

## 2019 Financial Results

April 30, 2020

### HIGHLIGHTS

- **Forthnet counts 893K retail subscriptions, serving 661K unique customers, 551K broadband subscribers, and 457K retail and wholesale Pay TV subscribers in Greece and Cyprus.**
- **Reversal of last years' negative trend for broadband subscriptions to a positive trend.**
- **The subscribers' base in Pay TV continue to be affected by the over-taxation of the consumers and the industry, as well as the distortions created in the market due to the unfair competition from multinational companies, which provide comparable services without being subject to the same tax burdens.**
- **Revenue from corporate customers remained almost stable with significant boost in advertising (+5.8%) where the Company's market share is growing.**
- **The Company is preparing for its entry into the mobile telephony market providing this way complete coverage of the needs of the Greek household for entertainment and communication.**

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

*"For another year, in 2019 we proved our resilience despite the adverse conditions in which we operate. We managed to maintain our strategic position in the Pay TV market and in the premium exclusive content, especially after the renewal of our cooperation with Euroleague up until 2023 while at the same time we have improved our performance regarding broadband services where we are now showing growing trends.*

*At the same time, based on our MVNO agreement signed in the summer of 2019, we continue our extensive work towards the complete coverage of Greek household's needs for entertainment and communication by adding mobile telephony to our service portfolio.*

*Finally, during all this period, we are fully supporting the process of finding an investor for the exposures of our bank lenders, not only by covering all the relevant information requests we received through our bank advisors, but also by actively approaching and informing potential investors".*

## OPERATING PERFORMANCE

At the end of December 2019, the total subscriptions reached 893K, the unique customers 661K, while the active LLU subscribers reached 539K. The Pay TV customer base reached 457K, including the retail and wholesale subscribers in Greece and Cyprus.

	12M 2019	12M 2018	Δ
Total Subscriptions	892,850	927,481	-3.7%
Unique customers <sup>1</sup>	660,623	668,503	-1.2%
Broadband subscribers <sup>2</sup>	550,967	550,135	+0.2%
Active LLU customers	538,800	536,364	+0.5%
Unbundling Ratio	97.8%	97.5%	+0.3 p.u.
LLU market share	25.1%	25.3%	-0.2 p.u.
Total Pay TV subscribers	457,305	477,641	-4.3%

## FINANCIAL HIGHLIGHTS

Consolidated total revenues for 2019 reached €262.8 million, decreased by -5.9% compared to 2018 and by excluding the effect of the revenue and other income related to the subsidiary Forth CRS which was sold in 2018. Revenue from corporate clients remained stable while the income from advertising has grown by 5.8%.

Revenue analysis (€ '000)	12M 2019	12M 2018	Δ
<b>Retail Telco / Pay TV</b>	<b>179,198</b>	<b>196,746</b>	<b>-8.9%</b>
<b>Business customers</b>	<b>68,275</b>	<b>68,453</b>	<b>-0.3%</b>
Business customers Telco / Pay TV	58,419	59,136	-1.2%
Advertising	9,856	9,317	+5.8%
Other revenues	15,309	20,044 <sup>3</sup>	-23.6%
<b>Total Revenues</b>	<b>262,782</b>	<b>285,244</b>	<b>-7.9%</b>

EBITDA for 2019 amounted to €36.4 million versus €42.3 million for 2018. Excluding the effect on EBITDA from Forth CRS results in 2018, the decrease would be 8.6%.

<sup>1</sup> Retail Customers and Small – Medium Businesses

<sup>2</sup> Active and under activation subscribers

<sup>3</sup> Including revenue related to Forth-CRS

<b>EBITDA analysis (€ '000)</b>	<b>12M 2019</b>	<b>12M 2018</b>	<b>Δ</b>
Revenues (including other income)	262,782	285,244 <sup>4</sup>	-7.9%
EBITDA (before IFRS 16 effect)	36,400	42,346 <sup>5</sup>	-14.0%
EBITDA margin	13.9%	14.8%	-1.0 p.u.

Total bank debt as of 31<sup>st</sup> of December 2019 stood at €256.1 million (<sup>6</sup>)

## Recent Business Developments

- Ever since the COVID-19 pandemic crisis broke out, the Company has developed a series of initiatives and actions aimed at protecting the health of its employees and society as a whole, as well as safeguarding the uninterrupted provision of reliable communication and quality entertainment for all its subscribers. The Company has taken all necessary and additional precautionary and protection measures, in order for the 90% of its employees to follow a tele-work program. At the same time, protection measures have been put in place to safeguard Nova stores' employees, associates and technical support personnel. In addition, the Company upgraded its network infrastructure in order to cope with the increased traffic of its telecommunications network and to serve its customer base of more than 600,000 households and 40,000 businesses and organizations.
- Furthermore, the Company launched the campaign "We Stay Home. We Stay Together", while supporting the initiative of the Ministry of Digital Governance, #DigitalSolidarityGR. From the 20<sup>th</sup> of March 2020 the Company has been providing all of its subscribers with the opportunity of unlimited mobile phone calls and viewing of Novacinema channels, at no extra charge. Furthermore, it offers an extra TV program while the streaming service Novaflax is now available on the big screen through the new application for Android TV. At the same time, it provides a 5% discount on the Nova Energy service and financial facilities for vulnerable groups, while it has strengthened digital communication channels and especially the possibility of remote service via live chat.
- The Company is preparing to offer mobile telephony services as a Mobile Virtual Network Operator (MVNO). Following the launch of the respective services, the Company will offer complete coverage of the Greek household's needs regarding entertainment and communication.
- The Company has expanded its cooperation with the EuroLeague and thus the leading European inter-club organization in the field of basketball, will continue to be broadcasted exclusively by Novasports channels up until 2023.
- 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).

<sup>4</sup> Including results related to Forth-CRS

<sup>5</sup> Including results related to Forth-CRS

<sup>6</sup> Excluding Convertible Bond Loan

# Forthnet

- The Banks' advisor, Nomura International plc. notified the Company on April 2020 of exclusive negotiations with United Group on the proposal that the latter has submitted to the Banks NBG, Alpha, Piraeus and Attica Bank regarding their exposures in the Company and its subsidiary Forthnet Media S.A., aiming at the execution of the contractual documents for the transaction. The proposal is subject to conditionality and its evaluation procedure is up to the Banks, without the participation of the Company in this process.

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