



KINO POLSKA TV S.A.

Results of the Group
for 1Q 2020

Warsaw, 28 May 2020

AGENDA

I. Introduction

II. Key facts 1Q 2020

III. Strategic goals

IV. Kino Polska TV Group channels

V. Basic operating results

VI. Financial results

THE MANAGEMENT BOARD



**Bogusław
Kisielewski**

President of the
Management
Board



**Levent
Gültan**

Member of the
Management
Board



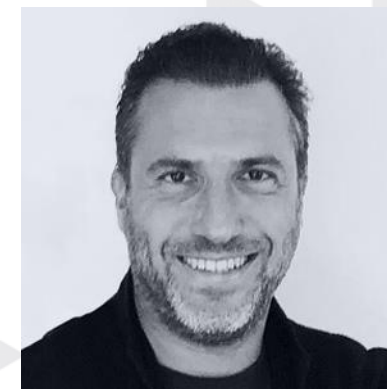
**Marcin
Kowalski**

Member of the
Management
Board



**Alber
Uziyel**

Member of the
Management
Board



**Berk
Uziyel**

Member of the
Management
Board

ABOUT THE KINO POLSKA TV GROUP – 1Q 2020

The Kino Polska TV Group is a media company which monetizes its content and library through both digital and traditional services. It has diversified revenues which come from pay television, digital revenues, content sales and also advertising.

PLN 50.0
million
worth of
revenues
in 1Q 2020

54.7%
of revenues
from broadcasting
(affiliate sales)
in 1Q 2020

34.5%
of revenues
from advertising
in 1Q 2020

34.4%
of revenues
from abroad
in 1Q 2020

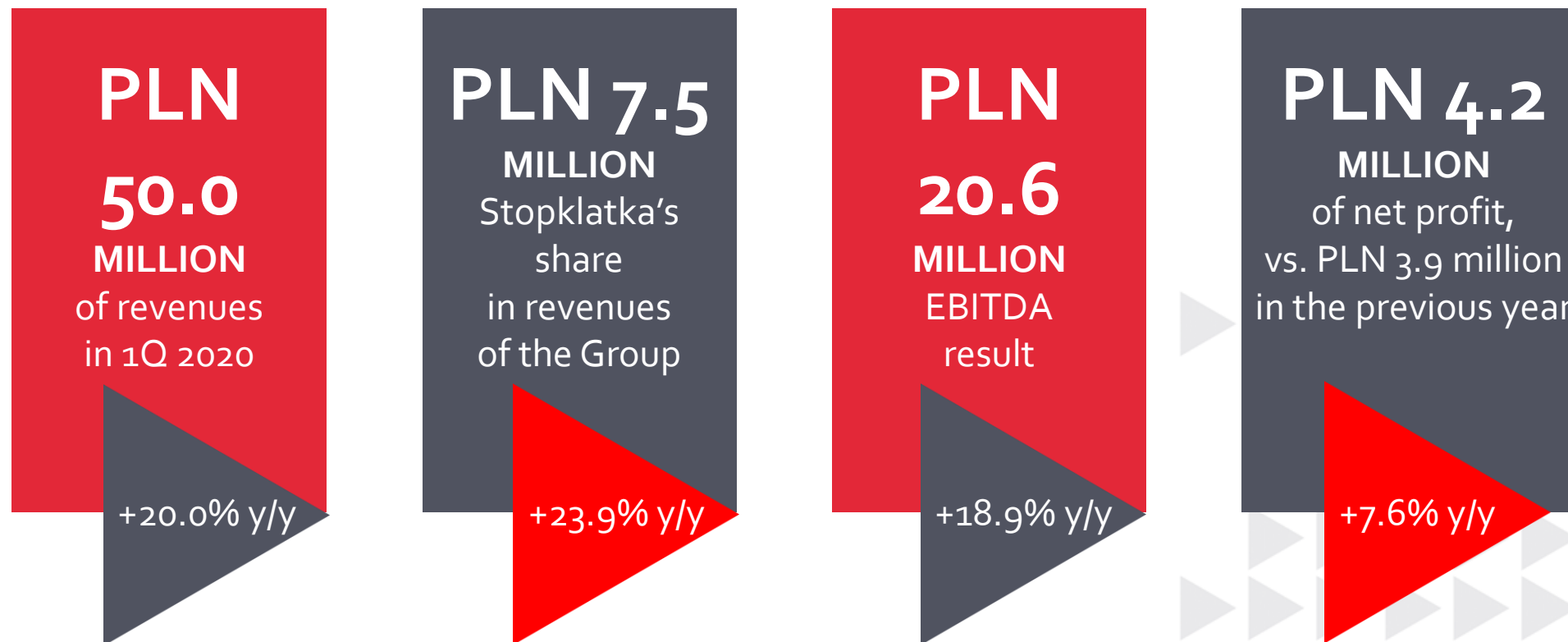
Ranks 6th
among the
television groups
in Poland

global presence
in **40** countries

2,13%
of the TV market
in 1Q 2020
(SHR%, all 16-49,
live)

approx. **PLN 113** million
worth of **dividend**
paid in 2012-2019

KEY FINANCIAL INFORMATION



THE KINO POLSKA TV GROUP – INTERNATIONAL OPERATIONS

The Kino Polska TV Group conducts extensive operations on international markets, broadcasts linear TV channels and distributes branded content on digital platforms.

The revenues from such operations are generated from broadcasting of FilmBox film channels and theme channels on digital platforms and in cable networks. Advertising revenues are generated by FilmBox the Czech Republic.

- ▶ **Total revenues from international markets increased by 38.2% y/y**, as a result of providing services for SPI's brands.
- ▶ The revenues from international markets represented **34.4% of the Group's total revenues** in 1Q 2020 (**PLN 17.2 million** vs PLN 12.5 million in 1Q 2019).
- ▶ The revenues from broadcasting FilmBox channels **on the international market increased by 9.4% y/y** in terms of value.

KINO POLSKA TV GROUP BRANDS

STOPKLATKA

a nationwide film and television series channel, broadcast on terrestrial digital TV

zoom tv

a nationwide channel broadcast on terrestrial digital TV

PL
KINOPOLSKA

a channel focusing on Polish films and television series

KINO TV

a channel presenting well-known films and television series



a music channel focusing on Polish music

FILMBOX

a group of channels broadcast in Poland and abroad

AGENDA

I. Introduction

II. Key facts 1Q 2020

III. Strategic goals

IV. Kino Polska TV Group channels

V. Basic operating results

VI. Financial results

TV MARKET 1Q 2020

- ▶ An increase in the combined market share of MUX-8 channels of 20.3% y/y.
- ▶ An increase in the combined market share of film and TV series channels of 8.9% y/y. The total share of this segment is 8.58%.
- ▶ A further decrease in the market share of the so-called “big four” channels of 8.3% y/y. The total share of this segment is 33.61% (vs. 36.65% in 1Q 2019). This is a result of the growing position of smaller terrestrial and theme channels.
- ▶ An extension of the average time of watching TV in the commercial audience group of 3.2% (ATS, All 16-49, live)*.

* Nielsen Audience Measurement, commercial audience group

KEY FACTS FOR THE GROUP – 1Q 2020

- ▶ The Group's revenues increased by 20.0% y/y.
- ▶ The Group's average share in the commercial audience increased by 12.1% (for the Group's channels) and amounted 2.13%.
- ▶ Revenues on international markets increased by 38.2% y / y, while revenues on the Polish market increased by 12.5% y / y.
- ▶ As a result, net profit increased by 7.6% y / y to PLN 4.2 million.

AGENDA

I. Introduction

II. Key facts 1Q 2020

III. Strategic goals

IV. Kino Polska TV Group channels

V. Basic operating results

VI. Financial results

STRATEGIC GOALS – POLAND

- ▶ To become one of the top TV group in Poland which provides linear and digital services and achieving as well as maintaining the 5th position in advertising market share among TV groups in Poland.
- ▶ As a Group reach an **average annual share of 2.5-3%** of the commercial audience (SHR, All 16-49, live).*
- ▶ An **increase in the revenues** from the sales of advertising and from broadcasting pay TV channels (by selling more premium packages).
- ▶ **Launching a new digital services** as well as **increasing the penetration** and subscription number of **FilmBox à la carte**.

* All data: Nielsen Audience Measurement; SHR%, All 16-49, live

STRATEGIC GOALS – OTHER COUNTRIES

- ▶ **Gradual introduction of advertisements to the FilmBox (basic) channel** in order to increase the revenues from sales of advertising.
- ▶ **Expansion of the technical reach to new territories** and increase in the sales of **FilmBox (premium)** packages on foreign markets.
- ▶ Increase in the share of **non-linear products – FilmBox Live and FilmBox On Demand** – in the Group's sales.
- ▶ **Digital transformation** – strengthening of the online segment which provides digital access to the Group's TV channels and the content broadcast by the Group, which will affect the revenues.
- ▶ FilmBox which motto is **“Home of Good Movies”** - to become great complimentary / neighbour service next to big premium products.

AGENDA

I. Introduction

II. Key facts 1Q 2020

III. Strategic goals

IV. Kino Polska TV Group channels

V. Basic operating results

VI. Financial results



- ▶ The FilmBox segment channels are currently available in 40 countries.
- ▶ The most important events in 1Q 2020: films from the FilmBox Arthouse offer available on request at Vod.pl; the start of sales of the FilmBox à la carte Package at Cyfrowy Polsat; an open window of the FilmBox Package in the UPC Polska offer.
- ▶ The revenues from broadcasting FilmBox channels increased in terms of value on both the Polish (+6.7% y/y) and the international market (+9.4% y/y).channels
- ▶ The increases were recorded mainly in 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 and Slovakia (new contracts and organic growth), Romania, the Baltic states and former Yugoslavia (new contracts).
- ▶ The Group constantly develops FilmBox Live and FilmBox on Demand as a digital platforms complementary to linear broadcasting. Other digital services are planned to launch to provide varied Group's content to the viewers.



▶ **SHR** share in the commercial audience all 16-49

0.30% change +30.4 % y/y

▶ **ATS** average time spent watching all 16-49

27 minutes and 36 seconds change +33.9 % y/y

The increases in all the most important viewership rates are the result of actions taken in 2Q 2019, which are aimed at expanding the audience and increasing viewership of the Kino Polska channel.

▶ **SHR** share in the commercial audience all 16-49

1.04% change +15.6 % y/y. An SHR increase All 4+ of 8.7% y/y

▶ **ATS** average time spent watching all 16-49

34 minutes and 25 seconds change +13.8% y/y. In All 4+ group an increase of 10.0% y/y

STOPKLATKA

The channel was also popular among the viewers of terrestrial digital television - its share in this group of viewers was 2.05% (18.5% more than in 1Q 2019) (SHR%, All TV Terrestrial 16-49, live).

In 1Q 2020, the channel premiered an entertainment show produced for the Group "Nowa scena śmiechu 2 " - the program is run by leading Polish actors Cezary Pazura and Andrzej Grabowski.

The series "Narcos: Mexico" also had its television premiere on the channel.



▶ **SHR** share in the commercial audience all 16-49
0.59% change +11.3% y/y

▶ **ATS** average time spent watching all 16-49
33 minutes and 37 seconds change +6.9% y/y

Zoom TV reported ATS growth also among the viewers of terrestrial digital television – 41 minutes and 25 seconds, which is 10.0% more than in 1Q 2019.

In the first quarter of 2020, on the Zoom TV channel were the premieres of the entertainment show "I love kabaret 2", produced for the Kino Polska TV Group, and the iconic series „The X Files”.



▶ **SHR** share in the commercial audience all 16-49

0.13% change -18.8%

▶ **ATS** average time spent watching all 16-49

20 minutes and 50 seconds change -20.0% y/y

Since January 2020, Kino TV has been included in the Familijny package in Cyfrowy Polsat's offers of satellite TV and IPTV.



▶ **SHR** share in the commercial audience all 16-49

0.07% no change y/y

▶ **ATS** average time spent watching all 16-49

29 minutes and 32 seconds change +20.4% y/y; in all 4+ group: an increase of 8.4% y/y

Kino Polska Muzyka has joined Netia's widest package - Na Start, expanding its technical coverage to over 9.3 million households in Poland.

2020 is the year of Zbigniew Wodecki at the Kino Polska Muzyka (70th anniversary of the artist's birth).

In Q1 2020, the channel premiered new episodes of „To był hit” and „Wyznania Gwiazd” (season 3), own productions of the Kino Polska TV Group.

AGENDA

I. Introduction

II. Key facts 1Q 2020

III. Strategic goals

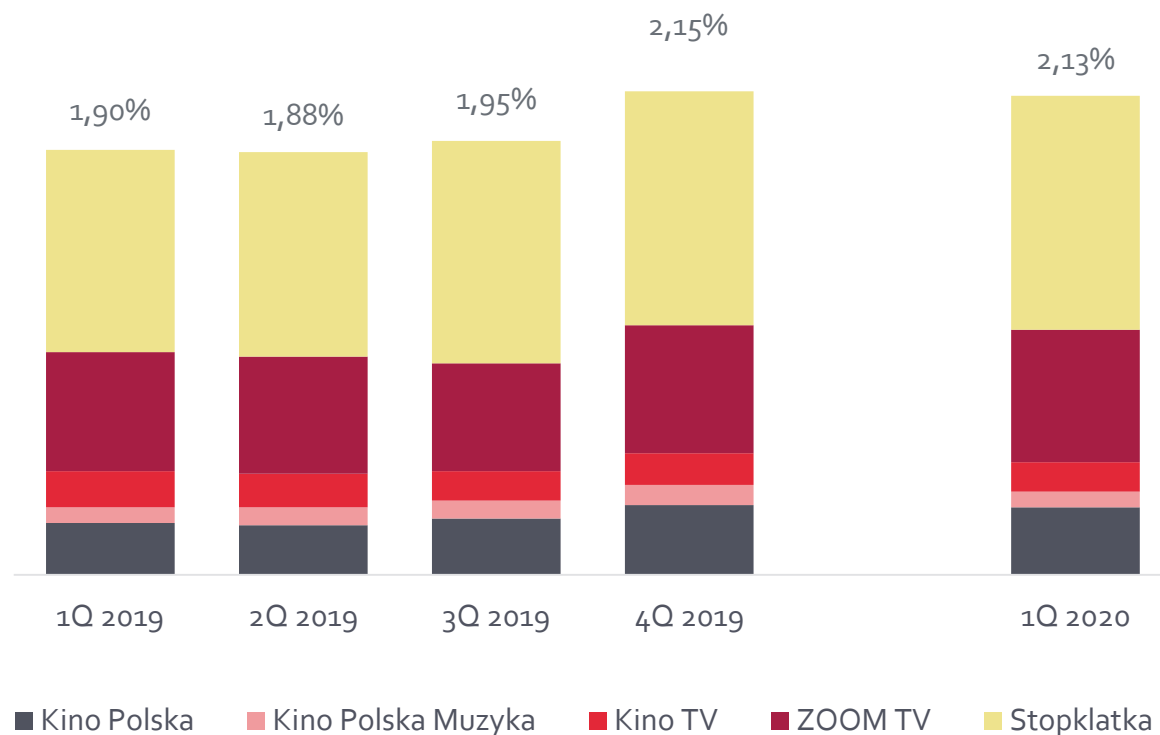
IV. Kino Polska TV Group channels

V. Basic operating results

VI. Financial results

SHARE IN THE MARKET OF TV CHANNELS

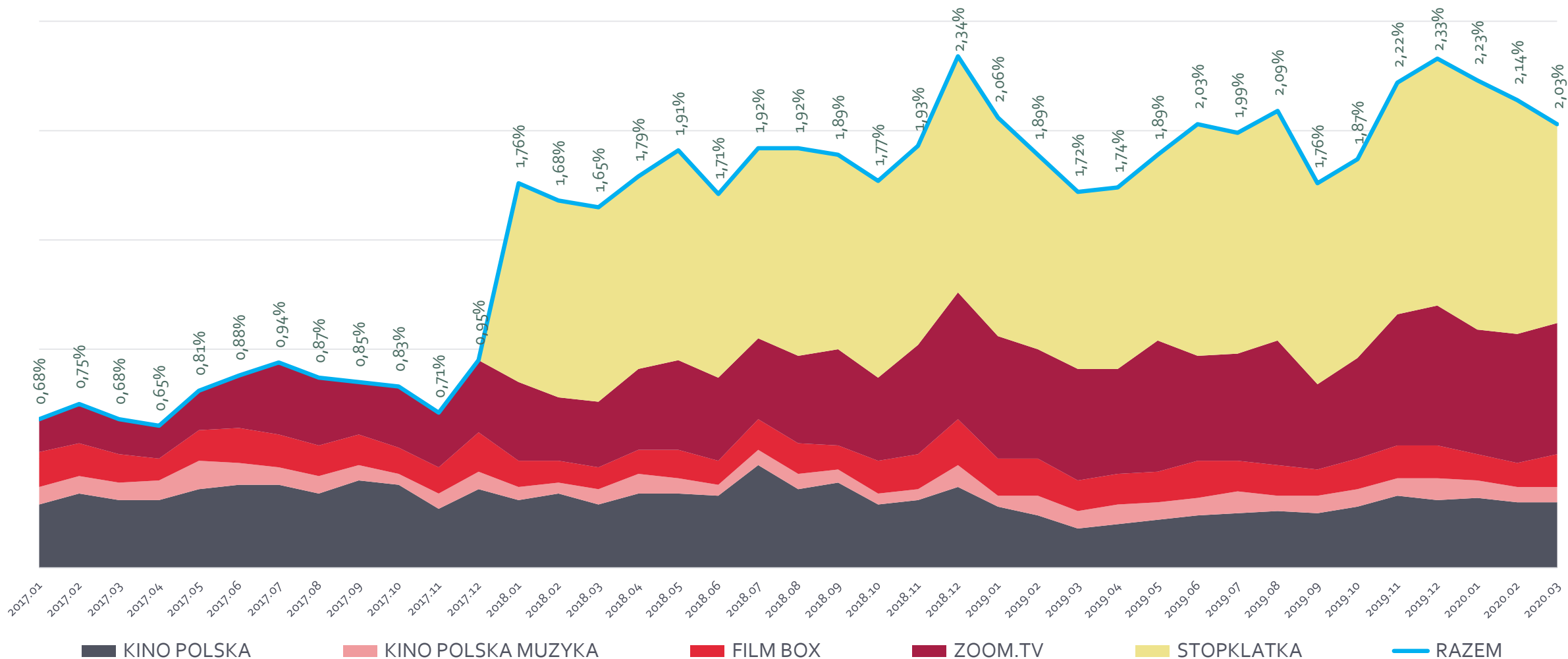
The Kino Polska TV Group - average share in the commercial group 1Q 2019 vs 1Q 2020



▶ In 1Q 2020, the Kino Polska TV Group channels reached a combined 2.13% share in the commercial audience (SHR%, All 16-49, live).

SHARE IN THE MARKET OF TV CHANNELS

(including the share of Stopklatka from January 2018, SHR 16-49 live)



KINO POLSKA

KINO POLSKA MUZYKA

FILM BOX

ZOOM.TV

STOPKLATKA

RAZEM

AGENDA

I. Introduction

II. Key facts 1Q 2020

III. Strategic goals

IV. Kino Polska TV Group channels

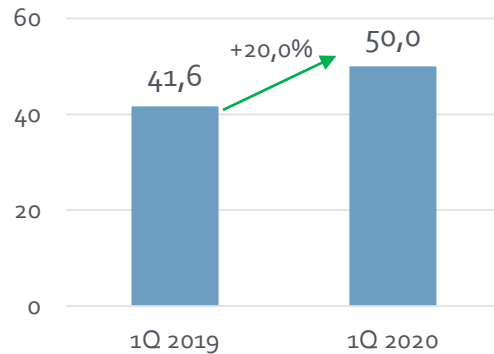
V. Basic operating results

VI. Financial results

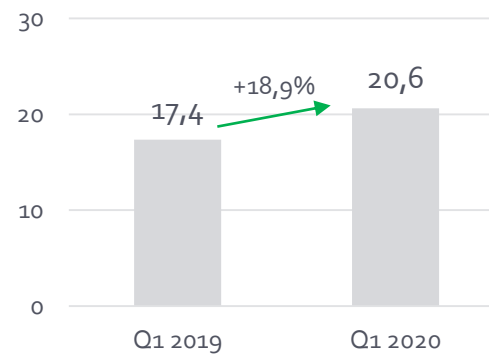
BASIC FINANCIAL DATA

(in PLN millions)

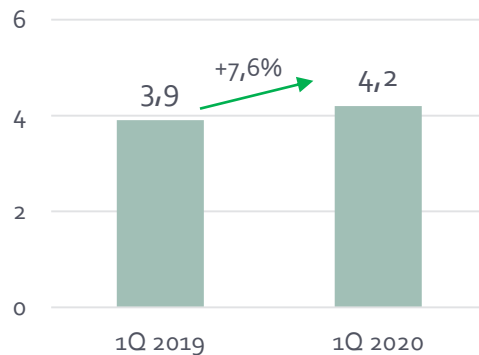
Sale revenues



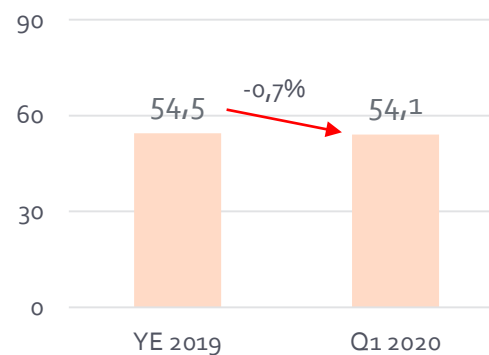
EBITDA



Net profit



Net debt

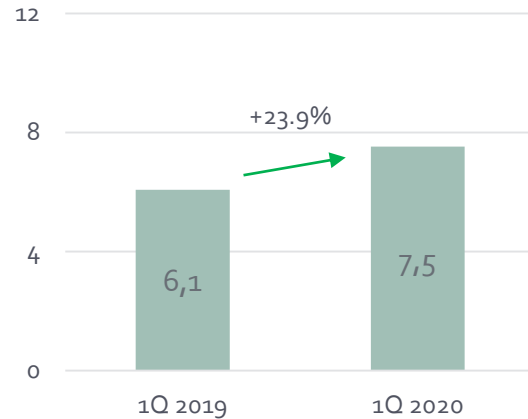


- ▶ The Kino Polska TV Group improved all its basic financial ratios in relation to the same period of 2019.
- ▶ The share of Stopklatka in the revenues amounted to PLN 7.5 million, and the effect of its consolidation on EBITDA was PLN 3.4 million.
- ▶ In 1Q 2020 the Group recorded a 20% growth in sales.

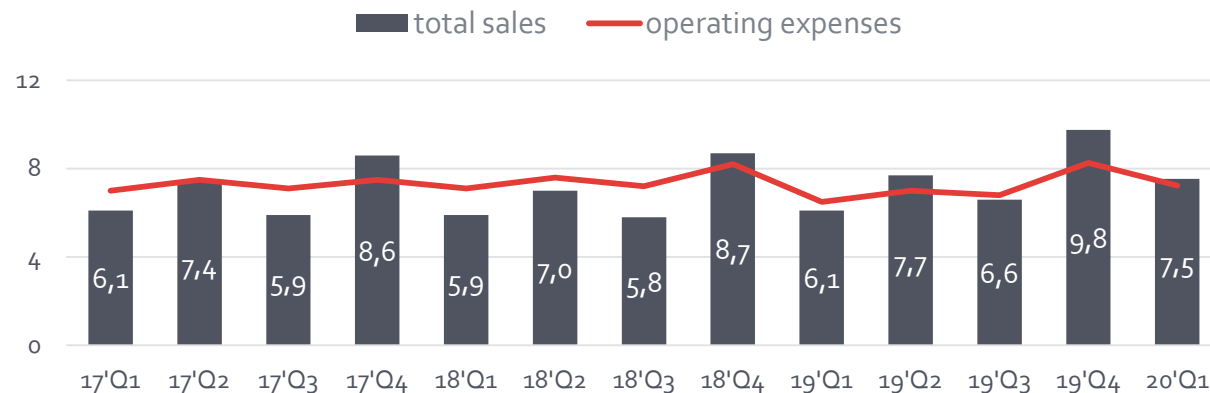
STOPKLATKA

(in PLN millions)

Advertising revenues



Sales and operating expenses 1Q'17 – 1Q'20

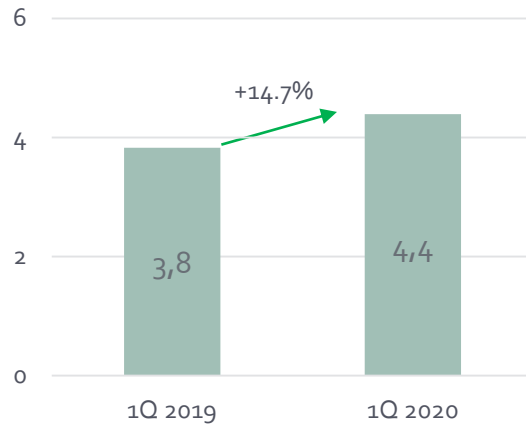


- ▶ Stopklatka channel recognized an audience SHR increase in the commercial group (All, 16-49 live) of 0.14 point % to the level of 1.04%, which directly contributed to an increase in advertising revenues of 23.9% y/y.
- ▶ In 1Q 2020, Stopklatka recognized revenues of PLN 7.5 milion (+23.9% y/y) and an operating result of PLN 0.3 million.
- ▶ The shares of Stopklatka SA were withdrawn from trading on NewConnect on 29 February 2020.

ZOOM TV

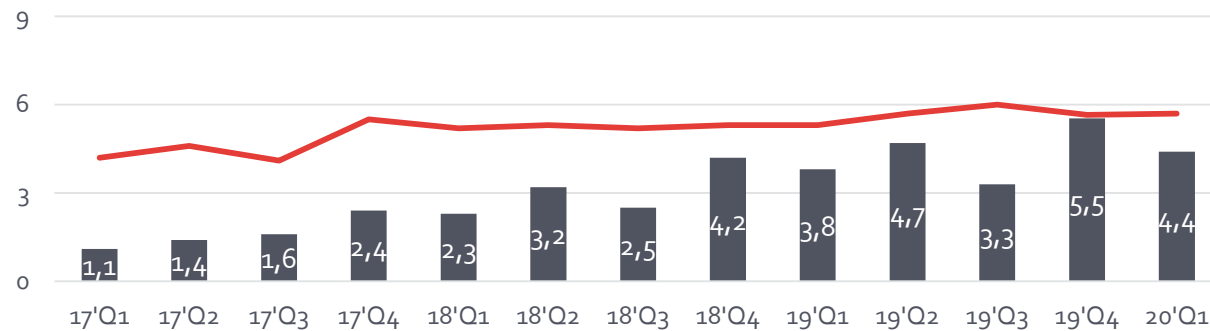
(in PLN millions)

Advertising revenues



Sales and operating expenses Q1'17 – Q1'20

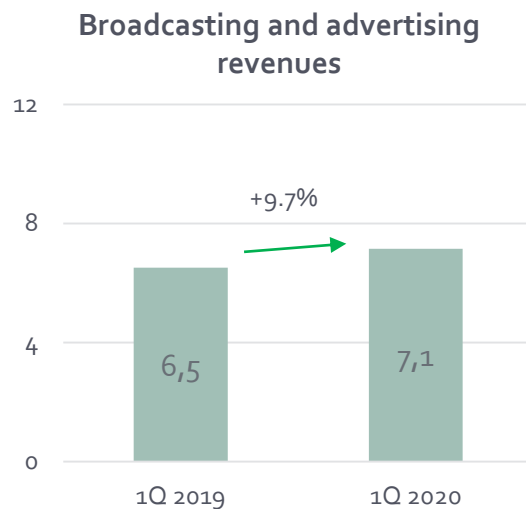
■ total sales — operating expenses



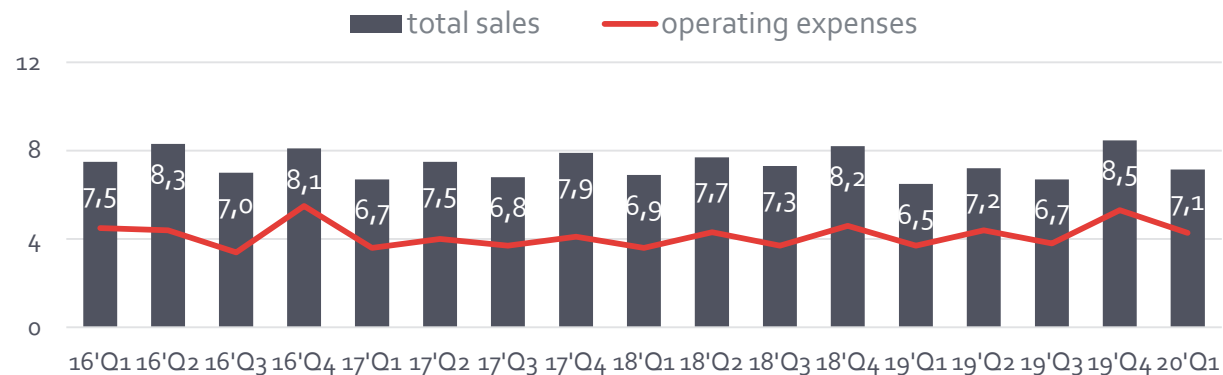
- ▶ Revenue from sales of the Zoom TV channel in 1Q 2020 increased by 14.7%.
- ▶ In 1Q 2020 SHR increased to the level of 0.59% (compared to 0.53% in 1Q 2019).
- ▶ On 2 March 2020, Zoom TV reached its best ever SHR in the commercial group (16-49) of 1.54% and in grup of all viewers (4+) of 1.06%.
- ▶ The increase in viewership was due to the channel's consistent programming and procurement policy.

KINO POLSKA CHANNELS

(in PLN millions)



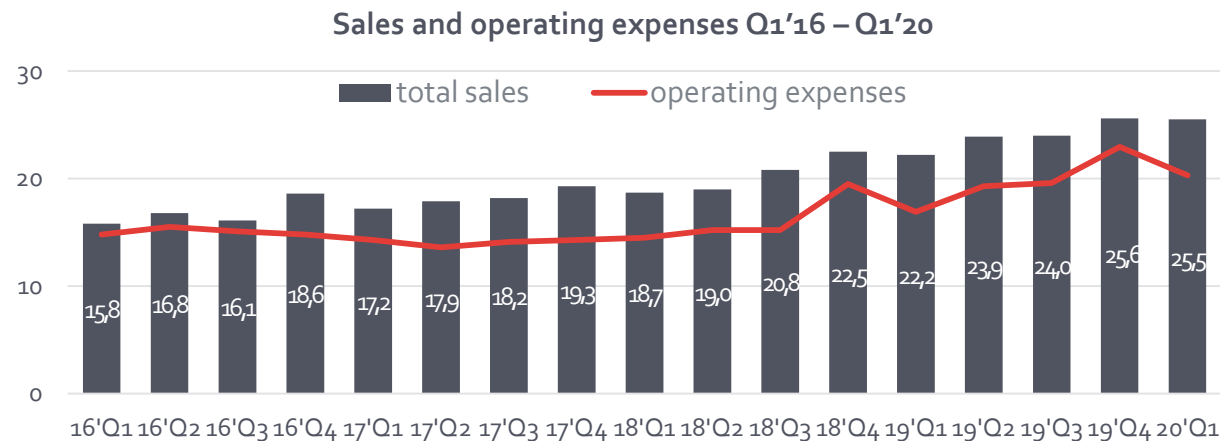
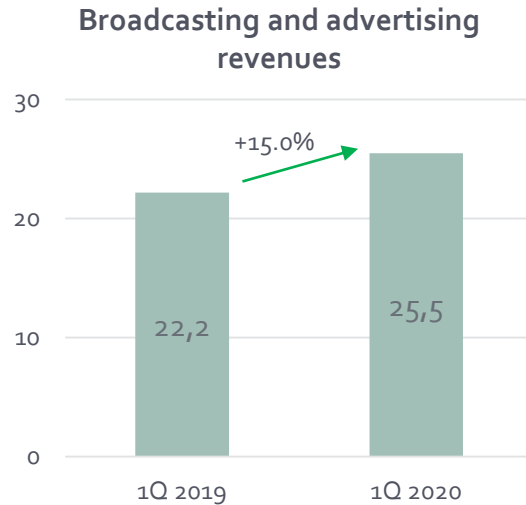
Sales and operating expenses Q1'16 – Q1'20



- ▶ The revenues from broadcasting on Kino Polska channels (Kino Polska, Kino Polska Muzyka) increased by 3.1% y/y.
- ▶ Higher by 18.8% advertising sales in the discussed period caused that the revenues of the entire segment increased by 9.7% compared to the same period last year.

FILMBOX FILM CHANNELS AND THEME CHANNELS

(in PLN millions)



- ▶ The Group maintained an upward trend in revenues in the segment of FilmBox brand channels and thematic channels - an increase of 15.0% y / y.
- ▶ The highest sales increases on Filmbox film channels and theme channels were recorded in Hungary (dynamic subscriber growth), Poland (an increase in the number of subscribers of the existing customers), the Czech Republic and Slovakia (new contracts and organic growth), Romania, the Baltic states and former Yugoslavia (new contracts).

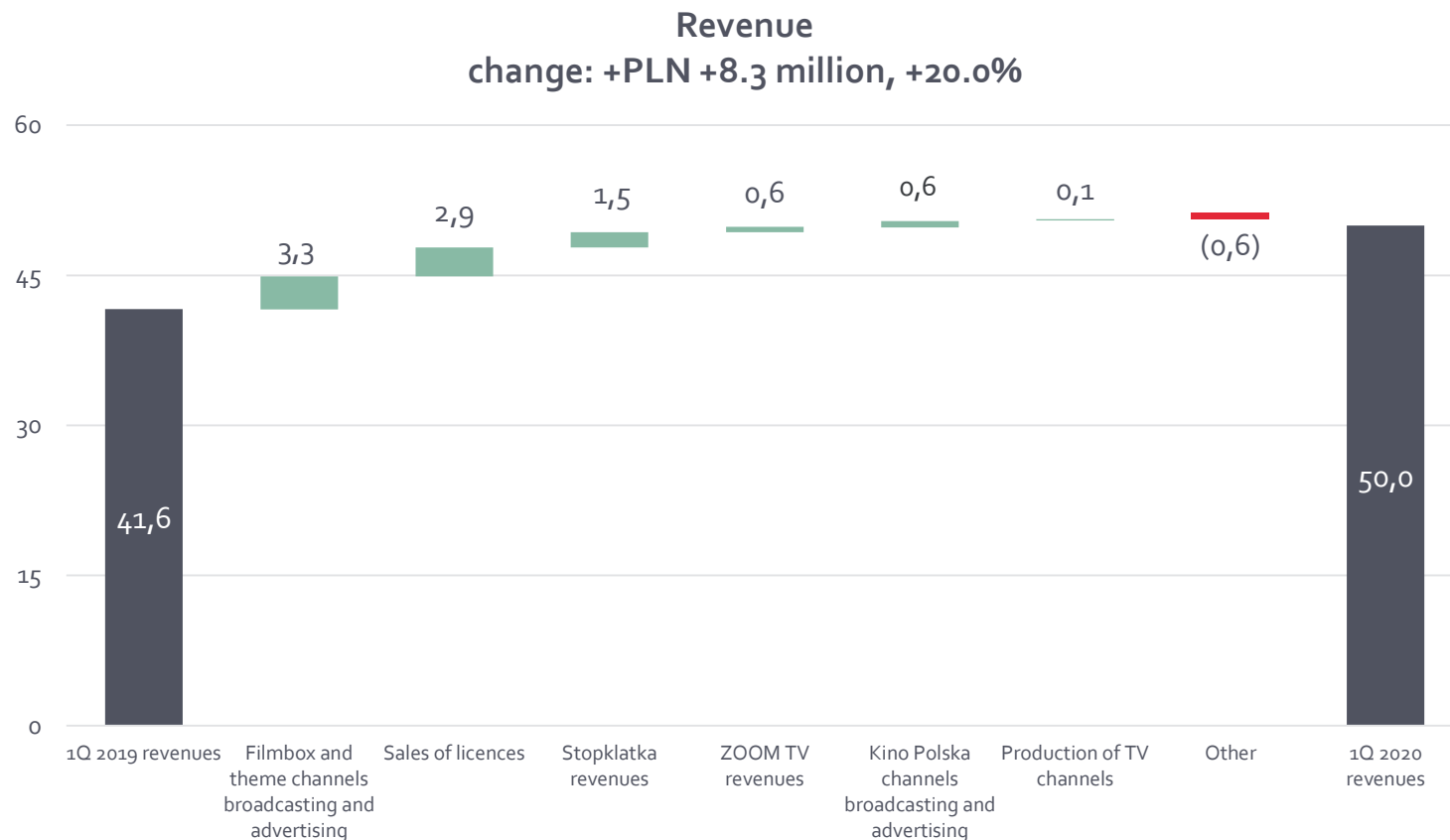
SEGMENTS

Operating result for 1Q 2020

(in PLN'000)	FilmBox film channels and theme channels	channels Kino Polska	Production of TV channels	Zoom TV	Stopklatka	Sales of licences	Other segments	TOTAL
Broadcasting	23 435	3 908	-	-	-	-	-	27 343
Advertising	2 051	3 241	-	4 395	7 535	-	-	17 222
Other sales	14	-	220	-	-	4 472	694	5 400
Total sales	25 500	7 149	220	4 395	7 535	4 472	694	49 965
Operating expenses	(20 308)	(4 276)	(196)	(5 669)	(7 228)*	(3 764)	(763)	(42 204)
Segment EBITDA for 1Q 2020	11 775	4 184	44	733	3 390	733	(19)	20 842
Segment result for 1Q 2020	5 192	2 873	24	(1 274)	307	708	(69)	7 761
Segment profitability for 1Q 2020	20,4%	40,2%	11,1%	(29,0%)	4,1%	15,8%	(10,0%)	15,5%
Segment result for 1Q 2019	5 272	2 808	9	(1 437)	(1 014)	319	257	6 214
Segment profitability for 1 Q 2019	23,8%	43,1%	9,5%	(37,5%)	(16,7%)	19,9%	19,5%	14,9%

*Operating expenses of the Stopklatka segment include amortization of newly identified assets resulting from the allocation of Stopklatka SA purchase price.

REVENUES

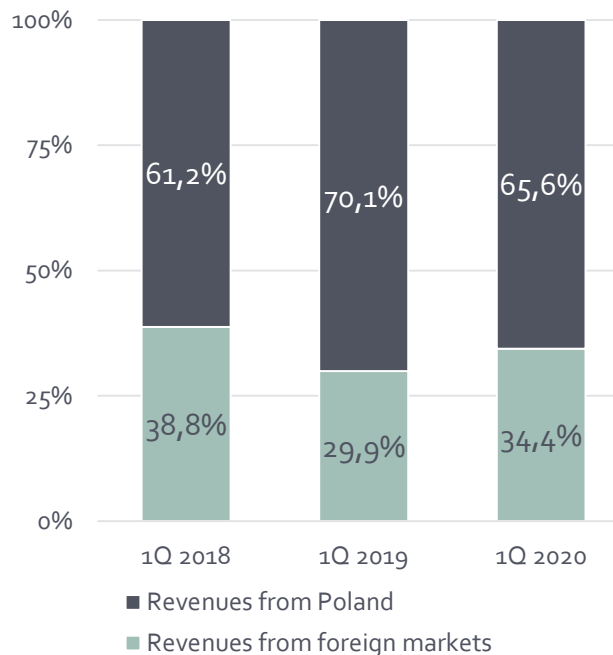
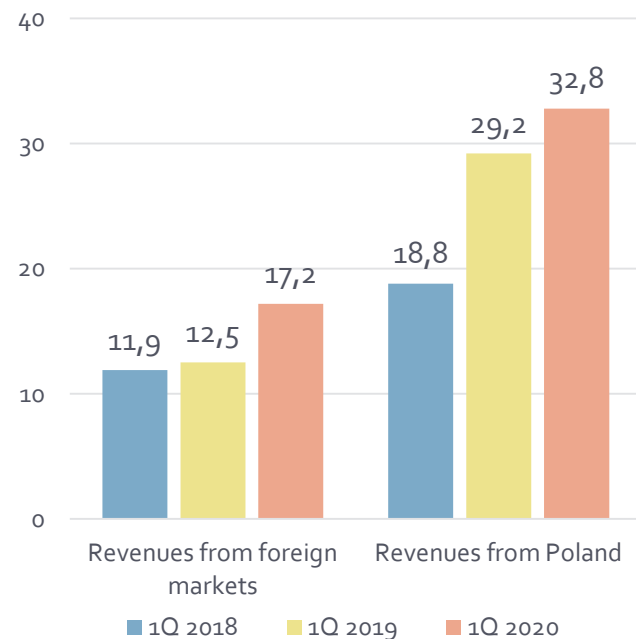


- ▶ The Group's sales revenue in 1Q 2020 amounted PLN 50.0 million, which means increase by 20.0% y/y.
- ▶ The highest revenue increases were recorded by the FilmBox channels and theme channels segment (+PLN 3.3 million, 15% y/y), Licence sales segment (+PLN 2.9 million, 179.2% y/y) and the Stopklatka segment (+PLN 1.5 million, 23.9% y/y).

TOTAL REVENUES BY TERRITORY*

* Revenues include broadcasting, advertising, production, sales of licences and other items

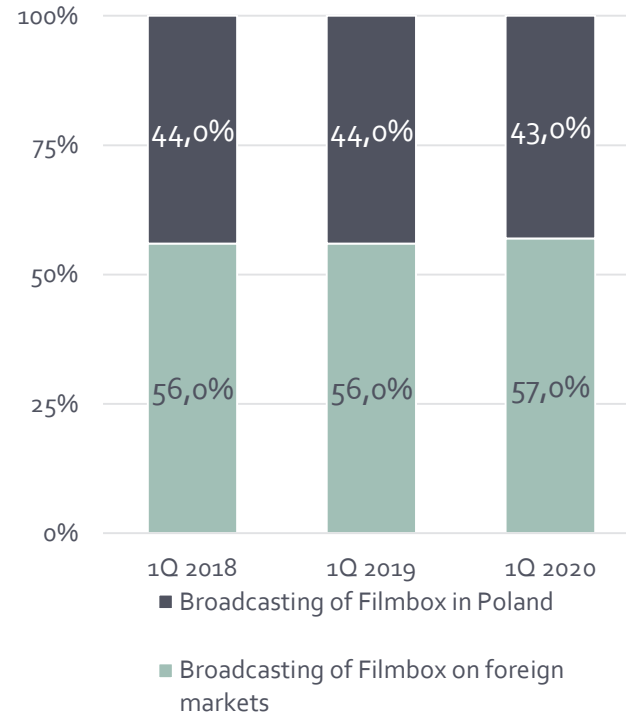
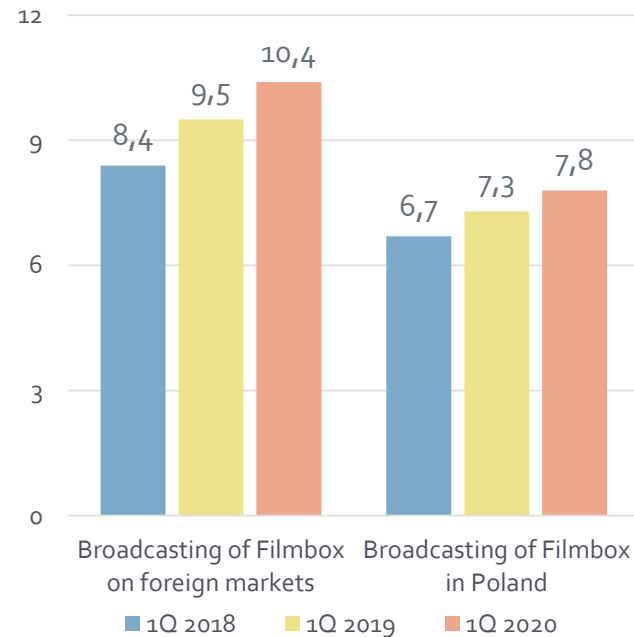
(in PLN millions)



- ▶ Total revenues from the international markets increased by 38.2% y/y, while the revenues from the Polish market increased by 12.5% y/y.
- ▶ The following revenue segments reported the biggest increases: FilmBox channels and theme channels, the Sales of licences, and Stopklatka.
- ▶ The Group consistently increases the sales of FilmBox Premium packages on international markets and expands the distribution of those channels to new territories.

REVENUES FROM BROADCASTING OF FILMBOX CHANNELS BY TERRITORY

(in PLN millions)

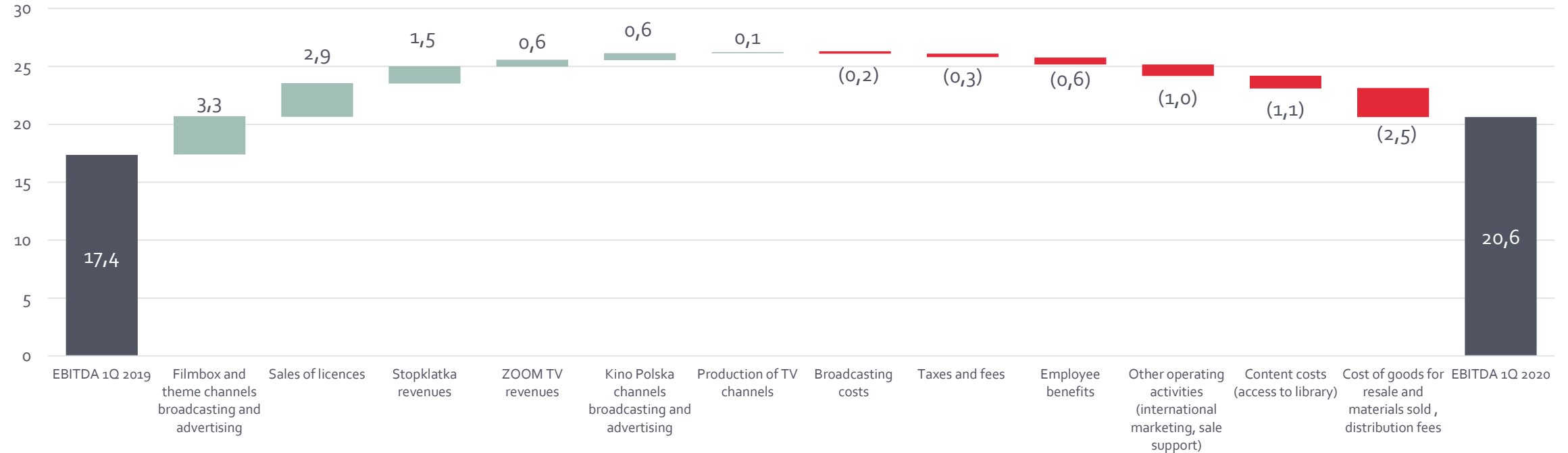


- ▶ The revenues from broadcasting of FilmBox channels increased on both the Polish (+6.7% y/y) and the international market (+9.4% y/y).
- ▶ The increases on international markets were recorded mainly in Hungary (dynamic subscriber growth), Poland (an increase in the number of subscribers of the existing customers), the Czech Republic and Slovakia (new contracts and organic growth), Romania, the Baltic states and former Yugoslavia (new contracts).

EBITDA 1Q 2020

(in PLN millions)

change: +PLN +3.3 million, +18.9%

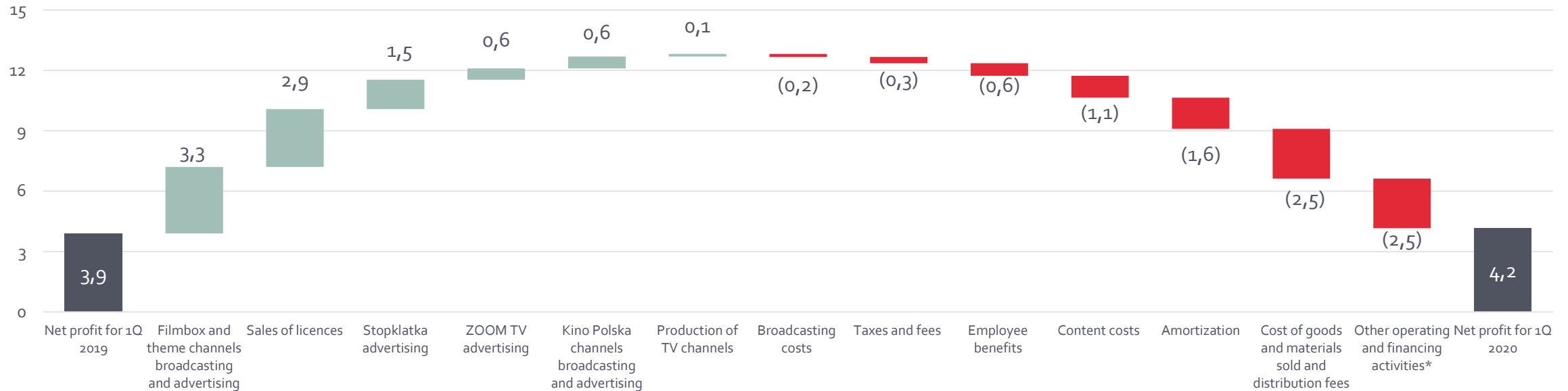


- EBITDA for 1Q 2020 increased by PLN 3.3 million to PLN 20.6 million (18.9% y/y).
- The main growth factor was the improvement in the results of the Zoom TV, Stopklatka and Sales of licences

NET PROFIT FOR 1Q 2020

change: +PLN +0.3 million, +7.6%

(in PLN millions)



► The net profit increased by PLN 0.3 million (+7.6%) compared to 1Q 2019.

*among others exchange rate differences and international marketing

DIVIDEND

Period for which dividend is paid	Dividend amount per 1 share [PLN]	Dividend rate	Dividend amount [in PLN millions]
2018	PLN 0.30	2.65%	5.95
2017	PLN 0.55	4.70%	10.90
2016	PLN 1.13	8.83%	22.40
2015	PLN 1.00	7.41%	19.82
2014	PLN 1.00	6.90%	19.82
2013	PLN 0.45	2.86%	6.22
2012	PLN 1.00	2.08%	13.82
2011	PLN 1.00	3.52%	13.87
Amount of dividend paid			112.80

THE MOST IMPORTANT DEFINITIONS

- **TG (target group)** - Defining the social group limited by demographic features (e.g. age, gender, television signal reception method), which is subject to analysis. The most common restriction is age (a feature of a commercial group - age between 16 and 49).
- **AMR (average minute rating)** – Average number of viewers per minute. The number of viewers expressed as a percentage is the percentage of the population of the studied demographic group (TG).
- **SHR% (share)** - The share of the average number of viewers watching a program or TV channel among the number of all viewers watching TV at a given time.
- **RCH (reach)** – Reach is the sum of viewers who have watched television in the given time range for at least one minute. Formula: $\sum AMR$. The percentage, similarly to AMR, is the percentage of the population of the demographic group being analyzed.
- **ATV (average time viewed)** – Average time TV viewing by population. Index expressed in hours and minutes. Formula: $\frac{AMR}{population\ TG}$
- **ATS (average time spent)** – Average time watching TV by all people who turned on the TV. Index expressed in hours and minutes. Formula: $\frac{AMR}{RCH}$
- **GRP (gross reach point)** – The sum of viewers of individual broadcasts of advertising spots. Value expressed only as a percentage as the sum of AMR% of individual advertising spots. Formula: $\sum AMR\%$.
- **CPP (cost per point)**

DISCLAIMER

This presentation (the "Presentation") has been prepared by Kino Polska TV S.A. (the "Company") and is for informational purposes only. Its purpose is to present selected data on the Kino Polska TV S.A. Group (the "Group") and its prospects for development. It must not be treated as part of an invitation or offer to acquire securities or to make investments. This presentation does not constitute or form part of any offer or invitation to conduct other transactions in securities.

The information contained in this Presentation which does not arise directly from the periodic reports published by companies belonging to the Kino Polska TV S.A. Group has not been independently verified, and therefore there is no guarantee that it is complete and fully reflects the actual circumstances. This Presentation contains forward-looking statements. These statements contain words such as "anticipate", "intend", "estimate", "be", "expect", "assess" and words of a similar meaning. Any statements contained in this Presentation, other than those relating to historical facts, including statements concerning the Group's financial position, its business strategy, plans and objectives of the management relating to future operations (including development plans and objectives relating to the Group's products and services) are forward-looking statements. Such forward-looking statements are subject to known and unknown risks, characterized by inherent uncertainties and subject to other important factors that could result in the actual results or achievements of the Group being materially different from the future results or achievements expressed directly or implied in these forward-looking statements. These statements are based on a number of assumptions concerning the present and future business strategies of the Group and the environment in which it will operate in the future. These statements have been prepared solely as at the date of the Presentation. The Company expressly waives any duties or obligations to disseminate any updates or revisions of any statements that are contained herein, designed to reflect changes in the Company's expectations or changes in events, conditions or circumstances on which any such statement is based, unless the applicable laws require otherwise. The Company hereby reserves that the forward-looking statements do not constitute guarantees of future performance and that its actual financial position, business strategy, plans and objectives of the management in respect of the future operations may differ materially from those described or implied in such statements contained in this Presentation. Moreover, even if the financial position, business strategy, plans or objectives of the management concerning future operations of the Group are consistent with the forward-looking statements contained in this Presentation, such results or developments may not provide any indication as to the results or events in subsequent periods.

The Company undertakes no obligation to publish any updates, changes or corrections of information, data or statements contained in this Presentation, unless such an obligation results from the applicable laws.

The Group shall not be held liable for the effects of any decisions taken after reading this Presentation.

The only reliable source of the financial results of the Kino Polska TV S.A. Group are the current and periodic reports submitted by the companies which are members of the Kino Polska TV S.A. Group as part of performing their information obligations under the Polish law.

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

Contact:



KINO POLSKA TV S.A.

KINO POLSKA TV S.A.

ul. Puławska 435A

02-801 Warsaw

tel: + 48 22 356 74 00

fax: + 48 22 356 74 01

email: inwestorzy@kinopolska.pl

Marta Kruk-Bogusz

Investor Relations Manager

email: mbogusz@kinopolska.pl