

GROUP

KINO POLSKA TV S.A.

Results for Q1 2019

WARSAW, 17 MAY 2019

I. INTRODUCTION

II. STRATEGIC GOALS

III. CHANNELS: PREMIUM / EXTENDED BASIC / BASIC / DTT

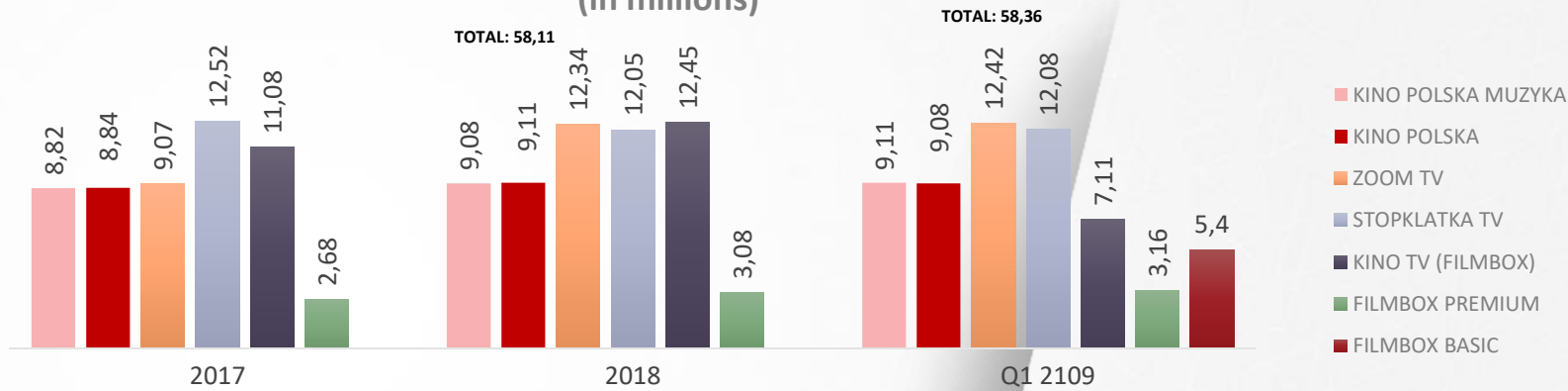
IV. BASIC OPERATING RESULTS

V. FINANCIAL RESULTS

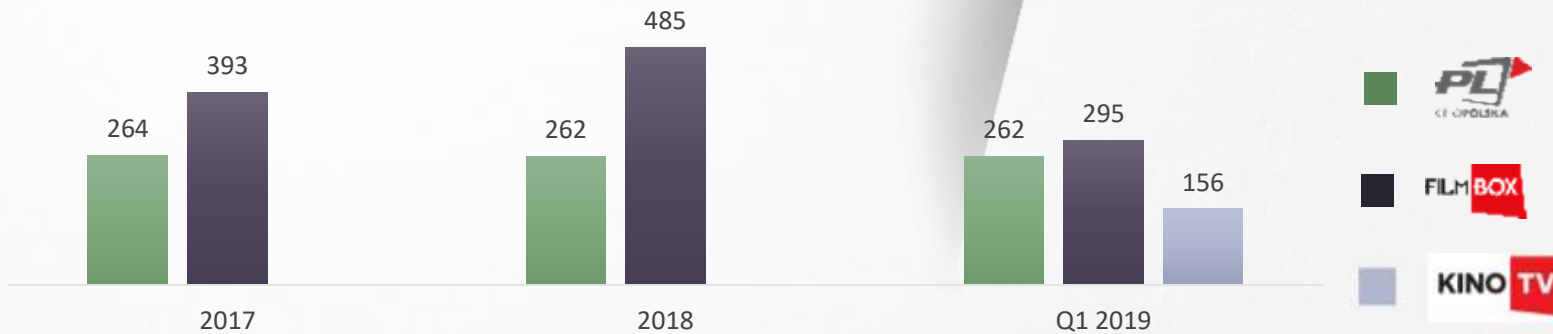
AGENDA

OUR SUBSCRIBERS AND OPERATORS IN Q1 2019

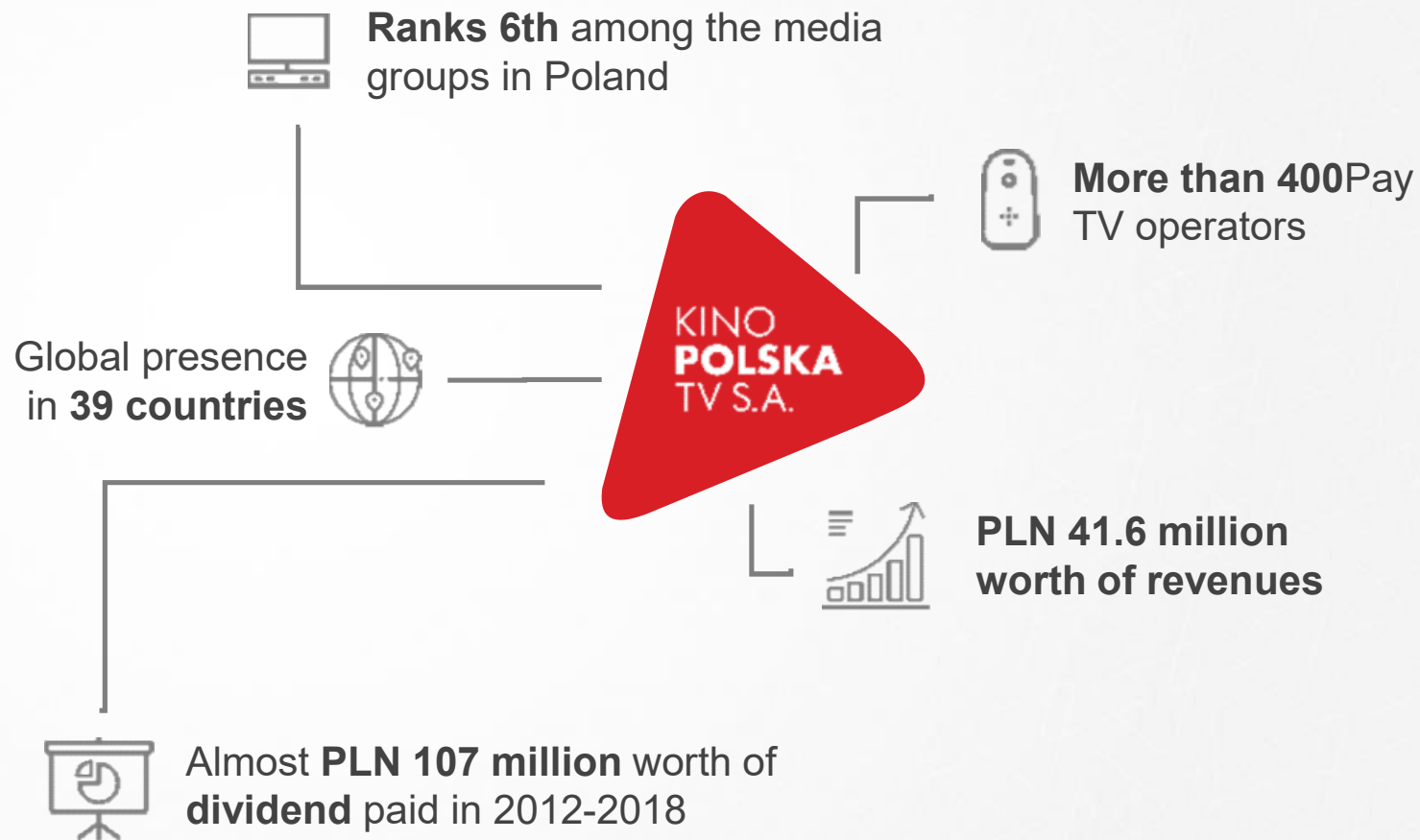
NUMBER OF ACTIVE SUBSCRIBERS
(in millions)



NUMBER OF ACTIVE OPERATORS



THE KINO POLSKA TV SA GROUP IN NUMBERS



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OUR STRATEGIC GOALS

THE POLISH MARKET:

- ▶ The Kino Polska TV SA Group as the **fifth media group** in Poland, with an annual average audience share in the commercial group (SHR, All 16-49, live) of **2.6% by the end of 2019**(3% by the end of 2020).
- ▶ Increasing the annual average share of **Stopklatka TV** in the commercial audience (SHR, All 16-49, live) to **1.2% by the end of 2019**.
- ▶ Increasing the annual average share of **Zoom TV** in the commercial audience to **0.6% by the end of 2019** (SHR All 16-49, live); further investments in the channel's programme offer, better adjustment of the programming schedule to the viewers' needs, introduction of a new visual identification, increasing the technical reach*.
- ▶ Increasing the annual average share of **Kino Polska** to **0.4%** of the commercial audience (SHR, All 16-49 live) by the end of 2019 through an image and product campaign, reaching a younger audience and investments in an attractive programme offer, etc.
- ▶ Intensification of marketing activities in 2019: introducing a new marketing strategy for **Stopklatka TV**, introducing a new visual identification for **Zoom TV**, carrying out image and product campaigns for Zoom TV, Kino Polska and **Kino TV**.
- ▶ Building the distribution of the Polish language version of the e-sport channel **Gametoon HD**.
- ▶ Increasing the revenues from the sales of advertising and broadcast of pay TV channels through improvement of their programme offer and intensification of marketing activities, etc.

FOREIGN MARKETS:

- ▶ Increasing the advertising revenues on foreign markets (e.g. by a gradual introduction of ad blocks in FilmBox basic). The Group plans to start broadcasting advertisements on FilmBox basic in Romania and Hungary in the near future.
- ▶ Increasing the revenues from the sales of **FilmBox Premium** packages on foreign markets (by increasing the range of households and expanding the distribution of these channels to new territories, etc.)
- ▶ Increasing the share of non-linear products in the Group's sales – **FilmBox Live** and **FilmBox On Demand**.

*as at the end of 2018, the technical reach of Zoom TV in the NAM panel was 57% of the terrestrial TV users

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- ▶ In Q1 2019, the Kino Polska channel reached an **0.23%**share in **the commercial audience** (SHR, all 16-49).
- ▶ In Q1 2019, the average time of watching Kino Polska was 20 minutes and 37 seconds (ATS, All 16-49).
- ▶ The Kino Polska channel celebrated its 15th anniversary. To mark this occasion, the channel broadcast a special collection of the best Polish films and organized a series of recordings with Polish film stars.
- ▶ From 9 March to 5 April 2019, Kino Polska was uncoded on the Netia platform (the Cyfrowy Polsat Group), which is one of the biggest telecommunications operators in Poland.



Jesteś Bogiem
© KINO ŚWIAT

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KINO TV

- ▶ In Q1 2019, the share of Kino TV in the commercial audience was 0.16% (SHR%, All 16-49, live), and in the total audience it was 0.15% (SHR%, All 4+, live), which represents an increase of 45.5% and 15.4%, respectively, in relation to Q1 2018.
- ▶ The share of Kino TV in the cable TV audience increased significantly and amounted to 0.26% SHR (SHR, All Cable 16-49 live) in the discussed period, i.e. almost 53% more than a year before.
- ▶ The average number of viewers who watched Kino TV for at least a minute a day was **212.6 thousand**, i.e. almost 8% more than in Q1 2018 (RCH, All 16-49, live).
- ▶ The average minute rating of Kino TV exceeded 4 thousand viewers and was almost 42% higher than a year before (AMR, All 16-49 live).
- ▶ The average time of watching this channel was almost 29% longer than in Q1 2018 - in the first three months of 2019 it was 26 minutes and 3 seconds (ATS, All 16-49, live). The increase in ATS reflects a growing attractiveness of Kino TV's programme offer.
- ▶ In February, Kino TV started broadcasting in HD. The channel is available in the offers of all major cable and satellite platform operators in Poland.

Picnic at Hanging Rock

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STOPKLATKA TV

THE ONLY GENERALLY ACCESSIBLE FILM AND TELEVISION SERIES CHANNEL IN POLAND

STOPKLATKA^{tv}

The Handmaid's Tale
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- ▶ The average minute rating of Stopklatka TV in Q1 2019 was 22.9 thousand viewers in the 16-49 age group and 72.7 thousand of the total audience (an increase of 11.2% in the all 4+ group compared with Q1 2018).
- ▶ The market share of this channel was 0.90% (all 16-49) and 1.04% (all 4+), i.e. 14.3% more than in the same period of the previous year as far as the total audience is concerned.
- ▶ The average time spent daily on watching Stopklatka TV increased. It reached 30 minutes and 14 seconds in the commercial group (ATS, all 16-49) and 31 minutes and 56 seconds among all viewers aged over 4 (ATS, all 4+). These ratios increased by 0.8% and 11.1%, respectively, in relation to Q1 2018.
- ▶ Compared to the previous year's data, the channel had much better results among viewers with access to cable TV. In this group, AMR increased by 26.7%, SHR - by 30.6%, RCH- by 9.9%, and ATS - by 9.3% (All 16-49, Cable, Q1 2019 vs Q1 2018).
- ▶ The best month in Q1 2019 was January, with SHR at 1% and AMR at 26.3 thousand in the commercial group (all 16-49) (an increase of 9.9% and 8.6% y/y, respectively).
- ▶ The following programmes had the highest average minute ratings in the discussed period: Crimson Rivers II: Angels of the Apocalypse, The Vatican Tapes and Taxi 4 (all 16-49).



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TELEVISION FULL OF EXCITEMENT

- ▶ In Q1 2019, Zoom TV recorded an 0.53% share in the audience in the commercial group, which is the best ever quarterly result achieved by this channel. It means an increase of almost 66% compared to Q1 2018 (SHR, All 16-49, live).
- ▶ The average number of viewers who watched this channel for at least a minute a day was almost 622 thousand, i.e. over 24% more than in Q1 2018 (RCH, All 16-49, live).
- ▶ The average minute rating of Zoom TV reached 13.4 thousand viewers, almost 60% more than in the same period of the previous year (AMR, All 16-49, live).
- ▶ The average time of watching this channel in the first three months of 2019 increased in relation to Q1 2018 by 27.5% to 31 minutes and 26 seconds (ATS, All 16-49, live). The increase in ATS reflects a growing attractiveness of Zoom TV's programme offer.
- ▶ On 4 February, Zoom TV reached a 1.39% share in the commercial audience (SHR, All 16-49), which is both the best ever daily result of this channel and the best daily result of a single channel in the history of the eighth multiplex (MUX-8).
- ▶ In March, a comedy show I Love Cabaret produced by Zoom TV premiered on this channel. This show presented the best Polish cabarets (including Ani Mru-Mru, Paraniennialni, Kabaret Pod Wyrwigroszem).



The Best of Polish Cabaret
© PhotoSense/ New Abra

PREMIUM / EXTENDED BASIC

- ▶ At the beginning of 2019, the Group signed an agreement with Via Media for distribution of its channels in Ukraine.
- ▶ The Group extended its cooperation with the Skylink satellite platform in the area of FilmBox on Demand distribution in the Czech Republic and Slovakia.
- ▶ The Group signed a cooperation agreement with a Moldavian multimedia operator StarNet for distribution of selected theme channels of the Group.
- ▶ The Group extended its cooperation with UPC Hungary in the area of distribution of more channels in Hungary - Gametoon HD, FightBox HD and DocuBox HD.



Picnic at Hanging Rock
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Management Ltd and Screen Australia

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IV. BASIC OPERATING RESULTS

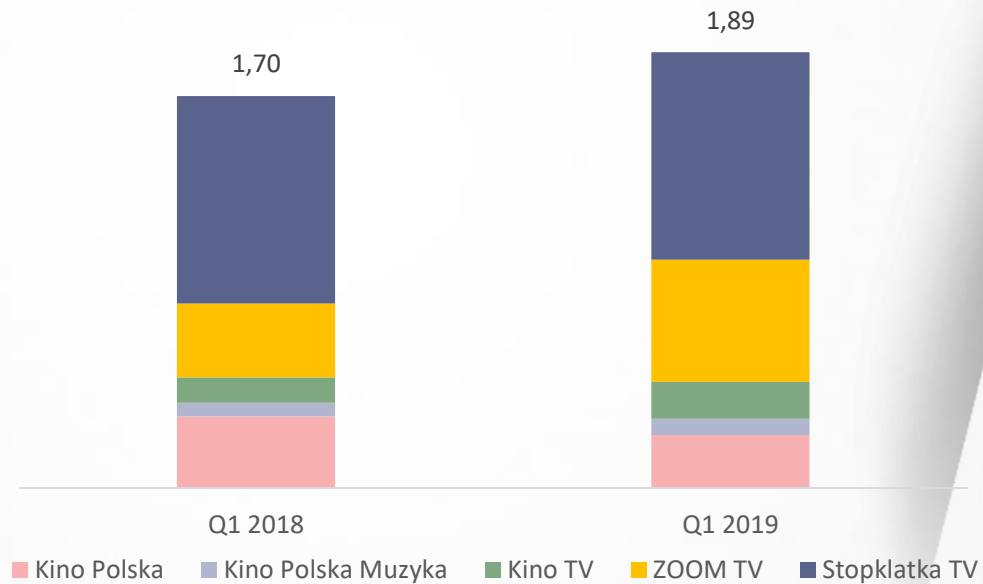
V. FINANCIAL RESULTS



AGENDA

OUR SHARE IN THE MARKET OF TV CHANNELS

The Kino Polska TV Group - share in the commercial group Q1 2018 / Q1 2019

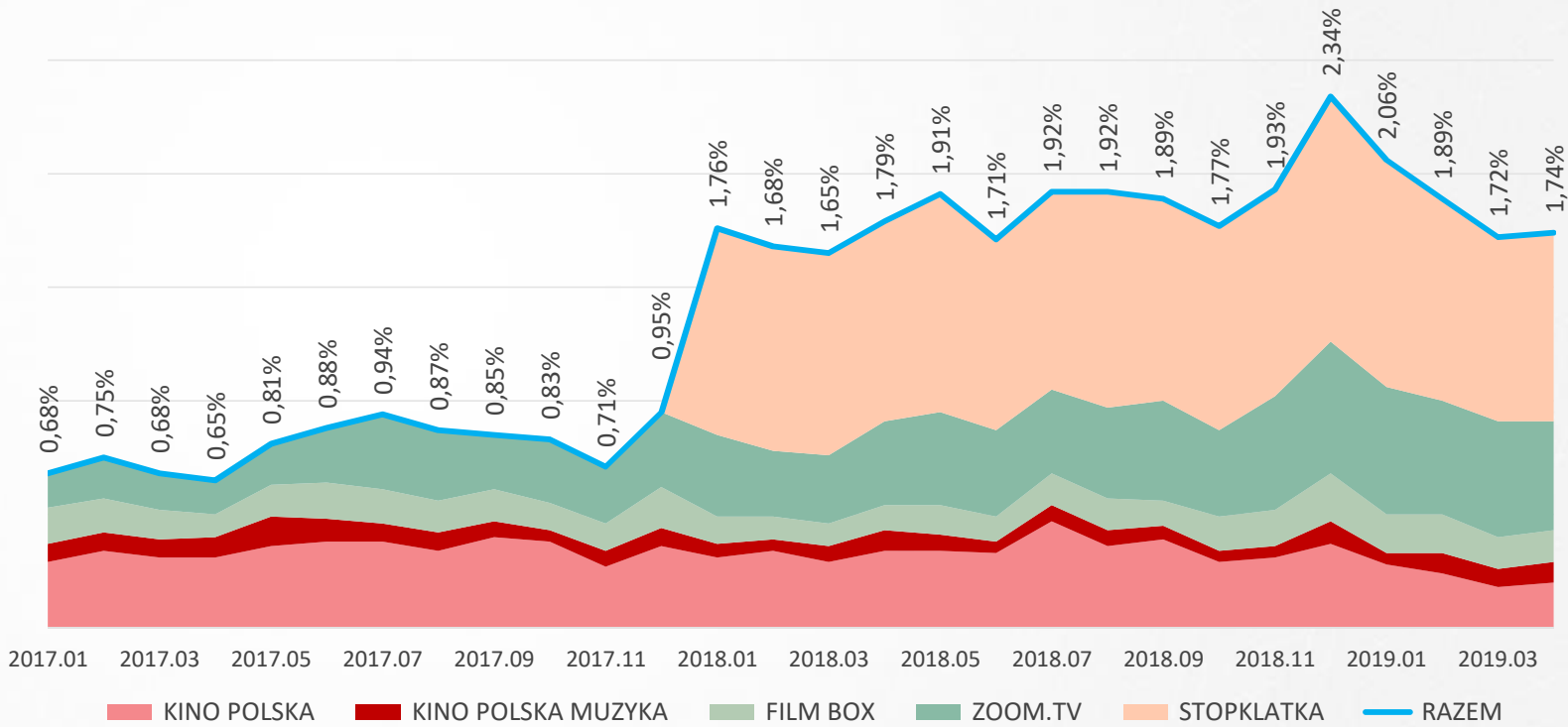


▶ In Q1 2019, the Kino Polska TV SA Group channels reached a combined 1.89% share in the commercial audience (SHR, all 16-49)



OUR SHARE IN THE MARKET OF TV CHANNELS

(including the share of Stopklatka TV from January 2018)



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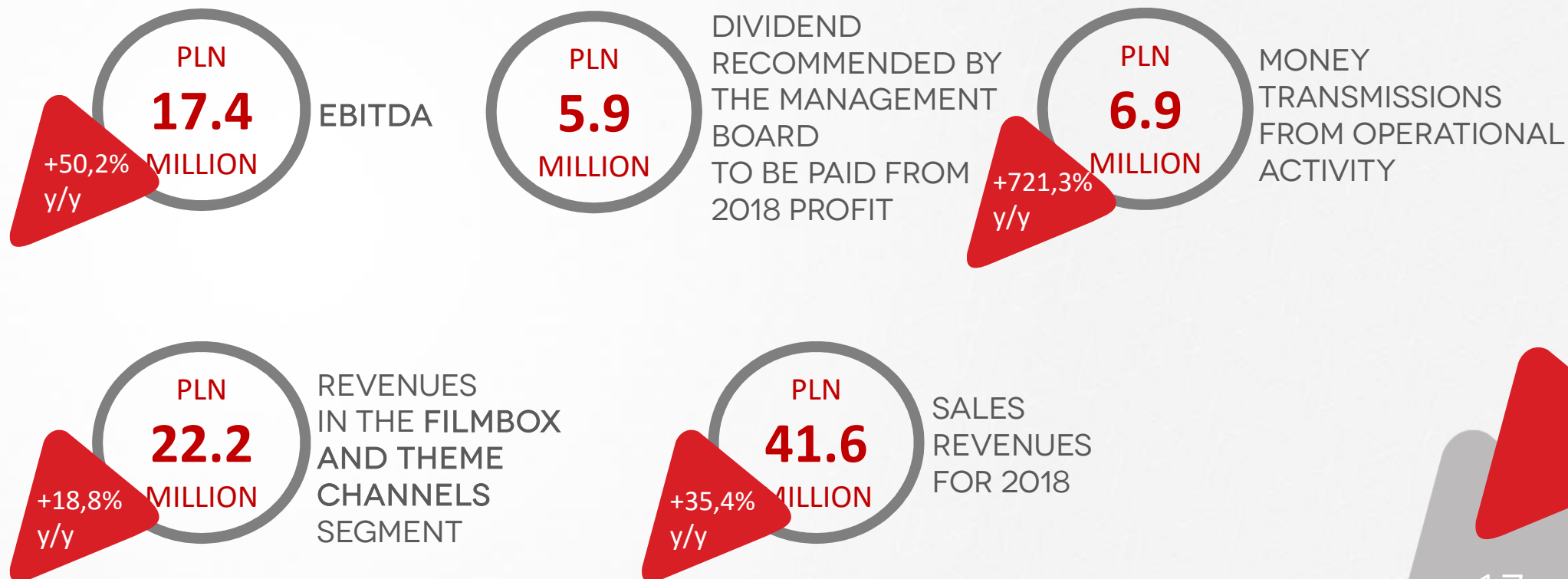
IV. BASIC OPERATING RESULTS

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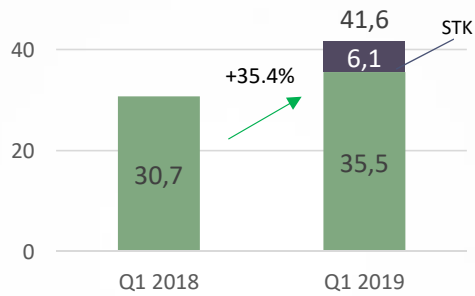
AGENDA

THE MOST IMPORTANT FINANCIAL INFORMATION AFTER Q1 2019

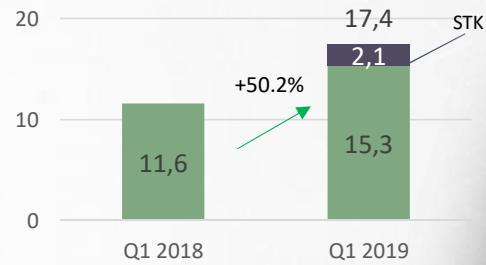


BASIC FINANCIAL DATA

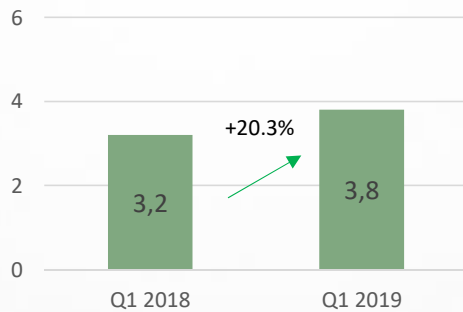
Sales revenue



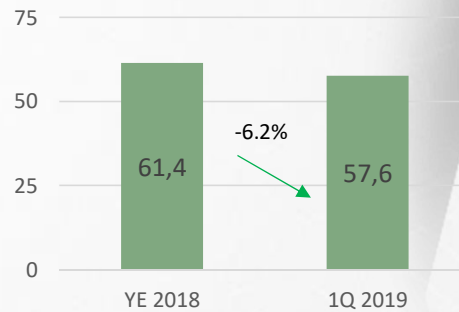
EBITDA



Net profit



Net debt



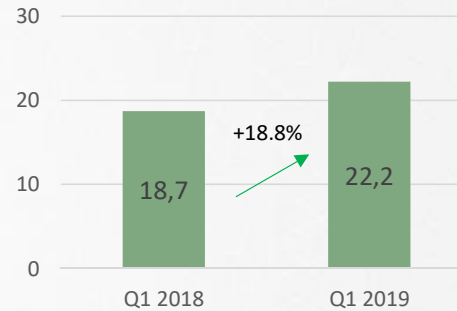
* Loans and borrowings received - cash and cash equivalents

- ▶ The Kino Polska TV Group improved all its basic financial ratios in relation to the same period of 2018.
- ▶ The share of Stopklatka S.A. in the revenues amounted to PLN 6.1 million, and the effect of its consolidation on EBITDA was PLN 2.1 million.
- ▶ In 2019, the Kino Polska TV S.A. Group recorded an increase in sales of 35.4% and an increase in net profit of 20.3% in relation to analogical period in 2018.

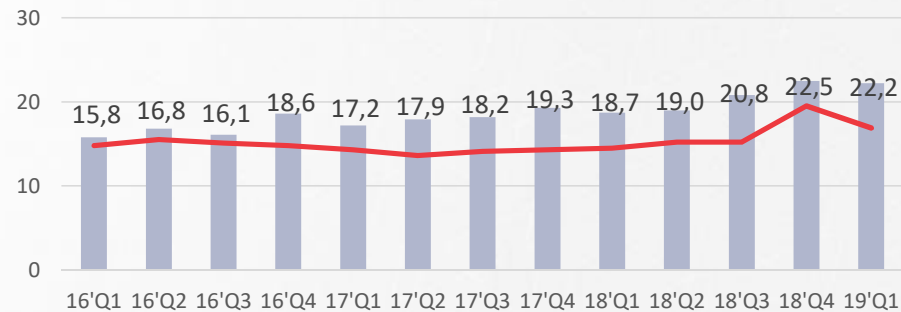
FILMBOX FILM CHANNELS AND THEME CHANNELS

- ▶ The upward trend in sales revenues of the Filmbox film channels and theme channels segment was maintained in Q1 2019. The growth amounted to +18.8% y/y in Q1 2018.
- ▶ The highest sales increases on Filmbox channels and theme channels were recorded on the following markets: Hungary (fast growth in the number of subscribers and new contracts), Poland (an increase in the number of subscribers of the existing customers), the Czech Republic, Slovakia (new contracts and organic growth), and former Yugoslavia (new contracts).
- ▶ Some of the new contracts were a result of a change in the business model relating to settlements with related companies, which allowed the Group to retain the revenues from distribution of theme channels on the CEE markets.

Revenues



Sales and operating expenses Q1'16 - Q1'19

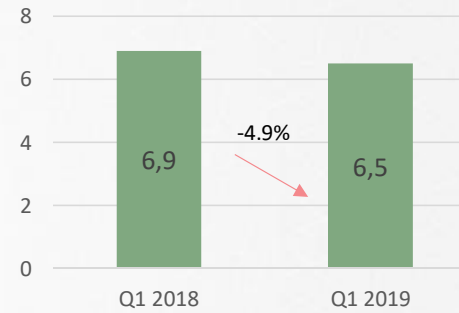


KINO POLSKA TV FILM CHANNELS

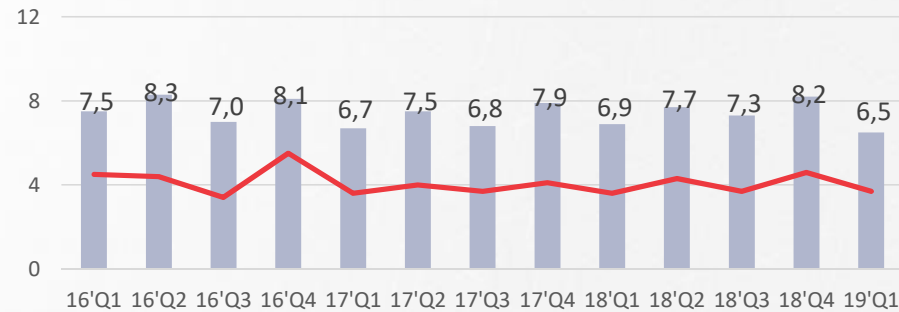
(in PLN
millions)

- ▶ The revenues from broadcasting of Kino Polska channels remained at a level similar to that recorded in Q1 2018.
- ▶ The advertising sales were 11.8% lower though, and therefore the revenues of the whole segment decreased by 4.9% in relation to the previous year.

Revenues



Sales and operating expenses Q1'16 - Q1'19

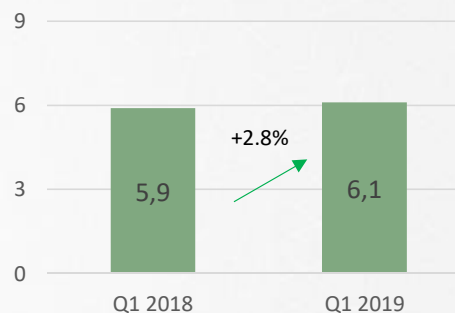


(in PLN
millions)

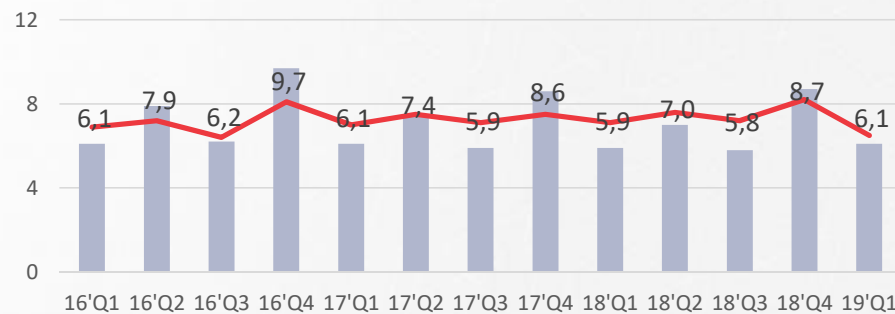
- ▶ In June 2018, Kino Polska TV S.A. purchased shares of Stopklatka S.A. and took over control over that company (previously it was a jointly controlled entity).
- ▶ In Q1 2019 Stopklatka TV's revenues amounted to PLN 6.1 million (+2.8% y/y) and it recognized a net loss of PLN 0.4 million.
- ▶ Stopklatka S.A. improved its ratio of revenues to costs in relation to the previous year. The segment had higher revenues from sales of advertising time and lower operating expenses (lower amortization/depreciation, wages and salaries and other services).
- ▶ Average SHR for Q1 2019 was 0.9%.

STOPKLATKA TV

Revenues



Sales and operating expenses Q1'16 - Q1'19

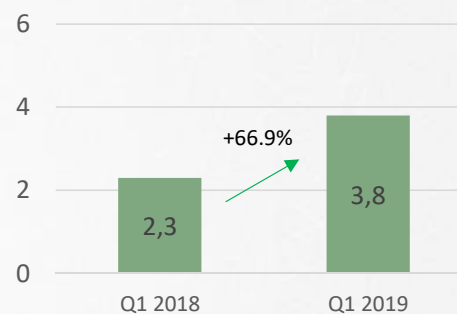


(in PLN
millions)

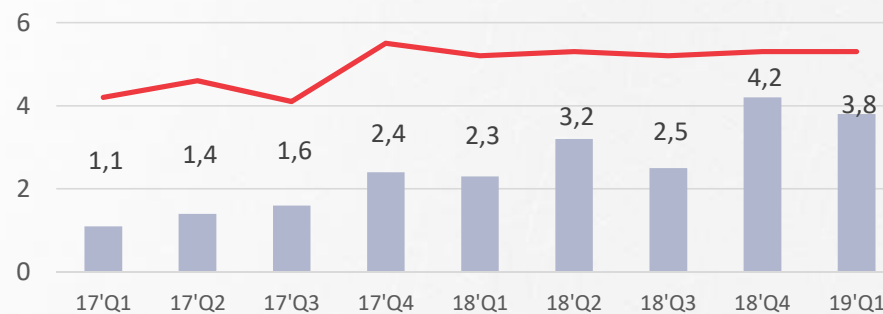
- ▶ The sales revenue of ZOOM TV increased by almost 67% y/y in Q1 2019. This channel maintained its dynamic growth. Average SHR amounted to 0.52% in Q1 2019 vs 0.32% a year before.
- ▶ The technical reach of this channel was growing at a similar rate as in the previous year. It amounted to 59.3% as at the end of April vs 57% in December 2018.

ZOOM TV

Revenues



Sales and operating expenses Q1'17 - Q1'19



SEGMENTS

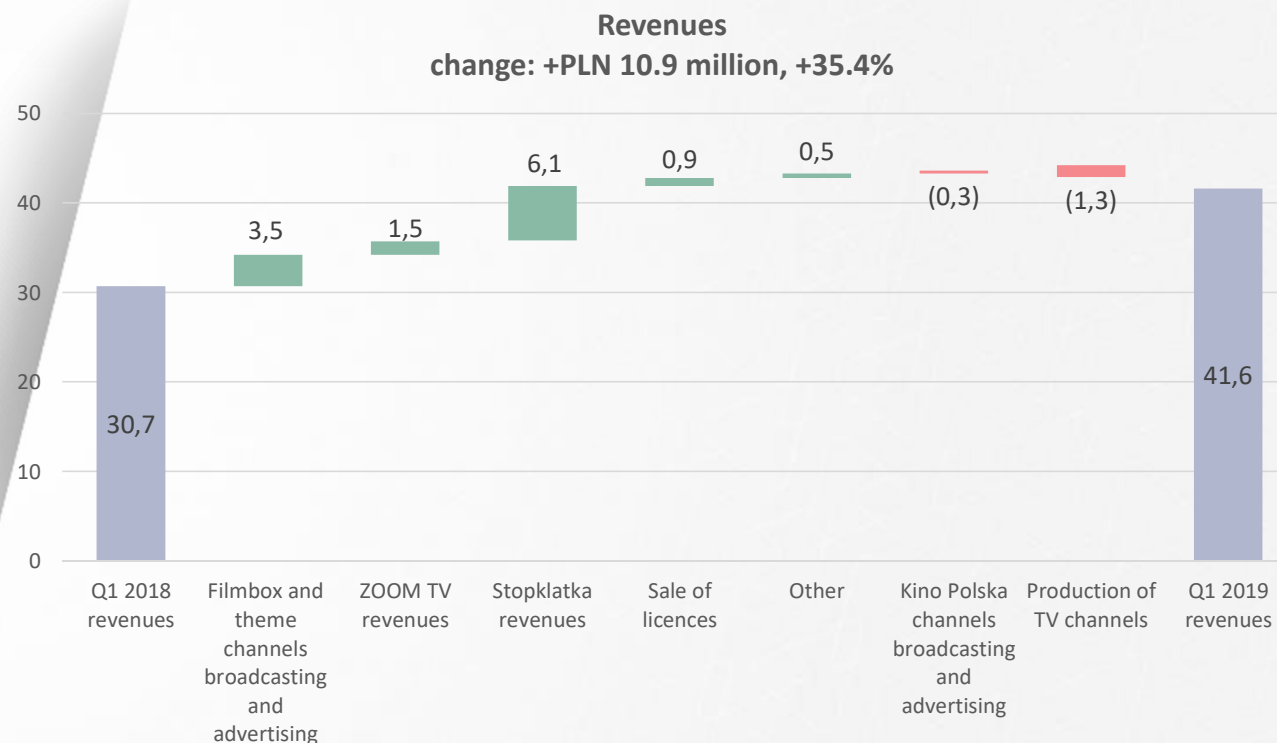
Operating result for Q1 2019

| (in PLN '000) | FilmBox film channels and theme channels | Kino Polska channels | Production of TV channels | Zoom TV | Stopklatka | Sale of licences | Other segments | TOTAL |
|--|---|-------------------------|------------------------------|----------------|----------------|------------------|----------------|---------------|
| Broadcasting | 20 528 | 3 790 | - | - | - | - | - | 24 318 |
| Advertising | 1 655 | 2 728 | - | 3 830 | 6 083 | - | - | 14 296 |
| Other sales | - | - | 95 | - | - | 1 602 | 1 319 | 3 016 |
| Film licensing fees | - | - | - | - | - | - | - | - |
| Total sales | 22 183 | 6 518 | 95 | 3 830 | 6 083 | 1 602 | 1 319 | 41 630 |
| Operating expenses | (16 911) | (3 710) | (86) | (5 348) | (7 104) | (1 283) | (1 062) | (35 504) |
| Segment result for Q1 2019 | 5,272 | 2 808 | 9 | (1 518) | (1 021) | 319 | 256 | 6 126 |
| Segment profitability for Q1 2019 | 24% | 43% | 9% | -40% | -17% | 20% | 19% | 15% |
| Segment result for Q1 2018 | 4 243,0 | 3 240,0 | 152,0 | (2 878,0) | - | 561,0 | (158,0) | 5 160,0 |
| Segment profitability for Q1 2018 | 23% | 47% | 11% | -125% | 0% | 78% | -21% | 17% |

- ▶ The Group's sales revenues for Q1 2019 amounted to PLN 41.6 million (a 35.4% growth in relation to the previous year) taking into account the consolidated results of Stopklatka S.A. (if Stopklatka's results were not taken into account, the growth would amount to 15,7%).
The advertising revenues of the Stopklatka TV segment have been consolidated since Q3 2018.

- ▶ The highest revenue increases were recorded by the FilmBox channels and theme channels segment (+PLN +3.5 million, an increase of 18.8% y/y) and the ZOOM TV segment (+PLN 1.5 million, an increase of +66.9% y/y).

REVENUES

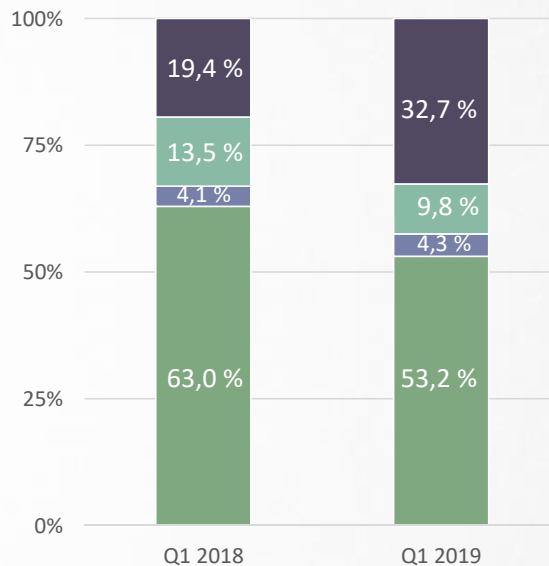


BROADCASTING AND ADVERTISING REVENUES

(in PLN millions)

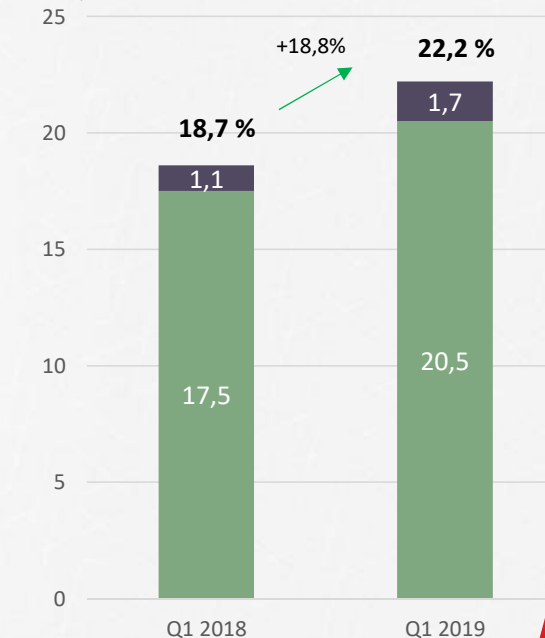


- STK advertising
- ZOOM TV advertising
- Kino Polska channels advertising



- Advertising on Kino Polska, ZOOM TV and STK channels
- Kino Polska channels broadcasting
- Advertising on the Filmbox channel

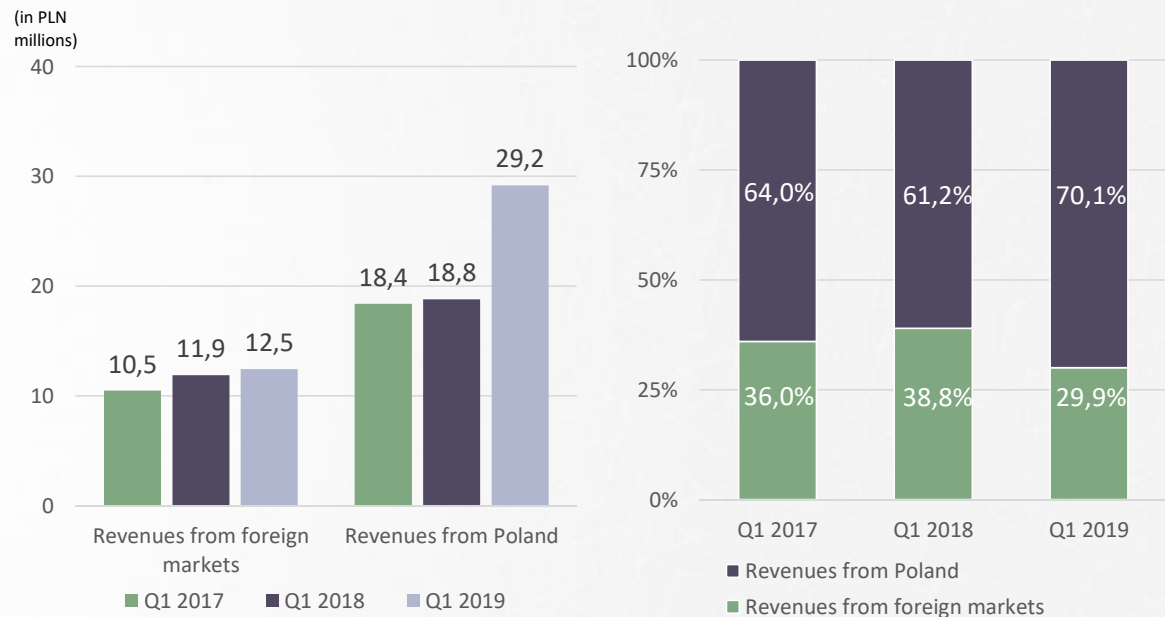
(in PLN millions)



- Advertising on the Filmbox channel
- Filmbox and theme channels broadcasting

TOTAL REVENUES BY TERRITORY*

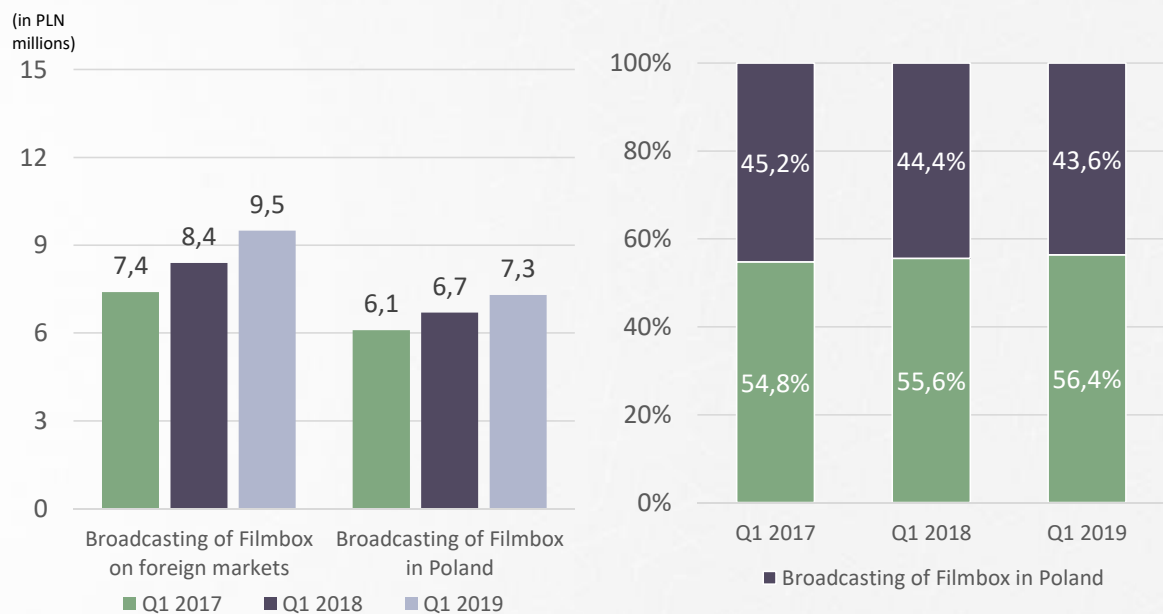
- ▶ In Q1 2019, the Group maintained nominal increase in the revenues from foreign markets. The increase in revenues from the territory of Poland (in terms of percentage) is higher mainly due to the consolidation of Stopklatka S.A. and an increase in the sales of ZOOM TV.
- ▶ The Group increases the sales of FilmBox Premium packages on foreign markets and expands the distribution of those channels to new territories.
- ▶ The Group conducts activities aimed at increasing the share of revenues from the sales of non-linear products – FilmBox Live and FilmBox On Demand



* Revenues include emission, advertising, production, sale of licenses and other.

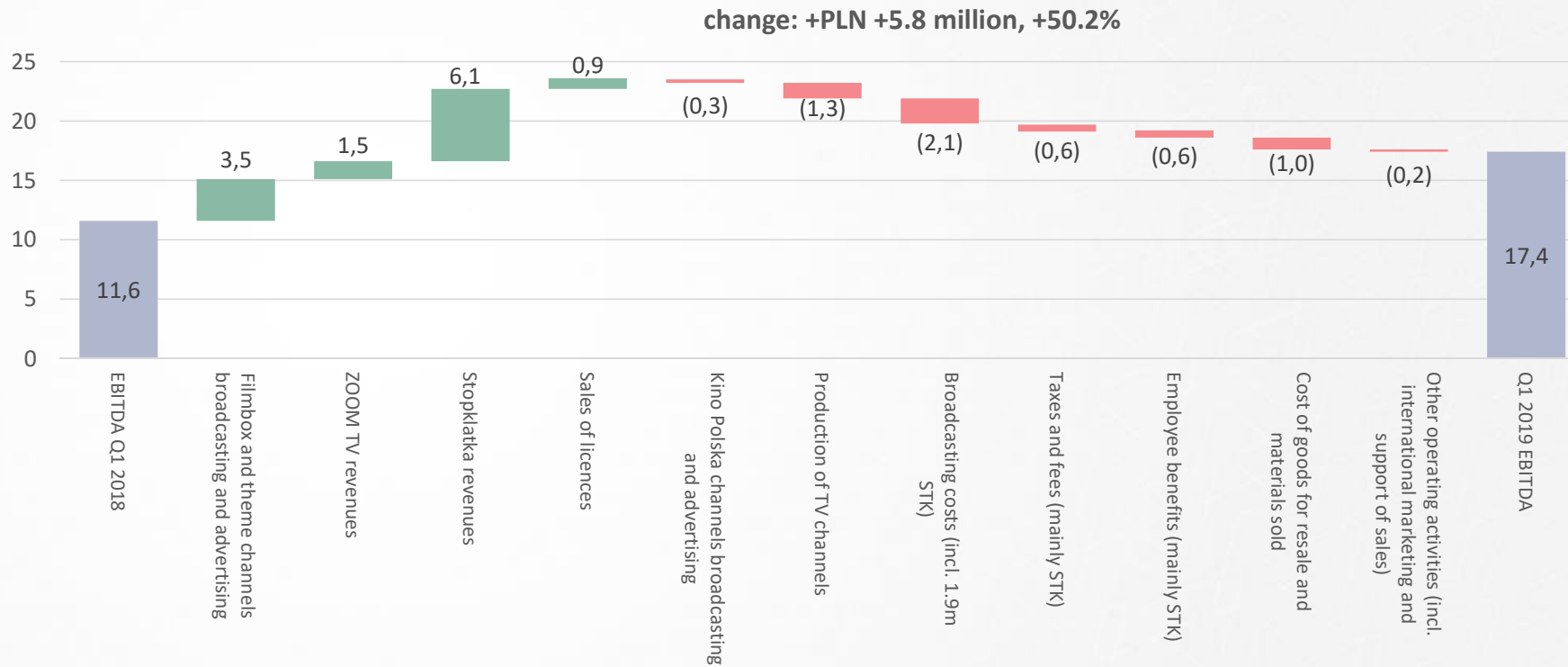
REVENUES FROM BROADCASTING OF FILMBOX CHANNELS BY TERRITORY

- ▶ The revenues from broadcasting of FilmBox channels on foreign markets show a growing trend and they increased by 12,2% in relation to the same period of 2018.
- ▶ Revenues from the Polish market increased by 8.8%.



EBITDA – Q1 2019

(in PLN
millions)

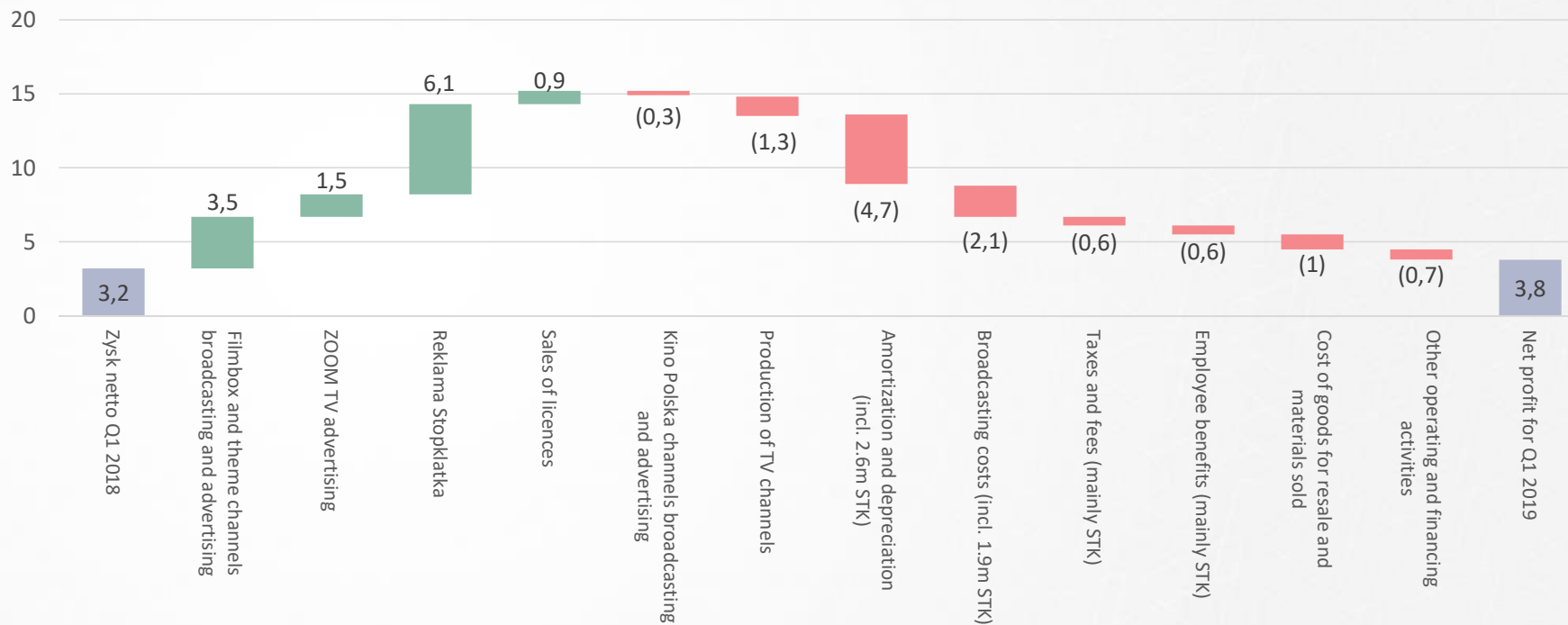


▶ EBITDA was better mainly due to an increase in the profitability of the FilmBox film channels and theme channels segment and the Zoom TV segment.

NET PROFIT – Q1 2019

(in PLN
millions)

(without the value of the share in STK) change: +PLN 0,6 million, +20.3%



- ▶ The net profit/ (loss) was affected by the amortization/depreciation recognized by Stopklatka and the costs relating to this company's operations. Ultimately, the net profit after Q1 2019 was 30.4% higher than a year before.

DIVIDEND

| Period for which dividend is paid | Dividend amount per 1 share [PLN] | Dividend rate [%] | Dividend amount [PLN] |
|-----------------------------------|-----------------------------------|-------------------|-----------------------|
| 2018 recommended dividend | 0,30 | - | 5 946 421 |
| 2017 | 0,55 | 4.70% | 10 901 772 |
| 2016 | 1,13 | 8.83% | 22 398 187 |
| 2015 | 1,00 | 7.41% | 19 821 404 |
| 2014 | 1,00 | 6.90% | 19 821 404 |
| 2013 | 0,45 | 2.86% | 6 219 632 |
| 2012 | 1,00 | 2.08% | 13 821 404 |
| 2011 | 1,00 | 3.52% | 13 870 000 |
| | | | 106 853 803 |

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MK1

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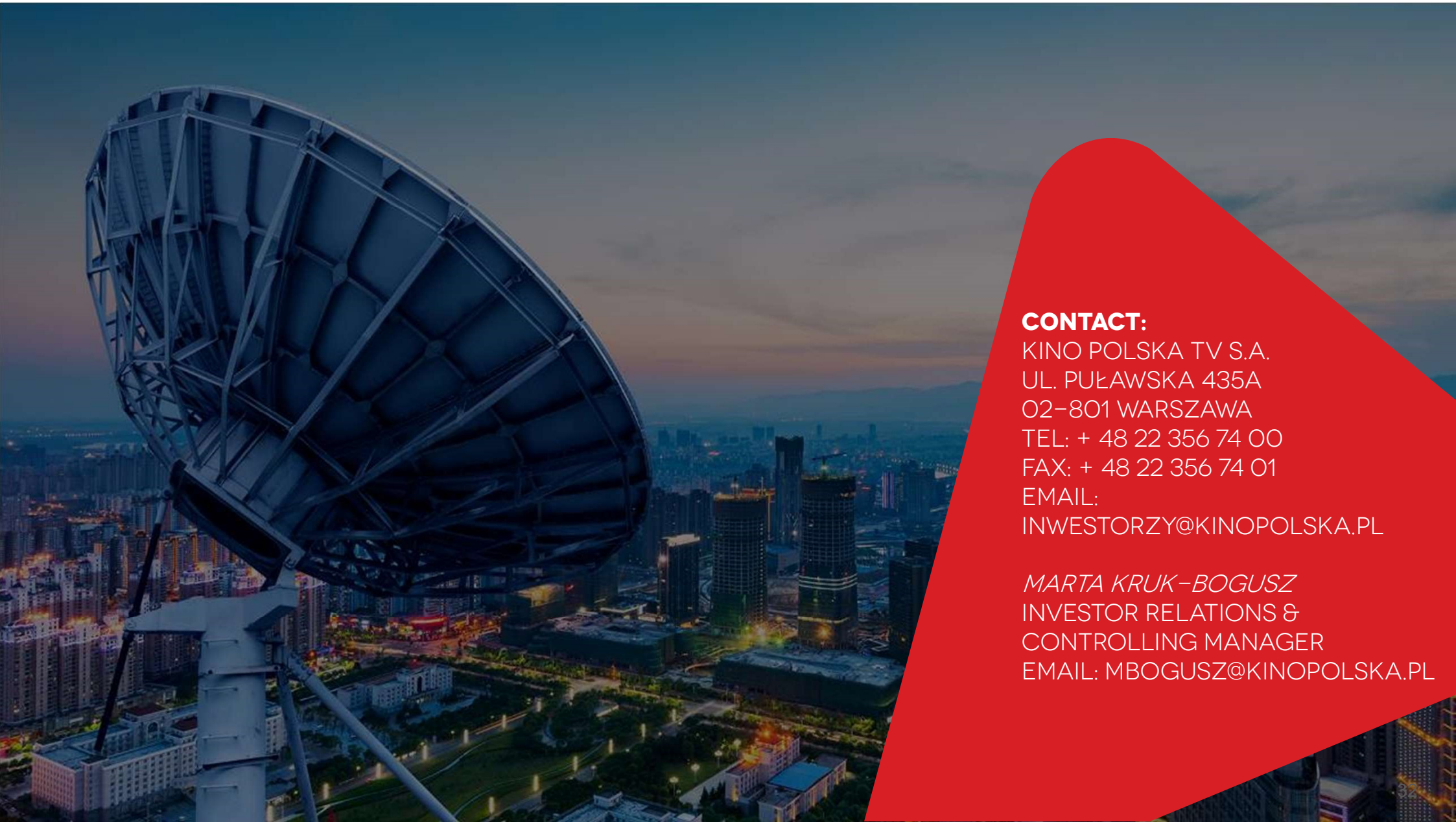
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The viewership data contained in the Presentation has been provided by Nielsen Audience Measurement (live data).

MK1 NBS lub Inner zasugerowli, aby przenieść to oświadczenie na koniec, stąd ta zmiana
Marta Kruk-Bogusz; 07.05.2019



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