

Kino Polska TV SA

Capital Group

Operations and Financial Results for 1st Q 2018

Warsaw, 23.05.2018

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AGENDA



I. Introduction

II. Key Facts 2017

III. Premium / Extended Basic / Basic / DTT

IV. Basic Operating Results

V. Financial Results

Grupa Kino Polska TV w liczbach



8.8 mln
subs



3 mln
subs



14 mln
subs



11 mln
households*



13,2 mln
households

*MUX-8 technical range among above-ground companies home in the AGB panel it is currently 52%

Kino Polska TV Capital Group in numbers



Ranks **8th** among media groups in Poland



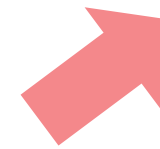
430 operators
Pay TV



Global presence
33 countries



Over 22 mln PLN in dividend paid in 2017 r.
(**8,69% dividend yield**)



36 mln PLN in revenues*
in 1Q 2018

Revenues of the Kino Polska TV Capital Group along with Stopklatka SA
*(share of Kino Polska TV SA in the shareholding structure of Stopklatka SA is 41.50%)

Our strategic goals

Polish market:

- ▶ The Kino Polska TV Capital Group is the fifth media group in Poland, with an average annual audience share of 3% in the commercial group.
- ▶ Rejuvenation of the audience of the Kino Polska channel by increasing the emission of attractive content and introducing the HD version.
- ▶ Intensification of marketing activities in the Internet space, both in social media and in classic portals. Implementation of new strategic assumptions aimed at acquiring more customers and popularizing products in the online environment.
- ▶ The increase in revenues from the issue of pay TV channels in Poland by strengthening the program offer and marketing activities.
- ▶ Generating more advertising revenue through increased viewership of channels broadcasting the advertisement and expansion of the portfolio of terrestrial channels by the Zoom TV station.

Foreign markets:

- ▶ Increasing Filmbox Premium's revenues on foreign markets, with particular emphasis on the markets of Turkey and Russia.
- ▶ Increase in advertising revenues on foreign markets, among others through gradual introduction of ad blocks in FilmBox Basic.
- ▶ Increase in revenues from the issue of pay TV channels from foreign markets by increasing the range of households, increasing the sales of Filmbox Premium packages and expanding distribution to new territories.
- ▶ The distribution of thematic channels in CEE by the Kino Polska TV Group.
- ▶ Increasing non-linear products in the revenues of the Kino Polska Capital Group: FilmBox Live and FilmBox On Demand.



II. Key Facts 1Q 2018

Key facts 2018

1Q 2018

- ▶ Record revenues in the first quarter of 2018;
- ▶ Taking full control over Cable Television Networks & Partners sp. Z o.o., broadcaster of Zoom TV;
- ▶ Signing a letter of intent from Agora SA regarding a potential transaction for the acquisition of Stopklatka SA by Kino Polska TV SA;
- ▶ Signing contracts for the purchase of content with leading distributors in the world, including Columbia Pictures Corporation Limited, Fox Networks Group Content Distribution (UK) Limited, Fremantlemedia Limited;

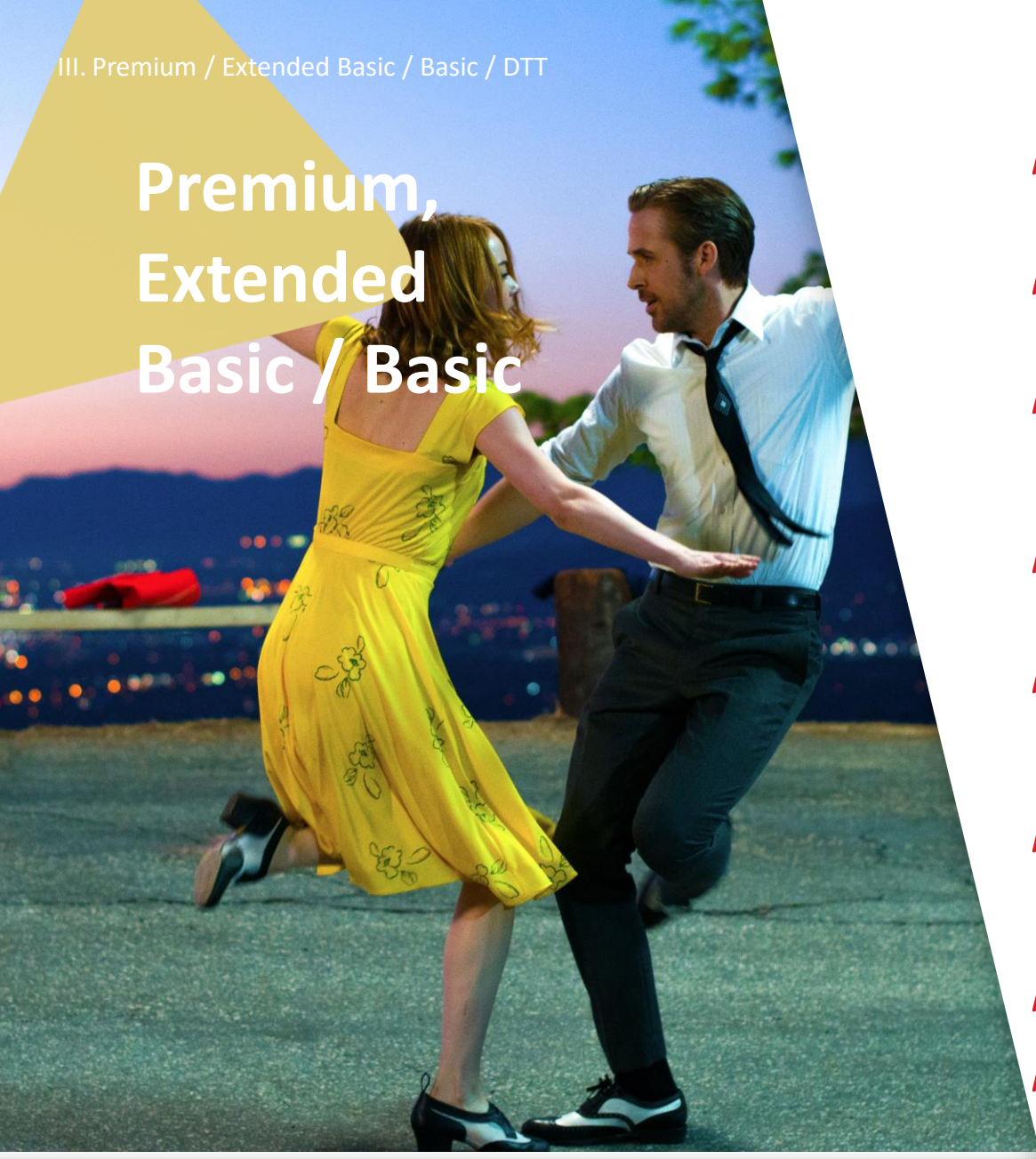
2Q 2018

- ▶ Signing Connection Plan up Cable Television Networks & Partners Sp. z o.o., KPTV Media Sp. z o.o., Cyfrowe Repozytorium Filmowe Sp. z o.o. with Kino Polska TV SA.



III. Premium / Extended Basic / Basic / DTT

Premium, Extended Basic / Basic



- ▶ Launch of the FilmBox Premium channel in Ex-Yugo countries with an exclusive program offer dedicated to local viewers;
- ▶ Introduction of a new programming offer for the FilmBox basic channel in the Czech Republic and Slovakia, dedicated to local viewers;
- ▶ Increasing up to 2 million subscribers of the technical coverage of the FilmBox basic channel in the Czech Republic - an increase of 115% compared to Q1 2017;
- ▶ Increasing up to 1 million subscribers of the technical coverage of the FilmBox basic in Slovakia - an increase of 33% compared to Q1 2017;
- ▶ Extending the UPC DTH offer with DocuBox HD, FightBox HD and Eroxxx HD channels in the Czech Republic, Slovakia and Hungary; in Slovakia, the increase in the number of subscribers by almost 90%, in the Czech Republic - by 15%;
- ▶ Implementation of an advertising campaign for the La La Land film in the CEE region (Hungary, Romania): press advertisements, points of sale, digital and B2B;
- ▶ Adding FilmBox Arthouse to the Alcom offer (IPTV / OTT) in Finland;
- ▶ Joining the Gametoon HD channel to the INEA offer (Wielkopolska cable network).

Kino Polska TV



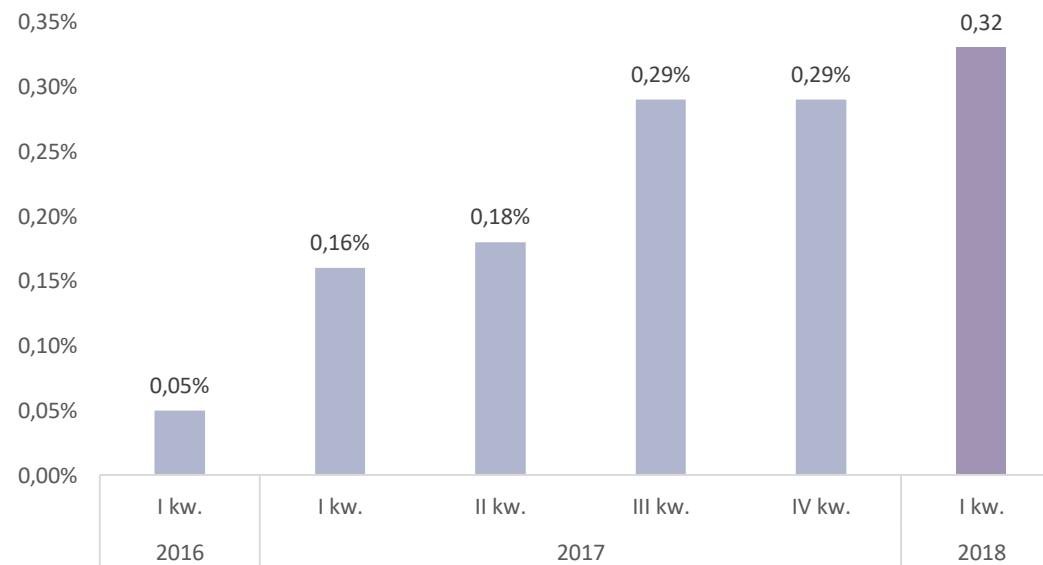
- ▶ Extending the average viewing time of the Kino Polska channel among the audience from the commercial group by over 16% compared to the first quarter of 2017 (ATS, All 16-49, the increase in the ATS indicator shows that the program offer of Kino Polska is becoming more and more attractive to viewers);
- ▶ TV premiere of the film "Servants of God" with Bartłomiej Topa in the lead role - the loudest Polish crime novel of recent years (March 3, at 20:00);
- ▶ An advertising campaign for the film "Servants of God" (press, radio, digital); on the day of the film's release, the Kino Polska channel gained 1.28% audience share from the commercial group, thanks to which the station recorded the second best result in 2018 (SHR%, All 16-49).

Zoom TV

– second terrestrial channel Kino Polska TV Group



Zoom TV - quarterly results in a commercial group



Source: NAM, 01.01.2018-31.03.2018, SHR 16-49

- ▶ Increase in audience share in the commercial group by 100% compared to Q1 2017;
- ▶ An increase of more than 48% in the MUX-8 technical range among above-ground home appliances in the AGB panel compared to 1Q 2017 - the current range is 52%;
- ▶ The longest viewing time from all MUX-8 channels in the audience from the commercial group - 24 minutes and 39 seconds; an increase of over 9% compared to Q1 2017 (ATS, All 16-49);
- ▶ The best TV Zoom result in the history of MUX-8 - May 1 2018, Zoom TV reached 1.07% audience share from the commercial group, which is the best daily result in the eighth multiplex history among all channels present on MUX-8 (SHR%, All 16-49);
- ▶ From January 23 this year. Kino Polska TV SA became the sole owner of Zoom TV.

Zoom TV

„Grab the remote control and search for it yourself

3 new terrestrial TV channels”

- ▶ Nationwide advertising campaign promoting new terrestrial TV channels, Zoom TV, Metro and WP TV, encouraging viewers to re-tune their TVs and set-top boxes and upgrade the antenna installation so that they can receive new channels;
- ▶ The action of the popular actor Cezary Zak playing the role of Coach;
- ▶ Media: television, radio, press, Internet, non-standard media, such as ATMs, posters in buses, sales points for set-top boxes and antennas of Mediamarkt and Saturn networks, own media.

zoomtv

TELEWIZJA
METRO

WP | telewizja

zoomtv
BLIŻEJ LUDZI

**CHWYĆ PILOTA
I SAM WYSZUKAJ
3 NOWE KANAŁY
W TV NAZIEMNEJ**

**ZAI!
DARMO!**

**WWW.NOWEKANALY.PL
ZADZWOŃ 12 627 32 80**

Source: NAM, 01.01.2018-31.03.2018, SHR 16-49

Stopklatka TV

– the first open-access channel
film and TV series in Poland

- ▶ Changes in the concession - a larger share of documentary programs in the station schedule;
- ▶ Purchase of new documentary and feature series;
- ▶ Spring, nationwide advertising campaign including: cinemas, radio stations, tv guides and the Internet;
- ▶ Higher commercial revenue from ads in Q1 2018 vs. 1Q 2017 by 2.7%;
- ▶ Market share at the level of 0.9% in the commercial group (SHR, 16-49, 1Q 2018);
- ▶ The second position among the film and TV series in Poland.

STOPKLATKA^{tv}

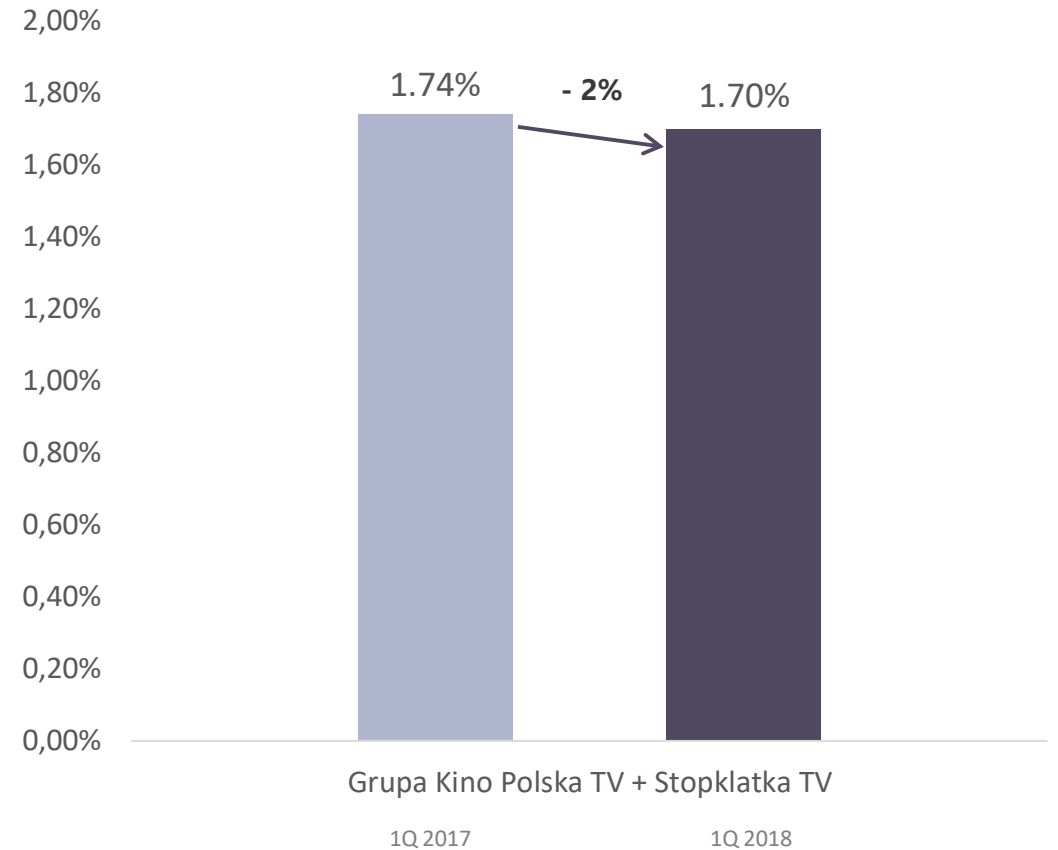


IV. Basic operating results

Our share in the television channel market

In the first quarter of 2018, channels from Kino Polska TV Group together with the Stopklatka TV channel gained 1.7% audience share in the commercial group (SHR%, All 16-49).

Kino Polska TV Group + Stopklatka TV
- SHR in commercial group 1Q 2017/ 1Q 2018



Source : NAM, 01.01.-31.03.2017, 01.01.-31.03.2018, SHR 16-49

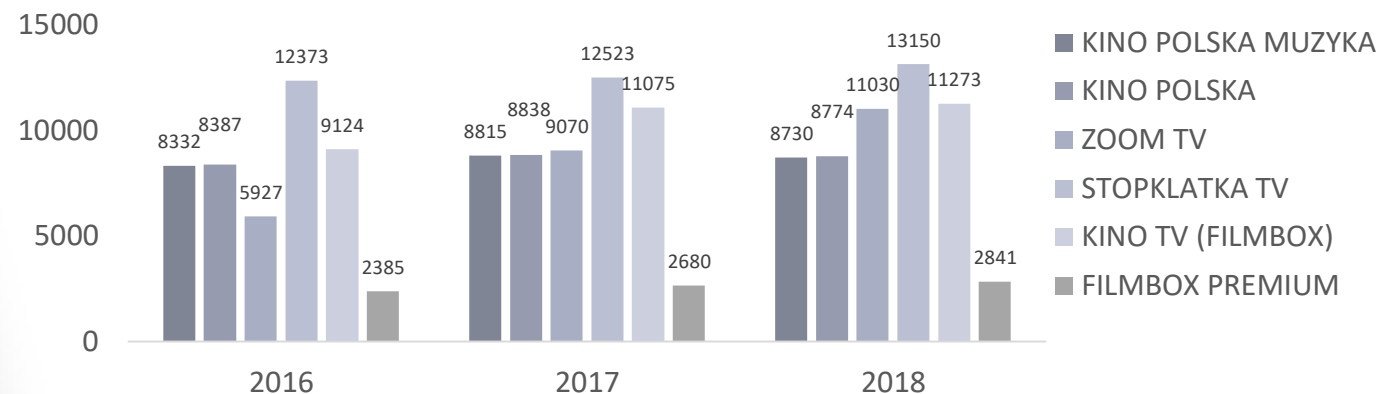
Our subscribers and operators

The number of active subscribers of Kino Polska and Kino Polska Muzyka recorded almost the same value as at the end of 2017.

The number of subscribers of the KINO TV channel (FILMBOX) was 11,273,000. It gives over 2% increase to value at the end of 2017.

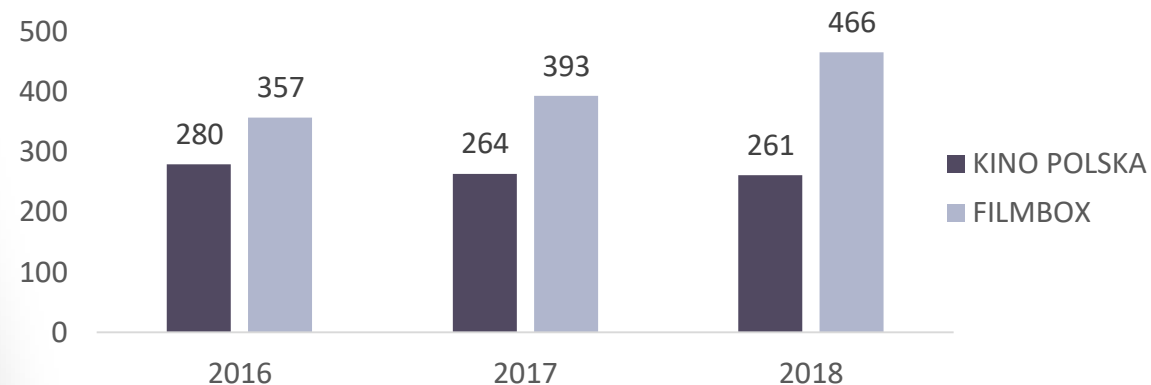
In the first quarter of 2018, the number of active Kino Polska operators amounted to 261. The decrease results from the consolidation of the Polish operator market. The number of active FilmBox operators was 466, which is a 19% higher figure compared to the number of operators at the end of 2017.

NUMBER OF ACTIVE SUBSCRIBERS (in thousands)
- data presented at the end of each year*



*MUX-8 technical range among above-ground companies home in the AGB panel is currently 52%

NUMBER OF ACTIVE OPERATORS



V. Financial results

Summary

GROWTH
OF REVENUE
AND
NET PROFIT
IN Q1 2018.

OVER PLN 22 MILLION
DIVIDENDS PAID TO
SHAREHOLDERS
IN 2017.

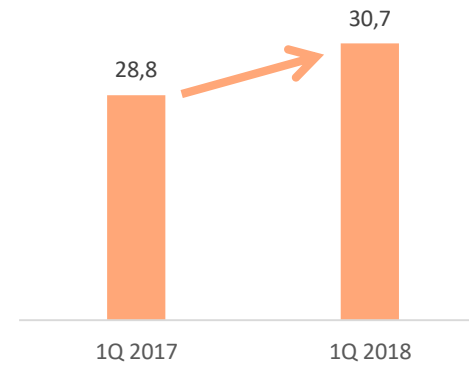
106% GROWTH INCOME WITH
ADVERTISING IN THE ZOOM TV
SEGMENT
AND
9% GROWTH IN SEGMENT IN
THE SEGMENT FILM CHANNELS
FILMBOX BRANDS AND
THEMATIC CHANNELS (Q / Q)

Basic financial data

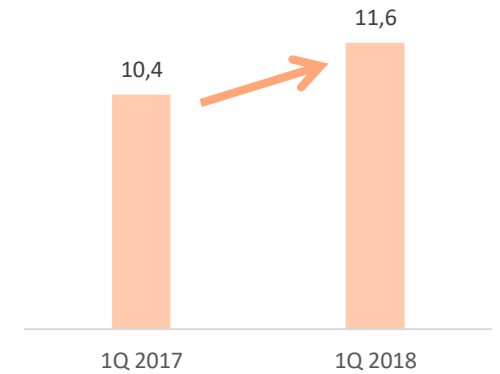
7% increase in revenues is the result of increased sales in the FilmBox brand Film channels and thematic channels (increase by 9%) and in the Zoom TV segment, which generated PLN 2.3 million in revenues (increase 106%).

A significant increase in EBITDA and net profit is the result of the increase in the profitability of the FilmBox brand movie channels and thematic channels.

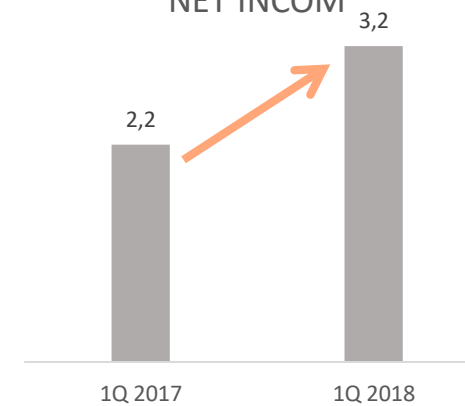
REVENUES FROM SALES



EBITDA



NET INCOM

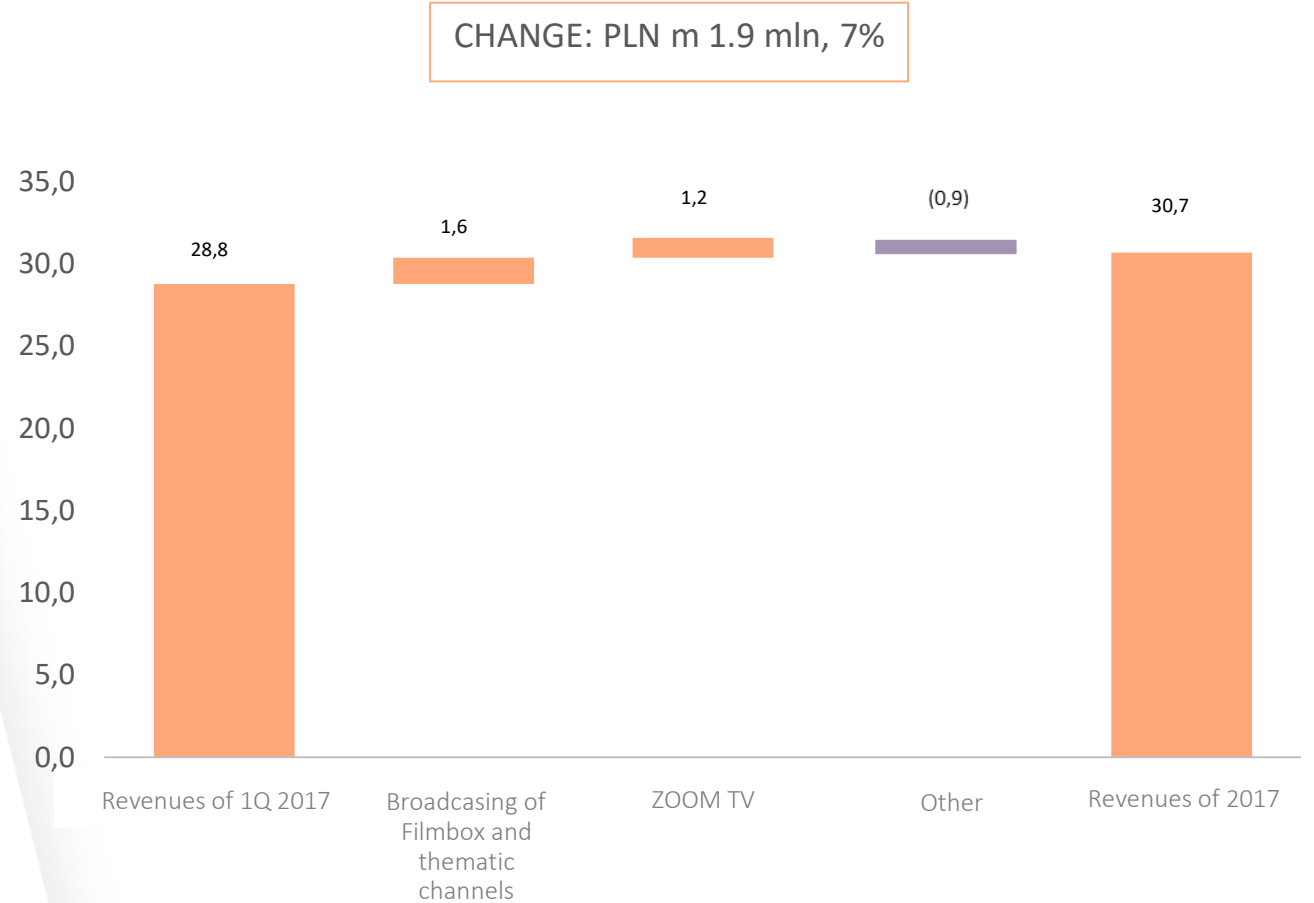


m PLN

Revenues

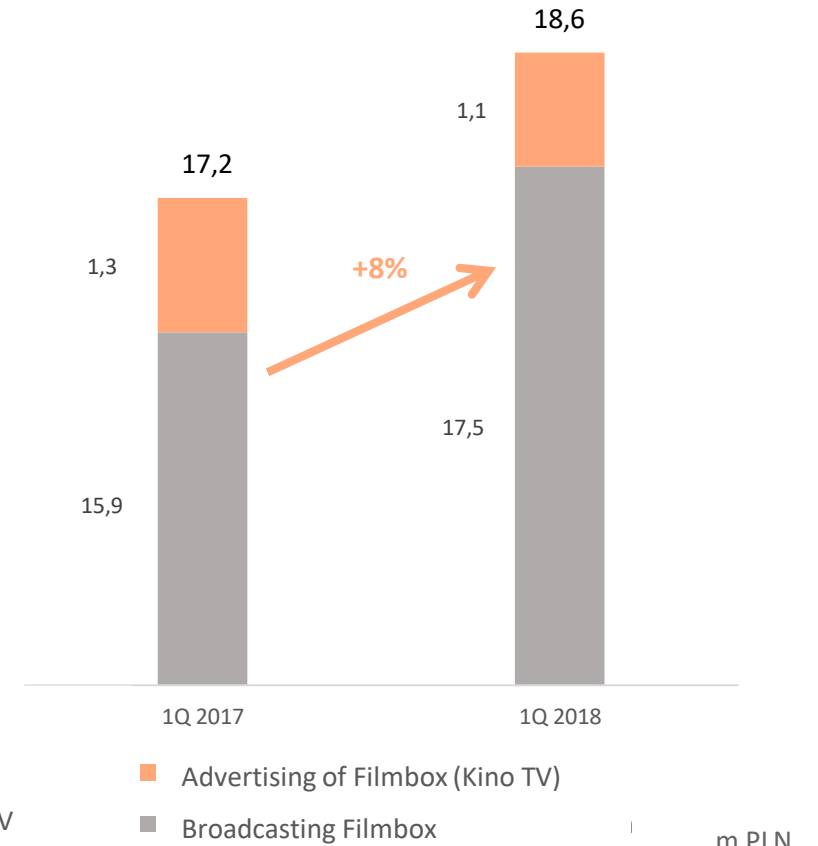
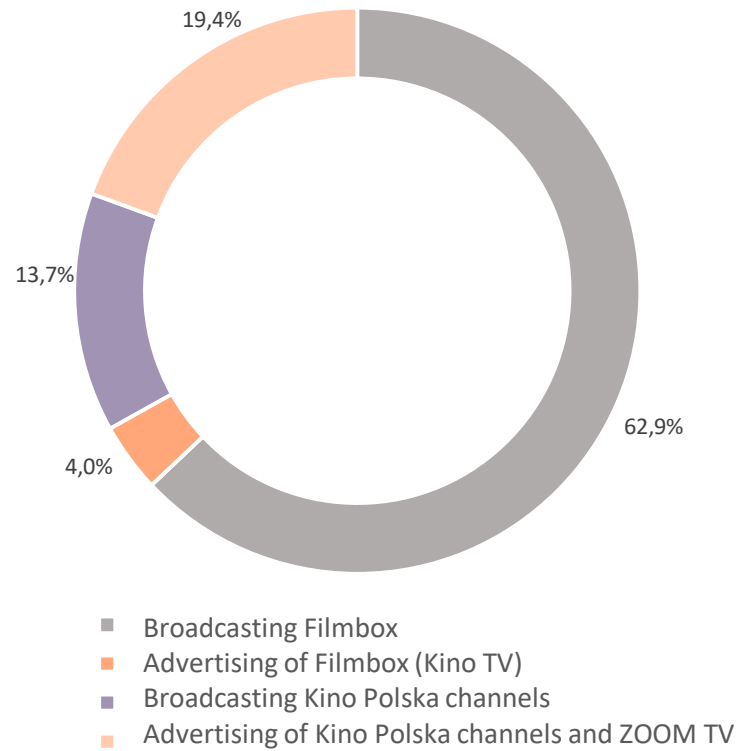
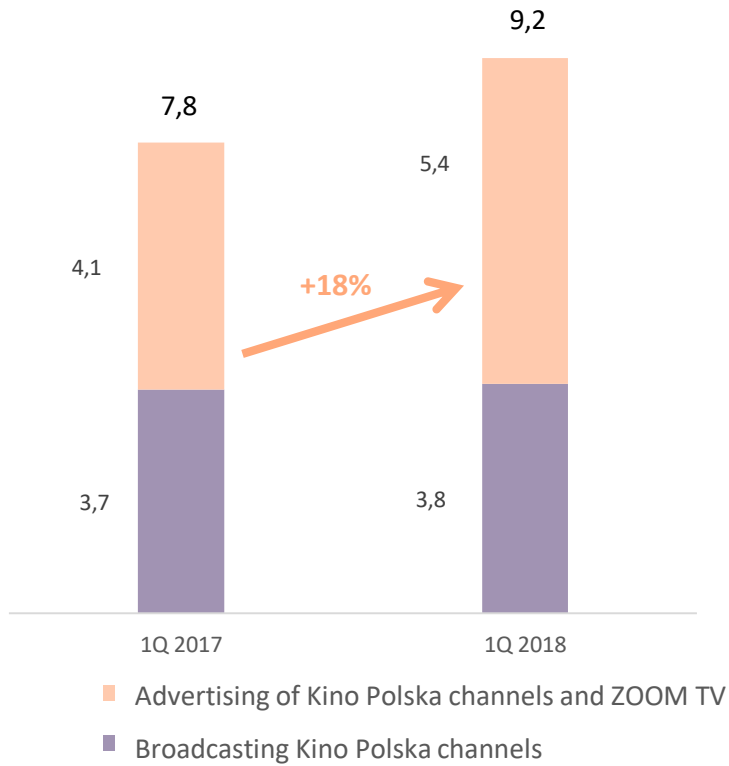
Revenues of the Capital Group on sales in the first quarter of 2018 they amounted to PLN 30.7 million, which means 7% increase compared to the same period last year.

The largest percentage increases in the Filmbox channel segment relate to revenues from issues in the territory Ex Yugo, Hungary, Romania, the Czech Republic and Poland.



m PLN

Revenues from broadcasting and advertising

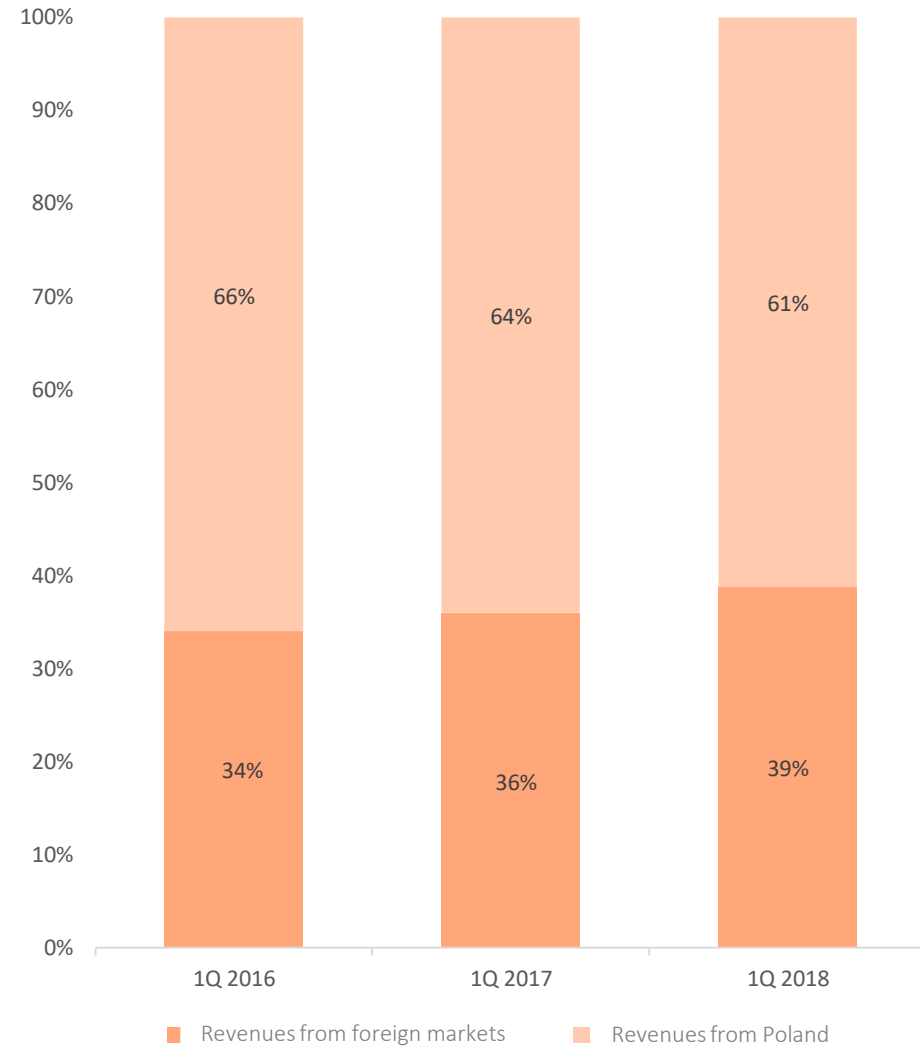


m PLN

Revenues by territory

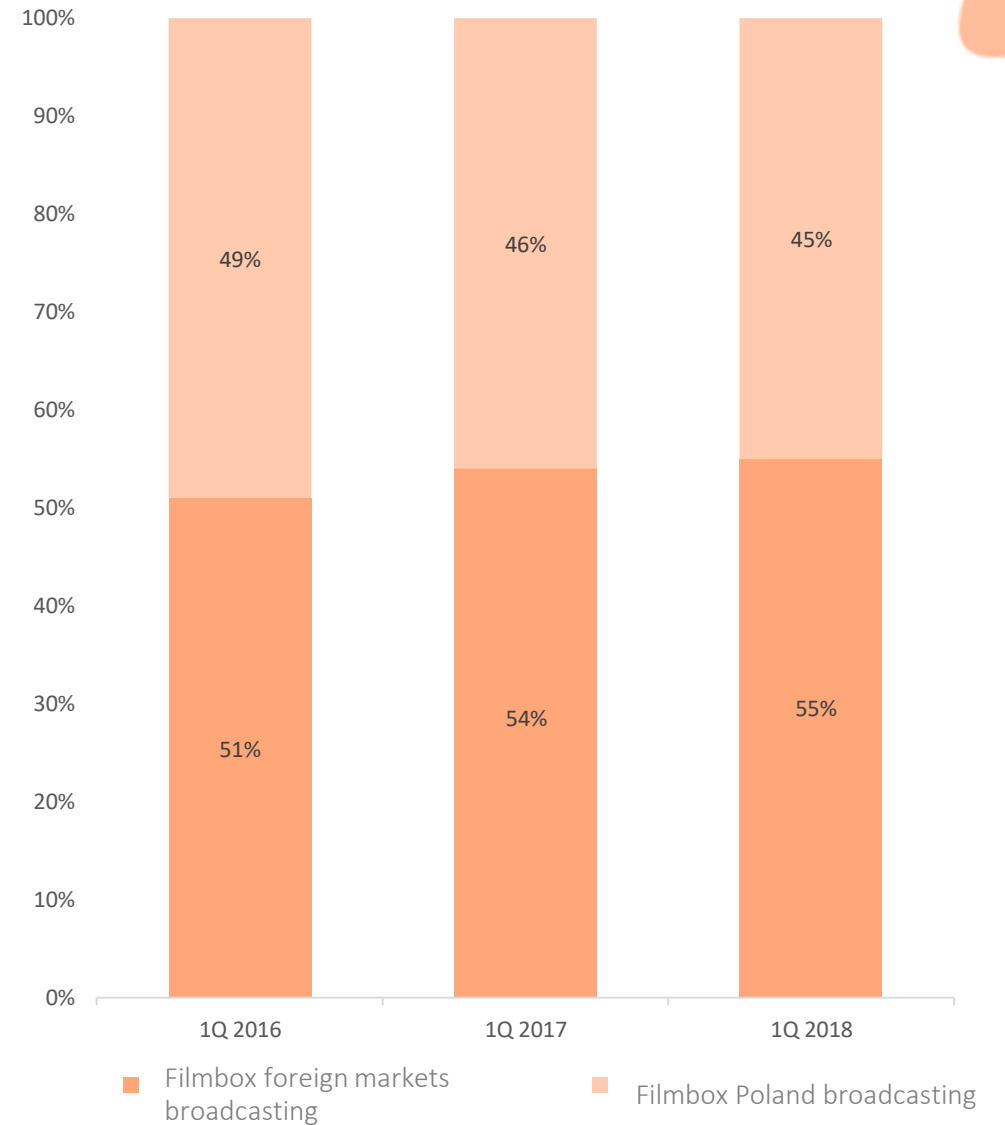
In the first quarter of 2018, the Capital Group increased the share of revenues from foreign markets to 39%.

The largest foreign markets in the period January - March 2018 in terms of sales volume were the Czech Republic, Hungary, Romania, Slovakia, countries of the former Yugoslavia and Bulgaria.



Revenues from the broadcast of FilmBox channels by territory

The share of revenues from foreign markets is gradually increasing. In the first quarter of 2018, the share of foreign revenues from broadcasting of channels from the FilmBox group reached the level of 55%. It means an increase by 1 pp compared to the same period last year. and as much as 4 pp compared to 2016.



Segments

Operating results

1Q 2018

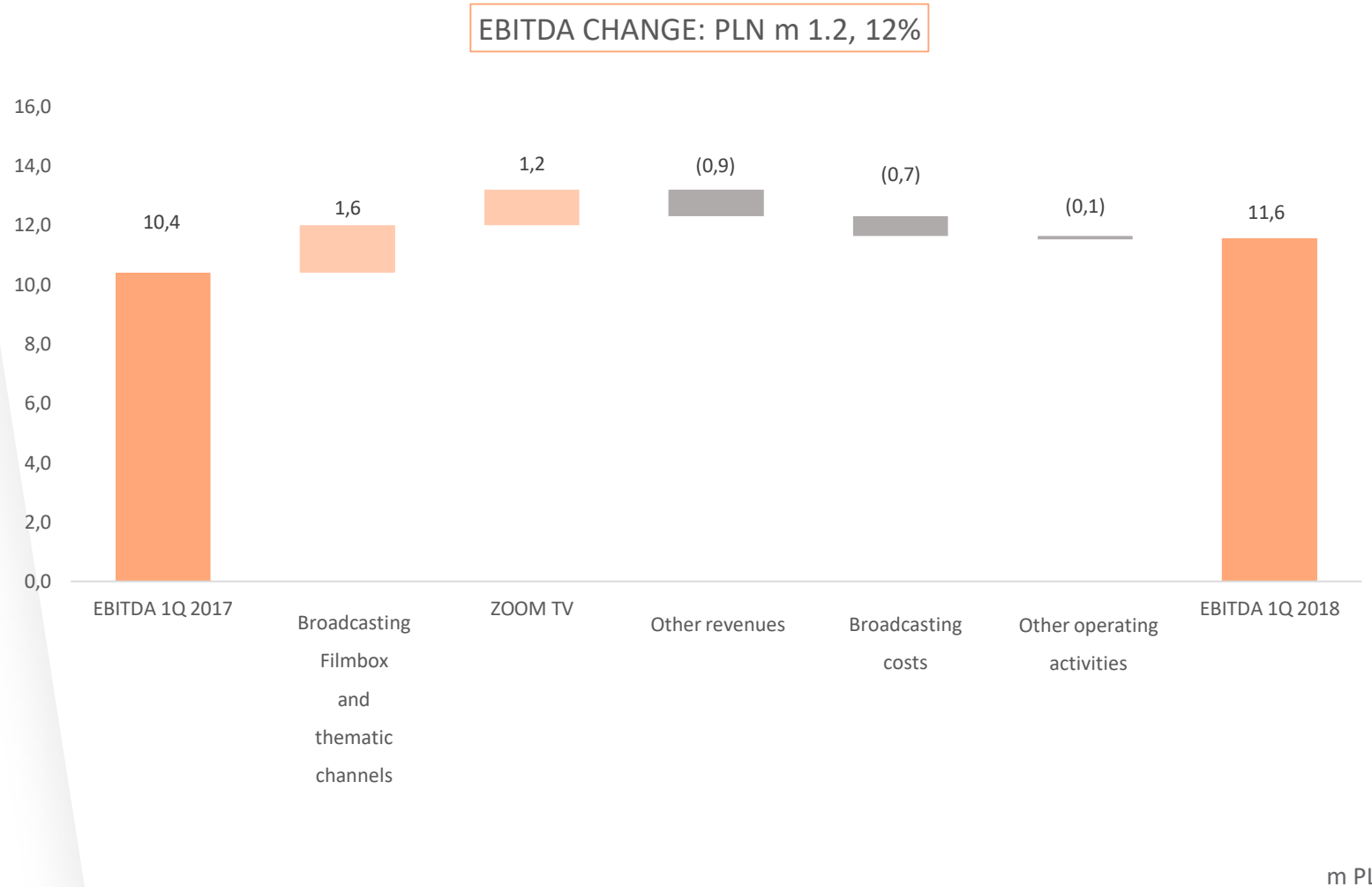
	Filmbox & Thematic Channels	Kino Polska Channels	Production of TV channels	Zoom TV	Sales of licensing rights	Other segments	TOTAL
Broadcasting	17,5	3,8	-	-	-	-	21,3
Advertising	1,1	3,1	-	2,3	-	-	6,5
Other sales	-	-	1,4	-	0,7	0,7	2,9
Total sales	18,7	6,9	1,4	2,3	0,7	0,7	30,7
Operating costs	(14,5)	(3,6)	(1,3)	(5,2)	(0,2)	(0,9)	(25,6)
Segment result	4,2	3,2	0,2	(2,9)	0,6	(0,2)	5,2

m PLN

EBITDA 1Q 2018

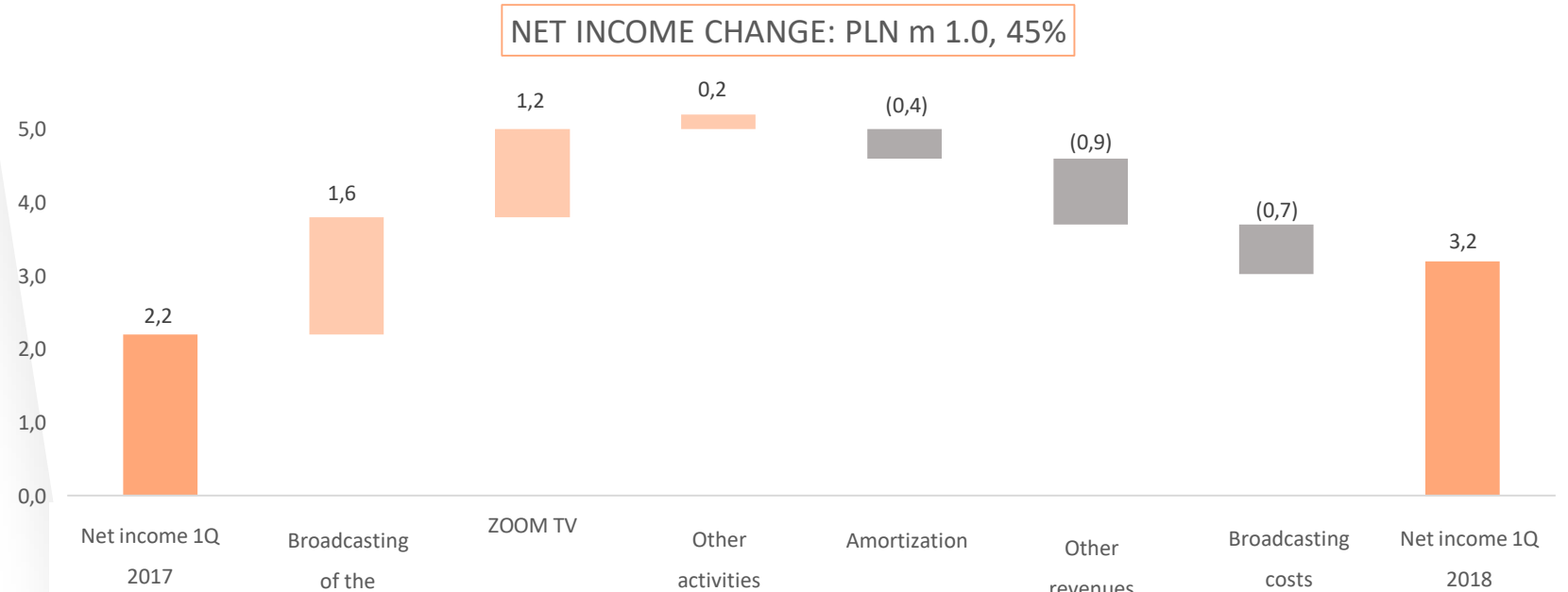
EBITDA in the first quarter of 2018 amounted to PLN 11.6 million, which in comparison to the first quarter of 2017 means an increase by 12%.

The main factor was the increase in the profitability of the FilmBox film channels and thematic channels and Zoom TV channel.



Net income 1Q 2018

Net profit achieved in the first quarter of 2018 was higher by 45% than the results of the analogous period of the previous year.



m PLN

Cash Flow

1Q 2018

	1Q 2018	1Q 2017
Net cash flow from operating activities	0,1	(4,8)
Net cash flow from investment activities	(11,8)	(1,4)
Net cash flow from financial activities	12,2	1,8
Net change in cash balance and equivalents	1,2	(4,5)
Cash at the beginning of period	3,3	9,0
Cash at the end of period	4,5	4,5

m PLN

Dywidenda

Dividend rate for 2016 period was 8,69%.

DIVIDEND PERIOD	DIVIDEND VALUE PER SHARE	# OF SHARES FOR DIVIDEND PAYOUT	DIVIDEND VALUE
2016	PLN 1.13	19 821 404	PLN 22 398 187
2015	PLN 1.00	19 821 404	PLN 19 821 404
2014	PLN 1.00	19 821 404	PLN 19 821 404
2013	PLN 0.45	13 821 404	PLN 6 219 632
2012	PLN 1.00	13 821 404	PLN 13 821 404
2011	PLN 1.00	13 859 000	PLN 13 859 000
			PLN 95 941 031

Thank you

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