

CYFROWY POLSAT S.A.

Current Report No. **18/2018**

Report Date: **22 May 2018**

Subject: **Termination of the tender offer to subscribe for the sale of shares of Netia S.A. and acquisition of shares in Netia S.A.**

The Management Board of Cyfrowy Polsat S.A. ("**Cyfrowy Polsat**") hereby gives notice of the termination, on 14 May 2018, of the subscriptions for the shares of Netia S.A. with its registered office in Warsaw (the "**Company**") under the tender offer to place subscriptions for the sale of shares in the Company announced by Cyfrowy Polsat on 5 December by 2017, pursuant to Article 73 Section 1 of the Act on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies of 29 July 2005 (the "**Public Offering Act**", the "**Tender Offer**"). On 17 May 2018, as part of the execution of the response to the Tender Offer, purchase transactions were concluded for the total number of 110,702,444 ordinary bearer Netia shares with ISIN code: PLNETIA00014 (the "**Shares**"), which have been settled today (the "**Tender Offer Settlement**").

Therefore, we hereby give notice that as a result of the Tender Offer Settlement:

- (i) Cyfrowy Polsat acquired 34,662,045 Shares constituting in total 10.33% of the share capital of the Company and carrying the right to 34,662,045 votes at the general meeting of the Company as well as representing 10.33% of the total number of votes at the Company's general meeting;
- (ii) Karswell Limited, with its registered office in Nicosia, Cyprus ("**Karswell**") acquired 76,040,399 Shares constituting in total 22.67% of the share capital of the Company and carrying the right to 76,040,399 votes at the general meeting of the Company as well as representing 22.67% of the total number of votes at the Company's general meeting;
- (iii) Cyfrowy Polsat and Karswell, which entered into an agreement as referred to in Article 87 Section 1 Item 5 of the Public Offering Act (the "**Parties to the Agreement**"), acquired jointly 110,702,444 shares in the Company constituting in total 33% of the share capital of the Company and carrying the right to 110,702,444 votes at the general meeting of the Company.

Directly prior to the Tender Offer Settlement, Cyfrowy Polsat held directly 110,702,441 shares in the Company constituting in total 33% of the share capital of the Company and carrying the right to 110,702,441 votes at the general meeting of the Company as well as representing 33% of the total number of votes at the Company's general meeting.

Prior to the Tender Offer Settlement, Karswell held no shares in the Company.

After the Tender Offer Settlement and as at the date of this current report:

- (i) Cyfrowy Polsat holds 145,364,486 shares of the Company constituting in total 43.33% of the share capital of the Company and carrying the right to 145,364,486 votes at the general meeting of the Company as well as representing 43.33% of the total number of votes at the Company's general meeting;
- (ii) Karswell holds 76,040,333 shares of the Company constituting in total 22.67% of the share capital of the Company and carrying the right to 76,040,333 votes at the general meeting of the Company as well as representing 22.67% of the total number of votes at the Company's general meeting;

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- (iii) The Parties to the Agreement hold jointly 221,404,885 shares of the Company constituting in total 66% of the share capital of the Company and carrying the right to the total of 221,404,885 votes at the general meeting of the Company as well as representing 66% of the total number of votes at the Company's general meeting.

Legal basis: Article 17 Section 1 of the 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:

/signature/ Tobias Solorz

Tobias Solorz
President of the Management Board