



# Cyfrowy Polsat IR Newsletter

27 January – 2 February 2020



N E T I A

**Telko.in**  
27 January 2020

## **UKE starts 700 MHz band refarming**

*by Łukasz Dec*

Office of Electronic Communications has informed of commencement of the process of changing the radio spectrum reservations for the companies operating the DVBT multiplexes. The purpose of the operation, which has been long awaited, is to transfer digital TV broadcasting to frequency bands laying below 694 MHz since the entire 694-790 MHz range, where part of TV broadcasting currently takes place, has been allocated for use by mobile communications (5G).

The operation is carried out on an ex officio basis. Migration is to be completed by the end of 2022. UKE has published the work schedules for migration of MUX1, MUX2, MUX3, MUX4 (the private multiplex of Cyfrowy Polsat Group) and of MUXL4 (a regional multiplex). The last nationwide multiplex, MUX8, has been already relocated to a band below the frequency range designed for mobile networks.

Apart from migrating the broadcasting operations to a lower frequency band, the refarming decision also implements a new, more efficient DVB-T2 broadcasting standard.

**Parkiet**  
28 January 2020

## **The price is the same, the roll-out pace is faster**

*by Urszula Zielińska*

The second round of consultations regarding the 5G auction documentation was announced by the Office of Electronic Communications (UKE) on Monday. The consultations will continue till February 27. In spite of the operators' postulates, UKE Chairman, Marcin Cichy, has not reduced the minimum price per one block of spectrum from the 3.6 GHz frequency band and the initial price remains PLN 450 million. He has also decided to maintain the restriction saying that one capital group may buy only one of the four spectrum blocks available in the 3.6 GHz frequency band. According to the information obtained by Parkiet business daily, during the first round of the consultations a postulate to increase the limit to two spectrum blocks was made by both, the Ministry of Digitization as well as Orange Polska who justified their positions by the need to minimize the risk that one of the spectrum blocks could remain unallocated. Orange's CEO signaled that the telecom was interested in more than one spectrum block.

UKE reduced the tender bond from PLN 450 million down to PLN 182 million per operator. In the new version of the 5G auction, UKE has also changed the CAPEX (roll-out) targets. Originally each telecom was expected to put on-air minimum ten base stations in one city during the six months following the award of the spectrum reservation. Now telecoms will have 4 months for completing the requirement. Then, till the end of 2023, the auction's winner is expected to roll out 300 5G stations (the original requirement was 250), while by the end of 2025 the number of stations on-air should be 700 (originally 500).

UKE sustained the auction end date as first half of 2020.

Rzeczpospolita  
30 January 2020

## **Huawei can breathe with a relief. There will be no ban in the EU**

*by Anna Słojewska*

Despite the pressures from Washington, Brussels will not block access to 5G networks roll-out in the European Union for Huawei.

On Wednesday the European Commission presented the recommendations concerning assurance of security of 5G networks in the EU. These include common standards and a “toolbox” for reducing the cyber-security risks.

Above all, the EC recommends that member states carry out meticulous checks of hardware providers involved in 5G network infrastructure roll out. EC allows blocking the access for those companies which could present a threat to network security or remain under direct influence of a foreign government. A policy is recommended that multiple providers should be used on a given market, or even by individual operators.

There is no direct reference to China, or to Huawei specifically, in the EC documents or the statements made by the EU commissioners. But the recommendations have been made with Huawei in mind. Huawei is the biggest provider of telecommunication equipment, with European Nokia and Ericsson following in further spots. As far as Huawei is concerned, it is known to be connected with the Chinese government and hence the concerns regarding access to data by this company. In the USA the Chinese company has been explicitly excluded from the 5G market and the Americans were appealing that European countries do the same.

Telko.in  
30 January 2020

## Five of Plus's cities with 5G for Ericsson

by Marek Jaślan

At the beginning of January Polkomtel, the Plus network operator, informed that it was starting the roll-out of the first in Poland commercial 5G network using 2600 MHz TDD frequency in seven cities of Poland.

It has been announced that Ericsson will be the technology partner in five of the cities, namely (Gdansk, Lodz, Poznan, Szczecin and Wroclaw). For starters Ericsson will build 80 base stations relying on stand-alone architecture in these cities. This means that in Warsaw and Katowice the project will be most probably implemented by Polkomtel jointly with Nokia.

Polkomtel has announced that in Q1 2020 it will start offering 5G services commercially in at least seven cities. The 5G technology will be also available in the offers of Cyfrowy Polsat and Plush.

“We were the pioneers in the implementation of LTE technology, being one of the first operators in the world to have provided access to this technology in the 1800 MHz frequency band. Providing access to high-speed mobile Internet has revolutionized the telecommunications market in Poland and has enabled growth for many branches of Polish economy. I am very happy that at the moment when the world is on the eve of new revolution associated with 5G technology, Plus is once again at the forefront. Thanks to us 5G will soon cease to be just a news item and will become reality. We already have first 5G devices operating in our network and we will soon present them publicly,” says Jacek Felczykowski, a Management Board Member of Cyfrowy Polsat and Polkomtel.

## Current report no. 1 29 January 2020

### Information on decision to issue Series C Bonds

**Not for release, publication or distribution directly or indirectly, in or into the United States of America, Australia, Canada or Japan or in any other jurisdiction where to do so would be restricted or prohibited by law.**

With reference to the current report No. 35/2019 of 11 December 2019 in which Cyfrowy Polsat S.A. (the “**Company**”) announced that it has established a bond issuance program (the “**Program**”), the Management Board of the Company hereby announces that on 29 January 2020 it resolved to issue no more than 1,000,000 unsecured series C bearer bonds with the nominal value of PLN 1,000.00 each and the aggregate maximum nominal value of up to PLN 1,000,000,000.00 (the “**Series C Bonds**”), to be issued under the Program pursuant to Article 33 item 1 of the Act on Bonds of 15 January 2015 (the “**Act on Bonds**”), 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**”) (the “**Offering**”). The Offering will be addressed solely to qualified investors within the meaning of Article 2(e) of the Prospectus Regulation and pursuant to Article 1 Section 4(a) of the Prospectus Regulation it will be exempt from the obligation to publish a prospectus. The conducting of the Offering will neither require making available to the public an information memorandum or any other offering document.

Further information related to the Offering:

- Issue price of one Series C Bond PLN 1,000.00
- Planned issue date of the Series C Bonds 14 February 2020
- Planned redemption date of the Series C Bonds 12 February 2020
- Early redemption of the Series C Bonds Allowed at the Company’s or bondholder’s request based on the terms provided for in the terms of the issuance of Series C Bonds

# Recent events



## Current report no. 1 29 January 2020

- Purpose of the issue of the Series C Bonds  
Refinancing the costs incurred by the Company and its subsidiaries in the years 2017–2019 to improve their energy efficiency, reduce the number of used electronic components and thereby reduce the carbon footprint of the Company and its subsidiaries, in line with the Green Bond Framework available at the Company’s web site and positively verified for compliance with the Green Bond Principles 2018, as confirmed in an independent expert opinion (Second Party Opinion)  
Variable (reference rate plus margin)
- Interest rate  
6M WIBOR
- Reference rate  
165 bps
- Margin  
The issue date of the Series C Bonds
- Commencement of interest accrual  
Semi-annual
- Interest periods

The Offering will be conducted between 30 January 2020 and 31 January 2020. The joint offering agents to the Series C Bonds under the Offering are Trigon Dom Maklerski S.A., Erste Securities Polska S.A. and Erste Group Bank AG.

On 29 January 2020 the Supervisory Board of the Company adopted a resolution to approve the issuance of the Series C Bonds, including the incurring of the financial indebtedness by the Company by issuing the Series C Bonds.

Current report no. 2  
31 January 2020

## Information on the allotment of Series C Bonds

With reference to the current report No. 1/2020 of 29 January 2020 in which Cyfrowy Polsat S.A. (the “**Company**”) announced that it resolved to issue no more than 1,000,000 unsecured series C bearer bonds with the nominal value of PLN 1,000 each and the aggregate nominal value of up to PLN 1,000,000,000 (the “**Series C 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 11 December 2019, the Management Board of the Company hereby announces that on 31 January 2020 it resolved to allot 1,000,000 Series C Bonds with a nominal value of PLN 1,000 each and an aggregated nominal value of PLN 1,000,000,000. The Series C Bonds were allotted to a total number of 69 investors.

The rights attached to the Series C Bonds will arise upon the registration of the Series C Bonds in depository kept by National Depository for Securities (Krajowy Depozyt Papierów Wartościowych S.A.) (“**NDS**”) pursuant to settlement orders as defined in § 11 of the Detailed Rules of Operation of the NDS. The issuance of the Series C Bonds is scheduled to take place on 14 February 2020.

The Joint Arrangers of the Series C Bonds issue were Trigon Dom Maklerski S.A., Trigon Investment Banking Spółka z ograniczoną odpowiedzialnością & Wspólnicy Spółka Komandytowa, Erste Securities Polska S.A., Erste Group Bank AG, Santander Bank Polska S.A. and BNP Paribas Bank Polska S.A.

# Cyfrowy Polsat shares



Data	Maximum price (PLN)	Minium price (PLN)	Closing price (PLN)	Change (%)	Turnover (mPLN)
2020-01-27	27.16	26.5	26.6	-2.92	14.64
2020-01-28	27.34	26.42	27.04	1.65	11.55
2020-01-29	28.02	26.96	27.82	2.88	20.17
2020-01-30	28.06	27.54	27.9	0.29	9.70
2020-01-31	27.82	26.48	27.2	-2.51	28.21





# Investor's calendar



27 February – 12 March 2020	Closed period prior to the publication of 2019 results
12 March 2020	Annual report and consolidated annual report for 2019
16 – 17 March 2020	PKO BP: CEE Capital Markets Conference - London 2020
25 – 26 March 2020	WOOD's 2020 EME NYC Conference
30 April – 14 May 2020	Closed period prior to the publication of Q1 2020 results
14 May 2020	Quarterly report for Q1 2020
6 – 20 August 2020	Closed period prior to the publication of H1 2020 results
20 August 2020	Consolidated semi-annual report for the 1st half of 2020
27 October – 10 November 2020	Closed period prior to the publication of Q3 2020 results
10 November 2020	Quarterly report for Q3 2020

