

CYFROWY POLSAT S.A.

Current Report No. **26/2018**

Date: **2 July 2018**

Subject: **Execution of an amendment to the Agreement on the Joint Acquisition of Shares in a Tender Offer and Preliminary Share Purchase Agreement entered into on 5 December 2017 and the decision to acquire 17,331,023 shares in "Netia" S.A. having its registered office in Warsaw from Karswell Limited having its registered office in Nicosia, Cyprus on 3 July 2018.**

The Management Board of Cyfrowy Polsat S.A. having its registered office in Warsaw ("**Cyfrowy Polsat**", the "**Company**") hereby gives notice that on 2 July 2018 an amendment to the Agreement on the Joint Acquisition of Shares in a Tender Offer and Preliminary Share Purchase Agreement of 5 December 2017 was entered into with Karswell Limited having its registered office in Nicosia, Cyprus ("**Karswell**") (the "**Acquirers' Agreement**"), which amends the Acquirers' Agreement in such way that the obligation of Cyfrowy Polsat to effect one-off acquisition of all the shares in "Netia" S.A. having its registered office in Warsaw ("**Netia**") acquired by Karswell under the Tender Offer was replaced by the obligation of Cyfrowy Polsat to acquire said shares in subsequent instalments (the "**Amendment**").

At the same time the Management Board made a decision to acquire 17,331,023 shares in Netia from Karswell for the aggregate purchase price of PLN 100,000,002.71 (i.e. PLN 5.77 for one share) equal to the price for which Karswell acquired said shares under the Tender Offer (the "**Transaction**").

Additionally, pursuant to the Acquirers' Agreement as amended, Cyfrowy Polsat will pay Karswell the total amount of PLN 1,163,495.38 by way of remuneration composed of the following (i) the amount of PLN 787,194.00 as remuneration for a period between the date of announcing the Tender Offer and the settlement date on which Karswell acquired the last share under the Tender Offer; and (ii) the amount of PLN 376,301.38 as remuneration for the period between the settlement date on which Karswell acquired the last share under the Tender Offer and the date on which 17,331,023 shares acquired by Karswell under the Tender Offer are sold to the Company, i.e. 3 July 2018 (the "**Holding Period**") in the amount corresponding to the weighted average cost of financing of the Company's capital group by financial institutions with respect to the acquired shareholding, converted into a specified fraction of the price for which Karswell acquired shares under the Tender Offer for each day of the Holding Period.

The Transaction will be carried out on 3 July 2018 in the form of an OTC transaction.

As a result of the Transaction, the total number of Netia shares held by Cyfrowy Polsat and Karswell will remain unchanged. Cyfrowy Polsat and Karswell hold jointly 221,404,885 Netia shares constituting in total 65.98% of the share capital of Netia and carrying the right to 221,404,885 votes at the general meeting of Netia, as well as representing 65.98% of the total number of votes at Netia's general meeting; as well as following the Transaction:

- (i) Cyfrowy Polsat will hold directly 162,695,509 Netia shares constituting in total 48.48% of the share capital of Netia and carrying the right to 162,695,509 votes at the general meeting of Netia, as well as representing 48.48% of the total number of votes at Netia's general meeting;
- (ii) Karswell will hold directly 58,709,376 Netia shares constituting in total 17.49% of the share capital of Netia and carrying the right to 58,709,376 votes at the general meeting of Netia, as well as representing 17.49% of the total number of votes at Netia's general meeting.

CYFROWY POLSAT S.A.

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:

/s/ Katarzyna Ostap-Tomann

Katarzyna Ostap-Tomann
Member of the Management Board

/s/ Tomasz Gillner-Gorywoda

Tomasz Gillner-Gorywoda
Member of the Management Board