

CYFROWY POLSAT S.A.

Current Report No.19/2018

Report Date: 24 May 2018

Subject: Disclosure of delayed inside information on the commencement of negotiations to acquire the majority stake in Eleven Sports Network spółka z ograniczoną odpowiedzialnością

Pursuant to Article 17 paragraphs 1 and 4 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 (“**MAR**”), Cyfrowy Polsat S.A. provides herein below the inside information on the commencement of negotiations to acquire the majority stake in Eleven Sports Network spółka z ograniczoną odpowiedzialnością (the “**Inside Information**”).

The disclosure of the Inside Information to the public was delayed on 25 April 2018 under Article 17 paragraph 4 of MAR.

Content of the delayed Inside Information:

“The Management Board of Cyfrowy Polsat S.A. (the “**Company**” or “**Cyfrowy Polsat**”) announces that considering the intention to acquire a majority stake in Eleven Sports Network spółka z ograniczoną odpowiedzialnością with its registered office in Warsaw (“**ESN**”; the “**Transaction**”), on 25 April 2018, the Management Board adopted a resolution on the commencement of negotiations with the existing shareholders of ESN to prepare assumptions and documents necessary to executed the Transaction.

The Company contemplates a direct acquisition of shares in ESN or the execution of the Transaction by its subsidiary depending on the assumptions made and results of the above-mentioned negotiations.

The Company notes that the process of preparations to the Transaction is at its early stage and its outcome and, in turn, the probability of an actual finalization of the Transaction is uncertain. In particular, the contemplated Transaction is subject to the satisfaction of conditions precedent referring to future and unpredictable events, including corporate consents of the Company and the shareholder of ESN.

The Company will report on any further steps taken towards the execution of the Transaction in separate current reports.”

Substantiation of a delay in disclosure of the Inside Information to the public:

The Management Board believes that the delay in disclosing the above Inside Information met the conditions set out in MAR and the guidelines of the European Securities and Markets Authority for delaying disclosure of inside information of 20 October 2016 at the time the decision was made.

In the opinion of the Management Board, immediate disclosure of the Inside Information entailed the risk of a negative impact on the outcome of the negotiations and the likelihood that the Transaction would be executed. In particular, it was likely to trigger the interaction of third parties, which could, in turn, undermine the negotiating power of the Company. This could result, in particular, in deteriorated conditions negotiated at a later stage or even unsuccessful negotiations in the future should the information had not been kept confidential. The occurrence of any of the foregoing circumstances could have had an adverse effect on the achievement of business and financial goals adopted by Cyfrowy Polsat.

In addition, the contemplated Transaction was subject to the satisfaction of conditions precedent referring to future and unpredictable events at the time the decision to delay the disclosure of the Inside Information to the public was made, including corporate consents of the Company and the shareholder of ESN.

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Furthermore, given that the outcome of the ongoing negotiations was difficult to predict, the Management Board determined that the public disclosure of the Inside Information might result in such information being incorrectly interpreted and potentially affect the Company's goodwill through public opinion.

In the opinion of the Management Board of the Company, there were no reasons to believe that a delay in the disclosure of the Inside Information could be misleading to the public, in particular due to the absence of any earlier public announcements from the Company concerning the matter to which the Inside Information pertains. There were therefore no grounds to conclude that the Inside Information delayed by the Company was inconsistent with the expectations of the market, as established based on communications conducted by the Company to date.

The Management Board believes that the confidentiality of the information subject to delayed disclosure was ensured, specifically by internal procedures governing the circulation and protection of information implemented in the Company's capital group. At the time of making the decision to delay the disclosure of the Inside Information to the public, pursuant to Article 18 of MAR, a list of individuals having access to the Inside Information was made, which was systematically monitored and updated on an as-needed basis.

Pursuant to Article 17 paragraph 4 of MAR, the Company will notify the Polish Financial Supervision Authority of the delay in disclosure of the Inside Information together with the reasons thereof immediately upon the publication of this Report.

Legal basis: Article 17 paragraphs 1 and 4 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