

Current report No. 4/2018

From: **Kino Polska TV S.A.**

Issued on: 14 May 2018

Subject: **Decision on the intention to merge the Issuer with subsidiaries - Cable Television Networks & Partners Sp. z o.o., KPTV Media Sp. z o.o. and Cyfrowe Repozytorium Filmowe Sp. z o.o.**

Legal basis: Article 17, clause 1 of the MAR - inside information

Contents of the report:

The Management Board of "Kino Polska TV" S.A. ("**Issuer**", "**Acquiring Company**") informs that today, ie on May 14, 2018, it made the decision to merge ("**Merger**") the Issuer with its subsidiaries, ie Cable Television Networks & Partners sp. Z o.o. ("**CTN & P**"), Cyfrowe Repozytorium Filmowe Sp. z o.o. ("**CRF**") and KPTV Media Sp. z o.o. ("**KPTV Media**") ("**Acquired Companies**"), in which the Issuer currently holds 100% shares in share capital. As a result of the decision, the Merger Plan of the Acquiring Company with the Acquired Companies ("**Merger Plan**") was adopted, the contents of which (together with annexes to the Merger Plan) constitute an attachment to this report.

In the opinion of the Issuer's Management Board, the decision on the merger is justified by the need to simplify the organizational structure of the Kino Polska TV Capital Group. The merger of the companies will strengthen the synergy of the companies' operations and enable the reduction of operating costs, in particular: management, labor, marketing and expenditure on the provision of services.

The merger of companies will take place in the mode of art. 492 point 1) of the Code of Commercial Companies by transferring all assets of CTN & P, CRF and KPTV Media to the Issuer. The merger will take place without increasing the share capital of the Issuer and without exchanging the shares of the Acquired Companies for the Issuer's shares. As a result of the merger, the Acquired Companies will cease to exist. According to art. 516 § 6 of the Code of Commercial Companies. The merger will take place in the so-called simplified mode, without subjecting the Merger Plan to an examination by an expert.

Participation in the Merger is taken by:

"Kino Polska TV" SA with headquarters in Warsaw, ul. Puławska 61, 02-595 Warsaw, entered in the Register of Entrepreneurs kept by the District Court for St. Warsaw, XIII Commercial Department of the National Court Register under KRS number 0000363674. The Issuer's main activities are: broadcasting and production of TV channels Kino Polska, Kino Polska Muzyka, channels from the FilmBox group and thematic channels, sale of advertising time and trading in licensing rights.

Cable Television Networks & Partners sp. z o.o. has a license to broadcast a TV program Zoom TV. The dynamically developing station is available on the eighth terrestrial television multiplex and

in the offer of the largest cable and satellite operators. By decision of the Chairman of the National Broadcasting Council of 27 April 2017, the consent for the transfer of licenses from the concession to the Issuer in the merger process was granted.

Cyfrowe Repozytorium Filmowe Sp. z o.o. deals with m.in. supervision and coordination of digitalisation and digital reconstruction of films and their archiving as well as distribution of film rights. This company enables the Kino Polska TV Capital Group to access copies of Polish films in HD quality.

KPTV Media Sp. z o.o. provides production and telecommunications services for related entities, including Filmbox International Ltd., "Kino Polska TV" S.A., CTN & P and Stopklatka S.A. These services include, in particular, the production of television channels in the field of material acquisition and control, maintenance of post-production, broadcasting and transport infrastructure, as well as the lease of satellite capacity.

The Issuer's Management Board will inform about next steps in the merger process in the next current reports.

Attachments:

1. [Merger Plan,](#)
2. [Annex No. 1 to the Merger Plan - Draft resolution of the Extraordinary General Meeting of Shareholders of Cable Television Networks & Partners Sp. z o.o. about the merger of companies,](#)
3. [Annex No. 2 to the Merger Plan - Draft Resolutions of the Extraordinary General Meeting of Shareholders of KPTV Media Sp. z o.o. about the merger of companies,](#)
4. [Annex No. 3 to the Merger Plan - Draft resolution of the Extraordinary General Meeting of Shareholders of Cyfrowe Repozytorium Filmowe Sp. z o.o. about the merger of companies,](#)
5. [Annex No. 4 to the Merger Plan - Draft resolution of the Ordinary General Meeting of Shareholders of "Kino Polska TV" S.A. about the merger of companies,](#)
6. [Annex No. 5 to the Merger Plan - Declaration regarding determination of the property value of Cable Television Networks & Partners Sp. z o.o.,](#)
7. [Annex No. 6 to the Merger Plan - Declaration containing information on the accounting status of Cable Television Networks & Partners sp. o.o. with the attachment,](#)
8. [Annex No. 7 to the Merger Plan - Declaration on determining the value of the assets of KPTV Media Sp. z o.o.](#)
9. [Annex No. 8 to the Merger Plan - Declaration containing information on the accounting status of KPTV Media sp. o.o. with the attachment,](#)
10. [Annex No. 9 to the Merger Plan - Declaration on determination of the property value of Cyfrowe Repozytorium Filmowe Sp. z o.o.](#)

11. [Annex No. 10 to the Merger Plan - Declaration containing information on the accounting status of Cyfrowe Repozytorium Filmowe Sp. z o.o. with the attachment.](#)
12. [Annex No. 11 to the Merger Plan - Report on the justification of the merger.](#)

Signed by:

Bogusław Kisielewski, President of the Management Board

Marcin Kowalski, Member of the Management Board