



Current Report No. 27/2022

Report Date 5 October 2022

Subject Moody's Investors Service downgraded Polsat Plus Group's credit rating

The Management Board of Cyfrowy Polsat S.A. ("**Company**") hereby informs that on 5 October 2022 Moody's Investors Service ("**Moody's**") downgraded the corporate family rating ("**CFR**") of Cyfrowy Polsat Group (the "**Group**") from Ba1 to Ba3, determining the rating outlook as negative.

In its justification Moody's underlined that the rating action concludes the ratings review process initiated on 23 December 2021, following the Group's decision to relax its financial policy in order to accommodate the investment in the renewable energy and real estate sectors.

Moody's stated that the rating downgrade reflects in particular: (1) the deterioration in credit metrics resulting from the increased operating costs and lower than anticipated earnings in the media segment; (2) a more aggressive financial policy to support investments in new areas such as renewable energy and real estate; (3) weakened liquidity owing to upcoming spectrum payments; and (4) an approaching bank debt maturity wall in 2024.

Moody's expects the Group's debt leverage to remain elevated at around 3.5x (according to Moody's own methodology), stressing in parallel that the Group will be able to cope with challenges resulting from higher electricity prices thanks to existing generation capacity from renewable energy sources which the Group will take over in 2023.

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:

/-/ Mirosław Błaszczyk

Mirosław Błaszczyk
President of the Management
Board

/-/ Katarzyna Ostap-Tomann

Katarzyna Ostap-Tomann
Member of the Management Board

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Proxy