

5 December 2022

IR Newsletter 39/2022



Press review

PAP Biznes, 29 November 2022

by epo/ osz/

Cyfrowy Polsat creates a 4 billion PLN bond issue program

Cyfrowy Polsat informed of the establishment of a bond issue program worth up to 4 billion PLN. The company intends to conduct the bond issue up until the end of Q1 2023.

The bonds will be issued in one or multiple series. The bond redemption date for each series will not be earlier than 5 years and not later than 10 years.

"The purpose of the bond issue has not been defined yet but it can be stated in the terms of issue of each series. If the purpose is not indicated for a given bond issue, the company's board will have the freedom of using funds for any purpose of its choice, including for financing of earlier redemption of the series B and C bonds by the company, or for acquisition of series B and C bonds for the purpose of their redemption," as the company stated.

Press review

Dziennik Gazeta Prawna, 30 November 2022

by Elżbieta Rutkowska

Will the 5G auction take off without the cyber security law in place?

Telecommunication operators have been waiting for the allocation of band C (3.4–3.8 GHz) spectrum, dedicated to 5G services, for nearly three years now. At present 5G services are provided with the use of the spectrum that the operators re-allocated from LTE and older generation networks. The spectrum allocation procedure is being withheld due to lack of progress in amending the National Cyber-Security System (KSC) law. The Council of Ministers is expected to accept the draft amended KSC law in either Q1 or Q2 2023.

The spokesperson of the Office of Electronic Communications (UKE) declined to say whether the start of the band C auction was possible still this year even if the Council of Ministers failed to approve the amended KSC law by that time.

At the same time, the business community appealed for adapting the provisions of the KSC to the EU NIS2 (network and information systems) directive which will replace the current NIS regulation, thus increasing the requirements in the area of cyber security. However, the Ministry of Digital Affairs has no plans to this end.

NIS2 Directive was approved last week by the EU Council. It will take effect from the 20th day following its publication. Member states will have 21 months for implementing the new law.

Press review

PAP Biznes, 1 December 2022

by map/ asa/

UKE assumes that in 2023 it will issue the 5G spectrum reservation decisions

The Office of Electronic Communications (UKE) has published its plans for 2023, indicating that the decisions regarding the spectrum from the 3.6 GHz frequency band, dedicated to 5G technology, will be made in 2023.

The goal for next year is to carry out the selection procedure and to issue the spectrum reservation decisions.

The Office of Electronic Communications also assumes that by the end of 2022 as many as 77% of households in Poland will be within the coverage area of Internet access services offered at the speed of at least 100 Mbps.

Press review

Wirtualnemedi.pl, 2 December 2022

by ag

Price hike in a major cable network? An indexation clause has been introduced

Multimedia Polska cable TV network (Vectra Group) has decided to introduce modification and indexation clauses to its customer contracts with effect from January 2023.

The modification clause gives the operator the title to introduce amendments to the contract, in particular to increase subscription fees and introduce new ones based on the provisions indicated in the contract, however a customer will still retain the right to terminate the contract without the necessity of repayment of the granted discounts if the amendments are introduced on the basis of such a clause.

The indexation clause gives Multimedia Polska the title to implement indexation of subscription fees by a factor equal to the average 6-month or annual change of the consumer price index. Hence the clause regulates the operator's right to increase the prices in the case of inflation, and to decrease the prices in the case of deflation. A customer will not be entitled to terminate a contract without repayment of the discounts in the case of the indexation clause being applied.

Earlier similar provisions were introduced to customer contracts by other telecommunication operators, including Orange Polska, T-Mobile Polska and Play. The President of the Office of Competition and Consumer Protection initiated investigations regarding the introduced indexation clause on suspicion of violation of consumer interests.



Recent events

Current report 31/2022, 29 November 2022

Information on establishing a bond issue program and launching actions to possibly refinance indebtedness under Series B Bonds and Series C Bonds and adoption of the sustainable growth objectives for the Polsat Plus Group

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With reference to current report No. 26/2022 of October 5, 2022 on Cyfrowy Polsat S.A. (the “**Company**”) taking initial steps in connection with potential refinancing of the indebtedness of the Polsat Plus Group, the Management Board of the Company hereby gives notice that on 29 November 2022, a resolution was adopted to, inter alia, establish a bond issuance program by the Company and to take steps to refinance the Company's indebtedness under the Series B and Series C bonds (the “**Program Resolution**”). Pursuant to the Program Resolution, the Company's Management Board decided to establish a new non-renewable bond issuance program with the total maximum nominal value of PLN 4,000,000,000 (four billion) (the “**Program**”) under which the Company will be able to incur financial indebtedness through the issuance of unsecured PLN bearer bonds of the Company (the “**Bonds**”), and to undertake actions aimed at possible refinancing of the Company's indebtedness under the series B bonds (the “**Series B Bonds**”) and series C bonds (the “**Series C Bonds**”).

Recent events

The terms of the Bonds issuance under the Program are as follows:

- a) the total nominal value of all the Bonds to be issued under the Program will not exceed PLN 4.000.000.000 (four billion);
- b) the nominal value of one Bond will be PLN 1,000 (one thousand);
- c) the Bonds will be issued under the Bonds Act of January 15, 2015 (consolidated text: Dz.U. 2022, Item 454, as amended);
- d) the Bonds may be issued under (i) an offer of securities to the public referred to in Article 2(d) of 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; or (ii) through promoting their acquisition other than as in item (i);
- e) the Bonds may be issued in one or several series;
- f) the Bonds will be unsecured;
- g) the maximum number of Bonds of a particular series offered for purchase (i.e. the number of issued Bonds) will be defined in the terms of the issuance of a particular series of Bonds;
- h) the Bonds will be registered in the securities depository operated by the National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.) or by Trigon Dom Maklerski S.A.;
- i) the Company may apply for the Bonds to be introduced to an alternative system of trading operated by the Warsaw Stock Exchange (Giełda Papierów Wartościowych w Warszawie S.A.) as part of the Catalyst market;
- j) payments made by the Company under the Bonds will be in cash only and, specifically, will consist in the payment of the amount equivalent to the nominal value of one Bond and the interest amount. Bonds will bear interest at a fixed or variable rate. The method of interest calculation, the day from which the interest accrues, the amount or method of calculating interest and the dates of its payment will be set forth in the terms of the issuance of a particular series of Bonds;

Recent events

- k) the day of the issuance of a particular series of Bonds will be set forth in the terms of the issuance of a particular series of Bonds.
- l) Bonds may be issued with a maturity of no shorter than 5 (five) years and no longer than 10 (ten) years from the date of the issuance. The date and terms of redemption will be defined in the terms of the issuance of a particular series of Bonds and may provide for early redemption of the Bonds at the Company's or bondholder's request as provided for in the terms of the issuance;
- m) the purpose of the Bonds issuance has not been specified, however it may be specified in the terms of the issuance for the particular series of Bonds. Unless the purpose of the issuance is specified in the terms of the issuance of a particular series of Bonds, the Management Board may use the proceeds of the Bonds issuance for any purpose, including to finance the early redemption of the Series B and C Bonds by the Company or to purchase Series B and C Bonds for the purpose of their redemption;
- n) individual series of Bonds will be issued based on separate issue resolutions adopted by the Management Board, approved in separate resolutions of the Supervisory Board, setting forth the terms of the issuance of a particular series of Bonds.

At the same time, the Company gives notice that as part of the Program Resolution, a decision has been made to launch actions aimed at refinancing its indebtedness under the Series B and C Bonds using the funds from the issuance of the Bonds under the Program, including in particular the early redemption of Series B and C Bonds by the Company or the acquisition of Series B and C Bonds by the Company for the purpose of their redemption, and about the Company terminating the program of Series B and C Bonds upon the early redemption of Series B and C Bonds and/or the acquisition of Series B and C Bonds by the Company for the purpose of their redemption, in relation to all Series B and C Bonds. The commencement of actions aimed at actual refinancing of the indebtedness under the Series B and C Bonds referred to above depends on the successful issuance of the Bonds having a nominal value which, in the opinion of the Company's Management Board, enables the refinancing to be effected.

The Company also announces that on 29 November 2022, the Company's Supervisory Board adopted a resolution under which, among other things, the Company's Supervisory Board authorized the Company to incur financial liabilities in connection with the Bonds issuance by the Company under the Program and the refinancing of the Company's indebtedness under the bonds issued by the Company.

Recent events

The Company's intention is to issue Bonds under the Program before the end of the first quarter of 2023, subject to the right conditions prevailing on the debt market. The Company will make its final decision on issuing the Bonds and their terms in a relevant resolution adopted by the Company's Management Board, of which it will give notice in a separate current report.

Simultaneously, on 29 November 2022, the Company's Management Board adopted a resolution regarding linking the future external financing of the Polsat Plus Group to its sustainability objectives, as described in the document Sustainability-Linked Financing Framework (the "ESG Framework"). The Management Board decided to publish the ESG Framework on the corporate website of the Polsat Plus Group together with a positive opinion prepared by Sustainalytics B.V. (independent Environmental, Social and Corporate Governance auditor) (Second-Party Opinion).

Disclaimer:

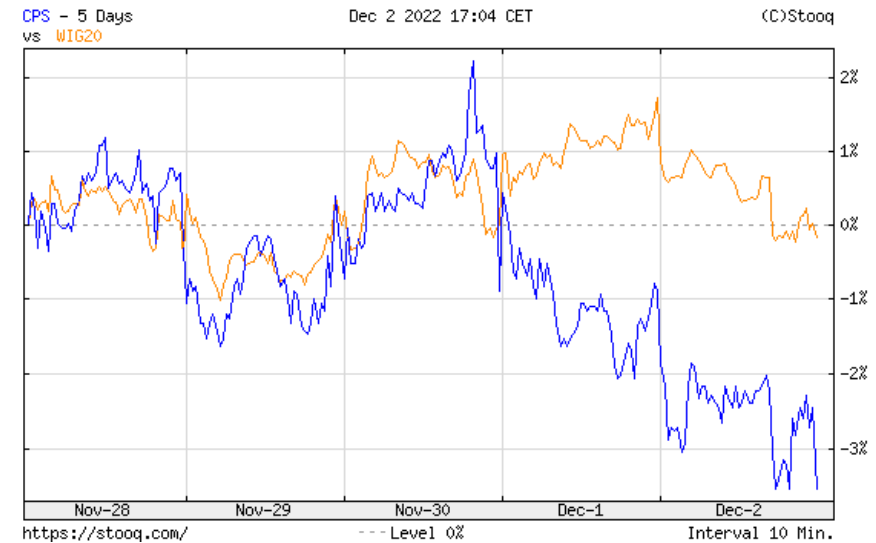
This current report was prepared in accordance with Article 17 Section 1 of Regulation No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

This current report is solely for information purposes and is published by the Company exclusively in order to provide information on the establishment of the bond issue program and conducting actions in order to refinance the existing indebtedness under Bonds Series B and Bond Series C. This current report is by no means intended, whether directly or indirectly, to promote the offer or issuance of the Company's bonds and does not represent advertising material prepared or published by the Company for the purpose of promoting the offer or issuance of the Company's bonds nor for the purpose of encouraging an investor, whether directly or indirectly, to purchase them.

Neither this current report nor any part thereof is intended for distribution, whether directly or indirectly, within the territory of or in the United States of America or other jurisdictions where such public distribution may be subject to restrictions or may be prohibited by law. The securities referred to in this material have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the territory of the United States of America. The Company does not intend to register the Bonds or conduct any offering of the Bonds in the United States of America. Subject to the Company making its final decision on issuing the Bonds and their terms in a relevant resolution adopted by the Management Board of the Company, the Bonds are intended to be offered and sold solely outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

Cyfrowy Polsat shares

Date	Maximum price (PLN)	Minimum price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2022-11-28	19.02	18.63	18.70	- 1.63	7.98
2022-11-29	18.84	18.40	18.68	- 0.11	5.87
2022-11-30	19.21	18.56	18.59	- 0.48	29.96
2022-12-01	18.97	18.34	18.59	0.00	10.62
2022-12-02	18.65	18.10	18.10	- 2.64	12.25



Investor's calendar

Date

Event

6-9 December 2022

WOOD's Winter Wonderland EME Conference, Prague

15 December 2022

Dividend payout