

06M 2019 Financial Results

September 26, 2019

HIGHLIGHTS

- **During the first half of 2019, EBITDA was maintained at the same level with the first half of 2018 while EBITDA-to-sales ratio has been increased due to the consistent implementation of the Company's operational restructuring plan.**
- **Forthnet counts 899K retail subscriptions, serving 656K unique households, 549K broadband subscribers, and 459K retail and wholesale Pay TV subscribers in Greece and Cyprus.**
- **The Company is preparing to enter the mobile telephony market as a Mobile Virtual Network Operator (MVNO) in the beginning of 2020, following the signing of an agreement with Vodafone.**
- **The content of Nova's sports channels is greatly enhanced by the expansion of the cooperation with EuroLeague until 2023.**

According to **CEO, Mr. Panos Papadopoulos:**

"In the first half of 2019, we maintained EBITDA at the same level as last year's first half and we recorded a rise in EBITDA margin as a percentage of sales. This confirms our Company's resilience in an environment characterized by the over-taxation of the Pay-TV market and by the unfair competition from multinational companies which offer similar services.

In parallel, we are moving with a very intense rhythm towards our goal, which is to offer mobile telephony services (via the MVNO model) in the beginning of 2020, by providing comprehensive coverage of the Greek family's entertainment and communication needs.

At the same time, we have confirmed our strategic positioning regarding the broadcasts of exclusive sports content, by expanding our cooperation with Euroleague, the European basketball's top clubs competition, up until 2023".

OPERATING PERFORMANCE

At the end of June 2019, the total subscriptions reached 899K, the unique households 656K, while the active LLU subscribers reached 537K. The Pay TV customer base reached 459K, including the retail and wholesale subscribers in Greece and Cyprus.

	Q2 2019	Q2 2018	Δ
Total Subscriptions	899,293	951,875	-5.5%
Unique Households	655,829	672,209	-2.4%
Broadband subscribers ¹	548,485	555,500	-1.3%
Active LLU customers	536,935	542,216	-1.0%
Unbundling Ratio	97.9%	97.6%	+0.3 p.u.
LLU market share	25.2%	25.7%	-0.5 p.u.
Total Pay TV subscribers	459,092	463,114	-0.9%

FINANCIAL HIGHLIGHTS

Consolidated total revenues for the first half of 2019 reached €133.5 million, decreased by -7.5% compared to the first half of 2018, mainly due to the decrease in our retail customer base. Compared to last year's period, total revenue from corporate clients has not changed, while the decrease in Other revenues is due to last year's inclusion of the proceeds of a subsidiary that was sold in the second semester of 2018.

<i>Revenue analysis (€ '000)</i>	6M 2019	6M 2018	Δ
Total Retail	91,560	100,436	-8.8%
Telco Retail	52,295	54,733	-4.5%
Pay TV Retail	39,265	45,703	-14.1%
Total Business	29,599	29,517	+0.3%
Telco Business	16,948	17,371	-2.4%
Pay TV Business	12,651	12,146	+4.2%
Advertising	5,045	5,187	-2.7%
Other revenues	7,298	9,214	-20.8%
Total Revenues	133,502	144,354	-7.5%

EBITDA of the first half of 2019 amounted to €17.8 million versus €17.9 million in the first half of 2018.

¹Active and under activation subscribers

EBITDA analysis (€ '000)	6M 2019	6M 2018	Δ
Revenues (including other income)	133,502	144,354	-7.5%
EBITDA (before IFRS 16 effect)	17,832	17,933	-0.6%
EBITDA margin	13.4%	12.4%	+1.0 p.u.

Total bank debt in 30th of June 2019 stood at €256.3 million ⁽²⁾

Recent Business Developments

- The Company proceeded with the expansion of its cooperation with Euroleague. As a result the leading European basketball's top clubs competition, with the secured participation of Olympiacos and Panathinaikos basketball teams, will continue to be broadcasted exclusively from Novasports channels up until 2023.
- For the season 2019 – 2020 the Company concluded bilateral agreements with nine (9) football clubs (PAEs), among others with AEK, Aris, Olympiacos and Panathinaikos. This year's Greek football league, with the new competition format (playoffs to decide both the champion team and the teams that will qualify for European competitions, play out to decide the relegated teams) is expected to boost the fans' interest, thus improving its marketability significantly.
- Following the decision of NRA's (EETT) Plenary Assembly with the approval of the European Union, the Company entered into an agreement with Vodafone to provide mobile telephony services as a Mobile Virtual Network Operator (MVNO). By providing mobile telephony services (via MVNO model) the Company will offer a comprehensive coverage of the Greek household's needs for entertainment and communication.
- The Company proceeded with the signing of a "framework agreement" for SYZEFXIS II. Forthnet is one of the selected contractors to have signed the "framework agreements" in 4 of the 8 Islets (Attica, Eastern Macedonia & Thessaloniki, Thrace, North Aegean & Dodecanese, and Western Macedonia and Eastern Crete). The Company expects the division of executive contracts in order to begin with the provision of services.
- In early September 2019, a company of the Alter Ego Mass Media S.A. group submitted a proposal to National Bank, Alpha Bank, Piraeus Bank and Attica Bank regarding their exposures, including shares and convertible bonds against the Company and its subsidiary Forthnet Media S.A. The Proposal is subject to conditionality and its evaluation procedure is up to Banks, without the Company's participation in this process.

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²Excluding Convertible Bond Loan

Forthnet

IMPORTANT NOTE

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Forward looking statements speak only as of the date of this document, and we undertake no obligation to publicly update or revise any forward looking statements in this document to reflect any change in expectations or any change in events, conditions or circumstances on which these forward looking statements are based.