

Current report no. 02/2021

Date 26 February 2021

Subject Execution of a conditional sale agreement for shares representing ca. 99.99% of the share capital of Polkomtel Infrastruktura sp. z o.o.

With reference to Current Report No. 28/2020 of 23 September 2020 concerning a decision to commence a review of strategic options related to a potential sale of part of the mobile telecommunication infrastructure of Polsat Group, and with reference to Current Report No. 01/2021 of 26 February 2021, the Management Board of Cyfrowy Polsat S.A. (the “**Company**”) announces that, in conclusion of the conducted negotiations, on 26 February 2021 the Company and Polkomtel sp. z o.o. („**Polkomtel**” and jointly with the Company, the “**Sellers**”) and Cellnex Poland sp. z o.o. (the “**Buyer**”), a subsidiary of Cellnex Telecom, S.A. with its registered office in Madrid, Spain, concluded a conditional share sale agreement (the “**Sale Agreement**”) concerning the sale of 2,069,656 shares of Polkomtel Infrastruktura sp. z o.o. („**Polkomtel Infrastruktura**”) (an indirect subsidiary of the Company and a direct subsidiary of Polkomtel, being a direct subsidiary of the Company), representing ca. 99.99% of the share capital of Polkomtel Infrastruktura (the “**Shares**”) (the “**Transaction**”). Cellnex Telecom, S.A. is also party to the Sale Agreement as a guarantor of the Buyer’s obligations thereunder.

In the Sale Agreement the parties set out the terms on which the Buyer will acquire the Shares upon the fulfillment of the conditions precedent (as described below). According to the Sale Agreement, the total sale price for the Shares will be PLN 7,070,292,853.20 (that is PLN ca. 3,416.17 per 1 share), of which the Company agreed to sell 1,552,061 shares of Polkomtel Infrastruktura representing ca. 74.98% of the share capital of Polkomtel Infrastruktura for the price of PLN 5,302,101,313.47 PLN, and Polkomtel agreed to sell 517,595 shares of Polkomtel Infrastruktura representing ca. 25.01% of the share capital of Polkomtel Infrastruktura for the price of PLN 1,768,191,539.73. The sale price (and as part thereof – its parts attributable to the Company and Polkomtel, respectively) will be additionally: (i) decreased by certain payments to be made by Polkomtel Infrastruktura in favor of the Sellers and the Sellers’ affiliates after 31 December 2020, as well as by the amount of the so-called profitability uplift related to the Master Services Agreement (as defined below) in the period from 1 January 2021 to the last day of the month in which the Transaction completion occurs; and (ii) increased by interest accruing at 6% per annum for a period from 1 January 2021 to the Transaction completion, in accordance with the locked-box mechanism adopted in the Agreement.

According to the Sale Agreement, after the Transaction completion Polkomtel will retain 207 shares of Polkomtel Infrastruktura, representing ca. 00.01% of the share capital of Polkomtel Infrastruktura.

Additionally, according to the Sale Agreement, on the Transaction completion date Polkomtel, Aero 2 sp. z o.o. (an indirect subsidiary of the Company and a direct subsidiary of Polkomtel) (“**Aero 2**”) and Polkomtel Infrastruktura will execute, among other things: (i) the Master Services Agreement together with the Service Level Agreement, whereby Polkomtel Infrastruktura will provide, from the Transaction completion date, certain services to Polkomtel and Aero 2 based on held telecommunication infrastructure (including, without limitation passive services, emission services and transmission services) for a period

of 25 years. The Master Services Agreements will be subject to renewal for subsequent 15-year terms. The Master Services Agreements will impose contractual penalties in favor of Polkomtel Infrastruktura for certain infringements of contractual obligations thereunder with respect to orders to be placed with Polkomtel Infrastruktura for the construction of a specified number of new sites and for a specified number of additional emission services. If Polkomtel fails to place such orders, Polkomtel Infrastruktura will have the right to claim contractual penalties from Polkomtel and Aero 2 in an amount up to PLN 350 million (proportionally to the outstanding obligations in question); and (ii) the Buyback Agreement, whereby Polkomtel (and/or other members of the Company's group and third parties) will have the right (but not an obligation) to buy back the shares of Polkomtel Infrastruktura from the Buyer in certain circumstances specified in the Buyback Agreement, for a price reflecting the fair market value of the shares being bought back, taking into account a discount agreed among the parties.

According to the Master Services Agreement and according to the articles of association of Polkomtel Infrastruktura (the "**Articles of Association**") — once its amendments agreed by the parties in the Sale Agreement are registered in the register of entrepreneurs of the National Court Register — as long as the Master Services Agreement remains in force and as long as Polkomtel holds any shares in Polkomtel Infrastruktura, consent of Polkomtel will be required for any sale, lease, establishing a pledge or other form of disposal or encumbrance of a share or shares of Polkomtel Infrastruktura or their issuance in favor of defined restricted entities. The restricted entities are, without limitation, those that conduct business competitive to the business of Polkomtel. Limitations are also imposed on any acquisition of control over Polkomtel Infrastruktura by such restricted entities. According to the Articles of Association, unanimous vote of the shareholders is also required for any key decision concerning the property of Polkomtel Infrastruktura, such as among others the sale or lease of its enterprise or an organized part of the enterprise, or the establishment of a limited right in rem over thereon or making any decisions that affect the rights of Polkomtel as a shareholder of Polkomtel Infrastruktura or the status of shares in Polkomtel Infrastruktura held by Polkomtel.

The completion of the Transaction is conditional on the fulfillment of the following conditions precedent: (i) the Buyer must obtain consent of the President of the Office of Competition and Consumer Protection for the concentration (the "**Antimonopoly Clearance**") and (ii) the Sellers must obtain consents required under the financing documentation of the Sellers, as well as conditional or unconditional release of security interests encumbering the Shares.

The Sale Agreement provides for an obligation to pay certain one-time fees in case completion of the Transaction is not effectuated due to the reasons lying with one of the parties. In particular, the Sale Agreement will terminate, if the conditions precedent are not fulfilled on or before 31 October 2021. This deadline may be postponed until 31 December 2021 by way of a unilateral declaration of will by any of the parties. If the Sale Agreement is terminated due to the Buyer's failure to obtain the Antimonopoly Clearance, the Buyer will pay the Sellers a one-time fee of PLN 179,500,000. Additionally, the Sale Agreement provides for an obligation to pay a one-time fee of PLN 718,000,000, if the Buyer or the Sellers, respectively, fail to comply with any of its respective key completion obligations on the postponed Transaction completion date (if the completion did not occur on the original Transaction completion date).

The Company also announces that upon the execution of the Sale Agreement it has discontinued the process of reviewing various strategic scenarios in relation to a potential sale of the mobile telecommunication infrastructure of Polsat Group that was announced in Current Report No. 28/2020 of 23 September 2020.

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

/s/ Katarzyna Ostap-Tomann

/s/ Tomasz Gillner-Gorywoda

Mirosław Błaszczyk
President of the Management Board

Katarzyna Ostap-Tomann
Member of the Management Board

Tomasz Gillner-Gorywoda
Proxy