



KINO POLSKA TV S.A.

Financial Results 1H 2021

Warsaw, 25 August 2021



AGENDA

1. About Kino Polska TV SA

2. Market

3. Key facts 1H 2021

4. Financial results

▶ TODAY'S PRESENTERS ARE KEY GROUP'S MANAGERS

**Bogusław
Kisielewski**

President of the
Management Board

**Levent
Gültan**

Member of the
Management Board

**Małgorzata
Parczewska-
Pałka**

CFO

▶ 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 **2.51%**

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.**

40 countries worldwide
33,4% of revenues from international markets

Group 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. 2/3 of Revenues

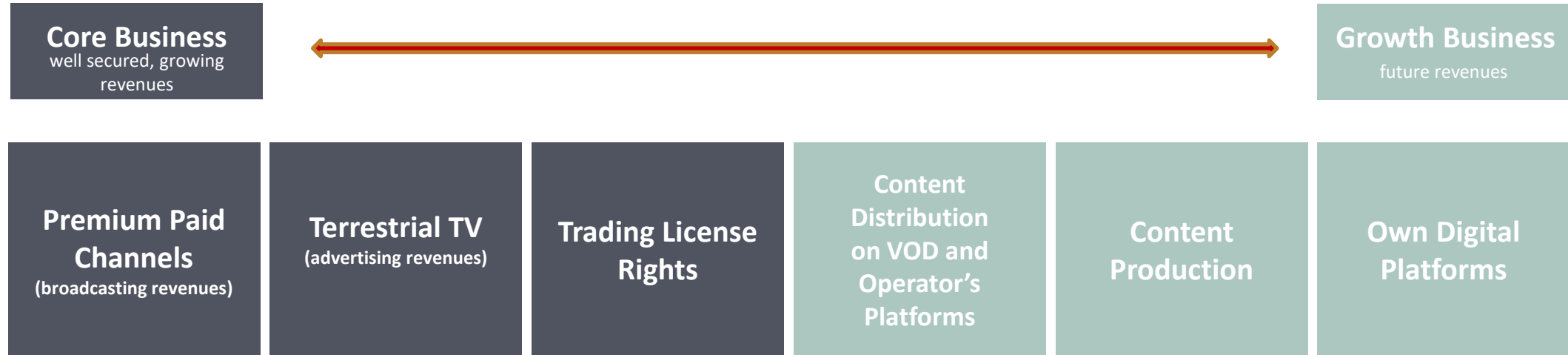
- **Broadcasting & licensing** – long term contracts with cable providers and digital platforms

Almost 40% of Revenues

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



OUR BUSINESS AT A GLANCE



- Well-seated revenues despite an unfavourable market environment
- Increasing Competition and Consolidation



Simplify operations through higher efficiencies and more competitive units, delivering higher margins

- Higher Growth Market Potential
- New Challenges and Investment Requirements



Future synergies with Core Business areas to leverage opportunities

▶ 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.

▶ STRATEGIC GOALS REVIEW – DIGITAL & TRANSFORMATION

- **Digital Transformation** – 2021 year of shaping new ideas and launching new platform: Filmbox+. Expected revenue growth from digital activities in the coming years.
- **Expanding VOD operations in Poland**, delivering content into new VOD sections on client's end.
- **AVOD** (advertising-based video on demand) - opening monetization on multiple channels. Broader distribution of SPI AVOD catalog and global content catalog in Poland.
- Preparing for launch of **dedicated App/WebService for selected TV channels**, enabling Ad-Sense monetization and pursuing sponsorship opportunities.

▶ 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.
- Growing VOD share in the international markets.



Own Platforms / New Digital Business

- Development of the FilmBox+ streaming service, launched in Q1 2021. The platform offers movies, TV shows and "live" channels from KPTV's portfolio simultaneously on up to 4 different devices, with quality from 360p to 1080p.
- Build additional apps and services to complement strong movie expertise and brand positions.
- Seek complimentary advertising and reach on digital.

Content Productions

- Local remake of internationally successful entertainment formats for ZOOM TV.
- 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.
- Digital content creation for social media and Gametoon e-sporting events.



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MARKET 1H 2021*

- Greater importance of television as a basic form of entertainment when cinemas, theatres are closed due to COVID-19 restrictions. Rise in the popularity of VOD platforms.
- The "Big 4" share in viewership down by 3.9% y/y to 30.66% (All 16-49) vs. 31.90% in the previous year. These channels also recorded a significant decline in average minute rating, down by 13.2% (AMR, All 16-49, live data).
- **The viewership share of film and TV show channels reached 9.04%** in the commercial group (All 16-49), denoting a **0.2% y/y decline**.
- **Average time spent for the entire market** for the commercial group declined by 6.7% (ATS, All 16-49, live).
- **Average minute rating for the entire market declined** by 9.7% (AMR, All 16-49, live data).
- Polish TV stations broadcast 26.3% more advertisements than in 1H 2020.

* data from Nielsen Media Research



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▶ CORE BUSINESS



KEY RESULTS 1H 2021

119.0 PLNm	39.7 PLNm	54.7 PLNm	19.3 PLNm
revenue +20.5% y/y	revenue from international markets	EBITDA +37.4% y/y	net profit +106.9% y/y

51.4%	38.2%	16.3%	2.51%
revenue from broadcasting	revenue from advertising	net profitability +6.8pp y/y	share of the Group's channels on the TV market (SHR%, all 16-49, live)



KEY FACTS 1H 2020

- **The Group's revenue increased by 20.5% y/y to PLN 119m** (up by 32.9% from 1H 2019). Revenue growth was primarily driven by the rising total sales in the FilmBox movie channel and thematic channel segments (PLN +8.1m, **up by 15.5% y/y**), the Kino Polska brand channels (PLN +3.4m, up by **52.9% y/y**) and Stopklatka (PLN +6.1m, up by **45.3% y/y**).
- **The Group doubled its net profit, which increased to PLN 19.3m, i.e. by +106.9%** (up by 89.6% from 1H 2019), which is largely the effect of higher revenue in all segments and a significantly lower growth rate for costs.
- **Margin improvement across all segments. Net profitability went up to 16.3%, compared to 9.5% in the previous year.**
- As expected, **the Group reduced its net financial debt**, which translated into a decline in net debt by PLN 23.4m y/y, to PLN 10.4m.
- **The average share of commercial audience in 1H 2021 increased by 9.1% y/y** (for Kino Polska TV Group channels), reaching 2.51% (SHR%, All 16-49, live).
- **Viewers spent much more time watching the Group's channels** - in the reporting period the average daily time spent on watching them reached 43 minutes and 46 seconds (ATS, All 16-49, live) and was **6.7% longer than in 1H 2020**. This is considerable above the market. ATS for the entire market declined by 6.7% y/y.
- The ad market grew, which translated into a **42.9% y/y increase in the Group's ad revenue**.



INTERNATIONAL BUSINESS

Kino Polska TV Group has a diversified business in international markets. The Group delivers content through cable operators, digital platforms, and distributes content for online platforms. It is also developing ad sales in the FilmBox brand channels.

- **Total revenue from international markets** increased by 12.8% y/y.
- **Revenue from international markets constituted 33.4% of the Group's total revenue** in 1H 2021 and reached **PLN 39.7m**, vs. PLN 35.1m in the previous year.
- **Ad sales on the Czech market went up by 82% y/y** to PLN 1.8m. The FilmBox Czechia channel reached a viewership share of 0.5% (compared to 0.44% in the same period of 2020).
- The Group also recorded **growth in broadcasting revenue from international markets by 7.8% y/y** to PLN 32.8m.
- **Revenue from FilmBox channels broadcasting in international markets grew** by 7.6% y/y, to PLN 23.3m. Growth was also recorded mainly in Romania (+19%), Czechia (+8%), Slovakia (+5%) and Bulgaria (+27%).

▶ INFORMATION ON THE GROUP'S CHANNELS 1H 2021

STOPKLATKA

Share in viewership reached 1.24% (SHR, all 16-49, live), up by 13.8% y/y; viewing time grew by 11.5% y/y (ATS, all 16-49, live).

zoomtv

Share in viewership reached 0,52% (SHR, all 16-49, live), down by 11,9% y/y; watching time decreased by 4,6% y/y (ATS, all 16-49, live).

PL
KINOPOLSKA

Share in viewership reached 0.44% (SHR, all 16-49, live), up by 37.5% y/y; watching time grew by 14.7% y/y (ATS, all 16-49, live).

KINO TV

Share in viewership reached 0.21% (SHR, all 16-49, live), up by 23.5% y/y; watching time grew by 19.3% y/y (ATS, all 16-49, live).

KINOPOLSKA MUZYKA

Share in viewership reached 0.10% (SHR, all 16-49, live), down by 16.7% y/y; watching time decreased by 22.8% y/y (ATS, all 16-49, live).

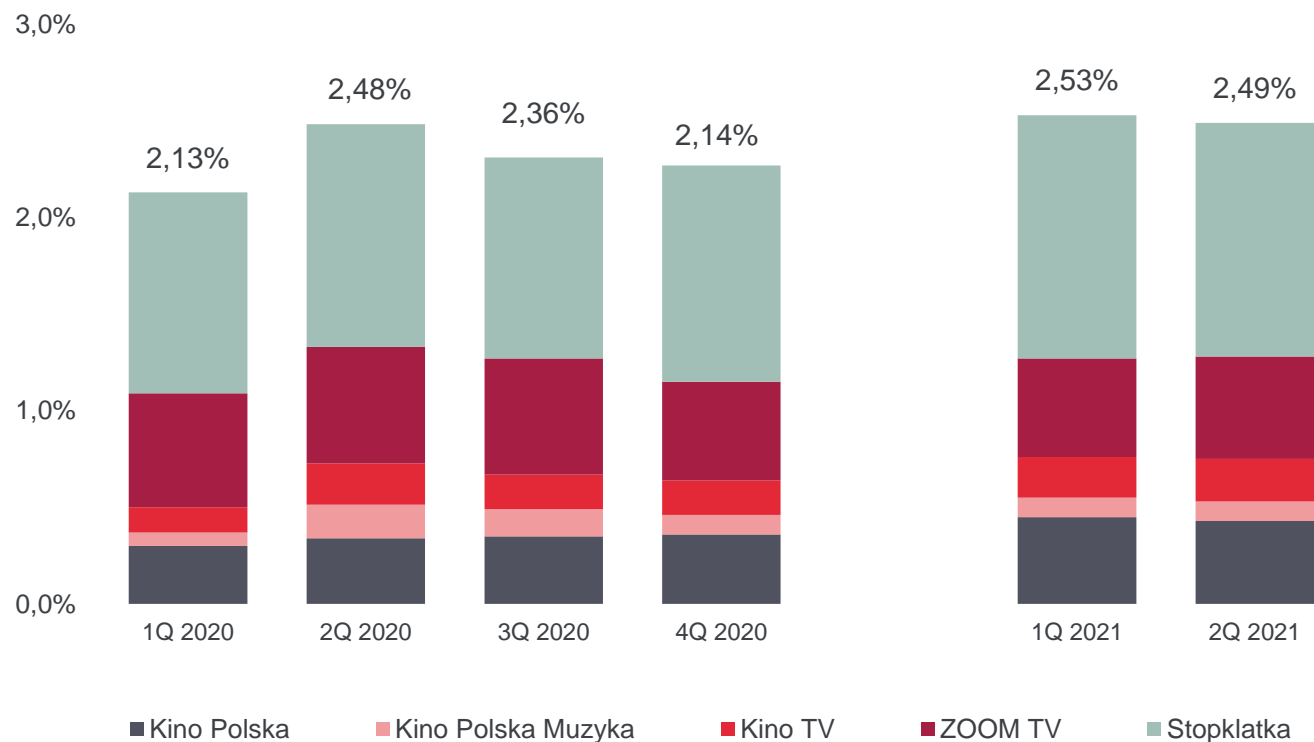
FILM BOX

Growth trend - in both the "a La Carte" variant and via operators (e.g. Cyfrowy Polsat).



TV CHANNEL MARKET SHARE

Kino Polska TV Group - average share in commercial group
1H 2021 vs. 1H 2020



- In 1H 2021, Kino Polska TV Group channels had a 2.51% share in commercial audience viewership, denoting a 9.1% increase from the same period of 2020 (SHR%, all 16-49, live).
- The largest growth was recorded by the Kino Polska, Kino TV and Stopklatka channels.



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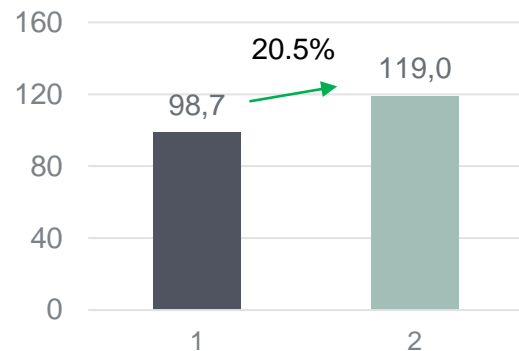
4. Financial results



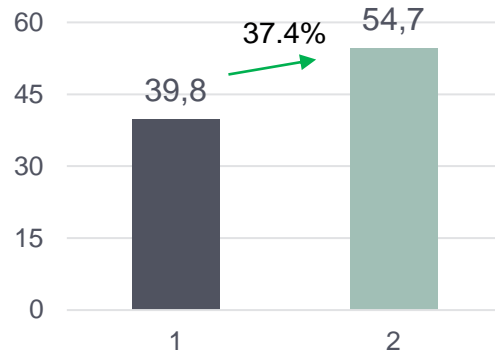
KEY FINANCIAL DATA

in PLNm

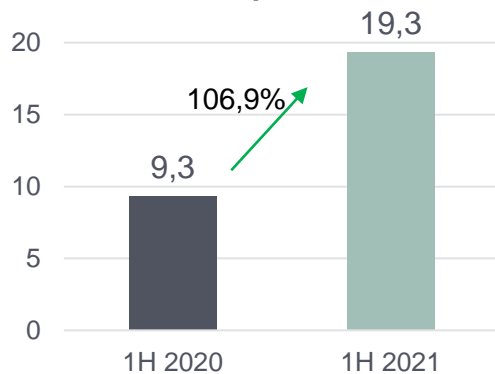
Revenue from sales



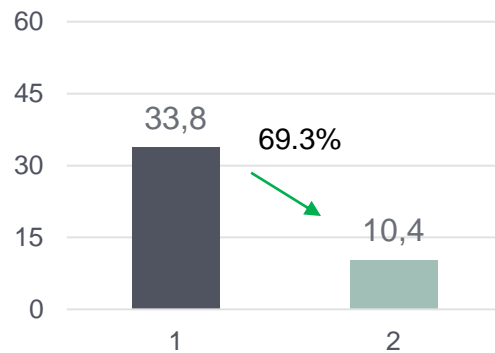
EBITDA



Net profit



Net debt

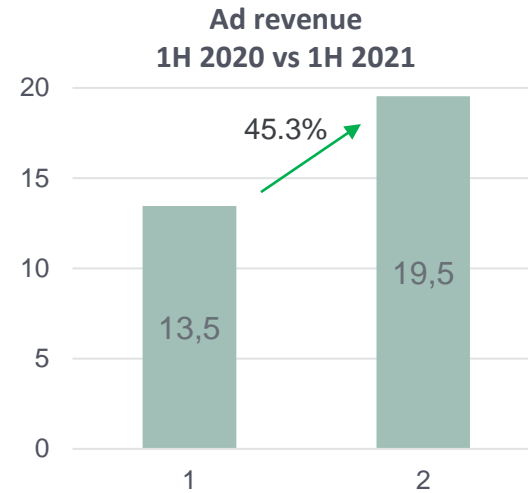
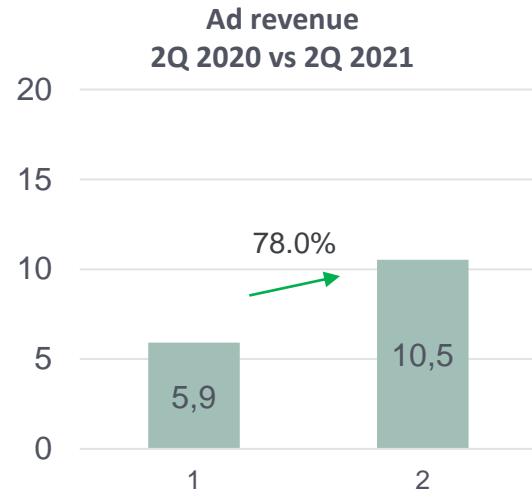


- In 1H 2021, Kino Polska TV Group continued strengthening its financial position, recording an improvement in key financial measures in comparison with the same period of 2020.
- The Group's revenue went up by PLN 20.3m (+20.5%), EBITDA by PLN 14.4m, to PLN 54.7m (+37.4%). The Group also doubled its net profit, which reached PLN 19.3m (+106.9%). In comparison with 1H 2019, profit grew by 46.0%.
- Net profitability went up to 16.4%, compared to 9.5% in the previous year.
- EBITDA margin reached 45.9%, compared to 40.3% in the first half of last year.
- The Group continued to reduce its net debt, as planned. Net debt declined in 1H 2021 by PLN 23.4m y/y.



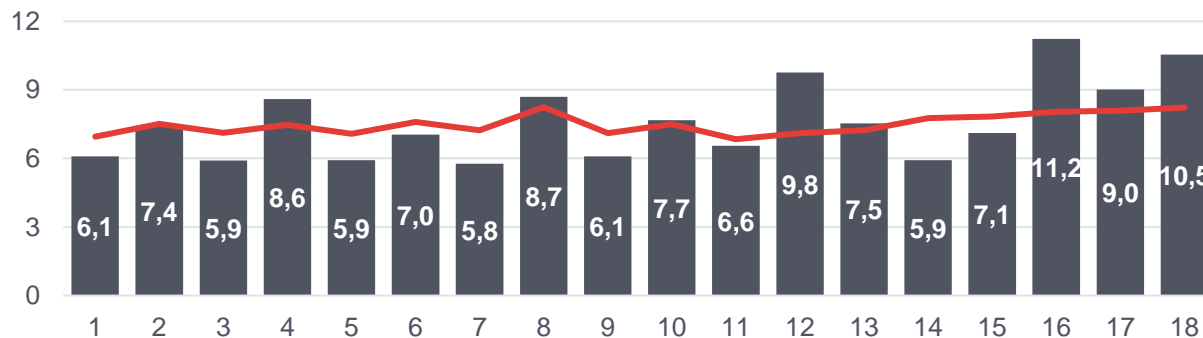
STOPKLATKA

in PLNm



Sales and operating costs 1Q'17 – 2Q'21

■ Serie1 — Serie2



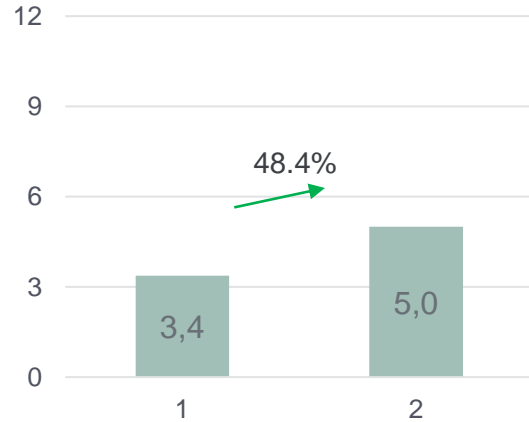
- In 1H 2021, the Stopklatka channel recorded a nearly 14% increase in commercial-group viewership (SHR%, All 16-49, live), growing its market share from 1.09% to 1.24% y/y. This was reflected in a continued rise in ad revenue.
- The segment's revenue in the second quarter went up by 78.0% y/y to PLN 10.5m.
- Feature films, which account for 60% of viewership, are attracting larger audiences. TV series and reality shows are also popular.
- The Stopklatka segment improved its net margin in 1H 2021 to 16.6%. Net profit reached PLN 3.2m, compared to a PLN 1.5m loss in the same period last year.



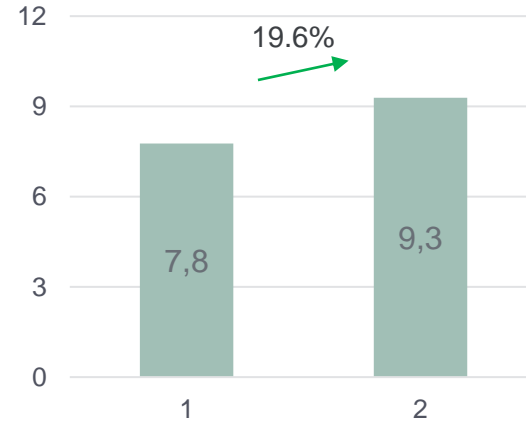
ZOOM TV

in PLNm

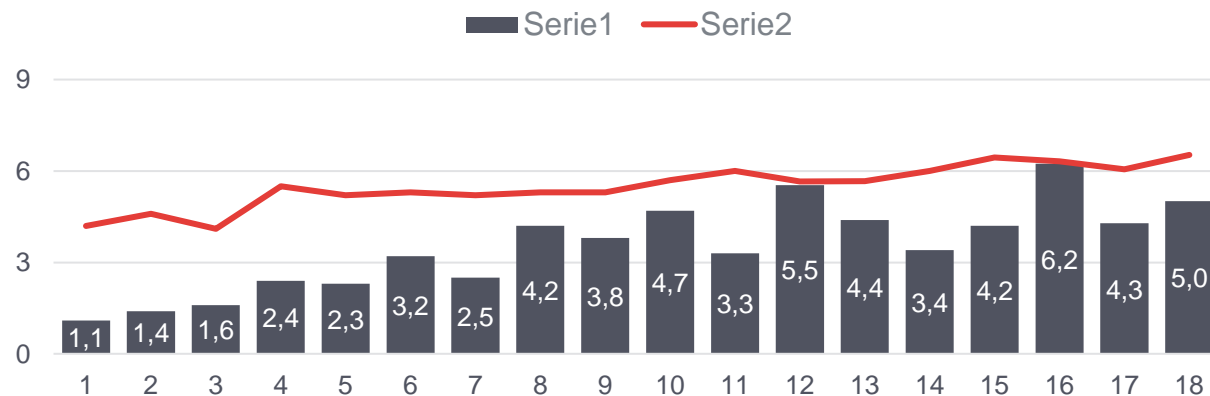
Ad revenue 2Q 2020 vs 2Q 2021



Ad revenue 1H 2020 vs 1H 2021



Sales and operating costs 1Q'17 – 2Q'21



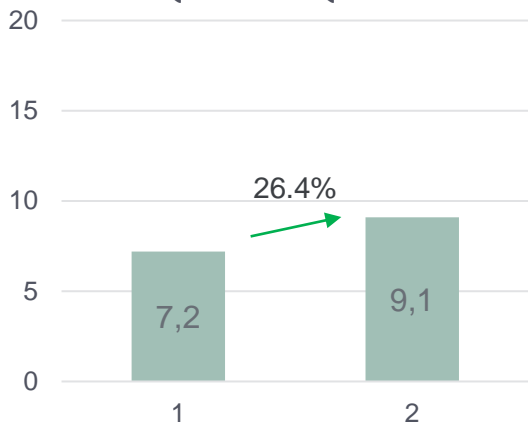
- Despite lower viewership recorded by Zoom TV in 1H 2021 (0.52% vs. 0.59% (SHR%, All 16-49, live)), the channel's revenue grew by nearly 20% y/y. This was influenced by: higher CPP and larger sponsorship-related revenue. At the same time, operating costs increased by 8% due to expenditures on content.
- The postponement of the première of the Polish edition of "Naked Attraction" and a decline in viewership time by 4.6% y/y (ATS, All 16-49, live) negatively impacted viewing figures and planned revenue. New scheduling, including own productions, will be introduced in the second half of 2021. The launch will be supported by marketing activities that had previously been postponed. According to the Management Board, the combination of these initiatives will positively influence the size of the channel's audience and thus improve the channel's financial results in the second half of 2021.



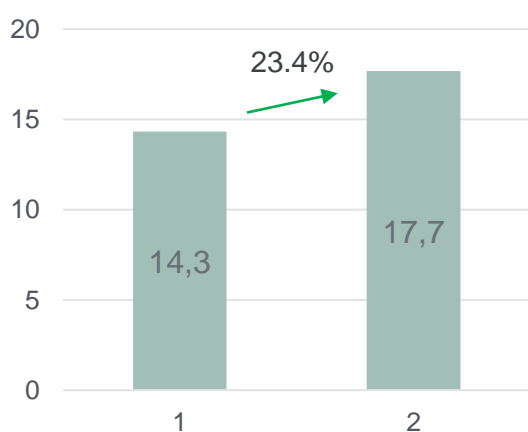
KINO POLSKA CHANNELS

in PLNm

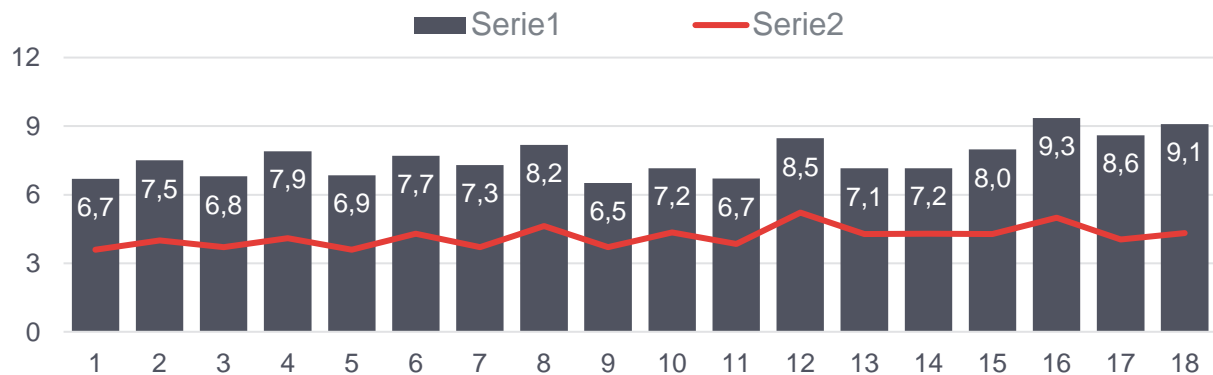
Broadcasting and ad revenue 2Q 2020 vs 2Q 2021



Broadcasting and ad revenue 1H 2020 vs 1H 2021



Sales and operating costs 1Q'17 – 2Q'21



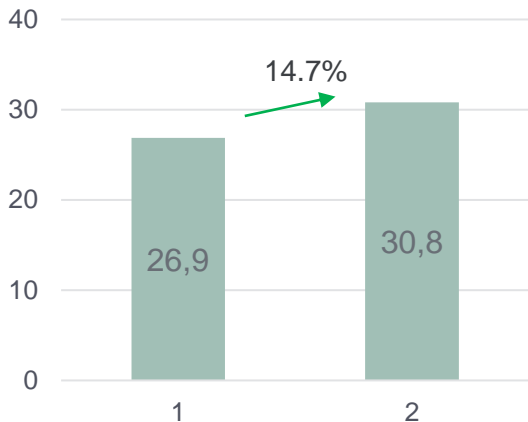
- The good results achieved by the Kino Polska brand channels are due to higher viewership for the Kino Polska channel (+37.5% y/y).
- The attractive content that drives viewership increasingly includes classing Polish TV shows that continue to attract strong interest.
- Despite a 16.7% decline in viewership, the Kino Polska Muzyka channel grew its revenue by approx. 11%.
- Optimisation of programming libraries and control over other costs resulted in a decline in costs by nearly 2.5%.
- This led to an increase in the segment's margin to 52.7% from 40.2% in the previous year.



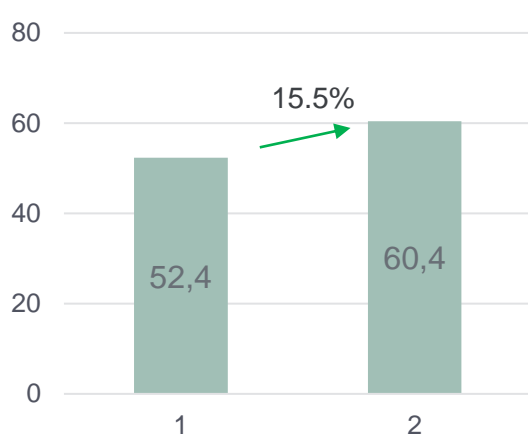
FILMBOX MOVIE CHANNELS AND THEMATIC CHANNELS

in PLNm

Broadcasting and ad revenue 2Q 2020 vs 2Q 2021



Broadcasting and ad revenue 1H 2020 vs 1H 2021



Sales and operating costs 1Q'17 – 2Q'21



- In 1H 2021, the Group maintained a growth trend in revenue in the FilmBox movie channels and thematic channels segment, recording 15.5% y/y growth.
- Thanks to successful sales efforts, the subscriber base in Poland grew, recording a 15.0% increase in revenue.
- The Group also launched new sales channels in Hungary, where a 5% increase in revenue was recorded. Effective promotional activities and an expanded offering are also driving growth in other foreign markets, including Romania, Czechia, Slovakia and Bulgaria.
- The segment's profitability in 1H 2021 went up to 29.5%, compared to 22.3% in the previous year.



SEGMENTS

Operating result 1H 2021

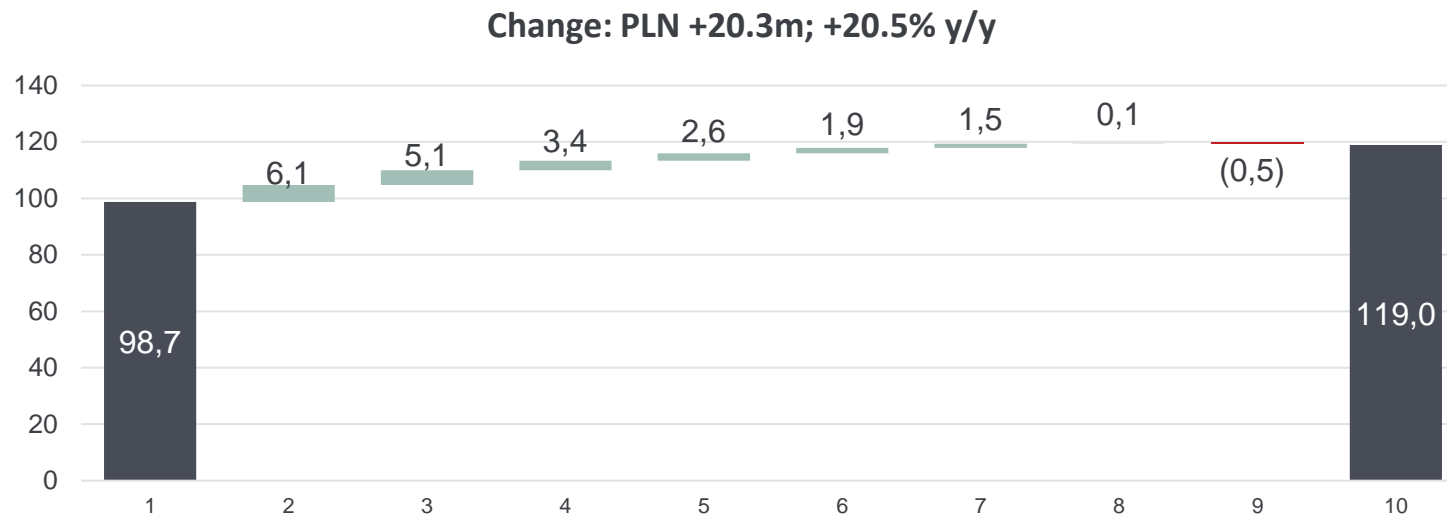
(in PLN thousand)	FilmBox movie channels and thematic channels	Kino Polska channels	TV channels production	Zoom TV	Stopklatka	Sale of licensing rights	Other segments	TOTAL
Broadcasting	53 394	7 736	-	1	-	-	-	61 131
Advertising	6 680	9 954	-	9 290	19 543	-	-	45 467
Other sales	372	-	565	-	-	10 924	503	12 365
Total sales	60 446	17 690	565	9 291	19 543	10 924	503	118 962
Operating costs*	(42 641)	(8 366)	(422)	(12 583)	(16 297)	(9 172)	(741)	(90 222)
EBITDA 1H 2021	31 410	11 788	181	1 912	10 213	1 776	(2 628)	54 653
Segment results 1H 2021	17 805	9 325	143	(3 292)	3 247	1 753	(239)	28 740
Segment profitability 1H 2021	29,5%	52,7%	25,3%	(35,4%)	16,6%	16,0%	(47,5%)	24,2%
Segment result 1H 2020	11 697	5 763	56	(3 886)	(1 529)	1 356	(76)	13 381
Segment profitability 1H 2020	22,3%	40,2%	12,8%	(50,0%)	(11,4%)	15,0%	(5,9%)	13,6%

*Operating costs in the Stopklatka segment take into account depreciation related to newly-identified assets as a result of Stopklatka SA purchase price allocation.



REVENUE 1H 2021

(in PLNm)

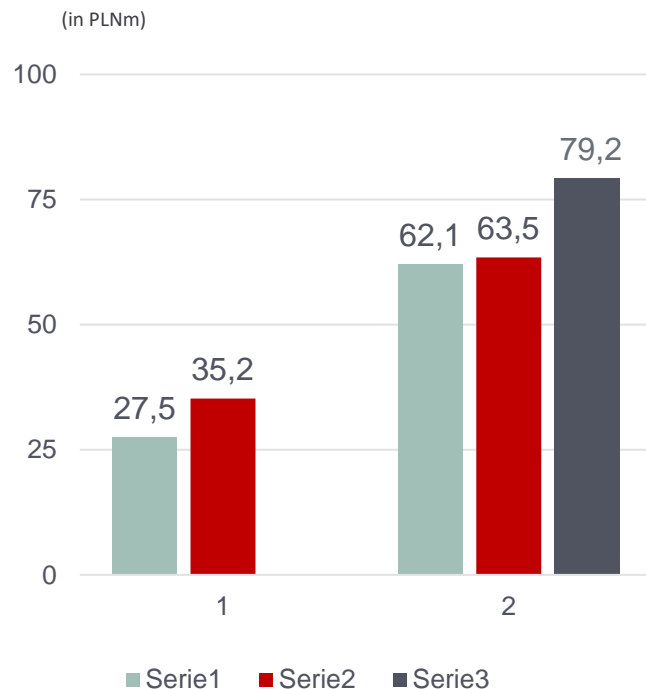


- The Group's revenue increased by 20.5% y/y to PLN 119m.
- The largest increase in revenue was recorded in ad sales in Stopklatka (PLN +6.1m, +45.3% y/y), broadcast of FilmBox movie and thematic channels (PLN +5.1m, up by 10.7% y/y), ad sales in Kino Polska channels (PLN +3.4m, +23.4% y/y) and ad revenue in the FilmBox segment (PLN +2.6m, +63.4% y/y).
- Most of the channels recorded higher audience shares and average time spent despite the high base in 1H 2020.



TOTAL REVENUE BY TERRITORY *

* Revenue covers broadcasting, ads, production, license sales and other

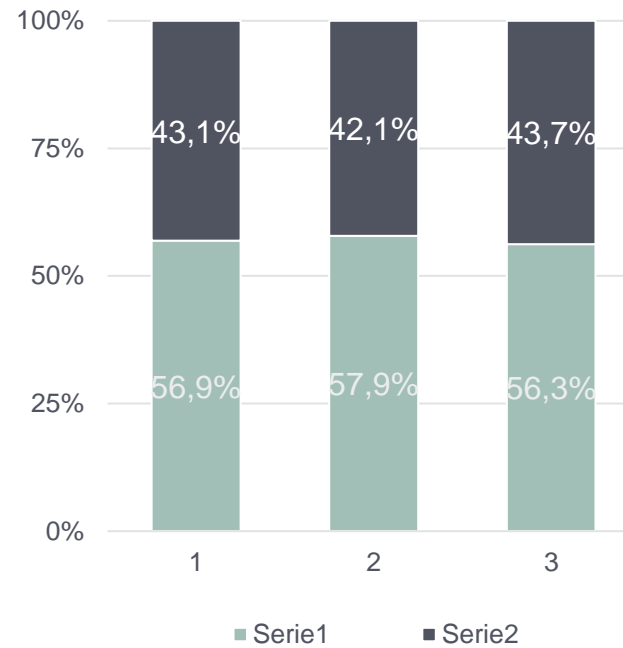
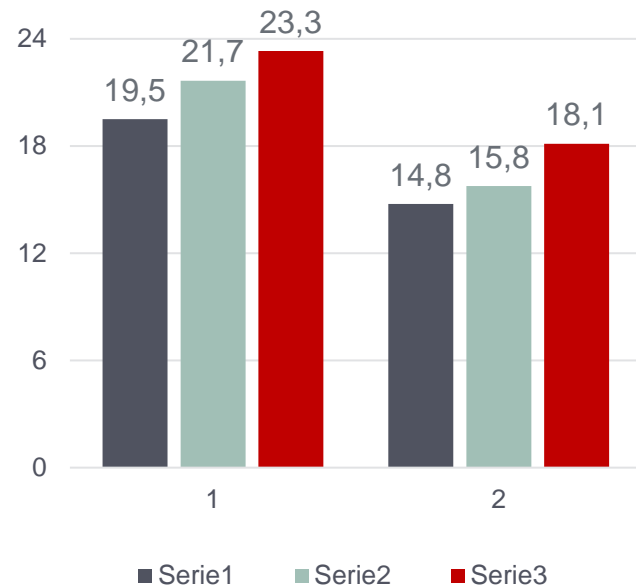


- Revenue in the Polish market went up by 24.8% y/y (PLN +15.8m), largely due to a 42.0% increase in ad sales and a 10.8% increase in broadcasting revenue.
- Thanks to development in the FilmBox movie and thematic channels segment, the Group continues recording double-digit revenue growth in international markets, reached 12.8% in comparison with 1H 2020.



REVENUE FROM FILMBOX CHANNELS BROADCASTING BY TERRITORY

(in PLNm)

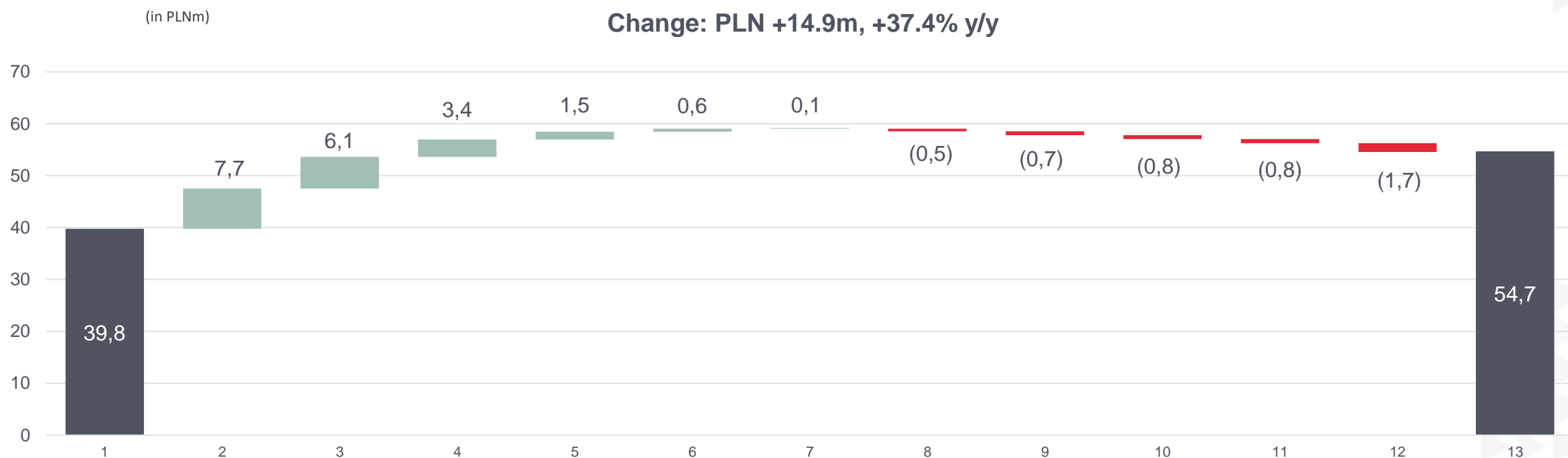


- Revenue from FilmBox channels broadcasting in international markets grew by 7.6% y/y, and by 15.0% y/y on the Polish market.
- Growth was also recorded mainly in Romania (+19%), Czechia (+8%), Slovakia (+5%) and Bulgaria (+27%) and Hungary (+2%).



EBITDA 1H 2021

- In 1H 2021, EBITDA increased by PLN 14.5m to PLN 54.2m, thanks to stronger growth in broadcasting and ad revenue in the FilmBox segment and thematic channels as well as Kino Polska, along with very good ad sales in Stopklatka.
- On the cost side, we felt a slight effect of changes in salaries and the indexation of the cost of signal transmission services.
- The other activities were negatively influenced by exchange differences and an impairment loss on receivables, which was offset by a lower cost of other services.





NET PROFIT 1H 2021

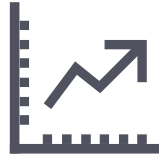
- The Group doubled its net profit to PLN 19.3m (+106.9%), as compared with the same period last year.
- The Group improved margins across all segments.
- In its other activities, the Group reported negative impact from exchange differences, receivables impairment and CIT cost.



▶ SUMMARY 1H 2021



The Group **remains resilient** in the face of any potential adverse impact of the COVID-19 pandemic thanks to its diversified business model.



The Group **improved all of its major financial measures** and did not report problems with financial liquidity.



Viewership for the Group's TV channels grew by approx. 9.1% y/y.



The Group is intensively developing **new business areas (including digital)**, which will allow it to increase its operational scale in the coming years.

KINO POLSKA TV S.A.

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