash sales	1 409 212	1 048 153	361 059	34,4%
Adjusted EBITDA (IFRS 16)	438 971	371 353	67 618	18,2%
EBITDA (IFRS 16)	427 156	340 096	87 060	25,6%
Amortization and depreciation	(145 963)	(100 503)	(45 460)	45,2%
Operating profit	281 193	239 593	41 600	17,4%
Result on financial activities	(62 488)	(8 172)	(54 316)	664,7%
Profit before tax	218 705	231 421	(12 716)	(5,5%)
Net profit attributable to shareholders of the parent company	155 754	170 531	(14 777)	(8,7%)
Net profit	163 954	178 324	(14 370)	(8,1%)

**In 2023 cash revenue increased by 34% YoY, to PLN 1409.2m., and adj. EBITDA grew by 18% YoY, to PLN 439.0m.** The reported growth rate was mainly influenced by the dynamic growth of the Travel segment, as well as the acquisitions made in the second half of 2022.

**Pro forma (after taking into account the results of companies acquired during 2022 as if they had been included from the beginning of 2022):** in 2023, Group revenue increased by 13% YoY and adjusted EBITDA was 3% above 2022, on a pro forma basis. EBITDA margin level decreased from 35% to 31%. This was primarily due to high double-digit growth in the Travel segment, alongside negative factors impacting the Advertising & Subscriptions segment, such as a high revenue base in 2022 in Advertising and continued unfavorable macroeconomic conditions during 2023, notably high inflation and low GDP growth.

EBITDA in 2023 was adjusted by PLN 11.8 million, primarily due to the impact of one-off costs related to transactional and restructuring processes.

**Depreciation and amortization in 2023 amounted to PLN 146.0 million, an increase of PLN 45.5 million compared to the same period in 2022.** The impact of consolidating companies acquired in 2022 on depreciation in 2023 was approximately PLN 48 million (including the balance sheet depreciation of the companies and identified intangible assets recognized in the Group's balance sheet as part of the purchase price allocation (PPA) process for these companies).

**The financial result in 2023 was negative, amounting to -PLN 62.5 million, compared to -PLN 8.2 million in 2022.** This was primarily due to significantly higher interest and commission costs (amounting to PLN 63.4 million in 2023,

compared to PLN 29.0 million in 2022) related to increased indebtedness stemming from acquisitions made during 2022 and rising interest rates. Financial costs in 2023 were further burdened by negative exchange rate differences (-PLN 3.5 million) and the revaluation of financial assets. Additionally, in 2023, financial income was recognized from interest amounting to PLN 5.6 million and positive exchange rate differences totaling PLN 2.2 million. In 2022, on the other hand, financial income was boosted by the impact of updating the value of financial assets (PLN 15.4 million), gains from the sale of financial assets (PLN 7.2 million), interest income (PLN 3.3 million), and positive exchange rate differences (PLN 1.0 million).

**Net profit attributable to equity holders of the parent in 2023 was PLN 155.8 million,** negatively impacted by higher depreciation and amortisation and finance costs. Net profit attributable to equity holders of the parent in the comparable period of 2022 was PLN 170.5 million.

**Cash flows from operating activities in 2023 increased by 44% YoY to PLN 384.0 million,** driven by the inclusion of results from companies acquired at the end of 2022, as well as a positive change in working capital.

**Cash flows from investing activities in 2023 amounted to -PLN 225.9 million.** CAPEX during this period totaled PLN 123.7 million. Additionally, PLN 74.6 million was spent on the acquisition of shares in a subsidiary (Audioteka), PLN 14.0 million on the acquisition of shares in investments valued by the equity method (shares of Legimi), and PLN 5.4 million on the acquisition of financial assets (advances related to M&A activity).

The following table presents the main positions of the income statement for the fourth quarter of 2023 and 2022.

PLN'000	Three months ending 31 December 2023 not reviewed	Three months ending 31 December 2022 not reviewed	Change	Change %
<b>Segment Advertising and subscription</b>				
Sales	211 227	213 786	(2 559)	(1,2%)
Cash sales	203 708	203 240	468	0,2%
Adjusted EBITDA (IFRS 16)	89 861	92 080	(2 219)	(2,4%)
<b>Segment Travel</b>				
Sales	94 040	61 140	32 900	53,8%
Cash sales	94 040	61 140	32 900	53,8%
Adjusted EBITDA (IFRS 16)	15 262	10 599	4 663	44,0%
<b>Segment Consumer Finance</b>				
Sales	46 592	46 072	520	1,1%
Cash sales	46 592	46 072	520	1,1%
Adjusted EBITDA (IFRS 16)	6 518	8 612	(2 094)	(24,3%)
<b>Segment Other</b>				
Sales	11 312	9 289	2 023	21,8%
Cash sales	11 312	9 289	2 023	21,8%
Adjusted EBITDA (IFRS 16)	1 315	(1 137)	2 452	(215,7%)
<b>Segments total</b>				
Sales	361 492	327 053	34 439	10,5%
Cash sales	353 973	316 507	37 466	11,8%
Adjusted EBITDA (IFRS 16)	112 956	110 154	2 802	2,5%
EBITDA (IFRS 16)	108 515	96 136	12 379	12,9%
Amortization and depreciation	(34 189)	(32 989)	(1 200)	3,6%
Operating profit	74 326	63 147	11 179	17,7%
Result on financial activities	(18 053)	(12 291)	(5 762)	46,9%
Profit before tax	56 273	50 856	5 417	10,7%
Net profit attributable to shareholders of the parent company	39 324	32 373	6 951	21,5%
Net profit	42 356	34 884	7 472	21,4%

**In 4Q 2023 cash revenue increased by 12% YoY, to PLN 354.0m, and adj. EBITDA grew by 3% YoY, to PLN 113.0m.**

- In the Advertising and Subscriptions segment, cash revenue was at similar level YoY. The advertising business in 4Q 2023 has been influenced by: (1) the high revenue base of 2022 related to the exceptional interest in news content (regarding Russia's attack on Ukraine), (2) the increase in electricity costs and (3) macroeconomic factors. Adj. EBITDA was down by 2% YoY, at

PLN 89.9m, which implies EBITDA margin at 44.1%, compared to 45.3% in 4Q 2022. The margin decline is partly due to a strategic change in the mix of segment areas - sales of subscription products and third-party advertising (WPartner) have lower underlying profitability compared to advertising sales.

- Revenue of Travel segment increased by 54% YoY, to PLN 94.0m, as a result of very strong growth of revenue of the company offering foreign travel

packages Wakacje.pl as well as inclusion of revenue of Szallas Group since November 2022. Adj. EBITDA grew by 44% YoY, to PLN 15.3, which was related to the high EBITDA growth of Wakacje.pl.

- In the Consumer Finance segment, revenues increased by 1% YoY to PLN 46.6 million. In Superauto, in the core business of financing agency, revenues recorded double-digit growth dynamics, at the same time, revenues of the entire segment were negatively impacted by the decrease in the share of own car sales in total volume (from the sale of which revenues are reported at full value). In Totalmoney in Q4 2023 revenues increased YoY, as a result of an increase in commissions from financial institutions. Adjusted segment EBITDA decreased by 24% YoY to PLN 6.5m PLN 6.5m, which was due to an increase in user acquisition costs, especially in the car financing area, as well as pressure on salary costs.

**EBITDA** in 4Q 2023 was adjusted by PLN 4.4 million, i.e. mainly by the impact of one-off costs related to transaction and restructuring processes, as well as costs of the employee option scheme.

**Pro forma:** in 4Q 2023, Group revenue increased by 8% compared to 4Q 2022 revenue and adjusted EBITDA was 1% above 4Q 2022, on a pro forma basis. EBITDA margin level decreased from 35% to 32%. The pro forma results in 4Q 2022 include an additional one month of Szallas Group operations (consolidated from November 2022) as if Szallas Group's results were consolidated from the beginning of 4Q 2022.

**The contribution of the newly acquired companies to EBITDA** in 4Q 2023 was influenced by the Szallas Group's business model, characterised by high seasonality, with the highest EBITDA reported in Q3. The acquisition of the companies in 2022 and the recognition of their results for the first time involved higher interest and commission expenses and recognition of additional amortisation, including the amortisation of identified intangible assets as part of the purchase price allocation (PPA).

**Depreciation and amortisation of property, plant and equipment and intangible assets in 4Q 2023 amounted to PLN 34.2m, PLN 1.2m more than in 4Q 2022.**

**The result on financing activities in 4Q 2023 was negative, at PLN -15.0m,** compared with PLN -12.3m in 4Q 2022. This was primarily due to significantly higher interest and commission expenses (at PLN 15.1 million in 4Q 2023, compared to PLN 13.8 million in 4Q 2022) due to higher gross debt.

**Net profit attributable to equity holders of the parent amounted to PLN 40.5 million in 4Q 2023 (+25% YoY).**

**Cash flow from operations in 4Q 2023 increased by 7% YoY to PLN 66.1m,** thanks to improved operating performance, despite negative change in working capital, reflecting the typical seasonality of the travel booking agency (OTA) business. This involves a large scale of prepayments in the first half of the year and settlement of the resulting liabilities in the second half of the year, which results in a significant negative change in working capital in the second half of the year.

**Cash flow from investing activities in 4Q 2023 amounted to PLN -45.1m.** Expenditure on the acquisition of intangible assets and property, plant and equipment (CAPEX) in 4Q 2023 amounted to PLN 32.4m. In addition, PLN 13.9m was spent on the acquisition of shares in a associate (Legimi).

**Net debt at the end of December 2023 under IFRS 16 basis amounted to PLN 541.8,** compared to PLN 545.5m at the end of September 2023. The ratio of net debt to pro forma EBITDA at the end of September 2023 was 1.2x.

**Outlook:** in 1Q 2024, the Group's management expects revenue growth of mid-teens percent year-on-year, mainly due to high double-digit revenue growth in the Travel segment, as well as improved revenue growth dynamics of the Advertising and Subscriptions segment. At the same time, Management estimates that the growth rate of adjusted EBITDA in Q1 2024 will be in the high single digits.

The consolidated results of the Group for the year 2023 and 2022 included the results of the following subsidiaries:

No.	Name of subsidiary	Date of taking control	% of shares	Period covered by consolidation	
				31 December 2023	31 December 2022
1	Wirtualna Polska Media S.A.	22 December 2010	100%	full period	full period
2	Totalmoney.pl Sp. z o.o.	1 December 2014	100%	full period	full period
3	Businessclick.pl Sp. z o.o.	1 December 2014	100%	full period	full period
5	Wakacje.pl S.A.	23 December 2015	100%	full period	full period
6	Nocowanie.pl Sp. z o.o.	7 June 2016	100%	full period	full period
7	Audioteka Group Sp. z o.o.	13 December 2016	100%	full period	full period
9	Parklot Sp. z o.o.	4 October 2018	100%	n/a	full period
8	Extradom.pl Sp. z o.o.	28 October 2018	100%	full period	full period
9	Superauto.pl Sp. z o.o.	20 December 2018	51%	full period	full period
10	Open FM Sp. z o.o.	1 July 2019	100%	full period	full period
11	WP Naturalnie Solar 1 Sp. z o.o.	2 July 2021	100%	full period	full period
12	Stacja Służew Sp. z o.o.	27 May 2021	100%	full period	full period
13	Szallas Group Zrt.	30 August 2022	100%	since 30 August 2022	since 30 August 2022
14	Benchmark Sp. z o.o.	15 September 2022	100%	since 15 September 2022	since 15 September 2022
15	Grupa Audioteka	29 September 2022	60%	since 29 September 2022	since 29 September 2022
16	Grupa Szallas	3 November 2022	100%	since 29 September 2022	since 29 September 2022
17	Mediapop Sp. z o.o.	7 November 2022	100%	since 7 November 2022	since 7 November 2022
18	WP Naturalnie Solar 2 Sp. z o.o.	12 December 2022	100%	since 12 December 2022	since 12 December 2022

## SUMMARY OF PERFORMANCE OF WIRTUALNA POLSKA HOLDING'S MAIN AREAS OF ACTIVITY

Below we present the overview of the financial position and the current trends affecting the key operating segments of the Wirtualna Polska Holding S.A. Group.

### ADVERTISING AND SUBSCRIPTIONS

In 2023, cash revenues of the segment increased by 15% YoY, primarily driven by growth in advertising revenue, the consolidation of Audioteka's results in the fourth quarter of 2022, an increase in subscription sales (WP Pilot), as well as revenues generated on third-party platforms (WPartner). Adj. EBITDA in that period decreased by 2% YoY.

In 4Q 2024 cash revenue was comparable YoY and adj. EBITDA declined by 2% YoY. The segment results in both Q4 2023 and for the entire year were largely influenced by the advertising business, which remained under negative pressure due to:

- 1) the high revenue base of 2022 associated with exceptional interest in informational content (related to the Russian attack on Ukraine),
- 2) the increase in electricity costs, and
- 3) macroeconomic factors.

In July 2023, the Group completed the acquisition of Audioteka Group's shares, increasing its stake in the company to 100%, compared to 59.5% at the end of June 2023. With the acquisition of Audioteka, the WP Group has significantly strengthened the subscription area. The long-term goal is to increase the share of this area in the segment's revenue. Audiobook subscription sales have a lower underlying profitability compared to advertising sales, which affects the profitability of the entire Advertising

### TRAVEL

In 2023, the value of the travel market in the CEE region experienced dynamic growth, particularly evident in the area of international travel. Segment's revenue grew by 104% YoY, driven by high growth in international travel company Wakacje.pl, as well as the contribution of revenues of Szallas, which was acquired in November 2022. Adj. EBITDA was up by 117% YoY. In 4Q 2023, revenue increased by 54% YoY and adj. EBITDA grew by 44% YoY.

and Subscriptions segment. The subscription business achieved double-digit revenue growth dynamics throughout 2023.

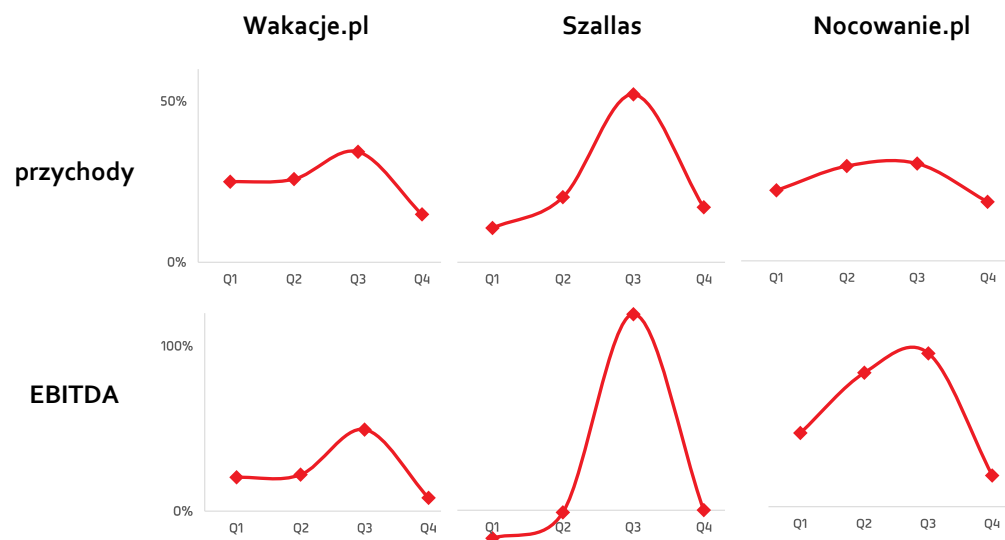
In the coming quarters, the Group expects the share of online advertising in the total advertising market to continue to grow. The advertising market is strongly dependent on the macroeconomic situation, as measured by GDP growth and consumer sentiment, among other factors. In 2023, GDP in real terms grew by just 0.2% YoY, and retail sales experienced negative real growth dynamics in many months of the year, which had a negative impact on the advertising market. In 2024, the European Commission expects GDP growth dynamics to improve to 2.7%. At the same time, there is observed rebound in consumption - retail sales in January 2024 increased by 3.0% in real terms. The forecasted improvement in the macroeconomic environment may have a positive impact on advertising budgets.

As of the reporting date, the Group is observing a gradual improvement the dynamics of advertising revenue compared to 2023.

The year 2024 has also started very positively for the Travel segment.

The results of the Travel segment are characterised by high seasonality, with the highest share of revenue and EBITDA reported in the third quarter.

**Illustration of the seasonality of the Travel segment's performance: contribution of individual quarters to annual revenue and EBITDA**



**Foreign travel:**

In 2023, the company has observed strong demand for foreign travel. According to data from the Tourist Guarantee Fund, the volume of tour bookings sold by travel agencies in Poland in 2023 increased by 32% YoY and was 29% above 2019. In 4Q 2023 alone, volumes were 27% above 4Q 2022 levels and 21% above pre-pandemic 2019 levels.

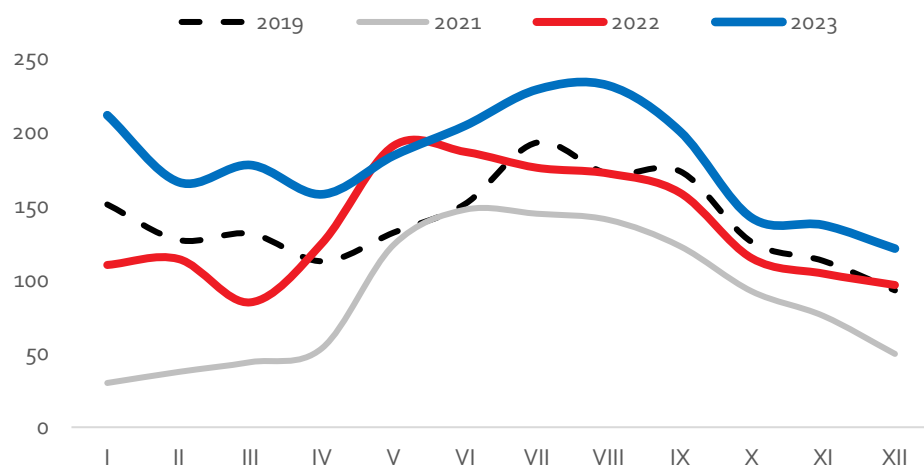
In 2023, the company saw relatively high consumer interest in international travel. The previously signaled risk of exhausting the supply of travel agency offers did not have a significant impact on the results generated in 2023.

The company expects the growth of the foreign travel market to continue in the coming months. First-minute sales (pre-sale of the 2024 offer) have started off well, showing noticeable positive year-over-year growth dynamics, which is evidence of strong interest from tourists in foreign travel. Among the company's main growth drivers in the

coming periods, the Management Board lists: 1) a further increase in the number of package tours sold in Poland (which is related to the still relatively low number of package tours sold per capita compared to Western markets); 2) a planned further increase in market share; 3) the growing popularity of the high-margin *full online* sales channel.

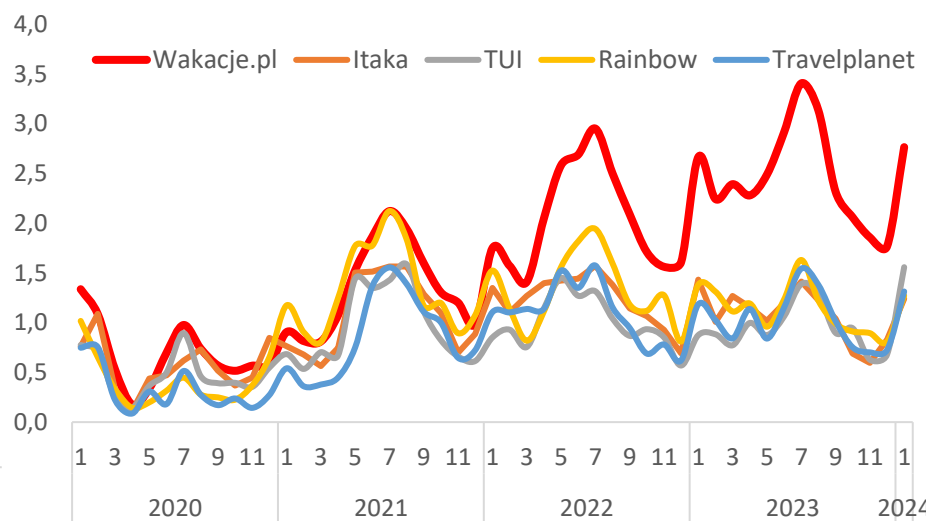
Among the risk factors, the Management identifies the risk of supply exhaustion (due to the continuously observed strong demand for foreign travel), as well as the impact of the macroeconomic environment on consumer spending, staff shortages in the travel sector, as well as geopolitical risks (i.e. conflict in the Middle East and the impact on tourism in the region, particularly in Egypt).

**Volume of package tours bookings (with airfare) of travel agencies in Poland (thousand)**



Source: Tourist Guarantee Fund; package travel and related travel services excl. Poland and neighboring countries

**International travel: monthly real users (m)**



Source: Mediapanel

**Local travel:**

As a result of the acquisition of 100% of the shares in Szallas.hu (the transaction was finalised on 3 November 2022), Wirtualna Polska Group aims to strengthen its position in the domestic travel market in the CEE region. Szallas owns travel platforms for booking accommodation in Hungary as well as the Czech Republic, Romania, Poland and Croatia.

In 2023, the local travel market in the CEE region experienced a slight decline in volumes compared to 2022. The decrease in volumes was most pronounced in the Czech Republic and Hungary. At the same time, the value of the domestic travel market in the region increased year-over-year, primarily due to a double-digit growth in average prices observed in Hungary, the Czech Republic, and Poland. Conversely, volumes notably increased year-over-year in Romania, with average prices remaining similar to

those in 2022. However, overall volumes in the entire CEE region still did not reach the level of 2019. The macroeconomic situation and high inflation had a negative impact on the local travel market, especially in Hungary and the Czech Republic.

In 2023, the Polish company Nocowanie initiated the gradual transformation of its business model from subscription-based to transactional. In the upcoming periods, the company plans to continue its efforts related to integrating Szallas and transforming Nocowanie's business model towards reservation-based services.

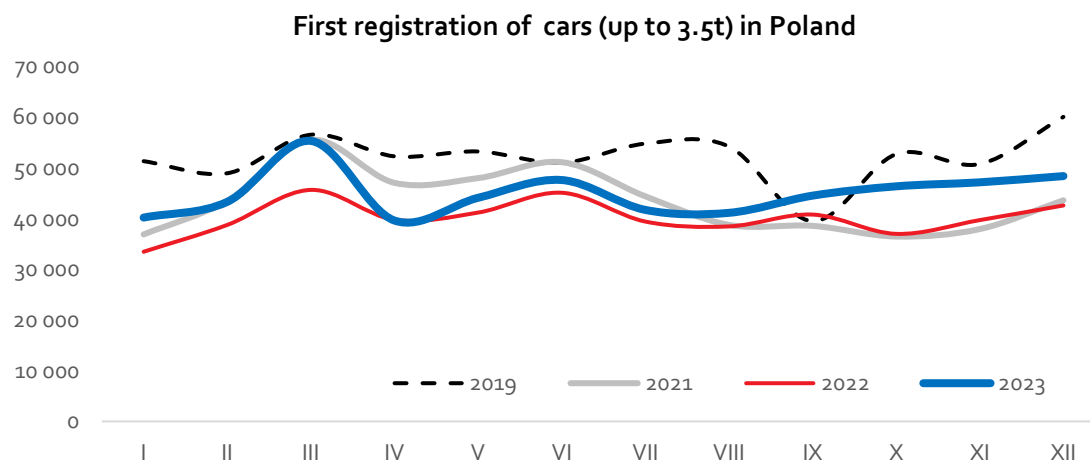
**CONSUMER FINANCE**

In 2023, segment revenue grew by 17% YoY, thanks to an increase in revenue of both Superauto and Totalmoney companies. Adj. EBITDA decreased by 12% YoY.

**Superauto**

In 2023, 540,000 new cars and vans (up to 3,500 tonnes) were registered in Poland, which is a 10% growth YoY and 14% less than in the pre-pandemic year of 2019. In 4Q 2023, the number of registered new vehicles reached 142,000, indicating a 19% YoY increase. The average weighted price of a new passenger car according to IBRM Samar

in December 2023 was approximately 178,000 PLN (a 6% increase compared to December 2022).



Source: PZPM

In recent quarters, the market has seen an increase in the availability of passenger and premium cars. Relatively high new car prices and a high interest rate environment are negatively impacting purchase interest among customers. The market is also currently experiencing rising user acquisition costs.

In 4Q 2023 Superauto recorded single-digit revenue growth in compared to the previous year. In the core revenue segment of financial intermediation, Superauto experienced

high double-digit dynamics, similarly in the insurance brokerage segment. The overall revenue dynamics were lowered by the sale of own cars. At the same time, both the volume of car sales with financing and the average financing commission recorded double-digit growth dynamics. Meanwhile, there was a significant increase in user acquisition costs in the market, which, combined with wage pressure, negatively impacted the company's operating costs. Currently, Superauto is in the process of adjusting its cost base to the market situation.

In the long term, we expect the growth in interest in buying cars online to continue, with Superauto being the beneficiary

### Totalmoney

In 2023, according to BIK (Polish Credit Information Bureau) data, total loan sales in Poland were 27% higher than the corresponding period in 2022, driven by a significant rebound in the second half of the year, when total loan sales increased by 69% YoY, mainly fueled by the launch of the 2% Safe Loan program (a preferential loan with a subsidy for the purchase or construction of a first home or apartment).

Sales of cash loans, the main product of Totalmoney, increased by 14% YoY in 2023, including an 18% year-over-year increase in the fourth quarter of 2023. The growing interest from users in cash loans and increasing conversions from leads sent to financial institutions translated into revenue growth for Totalmoney.

### FINANCIAL POSITION OF THE GROUP

The following table presents the consolidated statement of the Group's financial position as of the end of December 2023 and 2022:

PLN'000	As of 31 December 2023	As of 31 December 2022	Change	Change %
Non-current assets	1 526 326	1 533 609	(7 283)	(0,5%)
Current assets	558 798	477 227	81 571	17,1%
Long-term liabilities	634 144	641 903	(7 759)	(1,2%)
Short-term liabilities	535 154	446 064	89 090	20,0%
Equity attributable to equity holders of the Parent Company	880 725	870 031	10 694	1,2%
Share capital	1 465	1 464	1	0,1%
Non-controlling interests	35 101	52 838	(17 737)	(33,6%)

The analysis of changes in the Group's balance sheet has been prepared as of 31 December 2023 compared to 31 December 2022. Changes in the individual balance sheet items are discussed below.

## I Non-current assets

The next table presents the structure and changes in non-current assets by balance sheet category

PLN'000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Property, plant and equipment	106 956	7,0%	109 258	7,1%	(2 302)	(2,1%)
Goodwill	692 252	45,4%	701 314	45,7%	(9 062)	(1,3%)
Investments accounted for using the equity method	72 773	4,8%	62 222	4,1%	10 551	17,0%
Other intangible assets	610 508	40,0%	621 400	40,5%	(10 892)	(1,8%)
Non-current programming assets	21 189	1,4%	15 988	1,0%	5 201	32,5%
Long-term receivables	427	0,0%	1 243	0,1%	(816)	(65,6%)
Other financial assets	18 013	1,2%	18 566	1,2%	(553)	(3,0%)
Deferred tax assets	4 208	0,3%	3 618	0,2%	590	16,3%
<b>Non-current assets</b>	<b>1 526 326</b>	<b>100,0%</b>	<b>1 533 609</b>	<b>100,0%</b>	<b>(7 283)</b>	<b>(0,5%)</b>

Goodwill shown in the consolidated financial statements of the Capital Group as at December 31, 2023 decreased by PLN 9,062 thousand compared to the previous year, which results from the revaluation of the balance sheet value of goodwill recognized in foreign currencies (PLN 9,783 thousand) and settlement of the acquisition of the organized part of the enterprise (PLN 752 thousand).

The value of investments valued using the equity method increased by PLN 10,551 thousand., mainly as a result of the purchase of 32.7% of Legimi shares (PLN 13,961 thousand). At the same time, the loss generated by associated companies attributable to the WPH Capital Group amounted to PLN 2,613 thousand.

In the current period, expenditure on intangible assets (PLN 109,952 thousand) was lower than depreciation and liquidation costs (PLN 113,993 thousand). The Group incurred expenditure mainly on capitalized development projects and on the purchase of new systems used in the Group's operations. Additionally, the balance sheet valuation of intangible assets initially recognized in a foreign currency as at December 31, 2023 resulted in a decrease in intangible assets by PLN 6,851 thousand. The value of

long-term program assets increased in the current period by PLN 5,201, which was mainly due to expenditure incurred in the amount of PLN 12,930, with depreciation and liquidation costs amounting to PLN 7,339 thousand. zloty.

As at December 31, 2023, other financial assets of the Group included shares in Digitics S.A. worth PLN 0,8 million, shares in Teroplan S.A. (PLN 9,476 thousand) and Molieraz shares (PLN 1,667 thousand). As part of other financial assets, the Group also recognizes advance payments related to the Group's acquisition activities (PLN 5,443 thousand) and financial leasing receivables.

In the analyzed period, property, plant and equipment decreased in value by PLN 2,302 thousand. Amortisation cost for the analysed period amounted to PLN 32,224 thousand, with the value of acquired fixed assets of PLN 18,109 thousand. At the same time, the group recognized new and revalued existing fixed assets used under a lease agreement by PLN 14,040 thousand. In 2023, the Group sold and liquidated fixed assets with a net value of PLN 1,010 thousand.

## **I** Current assets

The following table presents changes in current assets by balance sheet category:

PLN'000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Cash trade receivables	217 030	38,8%	194 403	40,7%	22 627	11,6%
Barter receivables	4 577	0,8%	5 489	1,2%	(912)	(16,6%)
Contract assets	5 501	1,0%	5 420	1,1%	81	1,5%
State receivables	7 326	1,3%	11 780	2,5%	(4 454)	(37,8%)
Income tax receivables	520	0,1%	504	0,1%	16	3,2%
Current programming assets	1 515	0,3%	1 125	0,2%	390	34,7%
Short-term receivables from financial activities	-	0,0%	1 199	0,3%	(1 199)	(100,0%)
Other short-term financial assets	12 961	2,3%	12 307	2,6%	654	5,3%
Accrued expenses	6 403	1,1%	5 284	1,1%	1 119	21,2%
Inventory	26 584	4,8%	26 777	5,6%	(193)	(0,7%)
Other current assets	36 925	6,6%	27 510	5,8%	9 415	34,2%
Cash and cash equivalents	239 456	42,9%	185 429	38,9%	54 027	29,1%
<b>Current assets</b>	<b>558 798</b>	<b>100,0%</b>	<b>477 227</b>	<b>100,0%</b>	<b>81 571</b>	<b>17,1%</b>

The increase in the value of current assets is mainly due to the change in the value of cash resulting from positive cash flows generated in the first half of the year. A detailed analysis of changes in the value of cash is presented in the next part of the report on the analysis of the cash flow statement.

The increase in cash trade receivables was mainly the result of higher sales in Travel segment. The segment's revenues in the fourth quarter of 2023 were PLN 32,900 thousand higher than in the comparable period of the previous year.

As at December 31, 2023, other short-term financial assets of the Group included mainly loans granted to an unrelated entity (PLN 4,651 thousand) and the valuation of a

financial instrument resulting from a preliminary agreement concluded in 2022 for the sale of a minority block of shares in a company that is not a subsidiary or associated company, for a sales price set in the agreement exceeding the current market value of these shares..

The increase in the value of other current assets is mainly related to the development of Superauto's operations and the increase in the balance of advance payments made for the purchase of goods, as well as a higher balance of settlements for receivables from payment intermediaries.

## Long-term liabilities

The following table presents changes in long-term liabilities by balance sheet category:

PLN'000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Bank loans and other loans	534 160	84,2%	521 119	81,2%	13 041	2,5%
Leasing liabilities due to the right of use the assets	35 384	5,6%	48 060	7,5%	(12 676)	(26,4%)
Liabilities related to business combinations	-	0,0%	2 323	0,4%	(2 323)	(100,0%)
Liabilities in respect of purchase of property, plant and equipment and intangible assets	1 875	0,3%	3 550	0,6%	(1 675)	(47,2%)
Deferred tax liabilities	58 998	9,3%	65 634	10,2%	(6 636)	(10,1%)
Other	3 727	0,6%	1 217	0,2%	2 510	206,2%
<b>Long-term liabilities</b>	<b>634 144</b>	<b>100,0%</b>	<b>641 903</b>	<b>100,0%</b>	<b>(7 759)</b>	<b>(1,2%)</b>

As at December 31, 2023, the total value of long-term and short-term loans and borrowings increased by PLN 51 million, which resulted from the use of a loan tranche to finance the buy-out of minority shareholders in the company Audioteka in July 2023 (PLN 72,250 thousand). At the same time, the Group repaid four capital tranches in accordance with the applicable schedule in the amount of PLN 20,714 thousand.

Long-term liabilities related to business combinations decreased by PLN 2,323 thousand in connection with the transfer of the last part of the retained purchase price of shares in Extradom Sp. z o.o. to current liabilities.

In addition in March 2023 the Group repaid another instalment of the liability for the television broadcasting licence. In January 2016 the Group recognised liability related to the television broadcasting licence binding from 14 January 2016 to 13 January 2026. The total liability amounted to PLN 13,545 thousand and is paid in ten equal annual instalments, PLN 1,355 thousand each. As at 31 December 2023, with eight instalments paid, the value of the liability calculated at the amortised cost equals PLN 3,543 thousand, out of which PLN 1,755 thousand is recognised as long-term.

## I Short-term liability

The following table presents changes in short-term liabilities by balance sheet category:

PLN'000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Bank loans and other loans	188 168	35,2%	149 856	33,6%	38 312	25,6%
Leasing liabilities due to the right of use the assets	23 569	4,4%	17 653	4,0%	5 916	33,5%
Cash trade payables	160 802	30,0%	132 790	29,8%	28 012	21,1%
Barter trade payables	4 645	0,9%	5 249	1,2%	(604)	(11,5%)
Contract and refund liabilities	53 989	10,1%	49 660	11,1%	4 329	8,7%
State liabilities	18 418	3,4%	18 137	4,1%	281	1,5%
Wages and salaries payables	37 882	7,1%	22 563	5,1%	15 319	67,9%
Liabilities in respect of purchase of property, plant and equipment and intangible assets	10 940	2,0%	8 365	1,9%	2 575	30,8%
Other short-term payables	19 172	3,6%	14 892	3,3%	4 280	28,7%
Provision for employee benefits	7 503	1,4%	6 822	1,5%	681	10,0%
Other provisions	1 173	0,2%	882	0,2%	291	33,0%
Contingent liabilities related to business combinations	-	0,0%	4 090	0,9%	(4 090)	(100,0%)
Liabilities related to business combinations (other than earn-out)	7 236	1,4%	9 874	2,2%	(2 638)	(26,7%)
Current income tax liabilities	1 657	0,3%	5 231	1,2%	(3 574)	(68,3%)
<b>Short-term liabilities</b>	<b>535 154</b>	<b>100,0%</b>	<b>446 064</b>	<b>100,0%</b>	<b>89 090</b>	<b>20,0%</b>

In the analyzed period, the short-term portion of loans and borrowings increased by PLN 38,312 thousand, which resulted from the factors described in the part of the report concerning long-term liabilities.

The increase in cash trade liabilities resulted mainly from the specificity of the activities of the Tourism segment companies (Wakacje and Szallas). These companies act as an intermediary for the sale of tourism services and are therefore obliged to pass on to service providers a portion of the payments received from customers. A higher level of sales in travel segment translates into a higher value of liabilities towards accommodation service providers and travel agencies.

In 2023, the Group identified a liability existing in company Audioteka resulting from the potential exercise of a put option for minority shares in AMK UAB. Under the put option, the minority owner has the right to sell his shares, and Audioteka is obliged to purchase them starting from January 2024, provided that the conditions specified in the contract are met. In the Group's opinion, this is an obligation to purchase its own capital instruments and was initially recognized in correspondence with equity. The update of the liability resulting from the change in the forecast results of company AMK, which is the basis for the valuation of option exercise, was recognized in the current period's result. The value of the liability as of 31 December 2023 was estimated at PLN 4,725 thousand. At the same time, the Group emphasizes that it has no knowledge of minority owner AMK's intention to exercise his option.

The change in the contingent business combination liability results from the release of provision for the payment of additional consideration for the acquisition of shares in Mediapop ("Earn-Out"). The conditions provided in the agreement regarding the payment of the earn-out were not met.

The decrease in liabilities for the acquisition of projects other than ("Earn-Out") results from the repayment of the next tranche in January 2023 of the retained price for the acquisition of shares in Extradom.

## Equity

PLN'000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Equity attributable to equity holders of the Parent Company, including	880 725	96,2%	870 031	94,3%	10 694	1,2%
Share capital	1 465	0,2%	1 464	0,2%	1	0,1%
Supplementary capital	328 416	35,9%	327 972	35,5%	444	0,1%
Revaluation reserve	(9 077)	(1,0%)	(6 952)	(0,8%)	(2 125)	30,6%
Other reserves	3 677	0,4%	25 111	2,0%	(21 434)	(85,4%)
Retained earnings	556 244	60,7%	522 436	56,6%	33 808	6,5%
<b>Non-controlling interests</b>	<b>35 101</b>	<b>3,8%</b>	<b>52 838</b>	<b>5,7%</b>	<b>(17 737)</b>	<b>(33,6%)</b>
<b>Equity</b>	<b>915 826</b>	<b>100,0%</b>	<b>922 869</b>	<b>100,0%</b>	<b>(7 043)</b>	<b>(0,8%)</b>

In 2023, the equity attributable to the parent company's shareholders increased by PLN 10,694 thousand. The change in equity attributable to the parent company's shareholders resulted from the following events:

- an increase in equity by PLN 155,754 thousand due to the net profit generated attributable to the shareholders of the parent company;
- an increase in equity by PLN 445,000 in connection with the admission to the depository of securities, the introduction to trading and the recording of shares in the accounts of entitled persons under the option scheme operated by the Group, with PLN 1,000 increasing the share capital, while the remainder, i.e. PLN 444,000, was allocated to supplementary capital;
- an increase in equity by PLN 708 thousand for the increase in reserve capital in connection with the acquisition of rights to the next tranche of share options under the incentive schemes in force;
- decrease in equity by PLN 73,238 thousand due to approval of payment of dividend to the shareholders of the parent company;

- decrease in equity by PLN 48,708 thousand in respect of settlement of the acquisition of a minority stake in Audioteka S.A. The value is the difference between the price paid for the shares and the value of capital attributable to non-controlling shareholders as of the transaction date;
- decrease by PLN 4,527 thousand due to the recognition of the obligation to buy out non-controlling shares;
- decrease by PLN 18,356 thousand for the recognition of exchange differences from translation of foreign entities (recognized in other reserves);
- reduction in capital by PLN 1,296 thousand due to the revaluation of the shares of Moliera 2, which were classified as financial assets at fair value through other comprehensive income.

Non-controlling shares decreased by PLN 17,737 thousand, which resulted mainly from the settlement of the acquisition of a minority stake in company Audioteka S.A. and the transfer to retained earnings of the value of capital attributable to non-controlling shareholders of Audioteka in the amount of PLN 25,937 thousand. At

the same time, the net profit attributable to non-controlling shareholders generated by Superauto.pl sp. z o.o. and Audioteka Group during the 2023 year amounted to PLN 4,430 thousand and 3,770 thousand.

## DESCRIPTION OF THE CASH FLOWS IN 2023

PLN'000	Twelve months ending 31 December 2023	Twelve months ending 31 December 2022
Net cash flows from operating activities	383 984	265 768
Net cash flows from investing activities	(225 859)	(576 443)
Net cash flows from financing activities	(99 675)	358 969
<b>Total net cash flows</b>	<b>58 450</b>	<b>48 294</b>

EBITDA generated by the Group amounted to PLN 427,156 thousand, adjusted by the increase in the working capital of PLN 27,112 thousand and current tax payments of PLN 64,983 thousand, contributed to generation of positive cash flows from operating activities in the amount of PLN 383,984 thousand.

The net cash flow from investing activities was negative and amounted to PLN 225.859 thousand in the analyzed period, which resulted mainly from capital expenditure (CAPEX) on purchases of intangible assets and fixed assets of PLN 123,703 thousand and purchase of a minority stake in the subsidiary Audioteka S.A. for the amount of PLN 74,644 thousand. In 2023, there was made the repayment of another part of the retained purchase price for shares in Extradom Sp. z o.o. (PLN 5,240 thousand) and repayment of the liability under the subscription warrants held, entitling to further increase of its share in the capital of Audioteka S.A. (PLN 2,682 thousand) and repayment of the liability due to the settlement of the final purchase price of the group Szallas so-called „completion accounts” (PLN 1,933 thousand). The Group also acquired an organized part of the enterprise worth PLN

1,834 thousand, purchased Legimi shares worth PLN 13,961 thousand and provided advance payments related to the Group's acquisition activities in the amount of PLN 5,443 thousand.

The net cash flows from financing activities were negative and amounted to PLN 99,675 thousand in the current period, which resulted mainly from the payment of dividend to the owners of the parent company (PLN 73,238 thousand), repayment of loans and borrowings (PLN 21,593 thousand), repayment of leasing liabilities (PLN 15,671 thousand) and repayment of interest and bank commissions (PLN 61,868 thousand). As part of financial activities, the Group also showed an inflow of PLN 72,250 thousand from the loan tranche received, intended for the purchase of Audioteka S.A. shares and PLN 445 thousand due to an increase in share capital in connection with the issue of further shares under the existing incentive schemes.

Moreover, the Group revalued the value of its cash in foreign currencies and recognized exchange rate differences in the amount of PLN 4,423 thousand.

### 3. DISCUSSION ON OPERATING RESULTS AND THE FINANCIAL SITUATION OF THE COMPANY

The financial data for the twelve months ending 31 December 2023 and 31 December 2022 was audited by an independent auditor, whereas the financial information for the fourth quarter of 2023 and 2022 was not subject to any audit or review. The information

presented in the following table should be read in conjunction with the information included in the standalone financial statements.

#### SELECTED FINANCIAL DATA FROM STANDALONE INCOME STATEMENT

The following table presents the main positions of the standalone income statement for the twelve months of 2023 and 2022:

PLN '000	Twelve months ending 31 December 2023	Twelve months ending 31 December 2022	Change	Change %
Dividends received	50 000	100 000	(50 000)	(50,0%)
Operating profit / loss	37 229	78 217	(40 988)	(52,4%)
Financial income	9 983	8 133	1 850	22,7%
Financial costs	(4 776)	(2 157)	(2 619)	121,4%
Profit / loss before tax	42 436	84 193	(41 757)	(49,6%)
Net profit / loss	42 788	83 765	(40 977)	(48,9%)

The Company operates as a holding company and earns income from dividends received and interest on loans granted. During 2023, the Company received a dividend from its subsidiary Wirtualna Polska Media S.A. in the amount of PLN 50,000 thousand.

Next table below presents the main items of the standalone statement of the WPH financial result for the fourth quarter of 2023 and 2022 alone.

PLN '000	Three months ending 31 December 2023	Three months ending 31 December 2022	Change	Change %
Operating profit / loss	(5 189)	5 837	(11 026)	(188,9%)
Financial income	1 762	1 624	138	8,5%
Financial costs	(1 248)	(649)	(599)	92,3%
Profit / loss before tax	(4 675)	6 812	(11 487)	(168,6%)
Net profit / loss	(4 629)	6 394	(11 023)	(172,4%)

## FINANCIAL POSITION OF THE COMPANY

The following table presents the standalone statement of the Company's financial position as of the end of December 2023 and 2022.

PLN '000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Fixed assets	395 838	93,0%	382 590	82,7%	13 248	3,5%
Current assets	29 592	7,0%	79 774	17,3%	(50 182)	(62,9%)
Long-term liabilities	15 088	3,5%	18 768	4,1%	(3 680)	(19,6%)
Current liabilities	9 796	2,3%	12 456	2,7%	(2 660)	(21,4%)
Equity capital	400 546	94,2%	431 140	93,2%	(30 594)	(7,1%)

In relation to the end of 2022, the main events affecting the company's balance sheet were the repayment dividend receivables by the subsidiary Wirtualna Polska Media and the payment of dividends to shareholders.

### Standalone non-current assets

The following table presents the structure of standalone non-current assets of the Company by detailed balance sheet categories.

PLN '000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Property, plant and equipment	325 528	82,2%	329 603	86,2%	(4 075)	(1,2%)
Shares and stocks	69 662	17,6%	52 987	13,8%	16 675	31,5%
Loans granted	648	0,2%	-	0,0%	648	n/d
<b>Fixed assets</b>	<b>395 838</b>	<b>100%</b>	<b>382 590</b>	<b>100%</b>	<b>13 248</b>	<b>3,5%</b>

During 2023, the value of shares held by the company decreased by PLN 4,075 thousand. This was mainly due to the fair value valuation of the minority stake in Molieraz, on the basis of which an additional impairment loss was created in the amount of PLN 1,296 and creation of write-off on shares held in Digtics (PLN 4,200 thousand).

As a result of the valuation to fair value, the value of the minority stake in Teroplan S.A. was increased by PLN 719 thousand.

In addition, in the year ended 31 December 2023, the value of the shares held was increased by a total of PLN 702 thousand in connection with the settlement of the share-based payment programme.

## Standalone current assets

The following table presents the structure of standalone current assets of the Company by detailed balance sheet categories.

PLN '000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Public and legal receivables	380	5,6%	-	0,0%	380	n/d!
Loans granted	4 419	14,9%	5 270	6,6%	(851)	(16,1%)
Other current assets	42	0,1%	58 156	72,9%	(58 114)	(99,9%)
Short-term financial assets	6 843	23,1%	6 987	8,8%	(144)	(2,1%)
Cash and cash equivalents	17 908	60,5%	9 361	11,7%	8 547	91,3%
<b>Current assets</b>	<b>29 592</b>	<b>100,0%</b>	<b>79 774</b>	<b>100%</b>	<b>(50 182)</b>	<b>(62,9%)</b>

In the analyzed period, the value of other current assets decreased by PLN 50,182 thousand, mainly as result of repayment of dividend receivables by the subsidiary Wirtualna Polska Media (PLN 58,114 thousand).

A detailed analysis of the changes in the value of cash will be presented in the next part of the report concerning the analysis of the cash flow statement.

## Standalone long-term liabilities

The following table presents the structure of standalone long-term liabilities by detailed balance sheet categories:

PLN '000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Bank loans	14 933	99%	16 446	88%	(1 513)	(9,2%)
Liabilities related the acquisitions	-	0%	2 322	12%	(2 322)	(100,0%)
Deffered tax provision	155	1%	-	0%	155	nd
<b>Long-term liabilities</b>	<b>15 088</b>	<b>100%</b>	<b>18 768</b>	<b>100%</b>	<b>(3 680)</b>	<b>(19,6%)</b>

Liabilities due to the business combination decreased in value by PLN 2,323 thousand in connection with transfer of the last part of the retained purchase price of shares in Extradom sp. z o.o. to short-term liabilities.

The non-current liability for the bank loan decreased in value due to principal repayments made in 2023.

## Standalone short-term liabilities

The following table presents the structure of standalone short-term liabilities of the Company by detailed balance sheet categories:

PLN '000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Bank loans	3 271	33,4%	3 649	29,3%	(378)	(10,4%)
Cash trade payables	1 462	14,9%	331	2,7%	1 131	341,7%
Liabilities in respect of purchase of property, plant and equipment and intangible assets	2 511	25,6%	5 228	42,0%	(2 717)	(52,0%)
State liabilities	749	7,6%	1 118	9,0%	(369)	(33,0%)
Wages and salaries payables	1 688	17,2%	1 694	13,6%	(6)	(0,4%)
Provision for employee benefits	4	0,0%	18	0,1%	(14)	(77,8%)
Current income tax liabilities	104	1,1%	418	3,4%	(314)	(75,1%)
<b>Short-term liabilities</b>	<b>9 796</b>	<b>100%</b>	<b>12 456</b>	<b>100%</b>	<b>(2 660)</b>	<b>(21,4%)</b>

Current liabilities decreased by PLN 2,660 thousand in 2023, which resulted mainly from the change in the value of investment liabilities.

As at 31 December 2023, the short-term portion of the retained price for Extradom Sp. z o.o. amounted to PLN 2,511 thousand including accrued interest (compared to PLN 5,228 thousand as at 31 December 2022).

## Standalone equity

The following table presents the structure of standalone equity of the Company:

PLN '000	As of 31 December 2023	Structure 2023	As of 31 December 2022	Structure 2022	Change	Change %
Share capital	1 465	0,0%	1 464	0,3%	1	0,1%
Reserve capital	328 416	82,0%	327 972	76,1%	444	0,1%
Other reserve capitals	9 630	2,0%	10 219	2,4%	(589)	(5,8%)
Retained earnings	61 035	15,0%	91 485	21,2%	(30 450)	(33,3%)
<b>Equity capital</b>	<b>400 546</b>	<b>100,0%</b>	<b>431 140</b>	<b>100%</b>	<b>(30 594)</b>	<b>(7,1%)</b>

During the twelve months of 2023, equity decreased by a total of PLN 30,594 thousand. The change was due to the following events:

- a decrease in equity by PLN 73,238 thousand on account of dividends paid;
- an increase in equity by PLN 42,788 thousand on account of the profit generated in 2023;

- an increase in equity of PLN 445 thousand due to the acceptance into securities deposit, the introduction to trading and the recording of shares in the accounts of entitled persons within the framework of the option program operating in the Group. PLN 1 thousand increased the share capital, while the remainder, i.e. PLN 444, was allocated to reserve capital;

- an increase in equity by PLN 707k due to an increase in other capitals in connection with the acquisition of rights to the next tranche of share options under the incentive programmes in force;

- a decrease in equity by PLN 1,296 thousand due to the fair value measurement of the Molieraz shareholding, classified as a financial instrument measured at fair value through other comprehensive income.

## STANDALONE CASH FLOW ANALYSIS

PLN '000	Twelve months ending 31 December 2023	Twelve months ending 31 December 2022	Change	Change %
Net cash flows from operating activities	100 389	36 058	64 331	178,4%
Net cash flows from investing activities	(13 341)	6 990	(20 331)	(290,9%)
Net cash flows from financing activities	(76 005)	(37 572)	(38 433)	102,3%
<b>Net cash flow</b>	<b>11 043</b>	<b>5 476</b>	<b>5 567</b>	<b>101,7%</b>

Cash flows from operating activities in 2023 were positive at PLN 98,784 thousand. These were mainly due to dividends received from subsidiaries during the year.

Cash flows from investing activities were negative and amounted to PLN 11,736 thousand, which resulted mainly from loans granted to subsidiaries in the amount of PLN 17,083 thousand and repayment of investment liabilities (PLN 5,240 thousand). At the same time, the company received proceeds from the loan guarantee service to the

subsidiary Wirtualna Polska Media SA in the amount of PLN 3,020 thousand and interest repayments received on loans granted (PLN 7,567 thousand).

Flows from financing activities in 2023 were negative and amounted to PLN 76,005 thousand, mainly as a result of repayment of the principal and interest part of the loan (PLN 3,573 thousand) and payment of dividends (PLN 73,238 thousand). The funds received from the capital increase as a result of the option programme amounted to PLN 445 thousand.

## 4. POLICY AND PROSPECTS FOR THE DEVELOPMENT OF WIRTUALNA POLSKA HOLDING SA COMPANY AND THE GROUP

The Management Board believes that the following trends will affect the activity of the Parent Company and the Group::

- The Group's business is highly dependent on the macroeconomic situation, measured, among other things, by GDP growth and consumer sentiment. In 2023 Poland's GDP grew by only 0.2% in real terms, and retail sales recorded negative real growth in many months of the year, which had a negative impact on the advertising market. In 2024, the European Commission expects GDP dynamics to improve to 2.7%. At the same time, a rebound in consumption is observed, with retail sales in January 2024 growing by 3.0% in real terms. The improving macroeconomic environment may have a positive impact on the Group's revenues, both from advertising and from the online sale of products and services.
- Increasing share of online advertising in the total value of advertising expenditure in Poland. Video and mobile advertising will be the fastest growing segment of online advertising in Poland.
- A further increase in the value of the e-commerce market in Poland in the coming years, which will be driven by the growing number of people shopping online, the number and value of online transactions, and the development of electronic payment systems on mobile devices; as well as the development of the logistics infrastructure, in particular deliveries of less than 2 hours (food, local shopping) and under 24 hours (for traditional e-shopping), and pick-ups at parcel station and newsagent networks. The Group expects e-commerce to continue to grow in the coming years.

- Growing popularity of the omnichannel sales model and q-commerce (quick commerce or “delivery on demand”).
- Development of the subscription market and increasing interest in subscription packages. The Group observes a growing interest in subscription products, such as online TV, audiobooks, podcasts, etc.
- Group revenue growth resulting from higher effectiveness of advertising through the use of resources and tools for analyzing large sets of diverse data (Big Data) in order to better tailor advertising messages to the user's profile, which also offers the option to extract specific consumer segments requested by or custom-made for WP Group's customers.
- Further growth of interest in travel in Central and Eastern Europe. In 2023, volume of the outbound travel market in Poland was nearly 29% above pre-pandemic 2019, and due to higher prices, the value of the market increased significantly compared to 2019. The outbound travel market is experiencing high growth rates, well above the growth rate of domestic/local travel market, but the Group is also observing growing interest in the domestic/local travel market as well. We expect the travel market in the region to continue to grow in the coming years.
- Large traditional marketers and, increasingly, e-commerce entities (large e-shops) expect from advertising ecosystems (platforms) such as WP comprehensive, packaged activities – from image formats through engaging special campaigns to so-called performance campaigns (billed for effect). WP

Group is ready (technology and people) for these developments and operates as a one-stop shop for all needs and sees itself as a beneficiary of the growing demand for campaign effectiveness measured by sales;

- Increased use of the real-time automated model for buying advertising space and advertising products on the Polish online market.
- Large traditional marketers and, increasingly, e-commerce entities (large e-shops) expect from advertising ecosystems (platforms) such as WP comprehensive, packaged activities – from image formats through engaging special campaigns to so-called performance campaigns (billed for effect). WP Group is ready (technology and people) for these developments and operates as a one-stop shop for all needs and sees itself as a beneficiary of the growing demand for campaign effectiveness measured by sales;
- Increased use of the real-time automated model for buying advertising space and advertising products on the Polish online market.
- Increasing conversion on WP Group's e-commerce sites through the development of recommendation and personalization mechanisms (big data, machine learning). The scale of the Group's activities in individual specialized portals allows it to increase investments in solutions that are prohibitive for small and medium-sized players. The ability to develop these tools is also one of the synergies offered by WP Group.
- Positive impact of revenue and cost synergies expected by the Group from acquisition.

**The Wirtualna Polska Group is a technology holding operating in the media, advertising and e-commerce market. The key pillars of its business include:**

- media independence and credibility;
- providing quality products and services to engage users;
- inspiring and helping users in their daily online shopping decisions.

The business strategy of the Wirtualna Polska Group is based on three key business areas:

## ADVERTISING AND SUBSCRIPTIONS

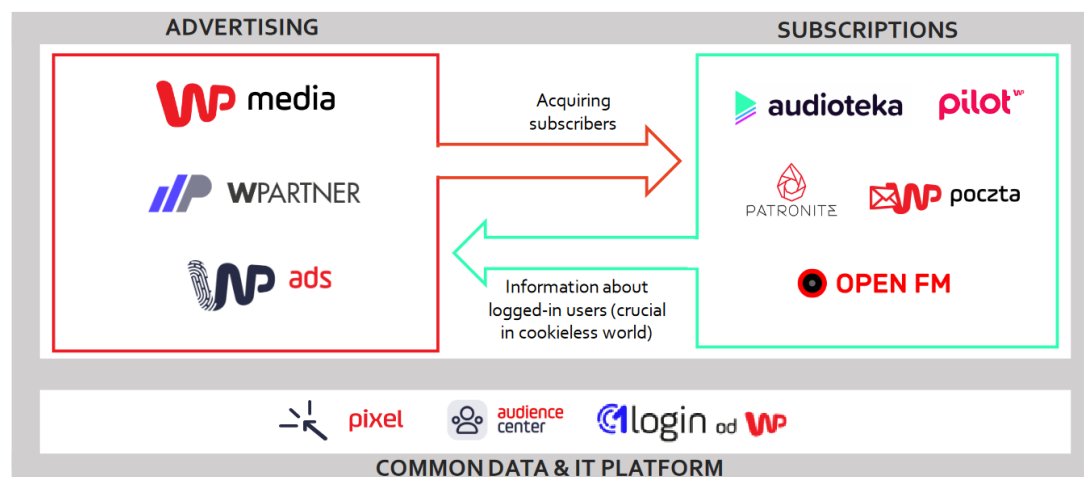
The Group focuses on growth in terms of sales of online advertising, on own advertising space and third party space (acting as an intermediary in selling advertising space of other european publishers, as part of the WPartner project).

Moreover, in parallel with advertising, it has been developing the subscription area based on the Pilot WP project (TV programs available online) and Audioteka (acquisition of controlling interest in September 2022).

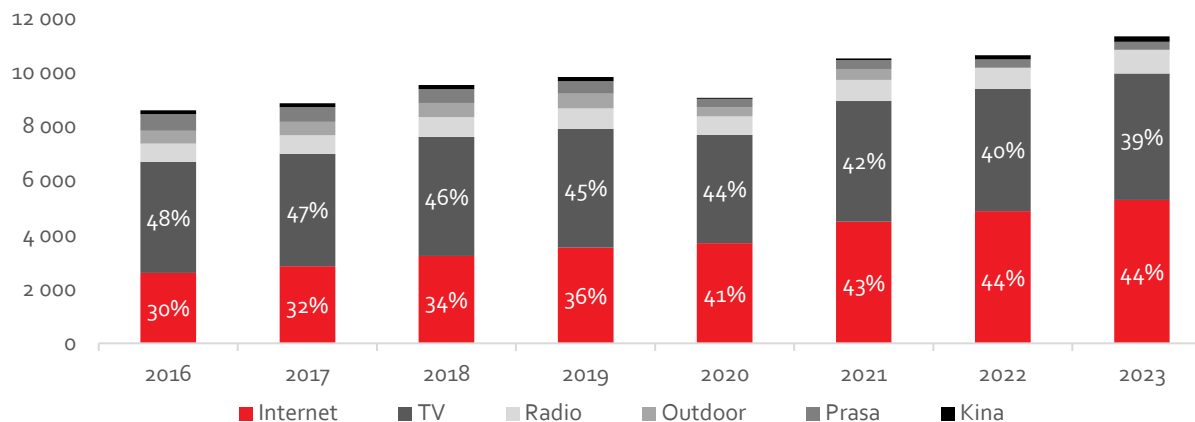
It also cooperates closely with Patronite where it is a minority shareholder. The company offers crowdfunding services and monetization of content developed by Internet creators.

The Group also intends to develop other paid services, such as paid WP mail, Open FM online radio.

The Group's strategy is to continue to create compelling and unique content and to maximize its reach and audience. As a result, it will be able to attract advertisers and get new subscribers interested in content (audiobooks, online TV). The strategic objective of the Advertising and Subscriptions area is to continuously develop technology to maintain competitive advantage in advertising technology.



### Polish advertising market and share of media categories



Source: Publicis Groupe

### Per capita online advertising expenditure in 2022 (EUR)



Source: IAB-Europe\_AdEx-Benchmark-2022\_REPORT

## TRAVEL

In this area, the Group develops the foreign travel (Wakacje.pl) and domestic travel business (the Szallas Group and Nocowanie.pl).

- **Foreign travel (organized):** Wakacje.pl is the largest multi-agency provider in Poland, with the largest offer of international package tours (it offers travel packages and tours from the largest tour operators).

The strategic objective of Wakacje.pl is to continue its omnichannel strategy (customers can buy travel packages fully online, via a call center or in the traditional franchising network); while strategically increasing the share of the fully online channel. Another important objective is to further increase market share in the foreign package holiday market and to

increase user loyalty. In the medium term, the company will also focus on developing its offering to increase product independence.

- **Local (individual) travel:** The Szallas Group has a very strong position in the Hungarian market. It also has presence in the Czech Republic, Croatia and Romania. Nocowanie.pl, which has been part of WP Group for many years, specializes in domestic (local) travel in Poland.

Strategic objectives in the area of local travel are to increase the share in the local travel market in the CEE region and build a strong regional player position; to transform the business model of Nocowanie into a booking-based and transactional model based on the competencies of Szallas and to combine the offer of all companies in all countries.

## CONSUMER FINANCE

Superauto is an intermediary in the financing of the purchase of new cars over the Internet, while Totalmoney operates based on the model of a financial products comparison tool. Both companies cooperate closely with financial institutions and their results are strongly affected by the sale of financial products.

For Superauto, the strategic goal is to continue to grow on the basis of increasing the share of e-commerce of cars in the market as a whole (according to Statistics

Poland, currently only about 2% of new cars are sold online), to develop additional services (such as insurance, etc.), as well as to expand the leasing offer.

For Totalmoney, the main strategic objective is to develop the model towards closer collaboration with financial institutions and greater control over the funding process.

In 2023, the Group worked consistently to fulfill the strategic objectives described above. Below is a description of the main achievements in each of the Group's strategic areas and the corresponding plans for the coming periods:

- **Technology development (advanced display/e-commerce/performance)** – in 2023, we continued to work on our own WP Marketing Platform advertising platform, which is used to carry out effective advertising activities both on the Group's own sites and on external sites. It consists of an advanced adserver

that executes campaigns based on user data, multi-stage engagement scenarios and effective closing of deals (WP Marketing Cloud / WP Audience Center / WP Sales Booster), tracking and business effectiveness analysis of media activities (WP Pixel / WPMetrics), supported by the cross-device user recognition technology (WP Cross-Device) and in a world without third-party cookies (WP Universal ID). We also continued to develop the system for self-setting and optimization of advertising campaigns - the ADS.WP.PL application is designed for clients in the e-commerce segment and has

products tailored to their needs. We additionally continued to develop our proprietary common mechanism and identifier solution (1Login), which allows users to log into our mail services, as well as into other websites owned by WPH and external websites. Additionally, we have initiated efforts to provide our competitors with access to our proprietary publishing-advertising platform, WPlatform.

- **Mobile** – in 2023, our work focused on further improving effectiveness of the mobile channel in our campaigns and we achieved high, double-digit revenue growth.
- **Content personalization** – in 2023, we continued to improve the mechanisms for personalizing the recommendations for WP website users presented on article pages. In the future, we will systematically expand our user data sets and expand personalized features in our portal, among others by using knowledge of user demographics and location – both precise and extrapolated data.
- **Outdoor** – in 2023, we expanded our outdoor advertising services within the framework of Wpartner, including foreign markets. In 2024, we plan to continue to expand in this area by improving our tools and further increasing the number of partners offering their spaces as part of this service. In addition, we plan to dynamically develop WPartner outside of Poland - especially in the Central and Eastern European region.
- **Subscriptions** – in 2023 we continued to develop the subscription products (Audioteka, Pilot WP). We increased our stake in Audioteka Group to 100% and worked on the integration of subscription products (Audioteka Group).
- **E-commerce** – in 2023, we developed our companies operating on the e-commerce market. In 2022 we acquired the Szallas Group and became one of

the largest travel groups in Central and Eastern Europe, significantly strengthening our Travel segment and supporting our plan to transform the business model of Nocowanie from subscription-based to fully booking-based and transactional. In 2024, we plan to continue our technology development efforts in our e-commerce businesses.

- **Big Data** – in 2023, we continued to pursue the goal set in previous years to make WP a data-driven organization, by leveraging the technologies we developed to implement additional business dashboards supporting the work of the entire organization. In the coming years, we will continue to develop the Analytic Hub, implement more business dashboards, expand data sets and further improve their quality.
- **Email and 1Login** – in terms of security, by providing users with the WP 1Login mechanism, we not only made it convenient to sign in to email, but also allowed them to additionally secure access to their account using the two-factor authentication (2FA) method. Also, we are constantly working on mechanisms in our email service to protect users from unwanted and dangerous mail. In 2023, we continued to develop 1Login, which serves as a source of information important for personalizing content, services and advertising.
- **New business and acquisitions** – In 2023, we continued our strategy of growth through acquisitions. We increased, among others, our stake in the Audioteka Group to 100%.

Since the Company's operations are limited to the holding activities, its development prospects and trends will be those that will persist and will affect the operations of the entire Group

## SUSTAINABLE DEVELOPMENT STRATEGY

In order to take the next step on the way to sustainable development, in 2022 we prepared and adopted a Sustainable Development Strategy for the entire Wirtualna Polska Group for the years 2022-2025 with development directions until 2030. The

implemented strategy shows our main development goal - to achieve only positive effects in each area of sustainable development. In Wirtualna Polska Group we are carrying out sustainable transformation in an orderly and transparent way.

We have based our ESG strategy on the Sustainable Development Goals, which we have identified as key to our operation and have set our commitments within this framework:



### Quality education

→ We will fight against digital exclusion.



### Gender equality

- We will provide a work environment that respects equality and diversity.
- We will maintain good relationships with financial institutions (gender equality is one of KPIs in Sustainability Linked Loan)



### Affordable and clean energy

→ We will use only zero- and low-carbon energy sources (2025 target: 80% share of zero-carbon energy in the Group's electricity mix).



### Economic growth and decent work

- We will take care of our employees' well-being.
- We will provide competitive and developmental working conditions.



### Responsible consumption and production

- We will increase the recovery rate of end-of-life IT hardware.
- We will raise consumer awareness by publishing climate change content in news services.
- We will make it easier for customers to access sustainable services and products.



### Climate action

- We will reduce greenhouse gas emissions.
- We will increase the energy efficiency of data centers and buildings.
- We will use only zero- and low-carbon energy sources.



### Life on land

→ We will carry out activities that will result in a positive impact on biodiversity.



### Peace, justice and strong institutions

→ We will ensure the highest standards of information integrity.



### Reduced inequalities

- We will ensure non-exclusionary language in our services.
- We will be safe place online.

The above commitments translate into the strategic objectives we have set up until 2025 and the ambitions set out in the 2030 perspective:

- **We reduce greenhouse gas emissions**  
min 80% share of zero-carbon energy in the electricity mix and min 90% share of zero carbon energy in the heat energy mix of Wirtualna Polska Holding Group
- **We prevent energy poverty**  
launch of the program of transfer electricity from our own RES installations or purchase such energy for public benefit organizations
- **We will implement circular economy principles**  
launch of the program increasing the recovery rate of end-of-life IT hardware
- **We educate on the climate crisis and environmental responsibility**  
more than 500 press materials on the environment and climate change
- **We support customers in making responsible choices**  
making it easier for customers to access sustainable services and products by implementing content filtering on 100% of the Group's e-commerce sites and appropriately labelling 30% of offers on all the Group's e-commerce portals
- **We support biodiversity**  
protection or planting of 5 ha of forest; cooperation with a non-profit organisation(s) in the field of biodiversity
- **We care about media ethics**  
creation, implementation and regular training of 100% of journalists on guidelines on the use of non-exclusionary language
- **We care about the users**  
among others, continued implementation of the Stop Hate Programme; launch and implementation of educational activities on online hate speech; promotion of comments created by logged-in and reliable users; implementation of tools to improve the quality of comments
- **We care about our employees**  
among others, reducing the gender pay gap to 10%, increasing the diversity ratio in supervisory bodies (percentage of women on supervisory and management boards) - min. 30%
- **We manage the ethics**  
among others, the development of the Code of Ethics and a statement of compliance with the Code: 80% of business partners
- **Cybersecurity**  
development of a cyber security manual; 100% of employees trained annually
- **Compliance and corporate governance**  
implementation and application of a diversity policy; separation of the compliance function; structuring of the risk management system; expansion of the Internal Audit function

## **5. FACTORS THAT, IN THE OPINION OF THE MANAGEMENT BOARD, WILL AFFECT THE FINANCIAL RESULTS OF THE COMPANY AND THE GROUP IN FUTURE PERIODS**

The operations of the Company and of the Group will be affected principally, as in the past, by the following factors:

### **Political and economic situation in the region and worldwide**

The Group operates in the Central and Eastern Europe, in the advertising and e-commerce industry, whose rate of growth is strongly positively correlated with the economic growth and the macroeconomic situation. Consequently, the Group's operations are influenced by macroeconomic factors affecting the situation in the region, which in turn is significantly affected by the economic situation in the European Union and worldwide.

In 2023, countries in the Central and Eastern European region recorded low GDP growth and high inflation, accompanied by high uncertainty in the political and economic environment. However, in 2024, the situation is expected to improve, which should be reflected in an increase in GDP, a significant decrease in the level of inflation and a real increase in consumer spending.

### **Competition in the Polish market**

Both globally and in Poland, the internet advertising market is characterized by fierce competition. The Group's direct competition includes entities which own domestic portals and websites, in particular onet.pl, interia.pl or gazeta.pl. Moreover, the Group competes with entities which own international portals and websites, especially in the area of electronic mail (e.g. Yahoo!, Gmail, Hotmail, AOL) and website services (e.g. Google, Facebook, X). Moreover, although not directly, the Group's competition also includes other entities operating on the widely defined advertising market, including in particular television stations, newspapers and radio. These entities compete with one another in terms of product and service prices, especially advertising rates, the ability to reach potential customers with a profile sought by the advertisers, attractiveness and quality of published materials, shaping of trends on the market or ability to quickly adapt to such trends, and in terms of brand strength.

As of the date of publication of the report the Group is one of the two leading entities among domestic portals and websites. In line with its strategy, the Group will strive to strengthen its leading position among the portals and website services present on the Polish market. Holding the leading position is important due to the so-called leadership

In 2024, the European Commission expects GDP to grow by 2.7% in Poland, 2.4% in Hungary, 1.1% in the Czech Republic and 2.9% in Romania and 1.4% in the EU as a whole. At the same time, the EC expects that inflation will drop significantly in 2024 across the region, to 5.2% in Poland, 4.5% in Hungary, 2.9% in the Czech Republic and 5.8% in Romania.

At the beginning of 2024, there was also an improvement in retail sales, which in January in Poland increased by 3.0% year-on-year in real terms.

Changes in the economic situation, as reflected in the rate of growth of GDP, affect the purchasing power of the Group's customers and consumers of its products and services, as well as the propensity for consumer spending or saving, thereby affecting the amount of advertising budgets of the Group's customers, and thus the demand for the Group's advertising products, as well as e-commerce products and services.

premium, i.e. the advertisers' tendency to prefer placing advertisements on portals and website services holding the leading position on the market in terms of the offered reach, which has a significant effect on the income generated. The Group's ability to maintain its competitive position is influenced by many factors – brand recognition and Group reputation, attractiveness and quality of the published content, user base and the ability to analyse and process user data. It cannot be ruled out that due to various reasons remaining outside of the Group's control, the Group will not be able to strengthen its current position as one of two leading entities among Polish internet sites. Moreover, an increase in competition in the markets in which the Group operates can put downward price pressure on offered products and services, in particular on various forms of online advertising, as well as necessitate increased spending on marketing activities or research and development related to the introduction of new products and services, their updates or innovative solutions.

The Group realises its e-commerce activities via several entities, operating in various markets (i.a. travel, finance, fashion, interior design, house design, car sales). Each of these markets is characterised by different competitiveness, moreover, in some of

these markets the Group's suppliers are also direct competitors. What is more, the e-commerce market is characterised by a large number of new entrants, which further increases competition. Group entities are mostly leaders in their categories, in particular as measured by number of users. However, it cannot be ruled out that part or all of

Group entities operating in the e-commerce market will not be able to strengthen or maintain their competitive positions due to several factors, most of which remain outside of the Group's control.

### **I Growth of expenditure on online advertising and the development of e-commerce in Poland**

The Group's success depends on the development of services and technology, as well as on the number of internet users, which in turn determines the development of the online advertisement and e-commerce markets. In 2023, 93.3% of households in Poland had access to the Internet (no increase compared to 2022) (source: Information Society 2023 - Central Statistical Office). In recent years, there has been a change in the method of access to the Internet, which may also have a significant impact on the dynamics of development of the markets in which the Group operates. In the era of rapid development of the technical capabilities of equipment, each year the number of households and enterprises using mobile internet connections has grown. Therefore, both changes in the trends for internet use and the increase in connection speed may have an impact on the growth of particular segments of the internet advertising market.

Despite the projections that the internet will continue to develop in Poland, its current growth dynamics can diminish materially in the following years. As of the date of this

report, the penetration rate for the internet in Poland is relatively high and growing each year, which successively limits the further growth potential of the market. Therefore, it can be forecasted that further growth will relate primarily to broadband and mobile internet technology, among others. Slowing down of the growth dynamics of the internet in the future can have a negative impact on the Group's prospective development and the realisation of its strategy.

In the past years, the e-commerce market in Poland has grown steadily, both in terms of nominal numbers as well as measured as a percentage of the total retail market.

However, it cannot be ruled out that due to factors remaining outside of the Group's control, such as a change in consumer habits, the trend of migration to online retail stops, which could negatively impact the Group's development possibilities in the e-commerce segment.

### **I Increase in effectiveness as a result of using the Group's data resources and big data tools**

The Group has one of the largest databases of users of internet portals and the largest database of email users in Poland. Achieving the highest rank was possible, among other things, thanks to acquisitions made by the Group.

Having a large number of service and content users gives the Group access to information on user behaviour, within the limits set by the provisions of the law. Thanks to access to a large amount of data on user behaviours (in particular on the content and

services used by users) and the progress in the ability to analyse extensive data resources over recent years (tools for analysis of large and diverse data sets, generated with high frequency, so called big data), the Group has a significant potential for increasing its operating effectiveness, among other things, through the personalization of content, and personalization of advertisements which are more effective, by eliminating the advertisements of products in which a given user is not interested.

### **I Active acquisition activities**

In accordance with the strategy adopted by the Group, the Management Board analyses on a current basis the investing options in companies which provide services similar or complementary to the Group's services and may supplement the portfolio of the Group's products and services.

In 2022, the Group made a number of acquisitions of companies. Details of the acquisitions made are described in the consolidated financial statements for 2022. The acquisitions made will have a significant impact on the results achieved by the Group in subsequent periods. Additionally, in July 2023, the Group purchased Audioteka shares,

as a result of which it holds 100% of the entity's shares (compared to 59.5% at the end of June 2023).

Acquisitions of companies in subsequent periods will be associated with higher interest and commission costs and the inclusion of additional depreciation, including depreciation of identified intangible assets as part of the purchase price allocation (PPA).

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In 2023, countries in the Central and Eastern European region experienced low GDP growth and high inflation, accompanied by significant uncertainty in the political-economic environment. However, in 2024, an improvement in the situation is expected, characterized by GDP growth, a significant decrease in inflation, and real growth in consumer spending.

In 2024, the European Commission expects GDP to increase by 2.7% in Poland, 2.4% in Hungary, 1.1% in the Czech Republic, and 2.9% in Romania, and by 1.4% across the entire EU. At the same time, the EC anticipates a significant decrease in inflation in 2024 across the region, to 5.2% in Poland, 4.5% in Hungary, 2.9% in the Czech Republic, and 5.8% in Romania. Additionally, there has been an improvement in retail sales at the beginning of 2024, with a real increase of 3.0% year-on-year in Poland in January.

Changes in the economic situation, as reflected in the rate of growth of GDP, affect the purchasing power of the Group's customers and consumers of its products and services, as well as the propensity for consumer spending or saving, thereby affecting the amount of advertising budgets of the Group's customers, and thus the demand for the Group's advertising products, as well as e-commerce products and services.

### **Competition in the Polish market**

Both globally and in Poland, the internet advertising market is characterized by fierce competition. The Group's direct competition includes entities which own domestic portals and websites, in particular onet.pl, interia.pl or gazeta.pl. Moreover, the Group competes with entities which own international portals and websites, especially in the area of electronic mail (e.g. Yahoo!, Gmail, Hotmail, AOL) and website services (e.g. Google, Facebook, Twitter). Moreover, although not directly, the Group's competition also includes other entities operating on the widely defined advertising market, including in particular television stations, newspapers and radio. These entities compete with one another in terms of product and service prices, especially advertising rates, the ability to reach potential customers with a profile sought by the advertisers, attractiveness and quality of published materials, shaping of trends on the market or ability to quickly adapt to such trends, and in terms of brand strength.

As of the date of publication of the report the Group is one of the two leading entities among domestic portals and websites. In line with its strategy, the Group will strive to strengthen its leading position among the portals and website services present on the Polish market. Holding the leading position is important due to the so-called leadership premium, i.e. the advertisers' tendency to prefer placing advertisements on portals and website services holding the leading position on the market in terms of the offered reach, which has a significant effect on the income generated. The Group's ability to maintain its competitive position is influenced by many factors – brand recognition and Group reputation, attractiveness and quality of the published content, user base and the ability to analyse and process user data. It cannot be ruled out that due to various reasons remaining outside of the Group's control, the Group will not be able to strengthen its current position as one of two leading entities among Polish internet

sites. Moreover, an increase in competition in the markets in which the Group operates can put downward price pressure on offered products and services, in particular on various forms of online advertising, as well as necessitate increased spending on marketing activities or research and development related to the introduction of new products and services, their updates or innovative solutions.

The Group realises its e-commerce activities via several entities, operating in various markets (i.a. travel, finance, fashion, interior design, house design, car sales). Each of these markets is characterised by different competitiveness, moreover, in some of these markets the Group's suppliers are also direct competitors. What is more, the e-commerce market is characterised by a large number of new entrants, which further increases competition. Group entities are mostly leaders in their categories, in particular as measured by number of users. However, it cannot be ruled out that part or all of Group entities operating in the e-commerce market will not be able to strengthen or maintain their competitive positions due to several factors, most of which remain outside of the Group's control.

### **I Growth of expenditure on online advertising and the development of e-commerce in Poland**

The Group's success depends on the development of services and technology, as well as on the number of internet users, which in turn determines the development of the online advertisement and e-commerce markets. The development of internet depends primarily on the expansion of internet infrastructure, as well as on technological changes. In 2021 92.4% of households (2 p.p. increase compared to 2020) (source: Information Society 2021 – Central Statistical Office). In addition, each year a larger percentage of households connects to the internet via broadband infrastructure. However, the current state of broadband infrastructure, as well as the utilisation rate, is relatively low compared to most European Union states. Moreover, in recent years a change in the manner of accessing the internet has been observed which may also have a material impact on the growth of the markets on which the Group operates. In the era of rapid development of the technical capabilities of equipment, each year the number of households and enterprises using mobile internet connections has grown. Therefore, both changes in the trends for internet use and the increase in connection speed may have an impact on the growth of particular segments of the internet advertising market.

Despite the projections that the internet will continue to develop in Poland, its current growth dynamics can diminish materially in the following years. As of the date of this report, the penetration rate for the internet in Poland is relatively high and growing each

year, which successively limits the further growth potential of the market. Therefore, it can be forecasted that further growth will relate primarily to broadband and mobile internet technology, among others. Slowing down of the growth dynamics of the internet in the future can have a negative impact on the Group's prospective development and the realisation of its strategy.

In the past years, the e-commerce market in Poland has grown steadily, both in terms of nominal numbers as well as measured as a percentage of the total retail market. However, it cannot be ruled out that due to factors remaining outside of the Group's control, such as a change in consumer habits, the trend of migration to online retail stops, which could negatively impact the Group's development possibilities in the e-commerce segment.

### **I Increase in effectiveness as a result of using the Group's data resources and big data tools**

The Group has one of the largest databases of users of internet portals and the largest database of email users in Poland. Achieving the highest rank was possible, among other things, thanks to acquisitions made by the Group.

Having a large number of service and content users gives the Group access to information on user behaviour, within the limits set by the provisions of the law. Thanks to access to a large amount of data on user behaviours (in particular on the content and services used by users) and the progress in the ability to analyse extensive data resources over recent years (tools for analysis of large and diverse data sets, generated with high frequency, so called big data), the Group has a significant potential for increasing its operating effectiveness, among other things, through the personalization of content, and personalization of advertisements which are more effective, by eliminating the advertisements of products in which a given user is not interested.

### **I Active acquisition activities**

In accordance with the strategy adopted by the Group, the Management Board analyses on a current basis the investing options in companies which provide services similar or complementary to the Group's services and may supplement the portfolio of the Group's products and services. Potential acquisitions may have a material impact on the results achieved by the Group in consecutive periods. Additionally, in July 2023, the Group completed the acquisition transaction of Audioteka shares, resulting in 100% ownership of the entity (compared to 59.5% at the end of June 2023).

The Group monitors Poles' activity in new segments of the e-commerce market, for example the so-called big ticket purchases (high purchase price, one-off or rare nature), which demonstrate growing trust in the internet as a purchase channel. According to

our forecasts, the segment of internet tools helping manage buying processes and household budgets (software, SaaS) will grow materially. Both of these areas naturally fit into the Group's operations.

## 7. SIGNIFICANT CONTRACTS AND EVENTS WHICH TOOK PLACE IN 2023

### **I Determination of the final transaction price for the purchase of 100% of the shares of Szallas Group**

On April 18, 2023, the Group set the final purchase price for the shares of Szallas in the amount of EUR 83.4 million. The final price was determined after verification, in accordance with the completion accounts mechanism, of the net cash value in Szallas as at the closing date of the transaction. The price difference was paid from own funds.

### **I Transaction of purchasing shares in Audioteka S.A.**

On July 27, 2023, the subsidiary companies Wirtualna Polska Media and Stacja Służew acquired shares of Audioteka S.A., increasing their share in the shares held to 100% of the share capital of Audioteka and representing 100% of the total number of votes at the General Meeting Shareholder. The value of the transaction was PLN 72.2 million.

Apart from the changes described in the Group's structure and changes in the value of the parent company's equity, no other significant events occurred in the analyzed period.

## 8. SIGNIFICANT RISKS TO DEVELOPMENT OF THE COMPANY AND THE GROUP

The Company is the parent company of the Group, whose main operating activity is that of a financial holding company, and as such is exposed to the same risks as the other companies of the Group.

### **RISKS RELATED TO THE MARKET ENVIRONMENT**

#### **I Risk of blocking access to user information by web browsers**

Providers of the most popular web browsers take planned actions to limit or discontinue the support of the so-called third-party cookies, i.e. cookies placed on websites by external entities (partners cooperating with the owners of domains in which websites visited by users are made available).

The marginalization of third-party cookie technology will lead to the development of new market standards, including: in the field of advertising offered in the RTB model and advertising using personal data, which may contribute to the development of new forms and models of advertising, e.g. contextual advertising. However, there is a risk that new advertising models may not be as effective in the initial phase of their existence and, therefore, as highly valued as the current ones.

The advantage of the Group - as the owner and publisher of Internet portals and the creator of technologies (e.g. WP Pixel, WPartner, 1Login, WPlatform) - is the ability to directly obtain data from users through websites owned by the Group or with which the Group cooperates, without the need to use third-party cookies. The Group has an additional competitive advantage resulting from the scale of traffic on the Group's and partner websites' portals and websites, which is important, among others: for the development of contextual advertising.

All market participants, including Group companies, should take into account the need to adapt to the changes described above, which may involve technological, financial, organizational and legal risks. It cannot be guaranteed that the technology developed

by the Group will be as competitive in the early implementation phase as the previously used third-party cookies or competitive solutions, and during the organization's learning process, the financial results may not reflect the current growth dynamics.

## **I Macroeconomic and geopolitical situation**

The Group operates in the advertising and e-commerce industry, whose rate of growth is strongly correlated with the economic growth and the macroeconomic situation in Poland and globally.

The Group's operations are influenced by macroeconomic factors shaping the situation on the Polish market and the region of Central and Eastern Europe, which in turn is largely influenced by the economic situation of the European Union and the global economy. Changes in such macroeconomic indicators as, among others, GDP dynamics (forecast of real GDP growth in Poland in 2024 estimated at 2.7% by the European Commission), inflation (which, according to the European Commission's expectations, is expected to decrease to 6.2% in 2024, from 11.1% in 2023 .), the PLN exchange rate against other currencies (in 2023, the PLN strengthened compared to 2022), the expected increase in wages, consumption levels and interest rates, which are beyond the Group's control, affect the purchasing power of the Group's clients. and consumers of its products and services, as well as their tendency to spend consumption or save. These are important factors shaping both the advertising budgets of the Group's contractors and, therefore, the demand for the Group's products and services, especially online advertising, as well as consumers' willingness to spend, including making purchases online. Unexpected changes in the economic situation or a prolonged downturn may also impair the

## **I Competition in the Polish advertising and e-commerce market**

The online advertising and e-commerce markets are highly competitive, both worldwide and in Poland. The entities that own domestic portals and websites, including in particular the Onet.pl Group, Interia.pl Group and Gazeta.pl Group, are the Group's direct competitors. Google and Facebook, i.e. the global leaders in the advertising market, are the Group's most important competitors in this market. Moreover, the Group competes with entities offering various Internet services (e.g., Twitter, TikTok), including in particular e-mail services (e.g. Gmail, Onet, Interia), as well as entities operating in the television advertising market, in particular other broadcasters of television channels. These entities compete in terms of prices for products and services, especially advertising rates, ability to reach potential customers

ability of the Group's contractors, subcontractors and suppliers to meet their obligations to the Group, result in their insolvency or bankruptcy, and cause a reduction in sales of certain Group products and services. A decline in the competitiveness of the Polish economy compared to other developed and developing countries may result in an outflow of foreign capital or a lower propensity of foreign investors to invest in Poland. As a result, those customers of the Group which are entrepreneurs may not have sufficient resources to develop their businesses. This may adversely affect their willingness to purchase the Group's advertising services.

The Group does not operate directly in Ukraine, Russia or Belarus. The Group's main contractors do not originate from Ukraine, Russia or Belarus. However, we do take it into account that some of the Company's business partners operate or have operated in areas under hostilities (Ukraine) or in countries subject to international sanctions (Russia, Belarus), which may have a negative impact on their situation and therefore further reduce their propensity to use the Group's services. The geopolitical situation in the region may also have a significant impact on the macroeconomic situation in Poland and, consequently, on the behavior of the Group's business partners and users of its services (including, but not limited to, advertising budgets, purchasing power, propensity for travel for leisure).

as sought by advertisers, attractiveness and quality of published materials (e.g., in terms of meeting the standards for online advertising exposure set by the Association of Internet Industry Employers IAB Poland), development or swiftness of adaptation to market trends, and brand strength.

As of the date of the report, the Group is one of the two leading players among domestic portals and websites in terms of the number of real users and reach. The leading position is important because of the so-called leader bonus, i.e. the propensity of advertisers to place ads on portals and websites enjoying a leading position in the market in terms of Internet users reach, which has a significant impact on generation of revenue. The Group's ability to strengthen its current competitive position is affected by a number of

factors, including primarily the Group's brand recognition and reputation, attractiveness and quality of material published on portals and websites, user base, and ability to analyze and process data about users of portals and websites. One cannot exclude the possibility that the Group, as a result of a number of factors, a significant part of which remain beyond the Group's control, will not be able to consolidate its current position as one of the two leading domestic Internet portals and services, or that it will not lose this position. Also, the intensification in competition in the markets in which the Group operates may lead to further downward pressure on prices of products and services offered, particularly various forms of online advertising, and may necessitate greater spending on marketing or research and development activities related to the market and the development and introduction of new products, services, their improvements and innovative solutions.

### **█ Risks related to climate change and sustainability**

The ESG strategy developed and implemented by the Group with a view to structuring the existing environmental, social responsibility and corporate governance initiatives and introducing new ones may not be implemented due to internal or external factors beyond the Group's control.

The Group may be subject to risks related to climate change and sustainability, which include the following groups of risks in particular:

- █ Sudden or prolonged physical risks;
- █ Legal and regulatory risks that address issues arising from climate change;
- █ Management, technological, market and reputational risks associated with climate change;
- █ Risks associated with extreme weather conditions;
- █ Employee risks;
- █ Social risks;
- █ Corporate and management governance risks.

### **█ Pandemics or epidemics caused by infectious diseases**

The COVID-19 pandemic had a significant and complex impact on the overall economy and the activities of market participants. There remains the likelihood of other similar

The Group carries out e-commerce advertising activities via a number of entities that operate in very different target markets (including travel, finance, home designs, and car sales). Major competitors in the Group's important travel market include Booking, AirBnB, Expedia, Airlines, Travelist and Trivago. The level of competition in each of these markets varies, and it should be noted that in some of these markets the Group's significant suppliers are also direct competitors. Furthermore, the e-commerce advertising market is marked by a large number of start-ups, which further increases competition. In most cases, the Group entities have a leading position in their category, particularly in terms of the number of users. One cannot exclude the possibility that some or all entities operating in the e-commerce market, as a result of a number of factors, a significant part of which remain beyond the Group's control, will not be able to maintain their position.

It should be emphasized that the above risks to which the Group may be subject are risks typical of the industry in which the Group operates, e.g. rising average temperatures result in increased expenditures on server room cooling, and possible cooling inefficiencies reduce the efficiency of equipment and increase the risk of damage.

In addition, the increasing demand for electricity - reported both by households (especially during the summer season) and businesses - may result in the use of the full capacity of the transmission network and temporary restrictions on power supply. In addition, high temperatures may further reduce supply in the electricity market (e.g. due to low levels of water needed for generators or cooling towers at power plants). This could lead to power outages and result in a lack of availability of the Group's products or a lack of demand due to a lack of electricity for users.

In addition, the developments described in this section may also entail opportunities for the Group. In particular, the Group can develop its services taking into account climate change and related challenges, and taking into account sustainability, thus gaining an additional competitive advantage - both as a service provider and as an employer

pandemics in the future. Restrictions and limitations related to pandemics negatively affect the macroeconomic environment, which in turn negatively affects purchasing power and consumer sentiment. Restrictions

on movement also have a negative impact on tourism demand, both foreign and domestic. The course of the pandemic is also linked to a number of changes in the behaviour of the Group's service users: strong digitalisation trends

## **RISK RELATED TO THE GROUP'S OPERATIONS**

### **Legislative and regulatory risk regarding initiatives aimed at setting new standards for online advertising**

Attention should be paid to emerging initiatives (also with the participation of important market participants) whose aim is to establish new standards for online advertising and as a result of which limitations in the available advertising content and forms should be taken into account, which in turn may translate into the Group's advertising revenues.

### **Risk of cyber attacks**

As the leader of the Polish Internet, the Group provides services vital to millions of people. This leads to increased interest in the Group's operations from entities seeking to impede the Group's operations through attacks on the Group's infrastructure. The Group creates its own, innovative technological solutions used both by companies belonging to the Group and by partners through, for example, WPlatform or WP Pixel. The introduction of new functionalities, integration with new entities or an increase in scale increases the risk of a security gap that will not be detected as part of internal security tests.

It cannot be ruled out that, despite the measures taken by the Group to prevent such events, some form of attack may succeed, thereby leading to financial or image losses.

### **Risk of using outdated technologies whose support period may come to an end**

The technologies developed and used by the Group may prove to be inadequate to market expectations, i.e. the assumptions used in their development a few/a dozen or so years ago may not correspond to the current market situation. With the growing share of the mobile market, and thus the Android/iOS operating systems, the technologies developed for Desktop traffic may prove incompatible, making it

and the spread of remote working are having a positive impact on the demand for online services, which is reflected in both an increase in the share of online advertising in the advertising market and an increase in the share of e-commerce.

necessary for the Group to develop some systems or services from scratch. The alternative may be to develop new requirements and purchase tools from third-party vendors.

In addition, it may turn out that the pace of development of the existing technologies (including advertising technology based on user data) or the development of new technologies (including those based on Machine Learning, Big Data, AI) compared to leading global competitors will be too slow. This will cause the Group's actual situation in relation to the market to deteriorate, despite product development.

### **Key customers**

A significant portion of the Group's revenue comes from a relatively fixed number of key customers. Among other things, the Group enters into agency agreements with its customers (in particular, agreements with Tour-Operators for the intermediation of sales of travel events they organize), agreements for cooperation in the conduct of advertising campaigns, or on the basis of other legal titles (e.g. orders or agreements).

There is a risk that the Group's customers may decide at any time to stop doing business with the Group and establish cooperation with the Group's competitors. Thus, the loss of the Group's key direct customers, as well as the deterioration of relationships with these customers, may contribute to a significant reduction in turnover. In addition, the Group is exposed to risks related to the failure of its key customers to meet their contractual obligations, in particular delayed or untimely payments, as well as risks related to the financial condition of these entities, including the risk of their bankruptcy.

### **Risk of decline in the number of the Group's e-mail users**

The Group offers its users the use of free e-mail. The Group has one of the largest e-mail user bases in Poland. Advertising mailings, as well as other forms of advertising directed to e-mail users, are a stable and important source of revenue for the Group. In addition, the Group's extensive e-mail user base is an important database for the Group, the active use of which is one of the elements of the Group's strategy. A decline in the

number of the Group's e-mail users may have a negative impact on the Group's revenue levels, as well as on the Group's ability to obtain information about Internet users.

### **Risks associated with the development of new software standards**

The Group cannot guarantee that it will be able to develop and implement new information systems and software in a timely manner or make appropriate changes to existing systems and software to expand or upgrade them. Operational needs and oversight requirements may result in the need to update system management and administration systems, as well as develop systems to adapt them to new technologies. There can be no guarantee that implementation activities and data migration to appropriate systems, as well as the expansion of IT systems, will proceed according to plans and budgets, or that all business, functional and regulatory requirements will be met. Failure to maintain, expand or upgrade IT systems may result in a reduction in the attractiveness of the offering or the availability of services provided, which may have negative consequences for the Group's operations.

### **Risks associated with external financing**

The Group uses debt financing provided by banks in the form of loans.

As a result, the Group is subject to the typical risks associated with such financing. Violation of the terms of financing, including the loan repayment deadlines, specific parameters or any other covenants stipulated in the documentation of the financing provided to the Group may result in a negative change in the terms of the financing and, if appropriate waivers are not obtained from the financing parties, may result in the financing parties refusing further financing and demanding immediate repayment. In addition, the Group may not be able to renew, repay or refinance its debt at maturity. Also, one cannot guarantee that the terms of the renewal or refinancing will be similar to those of the original financing, which may increase the cost of servicing these liabilities.

In addition, the current and projected increase in interest rates may increase the cost of external financing, which could impair the Group's financial results.

### **Risks associated with cooperation in the package travel market**

The Group, through Wakacje.pl SA, operates as an intermediary in the sale of organized travel events. Consequently, the Group identifies risks associated with cooperation with tour operators involving tour sales service providers such as MerlinX and BlueVendo,

consisting of insufficient updating by tour operators of data on their offerings through the aforementioned entities and their platforms.

The Group also cannot rule out the possibility that individual tour operators cooperating with it may abandon cooperation by deciding not to use intermediaries such as Wakacje.pl or to use other forms of intermediation.

### **Legislative and regulatory risks regarding RTB and personal data-driven advertising buying system**

We cannot rule out further regulations or the development of the line of rulings that may affect the automated real-time bidding (RTB) and personal data-driven advertising purchase model using, for example, targeting techniques. The Group is taking into account proposed legislation and the case law, from which further obligations or limitations may arise, in particular related to the processing of personal data.

### **Risks associated with the proper functioning of the Group's IT systems and servers**

The Group's operations depend on the proper functioning of the IT systems, servers and telecommunications infrastructure it uses. In addition, the Group's growth depends on its ability to improve the systems it currently uses, as well as to develop and implement new information systems and technology solutions.

The Group, due to its media business profile and the large reach of its published information, is exposed to the risk of cyber attacks. Implemented and continuously improved countermeasures, combined with constant monitoring of risks, may not be enough to eliminate the risk altogether.

As a result of failures, malfunctions, cyber attacks or other disruptions of IT systems, servers or telecommunications infrastructure, there may be temporary disruptions in the operation of the Group's portals and websites and in the provision of services offered by the Group to Internet users. It is therefore crucial to ensure the proper process of maintaining and upgrading the Group's telecommunications infrastructure, servers and the implementation and maintenance of IT systems, as well as to implement optimal solutions that ensure the stable and uninterrupted operation of servers and systems, also in the event of possibly occurring system overloads or temporary disruptions or partial failures. In addition, in order to maintain or strengthen its competitive position, the Group must constantly maintain, expand and upgrade its existing IT systems.

### **I Risk of losing qualified personnel and other service providers rendering services to the Group**

The success of the Group's operations, as well as the success in implementing its strategy, depends on the efforts and experience of its management and the support of key personnel. The Group's strategy has been developed and implemented by management, including the current members of the Management Board, and the future success of the Group depends in part on the Group's ability to continue to work with key managers who have historically contributed significantly to its growth, and on the ability to retain and motivate other key executives. Key personnel may, subject to the provisions of the agreements binding them with the Group companies, resign from their positions. Such resignations could significantly affect the Group's ability to continue to grow and implement its strategy. One cannot guarantee that the Group will be able to maintain cooperation with all or some of these individuals in the future, or that the retention or acquisition of key personnel will not involve a temporary reduction in efficiency until the newly hired individuals are onboarded.

### **I Increase in payroll costs and benefits for the Group's employees and collaborators**

The Group's main operating expense item is the cost of salaries and benefits for Group employees and collaborators. In order to remain competitive in the labor and subcontractor services market, as well as to retain existing employees and ensure sufficient numbers of employees and subcontractors, the Group may have to increase salaries for employees and subcontractors faster or more frequently or on a larger scale than the Group has historically done.

### **I New reality of work**

Hybrid/remote work can make it difficult to build close relationships between employees, limit the amount of time spent sharing knowledge which can cause a decrease in efficiency. In addition, the lack of relationships between employees may negatively affect the employees' loyalty to the Group and may facilitate the decision to change jobs if an offer is received from another employer.

In Group companies, people from different generations come together as employees. Each generation has a different management style that is most effective for it. Leaders in the Group may not always choose an effective management style leading to underutilization of employee potential.

### **I Risk of not being able to retain and recruit the needed people**

Due to the remodeling of the labor market and the widespread implementation of the remote work model, the Group is competing with global players in the labor market related to broad IT. Entrepreneurs with greater international visibility, generating revenues not only from the local market but from the global market, may compete more aggressively for employees, which may result in a shortage of employees available for recruitment with skills that match the Group's needs. The problem is most acute for individuals with skills related to the development environments used by the Group.

### **I Risks associated with the insufficient attractiveness and form of presentation of the content made available on the Group's portals and websites.**

The value of revenues from online advertising sales depends indirectly on the number of users accessing the Group's portals and websites, as well as the services offered by the Group, and the time users spend browsing the portals and websites and using the solutions or services offered by the Group. Both the number of users and the time they spend on the Group's portals and websites depend mainly on the quality and attractiveness of the content provided on them, as well as on the way the Group delivers it. A similar relationship also exists with the Group's services, including e-mail in particular, whose popularity depends particularly on their usability and innovation. Despite the Group's efforts to provide attractive content on its portals and websites, it cannot be ruled out that the content will enable it to maintain or increase the interest of Internet users and the time they spend on the Group's portals and websites.

### **I Risk of insufficient adaptation of portals and websites for use by mobile devices**

As recent years have seen an increase in the number of people accessing the Internet via devices other than personal computers, including: cell phones, smartphones, laptops, and tablets, mobile advertising and mobile e-commerce are growing in importance year after year. In order to remain competitive, the Group will need to keep up with the changes and improvements resulting from ongoing technological developments. If the Group's portals and websites do not sufficiently meet the expectations of users using mobile devices or their advertising and e-commerce effectiveness is too low, the Group may lose its competitive position in this segment, which could have a negative impact on the Group's financial performance in the future.

### **■ Risk of loss of popularity and reduction in the strength of the Group's individual portals and websites' brands**

The Group's market position, the development of its business and its ability to attract new users and, consequently, the Group's customers, are significantly dependent on the Group's reputation and the popularity and strength of the brands of the Group's individual portals and websites, including primarily the main "WP" brand, as well as others (e.g. o2, Pudelek, Money.pl, domodi.pl, wakacje.pl, nocowanie.pl, Extradom.pl, totalmoney.pl). There is a risk that the strength of the Group's brands, may weaken, and the Group's reputation may deteriorate. This may occur, in particular, as a result of a generally negative assessment of the Group's portals and websites, especially as a result of the negative reaction of Internet users to the content published on these portals and websites, and as a result of a negative perception of the services offered by the Group. Any negatively interpreted event regarding or related to the Group's image, as well as the loss of affection of existing users of the Group's portals and websites, may adversely affect users' interest in the Group's portals and websites, and thus the Group's revenues from the sale of online advertising and other products and services offered by the Group.

### **■ Risk of losing web traffic generated through search engines and social networks**

A significant portion of web traffic on the Group's portals is generated through search engines or social networks, especially Google and Facebook. Search engines and social networks operate on the basis of complex algorithms that determine the relative position of a website on their pages, according to the best match between a given search and the content available on the Internet, as well as the popularity of the content in question. There can be no guarantee that search engines will not change the algorithms according to which the Group's portals and websites are positioned, causing them to rank lower in the results of searches performed by Internet users, and this will consequently result in a decrease in Internet traffic to the Group's portals and websites.

In addition, Group entities purchase Internet traffic through search engine systems and social networking sites, among others. There can be no guarantee that these entities will not change the rules of traffic acquisition, including the relevant algorithms or billing systems, which may result in a decrease in the effectiveness of this type of advertising, a decrease in the return on investment in advertising, an increase in their prices or a deterioration in the conversion rate of acquired traffic, and this may consequently have a negative impact on the competitive position and financial results of Group companies.

### **■ Risk related to proceedings of the Office of Competition and Consumer Protection and other authorities**

The activities of companies belonging to the Group are subject to verification by the competent authorities. Offices such as the Office of Competition and Consumer Protection may question the previously adopted principles of operation of individual industries, do not accept systemic restrictions existing in individual markets or adopt interpretations that do not directly result from the applicable regulations. The Group cooperates with the competent authorities, however, the risk cannot be ruled out that the Group's actions will be assessed as insufficient, which may also result in long-term proceedings and financial penalties.

### **■ Risk of losing media credibility**

One cannot rule out the loss of credibility of the media content provided on the Group's sites, which may result in a loss of users, who are the decisive criterion for which advertisers choose the Group's sites to place their advertising campaigns. Loss of credibility can occur as a result of failure to exercise due journalistic diligence, violation of rules of ethics developed by the Group, or involvement on one side in a political or worldview dispute.

### **■ Risk of changing consumer behavior**

A number of factors beyond the Group's control may have a negative impact on the development of demand and supply for products and services in certain industries in which the Group operates. These include, among other things, terrorist attacks, unnatural or extreme weather events, health concerns, particularly pandemics or epidemics, political or social instability, wars, disasters, imposition of additional taxes or other administrative or regulatory burdens. These phenomena may lead to changes in consumer sentiment or behavior that are unfavorable to the Group, thereby reducing the Group's growth potential and potentially worsening its financial performance.

### **■ Risks associated with payment processing**

Some Group companies intermediate in the processing of payments from the end customer to the service provider. This raises the risk of settlement irregularities, including the possibility of fraud or scam. The Group is taking measures to prevent such events, but it cannot be ruled out that there may be negative image, legal or financial consequences for the Group as a result.

### **I Risks associated with growth through acquisitions**

The Group's strategy involves analyzing potential investment opportunities and acquisitions of companies providing services similar or complementary to those of the Group, which could complement the Group's offerings to Internet users and the Group's customers, should an appropriate economically viable opportunity arise that fits in with the Group's development strategy.

The implementation of the above strategy involves certain risks, in particular pertaining to identification of a suitable acquisition target, correct assessment of its operational, legal and financial standing, including the financial results generated, appropriate valuation of such an entity, conclusion and finalization of the transaction on terms satisfactory to the Group, and correct determination of the assumed synergies, as well as the level of costs associated with the integration of the acquired entity into the Group's structures and possible reorganizations. In addition, depending on the valuation of the acquired entities and other concurrent capital investments, it may be necessary for the Group to obtain external financing in a significant amount or issue new shares, which, if the pre-emptive rights of the Company's existing shareholders are excluded, may result in dilution of their share in the share capital and total number of votes held at the Shareholder Meeting. No assurance can be given that such financing will be available on the terms assumed by the Group or that it will be available at all.

### **I Risks associated with the integration of acquired entities**

The implementation of the Group's strategy of acquiring companies that provide services similar or complementary to those of the Group means that the Group may face difficulties in integrating the acquired entities into its structures, in reorganizing their operations by aligning them with the Group's activities and in managing them, and that it may lose the customers of the acquired entities. It cannot be ruled out that the assumed integration and reorganization of the operations of the acquired entities within the Group will not be complete, or that it will take longer than expected, or that

## **REGULATORY RISKS**

### **I Risk of violation of laws**

In connection with the Group's operational activities of publishing content, including multimedia content, the Group is exposed to all risks related to possible allegations of untruthfulness, unreliability or illegality of the information posted on the Group's

it will involve incurring costs greater than expected, and that the expected synergy effects will not be achieved, will deviate from those expected, or will be achieved at a different time or to a different extent than expected. There can also be no assurance that due to factors beyond the Group's control, including actions taken by its competitors, decisions by government authorities or the strategy of shareholders in the Internet sector, the Group's acquisition plans will be realized.

The Group makes acquisitions, which may be at different stages of development and organization. This means that further development of these businesses may require additional measures, including modifications to plans and strategies, which take time to implement and produce results.

In addition, there is no guarantee that any acquisition made by the Group will meet expectations, which raises the risk of impairment of investment assets, including the possibility of a total write-off of investments.

### **I Risks associated with judicial, administrative or other proceedings**

In connection with its operations, the Group is exposed to legal, administrative or other proceedings against it, the outcome of which cannot be completely predicted in advance. First and foremost, the Group's main operational activity of operating websites, portals and vortals poses the risk of raising possible allegations of untruthfulness, unreliability or illegality of the published information. Due to the broad scope of its operations and the multitude of websites, portals and vortals, as well as the variety of content published, despite appropriate internal procedures, the Group may not be able to fully control the content, including multimedia content, published on the sites it owns.

In cases where the Group pursues its claims in courts, it cannot be ruled out that, among others, the Group will obtain negative court decisions or significant delays in obtaining judgments due to prolonged court procedures.

websites and portals. In addition, since the Group, in the course of its business, collects, stores and uses, within the limits of the law, data of users of its websites, portals and e-mail, as well as of the Group's customers subject to legal protection, there is a risk of violating data protection laws.

### **I Risk of disseminating advertising that may be considered prohibited or unlawful**

In connection with the dissemination of advertisements through the Group's portals and websites, the Group is exposed to the risk of violating statutory prohibitions on advertising activities or laws that impose restrictions on the dissemination of advertisements relating to, for example, the form of the advertisement or the addressee of the advertisement. In addition, as there are interpretive doubts about some of the laws that impose bans and restrictions on the dissemination of advertising, there is a risk that the interpretation of the laws applied by state authorities to date may change, and thus the Group will have to adapt its policies to the changed practice.

### **I Risk of regulations restricting the Group's operations**

In observing the regulatory environment, the Group identifies risks associated with the enactment of regulations that may restrict the Group's operations, such as further bans and restrictions on advertising. In particular, regulations implemented without consultation with the industry community or in disregard of its recommendations, or other regulations motivated by political considerations, could prove problematic for the Group.

### **I Risks associated with the interpretation of regulations and changes in Polish law**

The Group's operations are subject to a number of regulations in Poland, which in turn are significantly affected by EU regulations. A significant number of existing laws and regulations applicable to the Group's operations have undergone and may undergo changes in the future, including those resulting from the implementation of relevant EU regulations. Due to the ambiguities and imprecisions that exist, as well as the intersecting scope of application, these regulations may also be subject to different interpretations, court rulings and may not be applied uniformly.

Changes in the law, including, in particular, changes in legislation directly affecting the operation of the market for new technologies, advertising or e-marketing services, may have a material adverse effect on the Group's operations. Above all, the volatility of the legal system and regulatory environment increases the risk of incurring significant additional and unexpected expenses, as well as the cost of adapting the business to the changing legal environment.

### **I Risks associated with changes in tax laws**

Tax laws are complex and unclear and subject to frequent changes. The practice of applying tax law by tax authorities is not uniform, and there are significant discrepancies in the jurisprudence of administrative courts on tax law. The Company cannot guarantee that the tax authorities will not interpret the tax laws applied by the Group companies in a different way that is unfavorable to the Group companies. The risk that individual tax rulings obtained and already applied by the Group will be changed or challenged cannot be excluded either. There is also a risk that, with the introduction of new regulations, Group companies will have to take adjustment measures, which may result in increased costs forced by the circumstances related to adaptation to the new regulations. In view of the above, it cannot be ruled out that the tax authorities will challenge the correctness of the tax settlements of the Group's entities with regard to the tax liabilities (that are not time-barred) and the determination of the tax arrears of these entities, which may have a significant negative impact on the Group's operations, financial position, development prospects or results.

The lack of jurisprudence and binding legal interpretations of the amended tax laws (including the so-called Polish Deal) entails not only the cost of additional legal consultations but also a possible increase in the tax burden. One cannot rule out inadvertent errors due to misinterpretation of the regulations, as the scale of the changes as well as the pace of their implementation is unprecedented. It cannot be ruled out that, despite the Group's best efforts, the authorities responsible for inspections may take a position different from that of the Group.

### **I Risk of violation of data protection regulations**

As of 25 May 2018, Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation, GDPR) applies directly in national legal orders. Complementary national regulations have been issued in connection with the GDPR.

Although the provisions of the GDPR have been applied for several years, a universally accepted detailed interpretation of all the regulations has not yet been established, and it is currently impossible to clearly predict all aspects of the GDPR's impact on further business activities in which personal data is processed, including the market for services in which personal data is used, such as targeted advertising and advertising e-mailing.

The Group has taken and continues to take appropriate measures to adapt to the GDPR regulations, however - for the reasons indicated above - the risk of a negative impact of the new regulations on the Group's operations cannot be completely excluded.

### **I Risks associated with entering into agreements with related parties**

Group companies conduct transactions with Group entities, including related parties within the meaning of tax regulations. When entering into and carrying out transactions with related parties, Group companies take special care to ensure that these transactions comply with applicable transfer pricing regulations. However, due to the special nature of related party transactions, the complexity and ambiguity of the laws governing the methods of examining the prices used, as well as the difficulty of identifying comparable transactions for reference purposes, there can be no assurance that individual Group companies will not be subjected to audits or other examination activities undertaken by tax and tax inspection authorities. Any challenge of the methods of determining arm's length terms for the purposes of the above transactions could have a material adverse effect on the Group's business, financial condition, development prospects and results.

### **I Risks associated with possible inspections by the Office of Competition and Consumer Protection, Office of Electronic Communications, Energy Regulatory Office and the National Broadcasting Council**

The UOKiK President inspects the Group's activities in terms of assessing compliance with, among other things, regulations prohibiting certain practices that violate the

common interests of consumers, such as presentation of unreliable information to consumers, unfair market practices or practices that restrict competition. The Group's operations are also subject to the control of the National Broadcasting Council (KRRiT) in connection with the fact that a Group company is a television broadcaster and has obtained radio broadcasting licenses, as well as in connection with the Group's provision of on-demand (VoD) media services via websites and portals. In addition, in connection with the collection of data on Internet users through websites and portals (through the use of cookies) and, to some extent, in connection with the provision of telecommunications services, the Group is also subject to scrutiny by the Office of Electronic Communications (UKE). Due to the fact that the Group's companies have electricity generation sources, the Group is subject to the control of the Energy Regulatory Office (URE). The imposition of fines on Group companies by national competition authorities or the European Commission, as well as refusal to approve the Company's or its Subsidiaries' concentration, could have a material adverse effect on the Group's business, financial condition and results of operations.

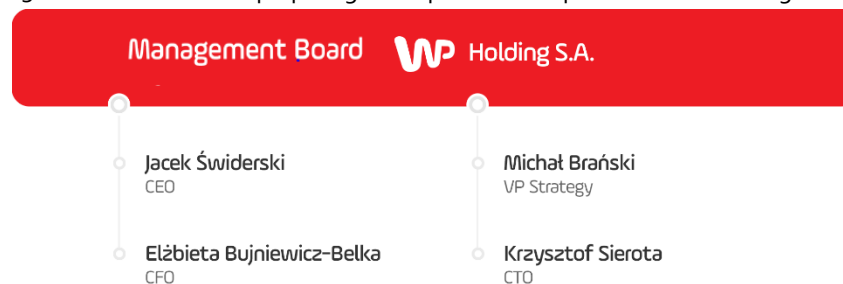
### **I Risks associated with the principle of Internet net neutrality**

The principle of net neutrality is expressed in the equal treatment of transmitted data on the Internet by the operator or ISP. According to this principle, operators of traffic exchange points and backbone networks, as well as Internet providers, may not give preferential treatment to selected sites or services, prioritizing their packages, and every Internet user is legally guaranteed equal access to all services on the Internet. It cannot be ruled out that in the future operators or Internet access providers will not enforce the principle of neutrality or that the legislative measures taken to implement the principle of neutrality will not be sufficient to ensure Internet net neutrality.

## 9. SHARES AND SHAREHOLDERS

### COMPOSITION AND CHANGES TO THE BODIES OF WIRTUALNA POLSKA HOLDING S.A.

As of 31 December 2023 and as of the date of preparing this report the composition of the Management Board was as follows:



In the period covered by this report, there were no changes in the composition of the Company's Management Board.

As of 31 December 2023 the composition of Supervisory Board was as follows :



## SHARE CAPITAL

As of 31 December 2023 the share capital of the Company consisted of 29,303,416 shares with a par value of PLN 0.05 each, entitling 40,593,125 votes at the General Meeting, including:

- 11,289,709 A series registered preference shares; preference of 11,289,709 A series shares relates to voting rights at the General Meeting in such way that one share gives two votes;
- 1,100,000 A series ordinary bearer shares;
- 12,221,811 B series ordinary bearer shares;

- 301,518 C series ordinary bearer shares;
- 786,930 D series ordinary bearer shares;
- 3,339,744 E series ordinary bearer shares;
- 263,704 F series ordinary bearer shares.

B, C, D, E and F series shares as well as A series without any preference in terms of voting bearer shares are admitted to trade.

## DIVIDEND POLICY

On 20 December 2016, the Management Board of Wirtualna Polska Holding S.A. adopted a dividend policy.

According to the adopted policy, the Management Board will propose the payment of a dividend to the General Meeting at a level above PLN 1 per share, but not more than 70% of the consolidated net profit of the Capital Group reported in the financial statement for a given fiscal year.

When recommending the payment of a dividend, the Management Board will consider all the relevant factors, including in particular:

- the current financial situation of the Capital Group,
- the investment plans of the Group,
- the potential acquisition targets of companies belonging to the Group,

- the expected level of free cash in the WPH in the financial year in which the payment of dividends are due.

The dividend policy applies starting from the distribution of the consolidated net profit of the Capital Group for the year ending 31 December 2016. The decision on dividend payment by WPH SA shall be taken by the General Meeting.

On 21 June 2023, the Parent's General Meeting adopted a resolution regarding dividend payment of PLN 2.5 per share, allocating the amount from the net profit for 2022 for this purpose.

The dividend record date was set for 4 July 2023, and the dividend payment day for 11 July 2023. The final value of the dividend paid was PLN 73,238 thousand.

## SHAREHOLDERS WITH AT LEAST 5% VOTING RIGHTS

In accordance with notifications received by the Company Wirtualna Polska Holding SA and to the best of its knowledge, as of 31 December 2023 the structure of shareholders

who hold, directly or indirectly by their subsidiaries, at least 5% of the total voting rights at the General Shareholders' Meetings of the Company is as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Jacek Świdorski through subsidiaries, including: Orfe S.A.	3 779 667	12,90%	7 542 904	18,58%
Michał Brański through subsidiaries, including: 10X S.A.	3 775 416	12,88%	7 538 652	18,57%
Krzysztof Sierota through subsidiaries, including: Albemuth Inwestycje S.A.	3 767 488	12,86%	7 530 724	18,55%
	3 771 164	12,87%	7 534 400	18,56%
	3 763 236	12,84%	7 526 472	18,54%
<b>Founders together: *</b>	<b>11 326 247</b>	<b>38,65%</b>	<b>22 615 956</b>	<b>55,71%</b>
Allianz OFE	3 597 103	12,28%	3 597 103	8,86%
Allianz TFI	2 034 582	6,94%	2 034 582	5,01%
Others	12 345 484	42,13%	12 345 484	30,41%
<b>Total</b>	<b>29 303 416</b>	<b>100,00%</b>	<b>40 593 125</b>	<b>100,00%</b>

\* Founders (i.e. Jacek Świdorski, Michał Brański and Krzysztof Sierota) in connection with the shareholders agreement concluded on 19 March 2015 by the Founders and their subsidiaries (Orfe SA, 10X SA and Albemuth Inwestycje SA) concerning joint voting at the general meeting of the Company and conducting a long-term policy towards the Company exercise voting rights jointly.

## CHANGES IN THE SHARE CAPITAL AFTER BALANCE SHEET DATE

On January 25, 2024, 6,041 series D ordinary bearer shares and 3,797 series F ordinary bearer shares were registered with the National Depository for Securities and admitted to trading. After registration, admission to trading and issuance of the above-mentioned shares, the Company's share capital amounted to PLN 1,465,662.70 and was

divided into 29,313,254 shares with a nominal value of PLN 0.05, entitling to 40,602,963 votes at the General Meeting.

After the abovementioned changes in the share capital, the shareholders structure is as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Jacek Świdorski poprzez podmioty zależne, w tym m.in.: Orfe S.A.	3 779 667	12,89%	7 542 904	18,58%
Michał Brański poprzez podmioty zależne, w tym m.in.: 10X S.A.	3 775 416	12,88%	7 538 652	18,57%
Krzysztof Sierota poprzez podmioty zależne, w tym m.in.: Albemuth Inwestycje S.A.	3 767 488	12,85%	7 530 724	18,55%
	3 771 164	12,87%	7 534 400	18,56%
	3 763 236	12,84%	7 526 472	18,54%
<b>Łącznie Założyciele *</b>	<b>11 326 247</b>	<b>38,64%</b>	<b>22 615 956</b>	<b>55,70%</b>
Allianz OFE	3 597 103	12,27%	3 597 103	8,86%
Allianz TFI	2 034 582	6,94%	2 034 582	5,01%
Pozostali	12 355 322	42,15%	12 355 322	30,43%
<b>Razem</b>	<b>29 313 254</b>	<b>100,00%</b>	<b>40 602 963</b>	<b>100,00%</b>

## NUMBER OF SHARES HELD BY MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

As of the date of this report, the number of shares of Wirtualna Polska Holding SA held by members of the managing and supervisory bodies is as follows:

- Jacek Świdorski is indirectly entitled to exercise voting rights attached to 3,763,237 series A registered shares in the Company, held by Orfe S.A., having preferential rights as to voting, so that one share entitles two votes at the general meeting and 16,430 ordinary bearer shares held by Orfe SA, which in total constitute a 12.90% interest in the Company's share capital, representing 7,542,904 votes at the general shareholders meeting of the Company and constituting 18.58% of the overall number of votes;
- Krzysztof Sierota is indirectly entitled to exercise voting rights attached to 3,763,236 series A registered shares in the Company, held by Albemuth Inwestycje S.A., having preferential rights as to voting, so that one share entitles two votes at the general meeting and 7,928 ordinary bearer shares

held by Highcastle Sp. z o.o., which constitute a 12.87% interest in the Company's share capital, representing 7,534,400 votes at the general shareholders meeting of the Company and constituting 18.56% of the overall number of votes;

- Michał Brański is indirectly entitled to the voting rights from 3,763,236 series A registered shares of the Company held by 10X SA, privileged in terms of voting in such a way that one share is entitled to two votes at the general meeting, 7,928 ordinary bearer shares held by Now2 Sp. z o. o. and 4,252 ordinary bearer shares held by 10X SA, which constitutes a total of 12.88% of the share capital of the Company, representing 7,538,652 votes from these shares at the general meeting of shareholders of the Company and constituting 18.57% of the total number of votes.

- Under the first phase of the implementation of the incentive plan, Elżbieta Bujniewicz-Belka (Member of the Management Board) acquired 18,664 (nominal value of PLN 933) ordinary bearer shares of the new C series issued based on the resolution approving the issue of C series shares. In the next phases of the implementation of the incentive plan Elżbieta Bujniewicz-Belka acquired 93,318 D series ordinary bearer shares issued based on the resolution approving the issue of D series shares. Elżbieta Bujniewicz-Belka owns

additional 564 shares purchased in September 2017. Elżbieta Bujniewicz-Belka is entitled to acquire for a maximum of 120,000 series F ordinary bearer shares issued under the second managerial option program on the basis of the resolution on the issue of series F shares.

Additional information on the structure and changes in equity and voting rights is described in note 28 to the consolidated financial statements.

## INFORMATION ON AGREEMENTS ON CHANGES IN THE SHAREHOLDING STRUCTURE

### Incentive scheme – share-based payments and its control system

#### First incentive scheme

On 23 October 2014, the Parent Company's shareholders signed an agreement which stipulates the establishment of an incentive scheme granting the Company's share options to key people working for the Group. The total number of shares earmarked for the scheme is 1,230,576 and it shall not exceed 5% of the Company's share capital. The rights were awarded on 12 August 2014, and they are vested in the beneficiaries gradually (so called vesting), on a quarterly basis, as a rule over a period no longer than 6 years. The scheme includes a requirement of being currently employed as a condition for the rights to the options vesting.

Detailed information on the first incentive scheme is described in note 29 to the consolidated financial statements of the Group for the year ending 31 December 2023.

#### Second incentive scheme

On 15 February 2016, the Supervisory Board of the Parent Company passed a resolution adopting the rules of a new incentive scheme granting the Company's F series ordinary share options to key people working for the Group. The total number of shares earmarked for the scheme is 593,511 and it shall not exceed 5% of the Company's share capital.

Detailed information on the second incentive scheme is described in note 29 to the consolidated financial statements of the Group for the year ending 31 December 2023.

### PURCHASE OF OWN SHARES

As of 31 December 2023, neither Wirtualna Polska Holding nor any other any other company belonging to the Group does not hold any its own shares.

### ANALYSTS

Below we present a list of analysts who prepare reports and make recommendations for the Capital Group:

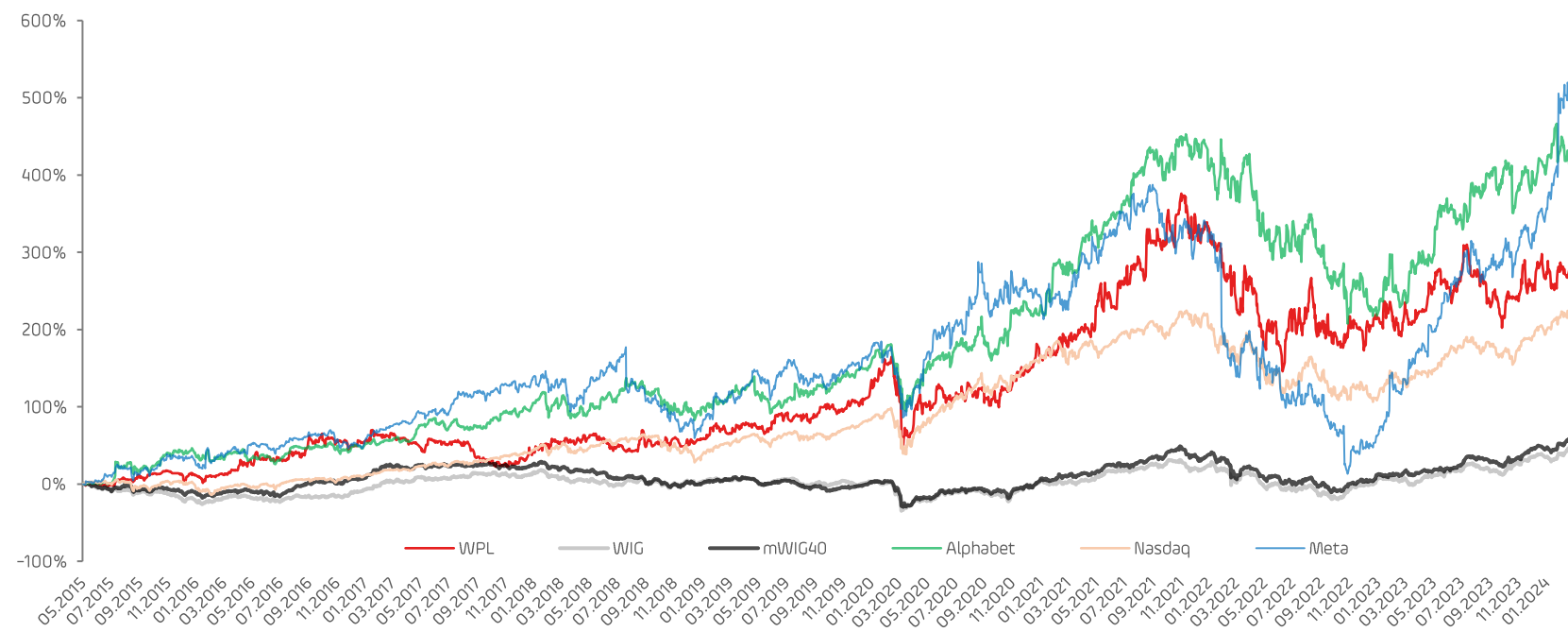
- Marcin Nowak, IPOPEMA Securities SA, <http://ipopemasecurities.pl/>
- Paweł Szpigiel, Biuro maklerskie mBanku, <http://www.mdm.pl/>
- Piotr Łopaciuk, Biuro maklerskie PKO BP, <http://www.pkobp.pl/>
- Dominik Niszcz, Trigon Dom Maklerski <http://www.trigon.pl/>
- Emil Popławski, Bank Pekao Biuro Maklerskie, <https://www.pekao.com.pl>
- Tomasz Krukowski, Santander Brokerage Poland, <https://www.santander.pl/inwestor>
- Piotr Raciborski, Wood&Co, <https://www.wood.cz/>
- Piotr Bogusz, Erste Securities Polska, <https://www.esp.pl>
- Maciej Bobrowski, Dom Maklerski BDM, <http://www.bdm.pl>

### LISTING OF SHARES

The shares of Wirtualna Polska Holding SA have been listed on the Stock Exchange in Warsaw since 7 May 2015.

The shares of Wirtualna Polska Holding SA are part of the following indexes: WIG, WIG-Poland, InvestorMS, WIG-MEDIA mWIG40.

The chart shows the development of the share price of the Wirtualna Polska Holding SA from the day of its IPO to 31 December 2023 against the mWIG40, WIG, Nasdaq indexes and Alphabet, Meta, Amazon and Allegro share price performance.



## 10. ADDITIONAL INFORMATION

### REMUNERATION OF KEY MANAGEMENT AND SUPERVISORY PERSONNEL

#### Remuneration of the Members of the Management Board

The parent company's Management Board receives remuneration from Wirtualna Polska Holding SA and for serving as members of supervisory boards of the subsidiaries of the Capital Group.

The table below presents the remuneration payable or paid to the Members of the Management Board in 2023.

Twelve months ending 31 December 2023 ('000 PLN)	Salaries	Share Based Incentive Payment Plan
Jacek Świdorski	4 359	-
Krzysztof Sierota	1 695	-
Michał Brański	1 686	-
Elżbieta Bujniewicz - Belka	1 669	6
<b>Total</b>	<b>9 408</b>	<b>6</b>

#### Remuneration of the Members of the Supervisory Board

The table below presents the remuneration payable or paid to the Supervisory Board members in 2023.

Twelve months ending 31 December 2023 ('000 PLN)	Salaries	Share Based Incentive Payment Plan
Witold Woźniak	36	-
Katarzyna Beuch	43	-
Grzegorz Konieczny	43	-
Piotr Walter	43	-
Aleksander Wilewski	43	-
Beata Barwińska-Piotrowska	43	-
Mariusz Jarzębowski	43	-
Różycka-Iwan Joanna	5	-
<b>Total</b>	<b>299</b>	<b>-</b>

### Information on liabilities arising from pensions and similar benefits for former management and supervisory personnel.

The Group had no payments and has no liabilities regarding pension and similar benefits for former management and supervisory personnel.

### EVENTS AFTER THE BALANCE SHEET DATE

Detailed information of post- balance sheet events is provided in note 43 to the consolidated financial statements for the period of 12 months ending 31 December 2023.

### MANAGEMENT COMMENTS ON THE FEASIBILITY OF PREVIOUSLY PUBLISHED FORECASTS FOR THE YEAR

The Group did not publish any forecasts of results for the year 2023.

### PRODUCTS PROVIDED BY THE WIRTUALNA POLSKA HOLDING CAPITAL GROUP

The Group's products are divided into four categories – Advertising and Subscriptions, Travel, Consumer Finance and Other.

The table below presents the Group's sales according to these types:

PLN'000	Twelve months ending 31 December 2023	Twelve months ending 31 December 2022
<b>Cash sales in segments</b>	<b>1 420 234</b>	<b>1 058 078</b>
Sales - Advertising & subscriptions	686 814	595 054
Sales - Travel	494 744	242 770
Sales - Consumer finance	199 457	171 033
Sales - Other	39 219	49 221
Sales - Barter	27 591	29 567
Intra-group adjustments (between segments)	(11 022)	(9 925)
<b>Total</b>	<b>1 436 803</b>	<b>1 077 720</b>

### Advertising and subscriptions

The Group operates on the Polish online advertising market, offering its clients a wide range of advertising products on the Internet - display advertising, including video advertising, e-mail advertising, advertising for mobile devices and advertising based on the performance model (i.e. billed for page views, form filling, registrations, purchase of goods or services), i.e. lead generation, performance marketing. Thanks to the high popularity of the Group's sites and services, the Group is able to reach a wide range of users with its advertising message.

Subscription sales mainly include the sale of packages within the Pilot WP service, which allows traditional TV to be received online, as well as the sale of audiobooks offered by Audioteka, a company acquired in 2022, which is the leader of the Polish audiobook market.

### Travel

The Group operates in the market of organised foreign travel in Poland and domestic individual travel in the CEE region. Travel packages are sold through the online channel, omnichannel model, using a call centre and a franchised offline network. The Group generates revenue on commission from the sale of travel services (Wakacje.pl, Szallas

Group, Nocowanie.pl), as well as the sale of subscriptions and positioning points on Nocowanie.pl.

### **I Consumer Finance**

In this category, the Group generates commission revenue from the sale of financial products, i.e. car finance, consumer loans and credits and other products of financial institutions. The Group also sells cars online both in an agency model, acting as an intermediary between the end customer and the supplier, as well as in a model of full control of the sales process to the end customer.

## **RYNKI ZBYTU I ZAOPATRZENIA**

W odniesieniu do Grupy Kapitałowej, około 71% przychodów ze sprzedaży osiągniętych przez Grupę w 2023 roku pochodziło z rynku krajowego. Sprzedaż na rynkach zagranicznych realizowana jest głównie do krajów Unii Europejskiej.

PLN'000	Twelve months ending 31 December 2023	Twelve months ending 31 December 2022
Domestic sales	1 021 176	799 714
Export sales	415 627	278 006
European Union	365 994	240 255
Outside European Union	49 633	37 751
<b>Total</b>	<b>1 436 803</b>	<b>1 077 720</b>

The Group manages a well-diversified portfolio of customers and suppliers. In 2022, the turnover of one contractor exceeded 10% of the Group's total consolidated revenues and in 2022 amounted to 12%. In 2023, no contractor exceeded the

### **I Other**

This category includes the sale of house projects through Extradom, as well as the sale of energy produced from renewable sources, under the WP Naturalnie brand.

Year-on-year changes in revenue are discussed in section 2 of this report.

In 2023, Wirtualna Polska Holding SA did not generate any operating revenues.

threshold of 10% of consolidated revenues. Therefore, in the opinion of the Management Board, there is no risk related to excessive concentration of revenues and credit risk.

## **LITIGATION PENDING BEFORE THE COURT, THE APPROPRIATE ARBITRATION BODY OR THE PUBLIC ADMINISTRATION BODY**

If the Group is a defendant in a litigation case, a provision is booked for the case based on its actual status and the cost estimation prepared by the Legal Department. The provisions were recorded in the amount of the claims and court fees, whose adjudgment is probable in the Group's opinion. Currently, there are no pending court proceedings, arbitration or proceedings before the administrative authority in respect

of liabilities or receivables of Wirtualna Polska Holding SA and its subsidiaries in the total amount of at least 10% of the Wirtualna Polska Holding SA 's equity.

During 2023 the provision for court proceedings increased by PLN 441 thousand.

## INFORMATION ON TRANSACTIONS WITH RELATED ENTITIES

All transactions with related entities are concluded on an arm's length basis. Detailed information on transactions with related entities are presented in note 40 of the consolidated financial statements for the 12 months ending 31 December 2023 and in note 20 of the standalone financial statement for the 12 months ending 31 December 2023.

## INFORMATION ON FINANCIAL INSTRUMENTS

Information regarding financial instruments related to:

- price change risk, credit risk, risk of significant disruptions to cash flow and risk of financial insolvency, to which the entity is exposed;
- objectives and methods established in order to manage financial risk, including methods of securing significant types of planned transactions to which hedging accounting is applicable;

are described in note 38 of the consolidated financial statements for the 12 months ending 31 December 2023 as well as in note 18 of the standalone financial statements of Wirtualna Polska Holding SA for the 12 months ending 31 December 2023.

## INFORMATION ON GUARANTEES AND WARRANTIES GRANTED IN RESPECT OF LOANS, BORROWINGS AND LOANS GRANTED

### Guarantees granted to third-party entities

In the period under consideration none of the Group companies granted any warranties in respect of loans or borrowings or guarantees – in aggregate to one company or an entity related to that company – the total value of which would constitute at least 10% of the equity of Wirtualna Polska Holding SA.

### Intragroup guarantees

The guarantors of the credit agreement valid as at 31 December 2023, concluded on 25 February 2020 between Wirtualna Polska Media SA, Wirtualna Polska Holding SA and

mBank SA, Powszechna Kasa Oszczędności Bank Polski SA, ING Bank Śląski SA, Bank Polska Kasa Opieki SA and BNP Paribas Bank Polska SA, are: Wirtualna Polska Holding SA, Wakacje.pl SA, Totalmoney.pl Sp. z o.o., Extradom.pl sp. z o.o., Stacja Służew Sp. z o.o., Szallas.hu Zrt, Szallas Group Zrt, Nocowanie.pl Sp. z o.o., Grupa Audioteka Sp. z o.o., WP Naturalnie Solar 1 Sp. z o.o., WP Naturalnie Solar 2 Sp. z o.o. oraz Hotel.cz a.s..

### Loans granted

As at December 31, 2023, Wirtualna Polska Holding SA and Wirtualna Polska Media SA are parties to loans granted to companies from the capital group, associated companies and an unrelated entity intended to finance acquisitions and current operating activities.

## INFORMATION ON SIGNED AND TERMINATED CONTRACTS ON FINANCIAL LOANS IN A GIVEN YEAR

### Loans taken from financial institutions

According to the financing model adopted in the Capital Group, only Wirtualna Polska Holding SA and the subsidiary Wirtualna Polska Media SA are the parties to the loan taken from external institutions (apart from the overdraft), and both borrowers and selected companies belonging to the capital group are the guarantors of this agreement.

The Group is also a party to a stock loan signed in 2021, intended to finance the purchase of vehicles sold as part of the operations of Superauto. The loan limit is PLN 15 million. As of December 31, 2023, Superauto used PLN 13.2 million of the available credit line.

The description of the parameters of the loan received and the changes that took place during the year are described in detail in Note 33 to the financial statements.

### Intragroup loans

As at December 31, 2023, Wirtualna Polska Holding SA and Wirtualna Polska Media SA are parties to loans granted to companies owned by the capital group, intended for financing acquisitions and current operating activities. The parent company does not have any loans from other companies of the capital group.

## **EVALUATION OF THE FINANCIAL RESOURCES MANAGEMENT**

The Capital Group has implemented centralised financial management through a central model of finance and the Group's liquidity management policy. The development policy of companies and limits of risk exposure are set at the highest level of the Group. Measures implemented enabled the effective management of financial resources.

According to the adopted central model of financing, the Company is responsible for obtaining financial resources for the companies of the Capital Group. Current operations of companies reporting the need for resources is financed from financial surpluses generated by other companies through intra-group loans. Such form of obtaining funding sources mainly allows to decrease the costs of capital, increase the possibility to obtain financing, reduce the number and forms of collaterals established on Capital Group's assets and ratios required by financial institutions, as well as reduce the administrative costs.

The acquisition activity in 2023 and in 2022 was mainly financed with debt financing and own resources.

In 2023, the Wirtualna Polska Holding Capital Group had the full ability to repay its liabilities as due.

## **ASSESSMENT OF THE POSSIBILITIES TO CARRY OUT INVESTMENT PLANS**

The financing of strategic investments is managed centrally within the Company. The Management Board believes that the Group is able to finance the current and future investment plans with own funds generated from operating activities and with external financing.

## **CHANGES IN THE BASIC PRINCIPLES OF MANAGEMENT OF THE COMPANY AND THE CAPITAL GROUP**

In 2023, there were no significant changes in the basic principles of Company and Capital Group management.

## **AGREEMENTS WITH THE MANAGEMENT WHICH DETERMINE COMPENSATION IN CASE OF RESIGNATION OR TERMINATION OF EMPLOYMENT WITHOUT A SIGNIFICANT REASON OR WHEN TERMINATION OCCURS BECAUSE OF A MERGER OF THE COMPANY**

Members of the Company's Management Board perform functions in the Management Board on the basis of appointment agreements. The remuneration of Management Board Members is determined by the resolutions of the Company's Supervisory Board.

In the case of dismissal of a Member of the Management Board by the Company or resignation of a Member of the Management Board from performing the function at the initiative of the Company, a Member of the Management Board shall be entitled to severance pay, unless the sole reason justifying the dismissal or resignation from the function of a Member of the Company's Management Board is:

- severe breach of basic duties by a member of the Management Board;
- inability of a Member of the Management Board to perform the function of a member of the Company's Management Board due to illness lasting longer than the total period of receiving remuneration and allowance in this respect and receiving a rehabilitation benefit for the first three months.

Each member of the Management Board is bound by a non-competition clause for the entire period of performing the function of a member of the Company's Management Board and for a period of twelve months after the date of termination of this function. Due to discharging their obligations under the non-competition clause within 12 months after the date of termination of the function of a Member of the Management Board, each of them has the right to compensation in the amount constituting the amount specified in the resolution of the Supervisory Board. In the case of a breach by a Member of the Management Board of the provisions of the agreement regarding non-competition, the Member of the Management Board will lose the right to compensation and will be obliged to return the compensation already received to the Company.

## **RESEARCH AND DEVELOPMENT**

Due to the profile of the activities conducted, the Group has not adopted any research and development strategy.

As part of its operations, the Group implements a number of development projects focused on creating modern technological solutions for users and customers. These projects are aimed at consolidating the technological competitive advantage of the Group.

Research and development (R&D) activities are the basis of the Wirtualna Polska Group's development strategy on the dynamically changing media and electronic services market. We implement it in order to increase the level of knowledge necessary to prepare tools and products that fit the latest global technological trends.

We have a specialized unit responsible for coordinating R&D activities at the holding level. In 2023, we continued cooperation with scientific and research centers (Wrocław University of Science and Technology and Bydgoszcz University of Technology), thus building scientific base for ongoing projects. We have also started cooperation with publishers from other European countries.

Last year, we prepared and submitted grant applications to international consortiums for R&D projects in the area of big data, cybersecurity and editorial cooperation. Further projects are being prepared, including: as part of the largest scientific research and innovation program in the history of the European Union - Horizon Europe, subsidizing research projects of European scope.

Currently, work in the area of R&D focuses on, among others: on:

- improving the reach and effectiveness of advertising;
- development of artificial intelligence tools aimed at supporting the work of the editorial office and facilitating content creation;
- process automation;
- UX development, i.e. continuous improvement of the experience of users of our products and services.

#### **INFORMATION ABOUT ENTITY AUTHORISED TO PERFORM AN AUDIT OF THE FINANCIAL STATEMENTS**

Detailed information about the entity authorised to perform the audit of the financial statements and information about its remuneration are presented in note 44 of these consolidated financial statements for the period of 12 months ending 31 December 2023. As for the audit of standalone financial statements, the information on the entity authorised to perform the audit and its remuneration is presented in note 22 of the standalone financial statement for the year ending 31 December 2023.

#### **OTHER INFORMATION WHICH IN GROUP'S OPINION IS MATERIAL TO THE ASSESSMENT OF THE HUMAN RESOURCES, ASSETS AND FINANCIAL POSITION, ITS RESULT AND CHANGES AND INFORMATION WHICH IS MATERIAL TO THE ASSESSMENT OF THE GROUP'S ABILITY TO DISCHARGE ITS LIABILITIES**

Apart from the events described in this document and in the consolidated financial statements, until the date of publication of this report no other events occurred which would be material to the assessment of the Group's ability to discharge its liabilities.

In the opinion of the Management Board of Wirtualna Polska Holding SA the presented information exhaustively describes the human resources, asset and financial position of the Group. No other events took place which have not been disclosed by the Company, and which could be considered material to the assessment of its respective position.

## 11. SELECTED FINANCIAL DATA IN EURO

The following tables set out selected consolidated financial data for the period of 3 and 12 months ending 31 December 2023 and 2022. The selected financial data presented in the tables below is expressed in thousands of PLN, unless otherwise stated. This

information should be read in conjunction with condensed consolidated financial statements for the year ending 31 December 2023 as well as the information included in point 2 of this report.

### Consolidated income statement and other comprehensive income

	Twelve months ending	Twelve months ending	Twelve months ending	Twelve months ending
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	PLN'000		EUR'000	
<b>Segments total</b>				
Sales	1 436 803	1 077 720	317 287	229 874
Cash sales	1 409 212	1 048 153	311 194	223 568
Adjusted EBITDA (IFRS 16)	438 971	371 353	96 937	79 208
EBITDA (IFRS 16)	427 156	340 096	94 328	72 541
Amortization and depreciation	(145 963)	(100 503)	(32 233)	(21 437)
Operating profit	281 193	239 593	62 095	51 104
Result on financial activities	(62 470)	(8 172)	(13 795)	(1 743)
Profit before tax	218 705	231 421	48 296	49 361
Net profit	163 954	178 324	36 206	38 036

### Consolidated statement of the financial position

	As of	As of	As of	As of
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	PLN'000		EUR'000	
<b>TOTAL ASSETS</b>	2 085 124	2 010 836	479 559	428 759
Non-current assets	1 526 326	1 533 609	351 041	327 002
Current assets	558 798	477 227	128 518	101 756
Long-term liabilities	634 144	641 903	145 847	136 869
Short-term liabilities	535 154	446 064	123 080	95 112
Equity	915 826	922 869	210 632	196 778
Share capital	1 465	1 464	337	312
Non-controlling interests	35 101	52 838	8 073	11 266

### Consolidated cash flow statement

	Twelve months ending	Twelve months ending	Twelve months ending	Twelve months ending
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	PLN'000		EUR'000	
Net cash flows from operating activities	383 984	265 768	84 795	56 687
Net cash flows from investing activities	(225 859)	(576 443)	(49 876)	(122 954)
Net cash flows from financing activities	(99 675)	358 969	(22 011)	76 567
<b>Total net cash flows</b>	<b>58 450</b>	<b>48 294</b>	<b>12 907</b>	<b>10 301</b>

### Standalone income statement

	Twelve months ending	Twelve months ending	Twelve months ending	Twelve months ending
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	PLN'000		EUR'000	
Sales	-	-	-	-
Operating loss	37 229	78 217	8 221	16 683
Profit before tax	42 436	84 193	9 371	17 958
Net profit	42 788	83 765	9 449	17 867

### Standalone statement of the financial position

	As of	As of	As of	As of
	31 December 2023	31 December 2022	31 December 2023	31 December 2022
	PLN'000		EUR'000	
<b>TOTAL ASSETS</b>	<b>425 430</b>	<b>462 364</b>	<b>97 845</b>	<b>98 587</b>
Non-current assets	395 838	382 590	91 039	81 577
Current assets	29 592	79 774	6 806	17 010
Long-term liabilities	15 088	18 768	3 470	4 002
Short-term liabilities	9 796	12 456	2 253	2 656
Equity	400 546	431 140	92 122	91 929
Share capital	1 465	1 464	337	312

## Standalone cash flow statement

	Twelve months ending 31 December 2023	Twelve months ending 31 December 2022	Twelve months ending 31 December 2023	Twelve months ending 31 December 2022
	PLN'000		EUR'000	
Net cash flows from operating activities	100 389	36 058	22 169	7 691
Net cash flows from investing activities	(13 341)	6 990	(2 946)	1 491
Net cash flows from financing activities	(76 005)	(37 572)	(16 784)	(8 014)
Total net cash flows	11 043	5 476	2 439	1 168

Conversion into euro was performed based on the following principles:

- amounts presented in zloty as of 31 December 2023 were converted into euro at the exchange rate of 4.3480 (the NBP exchange rate as of 31 December 2023),
- amounts presented in zloty as of 31 December 2022 were converted into euro at the exchange rate of 4.6899 (the NBP exchange rate as of 31 December 2022),
- amounts presented in zloty for the period of twelve months ending 31 December 2023 were converted into euro at the exchange rate of 4.5284 (the arithmetic mean of the NBP exchange rates as of the last day of each month of the year 2023),
- amounts presented in zloty for the period of twelve months ending 31 December 2022 were converted into euro at the exchange rate of 4.6883 (the arithmetic mean of the NBP exchange rates as of the last day of each month of the year 2022).

**Corporate Governance  
Statement of  
Wirtualna Polska Holding  
for 2023**



## CORPORATE GOVERNANCE STATEMENT REGARDING THE YEAR ENDING 31 DECEMBER 2023

This corporate governance statement of Wirtualna Polska Holding S.A. ("Company") regarding the year 2023 was prepared on the basis of art. 70 section 5 point 6 of the

### 1. CORPORATE GOVERNANCE PRINCIPLES REGULATING THE OPERATIONS OF THE COMPANY

In 2023 the Company was subject to the set of principles of the corporate governance in the form of the Best Practices of WSE Listed Companies that were set out by the Warsaw Stock Exchange as an appendix to the resolution no. 13/1834/2021 of 29 March 2021 for the period between 1 January 2023 and 31 December 2023 until publication of the report. The contents of the document, adopted by the WSE, is publicly available at the seat of the Warsaw Stock Exchange (WSE) and on the website of WSE dedicated to those issues available at <http://corp-gov.gpw.pl>.

#### Information on the application of the Corporate Governance principles

The Company strives to ensure the maximum transparency of its operations, the best quality of communication with its investors and the protection of its shareholders' rights, also in areas not governed by law. Accordingly, the Company takes the necessary actions to observe all the rules comprising the "WSE Best Practices 2021" to the fullest extent possible. The Company observes all the WSE Best Practices that are subject to the comply-or-explain rule, subject to the following:

- Best Practice 1.4. – To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and their status, defined by measures, both financial and non-financial.

The company does not publish its business strategy on its website.

Regulation of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and on conditions under which such information may be recognised as being equivalent to information required by the regulations of law of a state which is not a member state (Journal of laws of 2018, item 757) and the resolutions of the Management Board of the Warsaw Stock Exchange no. 13/1834/2021 of 29 March 2021.

- Best Practice 2.7. – A company's management board members may sit on corporate bodies of companies other than members of its group subject to the approval of the supervisory board.

The presence of members of the Management Board on the management boards or supervisory boards of companies outside the Company's capital group does not require the consent of the Company's supervisory board. These persons have agreements concluded with the Company containing non-competition clauses and obligations to devote sufficient time to the performance of duties related to their functions.

- Best Practice 3.2. – Companies' organisation includes units responsible for the tasks of individual systems and functions unless it is not reasonable due to the size of the company or the type of its activity.

Currently, the Company has separated the internal audit function. Other tasks as part of the internal control systems, risk management and compliance are divided between individual organizational units in the Company.

- Best Practice 4.3. – Companies provide a public real-life broadcast of the general meeting.

The Company does not provide publicly available broadcasts of the General Meeting. The General Meetings of the Company are organized in a transparent and efficient manner, allowing shareholders to participate and exercise all rights related to the Company's shares held. Announcement about the General Meeting along with draft resolutions and all documentation as well as adopted resolutions are published on the Company's website. The Company has not been informed about such expectations or demand from shareholders.

- **Best Practice 4.8. – Draft resolutions of the general meeting on matters put on the agenda of the general meeting should be tabled by shareholders no later than three days before the general meeting.**

The Company makes every effort to ensure that the shareholders have the opportunity to read the materials and draft resolutions on the agenda in terms that allow for proper understanding, however, due to the regulations of

the Commercial Companies Code, enabling shareholders to submit draft resolutions during the general meeting, the Company is not able to guarantee the application of this rules.

- **Best Practice 4.9.1. – If the general meeting is to appoint members of the supervisory board or members of the supervisory board for a new term of office candidates for members of the supervisory board should be nominated with a notice necessary for shareholders present at the general meeting to make an informed decision and in any case no later than three days before the general meeting; the names of candidates and all related documents should be immediately published on the company's website.**

The Company makes every effort to ensure that the shareholders have the opportunity to read the materials and draft resolutions on the agenda in terms that allow for proper understanding, however, due to the regulations of

the Commercial Companies Code, enabling shareholders to submit draft resolutions during the general meeting, the Company is not able to guarantee the application of this rules.

## 2. DESCRIPTION OF THE MAIN CHARACTERISTICS OF INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN RELATION TO THE PROCESS OF GENERATING THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

The Management Board of the Company is responsible for the internal control system in the Company and its effectiveness in the process of preparing financial statements and interim reports prepared and published in accordance with the Regulation of the Minister of Finance of 29 March 2018 regarding current and periodic information submitted by issuers of securities.

- **Best Practice 6.3. – If companies' incentive schemes include a stock option programme for managers, the implementation of the stock option programme should depend on the beneficiaries' achievement, over a period of at least three years, of predefined, realistic financial and non-financial targets and sustainable development goals adequate to the company, and the share price or option exercise price for the beneficiaries cannot differ from the value of the shares at the time when such programme was approved.**

An incentive program was introduced in the Company prior to the day of the Company's stock exchange debut, granting key managers the opportunity to purchase the Company's shares. Its rules are based on the issue of subscription warrants entitling to the acquisition of the Company's shares. In accordance with the principles of the program and the concluded option agreements, the implementation of the options program does not have to be conditional on the eligible, for at least 3 years, predefined, realistic and appropriate for the company financial and non-financial and sustainable development goals. The Company believes that the structure of the program ensures that the remuneration of key managers is sufficiently linked to the company's long-term business and financial goals due to the fact that vesting is extended in time (vesting takes place on a quarterly basis for approx. 5-6 years), and the condition for participation in the program is cooperation with the Company.

The internal control and risk management system in relation to the financial reporting process is realised through;

- procedures specifying the principles and responsibility for the process of preparing financial statements;
- verification of reporting data provided by the Capital Group's companies in relation to the consistency of applied accounting principles and IFRS;

- semi-annual review and annual audit of the financial statements by an independent auditor;
- the process of authorisation and approval of the financial statements before the publication.

An Audit Committee, appointed within the Parent Company's Supervisory Board, supervises the financial reporting process in the Group. The Audit Committee consists of three members, including at least two members (including the Committee Chairman) meets the conditions of independence, at least one member has the knowledge and skills in accounting or auditing financial and at least one member has the knowledge and skills in the industry in which the Company operates. Thus the composition of the Audit Committee meets the requirements of the Act on statutory auditors, auditing companies and public supervision ("Act on Chartered Auditors").

The tasks of the audit committee are specified in legal regulations as well as internal regulations of the Company and include in particular:

- monitoring:
  - financial reporting process;
  - effectiveness of internal control systems and risk management systems and internal audit, including financial reporting;
  - performing financial auditing activities, in particular conducting an audit by the audit firm, including all applications and findings of the Audit Oversight Commission resulting from audits carried out in the audit firm.
- controlling and monitoring the independence of the statutory auditor and the audit firm, in particular when the auditing firm provides services other than audit for the benefit of the public interest entity;
- informing the supervisory board or other supervisory body or control unit of public interest about the results of the audit and explaining how this research contributed to the reliability of financial reporting in the public interest unit, and what was the role of the audit committee in the audit process;
- assessing the independence of the auditor and consenting to the provision of permitted non-audit services to the public interest entity;
- developing a policy for selecting an audit firm to conduct the audit;

- developing the policy of providing by the auditing company conducting the audit, by entities related to this auditing company and by a member of the auditing company's network of permitted non-audit services;
- determining the procedure for selecting an audit firm by a public interest entity;
- presenting to the supervisory board or other supervisory or control body a recommendation regarding the selection of a statutory auditor or audit firm, in accordance with the policies: i) for selecting an audit firm to audit the statutory financial statements and ii) in the scope of providing additional services by the auditing firm, an affiliated entity the auditing firm or a member of its network;
- submitting recommendations aimed at ensuring the reliability of the financial reporting process in the public interest entity.

The substantive supervision over the process of preparing the financial statements and periodic reports is conducted by the Chief Financial Officer or Management Boards of the Group's Companies. The Financial Reporting and Cash Flow Management Department and financial-accounting departments of the Group's companies are responsible for the organisation of work related to the preparation of the financial statements. The Group's companies are required to apply uniform accounting policies in the preparation of reporting packages, which are the basis for preparation of the consolidated financial statements of the Wirtualna Polska Holding Capital Group. Separate reporting packages are reviewed by the Group's Financial Reporting and Cash Flow Management Department and by the independent auditor during the audit or review of the consolidated financial statements of the Capital Group.

The Capital Group's Companies use IT and organisational solutions securing access to the financial accounting system and providing adequate protection and archiving of the books. Access to the IT systems is limited by relevant authorisations for authorised employees. In 2015 the process of implementation of one integrated accounting system for all Groups' companies has started. The purpose of this process is to unify the recording of the economic events taking into account the specificity of the particular entities in the Group.

The financial statements and interim reports before publication are subject to verification by the Management Board and the Audit Committee of the Supervisory Board. According to the applicable laws, the financial statements are also subject to review or audit by an independent auditor. The results of the reviews and audits are

presented by the auditor to the Management Board and the Audit Committee of the Supervisory Board. Certified auditors are selected by the Supervisory Board of the Company from a group of reputable auditing companies, guaranteeing the proper standards of the services and their independence.

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### ENTITY AUTHORISED TO REVIEW THE FINANCIAL STATEMENTS OF THE COMPANY

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. (former PricewaterhouseCoopers sp. z o.o.) located in Warsaw (00-633 Warsaw, Polna 11) („PWC”) is an entity authorised to audit the financial statements of the Company for the year 2023.

On 25 March 2019, the Company's Supervisory Board, acting in accordance with the applicable regulations and professional standards and after reviewing the recommendation of the Audit Committee of the Company's Supervisory Board, by Resolution No. 2/03/2019, appointed PWC as the auditor authorised to audit and review the Company's separate and consolidated financial statements for the years 2019 - 2020.

## 3. SHARE CAPITAL AND SHAREHOLDERS

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#### STRUCTURE OF THE SHARE CAPITAL

As of 31 December 2023 the share capital of the Company consisted of 29,303,416 shares with a par value of PLN 0.05 each, entitling 40,593,125 votes at the General Meeting, including:

- 11,289,709 A series registered preference shares; preference of 11,289,709 A series shares relates to voting rights at the General Meeting in such way that one share gives two votes;
- 1,100,000 A series ordinary bearer shares;

In addition, in 2020, PWC conducted an interim review of the statements: separate and consolidated for the 6 months ended 30 June 2020. No other authorised non-audit services were provided to the Group by PWC in 2020.

On December 18, 2020, acting in accordance with applicable regulations and professional standards, after reviewing the recommendation of the Audit Committee of the Company's Supervisory Board, the Company's Supervisory Board adopted a resolution based on which PWC was selected as an auditor authorized to audit and review the Company's stand-alone and consolidated financial statements for the years 2021 - 2023.

On 21 June 2023, the Company's Supervisory Board, acting in accordance with the applicable regulations and professional standards and after reviewing the recommendation of the Audit Committee of the Company's Supervisory Board, appointed PWC as the auditor authorized to audit and review the Company's standalone and consolidated financial statements for the years 2024-2025.

PWC is entered on the list of entities authorised to audit financial statements under No. 144.

- 12,221,811 B series ordinary bearer shares;
- 301,518 C series ordinary bearer shares;
- 786,930 D series ordinary bearer shares;
- 3,339,744 E series ordinary bearer shares;
- 263,704 F series ordinary bearer shares.

B, C, D, E and F series shares as well as A series without any preference in terms of voting bearer shares are admitted to trade.

A, B, C, D, E i F series shares are admitted to trading on the regulated market.

On 10 February 2023, the Company's share capital was increased from PLN 1,464,218.60 to PLN 1,464,552.90, i.e. by PLN 330,30. The increase took place in connection with the registration with the National Depository for Securities and the entry into the accounts (issue) of 6,686shares with a nominal value of PLN 0.05 under the management options programme.

On 9 May 2023, a further increase in the Company's share capital took place from PLN 1,464,554.90 to PLN 1,464,794.90, i.e. by PLN 242,00. The increase took place in connection with the registration with the National Depository for Securities and the entry into the accounts (issue) of 4,840shares with a nominal value of PLN 0.05 under the management options programme.

On 31 July 2023, a further increase in the Company's share capital took place from PLN 1,464,794.90 to PLN 1,464,940.70, i.e. by PLN 145,80. The increase took place in connection with the registration with the National Depository for Securities and the entry into the accounts (issue) of 2,916shares with a nominal value of PLN 0.05 under the management options programme.

On 26 October 2023, a further increase in the Company's share capital took place from PLN 1,464,940.70 to PLN 1,465,170.80, i.e. by PLN 230,10. The increase took place in connection with the registration with the National Depository for Securities and entry into the accounts (issue) of 4,602shares with a nominal value of PLN 0.05 under the management options programme.

The Group has introduced an employee stock ownership plan providing selected key employees of the Company with stock options.

#### **First incentive scheme**

The total number of shares assigned within the programme amounts to 1,230,576 and shall not exceed 5% of the share capital of the Company. The rights to shares are vested in time, quarterly, during a certain period of time generally no longer than 6 years provided that the employment relationship lasts. The plan was classified as an equity settled share-based incentive plan

For the purpose of the plan, the share capital of the Company was increased through an issue of 301,518 ordinary C series bearer shares that were taken up by selected managers of the Company. There was also a conditional increase in the share capital of the Company through an issue of no more than 929,058 ordinary series D shares and series B warrants.

#### **Second incentive scheme**

Moreover, the Group has introduced a second stock option plan and for the purpose of such a scheme an additional conditional increase in the share capital was made through an issue of no more than 593,511 ordinary series F shares and series C warrants. On 15 February 2016, the Supervisory Board of the Company has adopted a resolution on the rules regarding the new option plan granting key managers an opportunity to acquire options for shares in the Company. The total number of shares in the plan amounts to 593,511 and will not exceed 5% of the share capital of the Company.

## **SHAREHOLDERS WITH AT LEAST 5% OF THE TOTAL VOTING RIGHTS**

In accordance with notifications received by the Company and to the best of its knowledge, as of 31 December 2023, the structure of shareholders who hold, directly or indirectly by their subsidiaries, at least 5% of the total voting rights at the General Shareholders' Meetings of the Company are as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Jacek Świdorski through subsidiaries, including: Orfe S.A.	3 779 667	12,90%	7 542 904	18,58%
Michał Brański through subsidiaries, including: 10X S.A.	3 775 416	12,88%	7 538 652	18,57%
Krzysztof Sierota through subsidiaries, including: Albemuth Inwestycje S.A.	3 767 488	12,86%	7 530 724	18,55%
	3 771 164	12,87%	7 534 400	18,56%
<b>Founders together:</b>	<b>11 326 247</b>	<b>38,65%</b>	<b>22 615 956</b>	<b>55,71%</b>
AVIVA OFE	3 597 103	12,28%	3 597 103	8,86%
ALLIANZ TFI	2 034 582	6,94%	2 034 582	5,01%
Others	12 345 484	42,13%	12 345 484	30,41%
<b>Total</b>	<b>29 303 416</b>	<b>100,00%</b>	<b>40 593 125</b>	<b>100,00%</b>

And as of the date of publication of this report the structure of shareholders who hold, directly or indirectly by their subsidiaries, at least 5% of the total voting rights at the General Shareholders' Meetings of the Company are as follows:

Shareholder	Number of shares	% of share capital	Number of votes	% of votes
Jacek Świdorski through subsidiaries, including: Orfe S.A.	3 779 667	12,89%	7 542 904	18,58%
Michał Brański through subsidiaries, including: 10X S.A.	3 775 416	12,88%	7 538 652	18,57%
Krzysztof Sierota through subsidiaries, including: Albemuth Inwestycje S.A.	3 767 488	12,85%	7 530 724	18,55%
	3 771 164	12,87%	7 534 400	18,56%
<b>Founders together:</b>	<b>11 326 247</b>	<b>38,64%</b>	<b>22 615 956</b>	<b>55,70%</b>
Allianz OFE	3 597 103	12,27%	3 597 103	8,86%
ALLIANZ TFI	2 034 582	6,94%	2 034 582	5,01%
Others	12 355 322	42,15%	12 355 322	30,43%
<b>Total</b>	<b>29 313 254</b>	<b>100,00%</b>	<b>40 602 963</b>	<b>100,00%</b>

## **OWNERS OF SECURITIES PROVIDING SPECIAL CONTROL RIGHTS**

Shareholders do not have voting rights at the General Meeting of the Company other than arising from shares. None of the shareholders of Company have any personal rights associated with their shares.

Series A shares to the amount of 11.289.709 (in words: eleven million two hundreds eighty nine thousands seven hundred and nine) are preferred in such a way that each series A share entitles its holder to exercise two voting rights. The other shares are registered shares.

Preferred shares are owned by:

- Jacek Świdorski is indirectly (via Orfe S.A.) entitled to exercise voting rights attached to 3,763,237 series A registered shares in the Company having preferential rights as to voting, so that one share entitles two votes at the general meeting;
- Krzysztof Sierota is indirectly (via Albemuth Inwestycje S.A.) entitled to exercise voting rights attached to 3,763,236 series A registered shares in the Company having preferential rights as to voting, so that one share entitles two votes at the general meeting; and
- Michał Brański is indirectly (via 10X S.A.) entitled to exercise voting rights attached to 3,763,236 series A registered shares in the Company having preferential rights as to voting, so that one share entitles two votes at the general meeting.

The conversion of bearer shares into registered shares is not permitted.

## **4. THE MANNER OF OPERATION AND ESSENTIAL AUTHORITIES OF THE GENERAL MEETING OF SHAREHOLDERS, DESCRIPTION OF THE SHAREHOLDERS' RIGHTS AND THEIR EXECUTION**

The General Meeting of the Company shall act on the basis of the provisions of the Polish Commercial Companies Code, of the Articles of Association and on the basis of the By-laws of the General Meeting of Company, adopted by the resolution no. 32 of the General Meeting of the Company on 15 June 2021.

The conversion of registered shares into bearer shares may be effected at the request of a shareholder. The Management Board, following the receipt of such a request, will immediately convert the shares in accordance with the request.

Each shareholder whose shares are not admitted for trading on such a market has the right to request the admission of those shares for trading on such a market. The shares will be admitted for trading on the regulated market on an alternative trading system immediately, however, not later than within six months from the date of receipt of a request by an authorised shareholder.

### **Limitation concerning the shares**

The Company's Articles of Association provides that granting the right to vote to a pledgee or a user of shares requires the consent of the General Meeting.

Registered shares held by Albemuth Inwestycje S.A. and 10X S.A. were covered by an agreement on the establishment of a registered pledge and financial pledges on shares of December 12, 2017 between the aforementioned companies as pledgee and mBank S.A. with its registered office in Warsaw as the Pledgee and Administrator of the Pledge and Powszechna Kasa Oszczędności Bank Polski S.A. with its registered office in Warsaw as the Pledgee (Pledge Agreement).

After the occurrence of the Case of Infringement as defined in the Pledge Agreements and delivery of the Notification on the Exercise of the Voice Right (as defined in the Pledge Agreement), mBank S.A. is authorized to exercise the voting right from pledged shares on the terms specified in the Pledge Agreements.

General Meetings may be held at the registered office of the Company in Warsaw.

The powers of the General Meeting, apart from the matters reserved under the Commercial Companies Code, include:

- appointment and dismissal of the President of the Management Board;

- ! appointment and dismissal of the members of the Supervisory Board;
- ! determination of the number of members of the Supervisory Board;
- ! approval of the by-laws of the Supervisory Board;
- ! determination of the remuneration of the members of the Supervisory Board;
- ! grant of consent for the Company to execute a facility agreement, a loan or surety or any similar agreement with a member of the Management Board, the Supervisory Board, registered proxy (prokurent), liquidator or in favour of any of those people.

The acquisition and sale of real property, perpetual usufruct or a share in real estate do not require a resolution of the General Meeting.

The right to participate in the General Meeting shall only be held by people being shareholders of the Company at sixteen days prior the date of the General Meeting.

At the request of the shareholder of a public company and a pledgee or usufructuary who has the right to vote, submitted not earlier than after the announcement of the convening of the general meeting and not later than on the first working day after the date of registration of participation in the general meeting, the entity maintaining the securities account issues a registered securities account. certificate of the right to participate in the general meeting.

From March 1, 2021, pledgees and users with voting rights have the right to participate in the general meeting of a public company, if the establishment of a limited property right for them is registered in the securities account on the day of registration of participation in the general meeting.

A shareholder may participate in the General Meeting and exercise the right to vote in person or through an attorney.

The power of attorney to take part in the General Meeting and to exercise the right to vote should be granted in writing or in electronic form. A shareholder is obliged to send the Management Board a notification of having issued a power of attorney using electronic means of communication. The above-mentioned notification should be sent to the following e-mail address [walnezgromadzenia@grupawp.pl](mailto:walnezgromadzenia@grupawp.pl), no later than by 23:59 pm. the day prior to the General Meeting (failure to meet the time limit of the Company's notification shall not preclude taking part in the General Meeting on the basis of the power of attorney granted in writing

Members of the Supervisory Board and the Management Board should participate in the General Meeting in sufficient numbers to allow for substantive answers to questions raised during the General Meeting.

The General Meeting may also be attended by the following people with the right to speak: experts invited by the entity convening the General Meeting, as well as candidates for members of the Management Board, candidates for members of the Supervisory Board and the notary taking the minutes of the General Meeting.

The Chairperson of the General Meeting shall be selected among the people entitled to attend the General Meeting, whose candidacies have been submitted by the people entitled to attend the General Meeting and who agree to be a candidate. The election of the Chairperson of the General Meeting shall be made by secret ballot by casting consecutive votes on each of the candidates. The Chairperson is the person who receives the largest number of votes.

The Chairperson shall preside over the General Meeting in accordance with the agreed agenda, provisions of law, the Code of Best Practice for WSE Listed Companies, the Articles of Association and Regulations.

The Chairperson of the General Meeting immediately after the election shall draft and sign the attendance list containing the names of participants in the General Meeting, specifying the number of shares they represent and the number of votes to which they are entitled.

After signing the attendance list the Chairperson of the General Meeting shall put the agenda to vote

After calling each subsequent matter on the agenda, the Chairperson shall describe the matter and, in particular, shall present the draft of the resolution proposed for adoption by the General Meeting, then shall open the discussion, giving the floor in the order of the application of speakers. The Chairperson may order that a discussion be conducted on several items of the agenda.

The Chairperson of the General Meeting may give the floor to members of the Management Board, Supervisory Board and invited experts.

A shareholder has the right until the closure of the discussion on the agenda item to bring proposals for changes to the draft of the resolution proposed for adoption by the General Meeting. The proposal should be justified by the shareholder. Proposals must be submitted in writing to the Chairperson or orally for the minutes. The proposal must indicate the name and surname or company name of the shareholder, or in the case of

a shareholder represented by a representative, the name and surname of the representative.

In formal matters the Chairperson of the General Meeting may give the floor out of turn. A formal motion may be submitted by any shareholder of the Company.

Adjournments in the General Meeting may not last longer than thirty (30) days.

A General Meeting shall be valid regardless of the number of shares represented thereat.

## **AMENDMENTS OF THE ARTICLES OF ASSOCIATION**

Amendments of the Articles of Association in accordance with the Commercial Code, requires a resolution of the General Meeting and entry into the court registry. The Management Board shall report the amendments to the Articles of Association to the court registry. The resolution of the General Meeting to amend the Articles of Association requires a three-quarters majority of the votes. The General Meeting may

Resolutions of the General Meeting are adopted by a simple majority of votes, unless the applicable law or the terms of these articles of association provide for more stringent requirements for the adoption of a given resolution.

Upon completion of the agenda, the Chairperson of the General Meeting shall announce the closure of the proceedings.

authorise the Supervisory Board to determine the uniform text of the amended Articles of Association or introduce other editorial changes as set out in the resolution of the General Meeting.

## **COMPOSITION AND OPERATION OF MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY AND ITS COMMITTEE**

### **MANAGEMENT BOARD OF THE COMPANY**

#### **I GENERAL INFORMATION**

The governing body of the Company is the Management Board. The Management Board operates in accordance with provisions of the Polish commercial code, Articles of Association of the Company, By-laws of the Management Board and resolutions adopted by General Meeting and Supervisory Board.

The Management Board manages the Company's operations and assets and represents the Company before courts, authorities and third parties. The Management Board takes decisions regarding all matters that are not reserved under the provisions of the Articles of Association or the provisions of law for the determination by the Supervisory Board or the General Meeting on an exclusive basis. All members of the Management Board are required and authorised to jointly conduct the Company's affairs.

Resolutions of the Management Board are adopted by an ordinary majority of votes. In the case of an equal number of votes "in favour" and "against", the President of the Management Board shall have the casting vote. The Management Board may adopt resolutions in writing or by means of remote communication. Members of the Management Board may participate in the adoption of resolutions of the Management Board by voting in writing through another member of the Management Board. Voting in writing cannot pertain to any matters introduced to the agenda during a meeting of the Management Board.

In accordance with the Articles of Association, the President of the Management Board supervises the activities of the Management Board and determines the internal division of tasks and powers among particular members of the Management Board, specifically, the President of the Management Board may entrust the management of the specific departments to specific members of the Management Board. Furthermore, the President of the Management Board calls and chairs meetings of the Management

Board. The President of the Management Board may authorise other members of the Management Board to convene and chair meetings of the Management Board. In the absence of the President of the Management Board or if the position of the President of the Management Board is vacant, the meetings of the Management Board are convened by the longest-standing of the Management Board. Additionally, special rights of the President of the Management Board in terms of managing the work of the Management Board may be determined in the By-laws of the Management Board.

If the Management Board consists of one member, the sole member of the Management Board is authorised to make representations on behalf of the Company. If the Management Board consists of more than one member, the Company is represented by the President of the Management Board alone or two members of the Management Board acting jointly or one member of the Management Board acting jointly with a registered proxy.

## **I MANAGEMENT BOARD MEMBERS**

The Management Board consists of four members. The mandates of the members of the Management Board expire no later than on the date of the General Meeting which approves the financial statements for the last full financial year of holding their positions as members of the Management Board.

On June 15, 2021, in connection with the expiry of the current term of office, the Ordinary General Meeting of the Company adopted a resolution to appoint Jacek Świdorski as the President of the Management Board for a new term of office. In addition, on 23 August 2021, by resolutions of the Company's Supervisory Board, adopted at the request of the President of the Company's Management Board, Krzysztof Sierota, Michał Brański and Elżbieta Bujniewicz-Belka were appointed as Members of the Management Board for the new term of office.

As of 31 December 2023 the composition of the Management Board was as follows:

Jacek Świdorski	- President of the Management Board
Krzysztof Sierota	- Member of the Management Board
Michał Brański	- Member of the Management Board
Elżbieta Bujniewicz - Belka	- Member of the Management Board/ CFO

During the period covered in this Report, there were no changes to the composition of the Company's Management Board

### **Jacek Świdorski - President of the Management Board, CEO**

Jacek Świdorski commenced his professional career by conducting business activity as a sole trader from 1997 to 1998 while still studying at university. In 1999, together with Michał Brański and Krzysztof Sierota, he established an Internet portal under the name go2.pl (later o2.pl), and in 2000, he incorporated MediaOne sp. z o.o. (later, o2.pl sp. z o.o.), and, subsequently, Grupa o2 sp. z o.o., which, in 2011, was transformed into a joint stock company, Grupa o2 S.A. (currently, Wirtualna Polska Holding S.A.). Since the creation of the portal, Jacek Świdorski has developed the business of the Company and its Subsidiaries on the Internet market in Poland and internationally as, currently the President of the Management Board of the Company and of the following Subsidiaries: Wirtualna Polska Media S.A. Additionally, Jacek Świdorski is a member of the supervisory boards of the subsidiaries. Jacek Świdorski graduated the Warsaw School of Economics in 2002 with a magister degree in management.

### **Michał Brański - Member of the Management Board/ VP Strategy**

From February 10, 2014 Member of the Management Board / VP Strategy.

In 1999, Michał Brański, together with Jacek Świdorski and Krzysztof Sierota, established an Internet portal under the name go2.pl (later o2.pl), and in 2000, he incorporated MediaOne sp. z o.o. (later, o2.pl sp. z o.o., and, subsequently, Grupa o2 sp. z o.o., which, in 2011, was transformed into a joint stock company, Grupa o2 S.A. (currently, Wirtualna Polska Holding S.A.). Since the creation of the portal, he has developed the business of the Company and its Subsidiaries on the on the Internet market in Poland and internationally as, currently a member of the Management Board of the Company and member of the supervisory boards of the subsidiaries.

Michał Brański studied management and marketing at the Warsaw School of Economics.

### **Krzysztof Sierota - Member of the Management Board/ CTO**

From February 10, 2014 Member of the Management Board / VP Engineering.

In 1999, Krzysztof Sierota, together with Jacek Świdorski and Michał Brański, established an Internet portal under the name go2.pl (later o2.pl), and in 2000, he incorporated MediaOne sp. z o.o. (later, o2.pl sp. z o.o., and subsequently, Grupa o2 sp. z o.o., which, in 2011, was transformed into a joint stock company, Grupa o2 S.A. (currently, Wirtualna Polska Holding S.A.). Since the creation of the portal, Krzysztof

Sierota has developed the business of the Company and its Subsidiaries on the Internet market in Poland and internationally as, currently a member of the Management Board of the Company and member of the supervisory boards of the subsidiaries.

Krzysztof Sierota studied quantitative methods in economics and information systems as well as finance and banking at the Warsaw School of Economics.

#### **Elżbieta Bujniewicz-Belka - Member of the Management Board/ CFO**

From February 11, 2014 Member of the Management Board, CFO

Elżbieta Bujniewicz-Belka commenced her professional career in 1993 as an analyst at Enterprise Investors – Polish-American Enterprise Fund. Starting in 1995 she was an accounting supervisor at Young&Rubicam, and in of 1996 she continued her professional career as financial controller and director of the analyses and investments department at ComputerLand S.A. (currently Sygnity S.A.). Subsequently, in 1999, she was appointed as the vice president (chief financial officer) and member of the management board of the company and continued in that position until 2007. In 2010, Elżbieta Bujniewicz-Belka was appointed as a member of the management board of DRUMET Liny i Druty sp. z o.o. From 2012 to 2013, Elżbieta Bujniewicz-Belka cooperated with the Iglotex group as a member of the management board of Iglotex S.A. and as a member of the management board of Iglotex Dystrybucja sp. z o.o. Since February 2014, she has been connected with the Group – she is a member of the Management Board of the Company and member of the supervisory boards of the subsidiaries.

Elżbieta Bujniewicz-Belka graduated the Warsaw School of Economics in 1993 with a master degree in economics.

#### **Powers of the management board**

The Management Board manages the Company's operations and assets and represents the Company before courts, authorities and third parties.

In particular, the powers of the Management Board include:

- ▮ acting on behalf of the Company and represent it to third parties,
- ▮ preparation of periodic information of the Company (including individual and consolidated financial statements of the Company) and

the report on the activities of the Company in an appropriate terms to be published in accordance with relevant laws,

- ▮ subjecting the financial statements for examination or review by an auditor.
- ▮ submitting to the assessment of the Supervisory Board the documents referred to in point b) together with the opinion and report of the auditor (if required by law)
- ▮ timely convening General Meetings, submitting proposals to the General Assembly and preparing draft resolutions of this body,
- ▮ submitting to the General Meeting for consideration and approval Company's activities statements and financial statements for the last financial year, together with the opinion and report of the auditor,
- ▮ developing and adopting the Company's by-laws, unless they are reserved for the competence of another body of the Company,
- ▮ drawing up the draft budget and investment plans of the Company presented to the Supervisory Board for approval,
- ▮ other matters not reserved for other bodies of the Company.

If the provisions of the Statute or the law so require, prior to a specific activity Management Board is obliged to obtain the consent appropriate the Supervisory Board or the General Meeting.

The Management Board shall provide the transparent and effective information policy using both traditional methods and using modern technologies ensuring fast, secure and broad access to information. The Management Board, using the fullest extent of these methods of communication, ensure adequate communication with investors and analysts.

The Management Board shall determine the place and date of the General Meeting so as to enable the participation of the largest number of shareholders.

The Management Board shall endeavour that to cancellation of the General Meeting or change of its date should not prevent or restrict a shareholder of the Company exercising the right to participate in the General Meeting.

#### **Composition and election of the Management Board**

The Management Board consists of one to five members, including the President of the Management Board, and, in the case of the Management Board consisting of more than one person, the President of the Management Board and the other members of the Management Board elected for a joint term of office. The number of the members of the Management Board is determined by the Supervisory Board in accordance with a motion of the President of the Management Board.

The President of the Management Board is appointed and dismissed by the General Meeting. The other members of the Management Board are appointed and dismissed by the Supervisory Board in accordance with a motion of the President of the Management Board.

A Member of the Management Board may also be dismissed or suspended from his duties by way of a resolution of the General Meeting.

## Supervisory Board

### General information

The Supervisory Board exercises regular supervision over the Company's operations in all areas of its activity.

The Supervisory Board operates in accordance with provisions of the Polish Commercial Code, Articles of Association of the Company and By-laws of the Supervisory Board adopted in resolution of the General Meeting of the Company on the 25 August 2018.

In order for the Supervisory Board's resolutions to be valid, all of the members must be invited to a meeting of the Supervisory Board and at least one half of the members of the Supervisory Board must be present at such a meeting.

Unless the Articles of Association provide otherwise, resolutions of the Supervisory Board are adopted by a simple majority of votes. In case of an equal number of votes "in favour" and "against", the Chairman of the Supervisory Board shall have the casting vote.

Members of the Supervisory Board may participate in the adoption of the resolutions of the Supervisory Board by casting their vote in writing through the intermediation of another member of the Supervisory Board. Votes in writing may not be cast with respect to any matters introduced to the agenda during a meeting of the Supervisory Board.

The Supervisory Board may adopt the resolutions in writing or by means of remote communication. The adoption of resolutions in accordance with the above-mentioned procedure (casting a vote in writing through the intermediation of another member of the Supervisory Board, in writing or using means of direct remote communication) does not apply to the election of the Chairman or the Deputy Chairman of the Supervisory Board, the appointment of a member of the Management Board or dismissing or suspending such people from their duties.

Meetings of the Supervisory Board are convened by the Chairman of the Supervisory Board when needed but not less often than once in every quarter of a given year.

The Chairman of the Supervisory Board manages the activities of the Supervisory Board and represents it before the Management Board and other people. In his actions the Chairman of the Supervisory Board may not contradict the resolutions adopted by the Supervisory Board with the majority required for a certain matter.

The Supervisory Board may delegate its members to independently perform specific supervisory duties including participating in Management Board meetings or duties if necessary.

### Members of the Supervisory Board

Currently the Supervisory Board consists of six members.

The mandates of the members of the Supervisory Board expire on the date of holding the General Meeting approving the financial statements for the last full fiscal year in which the members of the Supervisory Board fulfilled their duties.

In 2021, the term of office of the existing Supervisory Board of the Company expired, therefore on June 15, 2021 the Annual General Meeting of the Company appointed: Mr. Piotr Walter, Mrs. Katarzyna Beuch, Mrs. Beata Barwińska Piotrowska, Mr. Aleksander

Wilewski, Mr. Jarosław Mikos, Mr. Grzegorz Konieczny, Mr. Mariusz Jarzębowski, Mr. Witold Woźniak as Members of the Supervisory Board of the new term of office.

On August 24, 2021, Mr. Jarosław Mikos resigned from the position of a Member of the Supervisory Board.

On November, 8<sup>th</sup>, 2023 the Extraordinary General Meeting of the Company has appointed Mrs Joanna Różycka-Iwan as a Member of the Supervisory Board of the Company.

As of 31 December 2023 the composition of the Supervisory Board was as follows:

Piotr Walter	- Chairman of the Supervisory Board
Aleksander Wilewski	- Vice-chairman of the Supervisory Board
Beata Barwińska-Piotrowska	- Member of the Supervisory Board
Mariusz Jarzębowski	- Member of the Supervisory Board
Katarzyna Beuch	- Member of the Supervisory Board
Grzegorz Konieczny	- Member of the Supervisory Board
Witold Woźniak	- Member of the Supervisory Board
Joanna Różycka-Iwan	- Member of the Supervisory Board

#### **Piotr Walter – Chairman of the Supervisory Board**

Piotr Walter graduated from the Columbia College in Chicago and the International Institute for Management Development (PED) in Lausanne. He studied journalism at the Warsaw University and directing at the Lodz Film School. He started his professional career as a producer of television commercials in ITI Film Studio. In TVN S.A., he worked as program promotion director and TVN S.A. management board member.

Then, as director general and president of the management board of TVN S.A., he developed the nationwide TV channel and a portfolio of 13 thematic channels, creating the strongest television brand in Poland. As the vice-president of the TVN Group management board, he implemented the Group's Internet and Over-The-Top (TVN Player) strategy. In 2013-2015, he discharged the function of vice-president of the ITI Group, Supervisory Board Member and Chairman of the Strategy and Content Committee of TVN S.A. Recently he was involved as a co-producer in the production of feature films: Planeta Singli, (Nie)znajomi, Boże Ciało.

#### **Aleksander Wilewski – Vice-chairman of the Supervisory Board**

Aleksander Wilewski is a Swedish/Polish entrepreneur who has launched a wide range of pioneering companies, including Explorica, Clickad, Guldbrev, Streetcom and Total Fitness. Aleksander has broad and significant experience across a diverse range of businesses, driving them to be operationally efficient and financially successful. At the forefront of digital marketing, he founded Clickad, later sold it to the private equity firm 3TS, and then served on the board of directors. During his time as Head of Marketing and Operations for Explorica in the US and prior to serving on its board, his strategic and operational initiatives generated a business turnover of \$80 million. Most recently, Aleksander co-founded Guldbrev in Sweden, a fast growing e-commerce company. Aleksander studied in Stockholm School of Economics with a major in accounting and finance. He is fluent in Swedish, Polish and English. Currently, Aleksander Wilewski is a board member for Guldbrev, Total Fitness and Egain Systems.

#### **Beata Barwińska-Piotrowska – Member of the Supervisory Board**

Since February 10, 2014 Member of the Supervisory Board.

Beata Barwińska-Piotrowska commenced her professional career in 1997 at the law office of Kancelaria Żebrowski i Wspólnicy, where she worked until 1998. From 1998 to 2001 she was an attorney at the law office of Kancelaria Adwokacka Wardyńscy i Wspólnicy, and from 2001 to 2004 at the law office of Linklaters. Subsequently, until 2005, Beata Barwińska-Piotrowska ran her own law firm, Indywidualna Kancelaria Adwokacka Beaty Barwińskiej. In 2005, she commenced cooperation as a senior attorney with the law firm of Weil, Gotshal & Manges. Since 2010 she was an Of Counsel at the Warsaw office of the law firm of CMS Cameron McKenna. Since November 2017 r. she was a Partner at Jedwabny & Brzozowska law firm. Currently she is a Managing Partner in Brzozowska & Barwińska law firm.

Beata Barwińska-Piotrowska graduated the University of Łódź with a Master of Law degree. Additionally, in the same year, she completed the School of American Law organised by the Jagiellonian University in cooperation with the Catholic University of America. In 2004, she was registered on the list of advocates of the District Advocates Council in Łódź.

### **Mariusz Jarzębowski – Member of the Supervisory Board**

Since 23 June 2015 Member of the Supervisory Board

Trusted advisor who has worked in the high-tech industry in Silicon Valley and Europe. Worked at NeXT and Apple run by Steve Jobs. Worked at a venture capital firm (Grupa Pracuj and Benefit Systems). Helps founders build companies and helps companies start new ventures. Founder and owner of a venture assistance firm in Warsaw. Holds MBA and MS degrees from the Warsaw University of Technology Business School in partnership with London Business School. For more, visit [mariuszjarzebowski.com](http://mariuszjarzebowski.com).

### **Katarzyna Beuch – Member of the Supervisory Board**

Katarzyna Beuch is a manager with over 25 years of professional experience in finance and reporting of listed companies, auditing, controlling and tax management. Since 2013, she has been independent supervisory board member at KRUK SA and head of the audit committee and from 2020 in the Supervisory Board of ATM Group SA. For over a year she has been the financial director at Benefit Systems SA responsible for controlling, Shared Services Center and taxes. She started her professional career at Bank Zachodni and then worked for almost 10 years at Ernst & Young Audit. In 2006-2012 she worked at Getin Holding SA reaching the CFO level and gaining extensive experience in the processes of integration and transformation as well as acquisitions, mergers and spin-off in the period of intensive development of the Group. In 2014-2016 she was the Director of the Accounting Department of Santander Consumer Bank, and in 2016-2018 the General Director for Controlling and Economic Analysis at KGHM SA. In 1993, she obtained a master's degree from the University of Economics in Wrocław, and she is also a graduate of Warsaw Institute of Banking, USAID and University of South Carolina's joint postgraduate programme on asset, liability and bank risk management (1995). Since the year 2000, she holds ACCA certificate (FCCA professional title since 2005).

### **Grzegorz Konieczny – Member of the Supervisory Board**

Greg (Grzegorz) Konieczny is the Head of Global Emerging Markets Equities at Gulf International Bank (UK), with over 29 years of emerging markets investing experience. He is responsible for the creation and implementation of the strategy and investment process alongside building the investment team.

Prior to joining GIB he was one of three founding partners of Mobius Capital Partners LLP (MCP) in London in 2018.

Before co-founding MCP, Greg spent over 23 years at Franklin Templeton Investments that he joined in 1995 to research and lead Templeton Emerging Markets Group investments in Emerging Europe.

In 2010, he became lead manager of Fondul Proprietatea, which grew to one of Eastern Europe's largest closed end investment funds and one of London's largest listed trusts with a NAV of \$2.7bn. During his seven-year tenure, Greg and his team successfully transformed ESG standards in portfolio companies, which resulted in sustainable improvements to their financial results and valuations.

Greg was also appointed as Director of Specialty Strategies for the Templeton Emerging Markets Group which managed \$28bn of AUM. He was responsible for specialised country and regional strategies across Emerging Markets, alongside GEM private equity strategies. He successfully led a team focused on engaging with large portfolio companies to improve their ESG standards and shareholder returns across a variety of sectors and regions.

Before joining Franklin Templeton, Greg worked at Bank Gdanski for three years which was one of the largest financial institutions in Poland at the time.

He holds a Master's degree in Economics and Foreign Trade from the University of Gdansk (Poland) and an investment advisor license from the Polish Financial Supervision Authority. Greg speaks Polish, English and Russian.

### **Witold Woźniak - Member of the Supervisory Board**

Witold Woźniak was Member of the Management Board of Bauer Media, a German multimedia conglomerate, in the years 2015-2018. In that capacity he was in charge of the following global segments: radio, financial comparison websites and internet portals, whereas in the region of Eastern Europe: of press publications and printing houses. Before that time, he headed the Polish branch of Bauer Media, where he co-created Bauer Publishing House as well as rotogravure printing facilities. Moreover, he directly oversaw acquisitions and further business development of the organization, including the RMF Radio Group, horizontal portal Interia.pl, financial comparison site Rankomat and E-Broker, agency network of SEM/SEO Sunrise System as well as many other digital undertakings. In October 2019, he was appointed as a strategic advisor to Wirtualna Polska. He cooperated with Management Boards of companies belonging to Wirtualna Polska Holding in the area of e-commerce and media market analyses, streamlining of business processes as well as consulting on the creation of new product tools. Since August 2020, he has joined the Supervisory Board of Wirtualna Polska Holding.

### **Joanna Różycka-Iwan - Member of the Supervisory Board**

Joanna Różycka-Iwan – Chief Investment Officer, Media Development Investment Fund. Joanna has more than 15 years' experience in investment, consulting and financial management. Since joining Media Development Investment Fund in 2012, Joanna has managed a portfolio of debt and equity impact investments across Central and Southeast Europe and Asia, notably executing several major media deals in Europe in recent years. She is a member of several investee Supervisory Boards, specialising in shaping strategic priorities, performance monitoring and financial management. Currently she holds a position of Chief Investment Officer of MDIF managing MDIF global investment portfolio. Prior to joining MDIF, Joanna advised companies for Deloitte and Crido Taxand, obtaining more than EUR 150 million financing for projects in different sectors (environmental protection, intermodal transport, renewable energy, innovation, trainings, SSC, R&D). Joanna has been a member of ACCA since 2014 and FCCA since 2019, and is a Leadership Academy for Poland 2021 alumna. Based in Warsaw, she holds an MA in corporate finance from SGH Warsaw School of Economics and an MA in international relations from Warsaw University.

### **MEMBERS OF THE SUPERVISORY BOARD WHO SATISFY THE INDEPENDENCE CRITERIA**

According to Articles of Association at least two members of the Supervisory Board need to satisfy the criteria of independence from the Company and the entities materially related with the Company. The independence criteria need to comply with Annex II to the Commission Recommendation. Irrespective of Annex II to the Commission Recommendation, a person who is an employee of the Company, a subsidiary, or an associated company cannot be considered as a person who satisfies the independence criteria as specified in Annex II to the Commission Recommendation. Additionally, a relation of the shareholder that precludes the independence of a member of the Supervisory Board is any actual and important relationship with a shareholder who is entitled to exercise at least 5% of all of the votes at the General Meeting.

If the Management Board receives a written statement from a member of the Supervisory Board who has met the independence criteria so far stating that he has ceased to meet these criteria or obtains such information from another source, the Management Board will, within 2 weeks of receiving such a statement or taking

such a message, convene the General Meeting in order to appointment of a member of the Supervisory Board who meets the above criteria.

It is assumed that the failure to satisfy the independence criteria by a member of the Supervisory Board and the failure to appoint an independent member of the Supervisory Board does not result in the invalidity of the resolutions adopted by the Supervisory Board. If an independent member of the Supervisory Board becomes dependent while performing the duties of a member of the Supervisory Board, it shall not impact the validity or expiry of his mandate.

Currently, there are six members of the Supervisory Board who satisfy the independence criteria, i.e.:

- Mr Mariusz Jarzębowski – Member of the Supervisory Board,
- Mr Piotr Walter – Member of the Supervisory Board,
- Mr Aleksander Wilewski – Member of the Supervisory Board
- Mrs Katarzyna Beuch – Member of the Supervisory Board
- Mr Grzegorz Konieczny – Member of the Supervisory Board
- Mrs Joanna Różycka-Iwan – Member of the Supervisory Board

### **POWERS OF THE SUPERVISORY BOARD**

Pursuant to §20, section 3 of the Articles of Association, the powers of the Supervisory Board, aside from the matters stated in the Commercial Companies Code, include:

- the selection or change of the entity authorised to audit financial statements of the Company and conduct audits of the Company;
- the appointment and dismissal of members of the Management Board in accordance with the request of the President of the Management Board;
- the determination of the number of members of the Management Board in accordance with the request of the President of the Management Board;
- the adoption of the by-laws of the Supervisory Board and the by-laws of the Management Board;
- the granting of consent to the Company to conclude any material transaction with a Related Party, excluding any standard transactions concluded on an arm's length basis within the scope of any operational dealings of the Company with a Related Party in which the Company holds a majority shareholding;

- reviewing and opining on any and all matters that are to be the subject of resolutions of the General Meeting; 6) opining on long-term development plans of the Company and the annual financial plans of the Company;
- the granting of consent to:
  - (a) conclusion by the Company or any of its subsidiaries of an agreement resulting in consolidated financial debt in excess of 3.5 times EBITDA, with the proviso that the value of such an agreement exceeds PLN 50,000,000 (fifty million);
- determining the remuneration of the President of the Management Board and other members of the Company's Management Board;

### ■ **Structure and method of election of the Supervisory Board**

The Supervisory Board consists of five to nine members appointed and dismissed by the General Meeting.

The number of members of the Supervisory Board is determined by the General Meeting. In the case of the election of the Supervisory Board by way of separate group voting in compliance with Article 385 of the Commercial Companies Code, the number of Supervisory Board members will be nine (9).

The Supervisory Board which, in consequence of the expiry of the mandates of certain members of the Supervisory Board (for reasons other than dismissal), consists of fewer members than required under the Articles of Association, but not fewer than five, may adopt binding resolutions.

If, as a consequence of the expiry of the mandates of certain members of the Supervisory Board (for any reason other than dismissal) the number of members of the Supervisory Board of a given term of office is lower than the statutory minimum number, the other members of the Supervisory Board may appoint a new member of the Supervisory Board by way of co-option and such member will perform his duties until his successor is appointed by the next General Meeting, unless the General Meeting approves the member of the Supervisory Board appointed by way of co-option.

The Supervisory Board that appointed a member of the Supervisory Board by way of co-option will immediately convene a General Meeting to procure the approval of the

member of the Supervisory Board appointed by way of co-option or the appointment of his successor.

Members of the Supervisory Board may appoint new members by way of co-option if the number of Supervisory Board members is at least two (2). Members of the Supervisory Board shall effect the appointment of a new member by way of co-option on the basis of a written statement of all the members of the Supervisory Board on the appointment of a member of the Supervisory Board.

### ■ **The Supervisory Board's Committees**

The Supervisory Board may appoint permanent committees or ad hoc committees acting as collective advisory bodies to the Supervisory Board. A Committee shall be established by the Supervisory Board from among its members by means of a resolution. A committee shall consist of 3 to 5 members.

The detailed tasks and rules of the appointment and operation of the committees shall be set out in the by-laws of the committee adopted by the Supervisory Board. The Supervisory Board may in particular appoint a permanent the Audit Committee or the Nomination and Remuneration Committee.

### ■ **The Audit Committee**

In accordance with § 22 of the Articles of Association, the Supervisory Board appointed an Audit Committee consisting of at least three members, including at least two members (including the Chairman of the Committee) who meet the independence criteria, at least one member who has knowledge and skills of accounting or auditing financial statements and at least one member who has knowledge and skills of the Companies' branch of business, therefore the composition of the Audit Committee meets the criteria stated in the provisions of the Auditors Act.

The tasks of the Audit Committee are specified in the relevant provisions of law and internal regulations of the Company and include, in particular: 1) monitoring: a) the financial reporting process, b) effectiveness of the internal control system, as well as risk management and internal audit systems, also with regard to financial reporting, c) performance of financial auditing activities, in particular auditing by the audit firm, taking into consideration any applications and determinations of the Audit Oversight Commission resulting from the control carried out in the audit firm; 2) control and monitoring of independence of the statutory auditor and the audit firm, especially, if the audit firm provides to the public interest entity services other than auditing; 3) informing

the supervisory board or other supervisory body of the public interest entity about audit results and explanation of how this audit contributed to reliability of financial reporting in the public interest entity, as well as what was the role of the audit committee in the audit process; 4) assessment of independence of the statutory auditor and expressing consent to for his/her provision of acceptable services other than audits in the public interest entities; 5) preparation of the policy of selecting the audit firm to conduct the audit; 6) preparation of the policy of providing acceptable services other than auditing by the audit firm conducting the audit, its affiliates and by a member of the audit firm's network; 7) determination of procedures of selecting the audit firm by the public interest entity; 8) presentation of the recommendations referred to in Article 16, passage 2 of the Regulation No 537/2014 to the supervisory board or to any other supervisory body, or the body referred to in Article 66, passage 4 of the Act of 29 September 1994 on Accounting, in accordance with the policies referred to in item 5 and 6; 9) submission of recommendations aimed at ensuring reliability of the financial reporting process in the public interest entities.

The Supervisory Board may also appoint other committees, in particular the nomination and remuneration committee. Specific tasks and manners of appointing and functioning of the committees are stated in the Supervisory Board By-laws.

The Audit Committee shall hold a meeting, as needed, at least four times a year.

The Audit Committee is chaired by a Chairman.

The Audit Committee's meetings shall be convened by its Chairman on his own initiative or at the request of a member of the Audit Committee, and also at the request of the Management Board, internal or external auditor.

The chairman of the Audit Committee invites all members of the committee and notifies all other Members of the Supervisory Board. All Members of the Supervisory Board may participate in the meetings of the committees.

The chairman of the Audit Committee may invite to the meetings Members of the Management Board, employees of the Company and other people who may be useful in performance of the committees' duties.

Due to the expiry of the current term of office, on 23 August 2021 the Supervisory Board of the Company appointed Mr. Aleksander Wilewski, Ms. Katarzyna Beuch and Mr. Mariusz Jarzębowski to the Audit Committee of the new term of office.

As at December 31, 2023, the following members of the Supervisory Board were members of the Audit Committee:

- Aleksander Wilewski - Chairman of the Audit Committee, Member of the Supervisory Board meeting the independence criteria
- Katarzyna Beuch - Member of the Audit Committee, Member of the Supervisory Board meeting the independence criteria
- Mariusz Jarzębowski - Member of the Audit Committee, Member of the Supervisory Board meeting the independence criteria

Mr. Aleksander Wilewski and Mrs Katarzyna Beuch are members of the Audit Committee with knowledge and skills in accounting.

- Mr Aleksander Wilewski studied in Stockholm School of Economics with a major in accounting and finance.
- Mrs Katarzyna Beuch obtained in 1993 a master's degree from the University of Economics in Wrocław, and she is also a graduate of Warsaw Institute of Banking, USAID and University of South Carolina's joint postgraduate programme on asset, liability and bank risk management (1995). Since the year 2000, she holds ACCA certificate (FCCA professional title since 2005).

Members of the Audit Committee have knowledge and skills in the Company's branch of business in view of their many years of experience in cooperating with entities operating on the media and internet market, including:

- Aleksander Wilewski is the founder of Clickad, one of the leading digital marketing companies, sold to private equity firm 3TS, where he remains on the company's board. In addition, he co-founded Guldbrev, a fast-growing e-commerce company in Sweden.
- Mariusz Jarzębowski worked in Silicon Valley at NeXT and Apple, led by Steve Jobs. Mariusz Jarzębowski also worked at an investment fund, where he continued to develop new ventures and served on their Supervisory and Advisory Boards. At Microsoft, as a specialist in competitive strategy and new markets, Mariusz Jarzębowski helped companies create new sources of growth and learn from start-ups.

In 2023 four meetings of the Audit Committee were held.

In 2023, permitted non-audit services were provided to the Group by the audit firm auditing the Group's financial statements.

The Audit Committee of the Supervisory Board prepared and adopted:

- ▮ Policy and procedures for selecting an audit firm to audit the statutory financial statements of Wirtualna Polska Holding S.A. ("Company") and the Wirtualna Polska Holding Capital Group ("Capital Group") adopted by the Resolution of the Audit Committee of the Supervisory Board of Wirtualna Polska Holding S.A.,
- ▮ Policy of Wirtualna Polska Holding S.A. ("Company") and the Wirtualna Polska Holding Capital Group ("Capital Group") in the scope of providing additional services by the auditing firm, an affiliated entity the auditing firm or a member of its network adopted by Resolution of the Supervisory Committee of Wirtualna Polska Holding S.A.

#### **The main assumptions of the Policy for selecting an audit firm to audit the statutory financial statements**

- ▮ Inquiry for the selection of an audit firm for statutory audit of the Company's financial statements and statutory audit of the consolidated financial statements of the Group is prepared by the Member of the Management Board /Chief Financial Officer by the end of March of the year subject to examination and consulted with the Audit Committee and then sent to selected entities providing services audit. The inquiry contains documentation enabling to learn about the Company's and the Company's Capital Group's operations as well as selection criteria defined in a transparent and non-discriminatory manner.
- ▮ The collected offers of audit firms together with the report containing the conclusions of the selection procedure are submitted to the Audit Committee and the Supervisory Board of the Company. The report is approved by the Audit Committee.
- ▮ The members of the Audit Committee of the Company analyse the submitted offers of audit firms, set the dates of meetings with representatives of those audit firms that submitted offers and on the basis of these activities make a recommendation to choose an audit firm. Unless it concerns the renewal of a audit order, the recommendation includes justification and at least two possibilities of an audit firm, with the Audit Committee expressing preference for one of them. The Audit Committee

states in the recommendation that it is free from the influence of a third party and no clause limiting the selection of an audit firm has been imposed on it.

- ▮ Members of Audit Committee when selecting an audit firm operating in an international network should be guided by its impartiality, independence, the highest quality of auditing work, knowledge of the business branch in which the Company and its subsidiaries operate.
- ▮ The selection of an audit firm takes place pursuant to a resolution of the Company's Supervisory Board, after considering the recommendations of the Audit Committee.
- ▮ The contract with the entity providing auditing services may be concluded for a minimum period of 2 years. The inquiry is not prepared in the case when the Company has a valid contract for the provision of audit services in a given year.
- ▮ Maximum periods of cooperation with the entity authorized to conduct the audit and mandatory rotation of the key certified auditor:
  - the maximum period of uninterrupted duration of statutory audits referred to in art. 17 sec. the second paragraph of Article 1 (2) of Regulation No 537/2014, carried out by the same audit firm or an audit firm related to that audit firm or any member of the network operating in the European Union countries to which these audit firms belong, may not exceed five years;
  - a key certified auditor may not conduct a statutory audit in the same public interest entity for a period longer than 10 years;
  - a key certified auditor may re-conduct the statutory audit in the entity referred to in par. 2, after at least 3 years from the end of the last statutory audit.

#### **The main assumptions of the policy in the scope of providing additional services by the auditing firm, an affiliated entity the auditing firm or a member of its network**

- ▮ A statutory auditor or an audit firm that performs statutory audits of the Company or an entity related to the auditing firm or any member of the network to which the statutory auditor or audit firm belongs does not directly or indirectly provide to the Company or related

entities any prohibited services that are not auditing financial statements or activities financial audit.

- ❑ Prohibited services are not services indicated in art. 136 sec. 2 of the Act of May 11, 2017 on statutory auditors, audit firms and public supervision.
- ❑ The provision of the services referred to in point 2 is possible only to the extent not related to the Company's tax policy, after the Audit Committee has performed an assessment of risk and safeguards for independence and consent by the Audit Committee.
- ❑ In the event that the competent authorities have permitted, by way of derogation, the audit firm to provide some of the services prohibited under Article 5 par. 3 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of April 16, 2014. on detailed requirements regarding statutory audits of financial statements of public-interest entities repealing Commission Decision 2005/909 / EC, the Audit Committee shall issue guidelines on these services.
- ❑ A statutory auditor or an audit firm that conducts statutory audits of Companies and - if the statutory auditor or audit firm is part of the network - each member of such network may provide services to the Company or its subsidiaries services that are not audit of financial statements other than prohibited services that are not audit of financial statements, however, each such services should be verified by the Audit Committee in terms of risk assessment and safeguards of independence.
- ❑ The remuneration for allowed services that are not audit is subject to the restrictions set out in the Act on Certified Auditors and in the Regulation.

## ❑ **ESG COMMITTEE**

On the basis of § 22 of the Articles of Association, the Supervisory Board has appointed a Sustainable Development Strategy (ESG) Committee with three members.

- ❑ The Committee's tasks include:
  - Supervision of the implementation, execution and development of the Sustainable Development Strategy of the Wirtualna Polska Holding Capital Group;
  - Monitoring and evaluation of the Company's activities in the ESG area;
  - Supervision and support of reporting in the ESG area;
- ❑ Currently, the Committee consists of:
  - Grzegorz Konieczny (Chairman)
  - Beata Barwińska-Piotrowska
  - Mariusz Jarzębowski

The Supervisory Board may also appoint other committees, in particular the nomination and remuneration committee. Detailed tasks and rules for the appointment and operation of committees are set out in the Rules of Procedure of the Supervisory Board.

## 5. DESCRIPTION OF THE DIVERSITY POLICY APPLIED TO ADMINISTRATION, MANAGEMENT AND SUPERVISION

The Group exercises a policy whereby the Company employs competent and creative individuals with the relevant professional experience and education; sex and age is of no importance as regards employing any specific person in the Company. In accordance with the Articles of Association, the President of the Management Board is appointed by the General Meeting; the other members of the Management Board are appointed by the Supervisory Board at the request of the President of the Management Board and to the extent provided therein, while the Supervisory Board is appointed by the General Meeting. Under the Articles of Association it is possible to add a new member to the Supervisory Board by means of co-option by the other members of the Supervisory Board if the number of the mandates of certain members of the Supervisory Board appointed by the General Meeting falls below the minimum number of members of the Supervisory Board as provided for in the Articles of Association. Consequently, the composition of the Management Board will depend on the General Meeting (with respect to the President of the Management Board) and the President of the Management Board and the Supervisory Board (with respect to the other members of the Management Board), while the composition of the Supervisory Board will

principally depend on the Company's shareholders who will act by voting at the General Meeting.

In 2022, the "Diversity Policy of Wirtualna Polska Holding S.A." was developed and adopted. The policy defines what the Company understands diversity to be, how it intends to support it, and sets out the criteria, indicators and objectives of the diversity policy at WP Group such as gender, age, education and work experience.

The policy assumes that diversity brings business, organisational, efficiency benefits. It gives more satisfaction, stimulates creativity and broadens perspectives. It also reduces the business risk of ongoing projects. We want our teams to interact in their diversity. We want to foster it in our workplace, to level the playing field for employment and subsequent development. This policy guides the Company in building its organisation, including at the level of the management and supervisory bodies of the Group and its subsidiaries.



## CONTENTS

<b><i>I. General information</i></b> .....	<b>93</b>
<u>ESRS 2 General disclosures</u> .....	93
<b><i>II. Information about environment</i></b> .....	<b>127</b>
<u>E1 Climate change</u> .....	127
<u>EU Taxonomy</u> .....	137
<b><i>III. Information on social issues</i></b> .....	<b>153</b>
<u>S1 Own workforce</u> .....	153
<u>S4 Consumers and end-users</u> .....	172
<b><i>Disclosures related to corporate governance</i></b> .....	<b>179</b>
<u>G1 Business conduct</u> .....	179

## I. General information

### ESRS 2 General disclosures

#### BP-1 – General basis for preparation of sustainability statements

The report has been prepared in accordance with art. 49b of the Accounting Act of 29 September 1994 for Wirtualna Polska Holding S.A. Group and in accordance with art. 55 section 2b-2c for Wirtualna Polska Holding Group. The report makes also disclosures under the provisions of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. This report has been prepared on the basis of the ESRS standards (introduced by Commission Delegated Regulation (EU) 2023/2772), however, it is not fully compliant with the ESRS standards which will be mandatory for Wirtualna Polska Holding Group as of financial year 2024.

This sustainability statement is prepared in a consolidated form, taking into account all companies controlled by Wirtualna Polska Holding Group and consolidated using the full method.

The scope of consolidation of the sustainability statement is the same as for the audit of financial statements.

All undertakings consolidated using the full method (controlled by the Group) are subject to sustainability reporting.

Consolidation exclusions applied in this report relate in particular to the acquisitions in the reporting period. In some of the discussed cases the Group is not able to obtain all necessary information on sustainability from newly-acquired companies. Such data will be included in the next reporting period. All consolidation exclusions applied in this report are consistent with the scope of consolidation exclusions applied in the financial statements.

The sustainability statement is extended to include information on the material impacts, risks and opportunities connected with the Wirtualna Polska Group through its direct and indirect business relationships in the upstream and/or downstream value chain.

The value chain model was the basis for preparation of materiality assessment.

As part of the materiality assessment the interviews and surveys were conducted mainly with upstream representatives (suppliers and business partners) due to the fact that the downstream (end customers) have been identified as a very diverse and fragmented group of over 20 million internet users. Therefore, their needs and expectations have been analysed in the basis of expectations of ESG rating agencies, as well as companies comparable to the companies of the Wirtualna Polska Holding Group.

As part of the materiality assessment the interviews and surveys with external stakeholders have been conducted: the investors holding shares, banks financing the group, software providers, the advertising agency, the representative of traditional network of tourist company, as well as the representatives of employees.

Wirtualna Polska Holding Group does not omit information in this report due to the pending negotiations or protection of intellectual property or know-how.

## **BP-2 – Disclosures in relation to specific circumstances**

Wirtualna Polska Holding Group is subject to sustainability reporting obligations under the NFRD (Non-financial Reporting Directive – Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial and diversity information by certain large undertakings and groups). The reports published in previous years were based on the GRI Standard 2021 indicators. In view of the fact that new reporting standards entered into force at the end of July 2023, the sustainability report of Wirtualna Polska Holding Group for 2023 has been prepared on the basis of ESRS indicators.

### **Time horizons**

Wirtualna Polska Holding Group indicates in the Sustainable Development Strategy year 2025 as the deadline for achievement of the objectives set and 2030 for meeting ambitious targets for green energy share and greenhouse gas reductions.

For the purposes of the climate risk analysis carried out in 2021, Wirtualna Polska Holding Group identified the following time horizons which deviate from the assumptions in the Financial Report for 2022:

- 2020 – 2022
- 2022 – 2025
- 2025 – 2030
- 2030 – 2040
- 2040 – 2050

The measures in the statement include upstream and downstream value chain data estimated using indirect sources, including benchmarking analysis, ESG rating agencies.

The undertaking has not found material reporting errors in prior periods.

The Wirtualna Polska Holding Group as a Group of companies exceeds the threshold of 750 employees. Therefore, it cannot apply exclusions indicated in Appendix C of ESRS 1. The materiality assessment showed the materiality of ESRS S1 and S4, thus, they are reported. Information recognised in ESRS E4 and ESRS S2 standards has been identified as not material in the materiality assessment.

## **GOV-1 Roles and responsibilities of the administrative, management and supervisory bodies**

### **Composition of the Management Board and the Supervisory Board**

As at 31 December 2023 the Supervisory Board of Wirtualna Polska Holding S.A. had 8 members, of whom:

- 3 were women (which is 37.5%),
- 5 were men (which is 62.5%).

As at 31 December 2023 the Management Board of Wirtualna Polska Holding S.A. was composed of:

- 4 management board members, including 3 men (75%), 1 woman (25%) in the Management Board,

- The entire Management Team had 8 members, of whom 2 were women (25%) and 5 were men (75%).

There is no representative of employees and other workers at the Management Board.

### Experience of Supervisory Board members relevant to the sectors, products and geographic locations of the undertaking:

**Piotr Walter** — Supervisory Board Chairman Piotr Walter graduated from Columbia College in Chicago and the International Institute for Management Development (PED) in Lausanne. He studied journalism at the University of Warsaw and directing at the National Film, Television and Theatre School in Łódź. He started his career as a producer of TV commercials in ITI Film Studio. At TVN S.A. he worked as director of on-air promotions and member of the TVN S.A. management board. Then, as director general and president of the management board of TVN S.A., he developed a nationwide television channel and a portfolio of 13 thematic channels, co-creating the strongest television brand in Poland. As vice-president of the management board of the TVN Group, he implemented its Internet and Over-The-Top strategy (TVN Player). From 2013 to 2015, he served as vice-president of the ITI Group, Member of the Supervisory Board and Chairman of the Strategy and Content Committee of TVN S.A. As a co-producer he was recently involved in the production of feature films: "Planet of Singles", "(Un)friends" and "Corpus Christi".

**Aleksander Wilewski** — Deputy Chairman of the Supervisory Board Aleksander Wilewski is a Polish and Swedish entrepreneur who introduced many pioneering companies into the market, including: Explorica, Clickad, Guldbrev, Streetcom and Total Fitness. He has extensive and substantive experience in conducting many different types of business activities which he drives to the operational effectiveness and financial success. He is a founder of Clickaid — one of the leading digital marketing companies, sold to private equity firm 3TS where he still serves on the management board. During the time when he acted as Marketing and Operations Director at Explorica in the United States, and before the period of serving as the management board member at this company, his strategic and operational initiatives led to generation of profits of USD 80

million. He established in Sweden, as a co-founder, Guldbrev company — a quickly developing e-commerce company. He studied at the Stockholm School of Economics, majoring in Accounting and Finance. He speaks fluent Swedish, Polish and English.

**Beata Barwińska-Piotrowska** — Supervisory Board Member Beata Barwińska-Piotrowska started her career in 1997 at law firm Kancelaria Zebrowski i Wspólnicy where she worked until 1998. In 1998–2001 she was a lawyer at Kancelaria Adwokacka Wardyński i Wspólnicy, and in 2001–2004 at Linklaters. Subsequently, Beata Barwińska-Piotrowska run individual law firm Indywidualna Kancelaria Adwokacką Beaty Barwińskiej until 2005. Then in 2005 she joined Weil, Gotshal & Manges as Senior Associate. Since 2010 she was a lawyer with "Of Counsel" title at Warsaw office of CMS Cameron McKenna. Currently, she is a Managing Partner at Brzozowska & Barwińska Spółka Partnerska Radców Prawnych i Adwokatów. Beata Barwińska-Piotrowska obtained the degree of Master of Laws at the University of Łódź in 1997. In addition, in the same year she graduated from the School of American Law organised by the Jagiellonian University in cooperation with the Catholic University of America. In 2004, she was entered on the list of attorneys-at-law at the District Bar Council in Łódź.

**Katarzyna Beuch** — Supervisory Board Member Katarzyna Beuch is a manager with 25-year of experience in finance and listed companies reporting, audit, controlling or tax management. Since 2013 she has been the Chairwoman of Audit Committee, as an independent member of Supervisory Board of Kruk S.A. and since 2020 at RN ATM Grupa S.A. For more over a year now she has been a Chief Financial Officer at Benefit Systems S.A., where she is in charge of controlling, Shared Services Centre and taxes. She started her career at Bank

Zachodni, then worked at Ernst & Young Audyty for almost 10 years. Between 2006 and 2012, she worked at Getin Holding S.A., rising to the level of CFO and gaining extensive experience in integration and transformation processes as well as acquisitions, mergers and demergers during the period of intensive growth of the Group. From 2014 to 2016, she was Director of the Accounting Department of Santander Consumer Bank and from 2016 to 2018, she was General Manager of Controlling and Economic Analysis at KGHM S.A. In 1993, she received a master's degree from the Wrocław University of Economics and in 1995 she completed non-degree postgraduate studies in financial risk and asset and liability management organised by the USAID and the University of South Carolina at the Warsaw Institute of Banking. She holds ACCA qualification since 2000 (FCCA since 2005).

**Mariusz Jarzębowski** — Supervisory Board Member Mariusz Jarzębowski is an advisor who worked in new tech industry at the Silicon Valley and Europe. He worked at NeXT and Apple, managed by Steve Jobs. He was engaged in the investment fund (Grupa Pracuj and Benefit Systems). He assists founders in building companies and companies in new ventures. A founder and owner of consulting company. Supervisory Board Member of Wirtualna Polska Holding. He holds an MBA and MS from the Warsaw University of Technology Business School (in collaboration with London Business School).

**Grzegorz Konieczny** — Supervisory Board Member Grzegorz Konieczny is a manager with a 30-year of experience in investing on emerging markets. He is currently Head of Global Emerging Markets Equities at Gulf International Bank (UK), where he is responsible for creating and executing the investment strategy and process, along with building the investment team. Before he joined GIB, he was one of the three founders of Mobius Capital Partners LLP (MCP) in London. Prior to founding MCP, Grzegorz spent more than 23 years at Franklin Templeton Investments, which he joined in 1995, where he led the Templeton Emerging Markets Group's investments in European emerging markets. In 2010 he became the lead manager of Fondul Proprietatea which has become one of the largest closed-end investment funds in Eastern Europe and one of the largest

London trust funds with NAV of USD 2.7 billion. During his 7 years of service, Grzegorz and his team have successfully transformed the ESG standards of their portfolio companies, resulting in sustained improvements in their financial performance and valuations. Grzegorz has also been appointed director of special strategies at Templeton Emerging Markets Group which managed 28 billion Australian dollars. He was also responsible for specialised country and regional strategies in emerging markets, as well as GEM's private equity strategies. He successfully led a team dedicated to working with large portfolio companies across sectors and regions to improve their ESG standards and shareholder returns. Before he joined Franklin Templeton, Grzegorz worked for three years at Bank Gdański, which was then one of the largest financial institutions in Poland. He holds a master's degree in Economics and Foreign Trade from the University of Gdańsk and an investment adviser licence from the Polish Financial Supervision Authority. Grzegorz speaks fluent Polish, English and Russian.

**Witold Woźniak** – Supervisory Board Member Witold Woźniak from 2015 to 2018, he served on the management board of the German media and technology group Bauer Media, responsible globally for the radio, financial comparison engines and web portals segments, and in Eastern Europe for press publishing and printers. Previously, he was head of the Polish branch of Bauer Media for 16 years, where he co-founded the Bauer Publishing House and rotogravure printers, and was directly responsible for acquisitions and further business development of, among others, the RMF Radio Group, the horizontal portal Interia.pl, the financial comparison engines Rankomat and E-Broker, the SEM/SEO agency network Sunrise System and many other digital ventures. In October 2019 he became a strategic advisor to Wirtualna Polska. He worked with the management boards of Wirtualna Polska Holding's companies in the field of e-commerce and media market analysis, business process improvement and consultation in the development of new product tools. In August 2020 he joined the Supervisory Board of Wirtualna Polska Holding.

**Joanna Różycka-Iwan** – Supervisory Board Member Joanna Różycka-Iwan is Chief Investment Officer at Media Development Investment Fund. Joanna has

more than 15 years of experience in investing, advisory and financial management. Since joining the Media Development Investment Fund in 2012, she has managed a portfolio of equity and debt impact investments in Central and Southeast Europe and Asia, completing several significant media transactions in Europe in recent years. She is a member of several supervisory boards and specialises in setting strategic priorities, performance monitoring and financial management. She is currently Chief Investment Officer at MDIF, managing the Fund's global portfolio of investments. Prior to joining MDIF, Joanna advised companies, working for Deloitte and Crido Taxand and obtaining

150 million euro of financing for projects in various sectors (environment, intermodal freight transport, renewable energy, innovation, training, SSC, R&D). Joanna has been a member of ACCA since 2014 and of FCCA since 2019 and a graduate of the Leadership Academy for Poland 2021. She holds a Master's degree in Corporate Finance (Warsaw School of Economics) and a Master's degree in International Relations (University of Warsaw).

#### Experience of Management Board members relevant to the sectors, products and geographic locations of the undertaking:

**Jacek Świdorski** — President of the Management Board, CEO since 10 February 2014. President of the Management Board, CEO. Jacek Świdorski started his career by running own business already during his studies between 1997 and 1998. In 1999, together with Michał Brański and Krzysztof Sierota created a web portal named go2.pl (later renamed to o2.pl), in 2000 he found MediaOne sp. z o.o. (later known as: o2.pl sp. z o.o.), and then Grupa o2 sp. z o.o., which in 2011 was transformed to a joint-stock company Grupa o2 S.A. (currently: Wirtualna Polska Holding S.A.). Since the portal's creation, Jacek Świdorski has been developing the activities of the established Company and its subsidiaries on the internet market at home and abroad, acting as President of the Management Board of Wirtualna Polska Holding S.A. Moreover, Jacek Świdorski serves on the Supervisory Boards of subsidiaries. Jacek Świdorski graduated from the Warsaw School of Economics with the MA title in management in 2002.

**Michał Brański** — Management Board Member/VP Strategy. Since 10 February 2014 he has been Management Board Member/VP Strategy. In 1999, Michał Brański together with Jacek Świdorski and Krzysztof Sierota created a web portal named go2.pl (later renamed to o2.pl), in 2000 he found MediaOne sp. z o.o. (later known as: o2.pl sp. z o.o.), and then Grupa o2 sp. z o.o., which in 2011 was transformed to a joint-stock company Grupa o2 S.A. (currently: Wirtualna Polska Holding S.A.). Since the portal's creation, he has been developing the

activities of the established Company and its subsidiaries on the internet market at home and abroad, acting as Management Board Member of the Company and the member of Supervisory Boards in subsidiaries. Michał Brański studied management and marketing at the Warsaw School of Economics.

**Krzysztof Sierota** — Management Board Member/VP Engineering. Since 10 February 2014 he has been Management Board Member/VP Engineering. In 1999, Krzysztof Sierota together with Jacek Świdorski and Michał Brański created a web portal named go2.pl (later renamed to o2.pl), in 2000 he found MediaOne sp. z o.o. (later known as: o2.pl sp. z o.o.), and then Grupa o2 sp. z o.o., which in 2011 was transformed to a joint-stock company Grupa o2 S.A. (currently: Wirtualna Polska Holding S.A.). Since the portal's creation, Krzysztof Sierota has been developing the activities of the established Company and its subsidiaries on the internet market at home and abroad, acting as Management Board Member of the Company and the member of Supervisory Boards in subsidiaries. Krzysztof Sierota studied quantitative methods in economics and information systems, and finance and banking at the Warsaw School of Economics.

**Elżbieta Bujniewicz-Belka** — Management Board Member/CFO/VP Finance. Since 11 February 2014 she has been Management Board Member/VP Finance.

Elżbieta Bujniewicz-Belka started her career 1993 at Enterprise Investors – Polish-American Enterprise Fund as an analyst. From 1995 she was an accounting supervisor at Young&Rubicam, from 1996 she continued her career as a financial controller and director of the analysis and investment department at ComputerLand S.A. (now Sygnity S.A.), and then in 1999 she was appointed Vice President (Chief Financial Officer) and Member of the Management Board of this company, a position she held until 2007. In 2010 Elżbieta Bujniewicz-Belka was appointed as Management Board Member at the company DRUMET Liny i

Druty sp. z o.o. From 2012 to 2013 Elżbieta Bujniewicz-Belka cooperated with Iglotex group as Management Board Member at Iglotex S.A. and Management Board Member at Iglotex Dystrybucja sp. z o.o. Since February 2014 she has worked with WP Group as Management Board Member and Supervisory Board Member in subsidiaries. Elżbieta Bujniewicz-Belka graduated from economics at the Warsaw School of Economics with MA title in 1993.

Percentage of independent board members: 6 (75%) members out of 8 meet the independence criteria.

**Identity of the administrative, management and supervisory bodies or individual(s) within a body responsible for oversight of impacts, risks and opportunities:**

- Supervisory Board Committee for Sustainable Development Strategy of Wirtualna Polska Holding,
- Audit Committee as part of the Supervisory Board,
- Member of the Management Board – Chief Financial Officer (CFO) responsible for the area of sustainability,
- The Strategy and Development Committee of the Wirtualna Polska Holding Group as an advisory body to the Management Board, giving its opinion on major investment decisions.

The management of impacts, risks and opportunities is distributed among the business owners of each area. As part of their day-to-day job responsibilities, managers monitor their areas and the immediate business environment, and if there is a significant change in the situation, this is escalated to the management board level or, if necessary, to the Supervisory Board of the given company. The policy in this regard is not formalised in view of the growing importance of ESG-related areas. The organisation is testing different approaches to including ESG-

related areas in the process and, once best practice has been forged, these will be formalised in a written policy.

The CFO is responsible for the ESG area in the Group. Currently, this function is discharged by Elżbieta Bujniewicz-Belka, and the managers coordinating the work on the sustainable development area (Director of the Corporate Communication Department and the Investor Relations Director) report directly to her.

Within the framework of Wirtualna Polska Holding's Supervisory Board, the Audit Committee functions as a body overseeing the financial reporting process in the Group. It consists of three members, of whom at least two (including the Committee Chairperson) meet the independence requirements.

The Sustainable Development Strategy Committee of Wirtualna Polska Holding has also been established within the Supervisory Board of Wirtualna Polska Holding. It is a permanent advisory and opinion-forming body of the Supervisory Board and is composed of at least three of its members. Periodically, not less frequently than once a year, it submits a report on its activity to the Supervisory Board.

The members of the Management Board and Supervisory Board continuously update their knowledge on sustainable development, for example through involvement in different initiatives of social and industry organizations, including the 30% Club Poland or the Polish Association of Listed Companies. They also took an active part in the work on Sustainable Development Strategy. Actions taken by the Management Board and its effectiveness in overseeing the management of the economic, environmental and social impact of the organization is evaluated and supervised by the company's Supervisory Board. On the other hand, the activities of the Management Board and the Supervisory Board in this respect are evaluated by the Shareholder Meeting, among others within the framework of the annual process of granting discharges to the members of these bodies. The financial statements and reports are audited annually by an independent auditor.

The Supervisory Board and the Management Board start the process of objective setting by collection of information on the current market trends, competitive situation and changes in the business environment. The Supervisory Board works with the Management Board to understand the company's strategic priorities and opportunities related to the current market context.

Objectives are set on the basis of strategic goals, taking into account short- and long-term perspectives.

On a short-term/semi-annual basis, objective-setting is developed by the entire organization and takes place through dialogue between the Management Board and key managers in the Group, who communicate with experts and specialists employed by the Group.

The objectives are set and monitored on a semi-annual basis. Objectives (KPIs) are set in such a way that progress towards objectives can be objectively assessed. Objectives are financial and non-financial in nature.

Variable remuneration of the Management Board is dependent on the achievement of these objectives.

The Supervisory Board takes into account impacts related to the achievement of objectives, for example in terms of social impact or sustainability.

In monitoring the achievement of objectives, the Supervisory Board assesses the risks associated with current activities and identifies opportunities for the company's long-term strategy.

The Supervisory Board expects regular semi-annual reports from the Management Board, which include an analysis of progress and performance in the context of the objectives set.

The meetings between the Supervisory Board and the Management Board are discussion-based, with the Supervisory Board providing feedback and addressing questions on achievements and future plans.

The Supervisory Board actively works to ensure that the process of setting objectives and monitoring their achievement is transparent to shareholders and external stakeholders.

The Supervisory Board plays a key role in overseeing the objective-setting process and its implementation, ensuring consistency with the company's long-term strategy and adapting objectives to changing market conditions. Regular meetings and communication with the Management Board are crucial for effective oversight and achievement of the set objectives.

The Supervisory Board and the Management Board have knowledge in their understanding of sustainability, including an understanding of the three aspects of sustainability: corporate governance, social and environmental issues. Moreover, the group's bodies are familiar with global sustainability frameworks such as the UN Sustainable Development Goals (SDGs). The Group's sustainable development strategy, which addressed the UN Sustainable Development Goals, was carefully reviewed by the Group's Management Board and Supervisory Board before adoption.

In addition, there is a Sustainable Development Committee within the Supervisory Board of the Wirtualna Polska Group, whose members specialise in ESG/sustainable development topics.

The knowledge of the industry and company specifics of the members of the Supervisory Board and the Management Board allows them to assess how the activities of the industry affect aspects of sustainability, as well as the key sustainability impacts, risks and opportunities in the context of the company's specific activities. Members of the bodies also have the analytical skills and capacity to assess and analyse impacts, which is needed to identify potential sustainability risks, as well as to assess the potential economic, social and environmental impacts associated with the risks.

Members of the Supervisory Board and the Management Board are supported by advisors which means that they have an opportunity to use external advisory and training by sustainability specialists. The bodies also have access to training courses, among others provided by the Polish Association of Listed Companies (SEG). It is also their responsibility to keep abreast of the latest trends in the area of sustainability and adapt their knowledge to current needs.

## **GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies**

A review of the Group's risks is moderated by the Internal Audit Manager once a year at the end of the fourth and the first quarter.

This review considers both risks and potential opportunities, as well as changes in the impacts of the environment on the organization. The Audit Committee at the Supervisory Board of Wirtualna Polska Holding is informed about the results of the review.

The review is prepared on the basis of meetings with the management of the subsidiaries and the parent company (Wirtualna Polska Holding).

### **1. Impact assessment:**

- Assessment of how the company's operations impact on the society and environment.
- Developed skills to manage both positive and negative impacts.

### **2. Risk Management:**

- Ensuring that risks related to sustainability are effectively identified, monitored and managed.
- Proper external and internal communication related to risks.

### **3. Identifying Opportunities:**

- Identifying sustainability opportunities that can benefit the company.
- Willingness to adapt strategies and actions to take advantage of opportunities.

The area of monitoring relevant impacts, risks and opportunities is the responsibility of departmental managers. In the event of significant changes in the market environment, escalation to the level of the Company's Management Board or Supervisory Board takes place, together with an assessment of the change and its impact. The Group has processes in place to examine impacts, risks, opportunities, which are supported by periodic materiality assessments aimed at supporting the ESG reporting and management process.

The Group's most important bodies are: the Management Board and the Supervisory Board. They play a vital role in taking into account any relevant impacts, risks and opportunities in the decision-making process. The tasks of the Management Board and the Supervisory Board in the area of risk management cover among others the following processes:

- Assessment of business impacts: assessment of the Group's various business impacts, i.e. market trends, competitiveness, technological innovation and changes in consumer preferences.
- Analysis of Social, Environmental and Economic Impacts: analysis of the social, environmental and economic environment to understand what impacts may be relevant to the company.
- Operational risk management: identification, assessment and management of operational risk associated with day-to-day operations of the company.
- Strategic/long-term risk management: identification, assessment and management of risks that are associated with the Group's long-term strategy.
- Ethical and Legal Risks: analysis of risks related to ethical and legal aspects in order to avoid consequences that may negatively affect the company's reputation.
- Innovation: monitoring opportunities arising from innovation and new technologies that can bring competitive advantages.

### **GOV-3 – Integration of sustainability performance in incentive schemes**

#### **Remuneration of management board members**

Members of the Wirtualna Polska Holding S.A. Management Board receive fixed remuneration, which is paid monthly in an amount determined by resolution of the Supervisory Board, on the basis of an appointment. This remuneration is reviewed by the Supervisory Board, no more often than once a year. Any

- Financial aspects of decisions: analysis of impacts of financial decisions on the company's performance and its financial stability.
- Impact of the Operations on the environment (natural environment, society): consideration of environmental impacts such as natural resource consumption, greenhouse gas emissions and environmental protection measures, as well as the impact on society (i.e. access to reliable, independent information).
- Compliance with Legal Regulations: ensuring compliance with applicable legal provisions and regulations and monitoring changes in the law which have an impact on the company's operations.

Throughout 2023, the Management Board of Wirtualna Polska analysed a number of risks monitored as part of its internal audit. Those risks included risks related to climate change and sustainability.

All such actions are aimed at ensuring sustainable and long-term development of the company by taking into account different impacts, risk management and using business opportunities.

The basis for review of impacts, risks and opportunities made in 2023 for 2024 is the risk map from the previous year and the expert report – Risk in Focus 2024 (<https://www.theiia.org/en/internal-audit-foundation/latest-research-and-products/risk-in-focus/>)

decision to change the fixed remuneration is made taking into account market factors, based on salary data and after an individual assessment of the Management Board Member. Management Board Members may be entitled to variable remuneration in the form of bonuses for meeting bonus targets. It is worth noting that the remuneration of the Management Board members is in part linked to sustainability targets – as of H2 2021 that was at least 5%.

In setting the targets to be achieved by the Management Board Members in order to receive the variable remuneration, the Supervisory Board is primarily guided by the business strategy and the long-term interests and stability of the Company. Under no circumstances, the targets set to be achieved by each Management Board Member can be contradictory to short- and long-term interest of the company.

### Remuneration of Supervisory Board members

Supervisory Board Members may only receive fixed remuneration for the performance of their duties on the Supervisory Board in accordance with the following rules:

- remuneration paid on a monthly basis in a fixed amount for discharging supervisory tasks in the Company;
- the fixed remuneration amount referred to above is determined by a resolution adopted by the Shareholder Meeting.

Selected Supervisory Board Members discharging the functions of Chairperson or Deputy Chairperson of the Supervisory Board, appointed members of Supervisory Board committees and commissions, may be granted, by a resolution adopted by the Shareholder Meeting, additional remuneration – with a reservation that the remuneration may not be variable and linked to any performance, including financial performance of the company.

### GOV-4 – Statement on due diligence

Core elements of due diligence	Sections in the sustainability statement
a) Embedding due diligence in governance, strategy and business model	S1-1, S4-1
b) Engaging with affected stakeholders in all key steps of the due diligence	S1-2, S4-2
c) Identifying and assessing adverse impacts	IRO-1, SBM-3
d) Taking actions to address those adverse impacts	S1-3, S4-3
e) Tracking the effectiveness of these efforts and communicating	S1-5

### GOV-5 – Risk management and internal controls over sustainability reporting

There are no specified sustainability controls within the unified internal control system. A separate process is the identification of the levels of risks and

opportunities, which is part of the materiality assessment carried out by an external advisor.

- 1) Within the framework of the risk management and internal audit system, which covers the entire scope of the Wirtualna Polska Holding Group's operations, including sustainability issues, it is possible to identify the main elements, which are identification of risks and opportunities, identification of the most significant (material) ones, assignment of actions to them and business owners for active management. This process is based on independence, objectivity and rationality.
- 2) Risks (including those related to sustainability) are assessed with respect to 4 dimensions: probability, impact on the Company's operations, impact on the Company's financial performance, and impact on the Group's operations.
- 3) The main risks identified are described in the integrated report of the Wirtualna Polska Holding Group (pp. 47 and 48 of the report). They include business resilience (mitigation: optimization of business processes), risks in the supply chain and e-commerce (mitigation: special attention to the protection of personal data) and the risk of changes in the employment structure (mitigation: pursuing opportunities, taking care to ensure high employment standards for our employees, along with ongoing monitoring of equal pay within the organization). If it is discovered that the identified material risks related to sustainability are not allocated to the business owner, such risks are assigned to the relevant company/department and the management of

these risks is included in the responsibilities of the position in question. Monitoring and updates on the status of mitigation metrics are provided to management and supervisory boards of the companies in cycles based on business needs, but at least once a year.

### **SBM-1 Strategy, business model and value chain**

The Wirtualna Polska Group is a technology holding. It conducts media, advertising, subscriptions and e-commerce activities. The registered office is located in Warsaw at ul. Żwirki i Wigury 16. The headquarters of other Group companies are located, among others, in Gdańsk, Wrocław, Lublin, Chorzów and Miskolc. The Group is the owner of the WP Home Page, operates specialized topical websites and offers online subscription services (Audioteka, Pilot WP, WP E-mail). In e-commerce services, the Group operates mainly in the tourism sector (including Wakacje.pl, the Szallas Group, Nocowanie.pl) and the financial sector (Superauto.pl and Totalmoney.pl).

The Group conducts its business primarily in Poland, however starting in 2022, after acquiring the Szallas Group and Audioteka, also across the Central and Eastern Europe, i.e. in countries such as Hungary, Czech Republic, as well as Romania, Croatia, Germany and Lithuania.

## Group structure

At the end of 2023 and as of the publication date of this report, the structure of the Wirtualna Polska Holding Group was as follows:

Name of the subsidiary	Date of acquisition	Registered office	% of shares held
Wirtualna Polska Media S.A.	22 December 2010	Poland, Warsaw	100%
Totalmoney.pl Sp. z o.o.	1 December 2014	Poland, Wrocław	100%
Businessclick Sp. z o.o.	1 December 2014	Poland, Warsaw	100%
Wakacje.pl S.A.	23 December 2015	Poland, Gdańsk	100%
Nocowanie.pl Sp. z o.o.	7 June 2016	Poland, Lublin	100%
Audioteka Group (formerly "Netwizor") Sp. z o.o.	13 December 2016	Poland, Warsaw	100%
Extradom.pl Sp. z o.o.	28 October 2018	Poland, Warsaw	100%
Superauto.pl Sp. z o.o.	20 December 2018	Poland, Chorzów	51%
Open FM Sp. z o.o.	1 July 2019	Poland, Warsaw	100%
WP Naturalnie Solar 1 Sp. z o.o.	2 July 2021	Poland, Warsaw	100%
Stacja Służew Sp. z o.o.	27 May 2021	Poland, Warsaw	100%
The Audioteka Group	29 September 2022	Poland, Czech Republic, Turkey, Lithuania	100%
The Szallas Group	3 November 2022	Hungary, Czech Republic, Romania, Croatia	100%
WP Naturalnie Solar 2 Sp. z o.o.	12 December 2022	Poland, Warsaw	100%
Crowd8 Sp. z o.o.	N/A	Poland, Warsaw	minority interests
Selsey Sp. z o.o.	N/A	Poland, Wrocław	minority interests
Restaumatic S.A.	N/A	Poland, Zabrze	minority shareholding
Teroplan S.A.	N/A	Poland, Oświęcim	minority shareholding
Digitics S.A.	N/A	Poland, Warsaw	minority shareholding
Molieraz S.A.	N/A	Poland, Warsaw	minority shareholding
Polskie Badania Internetu Sp. z o.o.	N/A	Poland, Warsaw	minority interests
Legimi S.A.	N/A	Poland, Poznań	minority interests

## Capitals of the Wirtualna Polska Holding Group

In the Wirtualna Polska Holding Group, we identify four types of capital that we employ to create value: financial capital, human and intellectual capital, environmental capital and social capital.



### Human and intellectual capital

We have built a team of specialists who courageously pursue the ambitious goals set for them. Every day, they work with commitment to build the atmosphere, recognition and results of our company.

#### How do we manage this capital?

We create a friendly work environment, free of prejudice, favourable to the development of people with differing views and experience. We foster internal promotions.

We take care of employee well-being, contributing to their development, including through training cycles – we have been implementing the “WP Akademia online” projects and those dedicated to managers. We also provide a hybrid working model, well-being training and numerous opportunities to participate in charity events.

#### How is this capital affecting other capitals?

- Impact on the financial capital through increasing payroll expenses and revenue generated as a result of work provided by employees
- impact on the environmental capital through campaigns to protect the environment (Strażnicy puszczy [Guardians of the Forest], taking care of beehives),
- impact on the social capital through charity campaigns (Listopad różnorodności [November of diversity], children’s day, sports tournaments).



### Environmental capital

We are aware of the impact we have on the environment and the impact the environment has on us. The ambitious goals to increase the amount of green energy used to power our server facilities and reduce greenhouse gas emissions have come to fruition. Since 2023, the operation of our business has been entirely “green”.

#### How do we manage this capital?

We offer sustainable products and services. All of the energy purchased by the Group comes from its own production in photovoltaic farms. The Sustainable Development Strategy of Wirtualna Polska Holding contains an objective to increase the energy efficiency level of our server rooms and buildings. We want to fulfil the requirements necessary for ISO 50001 certification, which we have scheduled by 2025. We also conduct campaigns to encourage our employees and users to protect and plant forests. 1 hectare of Wirtualna Polska’s Forest Forever is located in Olędy in the Mazovia region, and more than of 1.5 hectare of old forest in Bochothnica in the Lublin area is under our protection. We also place emphasis on educating users of Wirtualna Polska websites about sustainable development.

#### How is this capital affecting other capitals?

- Impact on financial capital through Sustainability Linked Loan where the margin is linked to the achievement of ESG goals,
- impact on human capital through fulfilment of environmental objectives that influence commitment and loyalty of our employees,
- impact on intellectual capital through distribution of texts about ecology written by our journalists.



## Social capital

As a company operating in the media and Internet industry, we consider it our duty to contribute to the development of ethical business practices and do our part in creating, promoting and supporting stringent ethical standards. Our mission is to provide millions of users with reliable information and sustainable online services and products. The value of the social and sponsorship projects we conduct is based on relations with employees, users, customers, investors, who consequently can achieve more benefits.

### How do we manage this capital?

We care about relationships with stakeholders. We engage in charity campaigns. We support employee initiatives and employee volunteerism. We organize events that exert influence on various communities (employees, users), such as #wszechmocne [#omnipotent], Kobiectwo Perspektywy [Women's Prospects], articles in Wirtualna Polska websites.

### How is this capital affecting other capitals?

- impact on environmental capital through internal and external initiatives to raise environmental awareness
- impact on human capital by building commitment, loyalty among employees, including through charity opportunities



## Financial capital

Financial capital consists of equity, cash generated by our Group and borrowings (linked to ESG goals).

### How do we manage this capital?

We manage financial capital to maximize the efficiency of its use, with a level of risk that is acceptable to us (understood mainly as net debt to EBITDA and cost of debt service in relation to cash generated).

### How is this capital affecting other capitals?

- impact on human capital – EBITDA and generated cash influence the level of remuneration and budgets for employee development activities
- impact on environmental and social capital – financing associated with ESG goals has a positive influence on development of environmental capital (green energy) and social capital (diversity)

The Group does not operate in the fossil fuel, chemical production, controversial weapons production, tobacco cultivation and production sectors.

### Impact of the Wirtualna Polska Holding Group on economy:

- The Wirtualna Polska Holding Group is a Polish company creating jobs and contributing to GDP growth

→ The Group develops innovative services and products

**Impact on environment:**

→ The Wirtualna Polska Holding Group cooperates with reliable suppliers of equipment who also use sustainable energy sources or sustainable raw materials.

→ The Group educates users through publications that promote ecology and biodiversity.

→ The Group uses only certified green electricity in its server rooms

**Impact on society:**

→ The Group provides reliable and independent information.

→ The Group educates the society through various types of information and social campaigns and articles.

In establishing the value chain, the Group assumed that only customers/end users would be included in the downstream. Accordingly, business entities/partners that can also be defined as customers (e.g., advertising agencies, global technology platforms, travel agencies or owners of tourist facilities) were classified as upstream/suppliers.

## Value chain

### 1. Resources and values input into the organization and the approach to their acquisition, development and securing

Segment	Resources	Acquisition	Development	Security
<b>Advertising and Subscriptions Segment</b>	<ul style="list-style-type: none"> <li>The Wirtualna Polska recognizable brand</li> <li>Journalists and content editors.</li> <li>Advertising technologies and data analytics technologies.</li> <li>Own advertising space of Wirtualna Polska Media, as well as advertising space of other publishers, which we make available as part of WPartner.</li> <li>Library of journalistic content, audiobooks and video content.</li> </ul>	<ul style="list-style-type: none"> <li>Recruiting experienced journalists and content creators.</li> <li>Investments in advertising and data analytics technologies.</li> <li>Establishing partnerships with audiobook authors and publishers.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous training for journalists on media market new trends.</li> <li>Developing advertising technologies.</li> <li>Expanding the library of audiobooks and TV content, as well as investing in in-house productions.</li> </ul>	<ul style="list-style-type: none"> <li>Protection of copyright and agreements with authors.</li> <li>Personal data protection.</li> <li>Securing user data.</li> <li>Diversification of revenue sources (advertising and subscriptions).</li> </ul>
<b>Tourism Segment</b>	<ul style="list-style-type: none"> <li>Partnerships with travel agencies and facilities.</li> <li>Franchise store network, call centre and online platform. Booking systems for tours and tourist facilities.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing strategic partnerships with travel agencies.</li> <li>Developing infrastructure across various sales channels.</li> <li>Investment in development of the online platform (web and mobile).</li> </ul>	<ul style="list-style-type: none"> <li>Establishing new partnerships with travel agencies and owners of tourism facilities.</li> <li>Development of a mobile app for customers.</li> <li>Improvement of booking systems.</li> </ul>	<ul style="list-style-type: none"> <li>Ensuring security of customer data.</li> <li>Establishing stable relationships with industry partners.</li> <li>Monitoring and adjusting to changes in the tourism business.</li> </ul>

<b>Consumer Finance Segment</b>	<ul style="list-style-type: none"> <li>Partnerships with car dealers.</li> <li>Financial product comparison platform.</li> </ul>	<ul style="list-style-type: none"> <li>Establishing partnerships with car suppliers and financial institutions.</li> <li>Developing an online financial comparison site.</li> </ul>	<ul style="list-style-type: none"> <li>Expanding the financial offer to include new financial products.</li> <li>Continually improving comparison algorithms.</li> <li>Adapting to the changing market conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Processing customer financial data securely.</li> <li>Diversifying the financial products on offer.</li> </ul>
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2. Outcomes and results regarding current and expected benefits for customers, investors and stakeholders

Segment	Benefits for clients	Benefits for investors	Benefits for stakeholders:
<b>Advertising and Subscriptions Segment</b>	<ul style="list-style-type: none"> <li>A wide range of journalistic content.</li> <li>Subscription access to audiobooks and linear TV.</li> <li>Personalised advertising content to increase audience appeal.</li> </ul>	<ul style="list-style-type: none"> <li>Steady growth in revenue from advertising and strong operating cash flows.</li> <li>Increase in number of subscribers.</li> <li>Developments in advertising technology attracting new advertisers.</li> </ul>	<ul style="list-style-type: none"> <li>Positive impact on the community through access to valuable content.</li> <li>Support for independent journalism.</li> <li>Sustainable business model taking account of advertising and subscription.</li> </ul>
<b>Tourism Segment</b>	<ul style="list-style-type: none"> <li>Convenient and varied options for purchasing tours (in the office, online, by telephone).</li> <li>Easy comparison of offers for foreign tours organised by reputable travel agencies.</li> <li>Easy access to booking for tourist facilities in the CEE region.</li> </ul>	<ul style="list-style-type: none"> <li>High growth in revenues and profits from the brokerage of travel services and packages.</li> <li>A balanced sales model across channels (omnichannel).</li> <li>Development of a franchise network of shops contributing to increased reach.</li> </ul>	<ul style="list-style-type: none"> <li>Support for local entrepreneurship through franchise shops.</li> <li>Creating attractive tourism offers for different target groups.</li> <li>Tourism development in the CEE region.</li> </ul>

<b>Consumer Finance Segment</b>	<ul style="list-style-type: none"> <li>• Easy access to a comparison site for financial products, especially cash loans.</li> <li>• Favourable financing terms for new car purchases.</li> <li>• A choice of offers from a variety of financial products.</li> </ul>	<ul style="list-style-type: none"> <li>• Profits from brokering new car sales with financing.</li> <li>• Stable sources of income from the financial product comparison site.</li> </ul>	<ul style="list-style-type: none"> <li>• Support for the automotive sector through car brokerage.</li> <li>• Providing consumers with information on attractive financial products.</li> <li>• Impact on the development of the financial market for cash loans.</li> </ul>
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3. The main value chain characteristics (including upstream and downstream) and the entity's position in the value chain, including a description of the main actors in the value chain (e.g. key suppliers, customers, distribution network, end-users) and their relationship to the entity; if the entity has multiple value chains, then the key chains are described.

Segment	Upstream	Operations	Downstream
<b>Advertising and Subscriptions Segment</b>	<ul style="list-style-type: none"> <li>• Marketing i media agencies</li> <li>• News agencies, other publishers, content providers, TV producers, TV broadcasters</li> <li>• Advertising brokers</li> <li>• Advertising technologies and data analytics platforms.</li> <li>• Publishers (for the audiobook business)</li> </ul>	<ul style="list-style-type: none"> <li>• Creation, editing and production of journalistic content.</li> <li>• Monetisation of content in the advertising model (direct advertising, sale of advertising space, sale of outdoor advertising, TV advertising)</li> <li>• Subscription sales: sales of audiobooks and audiobook subscriptions, access to online TV</li> </ul>	<ul style="list-style-type: none"> <li>• Content consumers</li> <li>• Email users</li> <li>• Subscribers</li> </ul>

<b>Tourism Segment</b>	<ul style="list-style-type: none"> <li>• Travel agents organising trips abroad.</li> <li>• Partners offering tourist facilities in the CEE region.</li> <li>• Travel service providers.</li> <li>• Airport parking providers.</li> </ul>	<ul style="list-style-type: none"> <li>• Brokerage of tour sales and facility bookings.</li> <li>• Managing the franchise network of shops, call centre and online platform.</li> <li>• A comprehensive offer for travellers and those seeking accommodation domestically and abroad.</li> </ul>	<ul style="list-style-type: none"> <li>• Customers using travel agent services.</li> <li>• Customers booking tourist facilities online.</li> <li>• Customers of tourism services.</li> </ul>
<b>Consumer Finance Segment</b>	<ul style="list-style-type: none"> <li>• Car suppliers.</li> <li>• Financial institutions offering financial products.</li> <li>• Financial institutions financing car purchases.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial brokerage (leasing, loan, insurance)</li> <li>• Car sales.</li> <li>• Lead delivery for financial institutions.</li> <li>• Managing a financial product comparison site.</li> </ul>	<ul style="list-style-type: none"> <li>• Customers buying cars and vans with financing.</li> <li>• Purchasers of financial products and those interested in financial products.</li> </ul>
<b>Others Segment</b>	<ul style="list-style-type: none"> <li>• Extradom: Architectural studios, construction companies</li> <li>• WP Naturalnie: power company (electricity distribution system operator)</li> </ul>	<ul style="list-style-type: none"> <li>• Extradom: Selling house designs</li> <li>• WP Naturalnie: Production and sale of energy from renewable sources</li> </ul>	<ul style="list-style-type: none"> <li>• Extradom: buyers of house designs, buyers of house designs with construction</li> </ul>
<b>Group</b>	<ul style="list-style-type: none"> <li>• Traffic providers (Internet groups)</li> <li>• Social media platforms</li> <li>• Suppliers of server room equipment</li> <li>• Cloud space providers</li> <li>• Software providers</li> <li>• Office space providers</li> <li>• Service providers, i.e. electricity</li> <li>• Payment service providers (payment operators)</li> <li>• Insurers</li> </ul>	<ul style="list-style-type: none"> <li>• Parent company functions including finance, legal, Corporate Development, internal audit, IT maintenance and support, HR, internal audit, communications, administration, etc.</li> </ul>	

## SBM-2 Interests and views of stakeholders

The Wirtualna Polska Holding Group has defined six groups of external stakeholders with whom it plans to communicate on an ongoing basis. The way to engage them is as follows:

### 1. Investors

Wirtualna Polska Holding Group is regularly in contact with shareholders and investors and publishes its financial results on an annual and quarterly basis. In addition to publishing communications and reports, we organise regular face-to-face meetings and conferences. A dedicated website is also in place.

### 2. Business partners and suppliers

We engage with this group of stakeholders mainly through business meetings, participation in conferences and media partnerships with organizations.

### 3. Society

This group includes primarily website users, viewers and listeners of the shows we broadcast. Engagement of such a wide range of stakeholders is managed mainly through periodic surveys: the Wirtualna Polska Image Survey, the satisfaction survey on the services provided and new website functionalities.

There is also a Customer Service Office which receives user opinions and comments. Users also have the opportunity to take part in a wider discussion by commenting on information published on Wirtualna Polska Holding Group sites.

### 4. Customers

The Group maintains regular contact with customers and also conducts a satisfaction survey for customers of the WP Advertising Office and a satisfaction survey on the level of e-commerce services throughout the year.

### 5. State institutions, regulators and legislators

Wirtualna Polska Holding Group develops these relationships by participating in industry conferences and consultations, and by fulfilling its disclosure obligations.

**6. The sixth group of stakeholders are employees and associates: internal stakeholders whose job satisfaction is monitored on an ongoing basis throughout the year.**

## SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The Wirtualna Polska Group considers the ethics of its business operations in terms of its impact on economy, environment and society.

### Impact on economy:

- providing a reliable source of information for business and decision-makers (mainly through money.pl)

- acting as a whistle-blower for irregularities at the interface between politics and business (investigative journalists)

### Impact on environment:

- Selecting reliable equipment suppliers who also use sustainable energy sources or raw materials.
- Reducing the carbon footprint of operations by generating electricity for own use.

- Providing reliable, independent information that is not influenced by the interests of customers advertising on Wirtualna Polska sites.
- Educating the public through various awareness-raising campaigns and articles, shaping an ethical approach in life or business.

At the same time, the Group does not consciously contribute with its actions to negative impacts in the area of business ethics.

**Impact on society:**

**Materiality study: material impacts**

The materiality study carried out identified areas in which the Wirtualna Polska Holding Group exerts material influence.

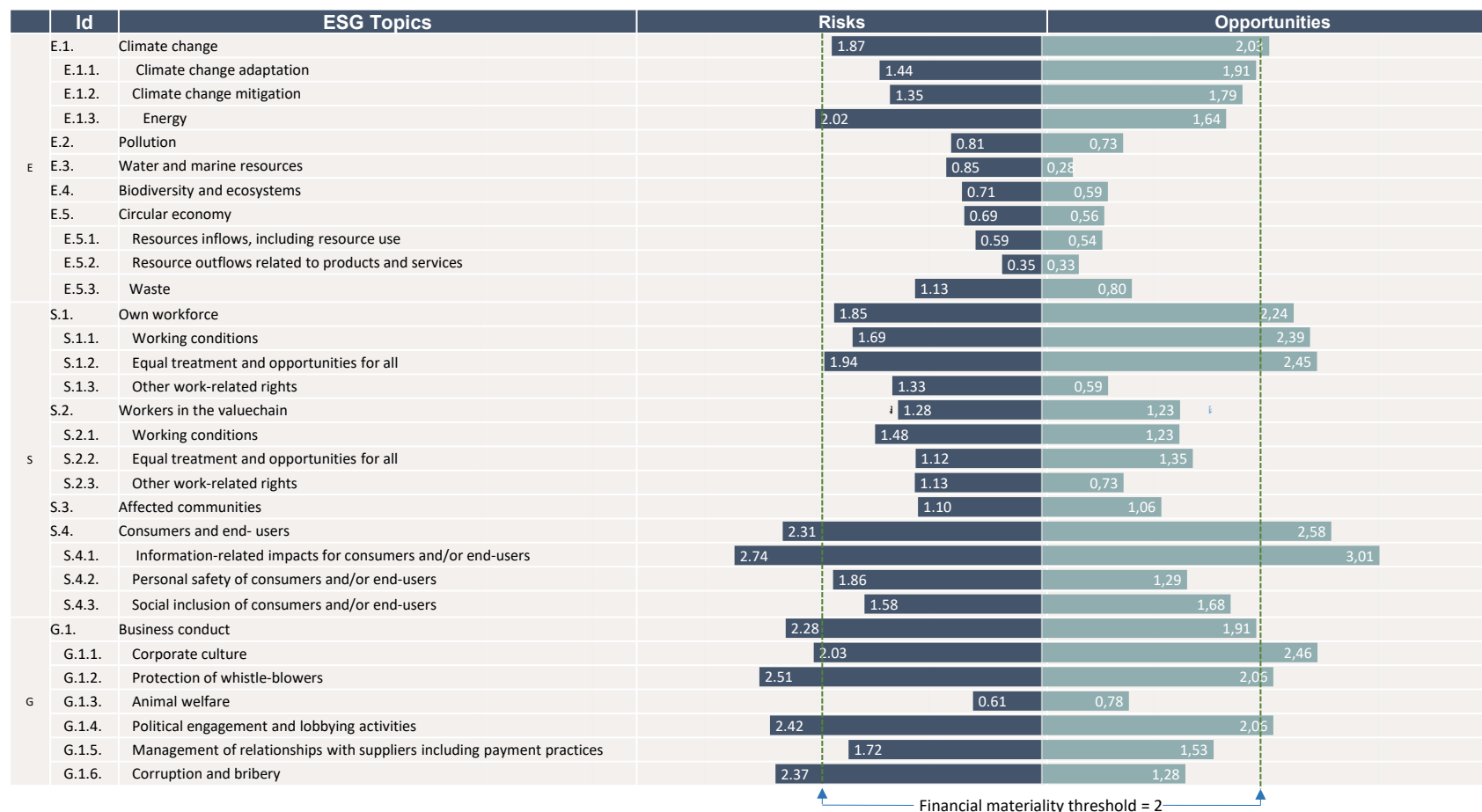
The time perspective of the impacts was defined according to the expected validity of the results of the materiality study, i.e. until 10.2025.

ESG at ESRS	Impact overview	Where impact is exerted
<b>Climate change</b>	The Wirtualna Polska Holding Group is having a material impact in terms of adapting the business model to climate change. This impact is represented by: a range of activities examining the impact of climate change on the functioning of the business model, e.g. climate risk analyses strategic action to decarbonise the business model  The Group's adaptation and mitigation actions are closely interlinked. The nature of the business model has direct and indirect impacts within the Energy area: 1. optimising its own energy consumption 2. optimising the experience of consumers who use the Group's portals on energy-consuming devices 3. by carrying out activities under the WP Naturalnie project	Own operations, upstream, downstream
Climate change adaptation		
Counteracting climate change (mitigation)		
Energy		
<b>Own workforce</b>		Own operations

Working conditions	Wirtualna Polska has a material impact as an employer. Its own employees are the key capital of the Group. The impact in this respect is most material when it comes to issues related to workforce equality and diversity, as well as issues of adequate and equal pay. Other key issues identified in the materiality study include those related to the provision of adequate working conditions and employment security.	
Equal treatment and equal opportunities		
Other employee rights		
<b>Consumers and end-users</b>	The business model of the Wirtualna Polska Group is based on transparent, high-quality communication with users and consumers. The multifaceted impact of the Wirtualna Polska Holding Group in this area is exerted through the rich portfolio of services and information provided daily by the wide range of internet portals belonging to the entities that make up the Group. The Wirtualna Polska Holding Group exercises due diligence to ensure the security of user data, the provision of quality information, respect for freedom of expression and the provision of diverse opinions.	Downstream
Impact of information on consumers and end-users		
Personal safety of consumers and/or end-users		
Social inclusion of consumers and/or end-users		
<b>Business practices</b>	The impact in the area of Business Practices is exerted through the formulation of the Wirtualna Polska Holding Group's values, mission and vision, reflected, inter alia, in policies such as the Code of Ethics. Building responsible relations with the external business environment, including the Group's suppliers and subcontractors, is also an element of the Wirtualna Polska Holding Group's impact in this regard.	Own operations, upstream, downstream
Corporate culture		
Protection of whistle-blowers		
Political engagement and lobbying		
Supplier relationship management, including payment practices		
<b>Corruption and bribery</b>		

### Materiality study: risk areas

One of the elements of the 2023/2024 materiality study was to review the levels of risks and opportunities in relation to ESG issues. Below are presented the results identified in terms of the topics covered by ERSR reporting.



## Risk Management at Wirtualna Polska

In Wirtualna Polska's internal risk screening system, the risk category identified was: Environmental and ESG risks. The risk identification process carried out in 2023 did not incorporate the results of the materiality study carried out. More in-depth information on the risks in each ESG area can be found in the thematic chapters in this report.

Risk name	Risk overview	Likelihood of occurrence (1-5)	Impact on the activities (1-5)
Rising average temperatures	Rising average temperatures result in increased expenditures on server room cooling, and the potential cooling inefficiencies reduce the efficiency of equipment and increase the risk of damage.	4	2
Increasingly frequent extreme weather events	An increase in the frequency of extreme weather events poses additional risks to IT infrastructure due to the risk of flooding, damage from e.g. hail, lack of access in the event of storms/intense snowstorms, high snow loads resting on the DataCenter roof, damage to power lines providing electricity to the DC or TV studios, prolonged high temperatures and cooling problems, etc.	3	2
New pandemics	More than two years of experience with epidemic/pandemic development has allowed the Group to test and implement effective ways of operating in a remote and hybrid model. Nevertheless, the risk of new outbreaks exists, and the course of these outbreaks, which may differ significantly from the COVID-19 outbreak, may render existing procedures largely obsolete and the expenses incurred on developing new ones may adversely affect the Group's operations and results.	1	3
Food crisis	With rising temperatures, hydrological crisis, as well as reduction in the supply of fertilisers and a significant reduction in food exports from war zones in Ukraine, there could be a significant crisis in the availability of food, and food prices on the market could rise dramatically. In addition to the obvious economic implications, this could also result in social changes such as a great migration from the areas most affected by food shortages.	4	2

Restrictions on freedom of movement	1) The continuing evolution of the virus responsible for the COVID-19 pandemic and the recurring waves of outbreaks lead to recurring restrictions. One of the more common restrictions is the restriction on freedom of movement, which negatively affects nocowanie.pl on a national level and wakacje.pl on a global level. 2) Increasing political tensions related to the Russian Federation, which may lead to the outbreak of war in Ukraine, may lead to the introduction of a state of emergency in all of Poland or along its eastern borders, which will have a negative impact on the potential of Nocowanie.pl activities.	1	5
Failure to meet ESG strategy assumptions	Failure to implement the assumptions developed as part of the ESG strategy may negatively affect the ratings obtained and the perception of the company in the stock market. The Group created its strategy based on ambitious but rational and achievable goals. Nevertheless, it cannot be ruled out that, due to unforeseen events, these objectives will not be achieved.	2	1

#### IRO-1 Description of processes to identify and assess material impacts, material risks and material opportunities

##### Materiality study

The Wirtualna Polska Holding Group conducted a comprehensive materiality study in 2023. The methodology based on which the study was carried out was aligned with the requirements of the CSRD and the ESRS standards. The materiality testing process was carried out by an external entity, the consultancy company called MATERIALITY. Materiality study was carried out according to the MAX 4 - MATERIALITY ASSESSMENT MATRIX ver. 4 methodology.

The methodology of the study is based on a matrix analysis of the assessment results of respective impacts of risks and opportunities from the perspective of impact materiality and financial materiality. The object of the study was the impacts, risks and opportunities associated with all 90 sustainability issues taken into account in the table included in AR16 ESRS 1.

The following sources of information were used in the study:

- analysis of the information on the Group's business model and strategy,
- analysis of the Group's value chain model,
- a comparative analysis of 17 media players from Poland and worldwide in terms of material impacts, risks and opportunities these players identify in their sustainability reports,
- a questionnaire survey conducted on a group of 25 representatives of all key management areas in the Wirtualna Polska Holding Group (the group included representatives of the Management Board, the company's senior management),
- a detailed questionnaire survey conducted with 25 area experts in the Group,

- assessment of the detailed parameters of impact materiality and financial materiality carried out by three MATERIALITY experts,
- A questionnaire survey and structured interviews with 8 representatives of key external stakeholder groups of the Wirtualna Polska Holding Group.

The materiality study was conducted between November 2023 and February 2024. The preliminary results of the matrix analysis were the subject of a validation workshop on 16.02.2024, which was attended, among others, by Member of the Management Board of the Wirtualna Polska Holding Group, CFO Elżbieta Bujniewicz-Belka. The final results of the materiality study were approved by the Management Board on 19.02.2024.

### **Impact materiality perspective**

Impact identification and assessment was closely linked to the Group's identified activities and business relationships across the value chain, the model of which was developed by the working group. The value chain provided the basis for analysing the actual and potential impacts exerted by the Group, by analysing, among other things, the Group's suppliers (which also included the Group's contractors and business partners), the products and services offered, the organisational structure, the customers and end users of the products and services offered by the Group, as well as equipment consumption and waste management.

The business activities, business relationships, geographical areas and other factors that give rise to increased revenue risk were determined based on the management structure of the Wirtualna Polska Group, which is reflected by the Group's main business segments: (1) Advertising and Subscriptions segment, (2) Tourism segment; (3) Consumer Finance segment. Segments also reflect the breakdown by different revenue and performance generation models, different business models, as well as different factors, opportunities and risks that affect the respective areas, which are more similar within the same segment. Four parameters of impact materiality were assessed, i.e. scale, scope and irremediable character (together representing the impact severity) and the

likelihood of the impact occurring. Information obtained from comparative analysis, interviews with stakeholder representatives, questionnaires among representatives of the Wirtualna Polska Holding Group and evaluation by external experts was used to assess the parameters. The data from the assessment of parameters from each of these sources of information was then translated into a one-to-five materiality scale (minimal, informative, important, significant, critical). Any issue for which the impact was assessed as important, significant or critical was deemed material from the impact materiality perspective. The key stakeholders of the Wirtualna Polska Holding Group were identified on the basis of an analysis of the Group's business model and value chain model, as a result of an analysis of the effects of the due diligence processes conducted in the Group and on the basis of a questionnaire conducted among representatives of all the main management areas in the Group. Consequently, the following were identified as key stakeholders: society (including users and consumers of the Group's content, readers, listeners and viewers), customers of products and services, suppliers and business partners, investors, state institutions and regulators, as well as employees and associates. In the process of assessing the impact materiality, surveys and structured interviews were conducted with representatives of these key stakeholder groups.

### **Financial materiality perspective**

Financial materiality was established by identifying and assessing the risks and opportunities associated with individual sustainability issues using the following parameters:

1. The magnitude of the impact of a given risk or opportunity, which determines how severe the impact is for the Wirtualna Polska Holding Group if the risk occurs (in the case of risks) or how significant the beneficial impact could be if the opportunity occurs and is exploited (in the case of opportunities).
2. The probability of a given risk or opportunity occurring.

Information obtained from comparative analysis, questionnaires among representatives of the Wirtualna Polska Holding Group and evaluation by external experts was used to assess the parameters. The data from the assessment of parameters from each of these sources of information was then translated into a one-to-five materiality scale (for risks: minimal or minor, lower than medium, higher than medium, serious, critical or very serious; for opportunities: minimal or minor, lower than medium, higher than medium, material, very material). Any issue associated with at least higher than medium

risk or at least higher than medium opportunity was considered material from a financial materiality perspective.

**Double materiality principle**

Any sustainability issue associated with a material impact, material risk or material opportunity was considered material from the double materiality perspective and therefore reportable using the relevant standards and disclosure requirements.

**IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statements**

**Table 11:** ESRS compliance table

Disclosure no.	Disclosure name	Page nr
<b>ESRS 2 General disclosures</b>		
BP-1	General basis for preparation of sustainability statements	93
BP-2	Disclosures in relation to specific circumstances	94
GOV-1	Roles and responsibilities of the administrative, management and supervisory bodies	94
GOV-2	Sustainability matters reported to and addressed by administrative, management and supervisory bodies	100
GOV-3	Integration of sustainability performance in incentive schemes	101
GOV-4	Statement on due diligence	102
GOV-5	Risk management and internal controls over sustainability reporting	102
SBM-1	Strategy, business model and value chain	103
SBM-2	Interests and views of stakeholders	112

SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	112
IRO-1	Description of processes to identify and assess material impacts, material risks and material opportunities	117
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	119
<b>ESRS E1 Climate change</b>		
E1-1	Transition plan for climate change mitigation	127
E1-2	Policies related to climate change mitigation and adaptation	130
E1-3	Actions and resources in relation to climate change policies	131
E1-4	Policies related to climate change mitigation and adaptation	131
E1-5	Energy consumption and energy mix	134
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	135
E1-7	GHG removals and GHG mitigation projects financed with carbon credits	136
E1-8	Internal carbon pricing	136
<b>S1 Own workforce</b>		
SBM-2	Interests and views of stakeholders	153
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	153
S1-1	Policies related to own workforce	155
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	157
S1-3	Processes to remediate negative impacts and channels for own workforce to raise concerns	158
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	159
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	159
S1-6	Characteristics of the undertaking's employees	161

S1-7	Characteristics of non-employee workers in the undertaking's own workforce	165
S1-8	Collective bargaining coverage and social dialogue	165
S1-9	Diversity indicators	166
S1-10	Adequate wages	166
S1-11	Social protection	167
S1-12	Persons with disabilities	167
S1-13	Training and skills development indicators	168
S1-14	Health and safety indicators	169
S1-15	Work-life balance indicators	169
S1-16	Compensation indicators (pay gap and total compensation)	170
S1-17	Incidents and complaints and severe human rights impacts and incidents	171
<b>ESRS S4 Consumers and end-users</b>		
SBM-2	Interests and views of stakeholders	172
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	172
S4-1	Policies related to consumers and end-users	172
S4-2	Processes for engaging with consumers and end-users about impacts	176
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	177
S4-4	Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	177
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	178
<b>ESRS G1 Business conduct</b>		
GOV-1	Roles and responsibilities of the administrative, management and supervisory bodies	179
G1-1	Corporate culture and business conduct policies	179

G1-2	Management of relationships with suppliers	181
G1-3	Prevention and detection of corruption and bribery	182
G1-4	Confirmed incidents of corruption or bribery	182
G1-5	Political influence and lobbying activities	182
G1-6	Payment practices	182

**Table 11-2: List of datapoints in cross-cutting and topical standards that derive from other EU legislation:**

Disclosure Requirement and related datapoint	SDFR reference (page no.)
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	94
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)	Not applicable
ESRS 2 GOV-4 Statement on due diligence paragraph 30	102
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	103
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	103
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	103
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv	Not applicable
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14	Not applicable
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)	Not applicable
ESRS E1-4 GHG emission reduction targets paragraph 34	131

ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	134
ESRS E1-5 Energy consumption and mix paragraph 37	134
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	134
ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions paragraph 44	135
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	135
ESRS E1-7 GHG removals and carbon credits paragraph 56	Not applicable
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66	Not applicable
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c)	Not applicable
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy efficiency classes paragraph 67 (c)	Not applicable
ESRS E1-9 Degree of exposure of the portfolio to climate related opportunities paragraph 69	Not applicable
ESRS E2-4 Amount of each pollutant listed in Annex II of the EPRTTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Not applicable
ESRS E3-1 Water and marine resources paragraph 9	Not applicable
ESRS E3-1 Dedicated policy paragraph 13	Not applicable
ESRS E3-1 Sustainable oceans and seas paragraph 14	Not applicable

ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Not applicable
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Not applicable
ESRS 2- IRO 1 - E4 paragraph 16 (a) i	Not applicable
ESRS 2- IRO 1 - E4 paragraph 16 (b)	Not applicable
ESRS 2- IRO 1 - E4 paragraph 16 (c)	Not applicable
ESRS E4-2 Sustainable land/ agriculture practices or policies paragraph 24 (b)	Not applicable
ESRS E4-2 Sustainable oceans/ seas practices or policies paragraph 24 (c)	Not applicable
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Not applicable
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Not applicable
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Not applicable
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	153
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	153
ESRS S1-1 Human rights policy commitments paragraph 20	155
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21	Not applicable
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	155
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	155

ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	155
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	168
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	168
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	170
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	170
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	171
ESRS S1-17 Nonrespect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	171
ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Not applicable
ESRS S2-1 Human rights policy commitments paragraph 17	Not applicable
ESRS S2-1 Policies related to value chain workers paragraph 18	Not applicable
ESRS S2-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Not applicable
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19	Not applicable
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Not applicable
ESRS S3-1 Human rights policy commitments paragraph 16	Not applicable
ESRS S3-1 Nonrespect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Not applicable

ESRS S3-4 Human rights issues and incidents paragraph 36	Not applicable
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Not applicable
ESRS S4-1 Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 17	Not applicable
ESRS S4-4 Human rights issues and incidents paragraph 35	Not applicable
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	179
SRS G1-1 Protection of whistle-blowers paragraph 10 (d)	179
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	182
ESRS G1-4 Standards of anticorruption and anti-bribery paragraph 24 (b)	182

**Table 11-3: List of datapoints in cross-cutting and topical standards that derive from other EU legislation:**

Accounting Act Requirement	Disclosure
Business model (Article 49b(2)(1))	SBM-1
Key non-financial performance indicators (Article 49b(2)(2))	E1-5, E1-6, S1-6, S1-7, S1-8, S1-9, S1-10, S1-12, S1-13, S1-14, S1-15, S1-16,
Policies in non-financial areas and their results (Article 49b(2)(3))	E1-2, S1-1, S4-1, G1-1
Due diligence procedures (Article 49b(2)(4))	GOV-4
Significant non-financial risks and how they are managed (Article 49b(2)(5))	SBM-3

## Information about environment

### E1 Climate change

#### GOV-3 – Integration of sustainability performance in incentive schemes

The achievement of the ESG climate-related strategic goals in 2023 was not taken into account in the remuneration of Supervisory Board or Management Board members. Part of the Board's remuneration is linked to ESG targets, but

these are not exclusively climate-related (they are targets related to areas more important in the materiality analysis, especially from area G - business conduct).

#### E1-1 Transition plan for climate change mitigation

In 2023, the Wirtualna Polska Holding Group did not have a formalised climate transition plan. Plans to decarbonise the business model are included in the Group's ESG Strategy.

#### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

As part of the risk map update, the risk of increased average temperatures and the associated impact on the Group's data centres was identified, but this was not identified as material to the overall risk map.

As at 31 December 2023, a scenario analysis of the business model resilience to climate change has not been carried out.

The Wirtualna Polska Group conducted an identification and analysis of ESG risks, i.e. risks and the resulting threats and opportunities related to climate change, environmental issues, social and employee matters, and human rights. The analysis was carried out in cooperation with an external consulting firm,

following the AXIS® (Amplification, Seizure, eXclusion, Intensification) methodology, in a four-step process including, among others, comparative, questionnaire, quantitative and qualitative analysis. The process is based on assumptions consistent with the ISO 31000 Risk management standard.

35 risks and their potential effects were analysed in the form of 27 opportunities and 51 threats to the organization.

After assessing the likelihood and severity of each threat and opportunity, it was determined that 8 opportunities and 3 threats were material to Grupa. In

addition, 12 opportunities and 19 threats were monitored and managed in justified cases.

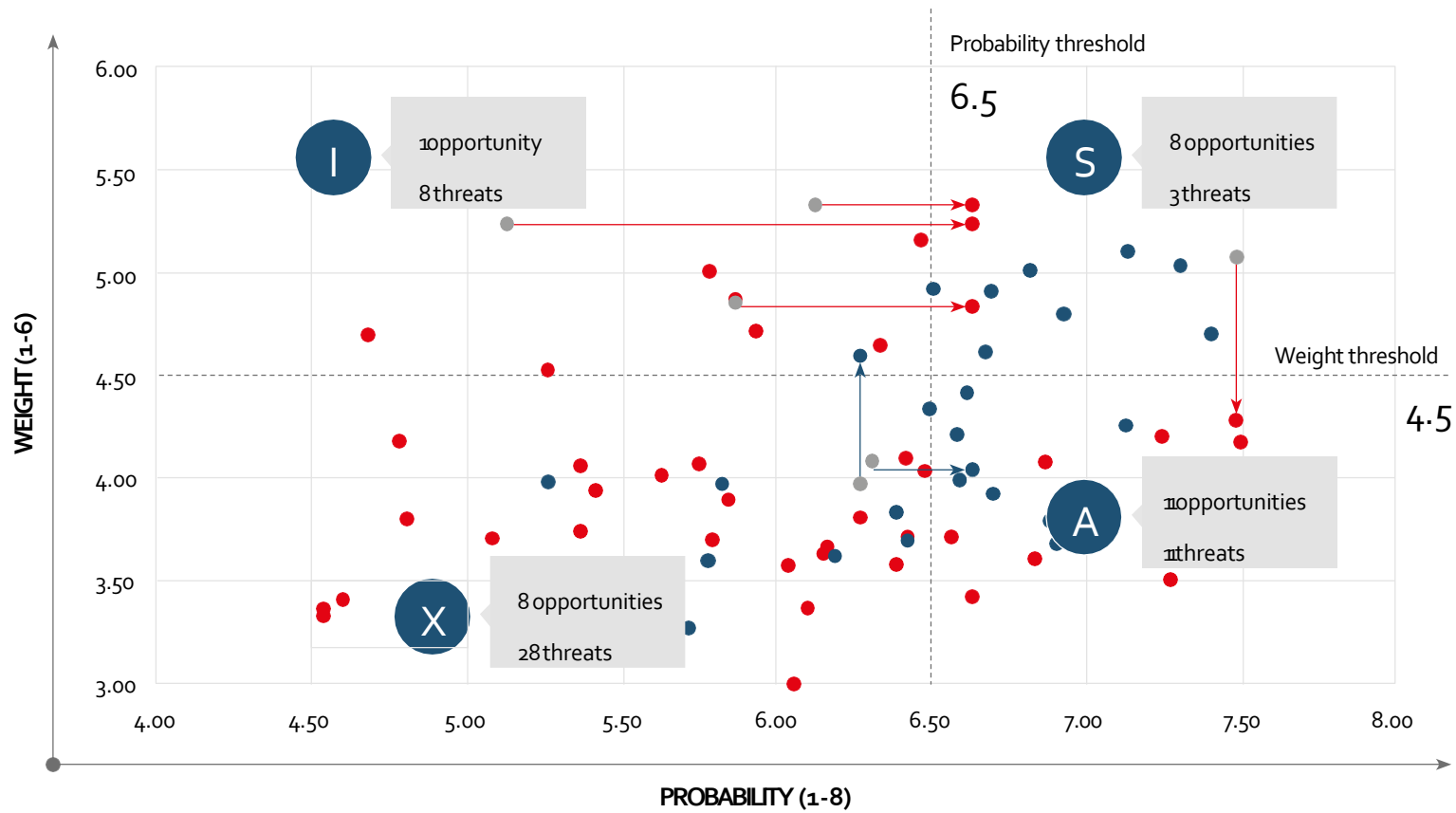
Climate change is monitored by designated individuals, which enables adapting various aspects of the business, such as digital products, business solutions offered, or the physical server room architecture, to changes in the natural environment. In addition to taking advantage of obvious opportunities such as the demand for products that help customers reduce their carbon footprint by digitalizing some of their processes or using more efficient advertising solutions it offers, the Group is monitoring and seeking to mitigate the risks associated with potential power outages. These are elements of strategic business planning, which also draws attention to the impact of rising electricity costs, CO<sub>2</sub> emission and other costs on the Group's financial performance.

The processes for identifying, assessing and managing risks, including climate change risks, are coordinated in the Group's internal audit department. The internal audit unit within the Wirtualna Polska Holding Group cooperates closely

with all Companies comprising the Group and with external consultants. The risks are identified and assessed using the Materiality Assessment Matrix (MAX) methodology supplied by a reputable external consultant. Plans related to active or passive risk management are prepared for some risks. For selected risks with a specific top value, plans have been prepared to avoid certain risks by implementing business changes (such as by changing the business model) or to mitigate their impact. For lower-value risks, risk monitoring plans have been implemented in order to update their value. The risks and opportunities associated with climate change are examined in terms of three parameters:

- Probability
- Weight, i.e. the severity of potential consequences (threats) or advantages (opportunities)
- Time horizon

### Classification of threats and opportunities in master plan (after reclassification)



Identified risks, threats and opportunities associated with climate change were analysed as part of their assignment to the risk groups identified in TCFD Recommendations.

Risk	Threat/opportunity	Time horizon	Management method
<b>Physical risks</b>			
The risk of increased strength and frequency of sudden weather phenomena as hurricanes, heavy rains or floods	Threat of interruption of access to electricity	Medium-long	We implement crisis management procedures and manage our environmental impact. It is in line with global efforts to address climate change.
<b>Transition risks associated with policies and regulations</b>			
Risk of introduction of carbon taxes, duties or other charges	Opportunity to capitalize on the demand for products that help customers reduce their greenhouse gas emissions and carbon footprint	Short-medium	Expansion and optimization of our services, e.g. providing e-commerce solutions

According to the Materiality Assessment Matrix (MAX) methodology, the answers given by the individual survey respondents were weighted based on the areas they represented. Threats and opportunities were assessed from the perspective of the Group as a whole, but the unique nature of many threats and opportunities under analysis meant that the individuals assessing the risks had

to consider their significance for the entire supply chain or even in the Group's entire value chain.

### E1-2 Policies related to climate change mitigation and adaptation

In 2023, the Wirtualna Polska Holding Group did not have a single climate mitigation policy. Issues relating to respect for the environment are included in the Code of Ethics adopted at the Wirtualna Polska Holding Group on 27

December 2023. In its Code of Ethics, Wirtualna Polska prioritises respect for the environment and the climate, as reflected in the goals set out in its ESG Strategy.

### **E1-3 Actions and resources in relation to climate change policies**

Since October 2023, Wirtualna Polska has been working together with the Fundacja Dziedzictwo Przyrodnicze and the Henryk Wujec Civic Fund. A project is being jointly implemented to support Forest Watchdogs operating throughout Poland.

The programme will come to an end on 31 March 2024. To date, 63 hours of consultation with forestry experts and lawyers have been carried out on 15 different topics raised by local activists, nine of which have been successfully resolved and the rest are ongoing.

The project is designed to support watchdog groups — environmental activists working to promote forest health in various regions of Poland. Thanks to financial support from Wirtualna Polska and the Henryk Wujec Civic Fund, volunteers can benefit from training and improve their qualifications. They also have access to consultations with lawyers who help them prepare official documentation and to consultations with foresters on drafting comments on the Forest Management Plan.

### **E1-4 Targets related to climate change mitigation and adaptation**

The overarching goal of Wirtualna Polska is to have a positive impact on the climate and the environment. This is one of the three main pillars of the Sustainable Development Strategy. The document, announced in 2022, includes the following climate objectives:

The Wirtualna Polska Group took care of a hive, with around 50,000 worker bees moving in.

They settled in an apiary in the Business Garden in Warsaw. This is yet another environmental project carried out by Wirtualna Polska in support of biodiversity.

The project was combined with an educational campaign. Employees were able to take part in a workshop led by a beekeeper, sample different types of bee products and see bees up close in a glass hive. In addition, participants visited an apiary to watch bees under the guidance of a beekeeper and hear about their work for the environment.

The Wirtualna Polska Group has published more than 600 educational articles on climate change, global warming, etc.

In 2023 Wirtualna Polska launched a second solar farm, jointly producing green energy, which in 2023 accounted for more than half of the Group's energy consumption.

Target	2025 target	2030 ambition	SDG association
<b>E.1. We reduce greenhouse gas emissions</b>			
E.1.1. We will reduce emissions in Scopes 1&2	-70% from the base year level	0 Mg CO <sub>2</sub> e (net-zero according to the SBTi methodology)	Goal 13: Take urgent action to combat climate change and its impacts
E.1.2. We will increase the energy efficiency of data centres and buildings	Energy audit of the server rooms ISO 50001 certification	Achievement of the energy efficiency improvement target Periodic internal audits	Goal 13: Take urgent action to combat climate change and its impacts
E.1.3. We will use only zero- and low-carbon energy sources	80% share of zero-carbon energy in the electricity mix of the Wirtualna Polska Holding Group 90% share of zero carbon energy in the heating energy mix of Wirtualna Polska Holding Group	Achieving the energy efficiency improvement target. Periodic internal energy efficiency audits	Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all Goal 13: Take urgent action to combat climate change and its impacts
E.1.4. We will calculate and then reduce GHG emissions in Scope 3	Performing calculations for 2022 and setting a reduction target	Consistent attainment of reduction targets in all 3 emission scopes in accordance with the GHG Protocol methodology.	Goal 13: Take urgent action to combat climate change and its impacts
<b>E.2. We prevent energy poverty</b>			
E.2.1. We will transfer electricity from our own RES installations or purchase such energy for public benefit organizations	Program launch Establishing a metric	Increasing access to clean energy - 100% of excess production from our own RES installations will be transmitted to those in need.	Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all
<b>E.3. We will implement circular economy principles</b>			
E.3.1. We will increase the recovery rate of end-of-life IT hardware	Program launch Establishing a quantitative measure	min. 80% of decommissioned hardware gets a "second life"	Goal 12: Ensure sustainable consumption and production patterns
E.3.2. We will reduce water consumption	Metering in the offices (2022) X% reduction in annual water consumption (target to be set after metering)	Achieving a 50% reduction in water consumption relative to the 2022 baseline	
<b>E.4. We educate on the climate crisis and environmental responsibility</b>			

E.4.1. We raise consumer awareness by publishing climate change content in news services	1000 published materials on climate change and the environment (per year)	1200 materials published on climate change and the environment (per year)	Goal 12: Ensure sustainable consumption and production patterns Goal 13: Take urgent action to combat climate change and its impacts
<b>E.5. We support customers in making responsible choices</b>			
E.5.1. We will make it easier for customers to access sustainable services and products	Implementation of content filtering on 100% of the Group's e-commerce sites 30% of offers tagged on all e-commerce portals in the Group	30% of filterable e-commerce sites	Goal 12: Ensure sustainable consumption and production patterns
<b>E.6. We support biodiversity</b>			
E.6.1. We will carry out activities that will result in a positive impact on biodiversity	Protecting or planting 5 ha of forest; Starting cooperation with a public benefit organization(s)	10 ha Permanent cooperation	Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.

### GHG emission reduction targets:

The Group has set ambitious goals for the next few years to increase the amount of green energy used to power server facilities and reduce greenhouse gas emissions.

- **Absolute value of total emission reductions for the Scopes 1&2 market based**  
2020 starting point: 7,329.91 Mg CO<sub>2</sub>e; 2025 target: -70% as compared to base year level
- **Absolute emission value in Scope 1**  
2020 starting point: 542.41 Mg CO<sub>2</sub>e; 2025 target: -70%
- **Absolute value of emission reduction in Scope 2 market-based**  
2020 starting point: 6,787.50 Mg CO<sub>2</sub>e; 2025 target: 0 Mg CO<sub>2</sub>e (-100%)

It is our ambition to reach 0 Mg CO<sub>2</sub>e emissions by 2030, which means net-zero according to the SBTi (Science Based Targets initiative) methodology.

To achieve its targets and deliver on its long-term ambition, the Group has planned:

- developing reduction targets based on Science Based Targets Sector Guidance
- approving GHG Scope 1 and 2 emission reduction targets in Science Based Targets

- taking actions with respect to vehicle fleet
- energy audit of server facilities, with implementation planned for 2024
- ISO 50001 certification
- preparing an energy efficiency improvement plan based on ISO 50001, with implementation planned for 2024.

The targets are science based and consistent with limiting the increase in global warming to 1.5 degrees.

### E1-5 Energy consumption and energy mix

In 2023, the Group's fuel and energy consumption was as follows:

Energy consumption and energy mix	unit	2022	2023	Y/y change (%)
Consumption of coal and coal products-based fuels	MWh	0	0.00	-
Consumption of oil and petroleum products-based fuels	MWh	1,044.4	839.4	-19.63%
Consumption of natural gas fuel	MWh	0.0	55.7	-
Consumption of fuel from other fossil sources	MWh	0.0	0.0	-
Consumption of purchased or procured electricity, heat, steam and cooling from fossil sources	MWh	1,057.8	866.8	-18.06%
<b>Total consumption of fossil energy</b>	<b>MWh</b>	<b>2,102.2</b>	<b>1,761.9</b>	<b>-16.19%</b>
<b>Share of fossil fuels in total energy consumption</b>	<b>%</b>	<b>21.42%</b>	<b>18.45%</b>	<b>-2.97%</b>
<b>Nuclear energy consumption</b>	<b>MWh</b>		0	-
<b>Share of nuclear sources in total energy consumption</b>	<b>%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>-</b>
Consumption of fuel from renewable sources, including biomass (also including industrial and municipal bio-waste, biogas, renewable hydrogen, etc.)	MWh	0.0	0.0	-
Consumption of purchased or procured electricity, heat, steam and cooling from renewable sources	MWh	7,713.5	7,788.3	0.97%
Consumption of internally generated renewable energy produced without fuel	MWh	-	-	-
<b>Total consumption of energy from renewable sources</b>	<b>MWh</b>	<b>7,713.5</b>	<b>7,788.3</b>	<b>0.97%</b>
<b>Share of renewable sources in total energy consumption</b>	<b>%</b>	<b>78.58%</b>	<b>81.55%</b>	<b>2.97%</b>

<b>Total energy consumption</b>	<b>MWh</b>	9,815.6	9,550.2	-2.70%
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In this statement, where it was not possible to indicate the precise value of the heat energy consumed, estimated heat energy values for office buildings were adopted. These estimates were based on the median heat consumption index for office buildings, published by Enectiva for 400 administrative buildings in the Czech Republic.

### E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

#### Limits of reported emissions

- The calculation for the Group includes all subsidiaries and the parent company based on operational control. The calculation does not include companies that did not conduct significant operating activities affecting the emergence of significant fuel and energy consumption in 2023.
- In 2023, the Wirtualna Polska Holding Group experienced significant structural changes due to integration of new entities, including in particular the Szallas Group and Audioteka.
- The base year recalculation was made based on assumptions. To fill in the gaps in the source data, estimates for electricity consumption in office buildings and average fuel consumption were adopted in selected cases. The estimate recalculation showed the potential for change in the base year after accounting for changes in the Group's structure at a level below the materiality threshold assumed at a 5% share of base year emissions.

#### Scope of reported emissions

The Wirtualna Polska Holding Group reports Scope 1 and Scope 2 emissions according to the GHG Protocol methodology.

- Direct emissions (Scope-1) result from combustion of fuels in stationary or mobile sources owned or supervised by the company, and include emissions resulting from technological processes or escaping refrigerants.
- Indirect emissions (Scope-2) originate from consumption of imported electricity, heat, process steam and cooling. We calculate emissions in the second scope using two methods. The location-based calculation method takes into account the average energy intensity of the network to which the energy consumer is connected. The market-based calculation method is designed to show an informed choice of energy supplier as it presents emissions calculated by supplier-specific intensity.

#### Calculation methodology and assumptions made

- The emissions were calculated using tools provided by the GHG Protocol (<https://ghgprotocol.org/calculation-tools>), the calculations concerned the six greenhouse gases (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>) included in the GHG Protocol, the emission values are reported in tons (Mg) of standard carbon dioxide equivalent unit (CO<sub>2</sub>e);
- The Scope 2 location-based emissions calculations were based on average emission intensity indicators for electricity and heat generation made available by the National Centre for Emissions Management. The volume of emissions from the generation of consumed electricity calculated according to the market-based method, where with respect to electricity (with a known seller) the emission indicators provided by the seller were used, and for energy from RES confirmed by Guarantees of Origin, an indicator of 0 kg CO<sub>2</sub>e/kWh was adopted;

- Regarding heat generation, intensity indicators of heat generation were adopted in accordance with data reported for Poland by the Energy Regulatory Office;
- The greenhouse effect coefficients (GWP, Global Warming Potential) used in the calculations are in accordance with the Fifth Assessment Report of the IPCC (AR5, The Fifth Assessment Report of the IPCC).

[Mg CO <sub>2</sub> e, %]	2020	2021	2022	2023	y/y change
<b>Scope 1 emissions, including:</b>	<b>542.4</b>	<b>405.5</b>	<b>276.8</b>	<b>246.3</b>	<b>-11.02%</b>
- fuel consumption in buildings	1.9	7.1	2.5	12.6	+406.43%
- fuel consumption in vehicles	230.1	235.4	263.9	201.0	-23.82%
- air-conditioning and cooling	310.5	163.0	10.4	32.7	+213.30%
<b>Scope 2 emissions – location-based</b>	<b>5,666.4</b>	<b>5,772.9</b>	<b>6,158.0</b>	<b>5,815.5</b>	<b>-5.56%</b>
<b>Scope 2 emissions – market-based, including:</b>	<b>6,522.5</b>	<b>438.4</b>	<b>671.6</b>	<b>353.8</b>	<b>-47.31%</b>
- electricity, including:	6,522.2	438.4	507.9	250.9	-50.59%
- offices	614.3	438.4	507.9	250.9	-50.59%
- data centres	5,907.9	0.0	0.0	0.0	-
- heating	0.3	0.0	163.7	102.9	-37.12%
<b>Total Scope 1+2 emissions – market-based</b>	<b>7,064.9</b>	<b>6,522.3</b>	<b>948.4</b>	<b>600.1</b>	<b>-36.72%</b>

### E1-7 GHG removals and GHG mitigation projects financed through carbon credits

In 2023, the Wirtualna Polska Holding Group did not acquire carbon credits.

### E1-8 Internal carbon pricing

In 2023, the Wirtualna Polska Holding Group did not apply Internal Carbon Price.

## EU Taxonomy

### Introduction

In this report, the Wirtualna Polska Holding Group discloses for the second time information on its alignment with the EU Taxonomy of Environmentally Sustainable Activities. The obligations related to the above were introduced by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment<sup>2</sup>. The Regulation mentioned above, also known as the EU Taxonomy, translates the European Union's climate and environmental objectives into technical criteria used to evaluate whether a specific activity can be deemed to be sustainable against 6 environmental objectives:

1. Climate change mitigation,
2. Climate change adaptation,
3. The sustainable use and protection of water and marine resources,
4. The transition to a circular economy,
5. Pollution prevention and control,
6. The protection and restoration of biodiversity and ecosystems.

**The Taxonomy is therefore a classification system that enables the Wirtualna Polska Holding Group's activities to be assessed and reported as being environmentally sustainable.**

All activities conducted by Wirtualna Polska may be assigned to one of three categories:

- Taxonomy-eligible activities, for which it has been determined that the Technical Screening Criteria and the Minimum Safeguards have been satisfied – these activities are environmentally sustainable;
- Taxonomy-eligible activities, for which the Technical Screening Criteria have not been examined or it has been determined that at least one of the criteria is not satisfied, or that the Minimum Safeguards have not been satisfied – these activities are Taxonomy-eligible but not environmentally sustainable;
- Taxonomy-non-eligible activities, for which Technical Screening Criteria do not exist (this category includes, among others, those types of activities, for which the criteria will be created in the future and at that time the activities will be Taxonomy-eligible).

**Technical Screening Criteria (TSC)** are detailed criteria that allow for an unambiguous determination of whether an activity contributes substantially to one of the environmental objectives and causes no significant harm to other environmental objectives. The TSC are set forth in two acts:

1. Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (the so-called "Climate Delegated Act") which, since its issuance, has been amended twice by the following legislation:
  - Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 which established requirements for power generation activities using gaseous fuels and nuclear power,

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<sup>2</sup> Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

→ Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023 which introduced new activities and changes to certain technical screening criteria.

Regulation 2021/2139 contains the criteria for substantial contribution to two environmental objectives (climate change mitigation, CCM, and climate change adaptation, CCA) as well as the DNSH (do not cause significant harm) criteria to the remaining environmental objectives.

→ Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 (the so-called "Environmental Delegated Act").

This Regulation defines TSCs regarding significant contribution and DNSH with respect to the other four environmental objectives: water resource protection (WTR), circular economy (CE), pollution prevention and control (PPC) and biodiversity protection (BIO).

→ Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 – Technical Qualification Criteria for the Four Remaining Environmental Objectives.

**Minimum Safeguards (MS)** defined in Article 18 of Regulation 2020/852 are procedures implemented to ensure the alignment with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Each undertaking subject to the obligations arising under Regulation 2020/852 must disclose three ratios under Article 8 of the Regulation:

- The proportion of turnover derived from products or services associated with environmentally sustainable activities;
- The proportion of capital expenditure (CapEx) related to assets or processes associated with environmentally sustainable activities;
- The proportion of operating expenditure (OpEx) related to assets or processes associated with environmentally sustainable activities.

Detailed requirements for the calculation and disclosure of these ratios are set out in the Commission Delegated Regulation (EU) 2021/2178<sup>3</sup>, i.e. the "delegated act for Article 8".

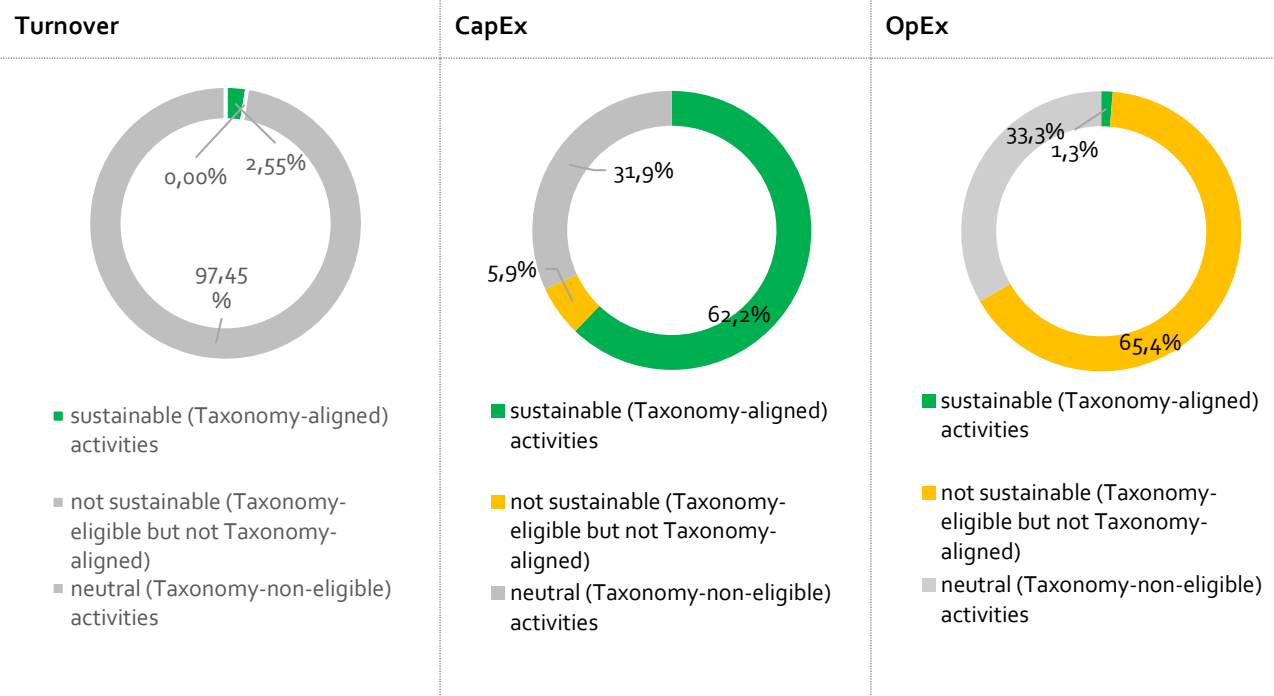
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<sup>3</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU

concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.

## Taxonomy alignment of activities conducted by Wirtualna Polska Holding

As a result of analyses, the following proportion of Taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditures (OpEx) has been determined.



The examination of Taxonomy alignment of activities conducted by the Wirtualna Polska Group has shown the following:

- In 2023, the Wirtualna Polska Holding Group's sustainable activities accounted for 2.55% of its turnover, 62.2% of its capital expenditure (CapEx) and 1.3% of operating expenditure (OpEx).

- Taxonomy-eligible but not Taxonomy-aligned activities accounted for 0.0% of its turnover, 5.9% of its capital expenditure (CapEx) and 65.4% of operating expenditure (OpEx) in 2023 of the Wirtualna Polska Holding Group.

- In 2023, the Group's Taxonomy-non-eligible activities accounted for 97.45% of its turnover, 31.9% of its capital expenditure (CapEx) and 33.3% of operating expenditure (OpEx).

	Turnover	CapEx	OpEx
value in 2023 [PLN million]	1,436.8	155.8	29.1
sustainable (Taxonomy-aligned) activities	36.6	96.8	0.4
not sustainable (Taxonomy-eligible but not Taxonomy-aligned)	0.0	9.2	19.0
neutral (Taxonomy-non-eligible) activities	1,400.2	49.7	9.7

The section below describes the process of examining Taxonomy alignment, the accounting principles applied and a detailed discussion of the three performance

ratios with tables prepared in accordance with the so-called act delegated to Article 8, that is the Commission Delegated Regulation (EU) 2021/2178.

## Taxonomy alignment examination process

A four-step process was conducted to examine Taxonomy alignment:

### 1. Identification

The stage consisted of reviewing all activities conducted by Wirtualna Polska and the Group's subsidiaries and determining whether, and if so, which types of activities are taxonomy-eligible. The review covered the companies' revenues, capital expenditures and operating expenses. The identification of the various types of activities used the descriptions in the annexes to Commission Delegated Regulation (EU) 2021/2139 and

2023/2486, which were compared to the activities actually carried out. If the description of the activity was not sufficiently clear, the statistical

classification of economic activities NACE was used as an auxiliary measure<sup>4</sup>.

## 2. Allocation

The stage involved assigning turnover values, capital expenditures and operating expenses to the various activities identified in the first stage. The details of the allocation methods used are described in the *Accounting Principles* section.

## 3. Verification

The stage consisted of conducting two types of examinations:

- For all identified activities, an examination of the criteria for substantial contribution and not causing no significant harm was carried out using the TSCs specified in the annexes to Commission Delegated Regulation (EU) 2021/2139. The details of the assessment are outlined in the *Verification of compliance with the Technical Screening Criteria* section.

## Minimum Safeguards

In accordance with Article 18 of Regulation 2020/852:

*"The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the **OECD Guidelines for Multinational Enterprises** and the **UN Guiding Principles on Business and Human Rights**, including the principles and rights set out in the **eight fundamental conventions identified in the***

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<sup>4</sup> Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains

- An assessment of whether the Minimum Safeguards are met was conducted. The details of the assessment are outlined in the *Minimum Safeguards* section.

## 4. Calculation

The stage consisted of using the resulting information from stages two and three to draw up tables containing the required information and to prepare this supplementary information, as required by Annexes I and II to Commission Delegated Regulation (EU) 2021/2178.

The process was carried out by a team consisting of representatives of Wirtualna Polska Holding Group companies with the support of an external consulting firm, and was supervised by Management Board member, Chief Financial Officer Elżbieta Bujniewicz-Belka and Director of Investor Relations and Financial Analysis.

***Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights.***

The examination of compliance with Minimum Safeguards was carried out in accordance with the recommendations made in the *Final Report on Minimum Safeguards*<sup>5</sup> by Platform On Sustainable Finance. According to the

<sup>5</sup> [https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards\\_en.pdf](https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf)

recommendations, the Minimum Safeguards are not met if one of the four premises occur:

1. Inadequate or non-existent due diligence processes regarding human rights, including employee rights, corruption, taxation and fair competition.
  - The company has been finally held liable or found to have violated labour law or human rights laws in certain types of labour or human rights court cases.
  - Failure to cooperate with the OECD National Contact Point (hereafter OECD NCP) on a notification received by the OECD NCP.
  - Business and Human Rights Resource Centre (BHRRRC) became aware of a charge against the company, and the company did not respond within 3 months.

In the verification process at Wirtualna Polska Holding Group non-compliance with the above-mentioned premises was examined as follows:

- **Premise 1:** Verification of the completeness of the due diligence processes was based on internal verification of the existence and operation of the due diligence process elements derived from the framework of those processes contained in the documents listed in the definition of Minimum Safeguards. The design of the due diligence processes from the definition proposed in Article 3(c) of Regulation (EU) 2020/852 of the European Parliament and of the Council is primarily influenced by the provisions of the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for Multinational*

*Enterprises*. The compliance was verified with a compliance assessment tool using the assessment methodology proposed by Platform on Sustainable Finance: *World Benchmark Alliance Core UNGP indicators*. As a result of the analysis, it was determined that the organization has in place a functioning complete due diligence process that fulfils the guidelines.

- **Premise 2:** Premise 2 was verified in the process of supplementing the responses to Premise 1 by checking whether there were any final convictions against the persons listed in the body of the premise during the period under review. As a result of the verification, it was found that there was no information qualifying the Group to meet the conditions of Premise 2.
- **Premise 3:** A verification of the OECD NCP reports database was conducted; it has shown that there were no reports against the Group during the period under review. [<http://mneguidelines.oecd.org/database/>].
- **Premise 4:** A verification of the Business and Human Rights Resource Centre (BHRRRC) reports database was conducted; it has shown that there were no reports against the Group during the period under review. [<https://www.business-humanrights.org/en/companies>].

As a result of the verification process, it has been determined that the activities of the Wirtualna Polska Holding Group are carried out in compliance with the Minimum Safeguards.

## Verification of compliance with the Technical Screening Criteria.

Verification of compliance with the Technical Screening Criteria was conducted for all taxonomy-eligible activities, and consisted of analysing the individual criteria of substantial contribution and no significant harm, and verifying the extent to which the type of activity complies with the TSCs specified in Commission Delegated Regulation (EU) 2021/2139.

A description of the activity CCA 8.3 Programming and broadcasting activities, following a verification of compliance with the Technical Screening Criteria, is presented below:

<b>Substantial contribution criterion</b>	
Climate change adaptation	The Group has carried out risk analysis at a consolidated level, with the threats indicated there addressed in the ESG Strategy, the business is largely in line with the criteria set out in Appendix A to Annex, climate-related risks have also been identified according to a specific classification
<b>DNSH criteria</b>	
Climate change mitigation	Not applicable
The sustainable use and protection of water and marine resources	Not applicable
The transition to a circular economy	Not applicable
Pollution prevention and control	Not applicable
The protection and restoration of biodiversity and ecosystems	Not applicable

## Accounting principles

The following principles were used to calculate the percentage of turnover, capital expenditures (CapEx) and operating expenditures (OpEx) that are Taxonomy-eligible and Taxonomy-aligned.

## Turnover

With respect to turnover, the denominator was the Wirtualna Polska Holding Group's total consolidated revenue in 2023, as disclosed in the consolidated financial statements and described in Note 8 thereof. Revenue from Taxonomy-eligible and Taxonomy-aligned activities was assigned to the numerator.

With respect to turnover, the denominator was the Wirtualna Polska Holding Group's total consolidated revenue in 2023, excluding revenue related to incidental sales of property, as disclosed in the consolidated financial statements and described in Note 8 thereof: "Sales revenues". Revenue from Taxonomy-eligible and Taxonomy-aligned activities was assigned to the numerator.

### **Capital expenditures (CapEx)**

For capital expenditures (CapEx), the denominator was capital expenditures, primarily for property, plant and equipment, including servers, machinery and equipment, and intangible assets. CapEx are included in the consolidated financial statements, Notes 19 and 21. The numerator was the portion of CapEx that relates to Taxonomy-eligible and Taxonomy-aligned activities.

### **Operating expenditures (OpEx)**

With respect to operating expenditures (OpEx), the denominator consisted of all costs used to operate the Company's assets on a day-to-day basis and keep them in proper working order. They were recognized to include such costs as: personnel costs of persons responsible for repairs and maintenance, costs related to repairs and overhauls of equipment, costs of cleaning the areas, fire prevention costs, media control costs, cost of leasing (e.g. forklifts), building protection costs, costs of "equipment attestation", e.g. fire extinguishers. The numerator was the portion of OpEx that relates to Taxonomy-eligible and Taxonomy-aligned activities.

The data used for calculations came from the financial and accounting system of Wirtualna Polska Holding and the financial and accounting systems of subsidiaries from the Wirtualna Polska Holding Group.

The Group avoided double counting while assigning turnover and capital expenditures by making appropriate consolidation exclusions in accordance with the accounting laws in force. In the case of operating expenditures which

are defined in the Commission Delegated Regulation (EU) 2021/2178 in a manner that does not refer to International Financial Reporting Standards, all accounts in the Group's accounting system were reviewed and then the identified items meeting the definition of OpEx were assigned in each case to a particular Taxonomy-eligible activity or to a set of other (Taxonomy non-eligible) operating expenditures.

The Group discloses in this report for the second time the share of Taxonomy-aligned activities and, for the second time, the share of Taxonomy-eligible activities. The disclosure in this report refers to the most recent financial year, i.e. the period from 1 January 2023 to 31 December 2023.

During the analysis, no types of activities were identified that would contribute to more than one environmental objective. Consequently, there was no need for special procedures to avoid double counting. Verification of compliance with the Technical Screening Criteria was conducted for all taxonomy-eligible activities, and involved analysing the individual criteria of substantial contribution and no significant harm.

For other activities, not exceeding the materiality threshold, the analysis was not conducted, and those activity types were recognized as Taxonomy-eligible but non-aligned. The analysis showed that there was no need for detailed disaggregation of KPIs among the Group's operating units in accordance with paragraph 1.2.2.3. of Annex I to Commission Delegated Regulation (EU) 2021/2178. Further information is provided in the comments on each key performance indicator.

The Group does not conduct, finance or have exposure to the activities referred to in sections 4.26 - 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139 (activities related to the production of energy through nuclear processes and energy production from gaseous fossil fuels). Due to the above, this report refrains from reporting tables for the values referred to in Art. 8 section 6 and 7 of the Regulation on the content and method of presentation of taxonomic disclosures.

### Nuclear and fossil gas related activities

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
Natural gas-related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

## Turnover

**Table 1: Percentage of Taxonomy-aligned revenue**

2023 financial year	Year		Substantial contribution criteria										DNSH criteria ("do no significant harm")			Percentage of Taxonomy- aligned turnover, 2022	Category (enabling activities or)	Category (transitional activities)	
	Code or codes	Turnover (absolute value)	Part of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				Minimum Safeguards
Economic activities		PLN million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																			
<b>A.1. Types of environmentally sustainable (Taxonomy-aligned) activities</b>																			
Electricity generation using solar photovoltaic technology	CCM 4.1/ CCA 4.1	2.19	0.15%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	0.23%		
Programming and broadcasting activities	CCA 8.3	34.41	2.39%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y		Y	Y	Y	Y	Y	2.85%	E	
<b>Turnover on environmentally sustainable (Taxonomy-aligned) activities (A.1)</b>		<b>36.60</b>	<b>2.55%</b>	<b>0.15%</b>	<b>2.39%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>								<b>3.08%</b>		
Including enabling activities				0.00%	2.39%	0.00%	0.00%	0.00%	0.00%									E	
Including transitional activities				0.00%															Y
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																			
Turnover on Taxonomy-eligible but not environmentally sustainable activities (not		0.00	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%		

Taxonomy-aligned activities (A.2)													
Total (A.1.+A.2.)		36.60	2.55%	0.15%	2.39%	0.00%	0.00%	0.00%	0.00%			3.08%	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>													
Turnover from taxonomy-non-eligible activities (B)		1,400.21	97.45%										
Total (A+B)		1,436.81											

In 2023, the Wirtualna Polska Holding Group reported revenue of PLN 1,436.81 million. This amount was generated to a large extent (PLN 1,400.21 million) on activities that are not Taxonomy-eligible. Other turnover represented taxonomy-eligible turnover (activities listed in order starting from those having the largest share in the company's turnover), including:

- Turnover related to CCA 8.3 Programming and broadcasting activities was PLN 34.41 million (2.39% of total turnover)
- Turnover related to CCM 4.1 / CCA 4.1 Electricity generation using solar photovoltaic technology was PLN 2.19 million (0.15% of total turnover)

Compliance with the Technical Screening Criteria set forth in Annex I or II, respectively, of Commission Delegated Regulation (EU) 2021/2139 was confirmed for both of the aforementioned activities, and therefore the turnover associated with these activities was deemed to be Taxonomy-aligned.

The share of turnover from environmentally sustainable (Taxonomy-aligned) activities in the total turnover was 2.55% in 2023, and the share of turnover from Taxonomy-eligible but non-aligned activities was 0.00%. Total share of turnover from Taxonomy-eligible activities was 2.5%. The remaining 97.45% of turnover is attributable revenues from Taxonomy-non-eligible activities or those for which the regulator did not determine Technical Screening Criteria in annexes to the Delegated Acts.

## Capital expenditures (CapEx)

**Table 2: Percentage of Taxonomy-aligned capital expenditures (CapEx)**

2023 financial year	Year		Substantial contribution criteria													DNSH criteria ("do no significant harm")				
	Code or codes	Capital expenditures in absolute terms	Percentage of capital expenditures	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Safeguards	Percentage of Taxonomy-aligned CapEx, 2022	Category (enabling activities or)	Category (transitional activities)	
		PLN million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																				
<b>A.1. Types of environmentally sustainable (Taxonomy-aligned) activities</b>																				
Electricity generation using solar photovoltaic technology	CCM 4.1 / CCA 4.1	0.71	0.45%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	6.10%			
Computer programming, consultancy and related activities	CCA 8.2	84.10	54.00%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	61.90%			
Programming and broadcasting activities	CCA 8.3	2.13	1.37%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y		Y	Y	Y	Y	Y	4.01%	E		
Motion picture, video and television program production, sound	CCA 13.3	9.88	6.35%	N/EL	Y	N/EL	N/EL	N/EL	N/EL	Y		Y	Y	Y	Y	Y	8.50%	E		

recording and music publishing activities																			
Capital expenditures for environmentally sustainable (Taxonomy-aligned) activities (A.1)		96.82	62.17%	0.45%	61.71%	0.00%	0.00%	0.00%	0.00%										69.35%
Including enabling activities				0.00%	7.72%	0.00%	0.00%	0.00%	0.00%										E
Including transitional activities				0.00%															Y
<b>A.2. Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned) activities</b>																			
Data processing, hosting and related activities	CCM 8.1/CCA 8.1	9.21	5.91%	N	Y	N/EL	N/EL	N/EL	N/EL										
Capital expenditures for Taxonomy-eligible but not environmentally sustainable (not Taxonomy-aligned) activities (A.2)		9.21	5.91%	0.00%	5.91%	0.00%	0.00%	0.00%	0.00%										6.61%
Total (A.1.+A.2.)		106.03	68.08%	0.45%	67.62%	0.00%	0.00%	0.00%	0.00%										75.96%
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																			
Capital expenditures for Taxonomy-non-eligible activities (B)		49.72	31.92%																
Total (A+B)		155.75																	

In 2023, the Wirtualna Polska Holding Group incurred capital expenditures of PLN 155.75 million. Vast majority of them concerned the types of taxonomy-eligible activities, including (activities listed in order starting from those having the largest share in the capital expenditures):

- Capital expenditures related to CCA 8.2 Activities related to software, IT consultancy and related activities amounted to PLN 84.10 million (54% of total capital expenditures)

- Capital expenditures related to CCA 13.3 Motion picture, video and television program production, sound recording and music publishing activities were PLN 9.88 million (6.35% of total capital expenditures)
- Capital expenditures related to CCA 8.3 Programming and broadcasting activities were PLN 2.13 million (1.37% of total capital expenditures)
- Capital expenditures related to CCM 4.1 / CCA 4.1 Electricity generation using solar photovoltaic technology were PLN 0.71 million (0.45% of total capital expenditures)

With regard to all the above types of activity, except for activity 8.1., compliance with the Technical Screening Criteria was confirmed, and capital expenditures designated for these types of activity were recognized as Taxonomy-aligned.

The expenditures connected with activity 8.1. were recognized as Taxonomy-eligible but Taxonomy non-aligned.

The Group also incurred PLN 49.72 million of capital expenditures on Taxonomy-non-eligible activities in 2023. Those expenditures pertained primarily to Taxonomy non-eligible property, plant and equipment.

The share of capital expenditures connected with environmentally sustainable (Taxonomy-aligned) types of activities in the total capital expenditures was 62.17% in 2023, and the share of capital expenditures associated with Taxonomy-eligible but non-aligned types of activities was 5.91%. The total share of capital expenditures related to Taxonomy-eligible types of activities was 68.08%. The remaining 31.92% of capital expenditures are assigned to Taxonomy-non-eligible activities or those for which the regulator did not determine Technical Screening Criteria in annexes to the Delegated Act.

## Operating expenditures (OpEx)

**Table 3: Percentage of Taxonomy-aligned operating expenditures (OpEx)**

2023 financial year	Year		Substantial contribution criteria														Criteria of "doing not significant harm"		Percentage of Taxonomy-aligned OpEx, 2022	Category (enabling activities or)	Category (transitional activities)
	Code or codes	Operating expenditures in absolute terms	Percentage of operating expenditures	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum Safeguards					
Economic activities	PLN million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y		
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>																					
<b>A.1. Types of environmentally sustainable (Taxonomy-aligned) activities</b>																					
Electricity generation using solar photovoltaic technology	CCM 4.1 / CCA 4.1	0.38	1.31%	Y	N	N/EL	N/EL	N/EL	N/EL		Y	Y	Y	Y	Y	Y	1.05%				
Operating expenditures for environmentally sustainable (Taxonomy-aligned) activities (A.1)		0.38	1.31%	1.31%	0.00%	0.00%	0.00%	0.00%	0.00%								1.05%				
Including enabling activities				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%									E			
Including transitional activities				0.00%															Y		
Data processing, hosting and related activities	CCM 8.1 / CCA 8.1	19.05	65.37%	N	Y	N/EL	N/EL	N/EL	N/EL												

Operating expenditures for Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		19.05	65.37%	0.00%	65.37%	0.00%	0.00%	0.00%	0.00%	0.00%		64.17%	
Total (A.1.+A.2.)		19.43	66.68%	1.31%	65.37%	0.00%	0.00%	0.00%	0.00%			65.22%	
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>													
Operating expenditures for Taxonomy-non-eligible activities (B)		9.71	33.32%										
Total (A+B)		29.14											

In 2023, the Wirtualna Polska Holding Group incurred operating expenditures of PLN 29.14 million. Vast majority of them concerned the types of taxonomy-eligible activities, including (activities listed in order starting from those having the largest share in the operating expenditures):

- Operating expenditures related to CCM 4.1 / CCA 4.1 Electricity generation using solar photovoltaic technology were PLN 0.38 million (1.31% of total operating expenditures)

Only with regard to the activity connected with electricity generation using solar photovoltaic technology, compliance with the Technical Screening Criteria was

confirmed therefore operating expenditures related to those activities were recognized as Taxonomy-aligned. In the case of activity 8.1., operating expenditures were recognized as Taxonomy-eligible but non-aligned.

The share of operating expenditures connected with environmentally sustainable (Taxonomy-aligned) types of activities in the total capital expenditures was 1.31% in 2023, and the share of operating expenditures associated with Taxonomy-eligible but non-aligned types of activities was 65.37%. The total share of operating expenditures related to Taxonomy-eligible types of activities was 66.68%.

## Information on social issues

### S1 Own workforce

In this chapter, data regarding employees are reported on a per person basis. The data presented do not include those of affiliated companies. It has been

made sure to avoid double counting of employees working for more than one company of the Group.

### SBM-2 Interests and views of stakeholders

The Wirtualna Polska Group creates an inclusive culture of communication with employees.

Employee Council representatives participated in the materiality assessment process (which is the basis for identifying material factors and areas of sustainability for the Group). An anonymous survey and interviews were

conducted with Employee Council representatives. In addition, a broad group of employees from different departments participated in the materiality assessment process. The impact of the opinions expressed by stakeholders in the materiality assessment process is described in the ESRS2 disclosures.

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

#### Employment characteristics

The Group employs mainly: journalists and content creators, IT and product development specialists, sales and marketing specialists and support staff (i.e. management, finance and accounting, administration, legal, communications and PR).

Non-employees choose a cooperation model based on civil law contracts (mandate contracts, work product contracts) or self-employment. This cooperation model is chosen by individuals who provide, among others, editorial, consulting, marketing, e-commerce, advertising, or IT services.

#### Impact of the Wirtualna Polska Holding Group on own employees

The influence exerted on own employees results both from the external conditions of the labour markets in which the Wirtualna Polska Holding Group operates and from the adopted business model, including in particular the corporate culture being developed. Influences on own employees are addressed as part of the ESG Strategy objectives.

#### The Group cares for mental and physical health and well-being of employees.

- We have introduced access to Luxmed private medical care, FIT Profit and FIT Sport cards, access to the gym, and group insurance.
- We have implemented the Worksmile cafeteria platform, where employees receive Social Security funds that they can spend on sports subscription cards or entertainment.

- We organize psychological consultations, webinars/workshops on mental health, preventive health care, dietetics, BadaBus (testing for women), mobile blood donation centres, first aid training.
- Through a specialized online platform, we offer support for mental health, taking care of mental resilience.
- The Group promotes an active lifestyle
- We have implemented an EAP employee support program covering mental health, financial management and legal topics, as well as organized a lecture series promoting physical health and a healthy diet called MentalHealthWeek.

#### **Wirtualna Polska ensures competitive and developmental working conditions**

- It creates and promotes growth opportunities within the companies and the Group.
- It has implemented a remuneration policy for the Management Board and Supervisory Board, while a remuneration policy for all employees will be implemented in 1–2 years.
- The organization of work has been streamlined, which included an update of the onboarding process. As part of this process, the Group receives feedback from employees, which allows us to take action to prevent employees from leaving for up to 6 months.

#### **Wirtualna Polska contributes to employee development**

- Among other things, it has organized the #startujwpolsce internship program to attract young talent.
- As part of the WP Academy, it has conducted internal trainings to exchange knowledge on specific topics (including communication or leadership).

In addition, we are constantly improving the competencies of our managers, which leads to better management of teams, increased trust in leaders, and a better match between employees' skills and their roles.

The Group has not identified any material negative current and long-term impacts on own employees.

#### **Risks associated with own employees**

Increase in payroll costs and benefits for the Group's employees and associates.

- 1) The Group's main operating expense is the costs of remunerations and benefits for employees and associates. Other important operating expenses include the Group's promotional activities in the form of advertising, rent for rented premises and costs related to the production and publication of content. An increase in these or other operating costs may have a direct impact on the Group's performance and financial standing.
- 2) In order to remain competitive in the labour and subcontractor services market, as well as to retain existing employees and ensure sufficient numbers of employees and subcontractors, the Group may have to increase salaries for employees and subcontractors faster or more frequently or on a larger scale than the Group has historically done.
- 3) The Group cannot guarantee that it will be able to pass on the increased costs to its clients by increasing the prices of the products it offers.

Lack of ability to retain and recruit needed employees: Due to the remodelling of the labour market and the widespread implementation of the remote work model, the Group is competing with global players in the labour market. Companies with greater international visibility, generating revenues not only from the local market but from the global market, may compete more aggressively for employees, which may result in a shortage of employees available for recruitment with skills that match the Group's needs.

New reality of hybrid or fully-remote work: Hybrid/remote work makes it difficult to build close relationships between employees, limit the amount of time spent sharing knowledge which causes a decrease in efficiency. In addition, a lack of relationships between employees has a negative impact on employee loyalty to the company.

### S1-1 Policies related to own workforce

In accordance with the Code of Ethics, Wirtualna Polska conducts its activity with respect for human rights and dignity of all people and complies with all applicable laws that promote and protect human rights and prohibit slavery, human trafficking or exploitation of minors. Our Group follows a diversity policy, which defines rules of conduct for managing the risk of discrimination.

We respect all the Conventions of the International Labor Organization (ILO).

Every human being has the right to freedom defined in such documents as: the UN Charter (1945), the Universal Declaration of Human Rights (1948), the International Bill on Human Rights, encompassing the International Covenant on Civil and Political Rights and International Covenant on Economic, Social and Cultural Rights (1966) as well as other documents adopted by the Council of Europe or the European Union.

The right relationships in the Wirtualna Polska Group:

- we value diversity
- we work based on trust
- we listen to and respect each other
- we celebrate our successes
- we are involved in social campaigns
- we listen to critical voices and opinions

Changes in management styles appropriate for different generations: People from different generations work for Group companies. Each generation has a different management style. Leaders in the Group should always choose an effective management style leading to full utilization of employee potential.

There are no identified operations in the Wirtualna Polska Holding Group that are exposed to a significant risk of forced or child labour.

- the voice of every employee is important to us
- we survey the employee commitment level

The Code of Ethics addresses the issues of forced and child labour:

“We conduct our activity with respect for human rights and dignity of all people and comply with all applicable laws that promote and protect human rights and prohibit slavery, human trafficking or exploitation of minors.”

### Workplace accident prevention policy and OHS management system

The first step to employment is a mandatory medical examination, during which the occupational physician determines whether the employee's health condition allows him/her to perform the duties of a specific position.

During the first day of work, as part of onboarding, all employees undergo mandatory training, during which they are presented with health, safety and fire regulations, informed about the dangers they may face at their workstations, procedures for dealing with emergency situations, and learn the rules for working safely in the office and while working remotely. Employees are reminded of the basics of first aid, occupational risk assessment and health and safety manuals (with which employees are already familiar), which are available in the HR department. After the expiration of the prescribed period, employees are sent for periodic training in occupational safety and health (engineering and

technical positions, persons in charge of employees). We also conduct occupational risk assessment and an annual OHS analysis.

We provide our employees with bright, clean and safe (non-threatening to life and health) workstations – offices, conference rooms, adapted to the needs of office work, meeting all safety and ergonomic requirements.

In addition, the offices have information signs for safe movement in common spaces.

Health and safety rules apply not only in the workplace, but also on the way to and from work.

The Wirtualna Polska Group has an occupational health and safety function discharged by an occupational health and safety specialist who has the education required by law. Tasks of such person include the following:

- conducting health and safety trainings;
- hazard monitoring and risk assessment at workplaces;
- preparing documentation (instructions, procedures, accident documentation);
- ordering measurements and tests required by regulations;
- participating in the commissioning of workplaces.

In accordance with our diversity policy adopted in 2022, we believe that diversity brings business, organizational and efficiency benefits. It gives more satisfaction, stimulates creativity and broadens perspectives. It also reduces the business risk of ongoing projects. We want our teams to work together in their diversity. We want to develop it in our workplace, to level the playing field for employment opportunities and subsequent development.

### How do we support diversity?

- **We use transparent recruitment criteria** When recruiting employees, we apply the principle of equal opportunities. The most important thing for us is to match the candidate's competencies with the responsibilities. We use multiple channels to reach a variety of professionals. We organize internship and apprenticeship programs inviting participants to gain first work experience.
- **We build diverse teams.** We develop an organizational culture based on our values: creativity, effectiveness, collaboration, energy, commitment, honesty, openness and courage. We provide equal opportunities - every employee has equal access to training, benefits, development and fair compensation. We evaluate and promote employees based on competence, performance and commitment to work.
- **We care about the well-being of our employees.** Our priority is the work-life balance of our employees. We implement solutions supporting employees, such as flexible working hours, remote work, hybrid work, psychological consultations or access to wellbeing and benefit platforms. We respond to current issues, including those arising from the current socio-political situation in Poland and the world. We also support the charitable activities of our employees.
- **We develop a work environment that is welcoming to all.** We do not discriminate or favour anyone. We recognize the principle of equal treatment and mutual respect. We train employees on unconscious bias, inclusive communication, intergenerational differences, and interculturalism. Our benchmark is the International Convention on Discrimination in Employment and Occupation. We have included goals for providing an equal and diverse work environment in our Sustainability Strategy.
- **We actively counter mobbing and discrimination.** We have a system in place to counter and prevent unwanted conduct and a procedure for reporting irregularities in this area, including anonymously. All

employees must receive training in prevention of mobbing and must comply with the rules that have been established.

- **We are a signatory to the Diversity Charter, an international initiative under the auspices of the European Commission.** It brings together companies and organizations that oppose workplace discrimination and create and promote diverse environments. We are also a member of the UN Global Compact, the world's largest initiative bringing together organizations that care about the development of sustainable business. We have belonged to the 30% Club since the beginning of its activity in Poland. It is an organization whose aim is to increase the number of women on management and supervisory boards of listed companies.

In addition, we have adopted the Code of Ethics, which is an overriding document that also regulates these issues.

We have provided a communication channel for whistleblowers in case of potential violations of the or internal regulations. We are reviewing the effectiveness of the measures taken and regulations put in place on an ongoing basis. One of the indicators is the number of confirmed whistleblower reports. They are reported at Board meetings in a manner that ensures discretion and confidentiality. The number of such cases is very small (0-2 cases per year), but we implement and monitor remediation plans after each confirmed case.

The entity establishes an Irregular Conduct Commission within 2 days of receipt of a report. The Commission begins its investigation no later than 7 days of its appointment.

## S1-2 Processes for engaging with own workforce and workers' representatives about impacts

### Influence of employee opinion on decisions or actions to manage actual and potential impacts on employees

On a regular basis (at least once a year), the Group conducts a detailed, anonymous survey of its employees to measure their satisfaction with, among other things, working conditions, development opportunities, work-life balance, communication within the Group and confidence in the Management Board. The results are then analysed in detail by the management of the companies.

The introduction of regular employee surveys and questionnaires to understand their opinions and needs is key to effectively managing the actual and potential impact on employees within the unit.

Employee opinions affect the decisions and actions in the following areas:

- **Identifying areas for improvement:** Analysis of survey results can identify areas where employees have concerns, need support or see

opportunities for improvement. These areas may include team communication, interpersonal relationships, compensation, organisation of work, etc.

- **Planning strategies and corrective actions:** Based on the results of the survey, the management board and the management can develop strategies and actions to improve the situation in the areas identified. For example, if the results point to issues with communication within the team, measures can be taken to improve transparency, access to information or communication training.
- **Transparency and employee engagement:** Communicating survey results to all employees shows commitment to the process and emphasises the importance of their opinions. This can increase employee trust and engagement in organisational processes.
- **Monitoring progress:** Regular surveys make it possible to track progress on improvements in different areas. In addition, a regular survey allows not only to see the current situation, but also to monitor

trends in specific categories, which makes it possible to identify evolution and changes in employees' needs and expectations over time.

- **Promoting diversity and equality:** The categories analysed, such as work-life balance, working environment or personal development, can help identify areas that need attention in terms of equality, diversity and inclusion, which can contribute to creating a more equal and respectful working environment.

In addition, the Group has put in place the Leadership Trust Index (LTI), which measures the level of trust employees have in their direct manager. The trust index ranges from -100 to +100, and it is positive in each of the companies in the holding. LTI is a form of feedback designed to help individuals work on improving their leadership and team dialog skills.

### S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns

We have provided a communication channel for whistleblowers in case of potential violations of the or internal regulations. We are reviewing the effectiveness of the measures taken and regulations put in place on an ongoing basis. One of the indicators is the number of confirmed whistleblower reports. They are reported at Board meetings in a manner that ensures discretion and confidentiality. The number of such cases is very small (0-2 cases per year), but we implement and monitor remediation plans after each confirmed case.

Each employee and associate has the right to report unwelcome behaviour toward him/her or other persons. A report can also be made anonymously.

- to the HR Business Partner
- to any Employee Council member or by e-mail: [radapracownikow@grupawp.pl](mailto:radapracownikow@grupawp.pl)
- to direct supervisor or the Division Director
- to [kodeksetyki@grupawp.pl](mailto:kodeksetyki@grupawp.pl) (with HR Business Partners and WPM HR Director having access rights to this mailbox)

Two types of employee opinion surveys, both anonymous, are carried out regularly throughout the Group during the year. All employees and associates take part, including those who are particularly vulnerable or marginalised.

The survey covers several important areas, including employees' opinions on (1) the acceptance of diversity; (2) the company's care for employees; (3) the level of satisfaction of Wirtualna Polska's employees with the measures taken to support their health and physical and mental well-being. The results of the survey allow the Group to identify areas for improvement, plan strategies and corrective actions, and monitor trends in specific categories, allowing it to identify the evolution and changes in employees' needs and expectations over time.

- to the Management Board of Wirtualna Polska Holding S.A. - e-mail address: [sygnalista\\_zz\\_wph@grupawp.pl](mailto:sygnalista_zz_wph@grupawp.pl)
- to the Supervisory Board of Wirtualna Polska Holding S.A. - e-mail address: [sygnalista\\_rn\\_wph@grupawp.pl](mailto:sygnalista_rn_wph@grupawp.pl)

The entity establishes an Irregular Conduct Commission within 2 days of receipt of a report. The Commission begins its investigation no later than 7 days of its appointment.

The employees are aware that such structures exist. Every employee and associate is required to complete training on counteracting workplace harassment and discrimination.

Many different channels are available in order to ensure the highest level of trust. All these channels are known and easily accessible.

The Group does not have a policy on protection against retaliatory actions. At the level of the Code of Ethics, we guarantee to employees: "We do not take any retaliatory actions. We do not tolerate retaliation against employees who, in good faith, seek help and support, raise concerns about actions that may be

inconsistent with our Code, our policies or the law, or assist in the investigation of suspected misconduct.”

**S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

Risks related to own workforce are an integral part of the Wirtualna Polska Group’s risk management process. Personnel risks are among the most important risks listed and described in the reporting process and in the internal risk map. The main risks include issues relating to the availability of qualified staff, concerns about the growth of salaries and other employee benefits, and changes in the labour market such as the well-being of employees performing remote or hybrid work, and issues relating to differences in the way employees of different generations are managed.

In view of these risks, the Group has defined risk mitigation opportunities and plans. These include establishing a partnership with a university, defining a strategic approach to remuneration levels within the budgets of individual Group companies, and supporting managers through training initiatives.

In addition, business continuity processes are related to the retention of employee knowledge or the protection of key personnel.

**S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

The ESG Strategy of the Wirtualna Polska Holding Group contains a number of targets that address the concerns related to own workforce.

Target	2025 target	2030 ambition
We will provide a work environment that respects equality and diversity.	Reducing GPGR to 10%; Diversity indicator in supervisory bodies (percentage of women on the Supervisory Boards and Management Boards) - min. 30%	GPGR at 0% Maintaining min. 30%
We will care about the well-being of our employees	Launch of the program in 2022 Examining program performance in pulse-check Including all companies in the program in 2023 Establishing metrics	70% in satisfaction survey

<p>We will provide competitive working conditions that foster development</p>	<p>Decrease in employee turnover by 3 percentage points (unwanted departures - at a level of no more than 10%) Decrease in turnover of employees with seniority up to 2 years by 5 percentage points Maintaining the turnover of employees aged 45+ at the baseline level</p>	<p>Employee turnover - at the level of no more than 20% (unwanted departures - at the level of max. 7%) Turnover of employees with seniority up to 2 years - at the level of no more than 7% Maintaining the turnover of employees aged 45+ at the baseline level</p>
<p>We will develop an effective model for managing the ethics in the organization</p>	<p>Every year, 100% of reported violations handled according to the procedure and deadlines in place; 100% of employees trained over the past 2 years</p>	<p>Every year, 100% of reported violations handled according to the procedure and deadlines in place; 100% of employees trained over the past 2 years</p>
<p>We will develop an effective model for managing the ethics in relations</p>	<p>Development of the Code and Statement of Compliance with the Code: 80% of business partners (2023: wakacje.pl and WPM)</p>	<p>Regularly update and proper communication of the ethics management system</p>

## S1-6 Characteristics of the undertaking's employees

### Employment structure in the Wirtualna Polska Holding Group

This disclosure presents the tables concerning the employment structure in the Wirtualna Polska Holding Group.

Breakdown by gender	Number of employees (by head count)		
Period	2022	2023	y/y change
Men	656	803	22%
Women	870	1233	42%
Others	0	0	-
Not reported	0	0	-
<b>Total employees</b>	<b>1526</b>	<b>2036</b>	<b>33%</b>

Breakdown by country	Number of employees (by head count)		
Period	2022	2023	y/y change
Poland	1526	1667	9%
Hungary	0	225	-
Croatia	0	5	-
Czech Republic	0	90	-
Romania	0	49	-
<b>Total employees</b>	<b>1526</b>	<b>2036</b>	<b>33%</b>

## Detailed information on the form of employment in the Wirtualna Polska Holding Group

### Number of employees by gender

2022					2023					y/y change		
Women	Men	Others	Not reported	Total	Women	Men	Others	Not reported	Total	Women	Men	Total
<b>Number of employees (head count/FTEs)</b>												
870	656	0	0	1526	1233	803	0	0	2036	42%	22%	33%
<b>Number of permanent employees (head count/FTEs)</b>												
673	496	0	0	1169	971	661	0	0	1632	44%	33%	40%
<b>Number of temporary employees (head count/FTEs)</b>												
197	160	0	0	357	262	142	0	0	404	33%	-11%	13%
<b>Number of non-guaranteed hours employees (head count/FTEs)</b>												
0	0	0	0	0	0	0	0	0	0	-	-	-
<b>Number of full-time employees (head count/FTEs)</b>												
840	644	0	0	1484	1147	785	0	0	1932	37%	22%	30%
<b>Number of part-time employees (head count/FTEs)</b>												
30	12	0	0	42	86	18	0	0	104	187%	50%	148%

**Number of employees by country**

2022		2023					
Poland	Total	Poland	Hungary	Croatia	Czech Republic	Romania	Total
<b>Number of employees (head count/FTEs)</b>							
1526	1526	1667	225	5	90	49	2036
<b>Number of permanent employees (head count/FTEs)</b>							
1169	1169	1295	223	5	62	47	1632
<b>Number of temporary employees (head count/FTEs)</b>							
357	357	372	2	0	28	2	404
<b>Number of non-guaranteed hours employees (head count/FTEs)</b>							
0	0	0	0	0	0	0	0
<b>Number of full-time employees (head count/FTEs)</b>							
1484	1484	1623	215	5	41	48	1932
<b>Number of part-time employees (head count/FTEs)</b>							
42	42	44	10	0	49	1	104

**Turnover rate**

2022	2023	y/y change
23%	19%	-17%

### Description of assumptions and methodologies

Over 2022 and 2023, data were verified to see which people had switched a form of cooperation from a civil law contract (UCP) to an employment contract (UOP). The employment numbers included individuals who had an employment contract when they left the company, even if they were hired under a non-employment contract (this data was only taken into account in the audited period) (Example: A new employee was hired under a civil law contract in February 2022, and the employee left the company in October 2022 with an employment contract - we include this person in employment numbers because he left with an employment contract, Example 2: A new employee was hired under a civil law contract in 2021, the form of cooperation changed in 2022, the employee left with an employment contract in October 2022 - he is treated as a departure but NOT as employment).

The employment numbers take into account the data from the end of the reporting period, i.e. as at 31 December of the respective reporting year.

Transfers between Group companies were not included in the hiring and departure numbers.

In 2023, the persons who joined the Group as a result of acquisitions are included as new employees (65 persons).

If an employee has left and been recruited several times in a reporting year, he or she is treated as a multiple hire and departure in that year (which is true to the

facts). It is our internal policy that multiple hires and departures are treated as a departure and a hire.

In the periods analysed, an employee changing his or her form of cooperation are not treated as a new hire.

The reported data (on employment numbers, departures, recruitment) in 2022 do not include companies such as Audioteka and Szallas, since these companies were acquired in 2022.

A general rule has been adopted that when the companies were acquired in 2023, the people working there are treated as increases in employment numbers, since the Group had not reported data for these companies in previous years – as a result of the acquisitions, the employment numbers increased by 487 people compared to 2022.

In situations where there is a termination of employment on 31 December 2023, the person is included in the employment and in the departures.

### S1-7 Characteristics of non-employees in the undertaking's own workforce

The following tables present data on persons collaborating with the Wirtualna Polska Holding Group under contracts other than employment contracts.

Details of non-employees collaborating with the undertaking	2022		2023	
	Women	Men	Women	Men
Number of persons working under civil law contracts (mandate and work product contracts)	162	108	182	132
Number of persons working under B2B contracts	68	356	84	417
Number of persons working under appointment contracts	9	25	9	24
Number of persons under external contracts	-	-	10	6
<b>TOTAL</b>	<b>239</b>	<b>489</b>	<b>285</b>	<b>579</b>

### S1-8 Collective bargaining coverage and social dialogue

The table below presents data on the representation of Wirtualna Polska Group employees by employee representatives. In 2023, there were no trade unions operating in Wirtualna Polska Holding Group companies.

Collective bargaining agreements and dialogue with employee representatives	2022		2023	
	Employees (Europe)	Employees (outside of Europe)	Employer's representation	Employer's representation
Share %				
0-19%	0.00%	0.00%	0.66%	0.44%
20-39%				
30-59%				
60-79%				
80-100%				

### S1-9 Diversity indicators

This disclosure presents the tables with information on the employment structure in the Wirtualna Polska Holding Group broken down by gender and age groups.

#### Headcount under employment contracts as at 31 December 2023

Headcount in 2022, by age groups	Women	Men	Total
50 +	17	15	32
30–50 years old	569	405	974
under 30 years old	284	236	520
<b>Total</b>	<b>870</b>	<b>656</b>	<b>1526</b>

Headcount in 2023, by age groups	Women	Men	Total
50 +	27	24	51
30–50 years old	805	506	1311
under 30 years old	401	273	674
<b>Total</b>	<b>1233</b>	<b>803</b>	<b>2036</b>

### S1-10 Adequate wages

All employees of the Wirtualna Polska Holding Group earn wages above the level of adequate wages.

Period	2022	2023	y/y change
Percentage of employees earning wages below the set level of adequate wages	0	0	0

### S1-11 Social protection

All Group employees are covered by social protection against loss of income through public schemes or through benefits provided by the company.

### S1-12 Persons with disabilities

The percentage of employees with disabilities in the employment structure of the Wirtualna Polska Holding Group is presented below.

Period	2022	2023	y/y change
Employees with disabilities	1.11%	0.98%	-11.82%

### S1-13 Training and skills development metrics

This disclosure presents information on the participation of employees of the Wirtualna Polska Holding Group in development-related training.

**Average hours of training hours per year per employee:**

Women	Men	Others	Not disclosed	Total
13.7	14.1	0	0	13.9

Number of training hours for employees, compared to the number of Group employees as at 31 December 2023.

### S1-14 Health and safety metrics

This disclosure presents occupational health and safety statistics for the Wirtualna Polska Holding Group.

Period	2022	2023	y/y change
<b>Accidents involving employees</b>			
Minor accidents	4	3	-25%
Serious accidents	0	0	-
Fatalities	0	0	-
Mass accidents	0	0	-
<b>Total number of accidents</b>	<b>4</b>	<b>3</b>	<b>-25%</b>
<b>Accidents involving non-employees</b>			
Minor accidents	0	0	-
Serious accidents	0	0	-
Fatalities	0	0	-
Mass accidents	0	0	-
<b>Total number of accidents</b>	<b>0</b>	<b>0</b>	<b>-</b>
<b>Accidents involving subcontractors working on the undertaking's sites</b>			
Minor accidents	0	0	-
Serious accidents	0	0	-
Fatalities	0	0	-
Mass accidents	0	0	-
<b>Total number of accidents</b>	<b>0</b>	<b>0</b>	<b>-</b>

<b>Other OHS information</b>			
<b>Employees</b>	<b>2022</b>	<b>2023</b>	<b>y/y change</b>
Number of recordable work-related ill health	0	0	-
Number of days lost to work-related injuries/ work-related ill health and number of fatalities caused by work-related accidents/ work-related ill health	0	0	-
Incidence of work-related accidents	0	0	-
<b>Non-employees</b>	<b>2022</b>	<b>2023</b>	<b>y/y change</b>
Number of recordable work-related ill health	0	0	-
Number of days lost to work-related injuries/ work-related ill health and number of fatalities caused by work-related accidents/ work-related ill health	0	0	-
Incidence of work-related accidents	0	0	-

### S1-15 Work-life balance indicators

This disclosure presents metrics of the Wirtualna Polska Holding Group related to parental leaves and kin care leaves.

<b>Period</b>	<b>2022</b>				<b>Period</b>	<b>2023</b>			
<b>Gender</b>	<b>Women</b>	<b>Men</b>	<b>Others</b>	<b>Not disclosed</b>	<b>Gender</b>	<b>Women</b>	<b>Men</b>	<b>Others</b>	<b>Not disclosed</b>
% of employees entitled to parental leave	100%	100%			% of employees entitled to parental leave	98%	100%		
% of entitled employees who used parental leave	5%	0%			% of entitled employees who used parental leave	6%	0%		

Regarding the question on maternity leave (% of employees entitled to parental leave), in the Czech Republic not all of the reported employees are entitled to

parental leave and therefore the data reported in this indicator do not add up to 100%.

### S1-16 Remuneration metrics (pay gap and total remuneration)

This disclosure provides information on the pay gap in the Wirtualna Polska Holding Group.

The gender pay gap metric has been calculated by dividing the average gross hourly wage of women by the average gross hourly wage of men, weighted by

the number of employees in each company of the Wirtualna Polska Holding Group with its registered office in Poland. The metric has been calculated for employees with an employment contract. Data for 2022 does not include companies acquired during the year.

Period	2022	2023
CEO Pay Ratio	41.98	37.59
Gender Pay Gap (%)	16%	12%

The Gender Pay Gap metric was calculated while excluding data for the Szallas Group – these data will be incorporate in the next reporting period.

Gender Pay Gap (%) - details	2022	2023	y/y change
<b>Average gross hourly wage</b>			
Senior management - Management Board of each company	0.49%	30.30%	6142.85%
Managers and leaders – managers and team leaders	7.12%	10.78%	51.35%
Other employees - other persons	13.38%	9.36%	-30.05%
<b>Average gross hourly wage + supplementary components</b>			
Senior management - Management Board of each company	0.49%	29.60%	5997.93%
Managers and leaders – managers and team leaders	7.12%	10.68%	49.95%
Other employees - other persons	13.38%	9.30%	-30.54%
<b>Average gross hourly wage + variable components</b>			

Senior management. - Management Board of each company	0.14%	28.33%	19548.05%
Managers and leaders – managers and team leaders	8.20%	14.84%	80.92%
Other employees - other persons	14.52%	11.10%	-23.52%

### **S1-17 Incidents and complaints and severe human rights impacts**

In the financial year 2022-2023, the Wirtualna Polska Holding Group did not identify any cases of discrimination or complaints. There were also no incidents related to respect of human rights related to the undertaking's workforce in the reporting period.

## S4 Consumers and end-users

### SBM-2 Interests and views of stakeholders

The integration of issues that are material for customers and consumers into ESG management processes is described in the ESRS 2 SBM-2 indicator.

### SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Wirtualna Polska is committed to the security and privacy of its users' data and it has been implementing advanced security technologies and procedures that affect its business model and IT security investments. By monitoring and analysing the behaviours, needs and opinions of its users, Wirtualna Polska adapts its products, services and content, which results in better personalisation and increased customer satisfaction.

Transparency in communicating with users and consumers about how personal data is collected, used and stored, as well as honesty in presenting products and services, are key to building long-term relationships with customers.

Sustainability and social responsibility activities are taking an increasingly important place in Wirtualna Polska's strategy. They include educational and environmental initiatives and support for socially important projects.

The Wirtualna Polska Holding Group complies with consumer protection, personal data protection and industry regulations. Respecting these regulations is not only a requirement, but also an element that builds trust with users and customers.

### S4-1 Policies related to consumers and end-users

#### CODE OF JOURNALISTIC ETHICS

As a Group operating in the media and Internet industry, we believe it is our duty to act ethically and to help shape, promote and support high journalistic standards.

We recognize that the Group's role is to provide reliable information to millions of users and to combat disinformation and its negative effects.

Journalists working for the Group influence readers every day, shaping their opinions and often influencing their decisions. The principles set out in the Code

of Journalistic Ethics, applicable to all our journalists, are designed to ensure reliability and independence of any materials they produce.

The document emphasizes, among others, that journalists are independent of all external and internal pressures, that it is their duty to seek the truth, to separate information from interpretations and opinions, and that their materials should reflect the opinions of all stakeholders.

Our journalists are educated in and follow the press law, always protect their confidential sources of information, and never use the information collected in

their work for their personal interests. They also maintain independence between advertising activity and creation of editorial content.

## CYBERSECURITY

Given that the operations of the Wirtualna Polska Group proceed mainly on the Internet, cybersecurity is the priority. The Group has a dedicated cybersecurity team and has procedures in place, the effectiveness of which is monitored on an ongoing basis on the basis of defined objectives and indicators.

To prevent potential adverse effects of actions in this area, an expert team has been created within the Security Operations Centre (SOC), which:

- monitors systems for security breaches;
- performs tests and audits;
- develops procedures;
- creates tools and systems for automatic detection of break-in attempts;
- responds to incidents;
- is engaged in continuous cooperation with other entities dealing with security (e.g. CERT Poland).

In the event of a suspected breach, processes are triggered to mitigate the potential negative impact of the incident. They include:

- the procedure for managing crisis situations, designed to identify the threat and determine how significant each incident is;

- the notification procedure designed to communicate the incident to a pre-defined group of individuals;
- The procedure for creating a WarRoom, designed to eliminate the negative effects of the incident as quickly as possible;
- the Reason for Outage (RFO) procedure, designed to describe the incident or failure after it has been closed and removed. The purpose of such a description is to draw conclusions for the future.
- the remedial procedure to implement solutions to avoid incidents of this type in the future.

Active cybersecurity management improves the general conditions of the service support systems maintained in the Group. The implemented code audit procedures help prevent unplanned downtime.

The effectiveness of the SOC team is measured by the number of registered incidents that were detected and processed.

Furthermore, regular system penetration tests and audits are conducted which improve the developers' and employees' iterative awareness of the security aspects of our operations.

The objectives of the SOC team are based on 3 pillars:



network & system security



pentesting



automations, code statistics and machine learning.

The above pillars include the following measures: the identification processes, the risk mapping and risk management processes, system progress/maturity measurement, and security monitoring and optimization.

**Network & system security** comprises:

- log analysis;
- creation of filtering rules;
- event correlation;
- identification, prevention, playback, analyses, and on-going monitoring.

**Pentesting** means carrying out penetration tests. In order to best simulate the real threats, a pentester team does not receive any information about the system being tested. If a vulnerability or the need for in-depth analysis of a given item is demonstrated, the following stages of the analysis process include interaction with the development team. After the audit is complete, a report is prepared that contains a series of recommendations on how to improve the security of a given component.

The final pillar – **automations, code statistics and machine learning** – focuses on development work designed to automate selected processes. In SOC, there is a group of developers specializing in cybersecurity, who develop services that automate the detection of suspicious behaviour, as well as systems that provide “umbrella” protection for the systems developed in the Group. Such development work focuses in particular on:

- incorporation of machine learning elements into decision-making processes for risk assessment, traffic analysis, and taking action; creation of a mechanism to automate application separation procedures within the DC; automation of the detection of suspicious web behaviour;

- development of security enhancing mechanisms, e.g. MFA, CAS.

Based on the on-going operation and past incidents, the Reason for Outage (RFO) reports are developed. Lessons are learned from an incident, which indicate how to avoid similar situations in the future. The set of policies and procedures is developed jointly by the Operations Department, including SOC, and the Security and Personal Data Protection Department (DBiODO). The developed procedures are verified by the Internal Auditor, who is independent of both Operations, as well as DBiODO, which ensures impartiality and allows for tracking of the developed documents.

#### **Effects of SOC's work**

Over the 3 last years, the Wirtualna Polska Group recorded more than 8 thousand alerts that were analysed and potential incidents were identified, leading to the elimination of hundreds of vulnerabilities.

#### **Educational mission**

One of the important tasks of the Security team is to carry out educational activities. The Group's experts have been involved in the onboarding process for new recruits, preparing each employee to operate in a modern cyber threat environment. Every trained employee should be aware how to identify, avoid and report a potential threat.

## DATA PRIVACY

The Wirtualna Polska Group makes every effort to ensure high level of security and protection of personal data of its customers, users and employees. It operates in compliance with the laws of Poland and the European Union. According to the Group, we do not exert adverse impact with regard to this area, and demands of users and customers are effectively satisfied by the organization.

### Type of data processed

The Group processes personal data of users and customers who provide them, among other situations, while using services, websites or applications of WP or trusted partners. We also process data which are left by users after using services offered by the Group (among others, cookies), data about visited websites, applications and interesting content (including advertising), searches, clicks, the way of using a service by users as well as data from websites of customers and trusted partners (including histories of purchases, especially those made after clicking on advertisements displayed in the environment of our services). Data will always be processed on the basis of the data subject's consent or on any other legal basis provided by applicable law. In addition, the Group has provided users and customers with convenient channels which facilitate taking advantage of the rights to which they are entitled, such as:

- right of access to the data (also to obtain a copy of the data); right to request rectification of the data;
- right to erasure of the data;
- right to lodge a complaint with a supervisory authority for protecting personal data;
- right to restriction of processing of the data.

### Security measures

To ensure security of customers and users' privacy and compliance with laws and regulations, we have implemented effective mechanisms taking into account organizational, legal and technical security measures. They are constantly updated.

In this area, the Group acts on the basis of, among others, ISO/IEC standards from ISO 27000-series – a family of complementary information security standards. It implements measures in the area of asset management, access control, cryptography, physical and environmental security, safe exploitation, communication security, acquisition, maintenance and development of systems, ensuring business continuity and management of security incidents.

### Policies

The Wirtualna Polska Group has a Personal Data Protection Policy in place to regulate, among others, such areas as:

- rules and duties connected with personal data processing;
- management of personal data processing and data security;
- exercising rights of data subjects;
- selection of technical and organizational measures for processing and protecting personal data;
- estimating the risk of violating rights and freedoms of data subjects.

Furthermore, the Group has a Privacy Policy in place which is addressed to customers and users of WP services and which informs them, among other things, of rules, purposes, scopes of personal data processing but also indicates how they should exercise their rights.

To prevent potential adverse effects of actions in the area of customers' privacy, the Group has in place the Personal Data Security and Protection Department (DBiODO) and the Security Operations Centre Team. A Personal Data Protection Officer has also been appointed, who works with the above department to ensure:

- compliance with laws and regulations regarding privacy;
- monitoring of the applied security measures;
- ongoing handling of customers' requests regarding their privacy and possible security incidents;
- educational activities among employees responsible for processing customers' personal data.

Service regarding possible incidents or information about the issue of privacy coming from customers is provided within cooperation between the DBiODO, the SOC team, or possibly dedicated entities such as the Office for Personal Data Protection (UODO) or CERT Polska.

#### Effectiveness of activities

The effectiveness of activities of the Wirtualna Polska Group in the area of privacy protection is assessed on the basis of internal tools designed for this purpose, which are used to record activities taken for the benefit of customers' privacy. Both planned and incidental activities are recorded in terms of criteria for the degree of completion. Apart from those tools, what is also important is the number of customers' complaints, which has continued to be at a minimum level.

The effectiveness of actions taken may be also shown by the fact that there have been no administrative proceedings ending in fines or court decisions concerning customers' privacy.

The Wirtualna Polska Group has also successfully passed the audit conducted by the Office for the Personal Data Protection (UODO), in the course of which the regulatory authority verified our safeguarding mechanisms in view of protecting the privacy of users of electronic mail services. The audit has shown that the Wirtualna Polska Group has sufficient mechanisms protecting the systems and users against potential threats.

**Impact on stakeholders** For data security, our major stakeholders are users (customers) and regulators. In addition, the Group's privacy policy is widely accessible. It is available to users at <https://holding.wp.pl/poufnosc>.

At the same time, the Group has been conducting a dialogue with domestic regulators as well as with international organizations associating the largest web portals, advertising networks, media houses, interactive agencies and advertisers, and it has adapted its data privacy policy to all amendments to the law and applicable standards.

#### S4-2 Processes for engaging with consumers and end-users about impacts

- **Net Promoter Score (NPS) surveys:** The Group regularly conducts NPS surveys to measure customer loyalty to its products and services. NPS surveys ask respondents how likely they are to recommend a company, product or service to friends or acquaintances. The results help to understand the level of customer satisfaction with the security of services and quality of information. The WP Research and Analysis department analyses the ratings collected from users and presents the results to area managers on a regular basis. The data is used to streamline and improve the services provided and texts published on Wirtualna Polska sites.
- **Opinion and rating system:** After content is published on Wirtualna Polska platforms, users can leave their feedback and rate the quality of

the text. This allows us to directly monitor the level of user satisfaction with the information we provide and to address user needs on an ongoing basis.

- **Image research:** The Group also conducts image research, which provide assistance in defining the key parameters of its image in the eyes of consumers. Such research may include aspects such as perception of service security, information quality or social inclusion.
- **Social inclusion initiatives:** The Group also undertakes initiatives to promote social inclusion, such as the creation of content tailored to the needs of people with disabilities or social campaigns addressed to marginalised groups.

→ **Online data and feedback analytics:** Using analytical tools to track user interactions with online content and collecting feedback through

comments and ratings. This analysis provides a deeper understanding of user expectations and satisfaction levels.

#### **S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns**

Customer Service Offices: Access to contact with Customer Service Offices, which respond to user needs, including reported cybersecurity incidents. This enables the Group to quickly identify and address potential security issues and gather opinions on the quality of its customer service.

In 2023, Wirtualna Polska began work on a project to collect and respond to user feedback in an even more thorough manner. It has decided to create new

positions, of a User Ombudsman and a User Insight Manager, and defined the roles and responsibilities of the people appointed to these positions. These will include, among others, analysing user behaviour to identify areas for improvement and collecting customer feedback.

#### **S4-4 Taking action on material impacts on consumers and end-users, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions**

In 2023, Wirtualna Polska developed an important document containing principles that guide its day-to-day media activities. The Code of Responsible Advertising included the provision "**Review Principle:** We have established a committee to review advertising for compliance with all the principles contained in WP's Code of Responsible Advertising. It is comprised of: the Editor in Chief, the Head of the Legal Department, the Head of the Advertising Department, the Ethics and Standards Editor. The committee will analyse all questionable advertisements and decide whether to publish or refuse to publish them".

In December 2023, the President of the Office for Competition and Consumer Protection (UOKiK) imposed a fine of PLN 1.06 million on Wakacje.pl S.A., a subsidiary of Wirtualna Polska Holding S.A. The UOKiK President challenged the instances, in which there were differences between the price displayed in search results for tourist events and the final price of the tourist event. The Management Board of Wakacje.pl S.A. does not agree with the arguments of the UOKiK President. Wakacje.pl S.A. as a travel agent always displays the prices

provided to it by tour operators and does not influence their level at any stage. It is the tour operators who should send current prices to their intermediaries, including Wakacje.pl S.A. The company conducts intensive dialogue with tour operators in this regard. The decision of the UOKiK President is not final and the company has filed an appeal.

In December 2022, the UOKiK President launched a procedure regarding the manner of labelling (or not labelling) of advertising materials on the websites of Wirtualna Polska Media S.A. It should be noted that the labelling of advertisements on WPM websites is in line with common market practices; until now, such labelling has not been subject to detailed regulation. The company has informed the UOKiK President of its full readiness for dialogue and the development of new standards. As of the publication date of this report, the outcome of these proceedings was not yet known. There are also pending proceedings of the UOKiK President regarding the broadcast of advertising for the Pilot WP service provided by Netwizor Spółka z o.o. (now Audioteka Group

Spółka z o.o.), a member of the Wirtualna Polska Holding Group. As of the publication date of this report, the outcome of these proceedings was not yet known.

#### S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Target	2025 target	2030 ambition
<b>We care about media ethics</b>		
Wirtualna Polska will ensure non-exclusionary language on its portals	Creating, implementing and regularly training 100% of journalists on guidelines for using non-exclusionary language	Exerting significant influence on the development of standards for non-discriminatory communication.
Wirtualna Polska will ensure the highest standards of information reliability	Conducting a fact-check project	Offering users only thoroughly verified information.
<b>We care about the users</b>		
Wirtualna Polska - a safe place online	Permanent implementation of the Stop-Hate program; launch and implementation of educational activities regarding online hate; Promotion of comments created by logged in and credible users;  Implementing tools improving the quality of comments	Minimizing the hate on Wirtualna Polska Group's websites;

Wirtualna Polska will maintain a high level of user data protection, also in response to new emerging threats	Maintaining a high level of availability of WPH services	Ensuring the highest standard of service security and supporting users in keeping themselves safe.
Wirtualna Polska will fight against digital exclusion	Implementation of a program for the elderly development of best practices	- Enabling secure online access for the digitally excluded.

## Disclosures related to corporate governance

### G1 Business conduct

#### G1-1 Corporate culture and business conduct policies

We promote ethical behaviour in the Wirtualna Polska Holding Group. We attach great importance to the possible guidelines, indications and case law of the Office of Competition and Consumer Protection.

In order to prevent undesirable conduct and discrimination, we undertake numerous activities within organizations, such as:

- mandatory training on the Code of Ethics, for all Group employees;
- Diversity Months, in which employees were able to take part in online training;
- introduction of principles to counteract and prevent undesirable conduct;
- training for managers in the area of labour law, communication and anti-mobbing measures;
- raising managers' awareness of the issues of diversity and equity.

#### Codes of ethics

The documents presenting the commitments of the Wirtualna Polska Holding Group in the area of business ethics include:

- The Code of Ethics
- The Code of Journalistic Ethics
- The Sustainable Development Strategy
- The Code of Ethics in Advertising

These documents were developed with the involvement of our stakeholders and top governing bodies of the Wirtualna Polska Group.

#### Code of Ethics

The Code of Ethics is the foundation for all policies, procedures and internal principles in the Wirtualna Polska Holding Group. It is an updated and expanded version of the previous document, the Compass of Ethics. The Code serves as a roadmap that employees can always refer to in order to find the right path or the right direction, consistent with the business ethics and social responsibility.

As the work on the Code was completed, Mr. Tomasz Siemieniec was appointed to the position of the Ethics Ombudsman of the Wirtualna Polska Group and will provide assistance in topics related to ethics and consistency between the Code and other documents.

The Code describes the values guiding the Wirtualna Polska Holding Group: honesty and openness, energy and engagement, creativity, effectiveness of actions, team work and creativity.

The documents point to the priorities in the operation of the Wirtualna Polska Holding Group, through which the Group contributes to a better future of its users, customers, partners and employees.

They include:

- freedom of speech
- truth
- objectivity
- freedom of choice
- protection of the environment,

The Code of Ethics also sets out the **corporate principles**:

- integrity and acting in accordance with applicable legal regulations - following all laws and regulations that apply to operations in each country in which the Group conducts business.
- business ethics - the Code supports guidelines for appropriate conduct or makes a reference to them.
- care for employees - good atmosphere and friendly relations are key in day-to-day work.
- protection of the environment - the Group attaches great importance to activities benefitting the planet. It pursues sustainable growth and reports results of its environmental and climate activities.
- cooperation with local communities - the Wirtualna Polska Holding Group has the sense of belonging to the community in which it operates. It has a sense of responsibility and is committed to supporting local communities. It takes part in charitable campaigns; sponsors events promoting charitable causes and cooperates with institutions aiding people in difficult life situations.
- diversity - the Group views employee diversity as a value on which to build its organisational culture. Its pillars are: equal treatment, tolerance and mutual respect.

The Code of Ethics sets out the key rights and responsibilities of each employee of the Wirtualna Polska Holding Group, specifying:

- standards of professionalism, which require compliance with the law, refraining from any competitive activity, mutual respect and loyalty,
- ensuring observance of security principles,
- transparent employment and remuneration policy,

- principles of external and internal communication,
- responsible use of social media,
- caring for the Group's good name and representing it with dignity in day-to-day relations with other employees, associates, customers, partners and suppliers.
- conserving the Group's resources.

The Code of Ethics also lays down important regulations in the area of external relations. They apply to delivery of services to users, cooperation with customers, partners and suppliers, relations with competitors, investors, the stock exchange as well as representatives of the authorities.

The Code of Ethics also defines the rules for reporting irregularities. All employees and associates are required to abide by the Principles to Counteract and Prevent Undesirable Behaviours in the Group. Each employee has the right to report any undesirable behaviour toward him/her or other persons. Irregularities may also be reported anonymously.

The Group's anti-corruption measures are regulated in the Code of Ethics. Furthermore, we follow the Best Practice for Listed Companies as regards the management of conflict of interests and prevention of corruption. We continuously monitor any guidelines, recommendations and the case law of the Office of Competition and Consumer Protection (UOKiK).

As the Wirtualna Polska Holding Group adopted the Code of Ethics, it launched a process of mandatory training for all employees on the ethical conduct the code promotes. Such training will also be one of the elements of onboarding for new employees. There are also plans to introduce an annual reminder on selected issues related to ethical conduct.

In addition to the active promotion of the Code of Ethics, the Group also promotes its corporate culture, which is based on entrepreneurship, long-term value creation and innovation. It pursues this goal by selecting projects and initiatives that support these objectives and by changing the operating processes of the Subsidiaries.

In the Group companies, there were no recorded departures from the general maps of positions exposed to corruption and bribery prepared by bodies such as the Central Anti-Corruption Bureau, Transparency International or the WTO, including functions related to procurement and sales.

Any suspicion of non-compliance with the principles described in the Code of Ethics, including suspicions of corruption, whether from inside or outside the organisation, can be reported via a dedicated e-mail address or directly to the Group's Management Board or Supervisory Board. Each case is handled with the utmost care on a case-by-case basis.

The process of identifying significant impacts, risks and opportunities related to business conduct may include many different criteria, such as:

**1. Location:**

- Geopolitical risks: assessment of political stability, risk of conflict, legislative changes, etc.
- Climate and environmental conditions: Potential climate-related risks, availability of key resources such as water.
- Target market: Analysis of market potential, presence of competitors, consumer preferences, etc.

**2. Business:**

- Industry specifics: Industry characteristics, development trends, sector regulations, etc.
- Technological innovation: Potential to implement new technologies, obsolescence risks, etc.
- Scalability: Ability to grow and expand the business, business flexibility, etc.

**3. Sector:**

## G1-2 Management of relationships with suppliers

The company's policy to prevent late payment, especially to small and medium enterprises, is based on a few key principles:

1. **Dedicated cash flow management departments:** Payments in the company are executed by specialised finance/cash flow management departments, which are tasked with the monitoring and controlling the flow of funds.
2. **Document circulation entirely in the accounting and financial system:** In order to ensure timely payments, documents must be circulated entirely

- Macroeconomic analysis: Prospects of economic growth, inflation, unemployment rate, etc.
- Consumer trends: Changes in consumer preferences, consumption patterns, etc.
- Sector regulation: Applicable legislation, industry standards, sustainability requirements, etc.

**4. Transaction structure:**

- Financial risk: Liquidity analysis, indebtedness, profitability, etc.
- Business partners: Assessment of reliability and stability of counterparties, counterparty risk, etc.
- Ownership structure: Impact of capital structure on management, strategic decisions, etc.

During the process of identifying relevant impacts, risks and opportunities, the Group may use a variety of methods, including SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis, risk scenarios, risk factor analysis, etc., to assess the business environment as comprehensively as possible.

The Wirtualna Polska Holding Group has procedures in place to ensure quick, independent and objective investigation of business incidents, including incidents of corruption and bribery.

The resources of the Wirtualna Polska Group do not include a policy for conducting internal training on how to conduct business and run business activity.

in the company's accounting and financial system, which ensures transparency and control over the payment process.

3. **Payment sessions:** To optimise the payment process, a minimum of two sessions per week have been set for payments generated by the accounting and finance system. This is a step aimed at increasing the efficiency and timeliness of payments.
4. **Delay analysis:** The Group always analyses and explains any payment delays. This is an important step in the process of improving payment policies and eliminating potential problems.

Through these policies and procedures, the Group aims to ensure timely payment, which is critical for maintaining good relations with contractors and business partners.

The Group proactively adapts its approach to supplier relations based on a number of market factors, such as the size, competition in the market or a specific risk level of a given transaction. The Code of Ethics describes the basic principles of supplier relations that are common for all entities, where ethical conduct and compliance with the law are key.

### **G1-3 Prevention and detection of corruption and bribery**

The Group's anti-corruption measures are regulated in the Code of Ethics. Furthermore, we follow the Best Practice for Listed Companies as regards the management of conflict of interests and prevention of corruption. We continuously monitor any guidelines, recommendations and the case law of the Office of Competition and Consumer Protection (UOKiK).

In 2023, no confirmed cases of corruption were recorded in the Wirtualna Polska Holding Group, which means that there was no need to take any legal actions in this respect.

All Group employees are required to attend Code of Ethics training, which emphasises the principle of zero tolerance for unlawful, including corrupt, conduct.

The Wirtualna Polska Holding Group takes ongoing measures to familiarize the employees with the anti-corruption policies and procedures, as well as to deepen and integrate their knowledge in this area.

Members of governing bodies have been informed as part of the consultation and implementation of the Code of Ethics.

If any suspicion of corruption and bribery arises, or action is taken in connection with such allegations, an independent investigation team will be set up, the composition of which will be selected to avoid pressures or personal or business dependencies between those involved in the dispute. If necessary, the team will include people from other departments reporting to the parent company (Wirtualna Polska Holding) or, if appropriate, independent external bodies.

### **G1-4 Confirmed incidents of corruption or bribery**

The Wirtualna Polska Group did not identify any incidents or convictions relating to the violation of anti-corruption law in 2023.

### **G1-5 Political influence and lobbying activities**

The Wirtualna Polska Group does not conduct lobbying activities. It has also made no financial or material political contributions.

### **G1-6 Payment practices**

In 2023, the Wirtualna Polska Holding Group had the full capacity to pay its liabilities when due. The Group has no currently outstanding legal proceedings for late payments.

The Wirtualna Polska Holding Group mainly uses three different payment terms, of 14, 21 or 30 days. Selectively, for large companies or in the case of long-term cooperation, the payment term is 60 days.

## **MANAGEMENT BOARDS'S REPRESENTATION ON FINANCIAL STATEMENTS AND MANAGEMENT'S REPORT FOR 2023 AS WELL AS ON THE AUDIT FIRM**

### **I. The representation regarding the financial statements and the management report for the year ending 31 December 2023**

The Management Board of Wirtualna Polska Holding SA confirms that, to the best of their knowledge, the annual consolidated financial statements together with comparative figures, have been prepared according to all applicable accounting standards and reflect a true and fair view of the state of affairs and the financial results of the issuer's Capital Group for the period in question. Moreover, the Management Board of Wirtualna Polska Holding SA confirms that the combined report of the management board on the activities of the Company and its Capital Group shows a true view of the development and achievements and state of affairs of the Company and its Capital Group, including an evaluation of dangers and risks.

### **II. The representation regarding the entity authorised to perform audit**

The Management Board of Wirtualna Polska Holding SA confirms that the entity authorised to the audit of the financial statements, auditing annual consolidated financial statements, has been elected according to applicable rules and that this entity as well as certified auditors engaged in the audit of this financial statements met objectives to present an objective and independent opinion about the audited annual consolidated financial statements in accordance with legal regulations and professional rules.

In addition, the Management Board declares that the applicable regulations related to the rotation of the audit firm and the key statutory auditor as well as mandatory grace periods are complied with. It also declares that the issuer has a policy for audit firm selection as well as a policy on accepting additional non-audit services provided by the audit firm, an entity related to the audit firm or a member of its network of, including services conditionally exempt from the list of prohibited services for audit firm.