

This report is prepared for the Warsaw Stock Exchange SA within the framework of the Analytical Coverage Support Program 5.0.

814/2025/AR/November 3, 2025

Company	LT fundamental recommendation	12M EFV (PLN)	ST market-relative bias	Analyst
Digital Network	Not rated	112.0	Not rated	Mikołaj Stępień Sobiesław Pająk, CFA

Event: Acquisition of Braughman Group Media Outdoor.

On October 31, 2025, Digital Network signed an agreement to acquire 100% of the shares in Braughman Group Media Outdoor Sp. z o.o.

Description of Braughman Group Media Outdoor

The company operates in the out-of-home (OOH) and digital out-of-home (DOOH) advertising sectors, managing a network of large-format advertising displays in Poland's largest cities. It specializes in:

- **Large-format advertising** – billboards of approx. 200 m² located in prestigious urban areas (e.g. Złote Tarasy in Warsaw, Poznań Main Station, Galeria Katowicka, Monte Cassino promenade in Sopot);
- **Digital OOH (DOOH)** – digital screens, including those within the Digital Business Network (50 screens in Class A office buildings) as well as digital installations on building façades and transport hubs;
- **Advertising murals** – artistic large-scale realizations combining branding and visual aesthetics, located in central urban areas.

Financial results (Jan 1 – Aug 31, 2025):

- Revenue: PLN 76.6 m
- EBIT: PLN 19.3 m
- EBIT margin: 25.2%

Sellers:

- IT Fashion Polska Properties Sp. z o.o. – 90% of shares, price: PLN 119.3 m
- Sławomir Pawluk – 10% of shares, price: PLN 12.2 m

Total transaction value: **PLN 131.5 m.**

Payment schedule

- 1st installment: **PLN 32.8 m** – payable within 4 days of signing the agreement;
- 2nd installment: **PLN 46.5 m** – payable within 60 days, bearing interest at the WIBOR 3M rate until payment;
- 3rd installment: **PLN 30.0 m** – to be settled through compensation with the issuance of Series G shares (private placement, issue price PLN 91.76, 3-year lock-up).
- This implies the issuance of approximately **327 thousand new shares, corresponding to about 8% dilution of Digital Network's current share capital;**
- 4th installment: **PLN 10.0 m** – payable by April 30, 2026;
- Conditional payment: **PLN 10.0 m** – to be paid in three annual installments, contingent on the continued involvement of the minority shareholder (Sławomir Pawluk) in the acquired company.

Transaction financing

The acquisition will be financed through:

- the company's own funds;
- a loan from Epicom Ltd (Digital Network's majority shareholder, 53.6% ownership) in the amount of PLN 20 m, bearing interest at WIBOR 3M + 2.3%, with repayment due January 31, 2026;
- a bank loan, the terms of which will be disclosed in a separate current report.



Comment: *Extrapolating Braughman Group Media Outdoor's results for January–August 2025 to a full year implies a purchase price-to-EBIT ratio of approximately 4.5x. While this is not a methodologically precise indicator — as it does not account for the acquired company's balance sheet structure — it remains the only operational valuation metric available given the currently disclosed data. This level suggests an attractive valuation from the perspective of Digital Network's shareholders, as our forecasts imply a P/EBIT multiple of 10.6x for Digital Network itself.*

The transaction is also supported by the fact that Braughman Group Media Outdoor operates in a market and industry well known to Digital Network, which increases the likelihood of a smooth integration within the group's structure. An additional positive factor is that the current CEO, Sławomir Pawluk, will remain in his position, ensuring continuity of operations and business relationships.

The planned share issuance should not have a negative impact on the share price in our view — it will be subscribed by the seller, at only a 7% discount to the current market price of Digital Network's shares, and the newly issued shares will be subject to a three-year lock-up, effectively limiting short-term selling pressure.

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.