

06M 2018 Financial Results

September 25, 2018

Highlights

- **EBITDA increased by 11.4% during H1 2018, reaching €17.9 million – Total revenues for the period stood at €144.4 million - Revenues from Corporate Clients increase by 4.6% and from Advertising by 6.1%.**
- **Nova serves 952K retail subscriptions and 672K unique households, providing broadband to 555K customers and Pay-TV to 463K retail and wholesale customers in Greece and Cyprus.**
- **Demand and subscriber base in retail continue to be affected by the combination of the sector's over-taxation and the weak buying power of consumers.**
- **Bilateral agreements with 9 Super League clubs lead to a 25% cost reduction in Greek League football rights. Nova's premium sports content is significantly enhanced with the addition of the Italian football championship.**

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

"In spite of the continuous pressure on consumers' disposable income and the over-taxation burdening the markets we are operating in, we managed to improve our EBITDA for the first semester of the year by 11.4% through the implementation of our restructuring plan.

Following our decision for the early termination of the collective management rights agreement with the Greek football Super League and the subsequent conclusion of bilateral agreements with nine clubs - including the most competitive and commercially attractive ones - we achieved significant cost savings for the next season 2018-2019. At the same time, we also secured the Italian football championship for our subscribers.

Our strategic decision to distribute our premium sports and cinematic content through wholesale agreements to the final customers is starting to bear fruit.

Finally, with the continuing upgrade of our OTT services (Nova GO, Nova On Demand) we are further enhancing the customer experience, while the recent launch of the Nova Energy services, continues our efforts to cover in an integrated manner the needs of Greek households".

Operating Performance

Bundling/3Play

At the end of the first half of 2018, Forthnet served 280K households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in Forthnet's customer base is 41,6%.

	06M 2018	06M 2017	Δ
Households with 3play/Bundled Services	279,666	296,150	-5.6%
Households with 3play/Bundled Services as % of Total	41.6%	42.2%	-0.6pp

Telco

At the end of the first half of 2018, LLU customers counted 542K.

	06M 2018	06M 2017	Δ
Broadband subscribers ¹	555,500	572,306	-2.9%
Active LLU customers	542,216	557,106	-2.7%
Unbundling Ratio	97.6%	97.3%	+0.3pp
LLU market share	25.7%	26.5%	-0.8pp

Pay TV

At the end of the first half of 2018, the Pay TV subscriber base reached 463K customers including the Pay TV retail and wholesale customers in Greece and Cyprus.

	06M 2018	06M 2017	Δ
Pay TV Retail ²	396,375	425,945	-6.9%
Pay TV Wholesale ³	66,739	49,881	+33.8%
Total Pay TV	463,114	475,826	-2.7%

Financial Highlights

Total revenues for the first half of 2018 amounted to € 144.4 million, decreased compared to the first half of 2017. Revenue from advertising improved by 6.1% as a result of the continuously

¹ Active and pending activation subscribers

² Total Pay TV Retail customers in Greece and Cyprus

³ Total Pay TV wholesale customer in Greece and Cyprus ((Vodafone, Wind, Cyta Cyprus, Cablenet, MTN and Primetel)

upgraded content of Nova's TV program. Revenue from Corporate customers increased by 4.6%.

Revenue Analysis (€ '000)	06M 2018	06M 2017	Δ
Total Retail	100,436	110,583	-9.2%
Telco Retail	54,733	59,082	-7.4%
Pay TV Retail	45,703	51,500	-11.3%
Total Business	29,517	28,227	4.6%
Telco Business	17,371	18,940	-8.3%
Pay TV Business	12,146	9,287	30.8%
Advertising	5,187	4,888	6.1%
Other	9,214	5,656	62.9%
Total Revenue	144,354	149,353	-3.3%

EBITDA for the first half of 2018 amounted to €17.9 million versus €16.1 million in the first half of 2017.

EBITDA Analysis (€ '000)	06M 2018	06M 2017	Δ
Revenue (including other income)	144,354	149,353	-3.3%
EBITDA	17,933	16,100	+11.4%
EBITDA margin	12.4%	10.8%	+1.6pp

Total bank debt as of June 30, 2018 stood at €257,5m⁴

Recent Business Developments

- On February 2018 the Company exercised its unilateral right for the early termination of the Collective Rights Management Agreements with Super League. For the season 2018-2019, the Company concluded bilateral agreements with nine (9) football clubs (PAEs), among others the three most popular Greek teams (AEK, Olympiacos and PAOK), that are the favourites to win the championship and are distinguished in European competitions.
- In order to enhance its content, the Company acquired the broadcasting rights for the territory of Greece of the Italian football Championship (Serie A), one of the fastest growing in popularity football championships all over Europe. Moreover, Nova platform renewed its agreement for the exclusive broadcasting rights of the French Football Championship (Ligue 1) and it also succeeded in adding the media rights for the French Cup, the French League Cup and the French Supercup. In addition to the above, the Company acquired the exclusive media

⁴ Excluding the convertible bond loan

rights for the Austrian Bundesliga football Championship, and for the Russian and Turkish Football Cup.

- Regarding premium films and other entertainment, the Company entered into partnership with MGM (Metro Goldwyn Mayer) and also extended the multi-year partnerships with 21st Century Fox and HBO. These partnerships with some of the major studios of Hollywood secure exclusive access to award winning movies and popular TV series not only through Novacinema channels but also through Nova GO and Nova On Demand services. Moreover, the Company renewed its partnership with the Discovery Communications network for the broadcast of Discovery Channel, Animal Planet, Discovery Showcase HD, and Eurosport1, Eurosport1 HD and Eurosport2 channels.
- On June 2018, Forthnet launched Nova Energy in order to cover in an integrated manner the needs of Greek households for communication, entertainment and energy. By further enhancing its bundled services the Company offers a total experience under the strong and recognizable brand Nova.
- By utilizing its extensive telecom infrastructure and its high expertise, the Company has signed significant agreements to provide telecommunication services to leading companies, such as: Hellenic Petroleum, FAGE, Natural Gas Distribution Company and Pet City.
- With the aim of upgrading the subscriber's experience the Company launched a series of new features for Nova GO and Nova On Demand services, such as: Nova GO Extra, providing access to content through 2nd device (laptop, tablet, smartphone) and Nova offline viewing, enabling subscribers to download content from Nova GO and watch it offline at any given time. Additionally, Nova GO was evolved in order to be aligned with the EU services portability regulation, so that it can be used outside of Greece from subscribers travelling inside the European Union.
- The Company signed an Agreement of Purchase and Sell of Shares with the Swiss company "LINXX HOLDING S.A." for the sale of its 99.31% shareholding in its subsidiary company under the name "FORTH-CRS. The FORTH-CRS sale is part of Forthnet's operational transformation plan and is consistent with its strategy of strengthening the core business activities in which it has competitive advantage, such as Pay-TV and 3Play services, while it's expected to contribute in the Company's initiatives for the improvement of its liquidity.

For more information please contact:

*Tel, +30211 9552868, fax +30211 9559055, email: **ir@forthnet.gr***

*Tel, +30211 9559104, fax +30210 6658680, email: **pressoffice@forthnet.gr***

*Tel, +30211 9559105, fax +30210 9559224, email: **cfo-office@forthnet.gr***

IMPORTANT NOTE

This document may contain forward looking statements, which are based on estimates and assumptions pertaining to expected developments and other factors that affect the Company. These forward looking statements do not constitute neither historical events, nor warranty for future performance of the Company. These forward looking statements contain risks and uncertainties due to the existence of factors that may lead to considerable deviation of the Company's future results from these estimates.

Forward looking statements speak only as of the date of this document, and we undertake no obligation to publicly update or revise any forward

Forthnet

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.