



Current report no. 22/2022

Date 26 September 2022

Subject Disclosure of delayed inside information regarding activities undertaken by Cyfrowy Polsat S.A. aimed to initiate negotiations with Embud 2 sp. z o.o. S.K.A. concerning the contemplated disposal of shares in Modivo S.A.

Acting pursuant to Article 17 Sections 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 („**MAR**”), the company Cyfrowy Polsat S.A. (the “**Company**”) is releasing the following inside information concerning activities undertaken by the Company aimed to initiate negotiations concerning the disposal of 1,000,000 shares in the company Modivo S.A. with its registered office in Zielona Góra (“**Modivo**”) (the “**Inside Information**”).

The public disclosure of the Inside Information was delayed on 7 September 2022 pursuant to Article 17 Section 4 of MAR.

Content of the delayed Inside Information:

“The Management Board of Cyfrowy Polsat S.A. (the “**Company**”) announces that on 7 September 2022 the Company undertook activities aimed to initiate negotiations with Embud 2 sp. z o.o. S.K.A. with its registered office in Warsaw (“**Embud 2**”) concerning the settlement of terms of the contemplated disposal of 1,000,000 shares in the company Modivo S.A. with its registered office in Zielona Góra (“**Modivo**”), (the “**Transaction**”).

In order to finalize the Transaction, the Management Board of the Company intends to enter into negotiations with Embud 2, wherein the total minimum sale price expected by the Company amounts to PLN 600,000,000.00 (six hundred million zlotys), that is PLN 600.00 (six hundred zlotys) per 1 (one) share in Modivo. Concurrently, the Management Board decided to initiate actions that will enable the finalization of the Transaction provided for in the shareholders agreement of eobuwie S.A. dated 31 March 2021, of which the Company informed in its current report no. 7/2021 of 31 March 2021.

The Company notes that the execution of the Transaction is contingent on the outcome of the negotiations. The process of negotiations is in the initial stage and its outcome and, consequently, the probability of the successful finalization of the Transaction are unknown.

The Company will report on further steps towards completion of the Transaction in separate current reports.

In parallel, the Company announces that so far no binding decisions have been made as to the execution by the Company of the proposed Transaction and it is not certain if and when such decisions will be made in the future. The Company will publish updates regarding the progress made in compliance with the binding provisions of law.”

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KRS 0000010078 NIP 796-18-10-732 REGON 670925160,
kapitał zakładowy 25.581.840,64 zł w pełni wpłacony

Rationale for delayed disclosure of the Inside Information:

In the opinion of the Management Board, the delay in the disclosure of the Inside Information complied, at the time the decision on the delay was taken, with the conditions set out in MAR and in the guidelines of the European Securities and Markets Authority of 20 October 2016 concerning the delaying of disclosure of inside information.

The execution of the Transaction was contingent on the outcome of the negotiations. These negotiations constituted a stage in a protracted process aimed at the execution of the Transaction, as a result of which at the time of embarking on these actions, the outcome of the negotiations and, inevitably, the likelihood of the successful execution of the Transaction were unknown to the Company.

The Management Board of the Company believes that under these circumstances immediate disclosure of information about the commencement of negotiations with Embud 2 generated the risk of prejudicing lawful interests of the Company and its capital group through a possible negative impact on the course and outcome of the negotiations. In particular, in the opinion of the Management Board, disclosure of the Inside Information could result in interactions by third parties, which could lead to a deterioration of the terms on which the Transaction could be concluded. The above situation could, in particular, result in a failure to finalize the Transaction which, in turn, could adversely affect the possibility of attaining the anticipated business and financial objectives by the Company.

In addition, due to difficulties in predicting the likelihood of success of the finalization of the Transaction, in particular the pending confirmation regarding the possibility of financial settlement of the Transaction by the potential buyer, the Management Board decided that the disclosure of the Inside Information could result in an improper assessment of such information and of its potential impact on the Company's value by the public.

In the opinion of the Management Board of the Company, there were no premises indicating that a delayed disclosure of the Inside Information could mislead the public. In accordance with earlier disclosed information in current report no. 4/2021 dated 11 March 2021, the Company contemplated exiting the investment in Modivo shares in the form of an initial public offering ("IPO") planned for 2022 or 2023. However, in connection with the current, unfavourable market conditions, which are not supportive to the execution of the IPO in the short time horizon, the Company began analyzing alternative options of exiting the investment in Modivo shares. The Company had not made any prior public announcements on the subject of alternative exit options with respect to the investment in Modivo shares.

Simultaneously, the Management Board of the Company declares that it undertook steps required under MAR in order to assure the confidentiality of the Inside Information until its public disclosure, in particular by the internal information circulation and protection procedures implemented on the level of the Company capital group. As required under Article 18 of MAR, at the moment of deciding to delay disclosure of the Inside Information a list of persons who have access to the Inside Information was created and later monitored and updated on an as-needed basis.

Considering the legitimate interests of the Company and its shareholders, and with a view to complying with the legal requirements of MAR, the Company will issue a separate report to announce a successful

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completion of the negotiations, as the case may be, the commencement of the execution of the Transaction and its terms, should such information be classified as inside information.

The Inside Information may be made public before the lapse of that time, if the Company enters into conditional agreements or other arrangements whereby the parties will agree to execute the Transaction.

Pursuant to the third subparagraph of 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 public disclosure of the delayed Inside Information, in accordance with Article 4 paragraph 3 of the Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council.

The delayed 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 Company deciding to withdraw from conducting the talks concerning the execution of the Transaction.

Legal basis Article 17 Paragraphs 1 and 4 of the Regulation of the European Parliament and of the Council (UE) No. 596/2014 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

/s/ Katarzyna Ostap-Tomann

Katarzyna Ostap-Tomann
Management Board Member

/s/ Tomasz Gillner-
Gorywoda

Tomasz Gillner-Gorywoda
Proxy

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