

CYFROWY POLSAT S.A.

Current Report No. 34/2019

Report Date: November 27, 2019

Subject: **Withdrawal from the agreement regarding the implementation of the IT system and the provision of software assistance and development**

The Management Board of Cyfrowy Polsat S.A. (the "**Company**") seated in Warsaw hereby informs, that it has been notified about a decision taken by the Management Board of its subsidiary Polkomtel sp. z o.o. ("**Polkomtel**") concerning the forwarding of a statement to Huawei Polska Sp. z o.o. ("**Huawei**") on November 27, 2019 on the withdrawal from the agreement concluded on June 23, 2016 (the "**Statement**") and regarding the implementation of the BES IT system and the provision of software assistance and development thereof (the "**Agreement**").

The decision of Polkomtel results, among others, from the fact that the initial timetable envisaged the completion of the project during 18 months while at present it is 41 months from the moment of signing the agreement. The date for implementation has not been met despite having signed the extending annex.

Polkomtel informed Huawei that it intends to submit claims which result from the submission of the Statement along with information on settlements related to the refund of mutually fulfilled services (including a claim to refund the paid remuneration). Concurrently, Polkomtel informed Huawei that the failure to meet the above mentioned claims shall result in the initiation of procedures for calling on the bank guarantee and recovery of liabilities.

Legal basis: Article 17 Section 1 of 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 Błaszczuk

Mirosław Błaszczuk
President of the Management Board

/s/ Tomasz Gillner-Gorywoda

Tomasz Gillner-Gorywoda
Proxy