



Current report no. 37/2021

Date 20 December 2021

Subject **Disclosure of delayed inside information regarding the commencement by Cyfrowy Polsat S.A. (the “Company”) of talks with (i) ZE PAK S.A. concerning the contemplated capital engagement by the Company in selected assets of ZE PAK S.A., which are used for electric energy production based on low and zero-emission technologies, and with (ii) Elektrim S.A., Embud 2 sp. z o.o. S.K.A. and potentially other investors engaged in a relevant project concerning the contemplated acquisition by the Company of selected real estate assets from these entities.**

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 the commencement by the Company of talks with (i) ZE PAK S.A. concerning the contemplated capital engagement by the Company in selected assets of ZE PAK S.A. which are used for electric energy production based on low and zero-emission technologies, i.e., in particular, the production of power from biomass, hydrogen, atoms, wind and the Sun, and with (ii) Elektrim S.A., Embud 2 sp. z o.o. S.K.A. and, potentially, other investors engaged in a relevant project concerning the contemplated acquisition by the Company of selected real estate assets from these entities, in particular assets related to the “Port Praski” investment (the “**Inside Information**”).

The public disclosure of the Inside Information was delayed on 29 November 2021 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 29 November 2021, in connection with the contemplated new strategy of the Company and in order to analyze the possibility of its implementation, the Management Board of the Company decided to commence talks with (i) ZE PAK S.A. (“**ZE PAK**”) concerning the contemplated capital engagement by the Company in selected assets of ZE PAK which are used for electric energy production based on low and zero-emission technologies, i.e., in particular, the production of power from biomass, hydrogen, atoms, wind and the Sun, and with (ii) Elektrim S.A. (“**Elektrim**”), Embud 2 sp. z o.o. S.K.A. (“**Embud**”) and, potentially, other investors engaged in a relevant project concerning the contemplated acquisition by the Company of selected real estate assets from these entities, in particular assets related to the “Port Praski” investment (the “**Transaction**”).

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



The Company notes that the process of negotiations is in the initial stage and that its outcome and probability of successful finalization are uncertain. Agreeing on the terms of the Transaction is dependent on a number of conditions, with the most important of them including the settlement of the detailed terms of the Transaction and of the documentation necessary to its execution, results of due diligence that are satisfactory for the Company and obtaining of necessary approvals from the competent bodies of ZE PAK, Embud, Elektrim and, potentially, other investors involved in respective projects. The settlement of the terms of the Transaction should also include the determination of the specific assets which will be the subject of the Transaction and the level of capital engagement by the Company.

The Company will report on further steps in the pending negotiations 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.”

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 positive outcome of the negotiations and their potential finalization depended on the course of the negotiations, including the agreed detailed conditions of capital engagement of the Company in selected assets of ZE PAK and the sale of assets by Elektrim, Embud and other investors engaged in the relevant projects as well as the documentation necessary to execute the above mentioned processes.

The agreement on the terms of the Transaction was also to include the determination of specific assets which will be the subject of the Transaction and the level of capital engagement of the Company. Without such detailed arrangements it was difficult for the Company to evaluate the Transaction and its potential impact on the developed strategy.

Moreover, at the time of embarking on these actions by the Company, the outcome of the negotiations and, inevitably, the likelihood of successful completion of the negotiations were unknown to the Company.

The Management Board of the Company believes that under these circumstances immediate disclosure of information about the commencement of talks with ZE PAK, Elektrim and Embud (and, potentially, other investors engaged in the relevant project), constituting a stage in a protracted process aimed at the execution of the Transaction, generated the risk of prejudicing lawful interests of the Company and its capital group through a possible negative impact on the course of this process by deteriorating the Company's position in the negotiations or it could even result in a failure to finalize this process in the future. Furthermore, the commencement of the talks is an element of the assessment of the possibility

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of introducing and implementing a new strategy of the Company, which was not ready at that stage and a decision about its implementation was not adopted.

In particular, the disclosure of the Inside Information on the commencement of talks with ZE PAK, Elektrim and Embud (and, potentially, other investors engaged in the relevant project) concerning the Transaction could affect the market price of the Company shares before the final decisions were taken by the Management Board of the Company and the competent bodies of ZE PAK, Embud, Elektrim (and, potentially, other investors involved in the relevant project) with respect to the execution of the Transaction, which could adversely affect the possibility of attaining the anticipated business and financial objectives by the Company.

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 and investors with regard to the probability of materialization of the Transaction and its conditions, and result in an improper assessment of such information and of its potential impact on the Company's goodwill, in particular since the Company had not made any prior public announcements on the subject matter of the Inside Information.

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 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 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.

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Legal basis

Article 17 Sections 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/ Maciej Stec

Maciej Stec
Vice – President of the
Management Board

/s/ Katarzyna Ostap-Tomann

Katarzyna Ostap-Tomann
Member
of the Management Board

/s/ Jacek Felczykowski

Jacek Felczykowski
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/s/ Aneta Jaskólska

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