

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 4.0.

371/2025/AR/May 21, 2025

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Digital Network	Not rated	94.0	Not rated	Mikołaj Stępień Sobiesław Pająk, CFA

Event: 1Q25 results.

Revenues. They reached PLN 15.4 million (up 24% yoy) which was in line with preliminary figures.

Profitability. A strong sales growth triggered a positive operating leverage effect. Adj EBITDA and adj EBIT at PLN 8.6 million (up 42% yoy) and PLN 5.5 million (up 74% yoy), respectively, were materially above our expectations. Margins, both EBIT (at 56%) and EBITDA (at 36%), were nice surprises to us, especially in 1Q that is seasonally weaker in terms of profitability.

The financial net result. 1Q25 interest income at PLN 0.6 million was in line with our expectations. The Company also booked a PLN 0.3 million gain on FX differences and PLN 0.2 million on a release of write-offs for net loans granted.

Net profit. Adj net profit at PLN 4.5 million (up 60% yoy) was visibly higher than we expected.

Digital Network; 1Q25 results

IFRS, consolidated (PLN million)	1Q24	1Q25	r/r	1Q25 results vs DM BOŚ forecasts	Realization of FY result in 1Q	
					2024	2025E
Sales	12.3	15.4	25%	15.4	→	17%
EBITDA	6.0	8.6	42%	7.9	↑	14%
EBITDA margin	48.7%	55.6%	+6.9 pp	51.6%	-	-
Adj EBITDA	6.0	8.6	42%	7.9	↑	14%
Adj EBITDA margin	48.7%	55.6%	+6.9 pp	51.6%	-	-
EBIT	3.2	5.5	74%	4.9	↑	10%
EBIT margin	25.6%	35.8%	+10.1 pp	32.0%	-	-
Adj EBIT	3.2	5.5	74%	4.9	↑	10%
Adj EBIT margin	25.6%	35.8%	+10.1 pp	32.0%	-	-
Net profit*	3.3	5.0	52%	4.1	↑	12%
Net profit margin *	26.7%	32.6%	+5.9 pp	26.4%	-	-
Net profit**	2.9	4.7	64%	3.8	↑	11%
Net profit margin **	23.1%	30.4%	+7.3 pp	24.6%	-	-
Adj net profit**	2.8	4.5	60%	3.8	↑	12%
Adj net profit margin**	22.7%	29.3%	+6.5 pp	24.6%	-	-

*net profit before minorities

**net profit after minorities

Adj EBITDA, adj. EBITDA without leasing, and adj. EBIT exclude the write-off on the Company's goodwill.

Adj net profit excludes the write-off on the Company's goodwill, write-offs for net loans granted and profit on a disposal of shares in subsidiaries.

Source: Company, DM BOŚ

Commentary: We regard 1Q25 financial results as positive, mainly due to exceptionally good operating profitability.

The report is not a recommendation within the meaning of Commission Delegated Regulation (EU) 2016/958 of 9 March 2016 supplementing Regulation (EU) No 596/2014 of the European Parliament and of the Council with regard to regulatory technical standards for technical arrangements for objective presentation of investment recommendations or other information recommending or suggesting an investment strategy and for disclosure of particular interests or indications of conflicts of interest.