

Current report no. 16/2020

Date 30 April 2020

Subject Conclusion of a preliminary agreement to acquire Interia Group

With reference to Current Report No. 8/2020 of 17 March 2020 issued by Cyfrowy Polsat S.A. (the “**Company**”; “**Cyfrowy Polsat**”) regarding an offer submitted by a subsidiary Telewizja Polsat sp. z o.o. (“**Telewizja Polsat**”) in the sale process of Interia Group companies and Current Report No. 11/2020 of 21 March 2020 concerning Telewizja Polsat having been granted the exclusivity to conduct negotiations aimed at concluding the transaction under the said sale process and the commencement of the negotiations, the Management Board of the Company hereby announces that as a result of conclusion of the conducted negotiations on 30 April 2020 Telewizja Polsat executed with Bauer Media Invest GmbH and Bauer Polen Invest GmbH (the “**Sellers**”) the Preliminary Share and Rights Purchase Agreement concerning: (i) an acquisition from Bauer Media Invest GmbH of 100 shares in Grupa Interia.pl spółka z ograniczoną odpowiedzialnością with its registered office in Kraków (“**GIGO**”), representing 100% of the share capital of GIGO and carrying the right to exercise 100% of the total number of votes at the Shareholders' Meeting of GIGO (“**GIGO Shares**”); and (ii) an acquisition from Bauer Polen Invest GmbH of all rights and obligations of a limited partner of Grupa Interia.pl Media spółka z ograniczoną odpowiedzialnością spółka komandytowa with its registered office in Kraków (“**GIKO**”) (“**Rights and Obligations of GIKO Limited Partner**”) (the “**Preliminary Agreement**”) (the “**Transaction**”).

Other parties to the Preliminary Agreement are: Cyfrowy Polsat, as a guarantor for obligations of Telewizja Polsat under the Preliminary Agreement and Heinrich Bauer Verlag Beteiligungs GmbH, as a guarantor for Sellers' obligations under the Preliminary Agreement.

The acquisition by Telewizja Polsat of the GIGO Shares and the Rights and Obligations of GIKO Limited Partner, after the condition precedent set out in the Preliminary Agreement (as described below) is satisfied, will result in Telewizja Polsat acquiring exclusive control over Interia Group companies: GIGO, GIKO, Grupa Interia.pl spółka z ograniczoną odpowiedzialnością sp.k., Mobiem Polska sp. z o.o. and Mobiem Polska spółka z ograniczoną odpowiedzialnością sp.k. (jointly the “**Interia Group**”), and an indirect acquisition of shares representing 16.67% of the share capital of Polskie Badania Internetu sp. z o.o. with its registered office in Warsaw.

In the Preliminary Agreement the parties agreed the terms on which Telewizja Polsat will acquire the GIGO Shares and the Rights and Obligations of GIKO Limited Partner after the condition precedent (as described below) is satisfied. In accordance with the Preliminary Agreement, the sale price of the GIGO Shares and the Rights and Obligations of GIKO Limited Partner will amount to PLN 422 million, to be additionally: (i) reduced by certain payments made by Interia Group companies to the Sellers and their affiliates effected after 31 December 2019 (“**Payments**”); and (ii) increased by interest at 3% p.a. for a

period from 31 December 2019 to the Transaction closing date on the amount of PLN 410 million reduced by the Payments, in accordance with the locked-box mechanism specified in the Preliminary Agreement.

The closing of the Transaction depends on the satisfaction of a condition precedent that Telewizja Polsat obtains consent of the President of the Office for Competition and Consumer Protection (UOKiK) (the “**UOKiK President**”) for the concentration (the “**Antimonopoly Consent**”). If the condition precedent is not satisfied by 31 December 2020, the Preliminary Agreement shall expire, unless the parties to the Preliminary Agreement agree otherwise. In the Preliminary Agreement Telewizja Polsat agreed to use its endeavors in order to obtain the Antimonopoly Consent by 31 December 2020. If the Preliminary Agreement expires due to a Telewizja Polsat’s failure to obtain the Antimonopoly Consent by that date caused by: (i) Telewizja Polsat having failed to file the a notification of the intended concentration concerning the Transaction within the term and pursuant to the provisions set out in the Preliminary Agreement; (ii) Telewizja Polsat having withdrawn notification of the intended concentration concerning the Transaction, or (iii) Telewizja Polsat having failed to respond to any queries of the UOKiK President in the course of proceedings which results in the notification of the intended concentration concerning the Transaction to be rejected or dismissed, Telewizja Polsat will pay the Sellers a contractual penalty in the amount of PLN 100 million.

The Preliminary Agreement also provides for a contractual penalty in the amount of PLN 150 million if, despite the satisfaction of the condition precedent, Telewizja Polsat or the Seller, respectively, due to the reasons attributable to the respective party, fail to proceed with a closing of the Transaction. The payment of this contractual penalty will not be an exclusive remedy available to the other party and it will be credited against damages owed from the infringing party.

The Transaction will be funded from Telewizja Polsat’s own funds.

Additionally, the Preliminary Agreement stipulates that Polsat Media Biuro Reklamy Spółka z ograniczoną odpowiedzialnością sp.k. (“**PMBR**”), a subsidiary of Telewizja Polsat, will conclude on closing of the Transaction: (i) an agreement for the provision of advertisement services with Wydawnictwo Bauer Spółka z ograniczoną odpowiedzialnością sp.k.; and (ii) an agreement for the provision of advertisement services with Rankomat Spółka z ograniczoną odpowiedzialnością sp.k. In exchange for these services of a value specified in the contracts Bauer group companies will pay to PMBR an aggregate amount of PLN 12 million.

The Interia Group is a leading player on the Polish market of new generation media, reaching nearly 60% of Internet users in Poland. Its services are used by over 16 million real users every month, and the number of page views of the Interia Group’s websites exceeds 1.3 billion per month. Belonging to the group Internet portal Interia.pl, being one of the three largest horizontal portals in Poland, provides individual Internet users with a vast selection of the highest quality information, multimedia, social and communication services. The Transaction is a long-term, strategic investment for the Cyfrowy Polsat group. The Transaction will allow the Cyfrowy Polsat group to continue its development on the dynamically

growing Internet and online advertising market and to improve its cost-effectiveness as a result of insourcing the expenditure on ongoing advertising campaigns of the Polsat Group brands.

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 Błaszczyk

Mirosław Błaszczyk
President of the Management Board

/s/ Tomasz Gillner-Gorywoda

Tomasz Gillner-Gorywoda
Proxy