

Current Report No. 4/2014

Drawn up on: 27 March 2014

Subject: Mobyland's conclusion of settlement understandings with Cyfrowy Polsat and Polkomtel as well as Polkomtel's submission of order no. 3 for data transmission services, also including an order submitted through its agency by Cyfrowy Polsat.

Legal basis: Article 56 par. 5 of the Public Offering Act - update of information

Content:

The Management Board of Midas S.A. (the "Company"), with reference to Current Report No. 41/2012 concerning the signing, by Mobyland Sp. z o.o. ("Mobyland"), of an understanding with Cyfrowy Polsat S.A. and acceptance of an order for data transmission services, as well as with reference to Current Report No. 56/2012 concerning the receipt and acceptance by Mobyland of a second order for data transmission services from Polkomtel Sp. z o.o., announces that it has received notification from Mobyland of Mobyland's signing of the following documents on 27 March 2014:

- a) Understanding ("CP Understanding") with Cyfrowy Polsat S.A. (hereinafter "Cyfrowy Polsat", or a "Party", and jointly with Mobyland, also the "Parties"),
- b) Understanding ("PLK Understanding") with Polkomtel Sp. z o.o. (hereinafter "Polkomtel", or a "Party", and jointly with Mobyland, also the "Parties").

The signing of the above documents is the result of the talks conducted by the Company and Mobyland with Cyfrowy Polsat and Polkomtel. On 21 March 2014, the Parties embarked on a crucial stage of the negotiations, aimed at agreeing final terms and conditions and concluding appropriate understandings concerning a further performance, by Mobyland in favour of the aforementioned entities, of data transmission services on the basis of the agreements concluded so far, including the submission of further orders. Acting pursuant to Article 57 of the Public Offering [...] Act, the Management Board of the Company decided to delay sending information about this fact and, on 21 March 2014, sent an appropriate notification to the Polish Financial Supervision Authority. Performing the obligation to publish information on commencing the crucial stage of the negotiations could, in the Management Board's assessment, infringe the just interests of the Company on account of the final wording, impossible to anticipate on the day of delaying the information, of the terms of understandings concerning the provision of data transmission services, and therefore specifying whether possible agreements would meet the criteria of a significant agreement. This could negatively impact the development or result of those negotiations, and could consequently have a negative influence on the just interests of the Company and, indirectly, of its shareholders.

By virtue of the provisions of the CP Understanding, Cyfrowy Polsat will be entitled to receive, directly from Mobyland or via Polkomtel, with which Cyfrowy Polsat concluded an appropriate agreement, a unit price per 1 MB equal to PLN 0.00477 net, provided that by 30 March 2014 Cyfrowy Polsat or Polkomtel submits an order for data transmission services with a total volume of not less than 51 million GB, which will have a total value of PLN 249.1 million.

The value of the CP Understanding, understood as the value of an order for not less than 51 million GB, submitted directly or via Polkomtel, on the date of publication of this current report exceeds 10 per cent of the equity of the Company, which qualifies the CP Understanding as being a significant agreement.

In the event of Cyfrowy Polsat carrying out the provisions of the CP Understanding described above, Mobyland:

a) will release Cyfrowy Polsat from the obligation to pay a single final payment for order no. 3, which is described in Current Report No. 41/2012,

b) will lower, to the amount of PLN 0.00477 per 1 MB, the unit price for data transmission services arising from order no. 3 submitted by Cyfrowy Polsat in 2012, the volume of which remaining to be used up, as at 31 December 2013, the Parties specified as being 17.8 million GB ("Services to be Used Up"), which according to the provisions of the CP Understanding will cause an increase in the volume of Services to be Used Up to 20.1 million GB.

In this connection, the Management Board draws attention to the fact that Cyfrowy Polsat has fulfilled the aforementioned provisions of the CP Understanding, as referred to below, in the further part of this report.

On the date of concluding the CP Understanding, the understanding of 28 September 2012 ceases to be valid, which the Company provided information about in Current Report No. 41/2012.

In turn, by virtue of the PLK Understanding, Polkomtel will increase the total volume of the data transmission services ordered through the submission of order no. 3 ("Order 3") to the agreement to provide telecommunications services on wholesale conditions of 9 March 2012 (hereinafter the "PLK Agreement"; the Company provided information about the signing of this agreement in Current Report No. 15/2012), with a total volume of 306 million GB and a period of validity of 36 months counting from 1 January 2014. In Order 3, the Parties will include data transmission services not used up by Polkomtel, as at 31 December 2013, with a volume of about 8 million GB, encompassed in order no. 2 submitted in 2012 ("Order 2") to the PLK Agreement, as well as the order submitted by Cyfrowy Polsat, carried out via Polkomtel when performing the CP Understanding (Cyfrowy Polsat notified Mobyland that it had submitted an order to Polkomtel encompassing at least 51 million GB intended for Cyfrowy Polsat). The total value of Order 3 will be PLN 1,442.3 million and it exceeds 10 per cent of the equity of the Company, which qualifies the PLK Understanding (independently, and also taking the CP Understanding into account) as being a significant agreement. The average unit price per 1 MB encompassed by Order 3 (including of unused services encompassed by Order 2 also included in Order 3 as well as the order for Cyfrowy Polsat in performing the CP Understanding) will be PLN 0.0046031, with this average price taking into account the rebates provided for in the PLK Agreement.

In accordance with the notification received by the Company, Polkomtel, in performing the provisions of the PLK Understanding, submitted Order 3 on 27 March 2014, and Mobyland accepted that order. The provisions of the CP Understanding were therefore carried out with respect to the

submission, by Cyfrowy Polsat via Polkomtel, of the order for data transmission services with a total volume of not less than 51 million GB.

As a result of Mobyland accepting Order 3, the total value of orders and agreements submitted and concluded since 14 November 2013 inclusive by entities from the Midas Capital Group in relation to Polkomtel reached PLN 1,495.5 million, and therefore exceeded the value of 10 per cent of the Company's equity. The agreement with the highest value is Order 3 of 27 March 2014, described in this current report, the value of which is PLN 1,442.3 million.

Order 3 (including the unused services encompassed in Order 2 which are also included in Order 3) will be paid by Polkomtel in the following manner:

- a) for January 2014 – in the amount of PLN 37,500,000.00 net – on the basis of an invoice issued within seven days of accepting Order 3,
 - b) for each month from February 2014 to December 2014 – in the amount of PLN 37,500,000.00 net,
 - b) for each month from January 2015 to December 2015 – in the amount of PLN 39,750,000.00 net,
 - b) for each month from January 2016 to December 2016 – in the amount of PLN 42,944,841.60 net,
- and to the remaining extent in accordance with the PLK Agreement.

In addition, Polkomtel will pay Mobyland the unsettled and used up (by 31 December 2013) amount of Order 2, amounting to PLN 24,966,448.00 net, of which PLN 4,938,706.33 net will be settled in accordance with Order 2 and the remaining amount on the basis of this Understanding, after the acceptance of Order 3.

Polkomtel will be entitled to receive additional rebates, after using up the data transmission services encompassed in Order 3, the sum total of which will not exceed 25 per cent of the value of orders submitted counting from the unit price, which is in accordance with the terms and conditions of the PLK Agreement.

Neither the CP Understanding nor the PLK Understanding or Order 3 anticipate a new catalogue of contractual penalties not provided for in the CP Agreement or the PLK Agreement. As a criterion of acknowledging the aforementioned understandings and orders as being significant, 10 per cent of the Company's equity was accepted.