

Current report no. 20/2020

Date June 3, 2020

Subject **Motion of the Management Board and the opinion of the Supervisory Board concerning the distribution of profit for the financial year ended December 31, 2019**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on June 3, 2020 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 ended December 31, 2019.

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, 2019, amounting to PLN 586,802,125.73 (say: five hundred eighty six million eight hundred and two thousand one hundred twenty five zlotys and seventy three grosze), for distribution as dividends to the shareholders of the Company, and
- to allocate the amount of PLN 52,743,890.27 (say: fifty two million seven hundred forty three thousand eight hundred ninety zlotys and twenty seven grosze) from the reserve capital for distribution as dividends to the shareholders of the Company. As at December 31, 2019, the amount of the reserve capital available for distribution was almost PLN 3.4 billion.

The total amount of the recommended dividends to the shareholders of the Company amounts to PLN 639,546,016.00 (say: six hundred thirty nine million five hundred forty six thousand sixteen zlotys), i.e., PLN 1.00 (say: one zloty) 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 October 15, 2020, and the dividend payout be made in two tranches as follows:

- the first tranche in the amount of PLN 223.841.105,60 (say: two hundred twenty three million eight hundred forty one thousand one hundred five zlotys and sixty grosze), i.e., PLN 0.35 (say: thirty five grosze) per share – on October 22, 2020, and
- the second tranche in the amount of PLN 415,704,910.40 (say: four hundred fifteen million seven hundred four thousand nine hundred ten zlotys and forty grosze), i.e., PLN 0.65 (say: sixty five grosze) per share – on January 11, 2021.

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).

Moreover, the Management Board of the Company underscores that while preparing the proposal for the distribution of profit for the financial year ended December 31, 2019 and the suggested schedule of dividend payment it had taken 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, in particular

accounting for the effects of the epidemic caused by the SARS-CoV-2 virus, the potential necessity of spending funds for the Group's development, in particular through acquisitions (including the planned cash settlement of the acquisition of Interia Group and the potential participation in the planned process of sale of the 3.4-3.8 GHz band) and embarking on new projects, one-off items, as well as valid legal regulations.

In the Management Board's opinion the proposed dividend payout for the financial year 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 June 3, 2020 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, 2019 and paying out dividends to the shareholders of the Company.

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/ Mirosław Błaszczyk

Mirosław Błaszczyk
President of the Management Board