

Capital Group



KINOPOLSKA

Results for 3 rd quarter 2018

Warsaw, 23.11.2018

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I. Introduction

II. Key Facts 1-3Q 2018

III. Strategic goals

IV. M&A 1-3Q 2018

V. Premium / Extended Basic / Basic / DTT

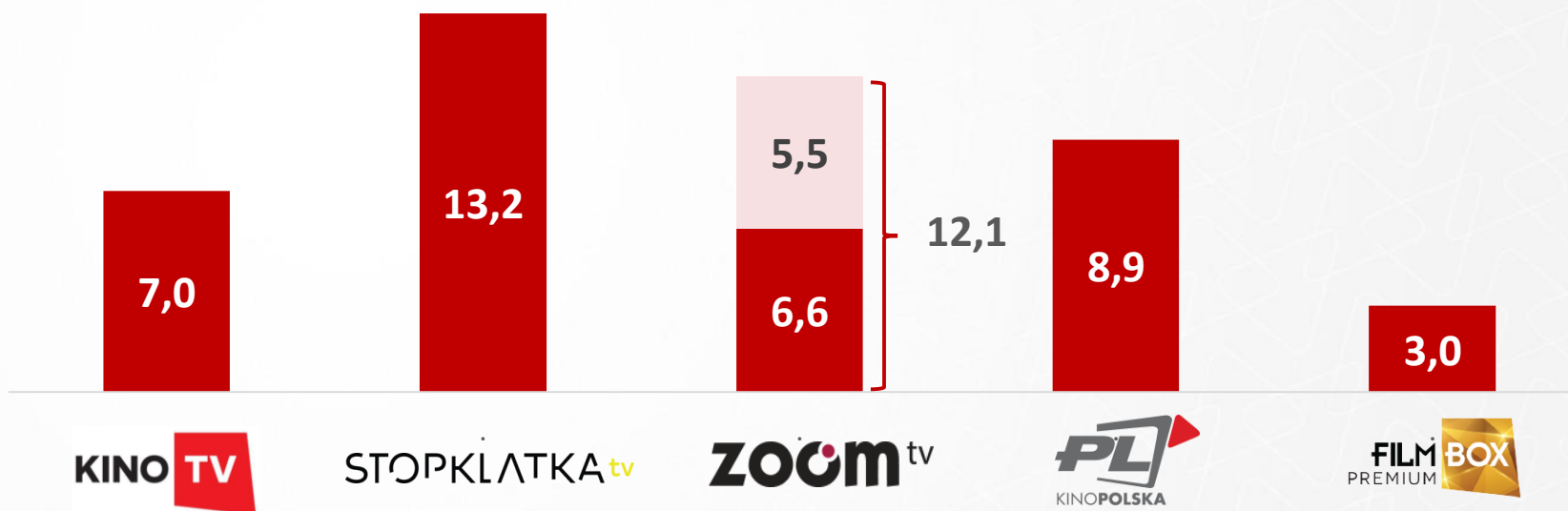
VI. Basic Operating Results

VII. Financial Results

AGENDA

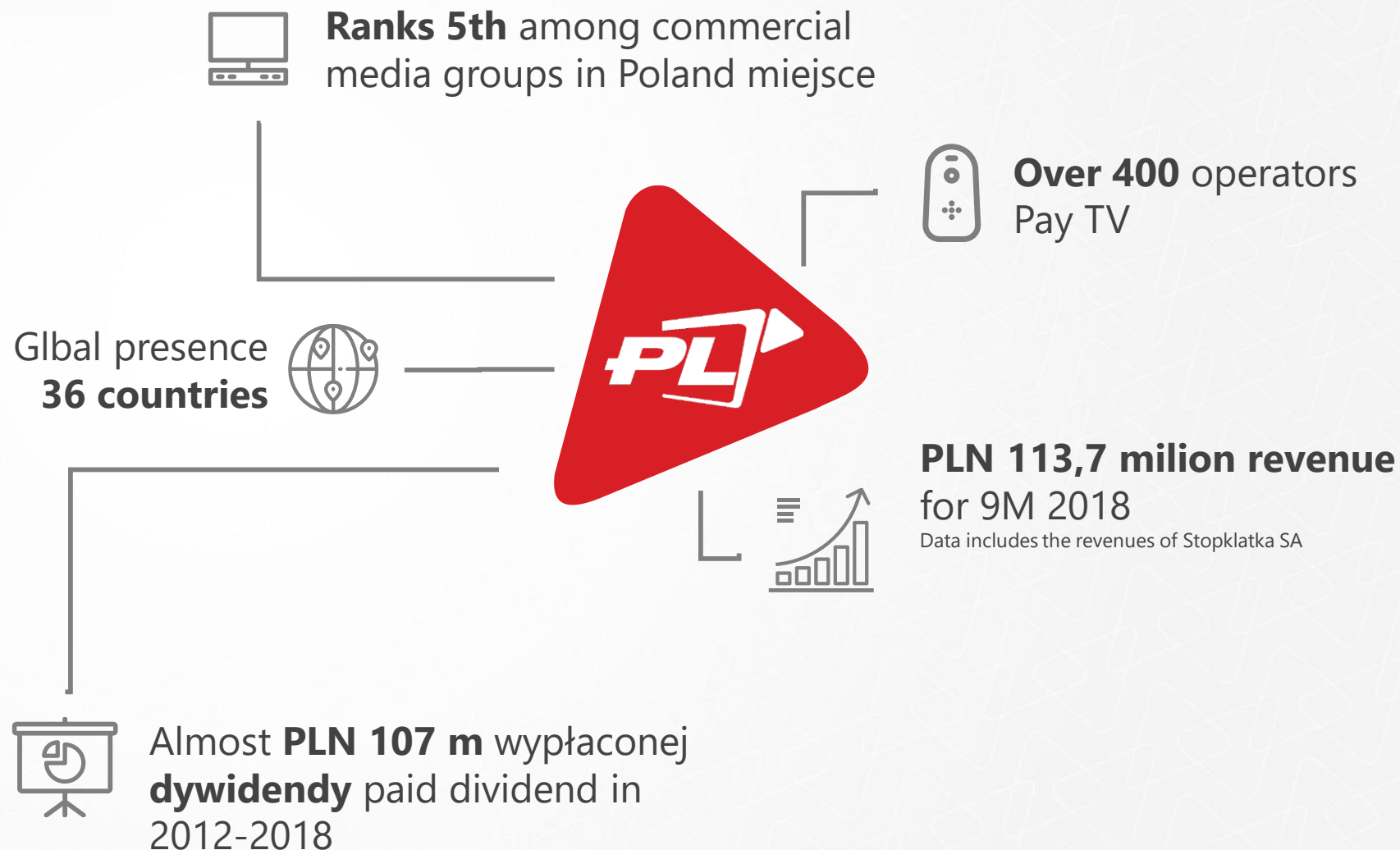
KINO POLSKA TV CAPITAL GROUP IN NUMBERS

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 54,9%

KINO POLSKA TV CAPITAL GROUP IN NUMBERS



GRAPHIC EXPANSION

Australia, Middle East, France, Georgia, Netherlands, India
Canada, Mexico, Germany, Oman, Peru, Switzerland,
Sweden, Turkey, Ukraine, USA, UAE and others

25 countries

where the KPTV Group will
carry out the sale

Czech Republic (11%), Hungary (10%),
Romania (6%), Ex-Yugo (8%),
Slovakia (6%), others (6%)

10 countries

where the KPTV Group achieves 47% of
sales revenues

Poland (53%)

The market with the largest share in the
revenue from the issue of the KPTV Group

I. Introduction

II. Key Facts 1-3Q 2018

III. Strategic goals

IV. M&A 1-3Q 2018

V. Premium / Extended Basic / Basic / DTT

VI. Basic Operating Results

VII. Financial Results

AGENDA

KEY FACTS 9M 2018

9 MONTHS 2018

- ▶ **Over PLN 102 million of sales revenues** for the nine months of 2018 of the Kino Polska TV Group, including over PLN 66 million of revenue from the broadcast of TV channels
- ▶ Takeover of **full control over Cable Television Networks & Partners sp. z o.o.**, broadcaster of Zoom TV
- ▶ Acquisition of **50.46% shares in Stopklatka SA**, the sender of the ground channel Stopklatka TV - the largest movie channel in Poland (including 41.14% from Agora 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.
- ▶ Addition 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.
- ▶ The distribution of thematic channels in CEE by the Kino Polska TV Group

I. Introduction

II. Key Facts 1-3Q 2018

III. Strategic goals

IV. M&A 1-3Q 2018

V. Premium / Extended Basic / Basic / DTT

VI. Basic Operating Results

VII. Financial Results

AGENDA

OUR STRATEGIC GOALS

POLISH MARKET:

- ▶ Kino Polska TV Capital Group is the **fifth media group in Poland**, with an annual average of 3.0% audience share 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, i.e. 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**
- ▶ Increase in viewership on the **Stopklatka TV** channel up to an annual average of 1.2% audience share in the commercial group.

FOREIGN MARKETS:

- ▶ Increasing non-linear products in the revenue 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.

I. Introduction

II. Key Facts 1-3Q 2018

III. Strategic goals

IV. M&A 1-3Q 2018

V. Premium / Extended Basic / Basic / DTT

VI. Basic Operating Results

VII. Financial Results

AGENDA

M&A 2018

STOPKLATKA^{tv}

Kino Polska TV acquired 41.14% shares in **Stopklatka** for **PLN 32.2 million**. After the transaction, Kino Polska TV held 82.64% shares in the share capital of **Stopklatka**.

STOPKLATKA^{tv}

Kino Polska TV acquired a total of 15.12% shares in **Stopklatka** for **PLN 11.8 million**. After the transactions, Kino Polska TV holds 97.76% of shares in the share capital of **Stopklatka**.

23.01.2018

14.06.2018

26.06.2018

od 06.09.2018 do 05.10.2018

Kino Polska TV acquired a **30%** interest at **Cable Television Networks & Partners** for **PLN 10.0 million**. After the transaction, Kino Polska TV held 100% of shares in the share capital

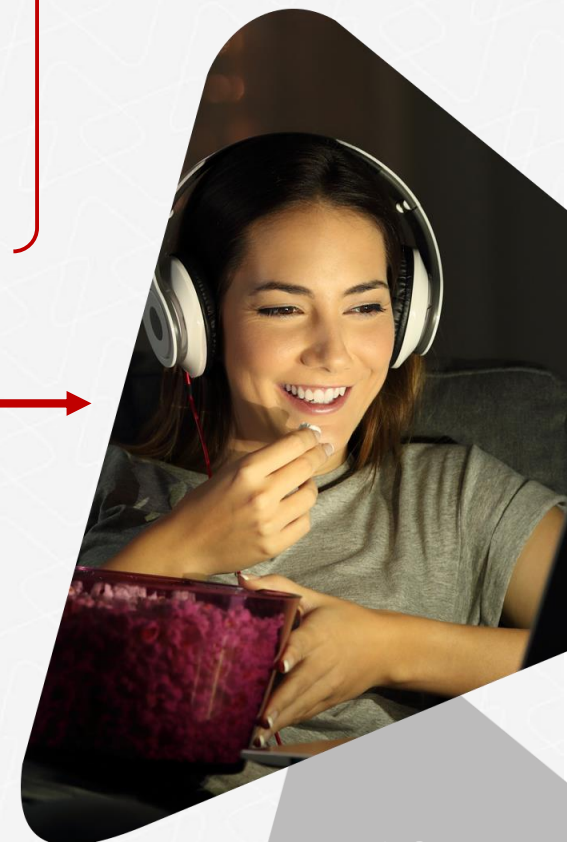
zoomtv

On June 26, 2018, **Kino Polska TV SA** merged with **Cable Television Networks & Partners Sp. z o.o.**
KPTV Media Sp. z o.o.
and **Cyfrowe Repozytorium Filmowe Sp z o.o.**

zoomtv



KPTV Media



12

I. Introduction

II. Key Facts 1-3Q 2018

III. Strategic goals

IV. M&A 1-3Q 2018

V. Premium / Extended Basic / Basic / DTT

VI. Basic Operating Results

VII. Financial Results

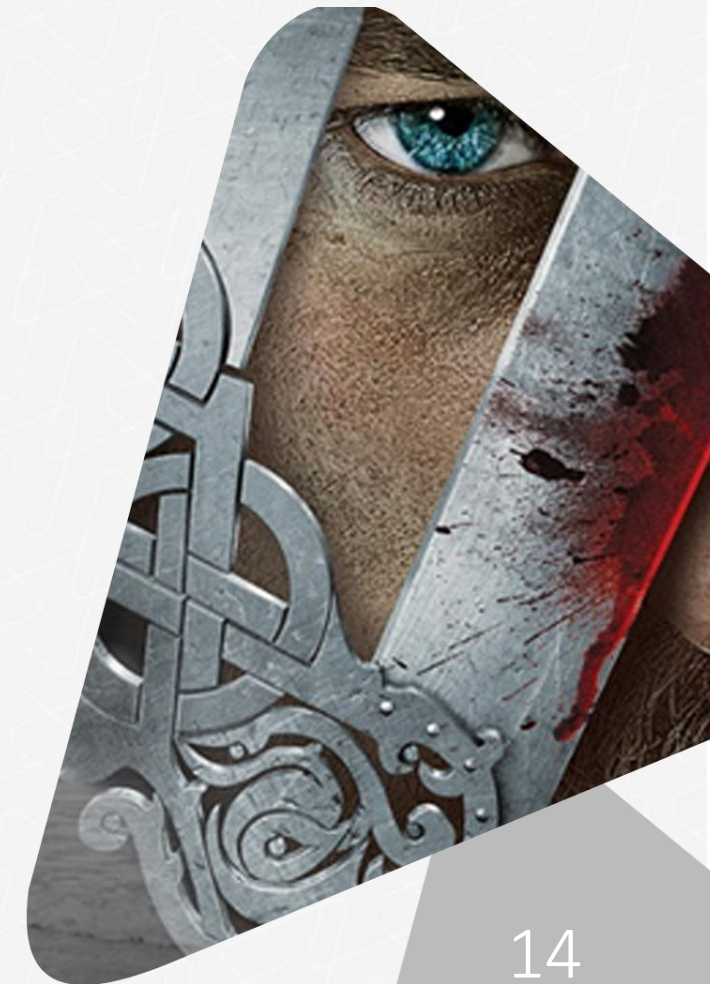
AGENDA

STOPKLATKA TV

THE ONLY GENERALLY A FILM-SERIAL CHANNEL IN POLAND

STOPKLATKA **tv**

- ▶ Kino Polska TV SA increased its share in the share capital of Stopklatki SA to 97.76% - a company that broadcasts the Stopklatka TV channel, which is ranked second among the film and TV series in Poland.
- ▶ The organizational structure after the takeover of Stopklatka SA by Kino Polska TV SA has been optimized, including by combining the Marketing and Program Purchase departments, which will contribute to lowering the company's operating costs.
- ▶ Stopklatka SA has invested in new, high-quality series (such as „The Handmaid's Tale”) and films - including from the Disney label, which should lead to increased viewership of Stopklatki TV. The channel was presented in 3Q by popular TV series such as "Vikings" and "Sherlock".
- ▶ Stopklatka TV achieved a quarterly market share of 0.90% in the commercial group (SHR, 16-49, Q3 2018). The channel recorded a high growth among viewers with access to cable television - SHR in this distribution source was higher by 9.5% compared to the third quarter of 2017 and by 32.7% as compared to the second quarter of 2018 (Cable, all 16- 49).



Wikingowie

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14

KINO POLSKA TV



- ▶ Kino Polska TV achieved 0.41% market share (SHR, 16-49), which means an increase of 20.6% compared to the previous quarter and is the best quarterly share in the audience market in 2017-2018.
- ▶ The average daily time spent watching Kino Polska channel by viewers from the commercial group in the third quarter was 27 minutes and 34 seconds, which is longer by almost 4 minutes with respect to the results from the corresponding period in the previous year (ATS, 16-49).
- ▶ The "Kino Polska TV's Summer Cinema" event was organized. As part of the event, the best Polish films were presented every week in Gdynia, and its finale took place at the 43rd Festival of Polish Feature Films.



Jesteś Bogiem
© KINO ŚWIAT

15



ZOOM TV

zoom tv

- ▶ Zoom TV reached a record monthly result - in September 2018, the channel recorded 0.44% audience share in the commercial group (SHR, 16-49).
- ▶ The channel recorded 0.40% quarterly market share in the commercial group, which is the best result in the history of channel broadcasting (SHR, 16-49).
- ▶ An increase in the audience market share by 2.6% compared to the previous quarter and by 37.9% compared to the same period last year (SHR, 16-49).
- ▶ The average minute audience share in the third quarter was higher by 40.1% than in July-September 2017.
- ▶ The most-watched program position of the third quarter was "Hits of the Polish cabaret" (95 thousand AMR in the group 16-49 on 10.08).



Hity polskiego kabaretu
© PhotoSense/ New Abra

16

PREMIUM, EXTENDED BASIC/ BASIC

- ▶ Advertising revenues in the Czech Republic increased by 12% compared to the second quarter of this year.
- ▶ The distribution was extended by launching the FilmBox Extra HD and FilmBox Family channels at the DIGI TV operator in the Czech Republic.
- ▶ The FilmBox channel in the Czech Republic recorded a large increase in market share - the SHR index (all 15-69) in the third quarter was higher by 40% compared to the months of April - June this year.
- ▶ Premieres of the top series "Picnic under the hanging rock" and "Good behavior" in the FilmBox Premium HD channel.
- ▶ A new agreement with M7 / Skylink (Czech Republic, Slovakia and Benelux countries) entered into force - an agreement concluded until October 2021.



Piknik pod wiszącą skałą

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I. Introduction

II. Key Facts 1-3Q 2018

III. Strategic goals

IV. M&A 1-3Q 2018

V. Premium / Extended Basic / Basic / DTT

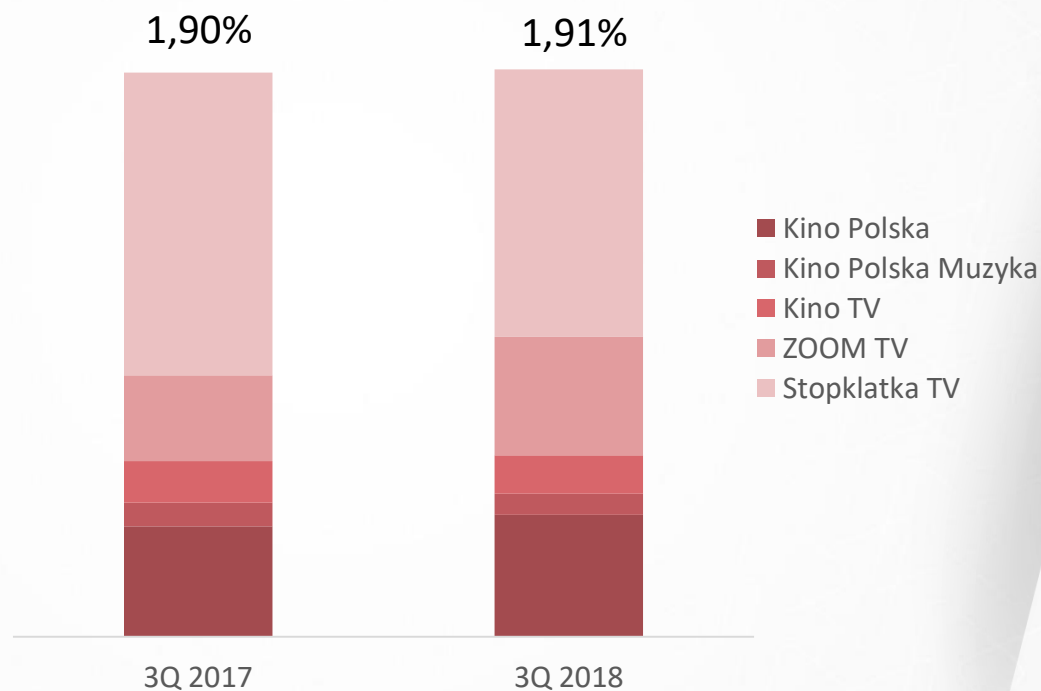
VI. Basic Operating Results

VII. Financial Results

AGENDA

OUR SHARE IN THE TELEVISION CHANNEL MARKET

Kino Polska TV Group – SHR in commercial group 3Q 2017/ 3Q 2018

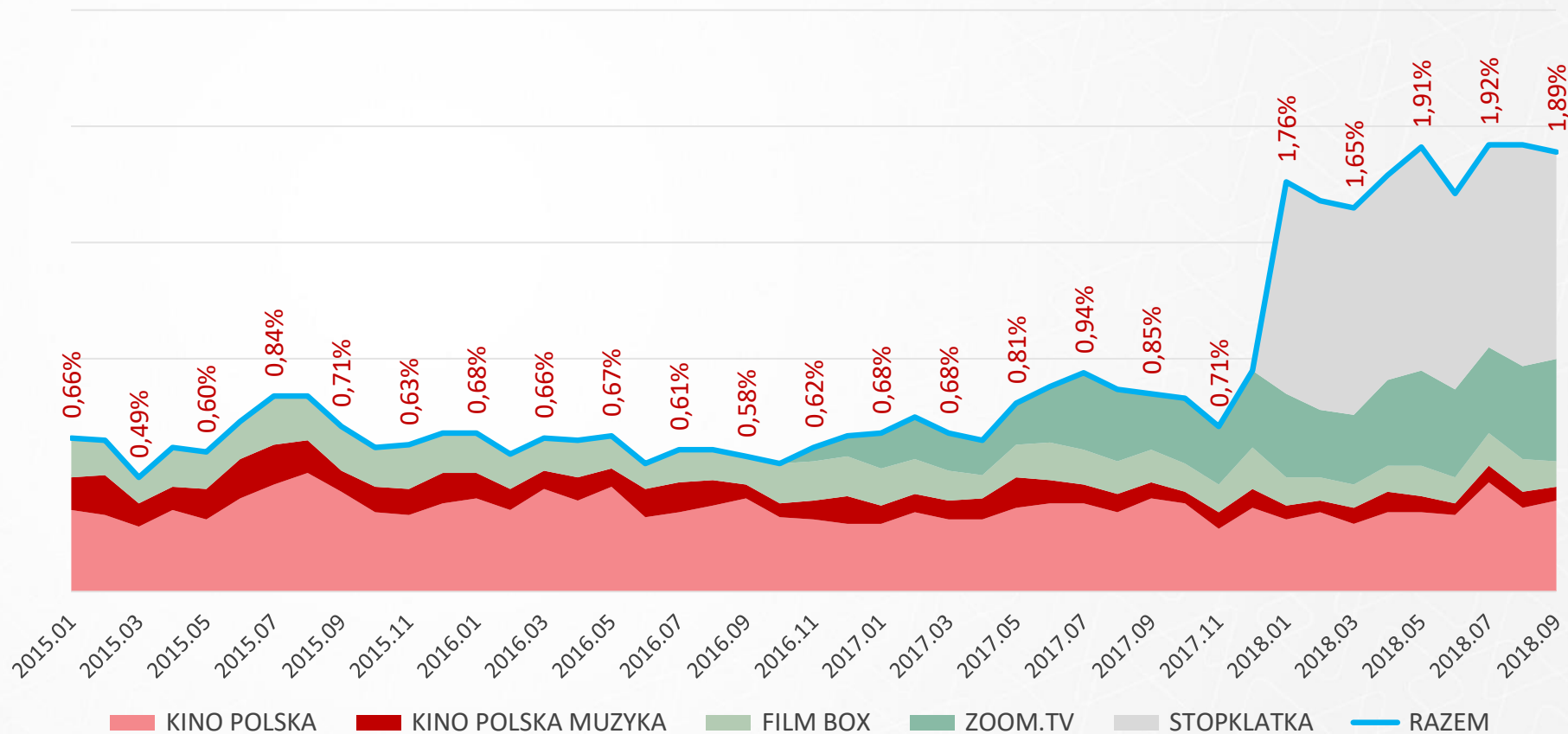


▶ In the period of 3 months of 2018, the channels from the Kino Polska TV Group obtained a total of 1.91% audience share in the commercial group (SHR%, All 16-49)



OUR SHR IN THE TV CHANNELS MARKET

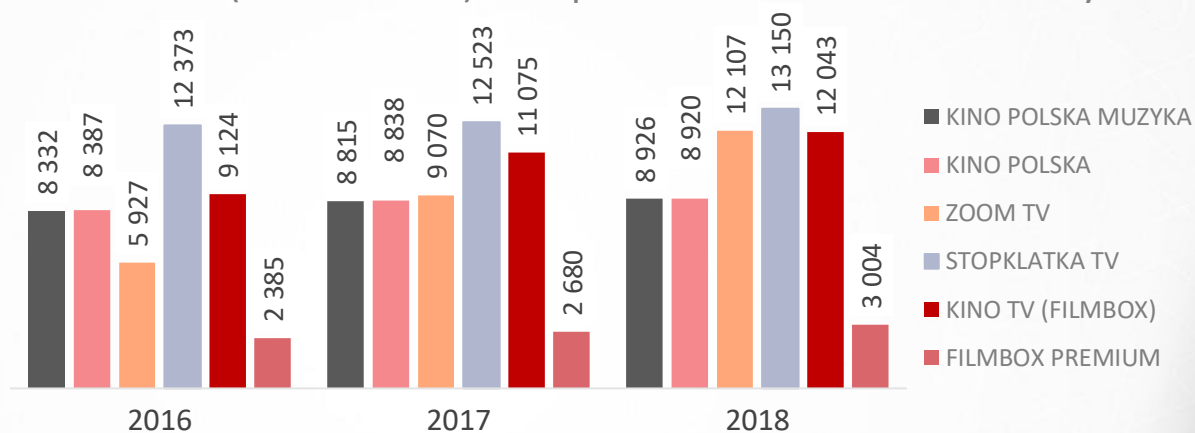
(taking into account the participation of Stopklatka TV from January 2018)



OUR SUBSCRIBERS AND OPERATORS

NUMBER OF ACTIVE SUBSCRIBERS

(in thousands) data presented at the end of each year*



▶ Number of active subscribers of Kino Polska TV and Kino Polska Muzyka recorded a similar value as at the end of 2017

▶ The number of subscribers of the KINO TV channel (FILMBOX) amounted to 12,043 thousand, ie, by 8.74% than at the end of the previous year

NUMBER OF ACTIVE OPERATORS



▶ After 9 months of 2018, the number of active Kino Polska TV operators was 270

▶ The number of active FilmBox operators was 476, which is a result of 21% higher than the number of operators at the end of 2017

21

I. Introduction

II. Key Facts 1-3Q 2018

III. Strategic goals

IV. M&A 1-3Q 2018

V. Premium / Extended Basic / Basic / DTT

VI. Basic Operating Results

VII. Financial Results

AGENDA

MOST IMPORTANT FINANCIAL INFORMATION

10

PLN M

30% SHARES
W CABLE
TELEVISION
NETWORKS
& PARTNERS

11

PLN M

DIVIDENDS PAID
SHAREHOLDERS
FROM THE PROFIT
FOR 2017

44

PLN M

PURCHASE
TOGETHER
56.26% OF SHARES
W STOPKLATKA S.A.

42

PLN M

ROFIT EBITDA
FOR 9 MONTHS
2018 OF THE
YEAR

+28.7%
y/y

58

PLN M

REVENUE
IN THE SEGMENT
OF FILM CHANNELS
FILMBOX BRANDS
AND CHANNEL
CHANNELS
FOR 9 MONTHS
2018

+9.4%
y/y

102

PLN M

REVENUE
FROM SALE
FOR
9 MONTHS
2018

+14.9%
y/y

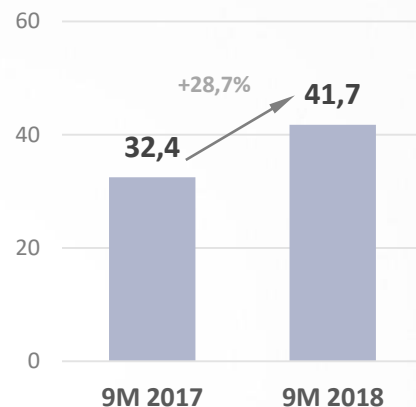
23

BASIC FINANCIAL DATA

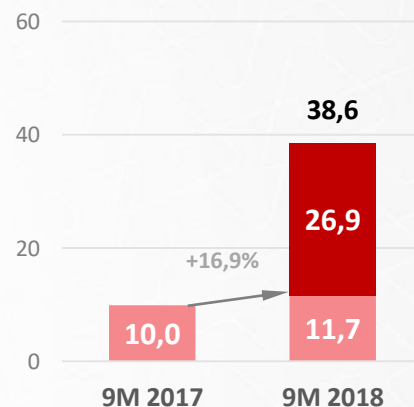
Przychody ze sprzedaży



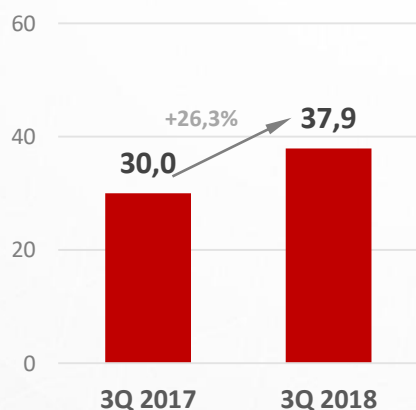
EBITDA



Zysk Netto



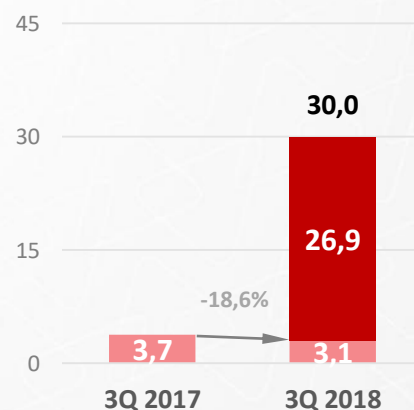
Przychody ze sprzedaży



EBITDA



Zysk Netto



▶ The Kino Polska TV Group taking into account the results of Stopklatka SA from the third quarter of 2018 improved all basic financial ratios for the nine months of 2018, achieving significant increases also without taking into account a single accounting entry (1-off)

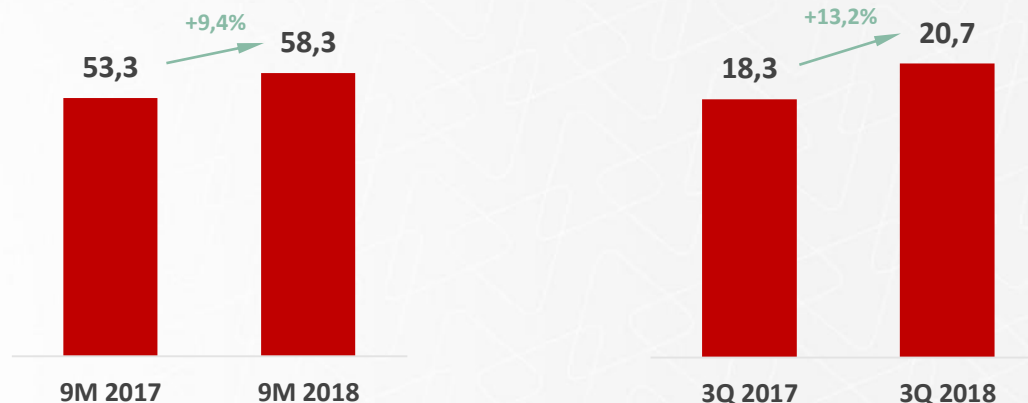
▶ In the third quarter of 2018, the Kino Polska TV Group recorded an increase in sales by 26% and, at the same time, a decrease in net profit by 18.6%. This is an effect of the consolidation of the Stopklatka SA result and higher financial costs compared to the third quarter of 2017.

FILMBOX FILM CHANNELS AND THEMATIC CHANNELS

- ▶ Continued upward trend in revenues from the sales of the "Filmbox film channels and thematic channels" segment with an increase of 9.4% y / y for 3 quarters of 2018 and by + 13.2% y / y f or Q3 2018
- ▶ Segment operating profit growth by PLN 1.48 million for Q3 2018
- ▶ The highest increases in sales on Filmbox channels were recorded by such markets as Poland, Hungary, Slovakia, the Czech Republic and the countries of the former Yugoslavia

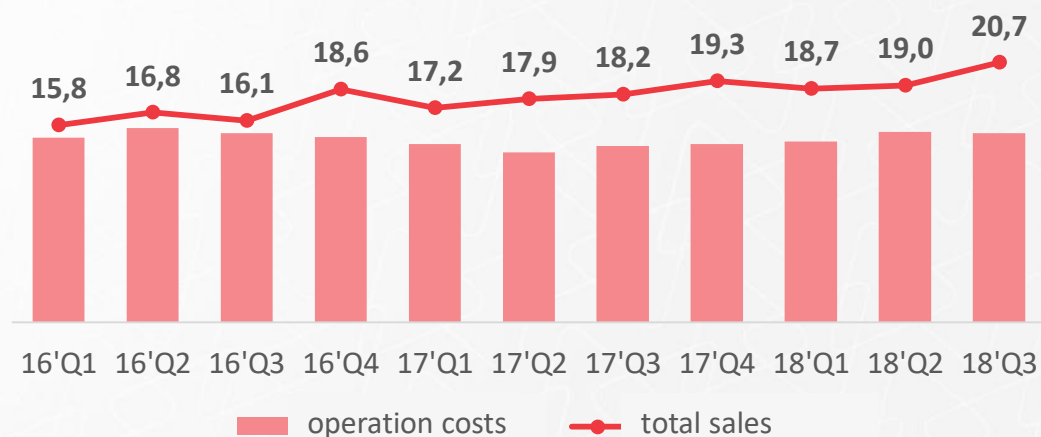
Revenues

[PLN m]



Sales and operating costs in 1Q16 - Q3'18

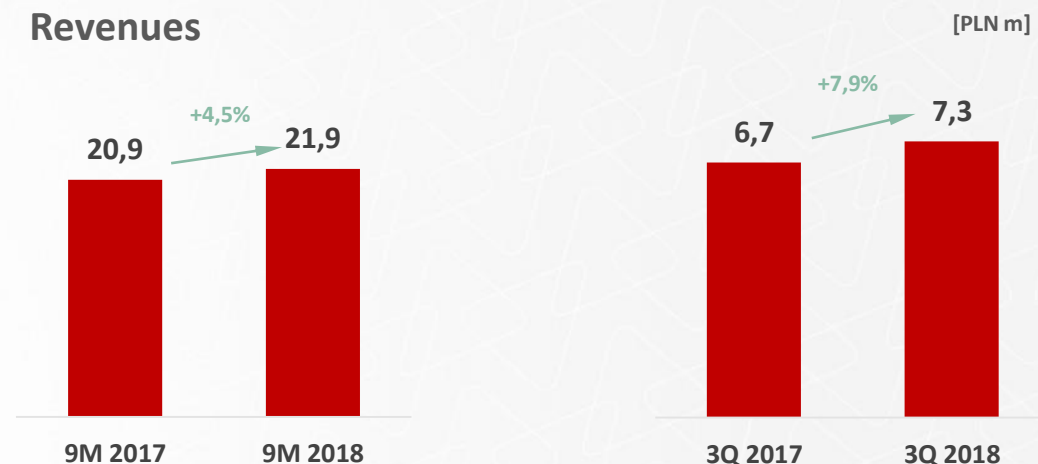
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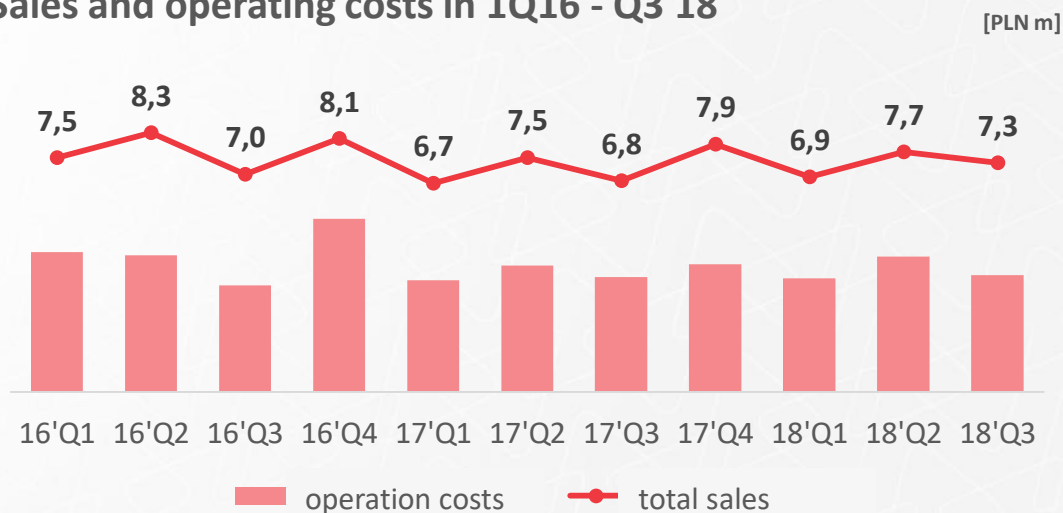
KINO POLSKA TV CHANNELS

- ▶ + 7.9% y / y increase in sales revenues from the "Kino Polska film channels" segment for Q3 2018 and + 4.5% y / y for the three quarters of 2018
- ▶ The Kino Polska TV segment maintains quarterly sales at a similar level since the beginning of 2016.
- ▶ The segment achieved + 16.5% increase in operating profit for Q3 2018, and + 5.5% increase in operating profit to PLN 10.18 million for three quarters of 2018.

Revenues



Sales and operating costs in 1Q16 - Q3'18



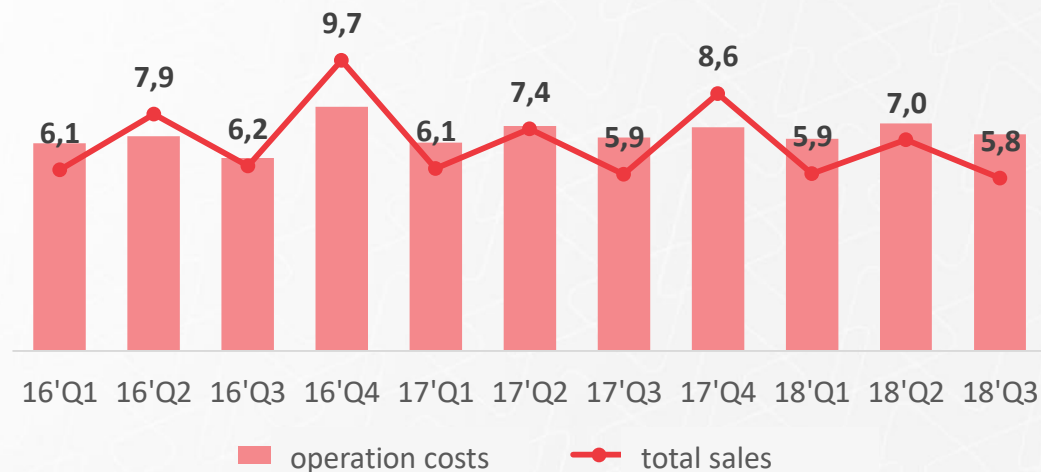
STOPKLATKA TV

- ▶ -2.4% y / y decrease in sales revenues of Stopklatka SA for Q3 2018 and by -3.5% y / y for 3 quarters 2018
- ▶ Stopklatka SA maintains quarterly costs at a similar level from the beginning of 2017.

Revenues



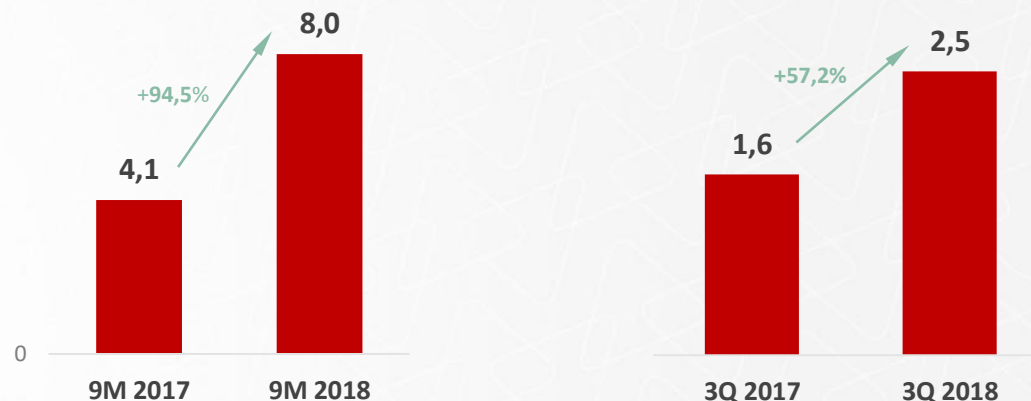
Sales and operating costs in 1Q16 - Q3'18



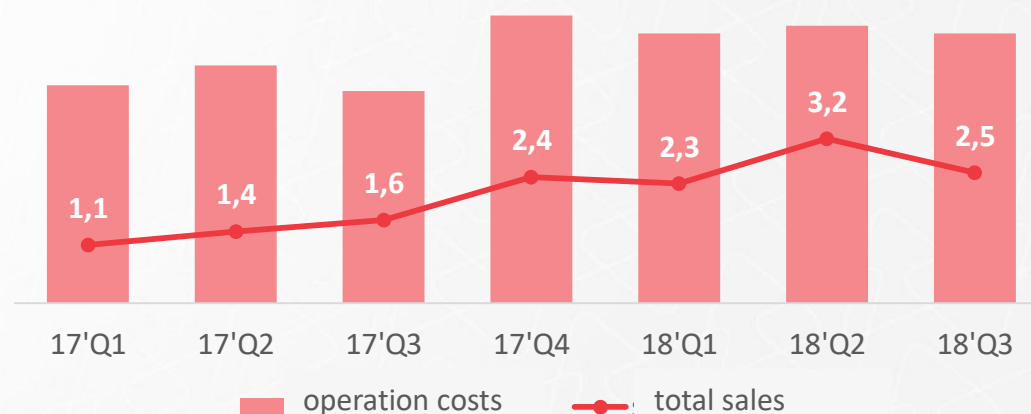
ZOOM TV

- ▶ The dynamic development of the youngest TV channel in the KPTV Group is maintained
- ▶ + 57.2% y / y increase in sales revenue for the 'Zoom TV' segment for Q3 2018 and + 94.5% y / y for three quarters of 2018
- ▶ The operating result of the ZOOM TV segment for the three quarters of 2018 improved by PLN 1.0 million, which means a reduction of the loss by 11.5%

Revenues



Sales and operating costs in 1Q'16 - Q3'18



SEGMENTS

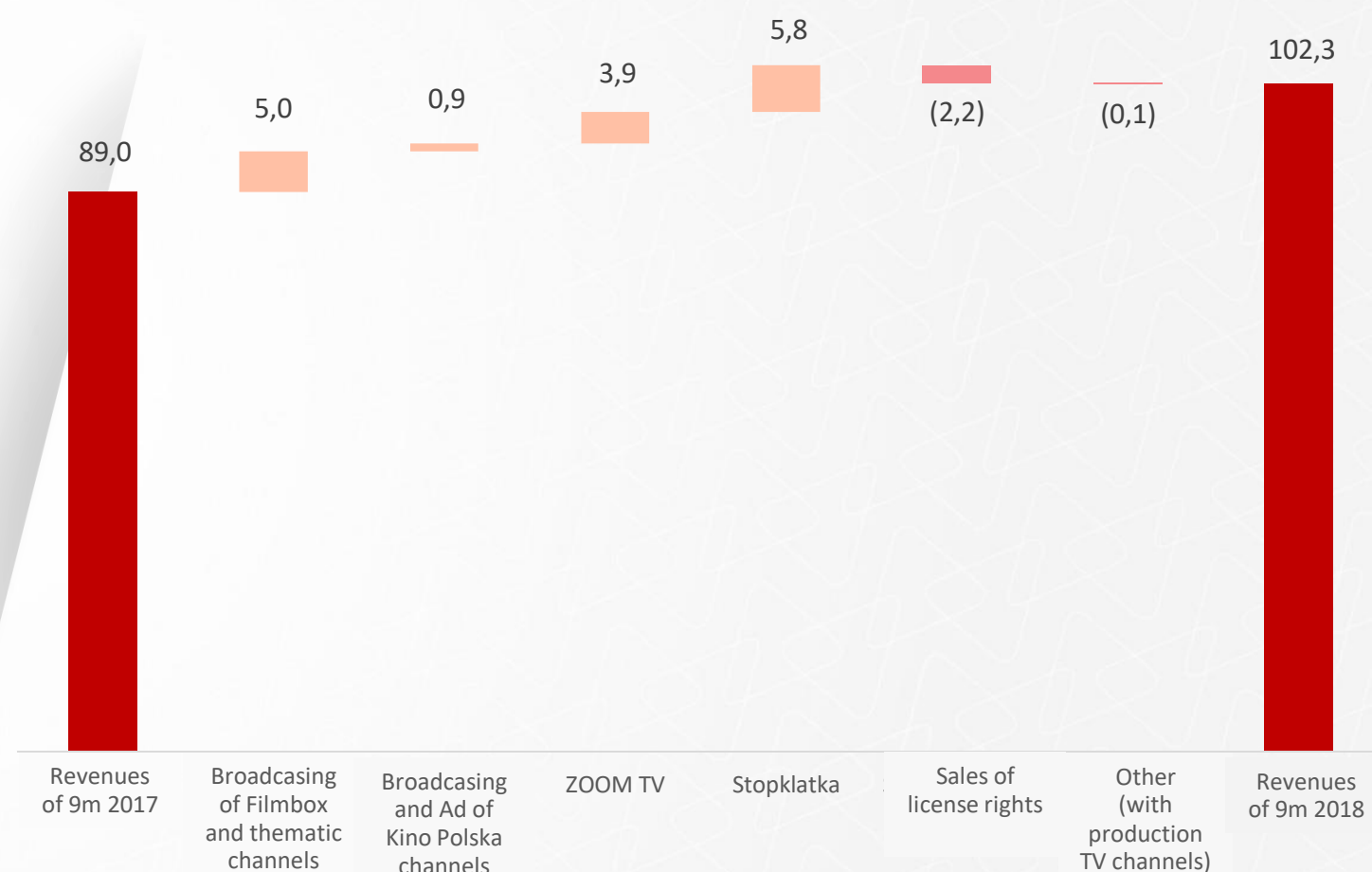
Operating result 1-3Q 2018

(in thous. PLN)	FilmBox movie channels and thematic channels	Kino Polska channels	Production TV channels	Zoom TV	Stopklatka	Sales of license rights	Other segments	TOTAL
Broadcasting	54 624	11 542	-	1	-	57	-	66 224
Advertisement	3 654	10 308	-	7 951	5 760	-	-	27 673
Other sales	-	-	3 251	-	-	2 595	2 387	8 233
Fees for providing film licenses	160	-	-	-	-	-	-	160
Total sales	58 438	21 850	3 251	7 952	5 760	2 652	2 387	102 290
Operation costs	-44 849	-11 666	-2 953	-15 666	-7 458	-1 099	-2 453	-86 144
Segment result	13 588	10 184	298	-7 715	-1 698	1 554	-66	16 146
Segment profitability for 9m 2018	23%	47%	9%	-97%	-29%	59%	-3%	16%
Segment result 9m 2017	11 302	9 652	388	-8 720	-	2 175	112	14 909
Segment profitability for 9m 2017	21%	46%	10%	-213%	0%	45%	6%	17%

REVENUES

Revenues
change: PLN +13.3 m, +14.9% y/y

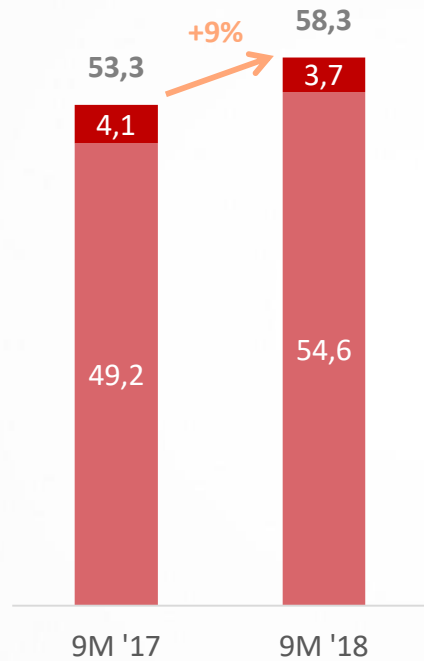
- ▶ The Capital Group's revenues from sales for 9 months of 2018 amounted to PLN 102.3 million, which means a + 14.9% increase compared to the same period last year.
- ▶ The largest percentage increases were recorded in the Channel Channel and thematic channels (increase by + 5.0 million PLN + 9.4% y / y) and revenues of the ZOOM TV segment (increase by +3,9 million PLN +94, 5% y / y)
- ▶ Ad revenues from the Stopklatka TV segment (PLN 5.8 million) are consolidated for the first time in the third quarter of 2018.



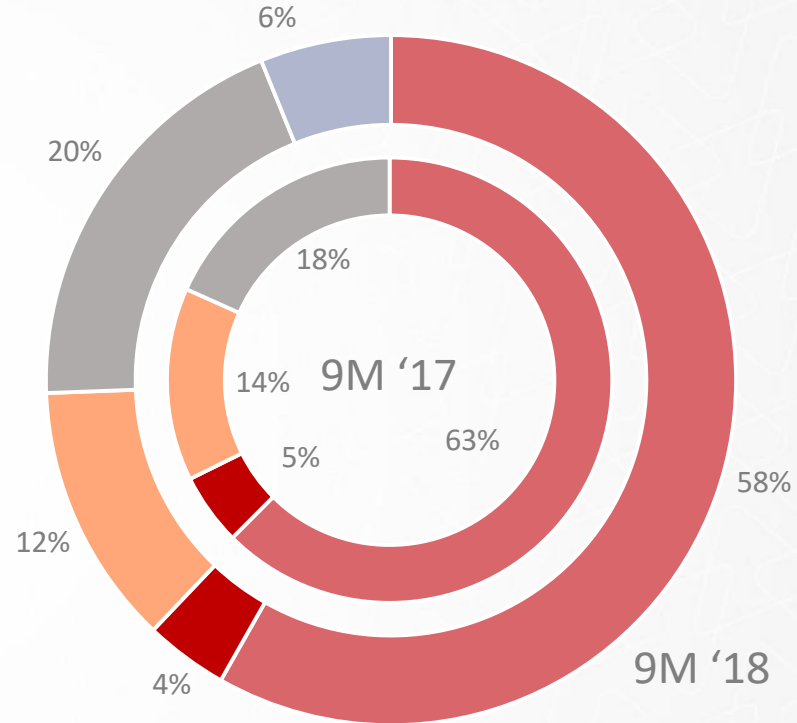
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REVENUE FROM BROADCASTING AND ADVERTISING

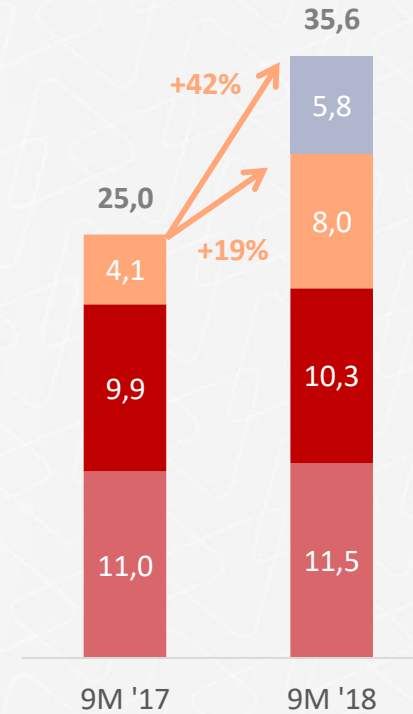
m PLN



- Advertising of Filmbox (Kino TV)
- Broadcasting Filmbox



- Broadcasting Filmbox
- Advertising of Filmbox (Kino TV)
- Broadcasting Kino Polska channels
- Advertising of Kino Polska channels and ZOOM TV
- Advertising of Stopklatka TV

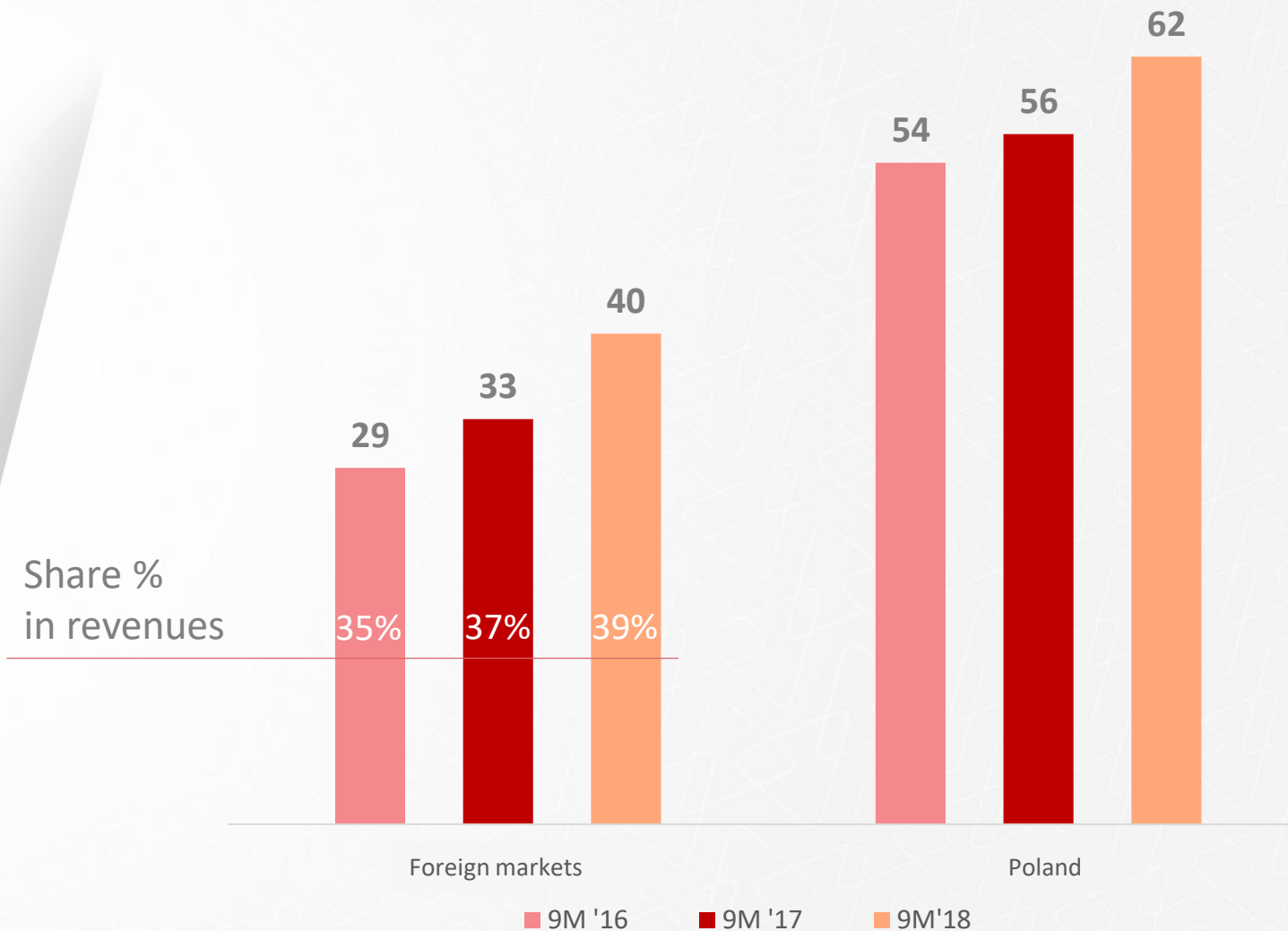


- Advertising of Stopklatka TV
- Advertising of ZOOM TV
- Advertising of Kino Polska channels
- Broadcasting Kino Polska channels



TOTAL REVENUES ACCORDING TO THE TERRITORY

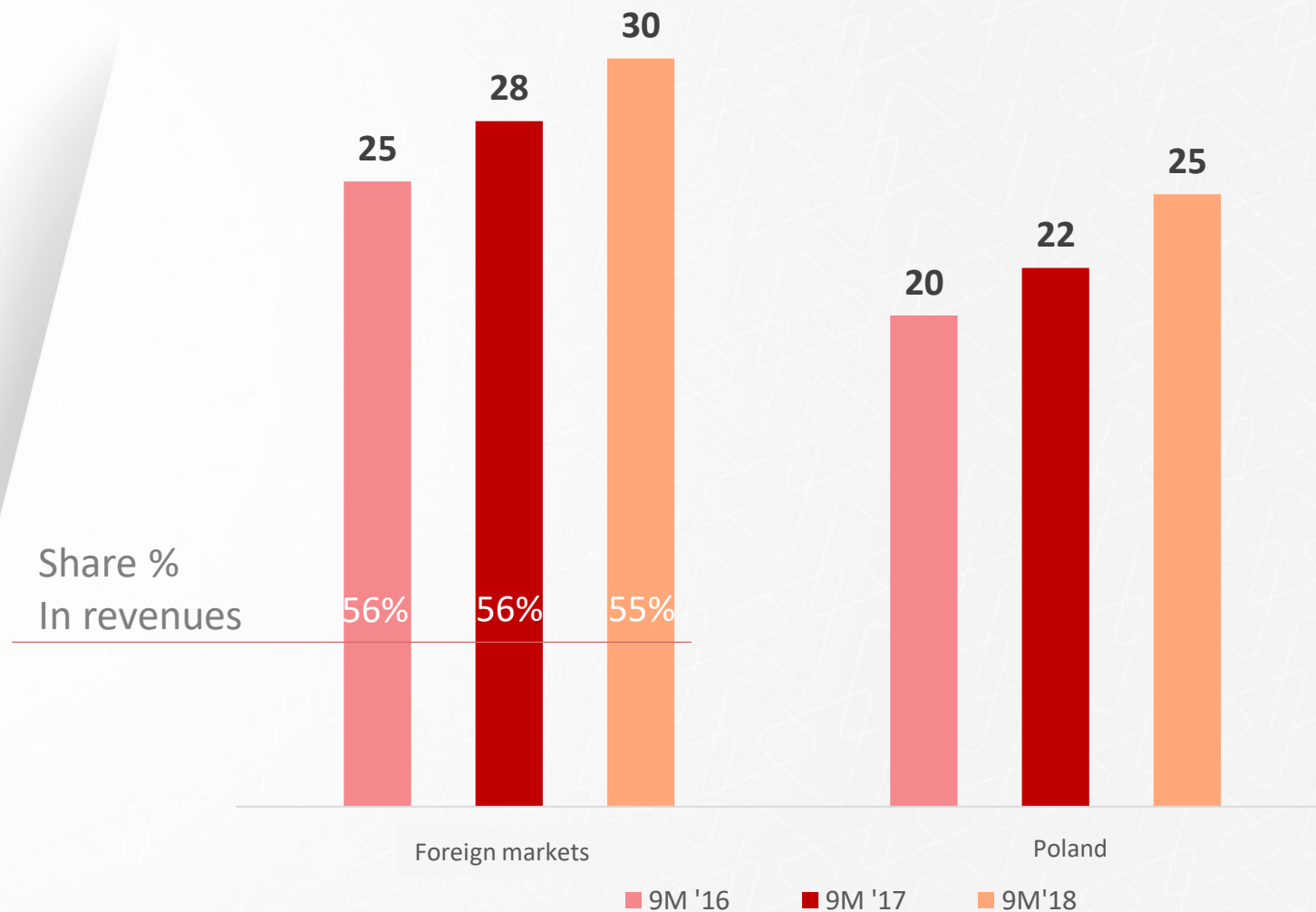
- ▶ After three quarters of 2018, the Capital Group increased the share of revenues from foreign markets to 39%.



32

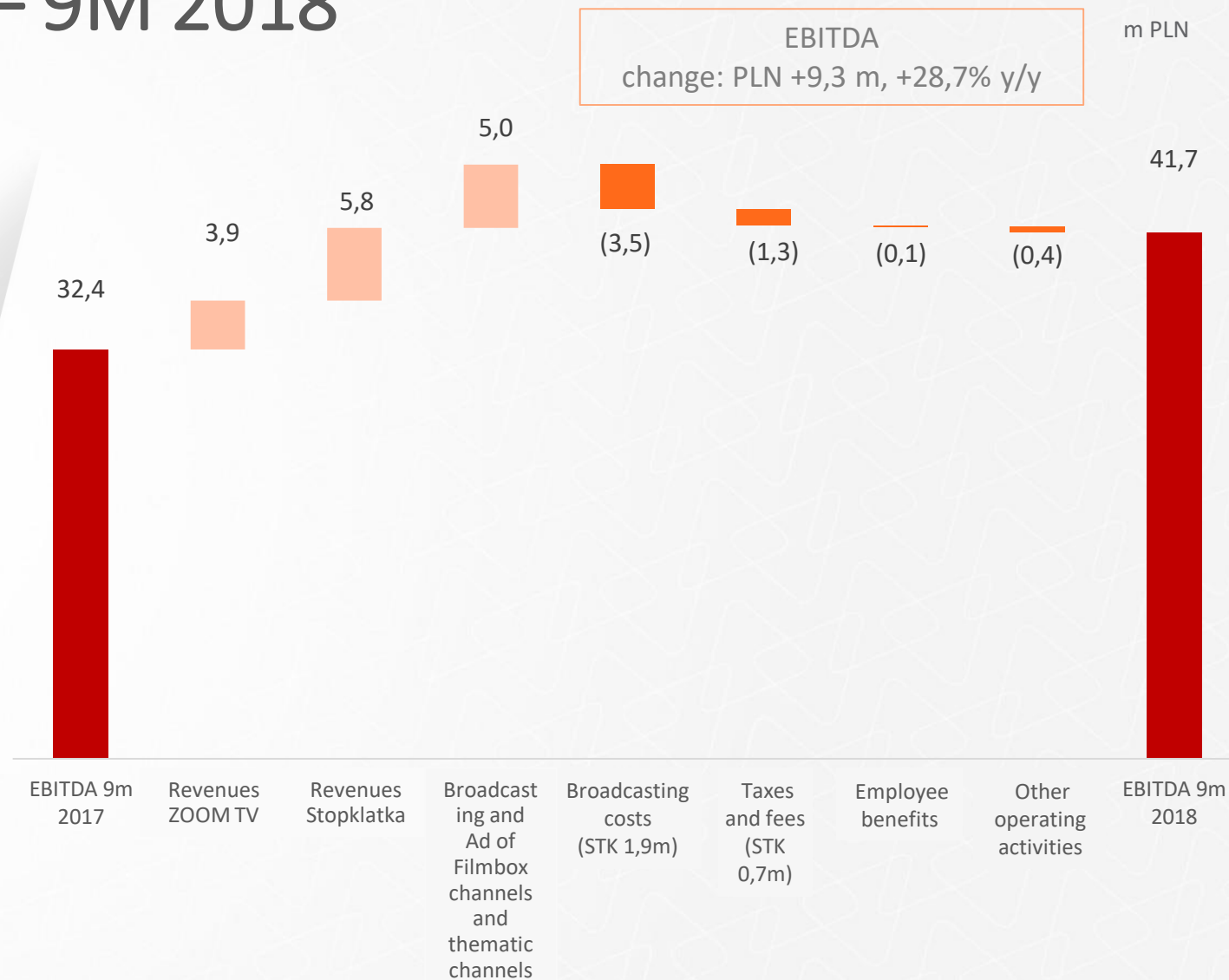
REVENUES OF FILMBOX CHANNELS BROADCASTING ACCORDING TO THE TERRITORY

▶ Income from foreign markets is systematically growing. After 9 months of 2018, the share of foreign revenues from broadcasting channels from the FilmBox group dropped slightly to the level of 55%. In the third quarter, growth in the market in Poland was higher than in foreign markets.

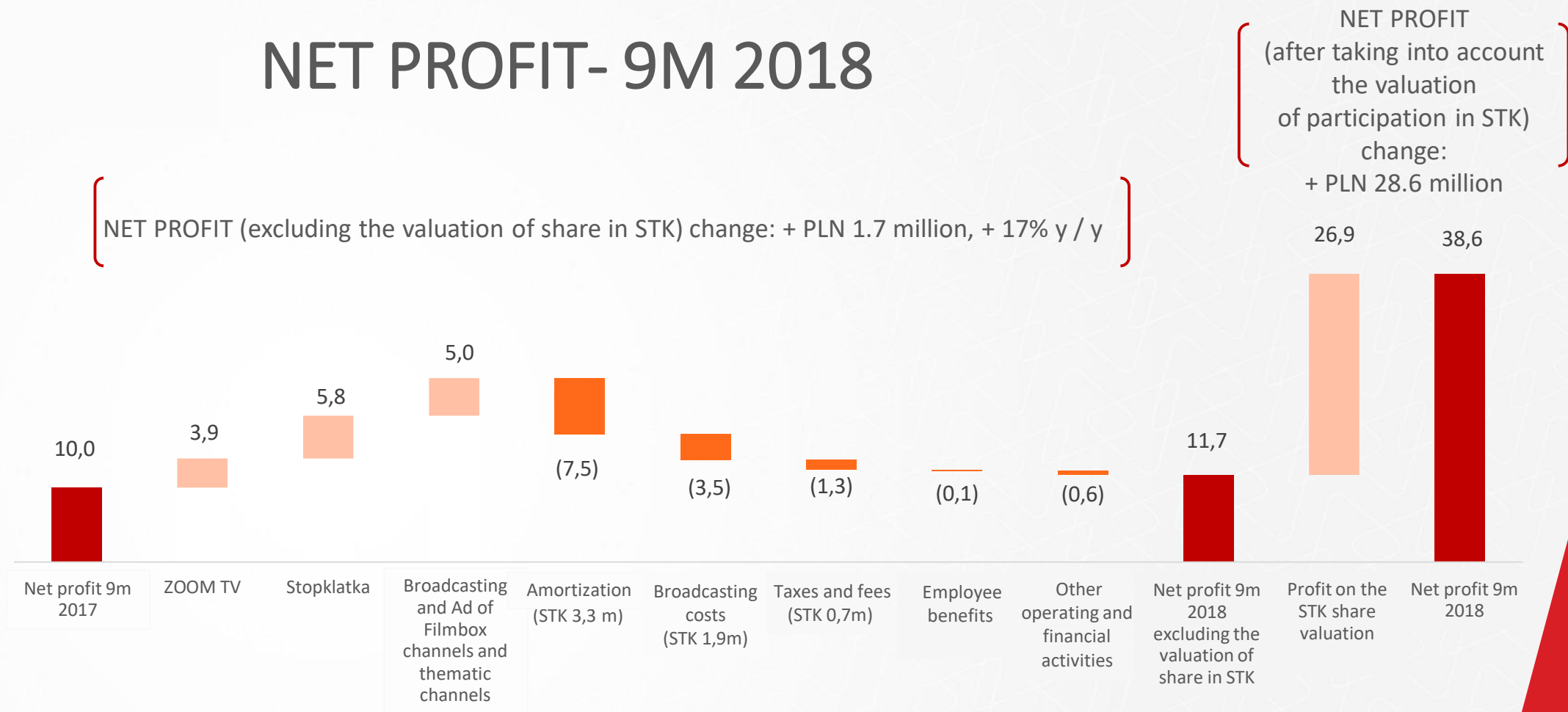


EBITDA – 9M 2018

- ▶ EBITDA in the three quarters of 2018 increased by +9.3 million PLN to 41.7 million PLN, ie by + 28.7% y / y.
- ▶ The main factor was the increase in the profitability of the FilmBox film channels and thematic channels and Zoom TV channel.



NET PROFIT- 9M 2018



Net profit achieved in 9 months of 2018 excluding the valuation of shares held in Stopklatka S.A. it was higher by 17% than the results of the corresponding period of the previous year. After considering the above valuation, the achieved profit amounted to PLN 38.6 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	10 901 772	June 29, 2018	16 July, 2018
2016	PLN 1.13	19 821 404	22 398 187	July 4, 2017	18 July, 2017 3 October, 2017
2015	PLN 1.00	19 821 404	19 821 404	6 June, 2016	20 June, 2016
2014	PLN 1.00	19 821 404	19 821 404	30 June, 2015	14 July, 2015
2013	PLN 0.45	13 821 404	6 219 632	14 July, 2014	14 August, 2014
2012	PLN 1.00	13 821 404	13 821 404	10 September, 2013	25 September, 2013
2011	PLN 1.00	13 870 000	13 870 000	29 May, 2012	13 June, 2012
			106 853 803		



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