

Kino Polska TV SA

Capital Group

Operations and Financial Results for 1st H 2018

Warsaw, 4.09.2018

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The only reliable source on the financial results of Kino Polska TV S.A. Capital Group are current and periodic reports, submitted by the companies of Kino Polska TV S.A. Capital Group in performing its information obligations arising under relevant Polish laws.

AGENDA

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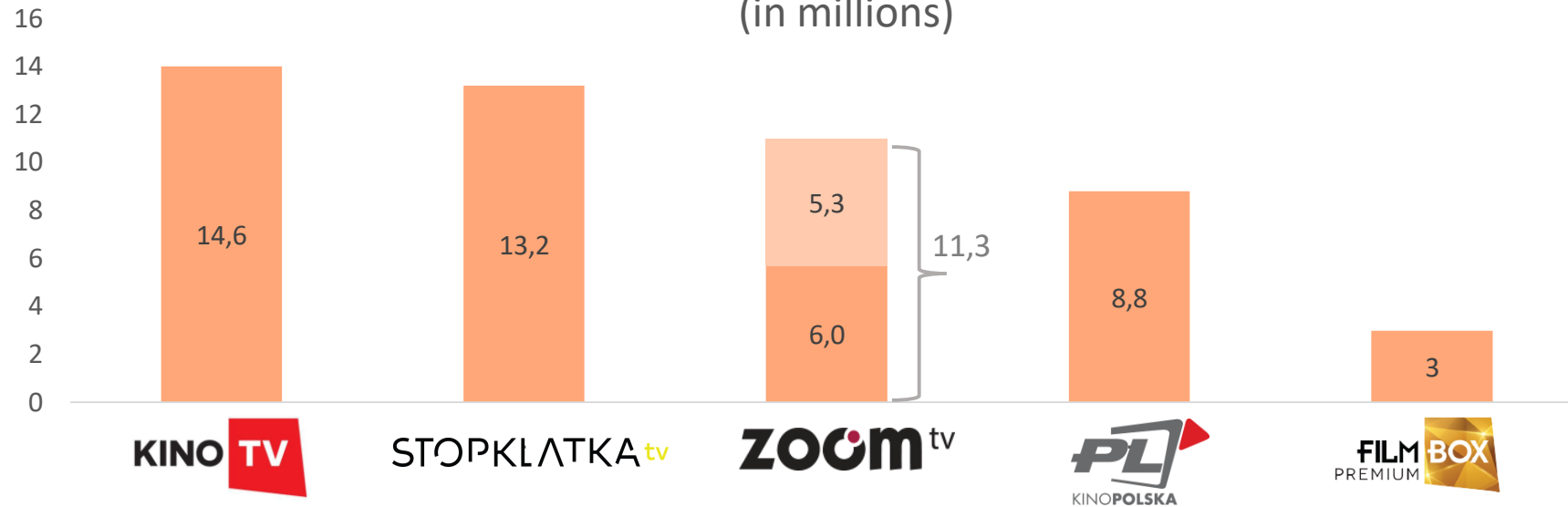
V. Premium / Extended Basic / Basic / DTT

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Kino Polska TV Capital Group in numbers

Subscribers and households of channels from the Kino Polska TV Group
(in millions)



* MUX-8 technical range among above-ground companies home in the AGB panel is currently 53.6%

Kino Polska TV Capital Group in numbers



Global presence
34 countries



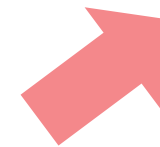
Ranks **8th** among media
groups in Poland



Over 400 operators
Pay TV



Almost **PLN 11 million** of the paid
dividend in 2018



PLN 75.1 million revenue *
in 1H 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 82.64%)



II. Key Facts 1H 2018

Key facts 2018

1H 2018

- ▶ Record revenues in the first half of 2018;
- ▶ Acquisition full control over Cable Television Networks & Partners sp. z o.o., broadcaster of Zoom TV;
- ▶ Acquisition of 41.14% of shares in the company Stopklatka SA from the Agora SA, the sender of the above-ground channel Stopklatka TV - the largest movie channel in Poland. Kino Polska SA currently holds 82.64% in the share capital of Stopklatka SA;
- ▶ Merger of Kino Polska TV SA with subsidiaries - Cable Television Networks & Partners Sp. z o.o., KPTV Media Sp. z o.o. and Cyfrowe Repozytorium Filmowe Sp. z o.o.

July 2018

- ▶ Joining leading company channels - Kino Polska, Kino Polska Muzyka, Stopklatka TV and Zoom TV - to the WP Pilot offer, one of the most popular online TV viewing platforms in Poland, which is used by almost 1.9 million users.

III. Strategic goals

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.
- ▶ Increase in viewership on the Stopklatka TV channel. Average annual 1.2% audience share in the commercial group.

Foreign markets:

- ▶ Increasing non-linear products in the revenues of the Kino Polska Capital Group: FilmBox Live and FilmBox On Demand.
- ▶ Increasing Filmbox Premium's revenues on foreign markets (in particular in Turkey and Russia).
- ▶ Increase in advertising revenues on foreign markets, among others by gradually entering 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.

IV. M&A 2018

Acquisitions 1H2018



January 23, 2018

Purchase of a 30% interest
in Cable Television Networks &
Partners Sp. z o.o.

Purchase cost: PLN 10 million

After the transaction, Kino Polska TV
SA held 100% shares
in share capital





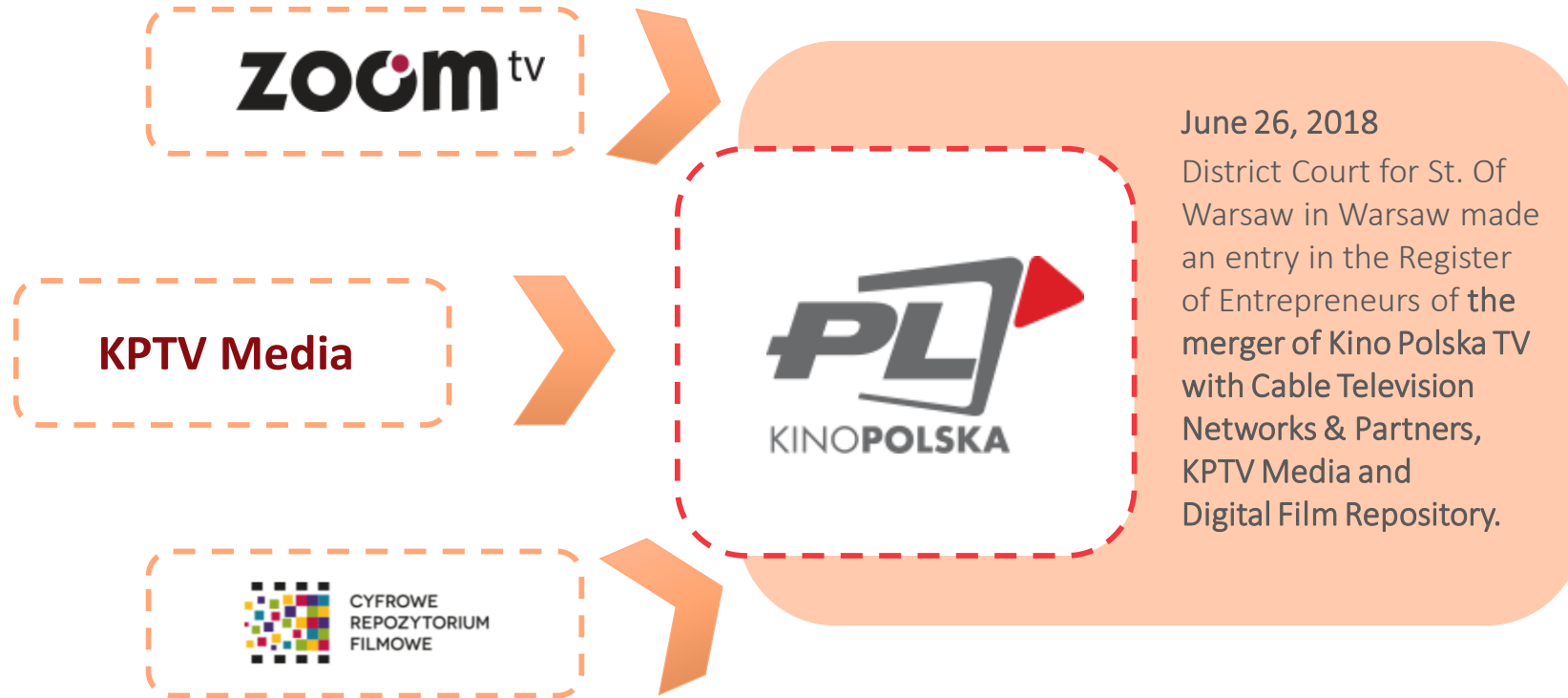

June 14, 2018

Acquisition: 41.14% shares
in Stopklatka SA

Acquisition cost: PLN 32.17 million

After the transaction Kino Polska TV SA
holds 82.64% shares in the share
capital of Stopklatka SA

Merger

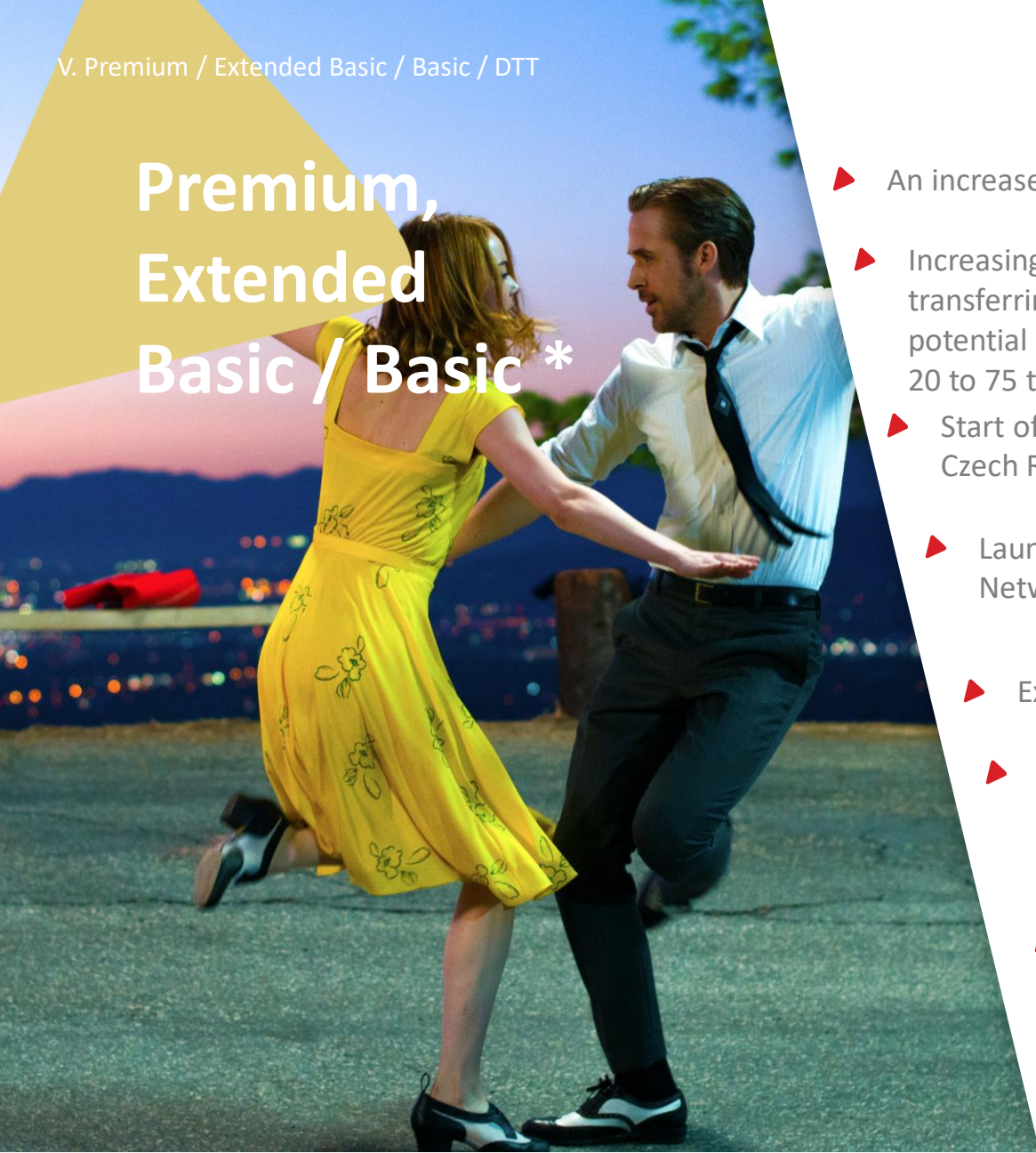


June 26, 2018
District Court for St. Of
Warsaw in Warsaw made
an entry in the Register
of Entrepreneurs of the
merger of Kino Polska TV
with Cable Television
Networks & Partners,
KPTV Media and
Digital Film Repository.



V. Premium / Extended Basic
/ Basic / DTT

Premium, Extended Basic / Basic *



- ▶ An increase by 69% in the market of FilmBox basic in the Czech Republic (June 2018 vs. March 2018);
- ▶ Increasing the number of recipients of the FilmBox basic in the Czech Republic and Slovakia by transferring it to the lower package of the freeSAT satellite platform; thanks to this, the number of potential viewers of the channel has grown from 40 to 99 thousand. in the Czech Republic and from 20 to 75 thousand. in Slovakia;
- ▶ Start of VOD Filmbox on Demand platform in Skylink offer - the largest DTH operator in the Czech Republic and Slovakia;
- ▶ Launch of distribution of thematic channels on the new market - in Lebanon (Lebanese Network Broadcast). These channels include FilmBox and Arthouse;
- ▶ Expanding the distribution of the Arthouse channel in India (SonyLIV platform).
- ▶ Broadening the distribution of thematic channels in the LATAM region (in countries such as Colombia, Chile, Peru, Guatemala, Costa Rica, Mexico and El Salvador). This channel includes FilmBox Arthouse;
- ▶ Implementation of the advertising campaign of the series "Young Pope" in the Czech Republic, Romania and Hungary;
- ▶ Implementation of the advertising campaign of the series "The guy from the heart" in Poland.

Kino Polska TV



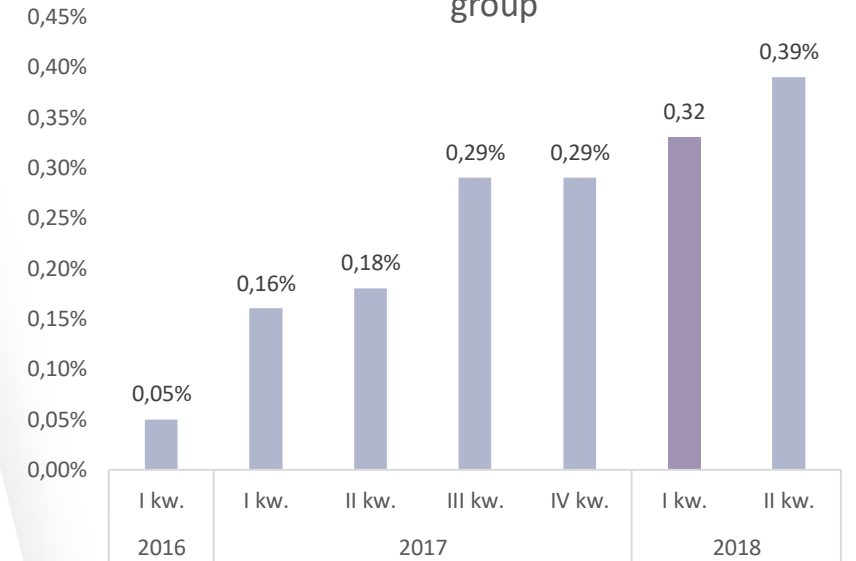
- ▶ Extending the average viewing time of the Kino Polska channel by almost 15% among viewers from the commercial group compared to the first half of 2017 (ATS, All 16-49). The increase in the ATS indicator shows that the program offer of Kino Polska is becoming more and more attractive to viewers;
- ▶ Implementation of the 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);
- ▶ Achieving the best audience share in the audience market in the last two years - in July 2018, the channel recorded a 0.47% share in the market (SHR%, All 16-49) (JULY 2018);
- ▶ Purchase of all copyrights for the film "Comedy Marriage";
- ▶ Start of the Kino Polska Summer Cinema in Gdynia - a new summer event organized by Kino Polska in cooperation with major partners. Kino Lato Kino Lato Cinema broadcasts the best Polish films every week. So far over 1 thousand people participated in the event. people.

Zoom TV



- ▶ An increase in the audience share in the commercial group by 96% (AMR%, All 16-49) compared to the first half of 2017;
- ▶ The increase in the market share by almost 106% (SHR%, All 16-49) compared to the first half of 2017;
- ▶ An increase of almost 35% of the technical coverage of MUX-8 among above-ground households in comparison with June 2017 - the current range is 53.6% (as of July 2018, data: NAM);
- ▶ Achieving the record-breaking monthly result of Zoom TV - in May 2018 the channel recorded 0.41% audience share from the commercial group (SHR%, All 16-49), which is the best monthly result in the channel's history, and by May this year. it was also the best monthly result in the history of all channels broadcasting from the eighth multiplex (MUX-8);
- ▶ Achieving the record-breaking result of Zoom TV in the history of MUX-8 - May 1, 2018, the channel recorded 1.07% audience share from the commercial group (SHR%, All 16-49), which is the best daily result in channel history and the best daily result in the history of all channels broadcasting from the eighth multiplex (MUX-8);
- ▶ Extending by more than 15 percent the average time of watching the channel among the audience from the commercial group compared to the first half of 2017 (ATS, All 16-49). The increase in the ATS indicator shows that the program offer of Zoom TV is becoming more and more attractive to viewers.

Zoom TV - quarterly results in a commercial group



Source: NAM, 01.01.2018-30.06.2018, SHR 16-49

Stopklatka TV

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

- ▶ Changes in the ownership structure. Kino Polska TV SA becomes the majority shareholder of Stopklatka SA after the acquisition of 41.14% of shares from Agora SA. Kino Polska TV SA currently holds 82.64% of the share capital of Stopklatka SA;
- ▶ Purchase of new documentary and feature series; e.g. "Vikings";
- ▶ Spring, nationwide advertising campaign including: cinemas, radio stations, tv guides and the Internet;
- ▶ Market share at the level of 0.9% in the commercial group (SHR, 16-49, 1H 2018);
- ▶ The second position among the film and TV series in Poland.

STOPKLATKA^{tv}

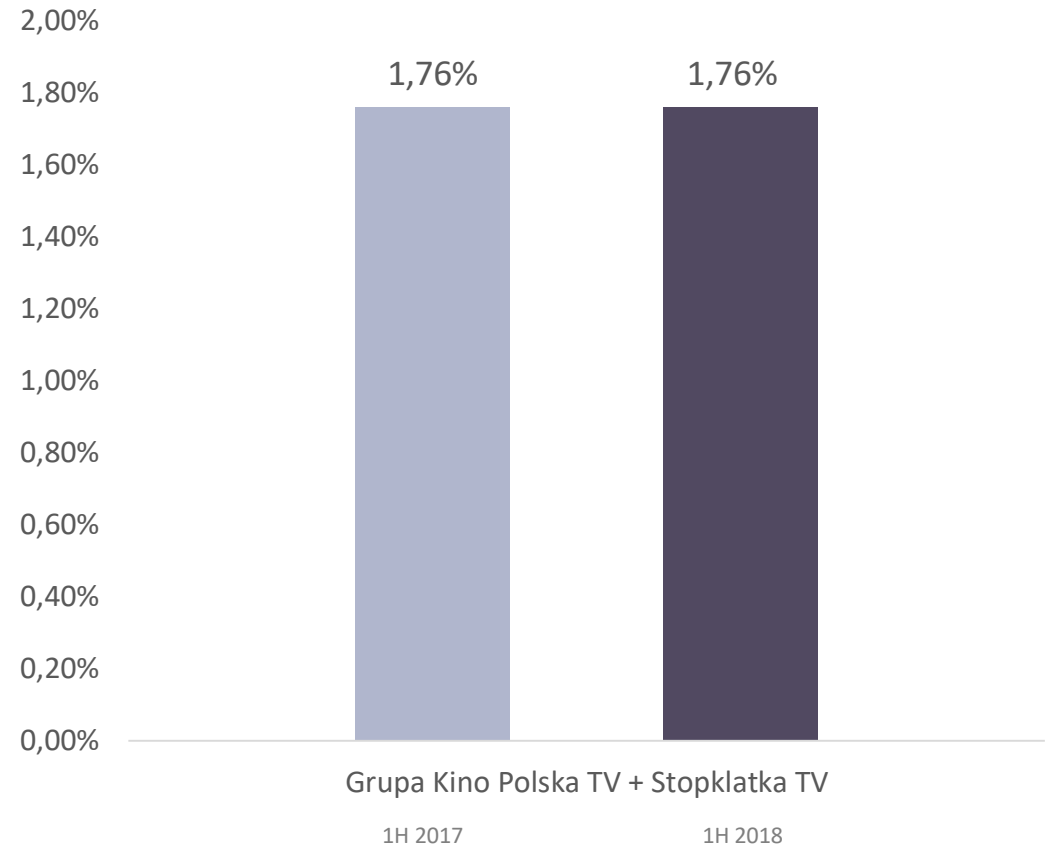


VI. Basic operating results

Our share in the television channel market

In the first half of 2018, channels from Kino Polska TV Group together with the Stopklatka TV channel gained 1.76% audience share in the commercial group (SHR%, All 16-49).

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



Źródło: NAM, 01.01.-30.06.2017, 01.01.-30.06.2018, SHR 16-49

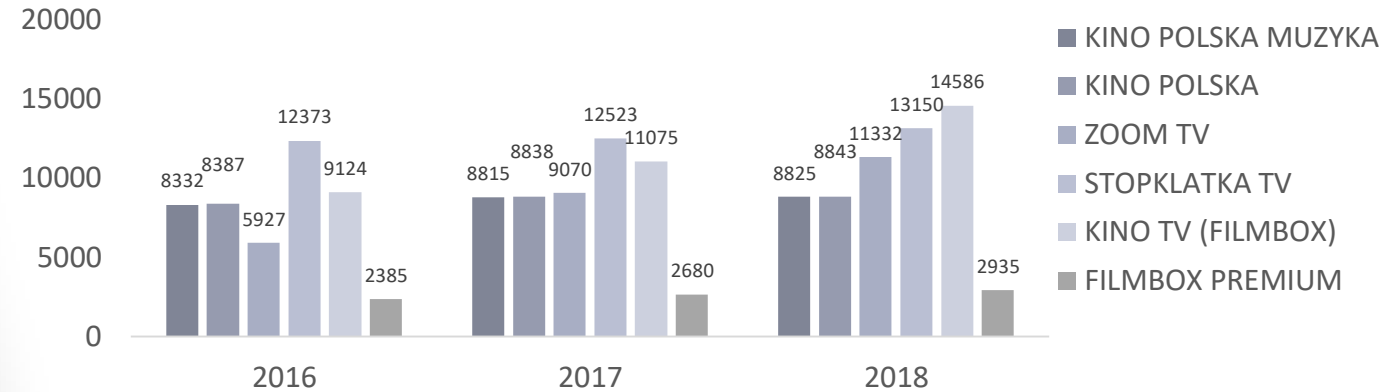
Our subscribers and operators

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 14 586 thousand. it gives over 32% increase to value at the end of 2017.

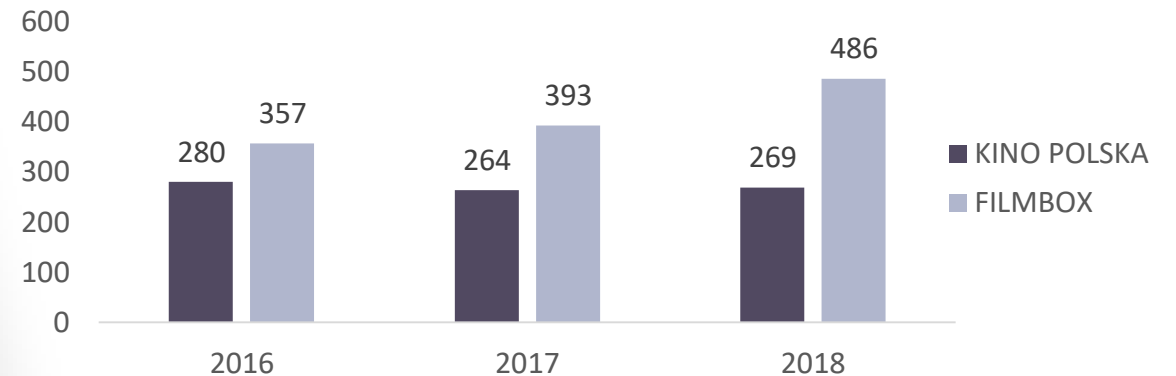
In the first half of 2018, the number of active Kino Polska operators amounted to 269. The decrease results from the consolidation of the Polish operator market. The number of active FilmBox operators was 486, which is a 24% higher figure compared to the number of operators at the end of 2017.

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 53,6%

NUMBER OF ACTIVE OPERATORS



VII. Financial results

Summary

PURCHASE 41.14%
OF SHARES
W STOPKLATKA SA
AND
CONNECTION
KINO POLSKA TV SA
WITH SUBSIDIARIES

ALMOST
PLN 11 MILLION
- DIVIDENDS OF PAID
OUTLOOK 2018.

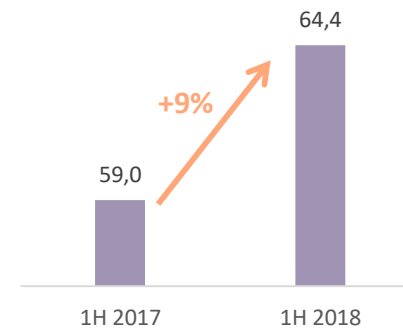
118% GROWTH INCOME
WITH ADVERTISING
IN THE ZOOM TV SEGMENT
AND
8% GROWTH IN SEGMENT
IN THE SEGMENT FILM
CHANNELS FILMBOX BRANDS
AND THEMATIC CHANNELS
(R / R)

Basic financial data

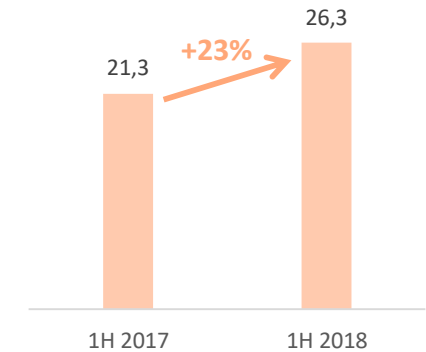
9% increase in revenues is the result of increased sales in the FilmBox brand Film channels and thematic channels (increase by 8%) and in the Zoom TV segment, which generated PLN 5.4 million in revenues (increase by 118%).

A significant increase in EBITDA and net profit (after the elimination of the valuation of shares in Stopklatka SA) is caused primarily by higher results in the Zoom TV segment as well as in the Filmbox and thematic channels segment.

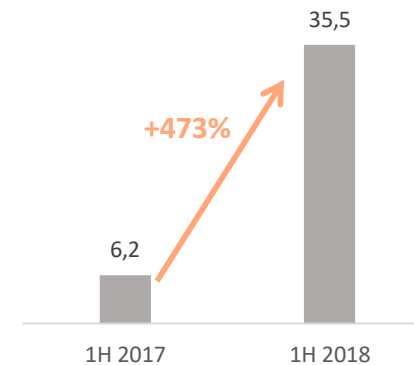
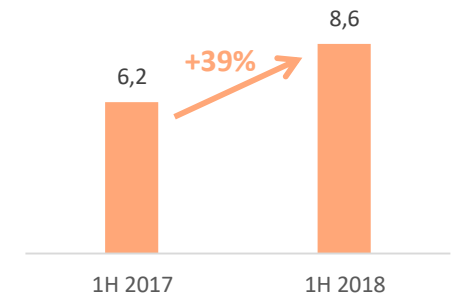
REVENUES FROM SALES



EBITDA



NET INCOME

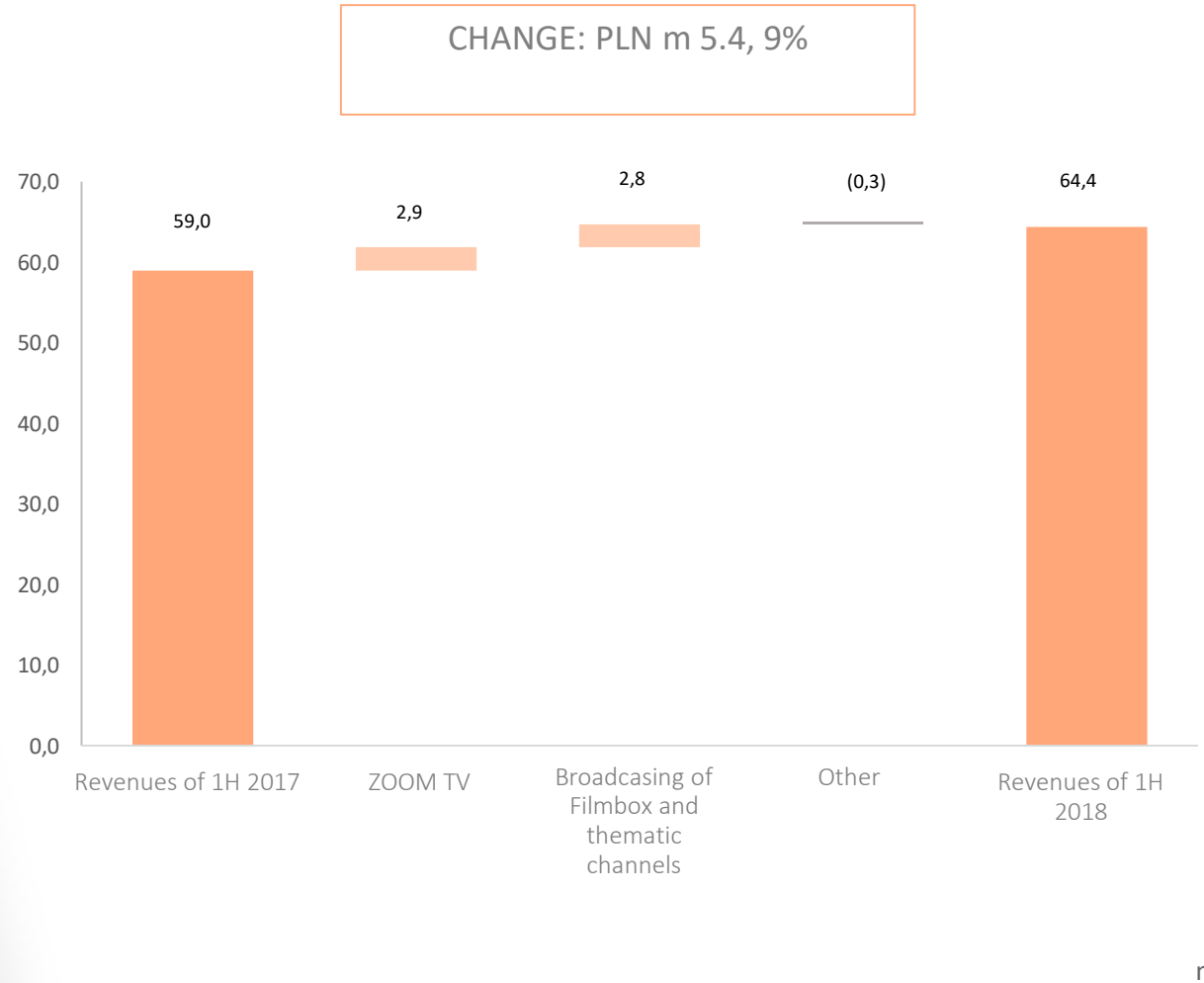
NET INCOME
(after eliminating the valuation of participation in STK)

m PLN

Revenues

Revenues of the Capital Group on sales in the first half of 2018 amounted to PLN 64.4 million, which means 9% increase compared to the same period last year.

ZOOM TV segment recorded the largest increases (increase by PLN 2.9 million - 118% y / y) and revenues from the FilmBox segment and thematic channels (increase by PLN 2.8 million - 9% y / y).



Segmenty

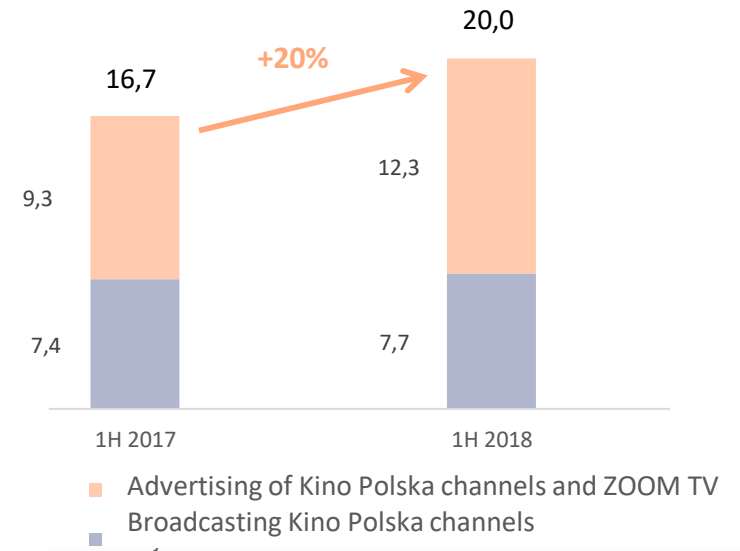
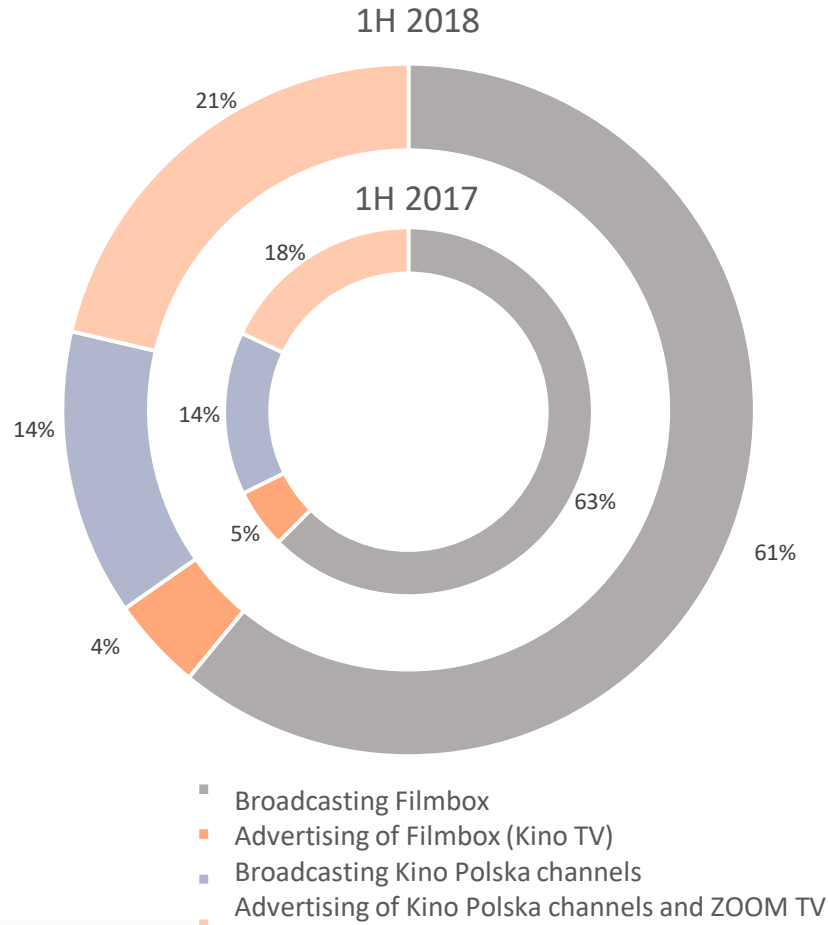
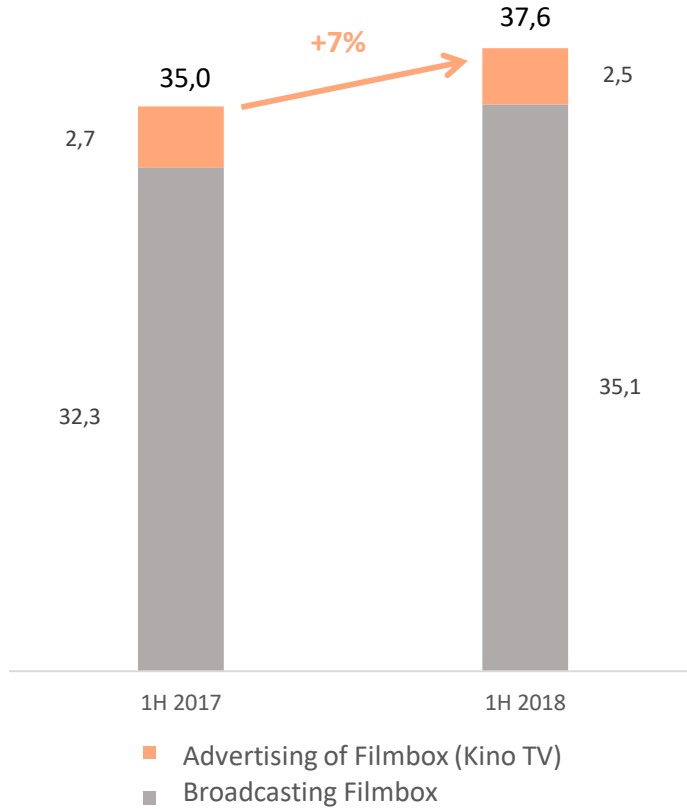
Operating results

1H 2018

	Filmbox & Thematic Channels	Kino Polska Channels	Production of TV channels	Zoom TV	Sales of licensing rights	Other segments	TOTAL
Broadcasting	35,1	7,7	-	-	0,1	-	42,8
Advertising	2,5	6,9	-	5,4	-	-	14,8
Other sales	-	-	3,1	-	2,0	1,6	6,7
Fees for providing film licenses	0,1	-	-	-	-	-	0,1
Total sales	37,7	14,5	3,1	5,4	2,1	1,6	64,4
Operating costs	(29,7)	(7,9)	(2,7)	(10,5)	(0,7)	(1,6)	(53,1)
Segment result	8,0	6,6	0,3	(5,0)	1,4	0,0	11,3

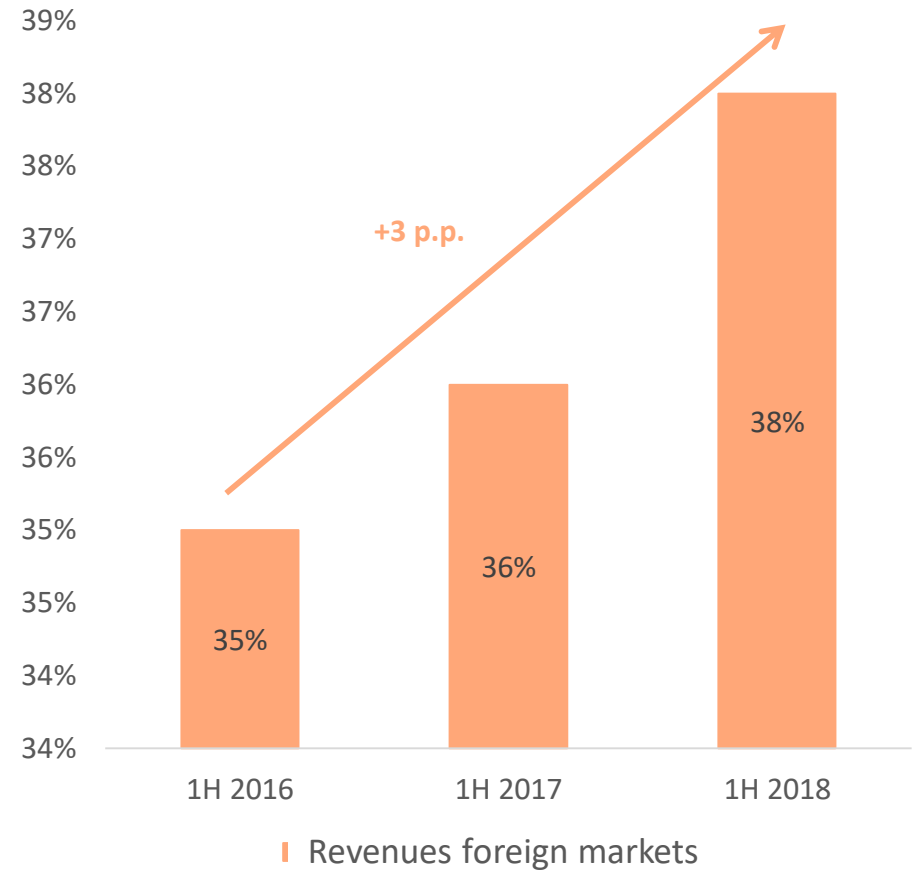
m PLN

Revenues From broadcasting and advertising



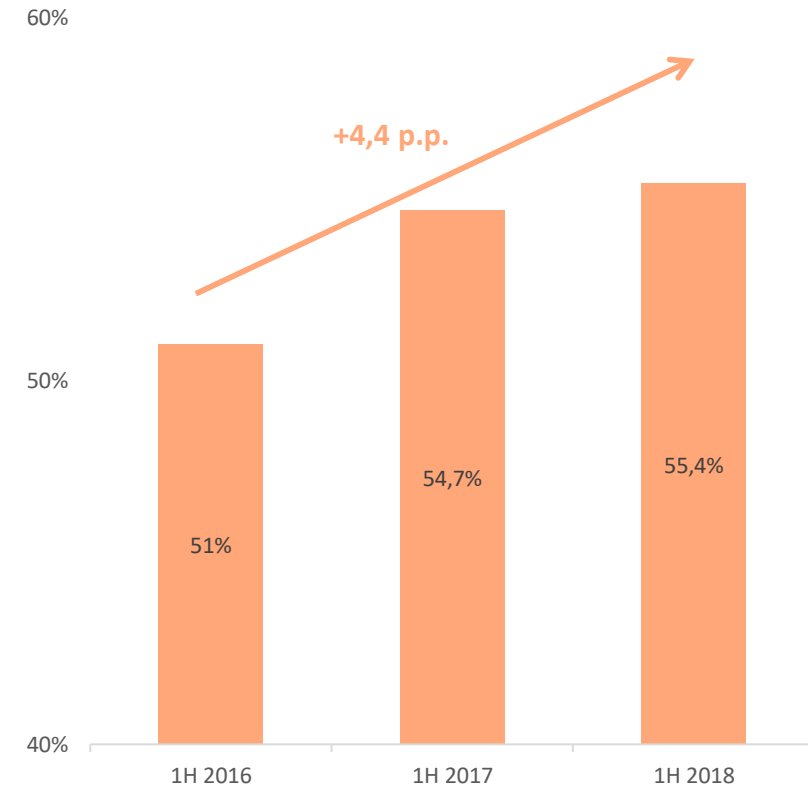
Revenues by territory

In the first half of 2018, the Capital Group increased the share of revenues from foreign markets to 38%.



Revenues from the broadcast of FilmBox channels by territory

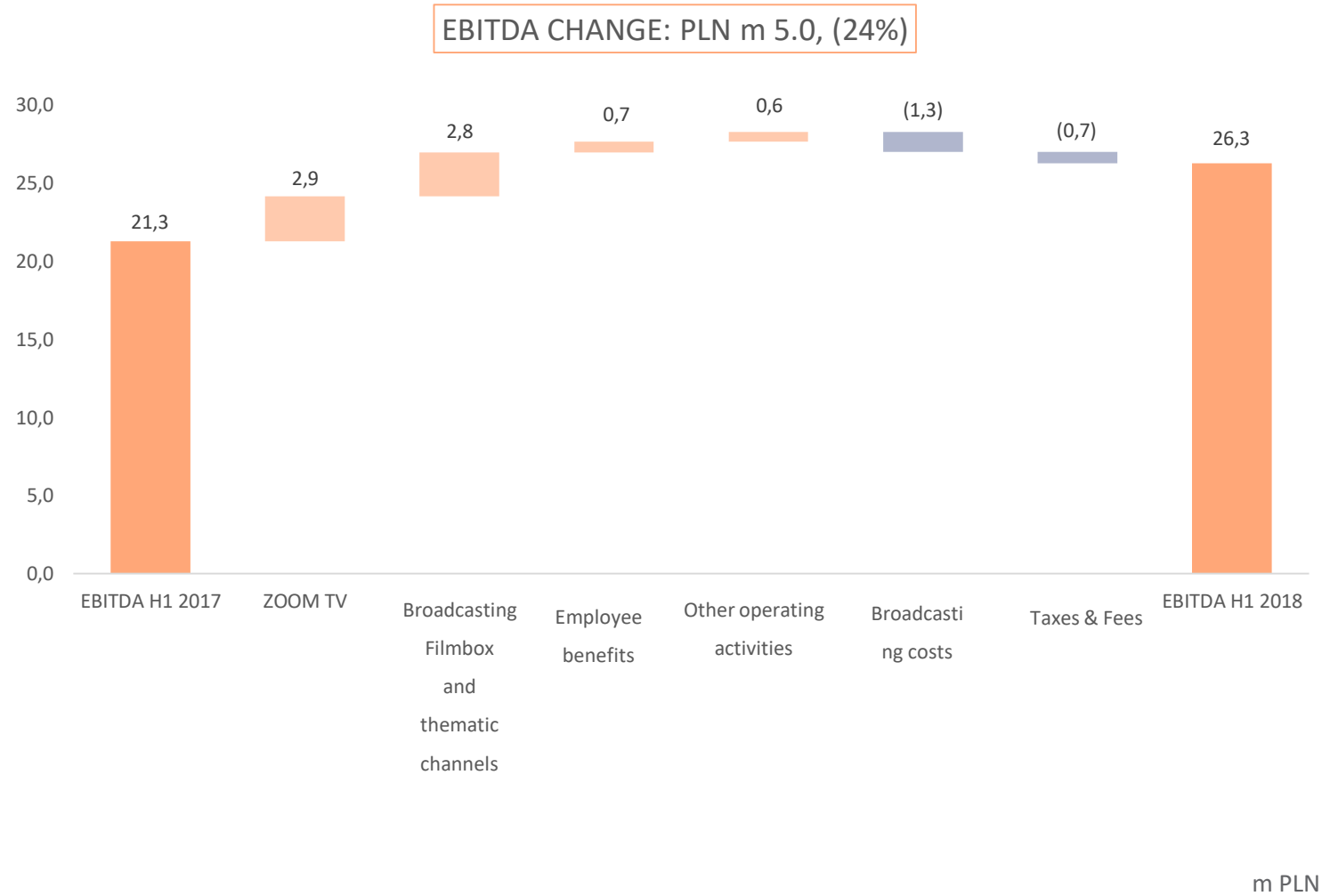
The share of revenues from foreign markets is gradually increasing. In the first half of 2018, the share of foreign revenues from broadcasting channels from the FilmBox group reached 55.4%. This means an increase of 0.7 pp compared to the same period of the previous year and as much as 4.4 pp. compared to 2016.



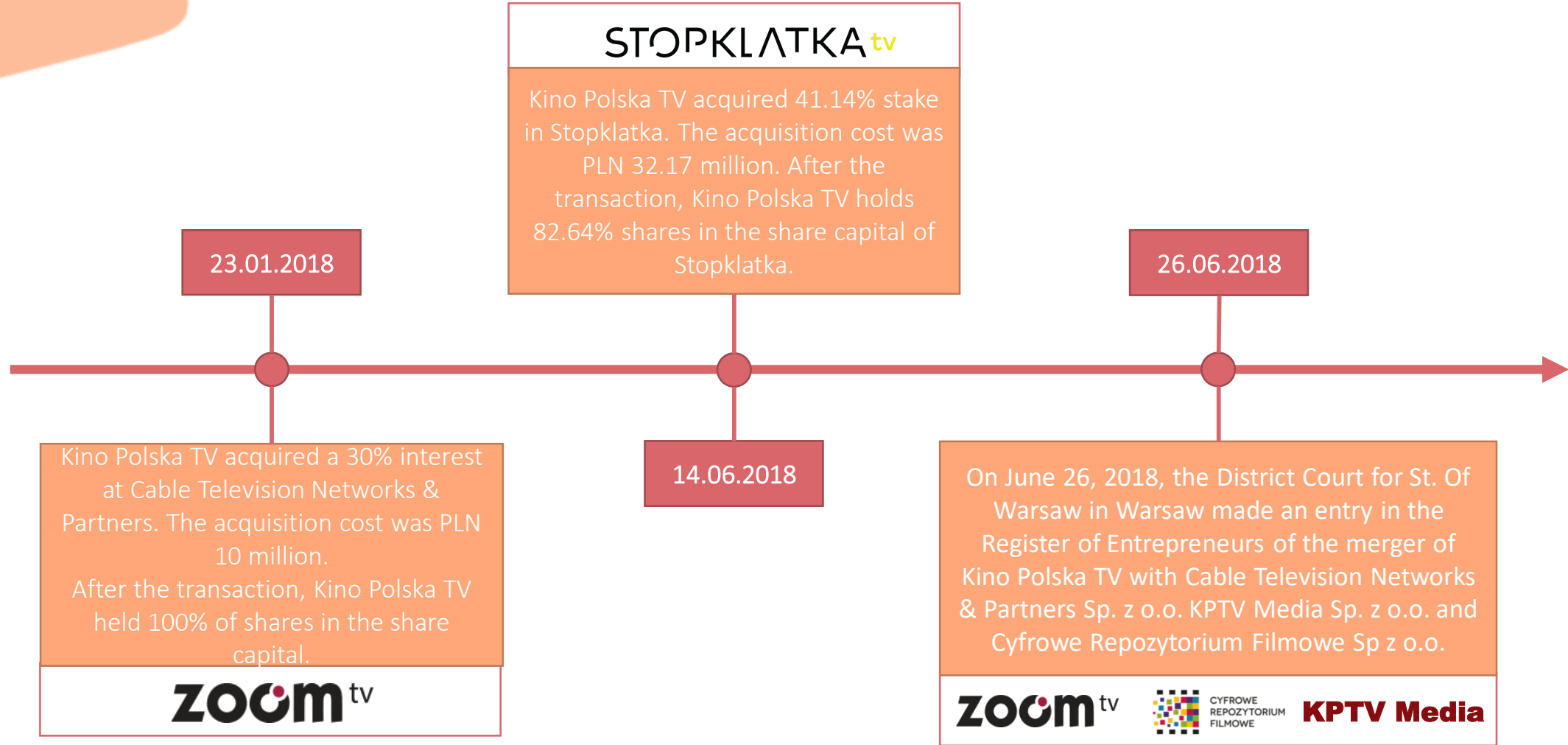
EBITDA 1H 2018

EBITDA in the first half of 2018 amounted to PLN 26.3 million, which in comparison with the first half of 2017 means an increase by 24%.

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

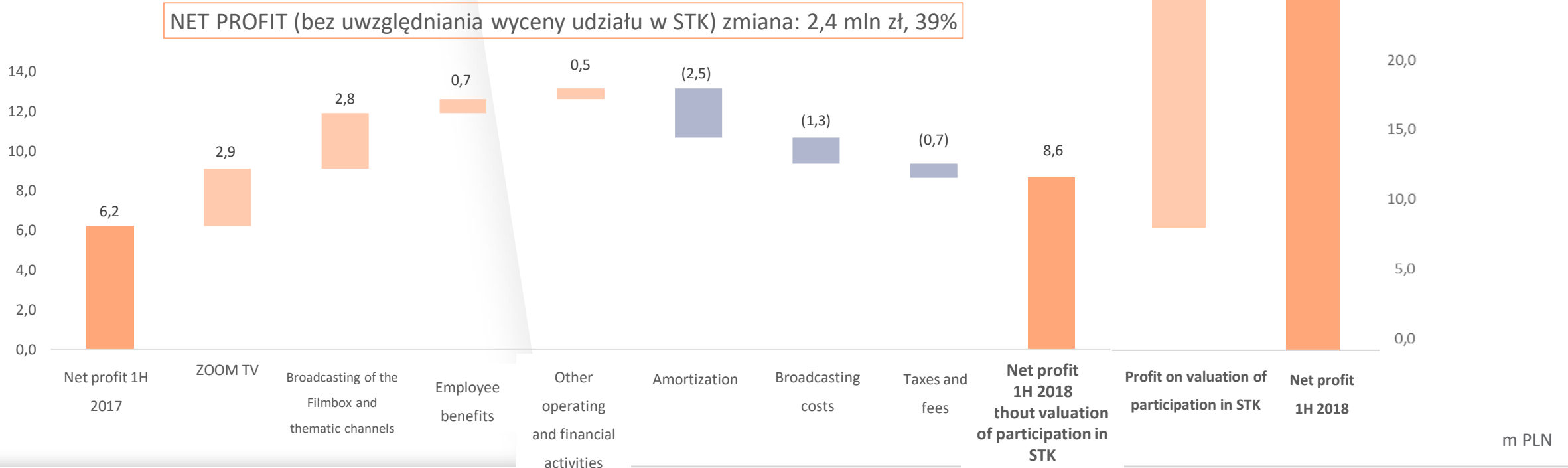


M&A 2018



Net profit 1H 2018

Net profit achieved in the first half of 2018 without considering the valuation of shares held in Stopklatka S.A. it was higher by 39% than the results of the corresponding period of the previous year. After considering the above valuation, the profit achieved amounted to PLN 35.5 million.



Dividend

DIVIDEND PERIOD	DIVIDEND VALUE PER SHARE	# OF SHARES FOR DIVIDEND PAYOUT	DIVIDEND VALUE	DETERMINATION OF THE RIGHT TO DIVIDEND	DIVIDEND PAYMENT DAY
2017	PLN 0,55	19 821 404	PLN 10 901 772	June 29, 2018	16 July, 2018
2016	PLN 1.13	19 821 404	PLN 22 398 187	July 4, 2017	18 July, 2017 3 October, 2017
2015	PLN 1.00	19 821 404	PLN 19 821 404	6 June, 2016	20 June, 2016
2014	PLN 1.00	19 821 404	PLN 19 821 404	30 June, 2015	14 July, 2015
2013	PLN 0.45	13 821 404	PLN 6 219 632	14 July, 2014	14 August, 2014
2012	PLN 1.00	13 821 404	PLN 13 821 404	10 September, 2013	25 September, 2013
2011	PLN 1.00	13 859 000	PLN 13 859 000	29 May, 2012	13 June, 2012
			PLN 106 842 803		

Thank you

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