

**Current report no.** 9/2021

**Date** 27 May 2021

**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, 2020**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") hereby informs that on 27 May 2021 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, 2020.

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, 2020, amounting to PLN 404,982,013.92 (say: four hundred four million nine hundred eighty two thousand thirteen zlotys and ninety two grosze), for distribution as dividends to the shareholders of the Company, and
- to allocate the amount of PLN 362,473,205.28 (say: three hundred sixty two million four hundred seventy three thousand two hundred five zlotys and twenty eight grosze) from the reserve capital for distribution as dividends to the shareholders of the Company. As at December 31, 2020, the amount of the reserve capital available for distribution was approximately PLN 3.3 billion.

The total amount of the recommended dividend to the shareholders of the Company amounts to PLN 767,455,219.20 (say: seven hundred sixty seven million four hundred fifty five thousand two hundred nineteen zlotys and twenty grosze), i.e., PLN 1.20 (say: one zloty twenty grosze) 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 September 15, 2021, and the dividend payout be made in two tranches as follows:

- the first tranche in the amount of PLN 255,818,406.40 (say: two hundred fifty five million eight hundred eighteen thousand four hundred six zlotys and forty grosze), i.e., PLN 0.40 (say: forty grosze) per share – on 28 September 2021, and
- the second tranche in the amount of PLN 511,636,812.80 (say: five hundred eleven million six hundred thirty six thousand eight hundred twelve zlotys and eighty grosze), i.e., PLN 0.80 (say: eighty grosze) per share – on 10 December 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, 2020 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 potential necessity of spending funds on the Group's development, in particular through acquisitions (including in particular the planned cash settlement of the acquisition of a 10% stake in eobuwie.pl, the planned increase in capital engagement in Netia S.A. and the potential participation in the planned process of sale of the 3.4-3.8 GHz band) and embarking on new projects, potential cash inflows expected in the case of closing of the transaction of the sale of part of the Group's mobile infrastructure, as well as one-off factors and applicable provisions of law.

In the Management Board's opinion the proposed dividend payout for the financial year 2020 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 27 May 2021 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, 2020 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

/s/ Katarzyna Ostap-Tomann

Katarzyna Ostap-Tomann  
Management Board Member

/s/ Tomasz Gillner-Gorywoda

Tomasz Gillner-Gorywoda  
Proxy