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M.9299 - DISCOVERY / POLSAT / JV

SECTION 1.2

Description of the concentration

On 25 October 2019 Discovery Communications Europe Limited ("**Discovery**") and Cyfrowy Polsat S.A. ("**Polsat**") agreed to establish a full function joint venture within the meaning of Article 3(4) of the Council Regulation (EC) no 139/2004 ("**EUMR**").

Discovery is a media company belonging to the global Discovery Group, which produces TV channels and provides TV content across multiple distribution platforms, including linear platforms such as pay and FTA television, and various digital distribution platforms around the world. Discovery is active in Poland through its controlling interest in the Polish media and entertainment group, TVN, which broadcasts a range of TV channels in Poland as well as the distribution of Discovery and Eurosport branded channels.

Polsat is the operator of a satellite digital pay-TV platform and broadcaster of TV channels. Polsat also offers Video on Demand ("**VOD**") and other services such as the Ipla platform. Polsat is controlled by Mr. Zygmunt Solorz who is the ultimate controlling party.

The JV will operate an Over-The-Top ("**OTT**") VOD service in Poland and other Member States focused on VOD content. The new service will include local productions supplied by Discovery and Polsat, acquired TV content and new Polish series commissioned specifically by the new entity. The JV platform may also distribute the TV channels of the Parents and other third parties.

Discovery and Polsat will retain their existing respective sports players (Eurosport Player and Eleven Sport), OTT players (Player and Ipla) separately, and TVN24 in the case of Discovery. Additionally, the JV will eventually offer the online ad inventory generated by its AVOD content.

The JV is limited to creating this combined OTT platform; Discovery and Polsat will remain independent competitors in all other aspects of their businesses, and will each continue to make their own decisions about the content and development, in particular:

- (a) They will remain independent competitors in relation to their respective wholesale channel distribution activities, which will continue to be the core businesses of Discovery's and Polsat's TV businesses;
- (b) They will remain independent competitors in respect of their content commissioning and licensing activities; and
- (c) They will remain independent competitors in respect of their TV advertising activities.

The platform will be an independent business entity with its own resources and management board. The new platform will create new opportunities for Polish content partners as well as for online advertisers. The new platform will welcome partners wishing to supply content to the new service. The joint venture will have both AVOD and SVOD services.