



KINO POLSKA TV S.A.

Financial Results

Q3 2020

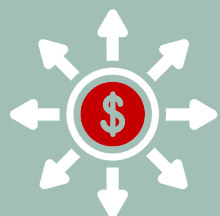
Warsaw 2020



▶ AGENDA

1. About Kino Polska TV SA
2. Key Facts for 3Q 2020
3. Financial Results

▶ WHO WE ARE?



Diversified Business

Kino Polska with **diversified business** portfolio including:

- Streaming & Digital
- Pay TV & Free-to-Air TV Channels
- Licensing
- Film & TV Production



Market Lider

One of the largest media group in Poland with an **average commercial audience share at > 2.30%**

A **leader among movie & thematic channels** in Poland with strong international presence.



International Activity

Kino Polska TV Group is a **unique** player in the market which has carried its portfolio and **revenue streams to international level.**

37% of revenues from international markets

The Group operates in **40 countries worldwide**, is a member of SPI International media group.



Efficient Business

Profitable, efficient and resilient business active on both pay and advertising side of monetization.

Approx.70% of Revenues

- **Broadcasting & licensing** – long term contracts with cable providers and digital platforms

30% of Revenues

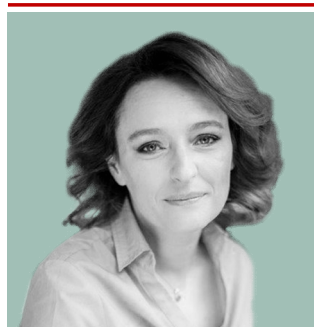
- Advertising – free to air and pay TV channels with growing audience.

▶ MANAGEMENT BOARD



**Bogusław
Kisielewski**

President of the
Management Board



**Katarzyna
Woźnicka**

Member of the
Management Board



**Levent
Gültan**

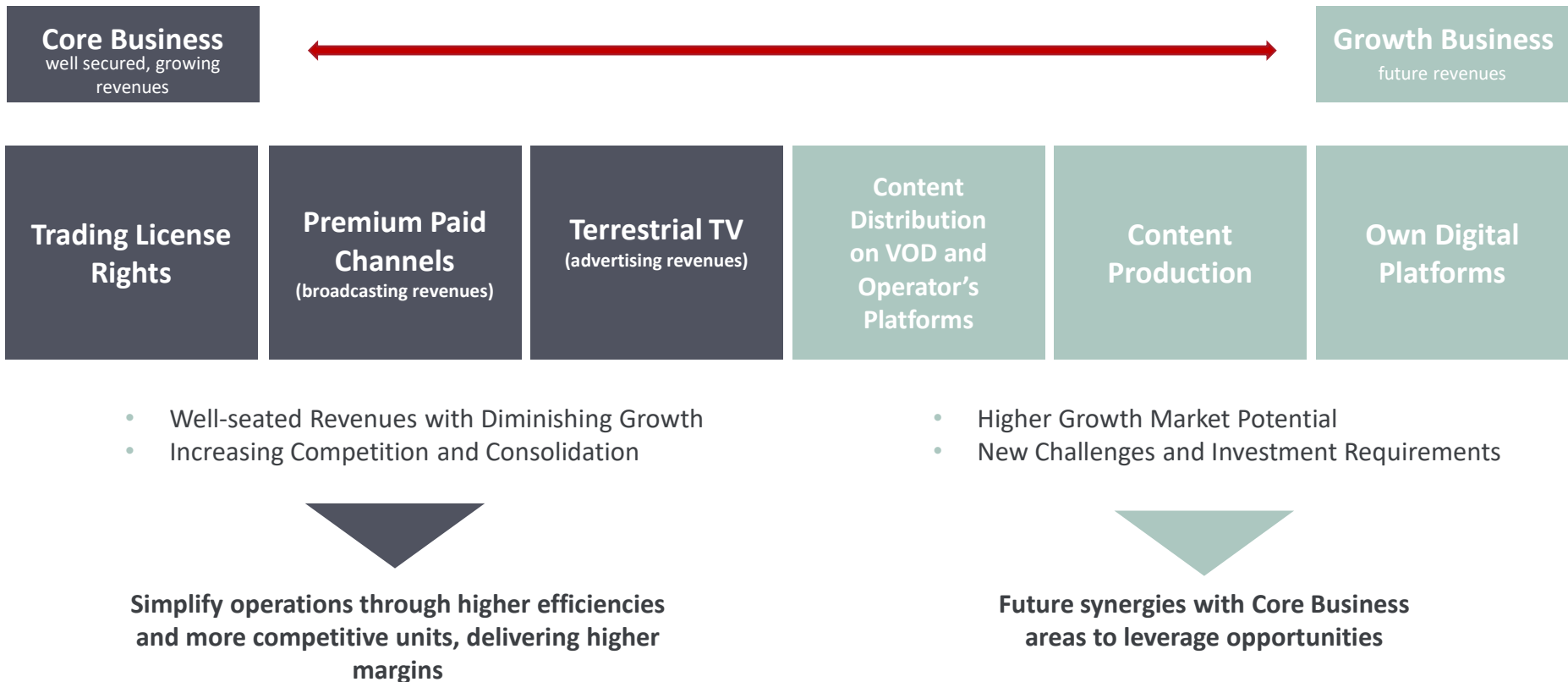
Member of the
Management Board



**Berk
Uziyel**

Member of the
Management Board

▶ OUR BUSINESS AT A GLANCE



▶ STRATEGIC GOALS – CORE BUSINESS

- Solidifying our **5th TV group** in Poland in terms of the advertising market share, with an **average annual commercial audience share of 2.6 – 3%** (SHR, All 16-49, live).
- Leveraging **stronger market position** to improve collaborations with key market players in content licensing, production, distribution and advertising.
- **Increase in the revenues** from the sales of advertising and providing better paid content through subscriber growth of **FilmBox premium in all markets.**
- **Further development of diversified activities on International Markets** - strengthening the Group's position in the production and delivery of content, new advertising and distribution channels
- **Gradual introduction of advertisements to the FilmBox (basic) channel** in order to increase the revenues from sales of advertising on the CEE markets
- **Expansion of the technical reach to new territories** and increase in the sales of **FilmBox (premium)** packages on foreign markets.

▶ NEW BUSINESS & TRANSFORMATION

Digital and Media Transformation driven by faster access to information and speed of execution

Digital Content Distribution

- Expand VOD content distribution via Traditional B2B Partners
- Ensure increased viewership and revenue transformation benefits new distribution channels



Own Platforms / New Digital Business

- Launch of own VOD app and catch up service
- Revival and development of brand websites
- Build additional apps and services to complement strong movie expertise and brand positions
- Seek complimentary advertising and reach on digital

Content Productions

- Movie production for cinema and TV channels, creation of original Polish series for Stopklatka and KinoPolska - a unique content library as an important element of building the competitive advantage
- Local remake of internationally successful entertainment formats for ZOOM TV
- Digital content creation for social media and Gametoon e-sporting events



▶ AGENDA

1. About Kino Polska TV SA
2. Key Facts for 3Q 2020
3. Financial Results



 **CORE BUSINESS**

▶ KEY NUMBERS – 1-3Q 2020

152.1 PLN million	56.2 PLN million	60.7 PLN million	15.4 PLN million
Revenues +14.4% y/y	Revenues from International Markets	EBITDA +9,8% y/y	Net Profit +28,8% y/y

55.2%	32.8%	14.1%	2.31%
Revenues from Broadcasting (paid content)	Revenues from Advertising	Net Profit Margin	Share of the TV Market in 1-3Q 2020 (SHR%, all 16-49, live)

▶ KEY FACTS FOR THE GROUP – 1-3Q 2020

- **The Group's revenues increased by 14.4% y/y to PLN 152.1 million thanks to growing audience and stabilization of the advertising market after Q2.**
- **The Group's net profit increased by 28.8% y/y to PLN 15.4 million** mainly due to the implementation of a consistent growth policy on foreign markets (FilmBox brand channels and thematic channels) with simultaneous cost optimization.
- The Group's business activities are diversified, advertising revenues which may be affected by the pandemic, represent approximately 30% of the total revenues of the Group. About 70% are revenues from broadcasting and sale of licenses. In these areas Group has not recorded the impact of COVID-19. Moreover, the Group does not record and does not expect any problems with financial liquidity.
- **The average share of the audience in 1-3Q 2020 increased by 20.9% y/y** (for the channels of the Kino Polska Group) and amounted to 2.31% (SHR live 16-49).

▶ TV BRANDS – HIGHLIGHTS FOR Q3 2020

STOPKLATKA

The audience SHR in Q3 exceeded 1% (SHR live 16-49), an increase of 5% y/y; 12% y/y increase in (ATS)

zoom^{tv}

In Q3 the channel achieved a level of 0.6% SHR (live 16-49), an increase of 25% y/y; 21% y/y increase in (ATS)

PL
KINOPOLSKA

SHR increased by 40% y/y (live 16-49) in 3Q; 38% y/y increase in watching time spent by TV viewers (ATS)

KINO TV

SHR increased by 38% y/y (live 16-49) in 3Q; 20% y/y increase in (ATS)

FILMBOX

New contracts with operators. FilmBox package available to all Canal + subscribers from the basic plan

KINOPOLSKA MUZYKA

SHR increased by 75% y/y (live 16-49) in 3Q; 102% y/y increase in (ATS)



THE KINO POLSKA TV GROUP - FILMBOX AND OTHER CHANNELS

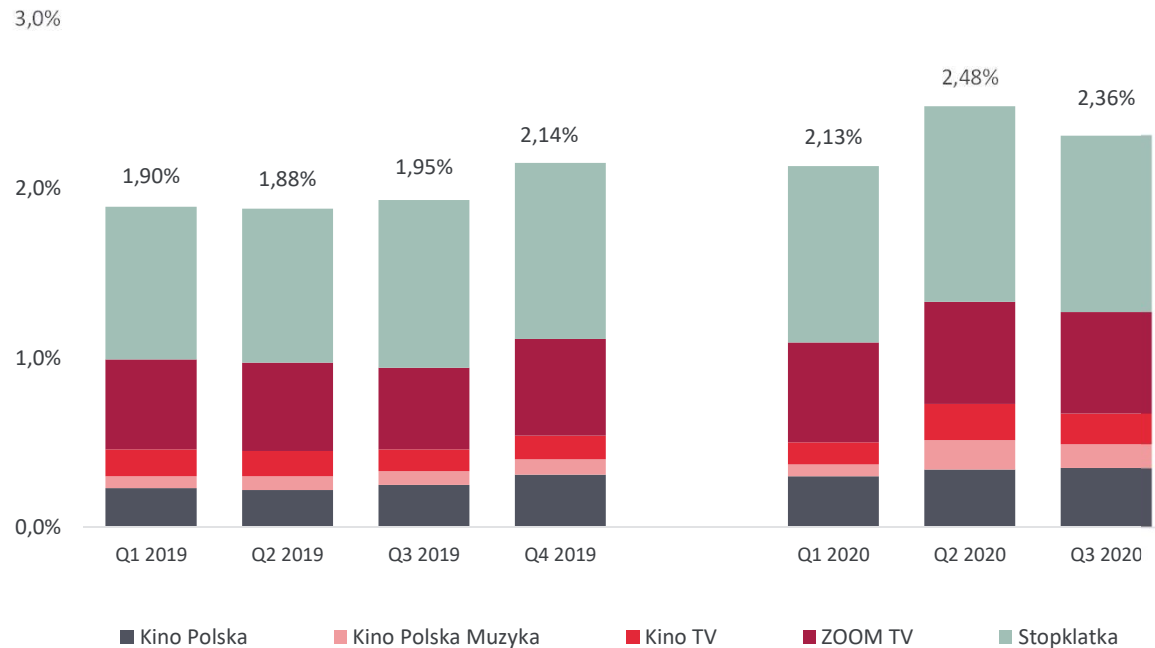
The Kino Polska TV Group conducts **diversified activities on international markets**. The Group's offer includes the production of linear TV channels, content distribution on digital platforms, as well as access to digital services.

- **The total revenues generated on the international markets increased by 33.5% y/y.**
- The revenues from international markets represented **37.0% of the Group's total revenues** in 1-3Q 2020 and amounted to **PLN 56.2 million** vs PLN 42.1 million in the previous year.
- **The revenues from broadcasting FilmBox Basic in Czechia increased by 78.5% y/y** in terms of value, despite the significant COVID-19 impact on the advertising market and amounted to PLN 1.8 from January to September 2020.



SHARE IN THE MARKET OF TV CHANNELS

The Kino Polska TV Group - average share in the commercial group 1-3Q 2020 vs 1-3Q 2019



- In 1-3Q 2020 the Kino Polska TV Group channels reached a combined 2.31% share in the commercial audience (SHR%, all 16-49, live).
- The increase in the audience of the Group's channels amounted to 20.9% y/y in this period



TV ADVERTISING MARKET IN 1-3Q 2020

- **A further decrease in the market share of the so-called “big four” channels of 12,38% y/y.** The combined share of this segment in the commercial group (All 16-49) was 31,16% (vs 35,56% in 1-3Q 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 3,21% (ATS, All 16-49, live).**
- **Little decline in the average minute rating of 0,60% (AMR, All 16-49, live).**
- Advertisement spending in April and May fell by as much as 35% - 40% due to COVID-19 but **the market rebounded in Q3.**
- According to the market experts the TV ad market may shrink by 12% in 2020.



▶ **NEW BUSINESS**

▶ FILM AND TV PRODUCTION – 1-3Q 2020

All our Fears

(working title) shooting 3Q 2020

Biographical movie with **Dawid Ogrodnik** in a leading role as an artist Daniel Rycharski, who fights for the right to love and faith. In other roles: Andrzej Chyra, Piotr Trojan, Jacek Poniedziałek. To be released on Berlin and Sundance Film Festivals (TBC)

- Comedy „**Over my Dead Body**” with Rafał Zawierucha (shooting: Spring 2021).





▶ AGENDA

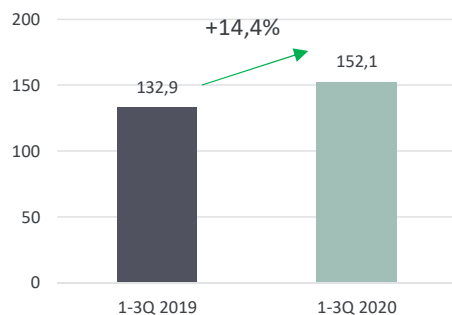
1. About Kino Polska TV SA
2. Key Facts for 3Q 2020
3. Financial Results



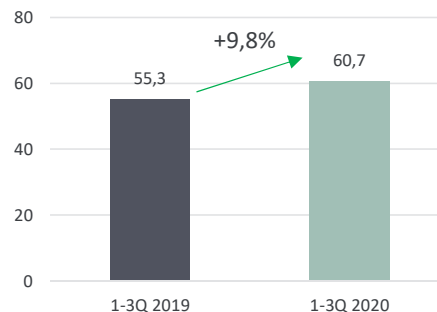
BASIC FINANCIAL DATA

IN PLN MILLIONS

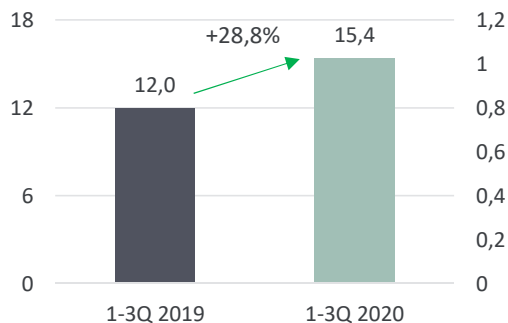
Sales Revenue



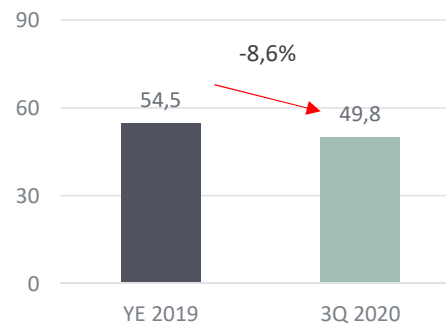
EBITDA



Net Profit



Net Debt



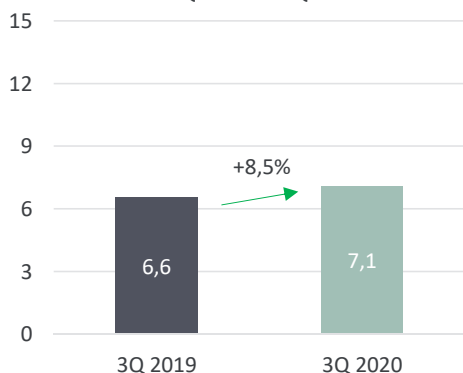
- Kino Polska TV Group improved all basic financial indicators on a y/y basis. After three quarters of 2020, the Group recorded an increase in revenues by PLN 19.2 million (+14.4%).
- The share of Stopklatka SA in the Group's revenues amounted to PLN 20.6 million (13.5%).
- The significant increase in revenues and net profit y/y is a result of growth in the segments: Filmbox and license sales.



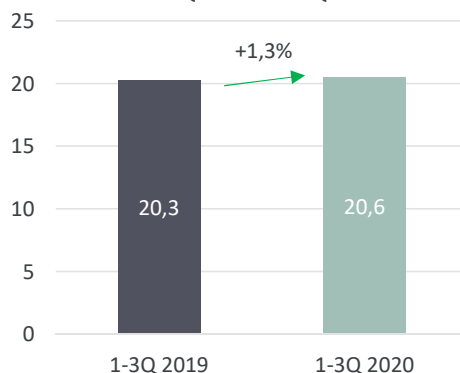
STOPKLATKA

IN PLN MILIONS

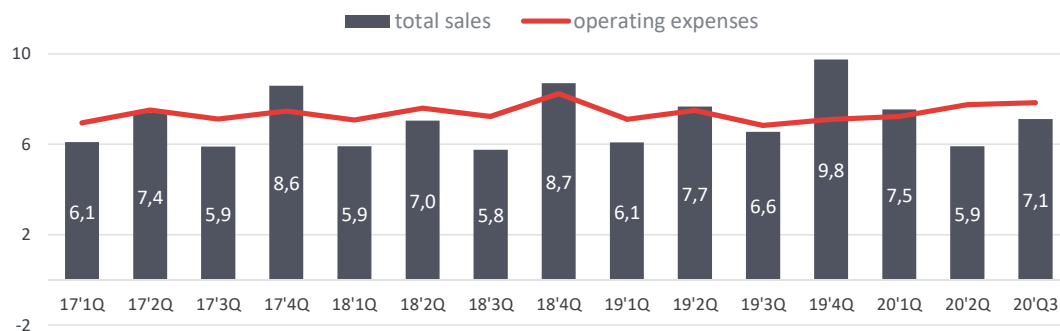
Advertising revenues
3Q 2020 vs 3Q 2019



Advertising revenues
1-3Q 2020 vs 1-3Q 2019



Sales and operating expenses 1Q'17 – 3Q'20



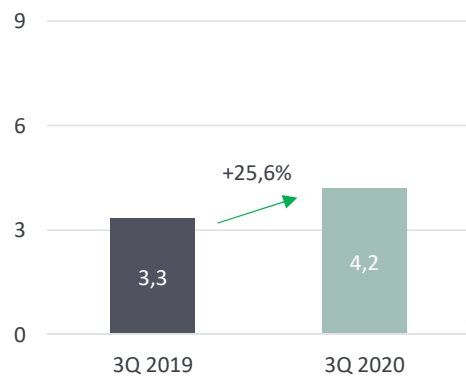
- In 1-3Q 2020, Stopklatka's audience rating (SHR) in the commercial group (All, 16-49) increased by 0.12pp to 1.08% compared with the same period of the previous year.
- Stopklatka segment recorded revenues of PLN 20.6 million (increase by 1.3% y/y), in Q3 alone revenues increased by 8.5% y/y.
- In the 1-3Q period, the segment recorded an increase in advertising sales, despite the negative effect of the COVID-19 epidemic in Q2.
- In line with the Management Board's expectations, Q3 helped to offset the decline in revenue related to the effects of COVID-19.



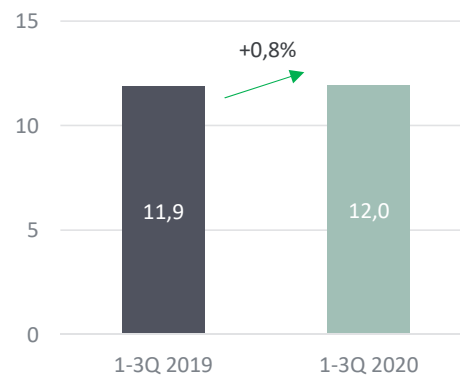
ZOOM TV

IN PLN MILIONS

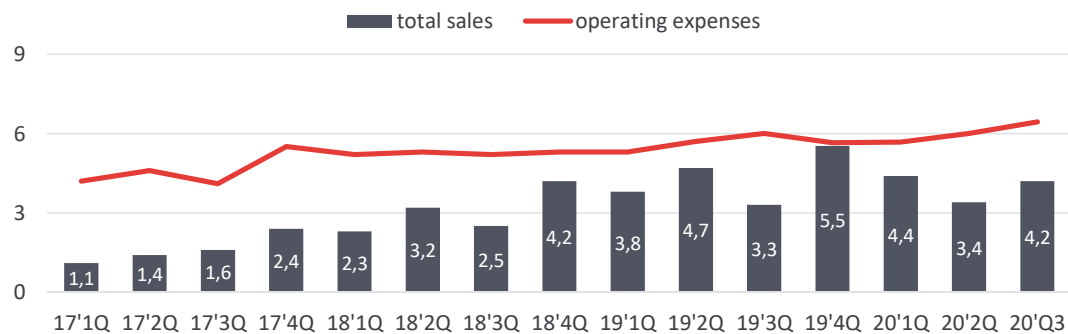
Advertising revenues
3Q 2020 vs 3Q 2019



Advertising revenues
1-3Q 2020 vs 1-3Q 2019



Sales and operating expenses 1Q'17 – 3Q'20



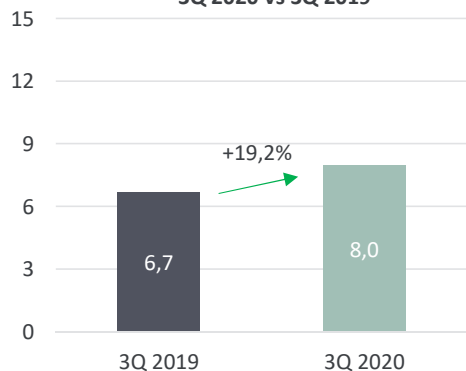
- The average SHR of Zoom TV in the commercial group (all, 16-49) in 1-3Q 2020 increased by 17% y/y to 0.59%.
- After 9 months of 2020, advertising sales on the Zoom TV channel increased by 0.8% y/y, in the 3Q alone, it increased by 25.6% y/y.
- The increase in viewership is the result of the channel's consistent programming and purchasing policy.



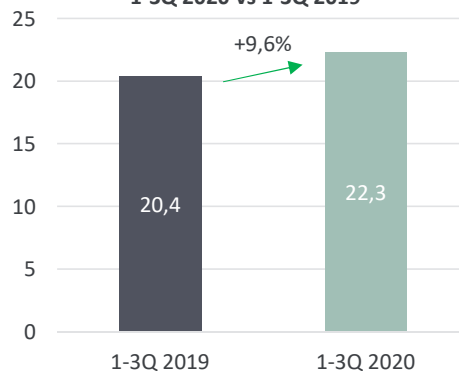
KINO POLSKA CHANNELS

IN PLN MILLIONS

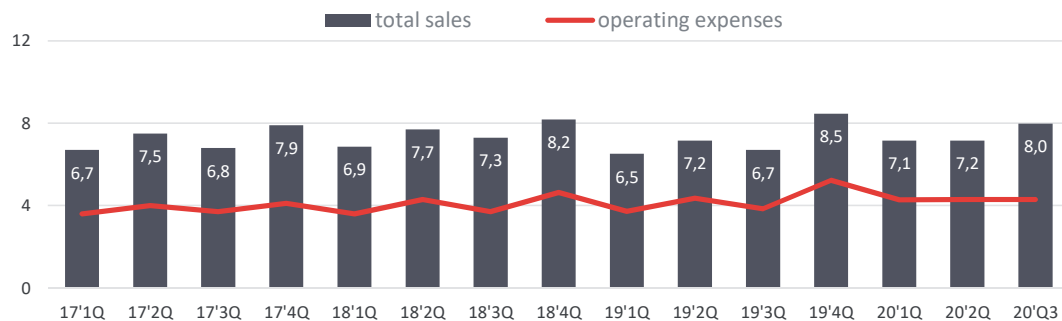
Broadcasting and advertising revenues 3Q 2020 vs 3Q 2019



Broadcasting and advertising revenues 1-3Q 2020 vs 1-3Q 2019



Sales and operating expenses 1Q'17 – 3Q'20



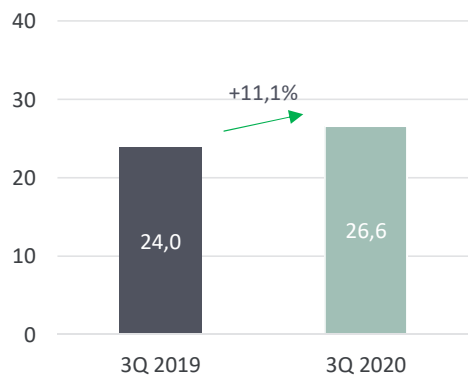
- Broadcasting revenues of Kino Polska brand channels (Kino Polska, Kino Polska Muzyka) increased by 9.6% y/y to the level of PLN 22.3 million in 1-3Q 2020
- Advertising revenues of the Kino Polska Muzyka channel increased by 16.1%, and Kino Polska by 22.8% compared to the previous year.
- Kino Polska brand channels were the least affected by the negative effects of the pandemic, which was reflected in the same level of revenues both in Q2 2020 and Q2 2019



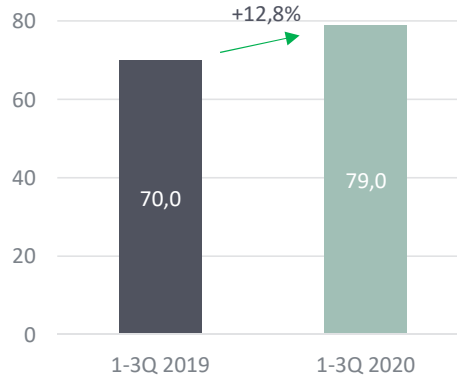
FILMBOX FILM CHANNELS AND THEME CHANNELS

IN PLN MILLIONS

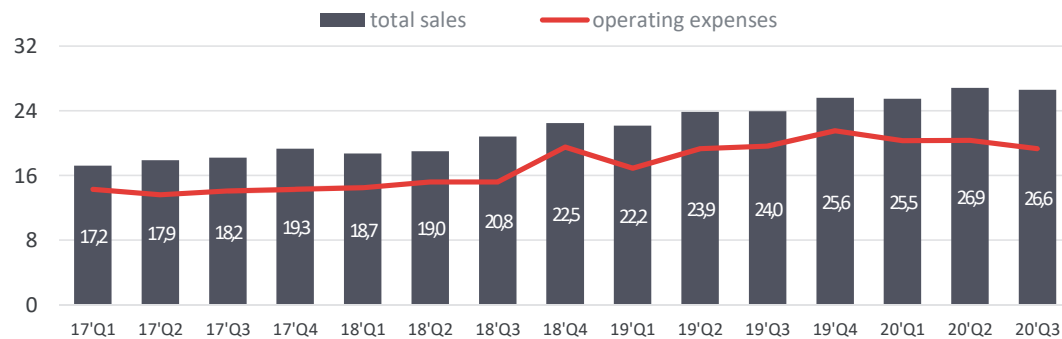
Broadcasting and advertising revenues 3Q 2020 vs 3Q 2019



Broadcasting and advertising revenues 1-3Q 2020 vs 1-3Q 2019



Sales and operating expenses 1Q'17 – 3Q'20



- The Group maintained the upward trend in the FilmBox channels and theme channels segment - an increase of 12.8% y/y.
- The FilmBox channels and theme channels achieved the highest increases on the following markets: Poland (an increase in the number of subscribers of the existing customers), the Czech Republic and Slovakia (new contracts and organic growth), in Romania, Hungary (increase in subscribers and new contacts), the former Yugoslavia and the Baltic states and Bulgaria.



SEGMENTS

Operating result for 1-3Q 2020

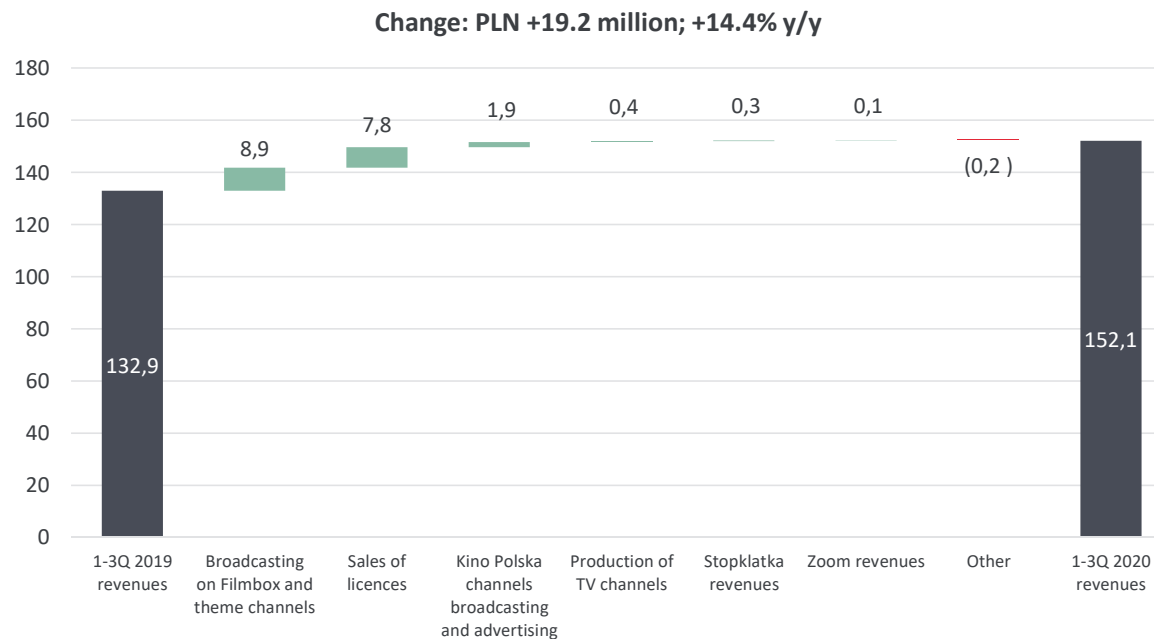
(in PLN'000)	FilmBox Film Channels and Theme Channels	Kino Polska Channels	Production of TV channels	Zoom TV	Stopklatka	Sales of Licences	Other Segments	TOTAL
Broadcasting	72 130	11 755	-	1	-	-	-	83 886
Advertising	6 794	10 568	-	11 967	20 563	-	-	49 892
Other sales	43	-	764	-	-	15 820	1 700	18 327
Total sales*	78 967	22 323	764	11 967	20 563	15 820	1 700	152 105
Operating expenses	(59 958)	(12 862)	(588)	(18 095)	(22 817)	(14 168)	(2 185)	(130 673)
Segment EBITDA for 1-3Q 2020	38 282	13 206	224	569	7 706	1 707	(305)	61 389
Segment result for 1-3Q 2020	19 009	9 461	176	(6 127)	(2 254)	1 652	(485)	21 432
Segment profitability for 1-3Q 2020	24,1%	42,4%	23,0%	(51,2%)	(11,0%)	10,4%	(28,5%)	14,1%
Segment result for 1-3Q 2019	14 969	8 468	28	(4 965)	(1 425)	2 135	(461)	18 749
Segment profitability for 1-3Q 2019	21,4%	41,6%	7,6%	(41,8%)	(7,0%)	26,6%	(23,7%)	14,1%

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



1-3Q 2020 REVENUES

IN PLN MILLIONS



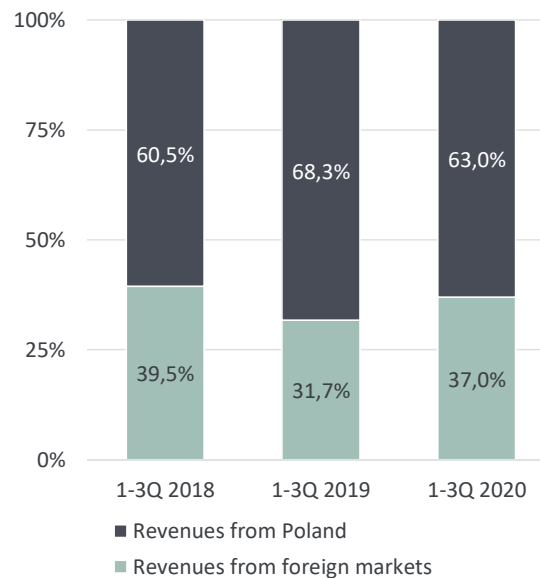
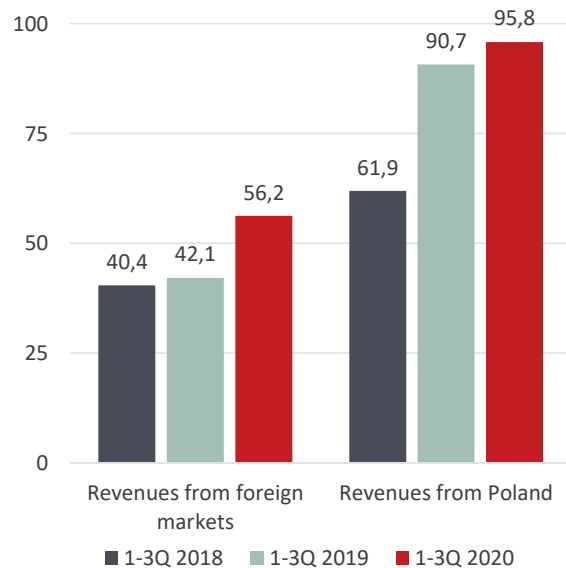
- In the period of 1-3Q 2020, the Group's sales revenues amounted to PLN 152.1 million, which represents an increase of 14.4% in relation to the same period of the previous year.
- The biggest increases were achieved in the following segments: FilmBox channels and theme channels (PLN +8.9 million, an increase of 12.8% vs 1-3Q 2019), the sales of licences (PLN +7.8 million, an increase of 97.1% vs 1-3Q 2019), and the Kino Polska channels (PLN +1.9 million, an increase of 9.6% vs 1-3Q 2019).



TOTAL REVENUES BY TERRITORY*

* REVENUES INCLUDE BROADCASTING, ADVERTISING, PRODUCTION, SALES OF LICENCES AND OTHER ITEMS

(in PLN millions)

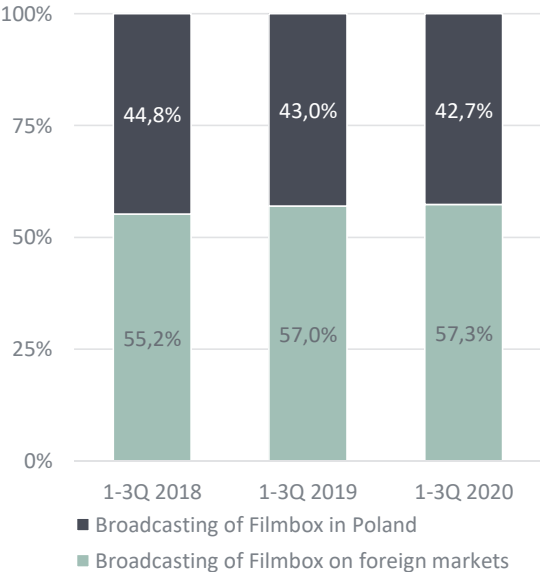
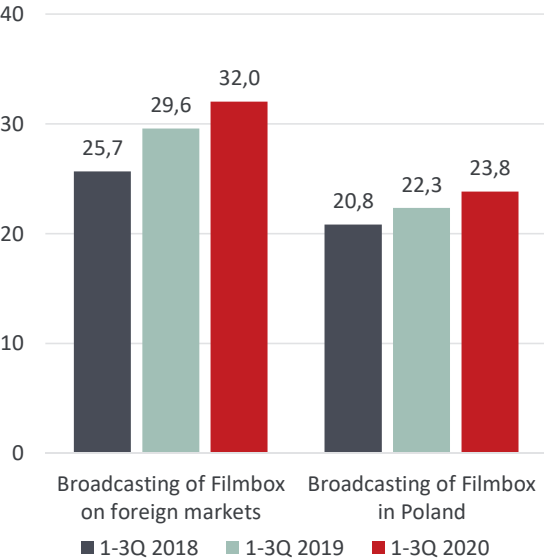


- Total revenues from the foreign markets increased by 33.5% y/y, while the revenues from the Polish market increased by 5.7% y/y.
- The biggest increases were achieved in the FilmBox channels and theme channels broadcasting segment and the sales of licences segment.
- The Group regularly increases the sales of FilmBox Premium packages on foreign markets.



REVENUES FROM BROADCASTING OF FILMBOX CHANNELS BY TERRITORY

(in PLN millions)

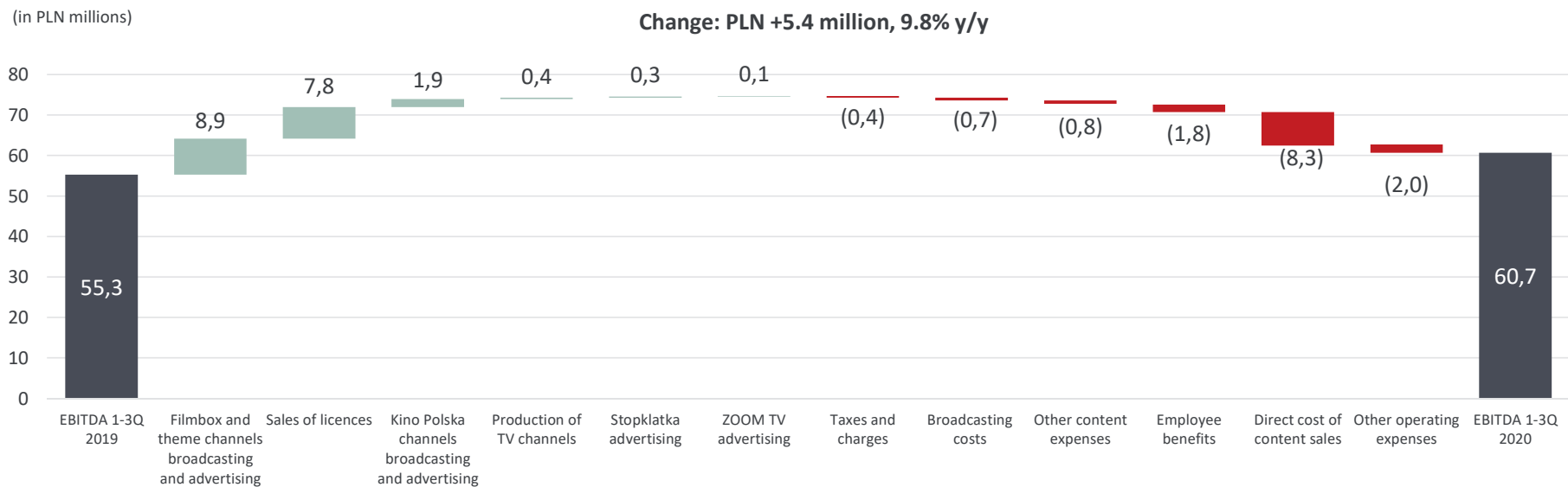


- The revenues from broadcasting FilmBox channels increased in terms of value on both the Polish (+6.8% y/y) and the international market (+8.3% y/y).
- On the international markets, increases were recorded mainly in Czech Republic and Slovakia (new contracts and organic growth), in Romania, Hungary (increase in subscribers and new contacts) and Bulgaria.



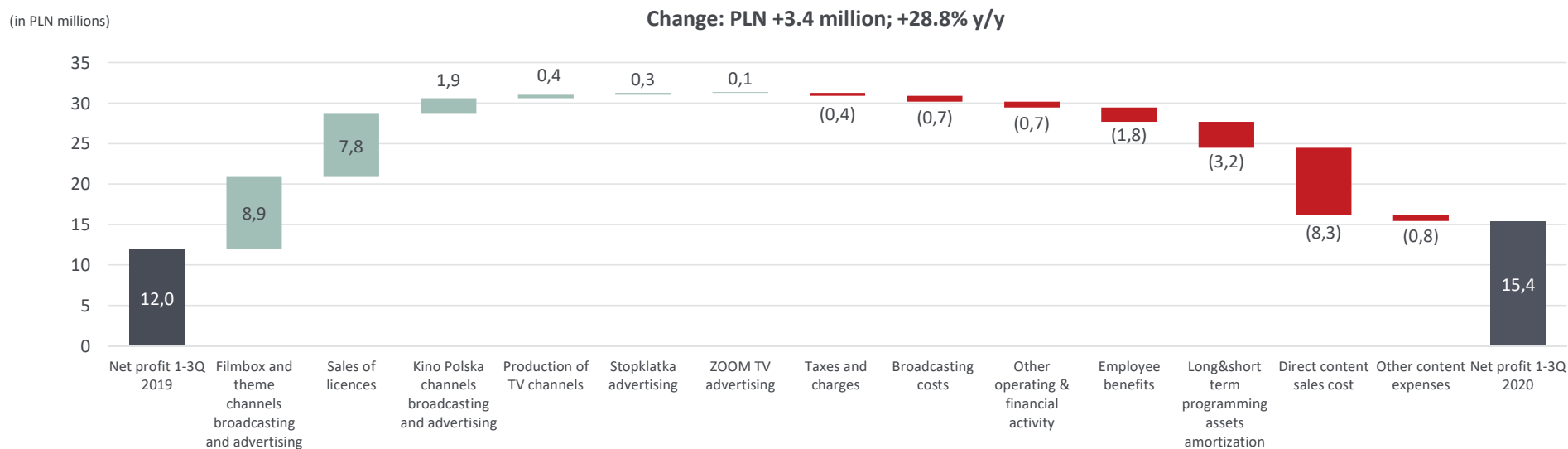
EBITDA 1-3Q 2020

- EBITDA for 1-3Q 2020 increased by PLN 5.4 million to PLN 60.7 million, i.e. by 9.8%, in relation to 1-3Q 2019.
- Zoom and Stopklatka advertising revenues increased despite COVID-19.



▶ NET PROFIT FOR 1-3Q 2020

- The Group's net profit increased by 28.8% y/y to PLN by 3.4 million. The significant increase in profit was achieved despite the negative impact of COVID-19 in the second quarter of this year, when net profit decreased.





▶ APPENDIX

▶ THE MOST IMPORTANT DEFINITIONS

TG: target group. A social group defined by its demographic features (e.g. age, gender, way of receiving television signal), which is being analysed. The most common constraint is age (the commercial group is defined as the 16 to 49 age group).

AMR: average minute rating. The average number of viewers in a minute. The number of viewers expressed as a percentage of the analysed demographic group (TG).

SHR%: share of a TV channel. The share of the average number of viewers of a TV programme or channel in the total number of persons watching TV at a given time.

RCH: audience reach. The reach is the total number of viewers who watched TV for at least one minute in a specific period of time. Formula: $\sum AMR$. A certain percentage of the population of the analysed demographic group (like AMR).

ATV: average time viewed. The average time of watching TV by a population. Expressed in hours and minutes. Formula: $\frac{AMR}{TG\ population}$

ATS: average time spent. The average time of watching TV by all persons who switched their TV sets on. Expressed in hours and minutes. Formula: $\frac{AMR}{RCH}$

GRP: gross reach point. The total amount of viewers of single broadcasts of advertising spots. Expressed as a percentage only; the sum of AMR% of the individual advertising spots. Formula: $\sum AMR\%$.

CPP: cost per point – the cost of purchase of 1GRP.



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’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 assumes 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).

▶ KINO POLSKA TV S.A.

Contact:

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