

CYFROWY POLSAT S.A.

Current Report No. 16/2019

Report Date: May 27, 2019

Subject: **Recommendation of the Management Board and the opinion of the Supervisory Board concerning the distribution of profit for the financial year ended December 31, 2018**

The Management Board of Cyfrowy Polsat S.A. (the "Company") hereby informs that on May 27, 2019 it adopted a resolution on the submission to the Supervisory Board of the Company for assessment of a motion concerning the distribution of the Company's profit for the financial year 2018.

The Management Board recommends to the General Shareholders Meeting:

- to allocate the entire net profit earned by the Company in the financial year ended December 31, 2018, amounting to PLN 488,520,113.73 (say: four hundred eighty eight million five hundred twenty thousand one hundred thirteen zlotys and seventy three grosze), for distribution as dividends to the shareholders of the Company, and
- to allocate the amount of PLN 106,257,681.15 (say: one hundred six million two hundred fifty seven thousand six hundred eighty one zlotys and fifteen grosze) from the reserve capital for distribution as dividends to the shareholders of the Company. As at December 31, 2018, the amount of the reserve capital available for distribution was nearly PLN 3.5 billion.

The total amount of the recommended dividends to the shareholders of the Company amounts to PLN 594,777,794.88 (say: five hundred ninety four million seven hundred seventy seven thousand seven hundred ninety four zlotys and eighty eight grosze), i.e., PLN 0.93 (say: ninety three grosze) per share.

Furthermore, the Management Board of the Company recommends, in accordance with the provisions of article 348 § 4 of the Commercial Companies Code, that the dividend day be scheduled for July 1, 2019, and the dividend payout be made in two tranches as follows:

- the first tranche in the amount of PLN 287,795,707.20 (say: two hundred eighty seven million seven hundred ninety five thousand seven hundred seven zlotys and twenty grosze), i.e., PLN 0.45 (say: forty five grosze) per share – on July 3, 2019, and
- the second tranche in the amount of PLN 306,982,087.68 (say: three hundred six million nine hundred eighty two thousand eighty seven zlotys and sixty eight grosze), i.e., PLN 0.48 (say: forty eight grosze) per share – on October 1, 2019.

In the opinion of the Management Board of the Company, the proposed profit distribution is consistent with the dividend policy of Cyfrowy Polsat S.A. capital group (the "Group") adopted on March 15, 2019 (the „Dividend Policy“) (see the Company's [current report No. 7/2019](#) dated March 15, 2019).

Simultaneously, the proposed distribution of the Company's net profit for the financial year ended December 31, 2018 corresponds with the results of the analysis conducted by the Management Board of the Company in the first quarter of 2019, based on which the Management Board evaluated possibilities of paying out the dividends in the total amount of not less than PLN 2.79 per share in three years period, covering years 2019-2021, including a dividend payout of at least PLN 0.93 per share in 2019.

Moreover, the Management Board of the Company notices that while preparing a proposal for the distribution of profit for the financial year ended December 31, 2018 it took into consideration the Group's net profit, financial standing and liquidity, existing and future liabilities, the assessment of the Group's prospects in specific market and macroeconomic conditions,

CYFROWY POLSAT S.A.

potential necessity of spending funds for the Group's development, in particular through acquisitions and embarking on new projects, one-off items, as well as valid legal regulations.

In the Management Board's opinion the dividend payout proposed in 2019 shall not interrupt the development concept of the Group, enabling at the same time its further deleveraging.

Furthermore, the Management Board of the Company hereby informs that on May 27, 2019 the Company's Supervisory Board adopted a resolution in which it issued a positive opinion on the Management Board's proposal concerning the distribution of profit for the financial year ended December 31, 2018 and paying out dividends to the shareholders of the Company in the amount of PLN 594,777,794.88 (say: five hundred ninety four million seven hundred seventy seven thousand seven hundred ninety four zlotys and eighty eight grosze), which represents PLN 0.93 (say: ninety three grosze) per share.

Legal basis: Article 17 Section 1 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/ Katarzyna Ostap-Tomann

Katarzyna Ostap-Tomann
Member of the Management Board

/s/ Tomasz Gillner-Gorywoda

Tomasz Gillner-Gorywoda
Proxy