

CYFROWY POLSAT S.A.

Current report No. **10/2017**

Report Date: **May 17, 2017**

Subject: Notice of intention to conduct a cross-border merger by acquisition between Cyfrowy Polsat S.A. seated in Warsaw and Eileme 1 AB (Publ) seated in Stockholm, Eileme 2 AB (Publ) seated in Stockholm, Eileme 3 AB (Publ) seated in Stockholm and Eileme 4 AB (Publ) seated in Stockholm

The Management Board of Cyfrowy Polsat S.A. ("**Cyfrowy Polsat**" or the "**Acquiring Company**"), in accordance with article 504 § 1 and § 2 of the Polish Commercial Companies Code (the "**CCC**"), informs the shareholders of Cyfrowy Polsat of the planned cross-border merger by acquisition of Cyfrowy Polsat and the companies: **Eileme 1 AB (Publ) seated in Stockholm**, registered in the Swedish Companies Register (original name: *aktiebolagsregistret*) under the number 556854-5668; **Eileme 2 AB (Publ) seated in Stockholm**, registered in the Swedish Companies Register under the number 556854-5676; **Eileme 3 AB (Publ) seated in Stockholm**, registered in the Swedish Companies Register under the number 556854-5692; **Eileme 4 AB (Publ) seated in Stockholm**, registered in the Swedish Companies Register (under the number 556854-5684 (the "**Ceasing Companies**")), in which Cyfrowy Polsat holds, directly or indirectly, 100% of the share capital.

The merger will be effected by:

- (i) transferring to the Acquiring Company - as the entity holding, directly or indirectly, 100% of the share capital of the Ceasing Companies - all the assets and liabilities of the Ceasing Companies, and
- (ii) dissolving of the Ceasing Companies without going into liquidation,

in accordance with article 492 §1 item 1) of the CCC, in conjunction with article 516¹⁵ of the CCC and article 516¹ of the CCC.

As a result of the merger, Cyfrowy Polsat - in accordance with article 494 §1 of the CCC - will assume all rights and obligations of the Ceasing Companies, effective on the date of the merger.

Given that the Acquiring Company holds, directly or indirectly, all the shares of the Ceasing Companies, and according to article 515 §1 of the CCC, the merger will be effected without increasing the share capital of the Acquiring Company.

The detailed terms of the merger are specified in the Common Draft Terms of a Cross-Border Merger by Acquisition approved on May 17, 2017 and made publicly available, free of charge, on the website of the Acquiring Company at <http://www.grupapolsat.pl/en/investor-relations>, in accordance with article 516⁴ §1 of the CCC.

With regard to the fact that the Acquiring Company holds, directly or indirectly, all the shares in the Ceasing Companies, in accordance with art. 516¹⁵ of the CCC in conjunction with art 516[6] of the CCC, the Common Draft Terms of a Cross-Border Merger by Acquisition are not subject to review by an independent auditor.

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Concurrently, the Management Board of Cyfrowy Polsat informs that the following documents:

1. Common Draft Terms of a Cross-Border Merger by Acquisition,
2. Financial statements and Management Board's reports on the activities of the merging companies for the last three financial years, together with the opinion of an independent auditor and report supplementing the auditor's opinion (if an opinion or a report had been issued),
3. Report of the Management Board justifying the merger,

(the "**Merger Documents**") will be available for inspection to Cyfrowy Polsat shareholders and employees from the date of publication of this announcement, that is May 17, 2017, until the date of adoption of a resolution regarding the merger.

The Merger Documents will be available in the head office of Cyfrowy Polsat, at 4A Łubinowa Street in Warsaw, building B1, from Monday to Friday from 9.00 a.m. to 4.00 p.m.

Cyfrowy Polsat shareholders and employees may request copies of the Merger Documents free of charge at the head office of Cyfrowy Polsat.

This notice is the first notice.

Legal basis: Art. 56 Section 1 Clause 2 of the Act of July 29, 2005 on public offering and the conditions of introducing financial instruments to an organized system of trading and on public companies in connection with art. 504 § 1 and § 2 and art. 402(1) § 1 of the CCC

Signed by:

/s/ Tobias Solorz

Tobias Solorz
President of the Management Board