

Current report no. 1/2021

Date 26 February 2021

Subject **Disclosure of delayed inside information regarding the execution of an exclusivity agreement with respect to a received purchase offer for shares representing 100% of the share capital of Polkomtel Infrastruktura sp. z o.o. and the commencement of negotiations with the potential buyer**

Pursuant to Article 17 paragraphs 1 and 4 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (“**MAR**”), Cyfrowy Polsat S.A. (the “**Company**,” “**Cyfrowy Polsat**,” the “**Issuer**”) provides below the inside information regarding the execution of an exclusivity agreement related to a purchase offer received by Cyfrowy Polsat S.A. and Polkomtel sp. z o.o. for 100% of shares in Polkomtel Infrastruktura sp. z o.o. (an indirect subsidiary of the Issuer and a direct subsidiary of Polkomtel sp. z o.o., a direct subsidiary of the Issuer), as well as the commencement of negotiations of the detailed terms of the sale of shares in Polkomtel Infrastruktura sp. z o.o. and the documentation necessary to effectuate that sale (the “**Inside Information**”).

The disclosure of the Inside Information to the public was delayed on 11 February 2021 on the basis of Article 17 paragraph 4 of MAR.

Contents of the delayed Inside Information:

“The Management Board of Cyfrowy Polsat S.A. (the “**Company**,” “**Cyfrowy Polsat**,” the “**Issuer**”) with reference to Current Report No. 28/2020 of 23 September 2020 concerning the decision to commence a review of strategic options related to a potential disposal of part of the mobile telecommunication infrastructure of Polsat Group, announces that on 11 February 2021, in the course of a process organized and conducted with a view to attracting a potential buyer for part of Polsat Group’s telecommunication infrastructure, the Company and Polkomtel sp. z o.o. (“**Polkomtel**”) concluded an exclusivity agreement with Cellnex Telecom S.A. with its registered office in Madrid, Spain (the “**Potential Buyer**”) with respect to negotiations of a sale of up to 100% of shares of Polkomtel Infrastruktura sp. z o.o. (“**Polkomtel Infrastruktura**”) (an indirect subsidiary of the Issuer and a direct subsidiary of Polkomtel, a direct subsidiary of the Issuer). The agreement was concluded in relation to a purchase offer for 100% of shares in Polkomtel Infrastruktura received from the Potential Buyer. The Potential Buyer was granted exclusivity to negotiate up to and including 25 February 2021. Additionally, the Issuer and Polkomtel commenced negotiations with the Potential Buyer of detailed terms of the potential sale of shares in Polkomtel Infrastruktura and the documentation necessary to effectuate that sale.

The Company and Polkomtel contemplate a sale of up to 100% of shares in Polkomtel Infrastruktura, depending on the negotiated detailed terms of sale of shares in Polkomtel Infrastruktura and the documentation required to consummate it, the terms of cooperation with the Potential Buyer and Polkomtel Infrastruktura in the scope of, among other things, the use of the telecommunication infrastructure owned by Polkomtel Infrastruktura after the sale of shares in Polkomtel Infrastruktura to the Potential Buyer and on the outcome of the abovementioned negotiations.

The Issuer points out that the negotiations are at an early stage and their outcome, as well as the likelihood of their successful completion, are still uncertain. Also, it may not be excluded that the Company receives purchase offers for the shares in Polkomtel Infrastruktura also from other entities.

The Company will report on further steps in the pending negotiations in separate current reports.

The Company also announces that no decisions have been made so far as to choosing a particular strategic scenario and it is not certain if and when such a decision will be made in the future. The Company will publish updates regarding the review process in compliance with the binding provisions of law.”

Substantiation of the delay in disclosure of the Inside Information to the public:

The Management Board believes that at the time the decision was made to delay the disclosure of the above Inside Information, it met the conditions set out in MAR and the guidelines of the European Securities and Markets Authority for delaying disclosure of inside information of 20 October 2016 .

A positive outcome of the negotiations and their potential conclusion depended on the progress of the conducted negotiations regarding the sale of up to 100% of shares in Polkomtel Infrastruktura. Additionally, at the time when the Issuer engaged in these actions, their outcome and, inevitably, the likelihood of an actual positive conclusion of the negotiations, were uncertain.

The Management Board of the Issuer believes that in the above situation, a prompt disclosure of the information on the commenced negotiations with the Potential Buyer would entail a risk of infringing the legitimate interests of the Issuer and its group by it possibly having an adverse effect on the progress and outcome of the prolonged negotiations process, as a result of compromising the Issuer’s negotiating position. Disclosing the information could have entirely frustrated the possibility to successfully complete the negotiations. The Issuer and Polkomtel received the offer in an organized competitive process in which other entities also participated.

In particular, disclosing the information on the Potential Buyer’s interest in the acquisition of 100% of shares of Polkomtel Infrastruktura could affect the price of the Company shares before the Company’s Management Board and the Management Board of Polkomtel decided to take actions aimed at selling up to 100% of shares of Polkomtel Infrastruktura, as well as on the course of the sale process conducted by the Company and Polkomtel. The occurrence of any of these circumstances could have an adverse effect on the achievement of the business and financial goals expected by the Issuer. It should also be emphasized that the exclusivity was only granted to the Potential Buyer for a very short period of time, in an organized, competitive process conducted by the Issuer and Polkomtel.

Furthermore, given that the outcome of the pending negotiations was difficult to predict, the Management Board determined that public disclosure of the Inside Information might result in misleading investors as to the likelihood of a positive conclusion of the negotiations, the intention to sell up to 100% of shares in Polkomtel Infrastruktura, as well as cause general public to misinterpret such information and its potential effect on the Issuer’s value.

In the opinion of the Management Board of the Company, there were no reasons to believe that a delay in the disclosure of the Inside Information could be misleading to the public, in particular due to the absence of any earlier public announcements from the Company concerning the matter to which the Inside Information pertains, other than general information on the decision to commence a review of various strategic options related to a potential sale of part of the telecommunication infrastructure of the Polsat Group which was published on 23 September 2020 in Current Report No. 28/2020 and which is not contrary to the Inside Information.

In the opinion of the Management Board of the Company, maintaining the confidentiality of the Inside Information was assured, in particular, by the internal information circulation and protection procedures implemented on the Company group’s level, which include the existence of list of individuals authorized to access the contemplated Inside Information, as required under Article 18 of MAR. This list of individuals was systematically monitored and updated on an as-needed basis.

Considering the legitimate interests of the Issuer and its shareholders, and with a view to complying with the legal requirements of MAR, the Issuer will issue a separate report to announce a successful completion of the negotiations, as the case may be, and proceeding to the implementation of the actions described above, as well as on the terms of these actions, should such information be classified as inside information.

Inside Information may be made public before the lapse of that time if the Issuer enters into conditional agreements or other arrangements whereby the parties will agree to execute the above actions, or if a decision is made as to the sale of up to 100% of shares in Polkomtel Infrastruktura.

The Inside Information will not be disclosed to the public if it ceases to be classified as inside information before the scheduled date of its publication, in particular as a result of the Issuer or Potential Buyer deciding to withdraw from the negotiations.

Pursuant to Article 17 paragraph 4 of MAR, the Company will notify the Polish Financial Supervision Authority of the delay in disclosure of the Inside Information, stating the reasons for the delay, immediately upon the publication of this Report.

Legal basis *Article 17 Section 1 and 4 of the Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.*

Signed by:

/s/ Mirosław Błaszczyk

/s/ Katarzyna Ostap-Tomann

/s/ Tomasz Gillner-Gorywoda

Mirosław Błaszczyk
President of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

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Proxy