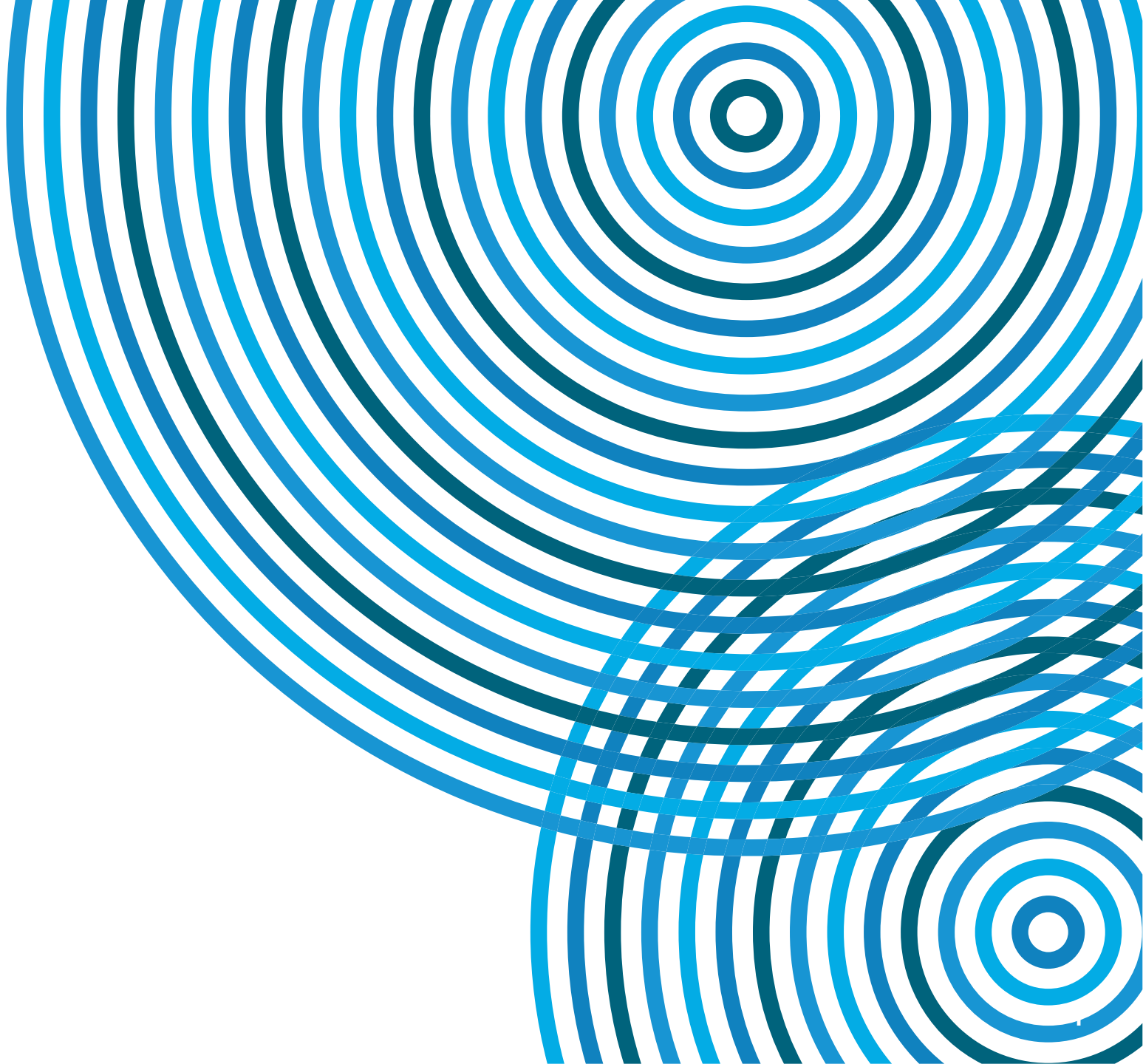


3 January 2023

# IR Newsletter 1/2023



# Press review

**Telko.in, 20 December 2022**

*by Łukasz Dec*

## President of UKE announces consultation on C-band auction

By starting the consultations regarding the planned terms of the auction, UKE President has formally initiated the procedure related to the auction of the 3.4-3.8 GHz frequency band (the so-called C band) spectrum which is designed for 5G networks. According to the time schedule adopted by UKE, the proper auction is expected to take place in July 2023.

As can be gathered from the presented documentation, the four existing MNOs will be allowed to participate in the auction while bidding for one 80 MHz frequency block each. The initial price for a frequency block is PLN 450 million, i.e. as much as in the cancelled auction from 2020. The current auction, in turn, includes quantity and quality-related commitments.

The regulator expects that over the 36 months following the allocation of spectrum 3,800 stations, including 1,400 in local communes with population in the range of 10-80 thousand, will be put on air by each operator.

Moreover, during the 12 months following the allocation of the spectrum the operators are expected to assure Internet access offering data speeds of 30 Mbps over 85% of Poland's territory, ultimately reaching 100 Mbps over an area of 95% of the country's territory within 84 months. What is important here is that the required quality can be assured by any technology, not necessarily the technology directly indicated in the obtained spectrum reservation.

# Press review

Tabletowo.pl, 22 December 2022

by Grzegorz Dąbek

## Play raises the prices. There is also a revolutionary change

With effect from 24 January 2023 Play mobile network will change the price list for its prepaid service users.

The changes will include an increase of the price for voice calls to PLN 0.59 (from the current PLN 0.39-0.45), increase of the price for SMS to PLN 0.39 (from PLN 0.25-0.29) and for MMS – to PLN 0.59 (from PLN 0.45) for connections to all domestic mobile networks as well as while roaming within the Euro zone, and also for the connections from the Euro zone to Poland and to the United Kingdom and Gibraltar.

In addition, starting from the end of January the amount of the account top-up enabling extension of the account validity by 365 days will go up from PLN 5 to PLN 100.

At the same time, Play will reduce, down to PLN 10.43 per 1 GB, the fees for data transfer which are charged once the data limit valid in the European Union countries has been exceeded.

# Press review

Wirtualnemedi.pl, 23 December 2022

by *tw*

## One of Solorz's companies will borrow up to 50 million zloty from a state fund to build its hydrogen bus factory

A company from ZE PAK Group and the National Fund for Environmental Protection and Water Management (NFOSiGW) signed an agreement for a loan, offered on preferential terms, for the amount of up to 50 million PLN to be used for the construction of a hydrogen bus factory.

The loan bears preferential interest (WIBOR 3M but not less than 1%) and will be paid out in tranches starting from Q1 2023, with the final repayment date of 20 December 2037.

The agreement provides for the possibility of the borrower obtaining a bonus for innovation, upon putting the production plant into operation, in the form of reduction of the amount to be repaid by 20%, by not more however than 10 million zloty. The agreement also provides for cancellation of 25% of the debt once the so-called "ecological effect" is achieved, i.e. upon introducing to the market of a relevant number of innovative, ecological hydrogen buses.

# Press review

Wirtualnemedi.pl, 28 December 2022

by jd

## Plus launches a 5G home Internet access set

Plus mobile network (a Polsat Plus Group company) has added a new 5G home Internet access set to its offer. The set, which consists of an outdoor modem and an indoor router, is designed for use in houses and blocks of flats which are located at the limits of 5G network coverage, as well as in all those places where network coverage (signal power) is restricted due to natural and man-made obstacles.

The 5G home Internet set will be available for 1 PLN on purchase and then for e.g. 36 instalments of PLN 52.72 each for the device. The tariff which is recommended for 5G Internet access is the subscription with a monthly fee of 50 PLN offering a 120 GB monthly data bundle. In addition, the customers who will decide to choose the 5G subscription from Plus will be offered access to Disney+ as a gift for even as long as 2 years.

# Recent events

Press release, 21 December 2022

## Largest issuance of private company corporate bonds in Polish zloty

**Polsat Plus Group is the first Polish company issuing Sustainability-Linked Bonds according to the international ICMA (International Capital Market Association) standard. This is the largest issuance of corporate bonds by a private company in the history of the Polish zloty capital market (PLN 2.67 billion). The funds from the bond issue will support the implementation of Polsat Plus Group's Strategy 2023+, particularly the achievement of its goal to install 1,000 MW of clean energy generation capacity. For years, the Group has attached very high priority to ensuring that its development is carried out in a sustainable manner for the benefit of the inhabitants of Poland, Polish companies and the economy.**

*"We are very pleased that Polsat Plus Group is once again setting new trends in the Polish capital market. This is the first-ever Sustainability-Linked Bond issue according to ICMA standards. Concurrently, despite the exceptionally challenging economic environment, this is the largest PLN issue in the history of the Polish capital market. We are proud that the investors have once again placed its trust in us, and I deeply believe that our strategic goals will be accomplished,"* **says Katarzyna Ostap-Tomann, Management Board Member responsible for finance in Cyfrowy Polsat and Polkomtel, Polsat Plus Group.**

The issued bonds will support the implementation of Strategy 2023+, in particular the planned construction of 1,000 MW of installed capacity of low- and zero-carbon clean electricity generation and the full value chain of the green hydrogen economy, resulting in the reduction of CO2 in the Polish economy in the range of 2 million tons per year. Polsat Plus Group has also committed to bondholders to successively migrate to zero-emission sources of electricity used for own internal purposes.



# Recent events

As a result of this issuance, Polsat Plus Group will become the largest private issuer of PLN denominated bonds, once again making a positive contribution to the development of the Polish capital market. The total scale of Polsat Plus Group's issues in the Polish market, taking into account the previously placed bond series, will exceed PLN 3.1 billion.

The issue is Poland's first issuance of Sustainability-Linked Bonds, in accordance with the international ICMA standard

<https://www.icmagroup.org/sustainable-finance/sustainable-bonds-database/#searchResultHold>.

Polsat Plus Group has been setting the direction of the Polish capital market for years, setting new standards and testing new instruments. In particular, the Group plans that the other financial instruments it will possibly use in the future will also be based on the long-term environmental goals enshrined in the Sustainability-Linked Financing Framework, a document that has passed the independent ESG rating agency's review.

Sustainability-Linked Financing Framework: [link](#)

Content of the current report: [link](#)

# Recent events

Current report 36/2022, 19 December 2022

## Conclusion of Annex 4 to the preliminary share purchase agreement concerning PAK-Polska Czysta Energia sp. z o.o.

The Management Board of Cyfrowy Polsat S.A. (“**Company**”), with reference to current report no. 38/2021 of 20 December 2021 on the Company’s execution of preliminary share purchase agreements concerning the acquisition of shares in PAK-Polska Czysta Energia sp. z o.o. (“**PAK-PCE**”, the “**Transaction**”), Port Praski sp. z o.o. and Pantanomo Limited and to current report no. 2/2022 of 30 March 2022 on the Company’s execution of an annex to the preliminary purchase agreement concerning the acquisition by the Company of shares in PAK-PCE, executed on 20 December 2021 between the Company and ZE PAK S.A. (“**ZE PAK**”, the “**Agreement**”) and to current report no. 17/2022 of 27 June 2022 on the Company’s decision to execute Annex 2 to the Agreement and to transfer an organized part of the enterprise of Konin Power Plant to PAK-PCE Biopaliwa i Wodór sp. z o.o., and to current report no. 21/2022 of 26 September 2022 on the execution of Annex 3 to the Agreement, hereby announces that the Company concluded with ZE PAK annex 4 to the Agreement (“**Annex 4**”).

The subject of Annex 4 is to change the long-stop date by which all conditions precedent of the Agreement should be fulfilled, which will be moved from 5 January 2023 to 3 July 2023.

On 19 December 2022, the Company’s Supervisory Board consented to the execution of Annex 4.

The Transaction qualifies as a material related-party transaction within the meaning of Article 90h of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of 29 July 2005 (Dz. U. of 2022, item 2554, as amended). As the Transaction will be executed at arm’s length, it will not prejudice the interests of the Company or its shareholders who are not related parties, including minority shareholders.



# Recent events

Current report 37/2022, 21 December 2022

## Downgrade of credit rating by S&P Global Ratings

The Management Board of Cyfrowy Polsat S.A. ("**Company**") hereby informs that on 21 December 2022 S&P Global Ratings ("S&P") downgraded the issuer credit rating of the Company from BB+ to BB, revising the rating outlook from negative to stable.

In its justification, S&P underlined that the downward revision reflects in particular its expectation that S&P-adjusted net leverage of Polsat Plus Group (the "**Group**") will increase to about 4.0x and remain on elevated levels in 2024, due to the investments in the new green energy business line. Moreover, S&P expects the Group to report negative free operating cash flow (FOCF) in 2023 as a result of high capital expenditure needs for the energy business. Additionally, S&P takes into account higher interest rates and refinancing risk on the Company's Polish zloty debt maturing in September 2024, given current turbulent market conditions, however it recognizes the Company's demonstrated ability to raise debt with the recent PLN 2.7 billion bond issuance. S&P also recognizes the relatively long period until the maturity of the Company's bank debt (2024).

The stable outlook reflects S&P's expectation that the Group's revenue will expand 5-7% in the next 12 months while EBITDA margin will remain subdued at 26-27% amid high energy prices.

S&P is of the opinion that the Group's diversification into the energy business could have a positive impact on the Group's condition in the long term. In parallel, S&P noted certain short-term execution risks associated with diversifying toward a brand-new industry, underlining that execution in achieving operational and financial goals will be key in the coming years.

# Recent events

S&P may raise the rating of the Group if leverage decreases to below 3.5x and FOCF to debt sustainably increases to above 5%, coupled with a successful refinancing of the Group's debt due in September 2024. On the other hand, a downward revision of the rating could take place, if leverage increases to 4.5x or above, or if S&P expects FOCF to debt to remain negative while FOCF to debt in TMT business turns well below 5%, or if S&P sees heightened refinancing risk for debt coming due in September 2024, leading to a material liquidity deterioration.

The rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

# Recent events

Current report 38/2022, 21 December 2022

## Information on the allotment of Series D Bonds

With reference to the current report No. 35/2022 of 16 December 2022 in which Cyfrowy Polsat S.A. (the “**Company**”) announced that it resolved to issue no more than 2,670,000 unsecured Series D bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of up to PLN 2,670,000,000.00 (the “**Series D Bonds**”), pursuant to Article 33 item 1 of the Act on Bonds of 15 January 2015, that is by way of an offer of securities to the public within the meaning of Article 2(d) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council of June 14, 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”), issued under the bond issuance program established on 29 November 2022, the Management Board of the Company hereby announces that on 21 December 2022 it resolved to allot 2,670,000 Series D Bonds with a nominal value of PLN 1,000 each and an aggregated nominal value of PLN 2,670,000,000.00. The Series D Bonds were allotted to a total number of 97 investors.

The rights attached to the Series D Bonds will arise upon the registration of the Series D Bonds in depository kept by National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.) (“**NDS**”) pursuant to settlement orders as defined in §5 of the Detailed Rules of Operation of the NDS. The issuance of the Series D Bonds is scheduled to take place on 11 January 2023.

The Joint Arrangers of the Series D Bonds issue were Trigon Dom Maklerski S.A., Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy Spółka Komandytowa, BNP Paribas Bank Polska S.A., Bank Polska Kasa Opieki S.A., Santander Bank Polska S.A. and Powszechna Kasa Oszczędności Bank Polski S.A.

# Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2022-12-19	17.23	16.83	16.89	- 1.80	7.45
2022-12-20	17.15	16.70	17.10	1.24	6.84
2022-12-21	17.29	17.03	17.22	0.70	5.09
2022-12-22	17.40	17.09	17.32	0.58	3.38
2022-12-23	17.54	17.17	17.53	1.21	3.67
2022-12-27	17.60	17.35	17.48	- 0.29	2.68
2022-12-28	17.45	17.15	17.16	- 1.83	4.61
2022-12-29	17.64	17.10	17.64	2.80	5.53
2022-12-30	17.69	17.40	17.61	- 0.17	5.09
2023-01-02	17.90	17.50	17.80	1.08	2.84



# Investor's calendar

Date	Event
9 January 2023	DM BOŚ Investor Conference, Warsaw
12 – 14 April 2023	RCB Investor Conference, Zürs 2023