

12 November 2019

PLAY COMMUNICATIONS S.A.*

("Play" or the "Company")

Results for the third quarter and the first nine months of 2019

Strong growth and historical highs in quarterly adjusted EBITDA and Free Cash Flow to Equity support further new revision of guidance for full year 2019

- **Operating revenue up by 5.2% YoY to PLN 1.8bn in Q3, again driven by stronger usage revenue (with blended ARPU increase of 2.8% YoY in Q3) and sales of goods**
- **Adjusted EBITDA in Q3 beats the record high level from Q2 reaching PLN 645m (+16.1% YoY) on the backdrop of further improved service margin**
- **Free Cash Flow to Equity also reached its highest ever level of PLN 409m in Q3 (+126.2% YoY) reflecting growth in adjusted EBITDA and lower trade receivables translated into positive change in net working capital**
- **Active post-paid base increased by 121.5k offset by pre-paid churn including migration to post-paid**
- **Full year 2019 guidance was further improved based on Q3 results: adjusted EBITDA to arrive in excess of PLN 2.4bn while Free Cash Flow to Equity is expected to exceed PLN 900m**

Play (WSE: PLY), the leading Polish mobile network operator, today announces its results for the third quarter and the first nine months of 2019. The results reconfirm Play's leading market position with further improvements in customer base, revenue and profitability.

Jean Marc Harion, CEO of P4, commented:

"We are very pleased to report to the market the third consecutive quarter of improvement in dynamics of our adjusted EBITDA. One year ago, we presented our mobile-centric Strategy 2019-2022 and today I dare to say that we are overdelivering upon our promises. Market rationalisation based on more-for-more approach is clearly visible. We have expanded on this in the third quarter with addition of new mobile convergent packages, such as Homebox TV and richer data bundles for the B2B segment. Our own network speed leadership for the last twelve consecutive months is a fact and a proof that quality at reasonable price pays off."

PLAY's achievements up to date make us confident that full year results will outperform our initial expectations. We choose to distribute these stronger results in a fair manner to benefit our shareholders and invest in our future success. Therefore, not only are we revising the 2019 guidance upwards for the second time this year, but we decided to accelerate further network upgrades to 5G Ready standard and joined forces with 3S Group in a forward-looking backhaul network development."

Operational Highlights:

- **Reconfirmed Play's position as Poland's leading mobile-convergent operator:**
 - 15.1m reported customers and 12.7m active customers (+0.6% and stable YoY, respectively);
 - Contract customer share up to 65.8% (+0.8pp YoY) at the end of September 2019 whilst contract churn was stable YoY at 0.76% in Q3 and improved to 0.74% for the first nine months of the year;
 - Blended ARPU increased to PLN 33.4 (+2.8% YoY) in Q3 and PLN 32.7 (+1.4% YoY) in the first nine months of 2019, with a bundled SIM ratio maintained at 42%;
 - 20.3 thousand customers of Play Now Box TV service launched commercially in April 2019;

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- **Network roll-out on target:**

- 7,613 sites operational at the end of September (+18.2% YoY), with 231 new sites added in Q3;
- 4G LTE population coverage reached 98.4% (+3.0pp YoY) while 30% of sites were upgraded to 5G Ready at the end of September providing 43.3% population coverage and we launched 5G test in real conditions in Torun;
- Continuous leadership in own network data transmission according to SpeedTest.pl since November 2018.

Financial Highlights:

- Operating revenue reached PLN 1,796m (+5.2% YoY) in Q3, driven by 6.2% growth in usage revenue and 6.4% in sales of goods. Consequently, nine-months revenue amounted to PLN 5,241m (+4.2% YoY).
- Adjusted EBITDA amounted to PLN 645m in Q3 (+16.1% YoY), beating by a notch the record from Q2, mainly driven by PLN 108m improvement in the service margin. Nine-months Adjusted EBITDA was PLN 1,866m (+14.9% YoY).
- Net profit increased to PLN 233m in Q3 (+22.8% YoY) and PLN 701m for the first nine months of the year (+29.1% YoY) reflecting predominantly improvement in EBITDA as well as lower net finance costs, partially offset by higher D&A and income tax.
- Cash capex amounted to PLN 200m in Q3 (-1.2% YoY) and PLN 635m for nine-month period (+24.5% YoY), driven by expansion and upgrades of Play's radio and core networks, as well as capitalisation of customer premises equipment for mobile broadband and Play Now TV Box services.
- Free cash flow to equity (post lease payments) (FCFE¹) was PLN 409m in Q3 (+126.2% YoY) reflecting predominantly improvement in adjusted EBITDA and positive change in the working capital. For the nine-month period FCFE amounted to PLN 759m (+25.9% YoY).
- Net Debt to Adjusted EBITDA arrived at 2.83x at the end of September, compared to 3.11x at the end of 2018, thanks to solid cash generation, continuous repayment of senior term loan and increase in Adjusted EBITDA, despite PLN 368m of dividend paid in Q2.

Holger Püchert, CFO of P4, commented:

"We continued our strong financial performance of the first half of the year also in the third quarter. Simultaneously with adjusted EBITDA improvement, we could increase our FCFE and further delever. Consequently, based on those sound results across the board, we have further increased our full year guidance."

2019 guidance:

	FY 2019 Original Guidance	First FY 2019 Revised Guidance	Current FY 2019 Revised Guidance
Revenue	Growth below 2018 level	Confirmed	Close to +2.5%
Adjusted EBITDA	PLN 2.2-2.3bn	PLN 2.3-2.4bn	> PLN 2.4bn
Cash capex	Up to PLN 800m	PLN 800-830m	~ PLN 850m
FCFE ²	PLN 670-750m	PLN 770-830m	> PLN 900m
Distribution to Shareholders	40-50% of FCFE	Confirmed	Confirmed

Financial and operational summary (in PLN million, unless otherwise stated):

¹ The measures presented are not comparable to similarly titled measures used by other companies. Free cash flow to equity (post lease payments) does not reflect all past expenses and cash outflows as well as does not reflect the future cash requirements necessary to pay significant interest expense, income taxes, or the future cash requirements necessary to service interest or principal payments, on our debts. We encourage you to review our financial information in its entirety and not rely on a single financial measure. See in Report "Presentation of Financial Information—Non-IFRS Measures" for an explanation of certain limitations to the use of these measures.

² Post lease payments, excluding cash out for purchase of 3S, which we exclude from FCFE calculation as an exceptional item.

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	Three months ended September 30		Change	Nine months ended September 30		Change
	2018	2019		2018	2019	
Operating revenue	1,707	1,796	5.2%	5,032	5,241	4.2%
EBITDA	544	636	17.0%	1,618	1,850	14.3%
Adj. EBITDA	555	645	16.1%	1,624	1,866	14.9%
Net profit	190	233	22.8%	542	701	29.1%
Cash Capex	(202)	(200)	(1.2%)	(510)	(635)	24.5%
FCFE	181	409	126.2%	603	759	25.9%
Total Reported Customers (in '000)	15,023	15,107	0.6%	15,023	15,107	0.6%
Reported Contract Customers (in '000)	9,771	9,948	1.8%	9,771	9,948	1.8%
Total Active Customers (in '000)	12,724	12,724	(0.0%)	12,724	12,724	(0.0%)
Active Contract Customers (in '000)	8,987	9,108	1.4%	8,987	9,108	1.4%
Net Contract Additions (in '000)	61	6	(90.3%)	341	81	(76.1%)
Contract Churn (%)	0.79%	0.76%	(0.02 pp)	0.78%	0.74%	(0.04 pp)
Contract ARPU (PLN)	37.9	38.3	1.2%	37.7	37.7	0.1%
Data Usage per Contract Customer (MB)	6,312	8,245	30.6%	6,179	7,754	25.5%
Network sites build in the period (net)	364	231	(36.5%)	694	610	(12.1%)

Conference call

The management team will host an analyst and investor conference call at 08.00am UK time (9:00am CET), on Wednesday 13th November 2019, including a Question and Answer session. Financial results for the three and nine months ended 30 September 2019 are available on the Play website at:

<https://www.playcommunications.com/events/2019>

Online registration is required for the conference call at: <http://emea.directeventreg.com/registration/1753786>

Upon registration you will automatically receive the dial-in details.

Presentation and audio webcast will be available upon registration at:

<https://edge.media-server.com/mmc/p/yhbck7ik>

Contacts:

Investors:

Tomasz Poźniak

tomasz.pozniak@playcommunications.com

Media:

Ewa Sankowska-Sieniek – Press Office Manager

Małgorzata Zakrzewska – Corporate Communications Director

pr@play.pl

About Play: Play Communications S.A. is the holding company for Play Group which operating subsidiary P4 Sp. z o.o. manages the Play brand. Play is a consumer-focused mobile network operator in Poland with over 15m subscribers as of September 30, 2019. It provides mobile voice, messaging, data and video services for both consumers and businesses (in particular to SMEs) on a contract and prepaid basis under the umbrella brand PLAY. Its modern and cost-efficient 2G/3G/4G LTE telecommunications network covers 99% of the Polish population complemented by national roaming/network sharing agreements. For more information, visit www.playcommunications.com and www.play.pl

Cautionary Statement:

The figures included in this press release are unaudited.

This press release contains forward-looking statements. You should not place undue reliance on such statements because they are subject to numerous risks and uncertainties relating to Play Communications S.A.'s and its subsidiaries (together the "Group") operations and business environment, all of which are difficult to predict and many are beyond the Group's control. Forward-looking statements include information concerning the Group's possible or assumed future results of operations, including descriptions of its business strategy. These statements often include words such as "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "seek," "believe," "estimate," "predict," "potential," "continue," "contemplate," "possible" or similar expressions. The forward-looking statements contained in this press release are based on our current expectations and estimates of future events and trends, which affect or may affect our businesses and operations. You should understand that these statements are not guarantees of performance or results. They involve known and unknown risks, uncertainties and assumptions. Although the Group believes that these forward-looking statements are based on reasonable assumptions, you should be aware that many factors could affect its actual financial results or results of operations and could cause actual results to differ materially from those in these forward-looking statements. For additional information on the factors that could affect the Group's forward-looking statements, see the Group's risk factors, as they may be amended from time to time, set forth in the Prospectus published on www.playcommunications.com. The Group disclaims and does not undertake any obligation to update or revise any forward-looking statement in this press release, except as required by applicable law or regulation.

Financial data included in this press release are presented in zloty rounded to the nearest millions. Therefore, discrepancies in the tables between totals and the sums of the amounts listed may occur due to such rounding.