PLAY COMMUNICATIONS

SUSTAINABLE EBITDA GROWTH THROUGH MOBILE-CENTRIC CONVERGENCE

CAPITAL MARKETS DAY 2018

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PLAY capital markets day agenda

Time	Topic	Presenter
12:30	**PLAY TODAY:** Leader with a challenger mindset	Jean-Marc Harion
13:00	**PLAY 2022 AMBITION:** Sustainable EBITDA growth through mobile-centric convergence	
13:20	**MARKET CONTEXT:** Favourable conditions	
14:00	**PLAY STRATEGIC PLAN:** Three pillars for sustainable EBITDA growth • Leading in mobile-centric convergence • First in digital • Lean and 5G-ready network	Michał Sobolewski Michał Wawrzynowicz Wojciech Danieluk Michał Ziółkowski
14:45	**FINANCIAL OUTLOOK**: Sustainable EBITDA growth & shareholder distribution	Holger Püchert
15:00	**PLAY 2022:** Summary	Jean-Marc Harion
15:10	Q&A Session	
15:40	*Demos of new product launches & reception*	

PLAY TODAY:
Leader with
a challenger mindset

Jean-Marc Harion
Chief Executive Officer

What we want for PLAY in 2019-2022

Consolidate PLAY into a strong, digital and efficient mobile-centric telco leader for families and small businesses.

Pave the way to 5G by launching new generation broadband Internet and TV services.

- EBITDA GROWTH
- CASH CONVERSION
- CASH CAPEX / REVENUE
- NET DEBT / EBITDA

Note: Above guidance does not account for extraordinary spectrum outlays

PLAY team today

Jacek Niewęgłowski

Chief Strategy Officer

Michał Wawrzynowicz

Chief Commercial Officer

Michał Sobolewski

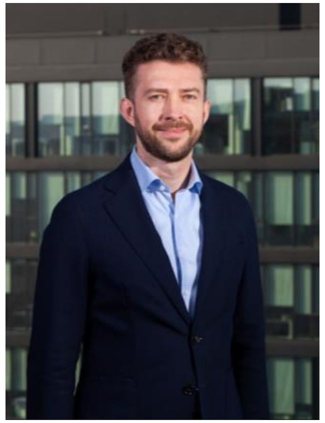
Chief Marketing Officer

Jean-Marc Harion

Chief Executive Officer

Holger Püchert

Chief Financial Officer



Michał Ziółkowski

Chief Technical Officer

Wojciech Danieluk

Chief Information and Transformation Officer

CEO VIEW: PLAY's 3Cs

CHALLENGER MINDSET

- Exceptional success story in European telecoms
- Entrepreneurial Spirit: self-starters making agile decisions

CUSTOMER-OBSESSED

- High customer service satisfaction
- NPS-linked bonus schemes for every employee

COST-CONSCIOUS

- One technology platform, continuous improvement of processes & offers
- Highly automated and streamlined business

PLAY is in a position of strength

#1
COST-EFFICIENT OPERATING MODEL

- **IT Spend** (OPEX+CAPEX) /Revenue below **2%**[1]
- **CAPEX / Revenue at 10%**[1], below telecom peers

#1
POLAND'S MOBILE OPERATOR

- **Largest share of the mobile market** (by customers)[2]
  - **>30% of market share** in B2C postpaid
  - **~40% of businesses**[3]
- **Highest Net Promoter Score** among telecom operators in Poland[4]

#1
COMMERCIAL EXCELLENCE

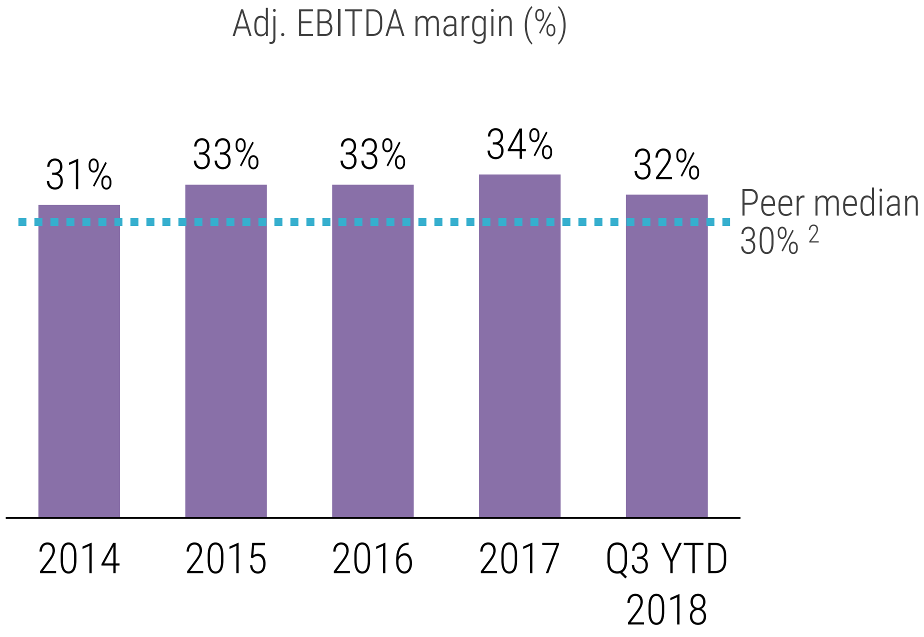
- Most extensive operator controlled **shop network**[5]
- Most **online visitors**[6]
- **The most recognised brand** in its category in Poland[7]

Source: 1 – PLAY Communications Annual Report' 2017; 2 – Operators & internal segment estimates; 3 – Share of businesses which have purchased at least 1 service from PLAY, market research commissioned by PLAY
4 - NPS study,Q3'18 n=4750; 5 – Operators' websites Sep'18; 6 - SimilarWeb Sep'18; 7 - Brand Image Tracking Study Q3'18, n=850;

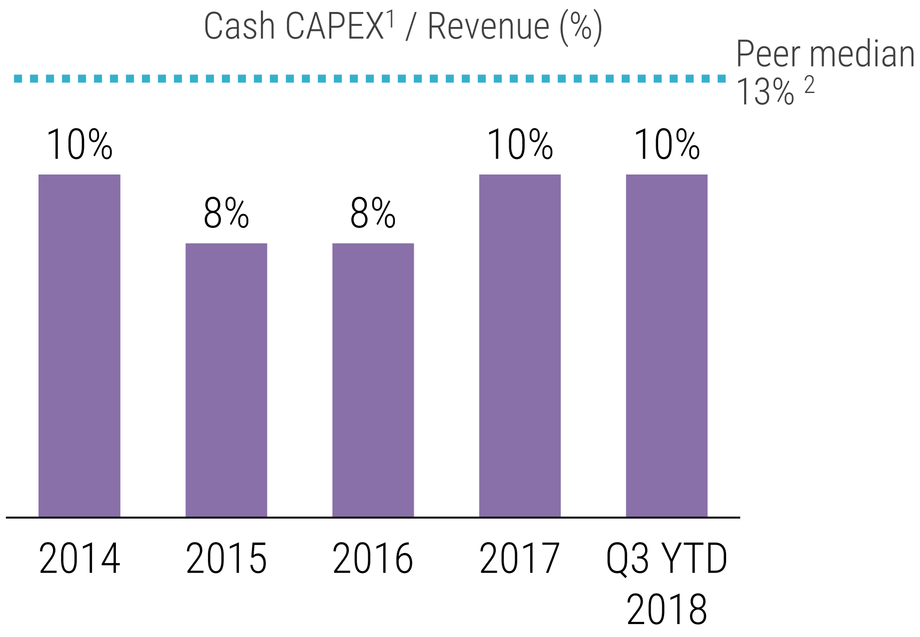
Lean by design operating model

Relevant European benchmarks [2]

STRICT COST DISCIPLINE & OPERATIONAL EFFICIENCY



EFFECTIVE TECHNOLOGY ADOPTION



A leader in operational efficiency among peers

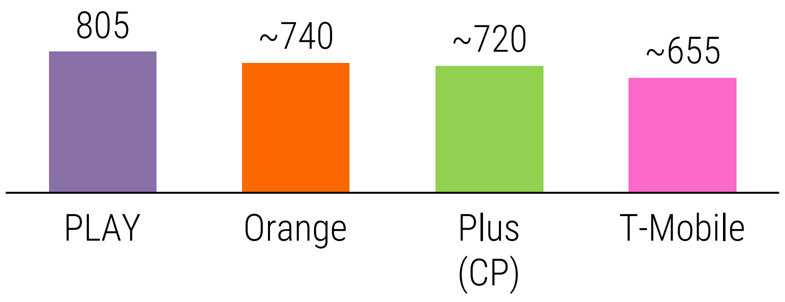
1 – CAPEX excl. cash outflows in relation to frequency reservation acquisition
2 – Median for five European peers: Elisa, Illiad, Vodafone, Tele2, Telefonica Deutschland in 2017 based on Company Data

Source: PLAY, Operators

Commercial excellence in distribution

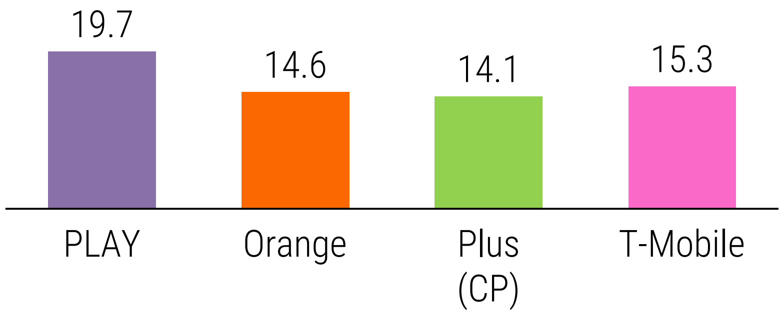
WIDEST FOOTPRINT …

Shops owned or controlled by the operator (Q3’18) [1]



… AND ONLINE PRESENCE

Total website visits (M, Sep’18) [2]



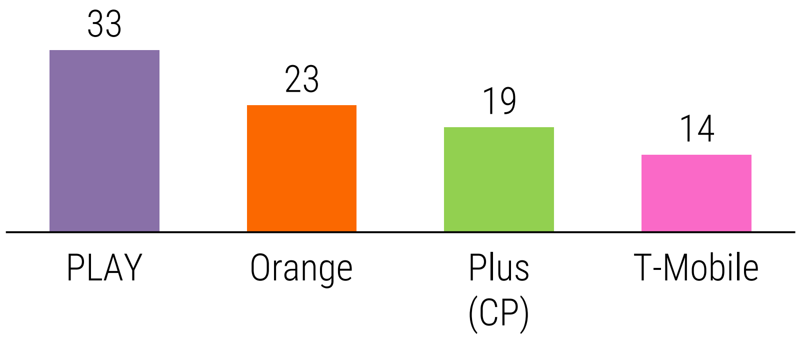
Evidenced by **the most mobile number transfers from other operators** and **the largest number of mobile customers**

Source: 1 – Operators’ websites Sep’18; 2 - SimilarWeb Sep’18

Well-recognised and established brand

MOST RECOGNISED & VALUABLE TELECOM BRAND [2]

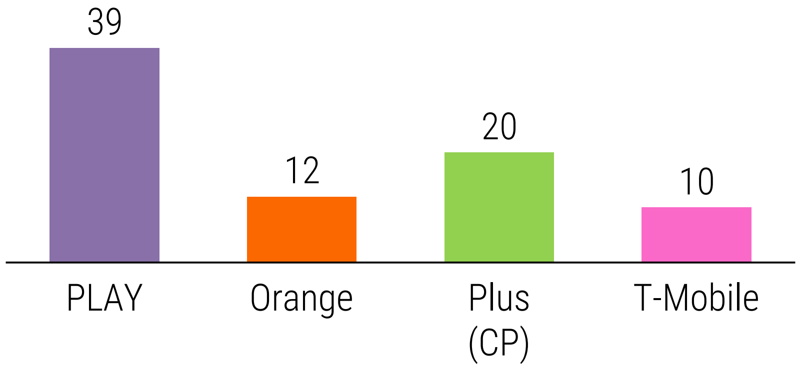
Top-of-mind brand (% respondents, Q3'18)



- Most valuable telecom brand [3]
- Favourite telecom brand [4]

MOST IMPACTFUL MARKETING CAMPAIGNS WITH EFFICIENT SPEND & LOW GRPS COMPARED TO PEERS [2,7]

Top-of-mind (most recalled) advertising (% respondents, Q3'18)



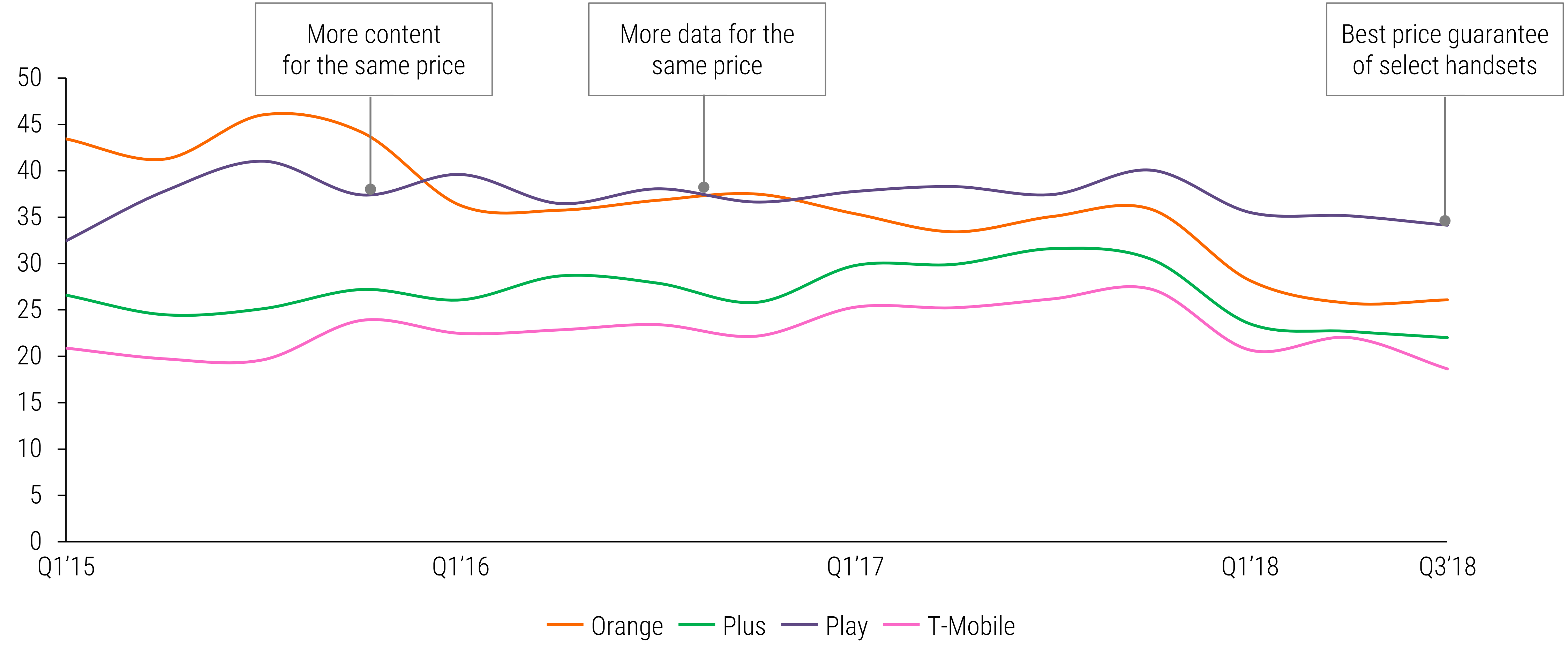
- Highest social media following (Facebook, Instagram, YouTube) [5]
- Top in influencer marketing (incl. 15 influencers with >1M followers) [6]

Making Play the **mobile operator of choice**

Source: 2 - Brand Image Tracking Study Q3'18, n=850; 3 - Rzeczpospolita ranking for the most valuable brands, Feb 2018, PLAY also ranked #4 most valuable brand in Poland; 4 – Index composed from a direct question "which brand is your favourite" and results on 6 different image components, Brand Image Tracking Study Q3'18, n=850; 5 – Operators' social media channels; 6 – influencers' reach measured by number of subscribers on YouTube channels; 7 – Gross Rating Points, GRP estimates by Kantar Media

Top brand with best value for money

WHICH BRAND IN YOUR VIEW OFFERS THE BEST VALUE FOR MONEY?



Source: Brand Image Tracking Studies, change of methodology since Q1'2018. Half of the sample conducted on-line since Q1'2018

2022 AMBITION:
Sustainable EBITDA growth thanks to mobile-centric convergence

Jean-Marc Harion
Chief Executive Officer

A new chapter of the PLAY growth story

	NEW ENTRANT	CONTENDER	#1 LEADER
STRATEGIC FOCUS	Build scale	Focus on ‘families’ offer	**Mobile-centric convergence:** Grow value around ‘families’ offer
MARKET SHARE, % [1] YEARS	0% -15% 2007-2011	15% – 28% 2012-2017	>28% From 2018
OFFER DEVELOPMENT	24h MNP; STAN DARMOWY Unlimited on-net	FORMUŁA 4.0 UNLIMITED Unlimited on-&off-net; RODZINA Family offers; DUET Duet offers	POKOLENIA Generation offers; Unlimited OTT TV; NETBOX Unlimited Broadband

Source: 1- GUS, PLAY

Mobile-centric convergence

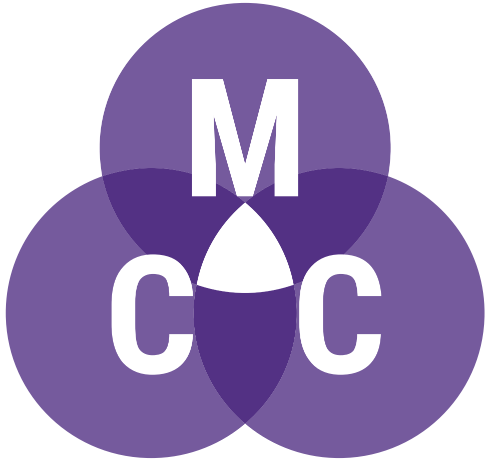
FIXED MOBILE CONVERGENCE (FMC): SEVERAL TECHNOLOGY PLATFORMS

Internet: xDSL, FTTH, HFC	TV: IP, DOCSIS, DTH	Mobile voice: 2G-LTE	Fixed voice: ISDN/PSTN

VS.

MOBILE-CENTRIC CONVERGENCE (MCC): ONE MOBILE PLATFORM

Internet: LTE	TV: Network-agnostic	Mobile voice: 2G-LTE	Fixed voice: [1] 2G-LTE



CONVENIENCE

FMC: Household-centric services

MCC: Services available anytime & anywhere for individual and household needs

AVAILABILITY

FMC: Only ~55% of households covered by FMC infrastructure in Poland [2]

MCC: ~100% of households & individuals have access to MCC offers

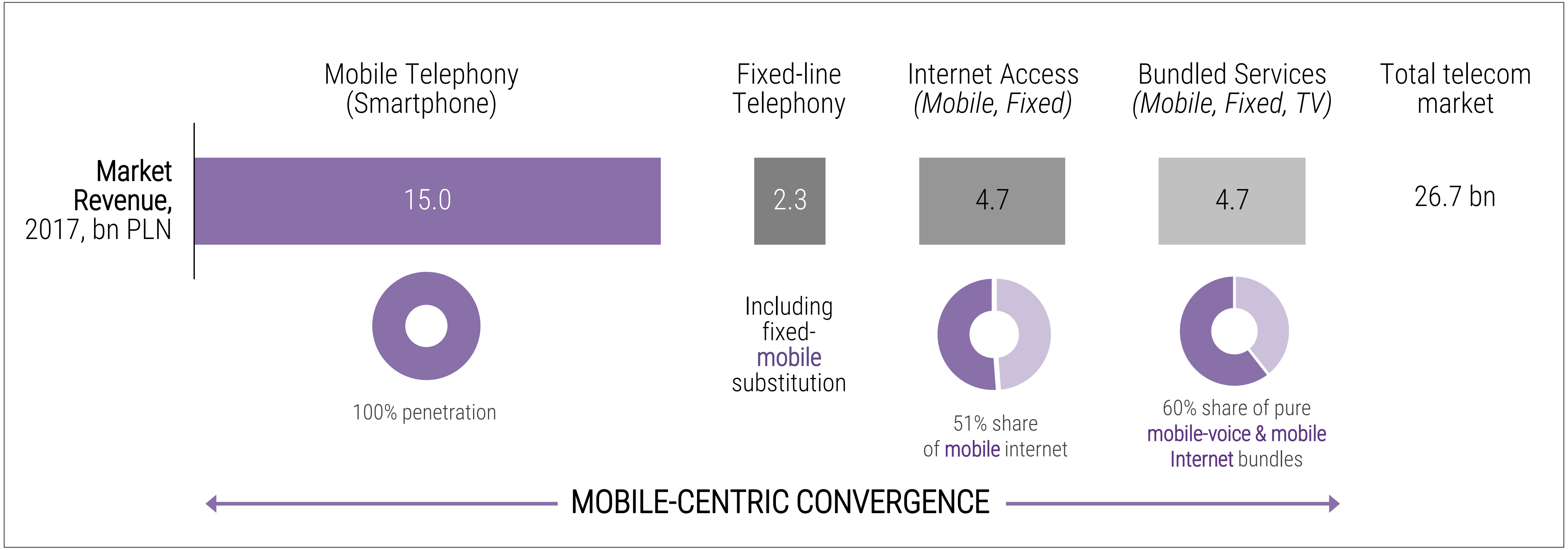
BUNDLE DISCOUNTS

FMC: Typically 30-40% discount to drive uptake; Low prices in Poland give little space for discounts [3]

MCC: A la carte offers requiring lower discounting

Note/source: 1 – Service offered as Fixed-Mobile Substitution (FMS); 2 - UKE, 2017; 3 – Combined fixed + mobile ARPU as % of real expenditure per capita: Poland 1%, EU average 1.6%, Analysis Mason, Ovum, Eurostat, ADL

Mobile bundles straddle all product lines



Mobile-centric convergence is the way forward for value creation

Note: PayTV not included, pie charts show dominant technology / combination of technologies in volume terms
Source: UKE-Report on the state of the telecommunications market in Poland 2017

PLAY: sustainable EBITDA growth through mobile-centric convergence

SUSTAINABLE EBITDA GROWTH & SHAREHOLDER RETURN

FIRST IN DIGITAL

Superior customer service & efficient back-office processes

Excellent cross-channel customer experience

LEADING IN MOBILE-CENTRIC CONVERGENCE

Individuals

- ↑ More-for-more
- ↑ Devices[1]
- ↑ Value-added services

Families & small businesses

- ↑ Mobile service penetration
- ↑ Internet service provider
- ↑ PLAY Now TV

LEAN & 5G-READY NETWORK

Own efficient network designed for high capacity...

....ready for future 5G roll-out

COST-EFFICIENT OPERATING MODEL

COMMERCIAL EXCELLENCE

1 – with related services and dedicated financing

Nine objectives to deliver PLAY 2019-22 ambition

SUSTAINABLE EBITDA GROWTH & SHAREHOLDER RETURN

FIRST IN DIGITAL

- Shops productivity improved and calls reduced by 20%
- 30% remote retentions
- 70% Play24 users in postpaid

LEADING IN MOBILE-CENTRIC CONVERGENCE

More-for-more

Individuals

- Drive usage revenue consistently
- Sell >2M devices a year

Families & small businesses

- Become #3 Internet service provider (ISP)
- Bring next generation TV to the Big Screen

LEAN & 5G-READY NETWORK

- Switch-off National Roaming in 2022
- Cash CAPEX / revenue back to <10% from 2021

1 – with related services and dedicated financing

MARKET CONTEXT:
Favourable conditions

Jean-Marc Harion
Chief Executive Officer

Favourable macro environment for PLAY

ONE OF THE TOP 5 BEST PERFORMING OECD ECONOMIES [1]

FTSE Russell

POLAND upgraded to a developed market status [2]

Record low unemployment
5.7%
in Sep'18

Strong household consumption
+4.9%
YOY in Q2'18

GDP growth
+5.1%
YOY in Q2'18

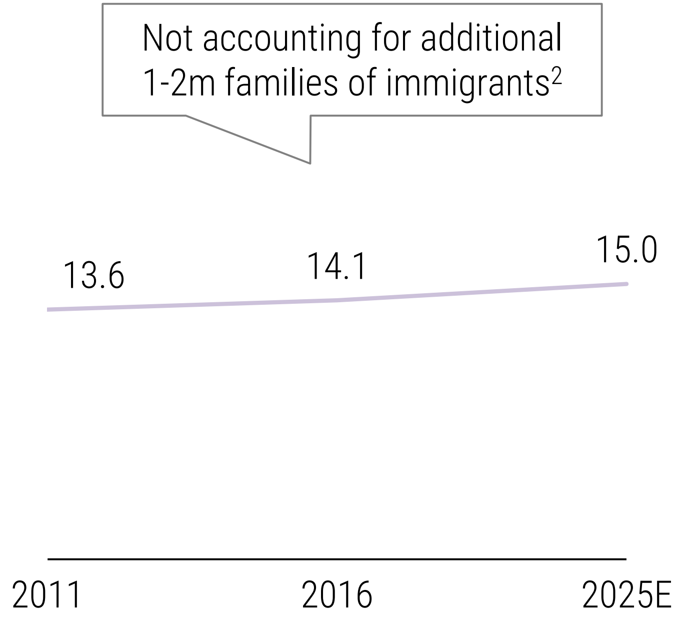
Moderate inflation
2.0%
in Q3'18

Note/source: 1 – Poland ranked #5 in real GDP growth over 2014-17, OECD; 2 – FTSE Russell, Other data: GUS

Families are central to Polish society

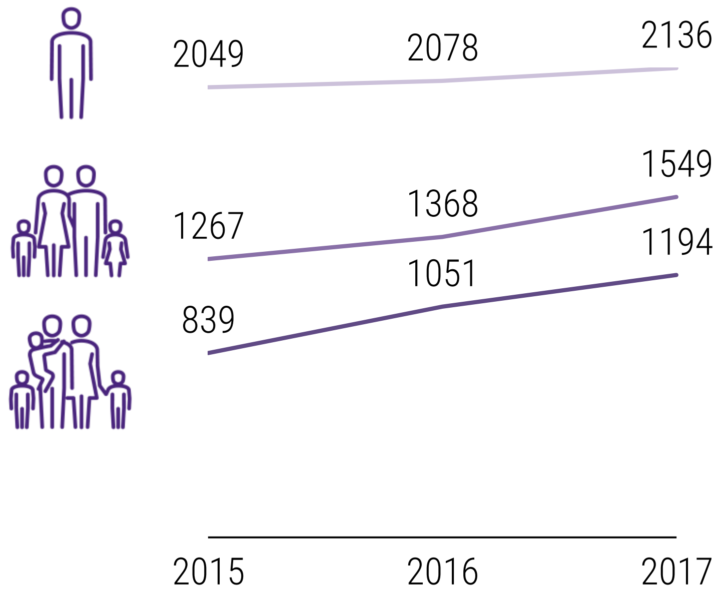
NUMBER OF HOUSEHOLDS IS GROWING [1]

Polish households, millions



INCOMES ON THE RISE (ESP. FOR LARGE FAMILIES') [3]

Disposable income per capita per month, PLN



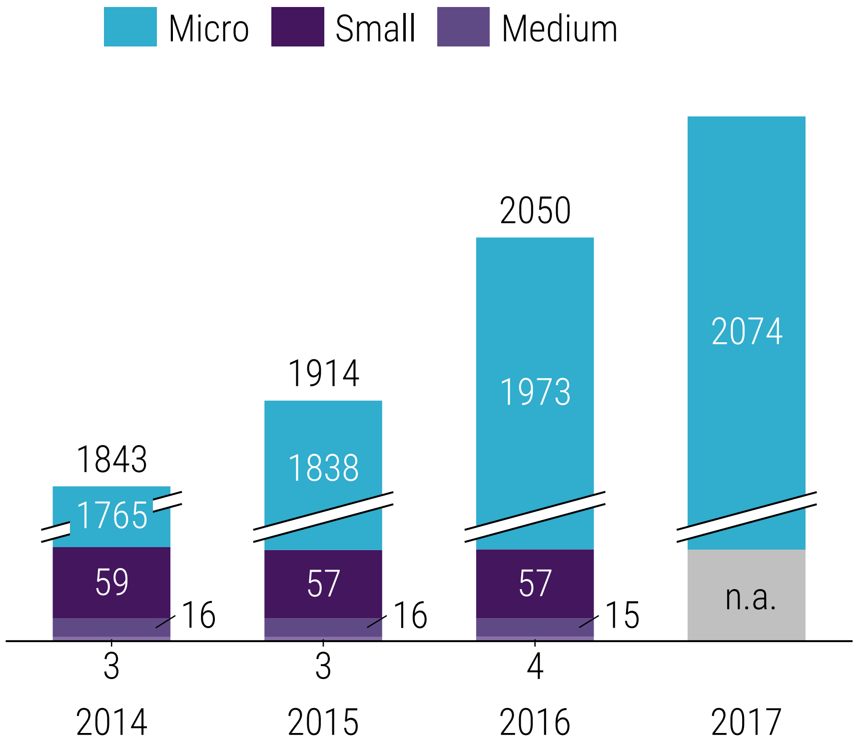
Very **favourable conditions** for PLAY as a leading family brand

Source: 1 – GUS; 2- According to money.pl and Eurostat; 3 - GUS, Polityka Insight

SMEs drive economic growth in Poland

ENTERPRISE GROWTH IS FUELLED BY SMALL BUSINESSES [1]

Active enterprises, thousands



MOST EMPLOYEES WORK FOR SMEs

~70%

employed by SMEs, 2016 [2]

PLAY serves as a single platform for **all connectivity needs** of SMEs

Source: 1- GUS, PARP, 2 –GUS, PARP: SME employees as % of total workforce employed in the enterprise sector (employment contract i.e. excluding civil code contracts)

Stable & healthy telecom market in Poland

STABLE MARKET SEGMENTS WITH LOW-SINGLE DIGIT GROWTH [1]

Mobile dominates telecom market [2]

>50%

In revenue terms

Fixed market – competition remains fierce:

>50%

households with access to 3+ ISPs [3]

Stable pay-TV market [4]

+1-2%

In revenue p.a. `13-`18, evolution of technology and consumer behaviour

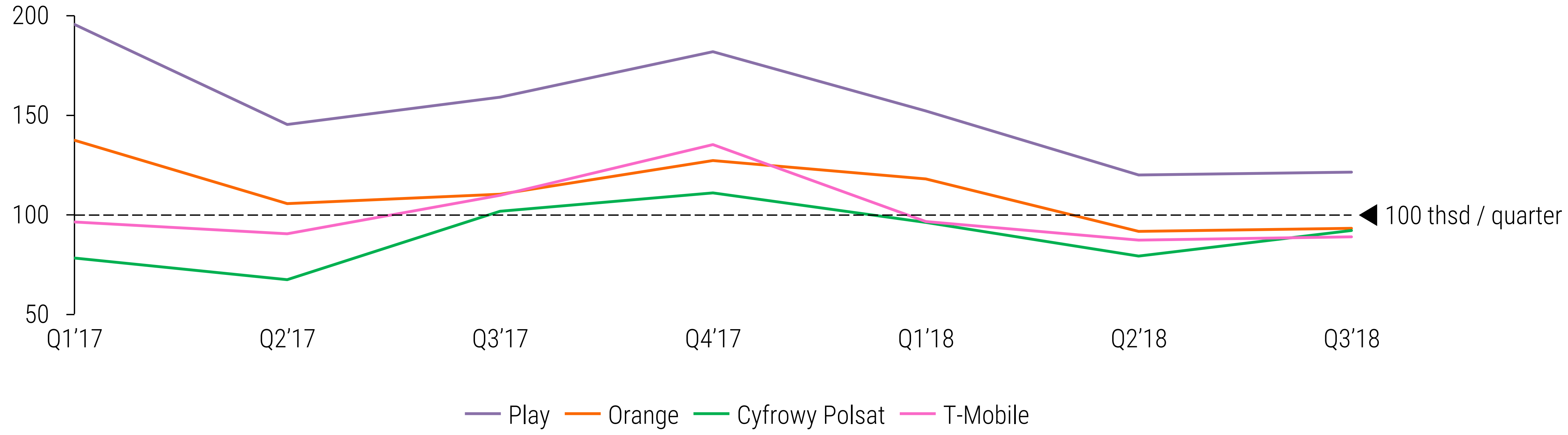
Mobile market – low prices prevent further competition as customers choose by service quality, not by price

Source: 1 – Audytel forecasts telecom market growth of 0.7% in 2018, as quoted by rpkom.pl article; 2 – Analysys Mason: Mobile service revenue share in combined mobile, fixed and TV markets; 3 - UKE/Datawise, own analysis; 4 – MSP Economic Journal after PAP, PMR, and PwC, accessed Nov 12, 2018

Mobile postpaid market has stabilised with PLAY as #1

SUBDUED SWITCHING BETWEEN OPERATORS

Number porting per operator
SIMs, thousands



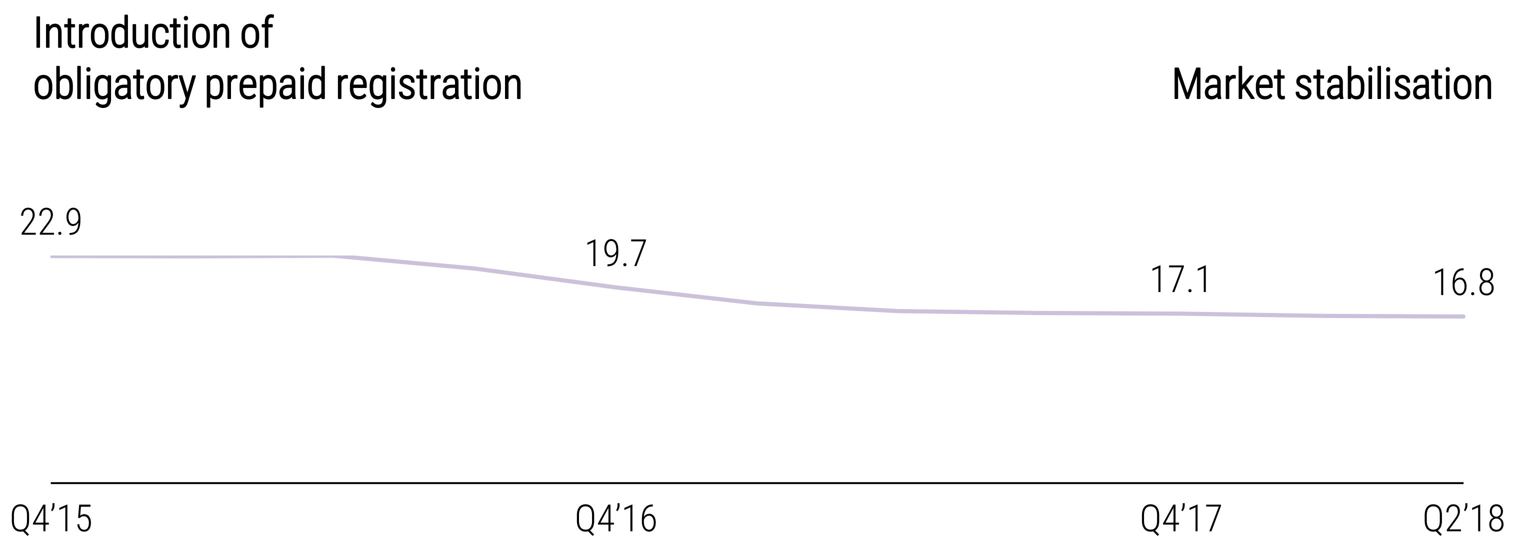
Balanced mobile market with right conditions for the '**more-for-more**' proposition

Source: UKE MNP database

Prepaid market driven by SIM registration & increased immigration

STABILISED VOLUMES IN PREPAID MARKET

SIMs, millions
(by Analysys Mason)



Two balancing market forces going forward: prepaid to postpaid migration vs. constant influx of immigrants (0.7 million per year [2])

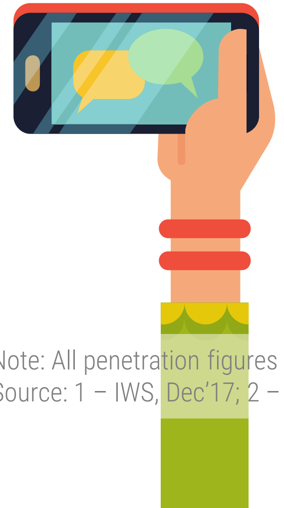
PLAY's market share has reached 32% in Q2'18 (+6% pts since Q4'15) [3]

Note/source: 1 – For the sake of comparability, Analysys Mason uses proprietary adjustments for 3 months activity. Therefore data may differ from officially reported prepaid customer databases;
2 - Poland issued ~700k residence permits, incl. ~600k work related permits in 2017, ~60% of the EU total, Eurostat News release, 25 October 2018; 3 – Based on Analysys Mason view of prepaid market

The rise of mobile connected consumer in Poland supports our strategy

78%

Internet penetration [1]

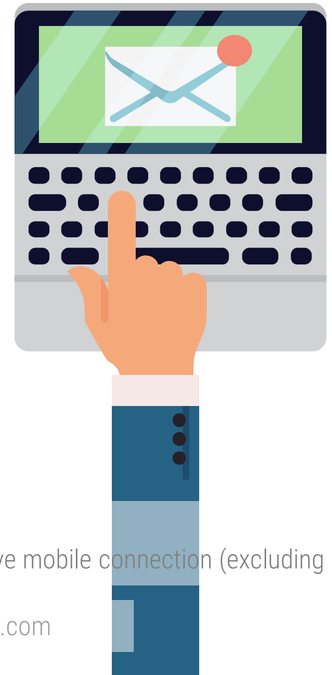


64%

Smartphone penetration [2]

60-65%

Of overall data traffic is on mobile phones [3]



4.5GB

data traffic per user per month [4]

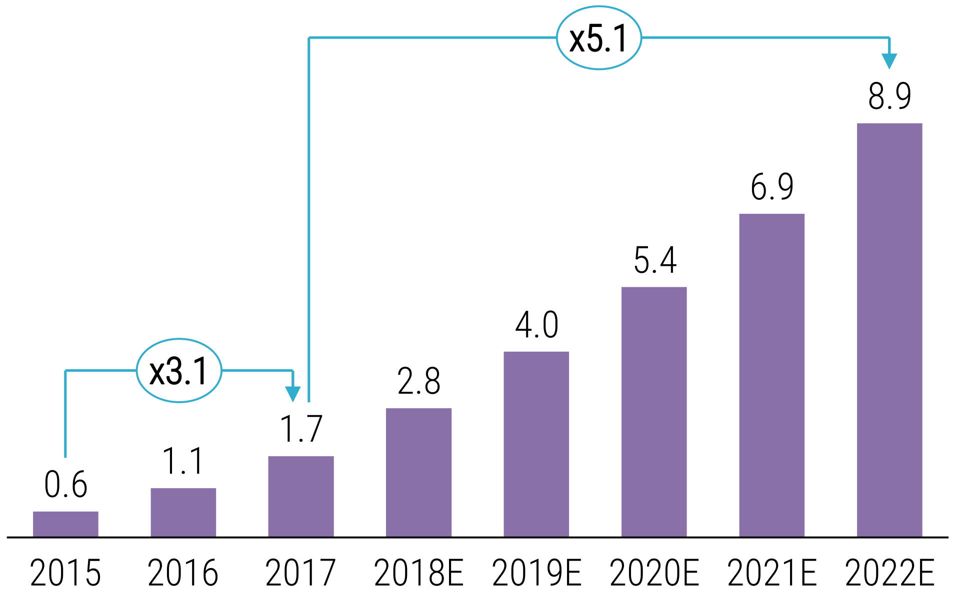
Note: All penetration figures relate to the total population of Poland

Source: 1 – IWS, Dec’17; 2 – Newzoo, Oct’18; 3 – StatCounter, Jun-Oct’18; 4 - Analysys Mason: Total cellular data traffic per active mobile connection (excluding M2M) per month in 2018

Ongoing mobile data traffic growth, driven by video consumption

MOBILE DATA TRAFFIC GROWTH IN POLAND

Exabytes (EB)



OPPORTUNITY FOR PLAY

1. Own network will assure fixed network production costs
2. New monetisation opportunities:
   - Data upsell
   - Content monetisation through PLAY NOW TV

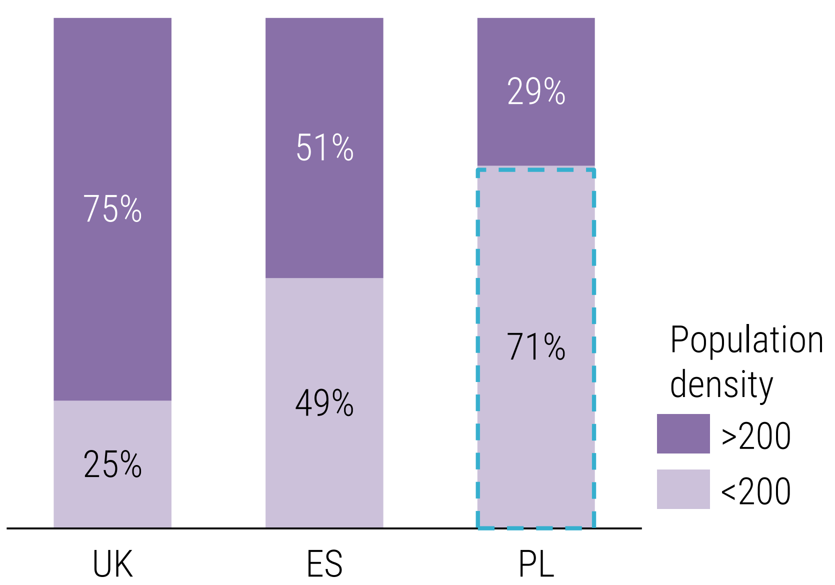
PLAY will capitalise on both strong data traffic growth and underlying video consumption growth trends

Source: Analysys Mason

High population dispersion supports mobile-centric convergence

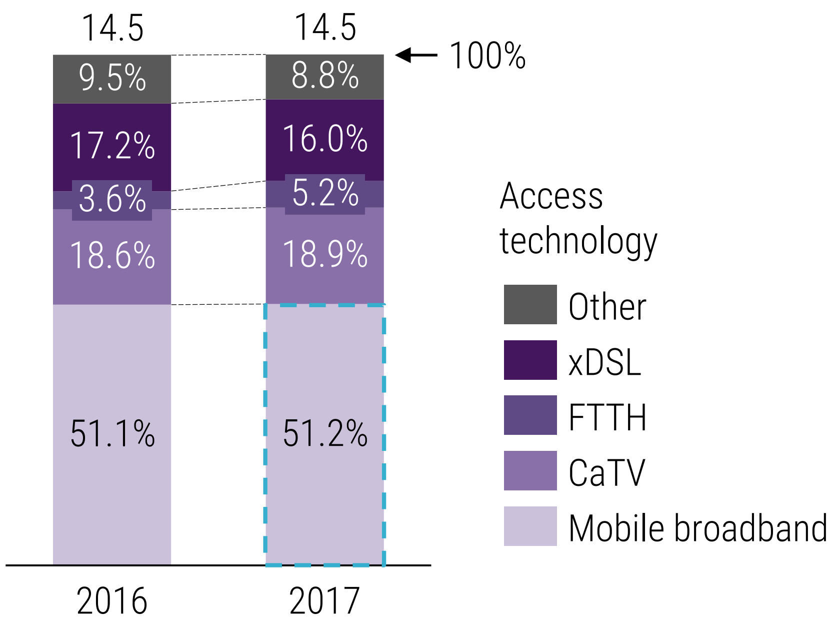
DUE TO HIGH POPULATION DISPERSION [1] …

Population distribution by density
%, 2014



…MOBILE BROADBAND REMAINS THE MOST POPULAR WAY OF GETTING ONLINE[2]

Internet access by technology
%, 2016-2017

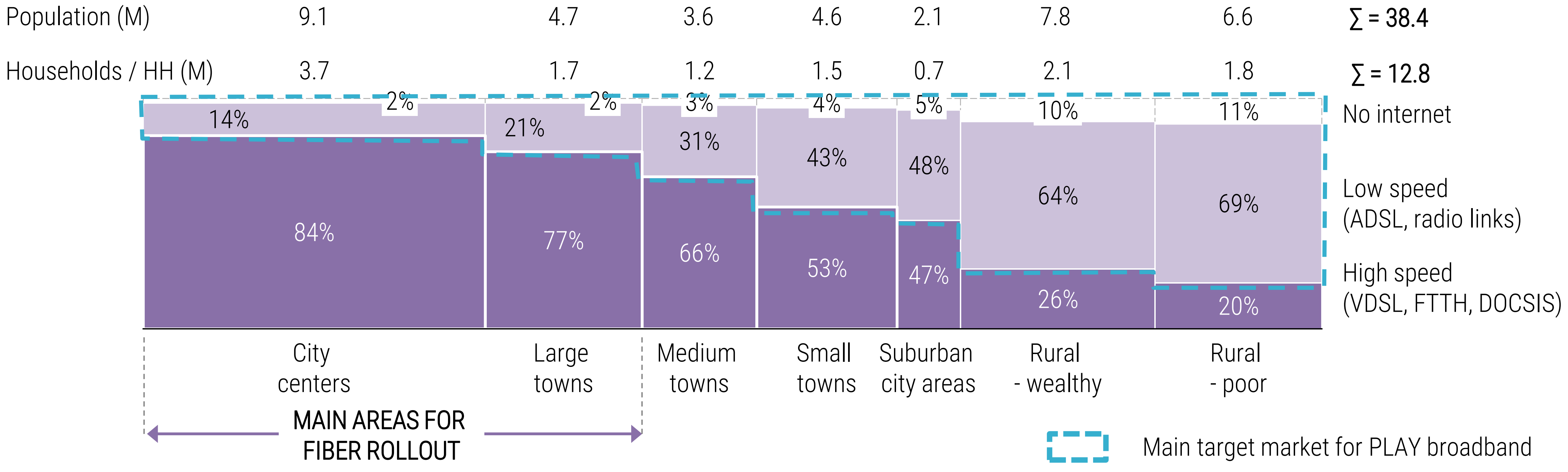


71% of population live in small towns and rural areas where economics for fixed broadband rollout are challenging

Source: 1 – Eurostat, aggregated by NUT3 2 - UKE-Report on the state of the telecommunications market in Poland 2017

Mobile broadband is a preferred option for nearly half of Polish households

~45% OF HOUSEHOLDS HAVE NO ACCESS
OR ARE PASSED BY LOW-SPEED FIXED INTERNET



Mobile broadband is a viable alternative in areas with poor fixed broadband connections, but not only

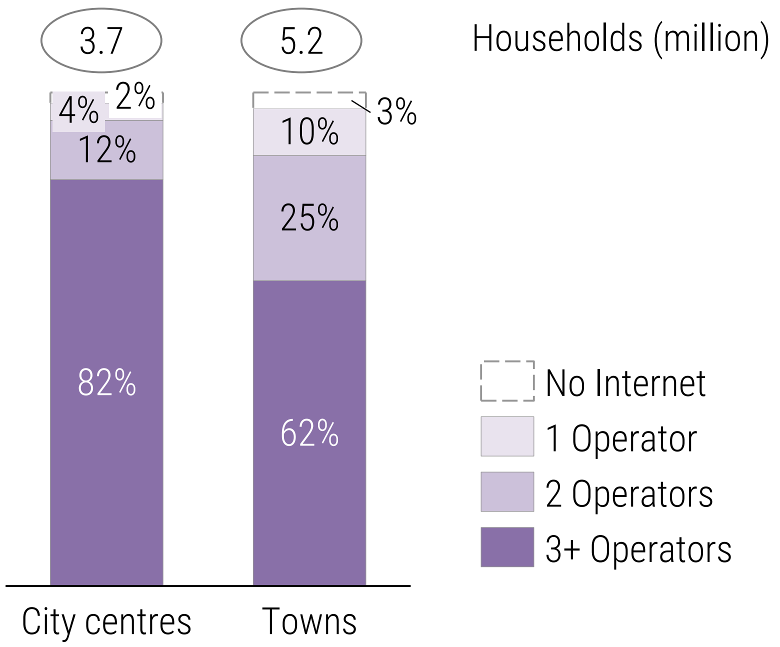
Source: Datawise, UKE, 2017

PLAY

Overcapacity in fixed broadband market in urban areas

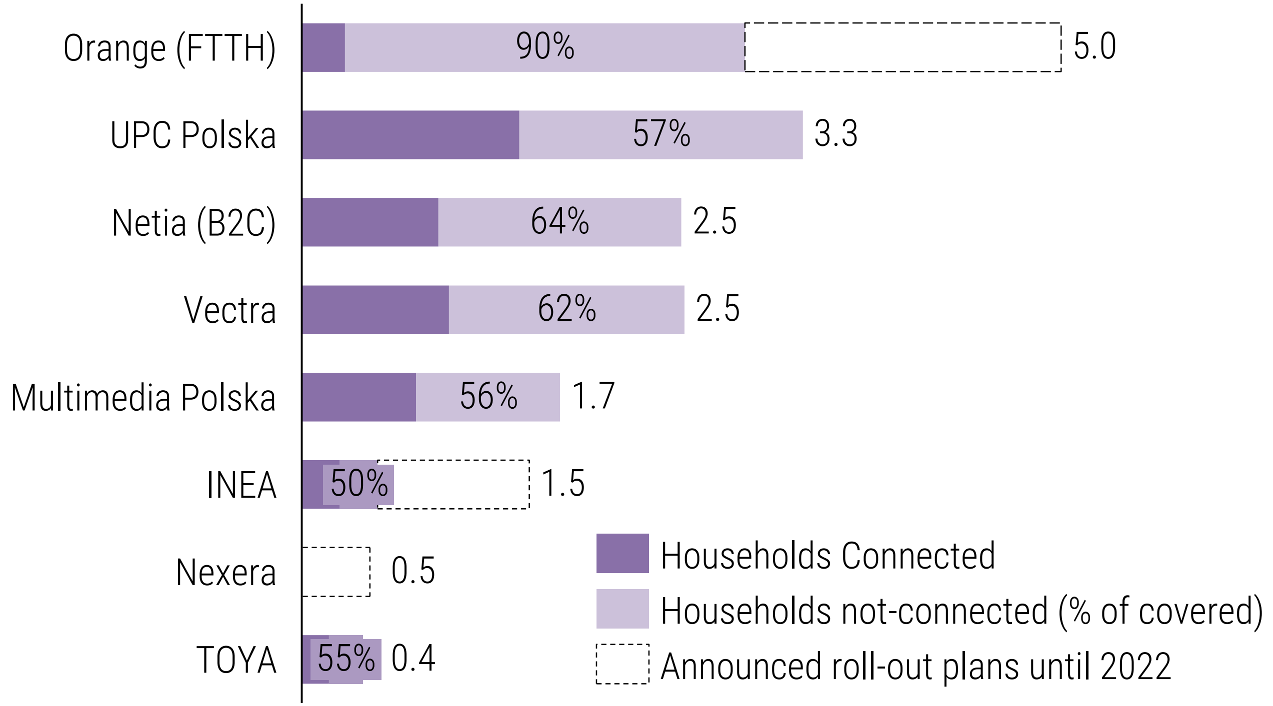
AVAILABLE FIXED ISPs BY AREA TYPE (ISPS) [1]

% of total householdss



NETWORK COVERAGE AND FIXED BROADBAND ROLL-OUT PLANS [2]

Households passed (million), 2017

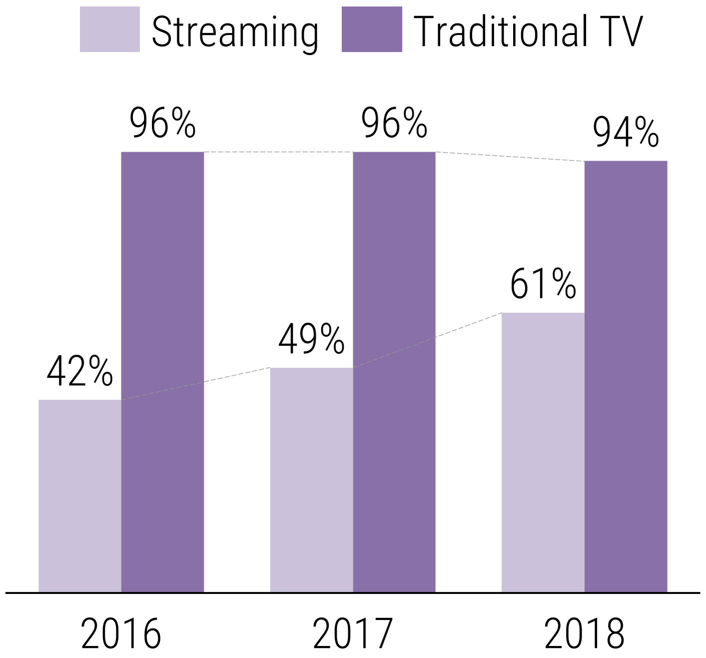


PLAY may opportunistically consider wholesale access options in mid-term to complete its mobile network locally

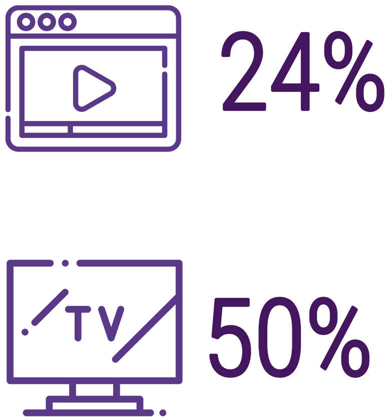
Source: 1 - Datawise, UKE 2017; 2 - TeleKabel & Digital TV: Liderzy rynku kablowego w Polsce, luty 2018, Company information

TV and video consumption is shifting from push to pull

DO YOU USE ANY OF THE FOLLOWING SERVICES? [1]
%



HALF OF TRADITIONAL TV VIEWERS ARE READY TO SWITCH [1]
Propensity to give up each,
% of respondents



Sources: 1 - Nielsen Audience Media, own research

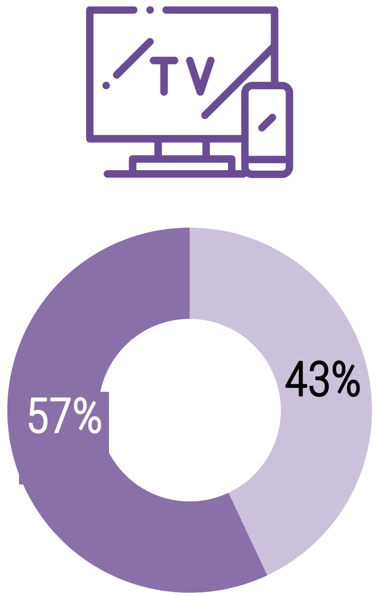
Poland is spending more and more time online

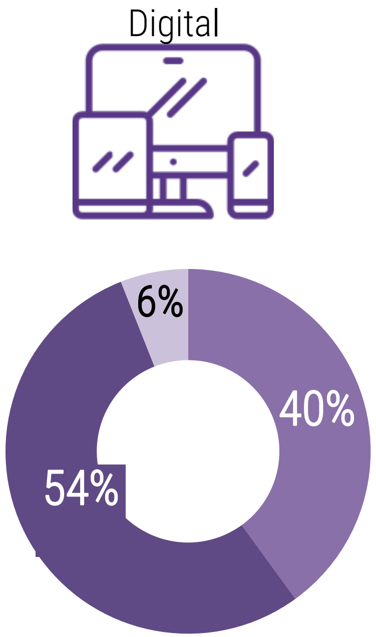
LEISURE TIME SPENT USING DIGIGAL AND TRADITIONAL DEVICES

4h48m
2016

5h18m
2017

3h in Digital world





PLAY smartphones, data and TV services sales benefit from these trends

Source: Polska jest Mobi 2018

PLAY strategy is fully aligned with market dynamics

MARKET DYNAMICS

- Growth in number of households & SMEs
- Stable competition in the mobile market
- Structural difficulties for fixed broadband roll-out
- Changing video consumption patterns

PLAY'S RESPONSE

- Attract more Families & SMEs
- Sell new services through the 'more-for-more' proposition
- Accelerate mobile broadband push
- Introduce next generation TV

THREE PILLARS FOR SUSTAINABLE EBITDA GROWTH:
Leading in mobile-centric convergence

Michał Sobolewski
Chief Marketing Officer

PLAY bundling strategy for families & SMEs

MOBILE PLATFORM FOR ALL TYPES OF BUNDLES [1]

Q3'18

Individuals

Mobile services

SOLO
DUET
RODZINA
POKOLENIA

Addressing all connectivity needs

Value-added services 360

Families & Small Businesses

Internet

Next generation TV

Fixed voice substitution

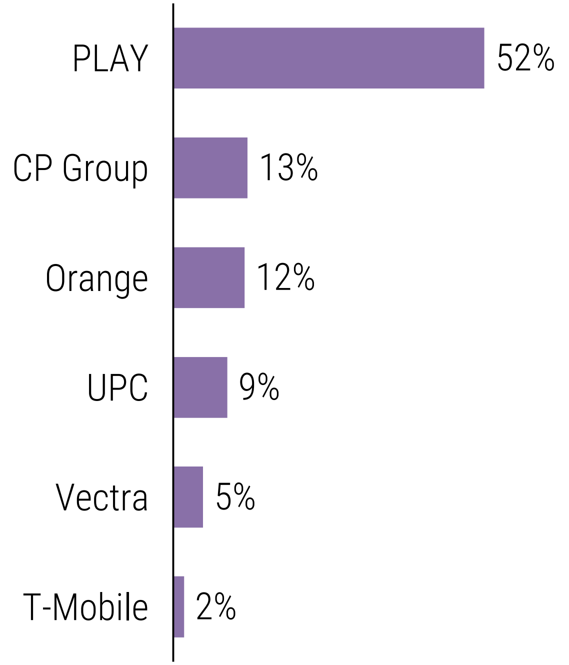
Devices — Broadest selection, financing options

~3.9 M BUNDLED CUSTOMERS
~3.1 M individuals
~0.8 M companies

56% BUNDLED CONTRACT BASE
49% individuals
68% companies

LEADING IN BUNDLING [2]

Number of bundled services
2017, UKE



Source: 1 – PLAY, 2 - UKE-Report on the state of the telecommunications market in Poland 2017; CP Group comprises Polkomtel, Cyfrowy Polsat and Netia

Ongoing monetisation of data with ‘more-for-more’ services

OFFER DESIGN HAS STRONG MORE-FOR-MORE COMPONENTS

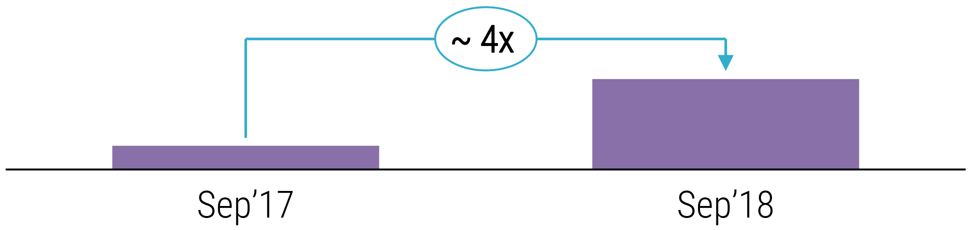
STAN NIELIMITOWANY

Data:10GB
Content: Showmax, Tidal

OFERTA L

Data: 30GB
Content: Showmax, Tidal & HBO GO

SHARE OF L TARIFF
% in acquisition, ex. data tariffs



FUELLED BY SUSTAINABLE VOLUME GROWTH

Inflow of customers from other operators (via mobile number portability)

Prepaid to postpaid migration

New segments (e.g., seniors and rural population)

PLAY NEXT for digital natives

Current offers encourage customers to **buy higher tier services**

Source: PLAY

Effective upselling of value-added services

Also sold as standalone product

360°

SCREEN PROTECTION INSURANCE

Internet protection insurance

POPULAR APPS

E-book | Audiobook | Navigation

EXCEPTIONAL SERVICE

Priority customer service

PLAY 360° OR SCREEN PROTECTION INSURANCE SHARE IN FIXED-TERM CONTRACTS [1]

Q3'18

~70%

New and retained handset contracts

OTHER CONTENT

Basic TV + packages by interest

Premium services

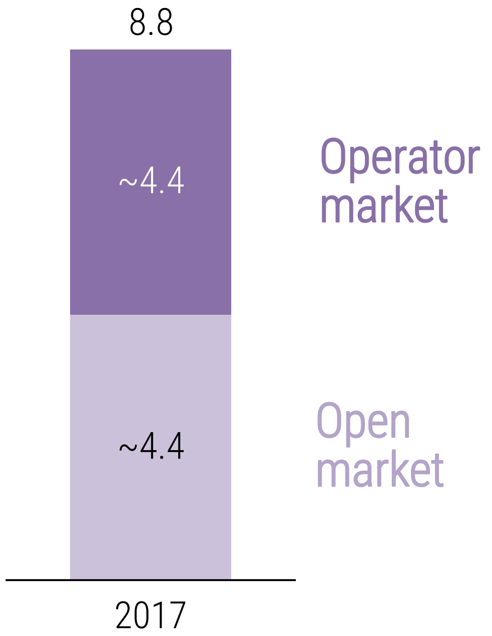
Free in the package → Free-to-test (then paid service)

Source: 1 – PLAY – channels POS & Direct, terminal contracts eligible for PLAY360 / Screen Protection

Grow PLAY’s share in the device sales market

SMARTPHONE SALES [1]

M units, 2017



AMBITION

Maintain leadership in handset sales
to grow profit per customer

SIM-free handset sales
to drive POS traffic, generate gross adds and higher margins

PLAY WINNING FACTORS

- Broadest device portfolio
- Superior customer service
- Largest handset distribution network

- Market prices & best price guarantee
- Well-recognised retailer
- Best customer advice

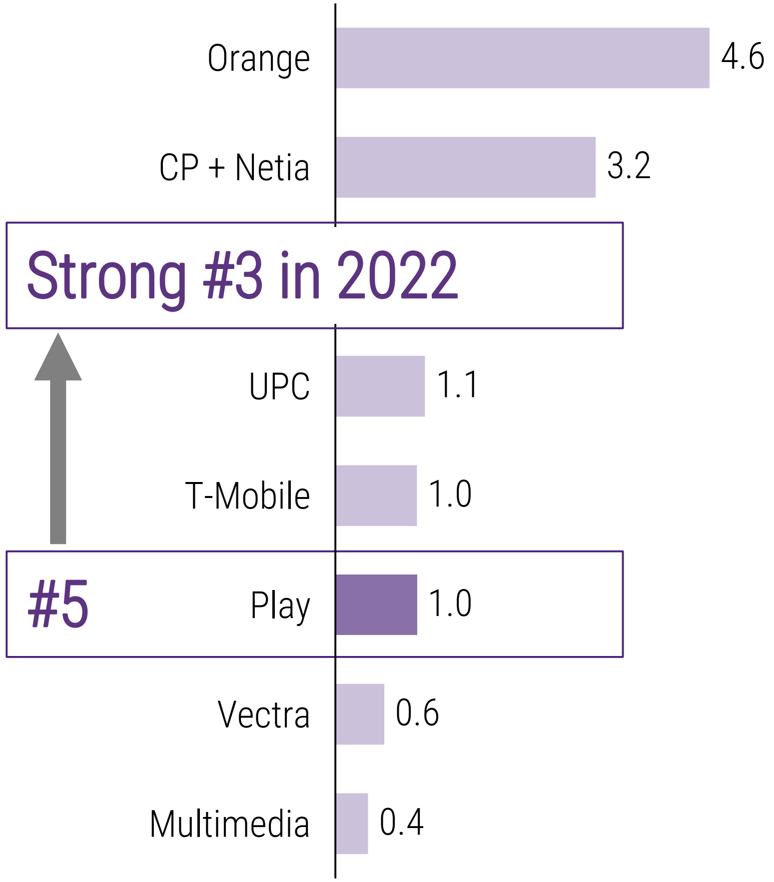
Leading in handset sales with the target of >2M sold annually from 2019

Source: 1 – IDC reports total smartphones sales at 8.8M and mobile phone sales at 10.3M; the difference is made up by feature-phones; sales structure estimated by PLAY

To become a TOP 3 ISP in Poland with PLAY own nationwide network

TOP INTERNET SERVICE PROVIDERS IN 2017 [1]

M RGUs



MOBILE BROADBAND
INDOOR coverage

Convenient & often better alternative to xDSL

NETBOX
OUTDOOR coverage

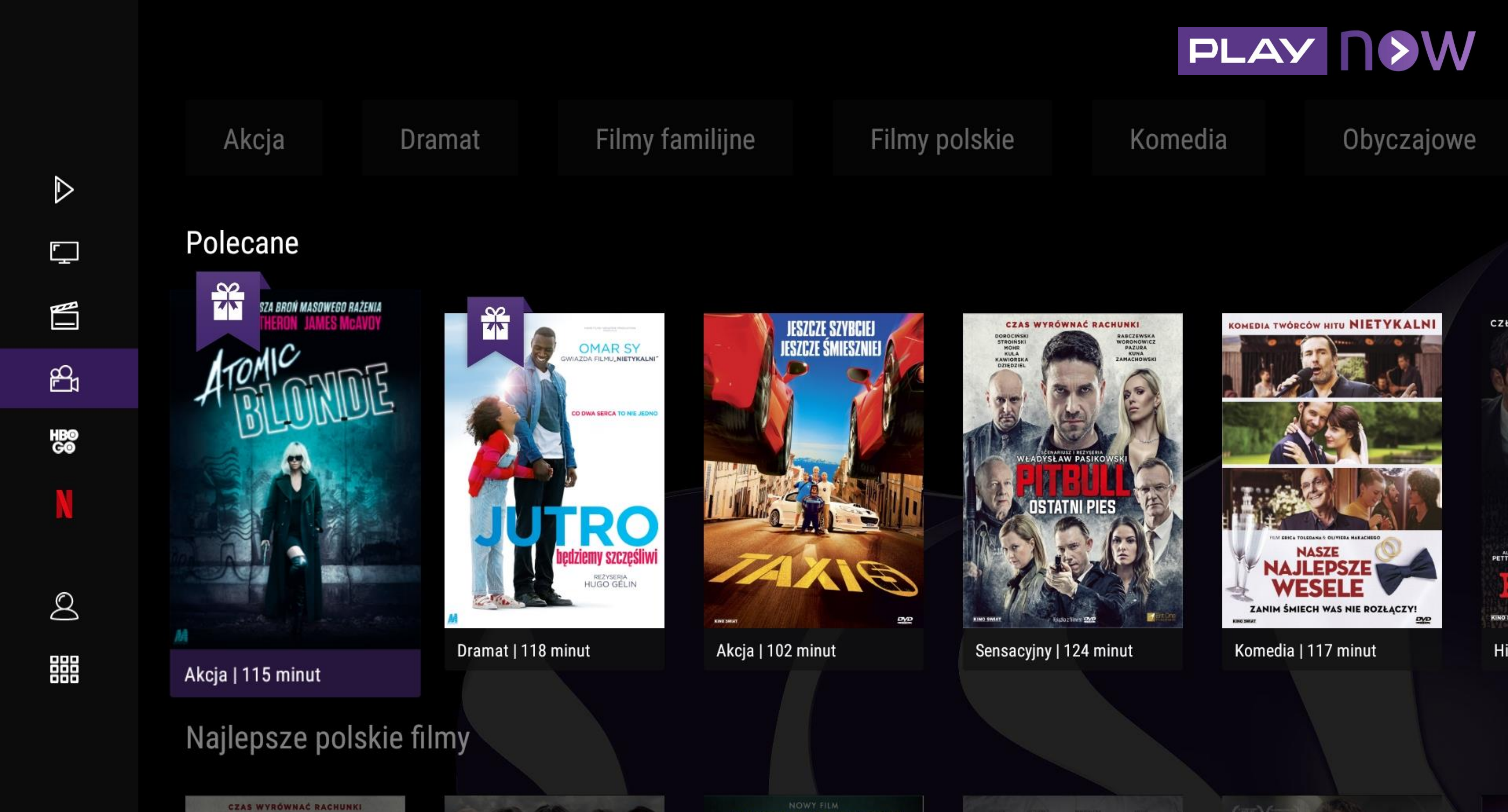
Best connectivity in areas with poor fixed network quality

Selective targeting based on:

- Network coverage and congestion
- Propensity to buy

Cross-selling to current 'families' offer customers following the network roll-out

Source: 1 - UKE-Report on the state of the telecommunications market in Poland 2017, PLAY target


PLAY now
Akcja
Dramat
Filmy familijne
Filmy polskie
Komedia
Obyczajowe
Polecane
HBO GO
Atomic Blonde
Akcja | 115 minut
OMAR SY
JUTRO będziemy szczęśliwi
Dramat | 118 minut
JESZCZE SZYBCIEJ JESZCZE ŚMIESZNIEJ
TAXI 5
Akcja | 102 minut
CZAS WYRÓWNAĆ RACHUNKI
PITBULL OSTATNI PIES
Sensacyjny | 124 minut
KOMEDIA TWÓRCÓW HITU NIETYKALNI
NASZE NAJLEPSZE WESELE
ZANIM ŚMIECH WAS NIE ROZŁĄCZY!
Komedia | 117 minut
Najlepsze polskie filmy
CZAS WYRÓWNAĆ RACHUNKI

Driving value by bringing next generation TV to the Big Screen

BEST OF BOTH OTT TV & TRADITIONAL TV

OTT TV
- A la carte SVOD menu

Linear TV
- ~27 DVB-T channels
- PLAY NOW has the most popular channels

Single monthly rental payment

…TO CREATE NEXT GENERATION TV

Designed for OTT TV first

Voice control

Network-agnostic

Easy to install

Android platform expandable to new platforms & services

CONTENT

ADD AS YOU GO: SVOD SERVICES

NETFLIX HBO GO showmax

ADD AS YOU GO: TV PACKAGES

KIDS | SPORT | EXTRA

PLAY NOW BOX: BASIC PACKAGE

MOST POPULAR CHANNELS

DVBT CHANNELS

~27 CHANNELS

Free trials started with households moving to the next generation TV offer at the time of their Cable/DTH pay-TV contract renewal

Source: PLAY


PLAY LTE
16:25
PLAY NEXt
Pozostały internet
50 GB
W roamingu UE: 0,5 GB
Odśwież
Szczegóły zużycia
Podziel się z nami swoją opinią na temat Play NEXT.
PLAY NEXt
MOŻNA INACZEJ

PLAY NEXT – fully digital, subscription-based offer

PLAY NEXT

for **45** ZŁ/month

- Unlimited voice
- Unlimited text and MMS
- 50 GB
- EU package

- No contract
- Recurring payment
- Account managed via app
- 24/7 customer service
- Future-proof (eSIM-friendly)

JOIN VIA APP and get a SIM Card by courier or in a PLAY shop

Available in:

THE ONLY MOBILE OPERATOR PROVIDING SERVICES VIA MOBILE APP

Source: PLAY

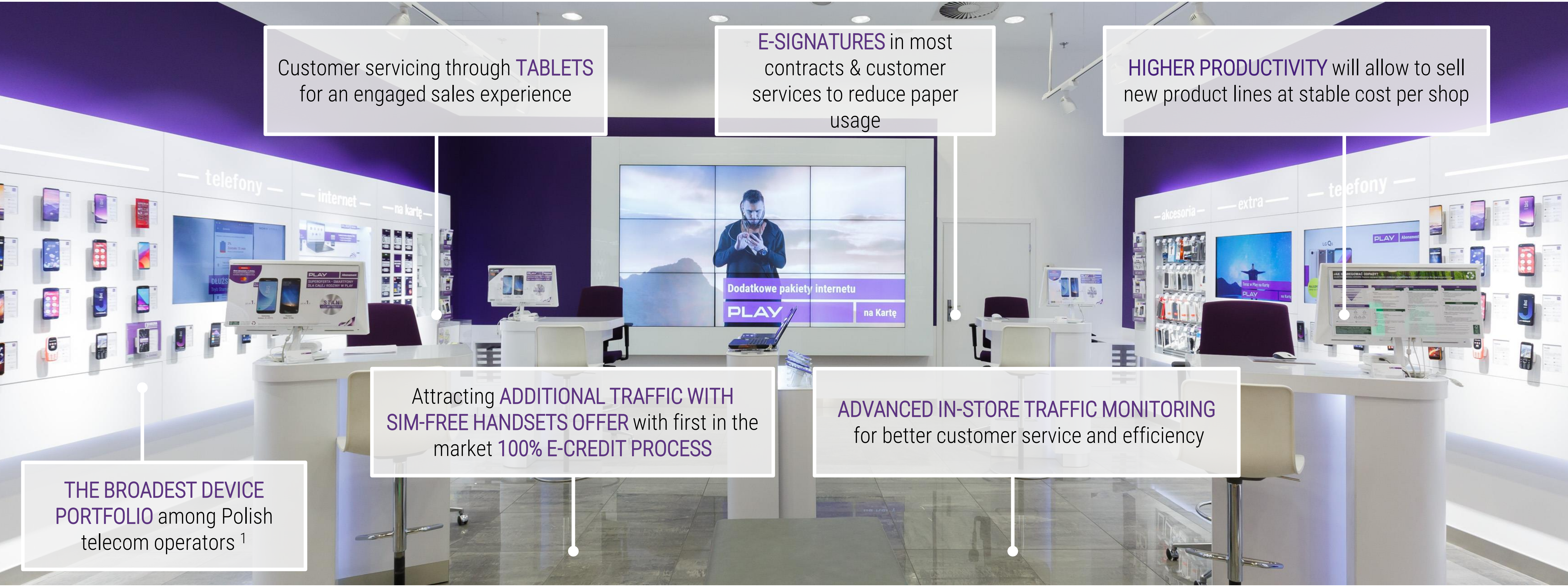
THREE PILLARS FOR SUSTAINABLE EBITDA GROWTH:
First in digital

Michał Wawrzynowicz
Chief Commercial Officer

Wojciech Danieluk
Chief Information
and Transformation Officer

Digital transformation of PLAY will boost distribution & back-office efficiency

Shops will increase productivity through digitization & new services



Customer servicing through TABLETS for an engaged sales experience

E-SIGNATURES in most contracts & customer services to reduce paper usage

HIGHER PRODUCTIVITY will allow to sell new product lines at stable cost per shop

THE BROADEST DEVICE PORTFOLIO among Polish telecom operators [1]

Attracting ADDITIONAL TRAFFIC WITH SIM-FREE HANDSETS OFFER with first in the market 100% E-CREDIT PROCESS

ADVANCED IN-STORE TRAFFIC MONITORING for better customer service and efficiency

Source: 1 - Operator websites, PLAY

Online sales for a smooth customer experience

MODERN E-COMMERCE PLATFORM
Hybris by SAP

THE MOST VISITED WEBSITE [1]
among telecoms networks and electronic goods stores

AI BASED FEATURES:
Personalized Content, Business Event Prediction, Chatbot engine

RETENTION PROCESSES THROUGH E-SHOP

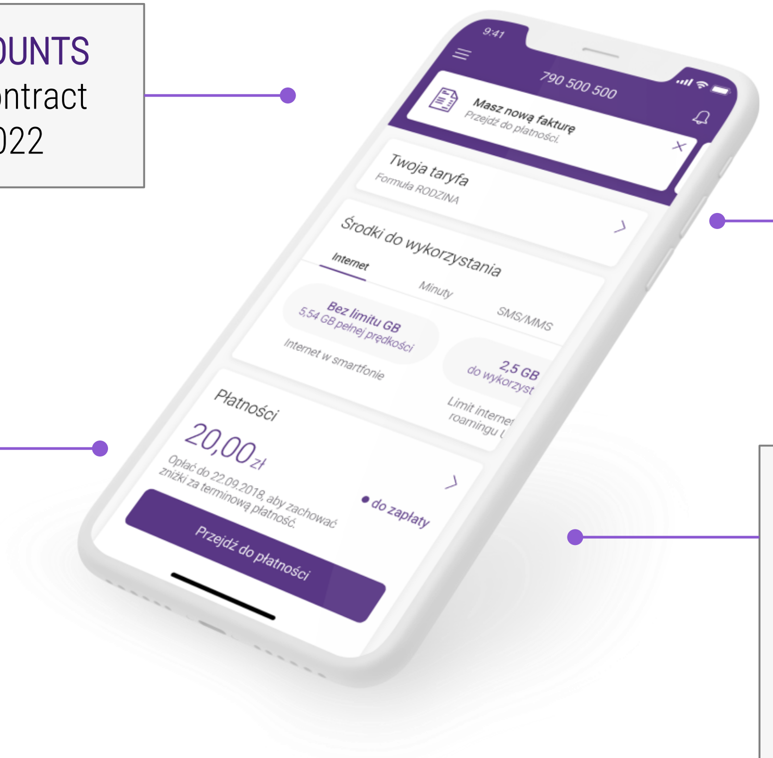
VARIOUS PICK-UP OPTIONS
(e.g., shops, home, collection points)

Source: 1 - SimilarWeb as of Sep'18

PLAY24 – mobile platform for online sales & service transactions

3.4 M PLAY24 ACTIVE ACCOUNTS
(website & app) – 70% of contract customers to use it by 2022

HIGHEST AWARENESS AND USAGE
of mobile app among telecoms[1]



COMPREHENSIVE ACCOUNT MANAGEMENT
(e.g., payments & billing, top-ups, packages)

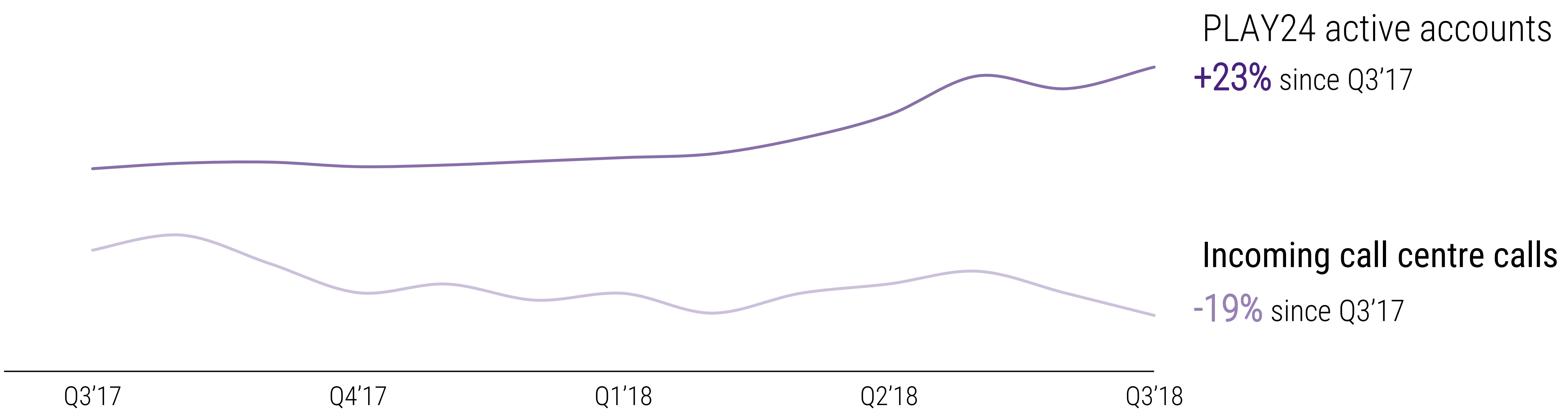
NEW FEATURES: SALES & SERVICE

- Seamless retention with 1-click purchase options
- New e-contracts
- New handset recommendations
- Upselling driven by real-time marketing
- Recurring payments
- 1-click adjustment of all offer features
- ...and many more

Source: 1 - Segmentation study H1'18, n=1300

Moving customer requests from offline to online

INCOMING CALLS VS. P24 ACTIVE ACCOUNTS
Q3'18 LTM



The tangible benefits of digitalisation are already visible

Source: 1 - Segmentation study H1'18, n=1300

Simplicity at the heart of PLAY since its inception

SIMPLICITY OF PLAY BUSINESS MODEL AND STREAMLINED OPERATIONS

We are a 'Smart follower' when entering new segments

Simple IT architecture based on single stack

In-house CRM developed with local Polish software developers enabling cost effectiveness & agility

We Simplify before we Digitise – meaning that total IT spending is efficient at 2%[1] of revenue

Smoother digitalisation thanks to PLAY's excellent execution track record

Source: 1 - PLAY Communications Annual Report' 2017

Key focus areas for further PLAY digitalisation in 2019-21

2019-21 DIGITALISATION ROADMAP

Online retention and customer service – prepare IT systems for transition

E-signature – wide adoption across most PLAY shops

Automated e-payments as default option for each signed contract

Real-Time Marketing to address real-time customers needs, drive upsell and improve retention

Big Data and Machine Learning models as source of insight for Real-Time Marketing

Selective launch of Robotic Process Automation (currently being piloted), chatbots

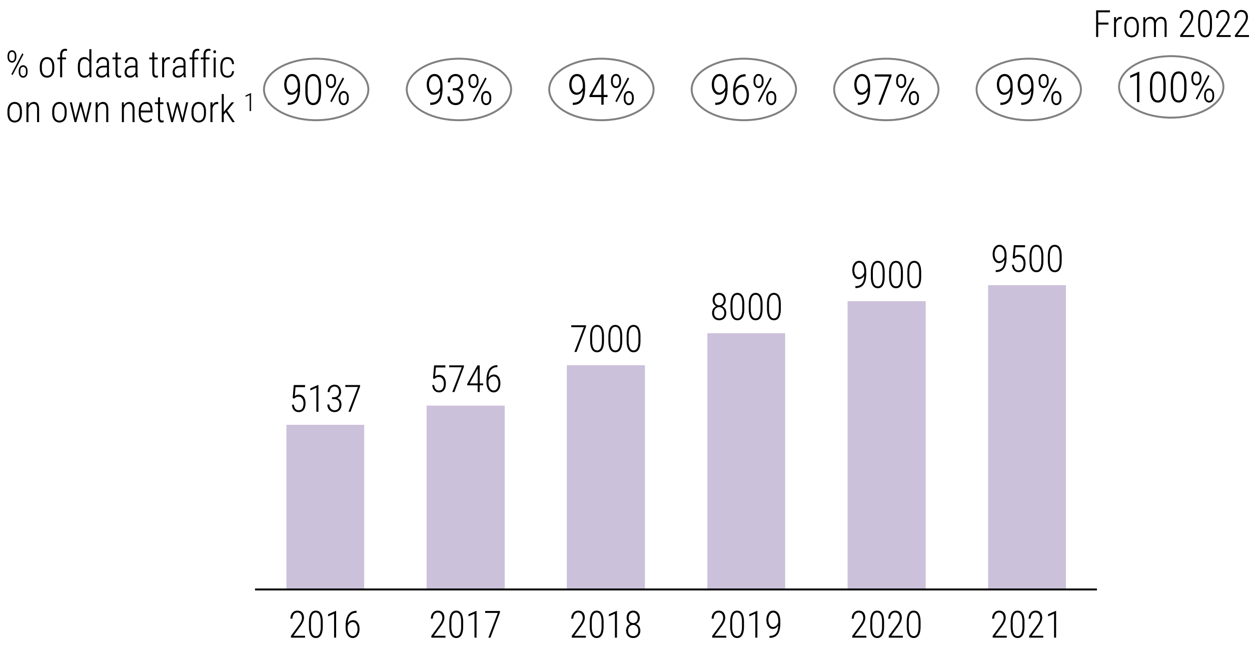
THREE PILLARS FOR SUSTAINABLE EBITDA GROWTH:
Lean and 5G-ready network

Michał Ziółkowski
Chief Technical Officer

Ongoing roll-out of a highly efficient nationwide network

NATIONWIDE NETWORK ROLLOUT AND ITS IMPACT ON NATIONAL ROAMING

Number of own sites on air



- Network grid optimized for data services, not only for voice coverage
- Modular site design with the smallest footprint in Poland
- Highly efficient rollout factory

Currently putting on air 1 new site every 4 hours (Oct'18)

1 – As of end of period, only data on devices (e.g. smartphones), does not include PLAY Internet services which run 100% on PLAY own network
Source: PLAY

Triple efficiency: in CAPEX, OPEX and utilisation

EFFICIENT CAPEX

- Lightweight tower with capacity load
  - Cost-efficient civil engineering
- Typical tower height of 60m
  - Efficient for low-band frequencies
  - Capacity for future network upgrades

EFFICIENT OPEX

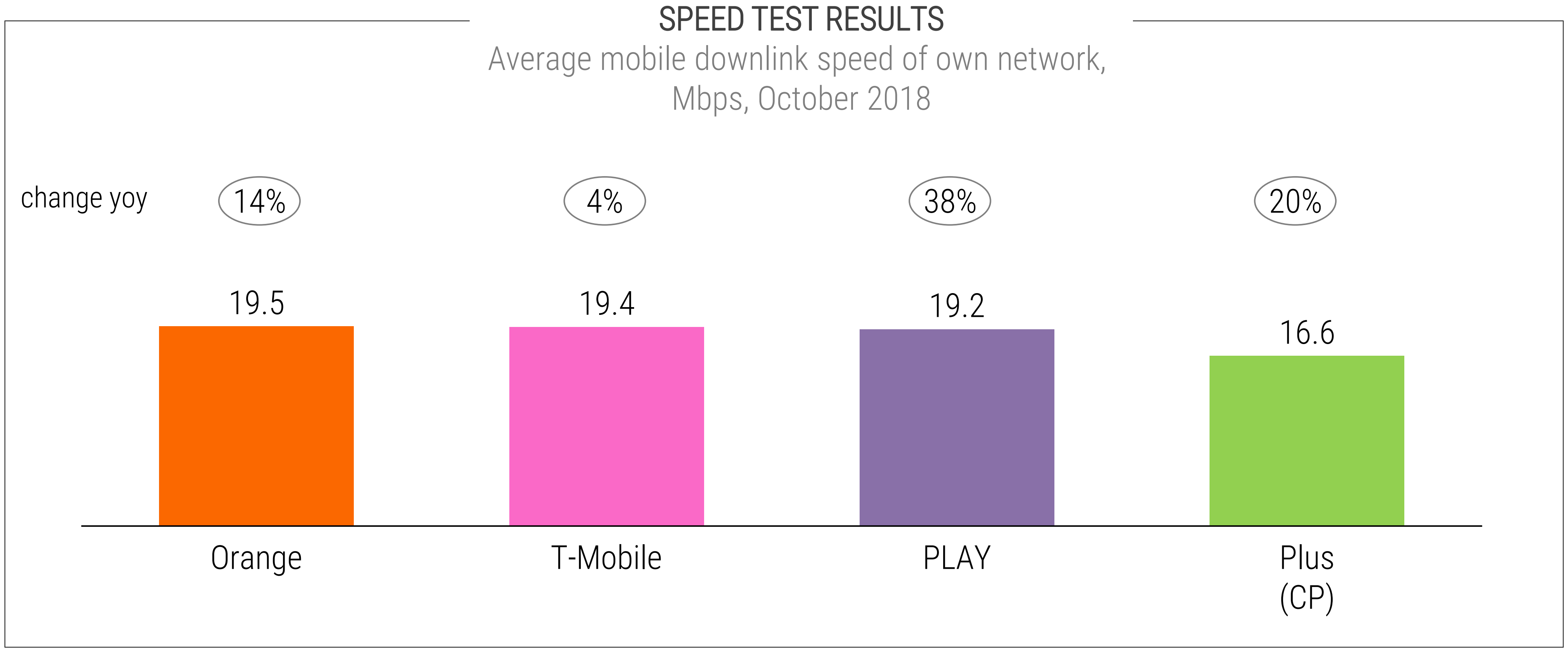
- Fenced sites
  - Optimal land lease & maintenance
- Small cabinet
  - Low electricity cost (esp. AirCon)

EFFICIENT UTILISATION

- Antennas on light aluminium brackets
  - Efficient use of the capacity load
- Passive site sharing with other MNOs
  - High tenancy ratio in some locations
  - 17.3% of shared sites in Nov. 2018

Source: PLAY

PLAY own network speed has improved the most



Faster speeds have been possible due to the accelerated roll-out of a modern nationwide network

Source: Speedtest.pl

Aiming to switch off national roaming in 2022

SWITCHING OFF NATIONAL ROAMING

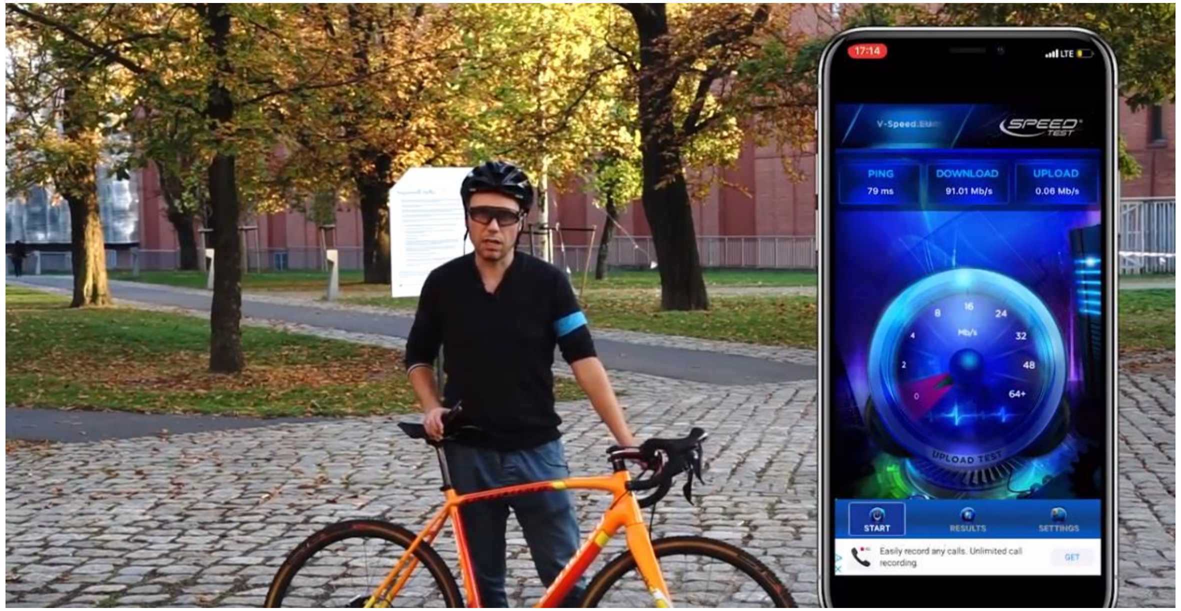


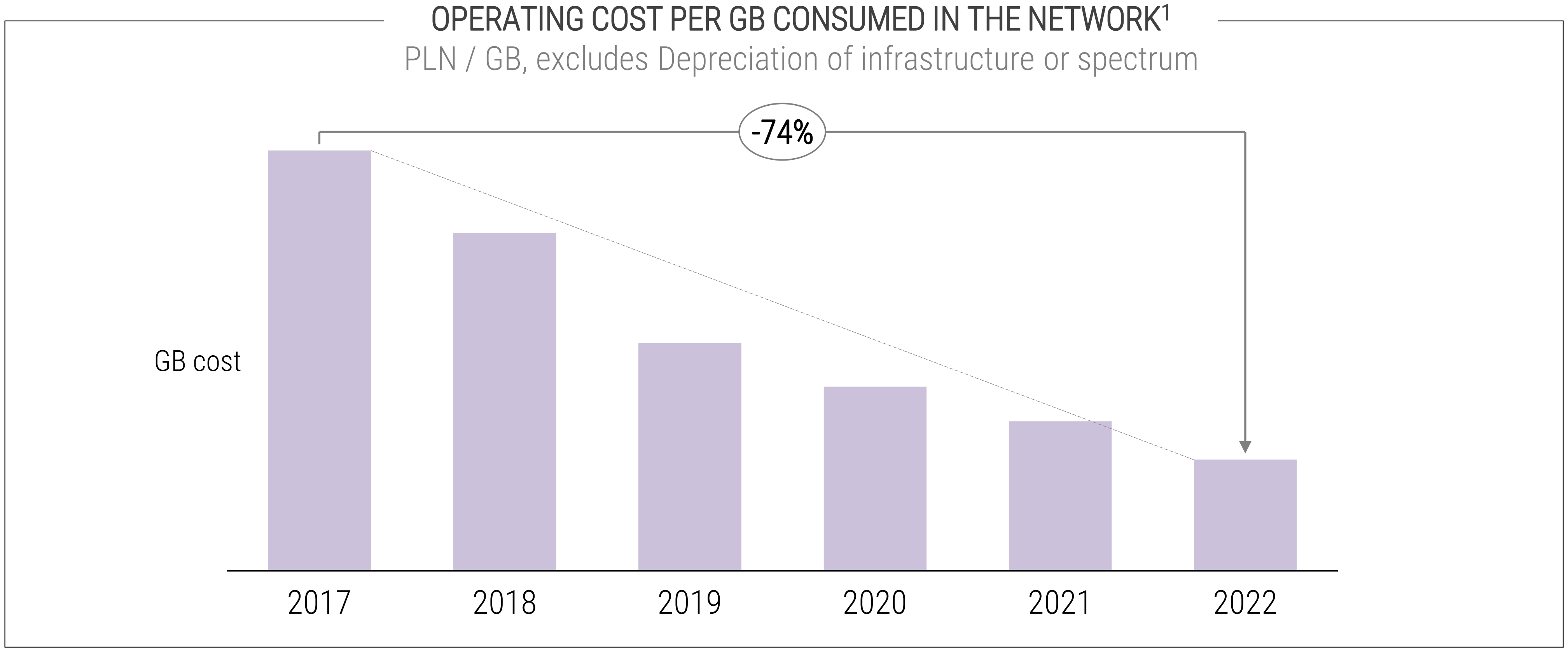
Photo: Poznan area National Roaming switch off press release

- Play is set to reduce its dependency on National Roaming with the Poznan area first to be switched off
- PLAY will gradually switch from the National Roaming variable cost model to its own network fixed model, with significant cost savings from 2020 onwards

Lower productions costs per GB will be achieved

Source: PLAY

Reduced production costs per GB



PLAY will increase cost-efficiency by using its fully-owned network & maintaining network OPEX discipline

1 – Including network related operating costs (esp. site rental costs, maintenance costs, overhead costs) and National Roaming costs, data traffic forecast in line with the market
Source: PLAY

A pathway to 5G in Poland is emerging

	2018	2019	2020	2021	2022	2023	2024
Technology & spectrum roadmap	3GPP Release 15 "Level 1" standards	3GPP Release 16 "Level 2" standards	Spectrum refarming & reshuffling: 700 MHz, 3.4 – 3.8 GHz, 26GHz			5G spectrum auction	5G commercial roll-out Smart & efficient followers of global operators
		First commercial trials	First mainstream 5G smartphones		Emergence of Low Latency / Massive IoT business models		
Regulatory roadmap	EMF harmonization to ICNIRP / WHO guidelines						

Source: NOKIA, Ericsson, Huawei, Own analysis

Requirements for 5G: power density limits & spectrum availability

ROADBLOCKS TO BE REMOVED TO MAKE 5G HAPPEN FOR ALL MOBILE OPERATORS IN POLAND

Spectrum Availability

- For full 5G each operator will need to use continuous 80-100MHz spectrum blocks
  - 700 MHz – **Allocated and occupied until 2025,** with unresolved interference issues with Russia
  - 3.4-3.8 GHz – Mostly allocated & occupied until 2020-25, **highly fragmented** (i.e. >1000 licenses)
  - 26 GHz – Currently used for **Micro Wave links**, partially **occupied by Ministry of Defence**

Power Density Limits

- **Polish Power Density Limits** (PDL) are a **100 times below** established **European standards** (i.e. ICNIRP guidelines)
- Under current PDLs it will be not possible to meet 5G requirements:
  - Data growth - **possible capacity crunch** (esp. in urban areas)
  - Spectrum - **cannot not be fully deployed** already (esp. dense urban areas)
  - 5G innovations - **will be impossible** (e.g. small cells, beamforming, massive MIMO)

Legislative and regulatory changes are necessary for commercial 5G deployment in Poland

Source: 5G Strategy for Poland by Ministry of Digitization

Mobile broadband may match FTTH on speed & beat on availability

	Today		2022+	
	VDSL2	4G LTE-Advanced	FTTH	5G 3500 MHz
Typical use rate	20 – 100 Mbps	20 – 100 Mbps	100 – 1000+ Mbps	100 – 1000 Mbps
Maximum capacity [1]	>1TB/month	100-500 GB/month	1TB/month	1TB/month
Deployment solution	Copper line <800m	Three-carrier aggregation	Fibre line	3.4-3.8 GHz m MIMO
		PLAY Today		PLAY 2022+

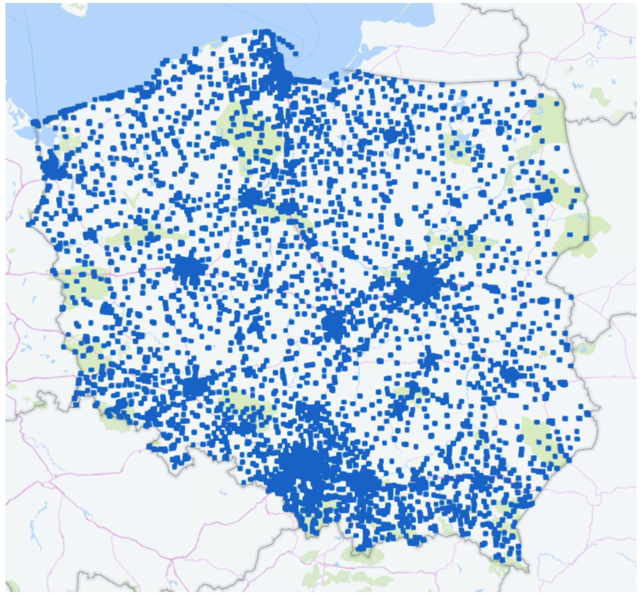
PLAY will focus its 5G roll-out only in areas where actual demand exists – an advantage over FTTH

1 – Assumes 300 HH per BTS site for mobile technologies

Source: NOKIA

4G LTE is fully capable of supporting PLAY 2022 goals

SIGNIFICANT FREE NETWORK CAPACITY TO GROW OUR SERVICES



- Existing sites with significant spare capacity

- >80% of PLAY sites have capacity to support further traffic
- Network capacity will be further expanded with the ongoing roll-out
- PLAY network grid was originally optimised for LTE and data (no legacy inefficiencies)

OUR NETWORK IS 5G-READY IN MANY RESPECTS

OPPORTUNISTIC LOCAL USE IN CASE OF CAPACITY CRUNCH

- We can roll-out 5G equipment on a 'per site' basis
- ~70% of existing sites have 5G-ready transmission (1+Gbps)
- All new Ericsson sites will be 5G-ready whilst Huawei sites are being gradually upgraded
- First operator to fulfil 5G synchronisation requirements

PLAY will implement 5G features opportunistically where it makes a difference for customers

Source: PLAY

FINANCIAL OUTLOOK:
Sustainable EBITDA growth & shareholder distribution

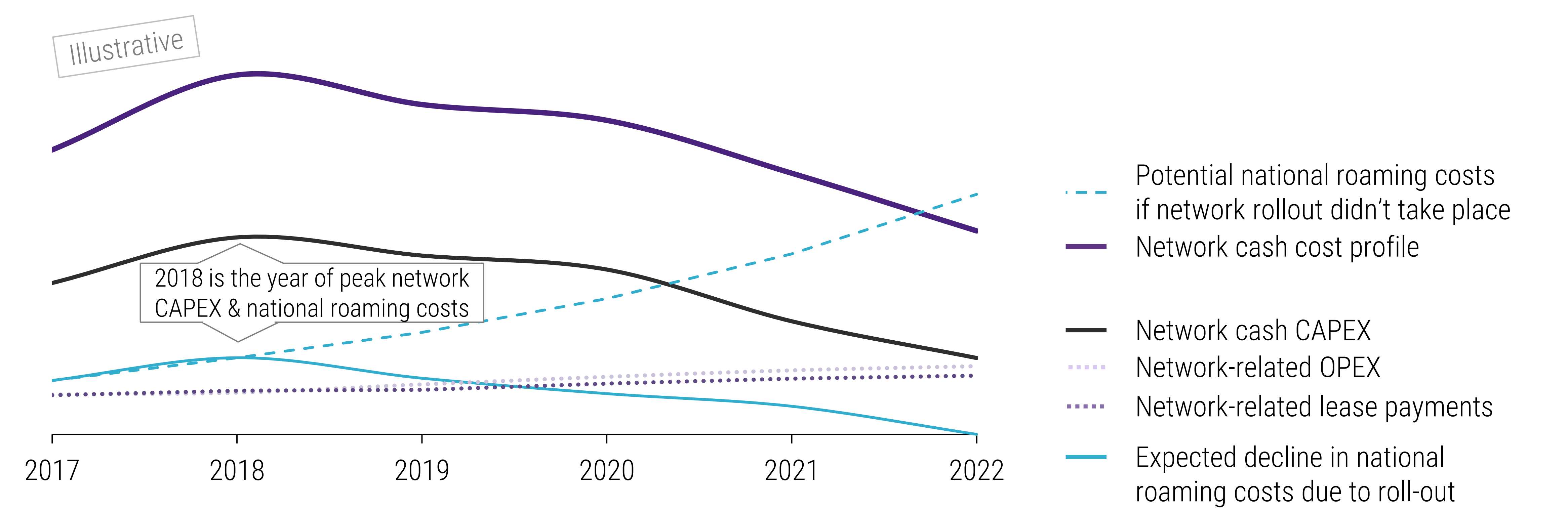
Holger Püchert
Chief Financial Officer

2018 guidance status

	9M 2018 Execution	FY 2018 Guidance	Status
Revenue growth	+2.1% growth Driven by **service revenue growth**	2 – 3% growth Driven by **service revenue growth**	~ Confirmed ~2% yoy, driven by **service revenue**
Adj. EBITDA	PLN 1.6bn 74-77% of FY guidance range	PLN 2.1bn – PLN 2.2bn	✓ Confirmed
Cash CAPEX	PLN 510m 64% of FY guidance limit	Up to PLN 800 m	✓ Confirmed
FCFE[1]	PLN 603m 75-80% of FY guidance range	PLN 750m – PLN 800m	✓ Confirmed
Distribution to Shareholders	40-50% of FCFE		✓ Confirmed

Network Capex have peaked in 2018, expected to decline going forward

ILLUSTRATIVE CASH NETWORK COSTS, 2017-22



Resulting in cash CAPEX / Revenue ratio <10% post network rollout

Note: Illustrative, depicts only network-related CAPEX.
Source: PLAY

PLAY ambition for 2019-2022

EBITDA GROWTH

Sustainable EBITDA growth until 2022

CASH CONVERSION

High cash conversion rate compared to European telecoms

CASH CAPEX / REVENUE

11-13% until 2020[1], returning below 10% from 2021

EOY NET DEBT / EBITDA

Gradually declining towards 2.5x

SHAREHOLDER DISTRIBUTION

40-50% of FCFE

1 – Driven by nationwide network rollout, increased equipment purchase due to launch of new product lines and IT spend related to digitisation
Note: Above ambition does not account for extraordinary spectrum outlays

PLAY 2022:
Summary

Jean-Marc Harion
Chief Executive Officer

PLAY 2019-2022: consolidate leadership and improve profitability

LEADERSHIP IN MOBILE-CENTRIC CONVERGENCE

- **Revenue growth** mostly from current customer base
- **Commercial excellence** online and offline
- **Top-of-mind brand**

TECHNOLOGY-DRIVEN PROFITABILITY

- **Digitalisation** to improve front & back-office efficiency
- **Lean network** with the lowest mobile GB cost
- **National Roaming switch-off in 2022**

SUSTAINABLE EBITDA GROWTH
and
CASH CAPEX / REVENUE <10%

PLAY 2019-2022: grow value through mobile-centric convergence

>4m FAMILY & SME ACCOUNTS

MBB ISP, OTT TV, Fixed Voice

ARPU

OWNER

>15m PLAY MOBILE CUSTOMERS

Data, VAS, Content, Handsets

ARPU

ARPU

DIGITAL

ARPU ARPU

ARPU ARPU ARPU +

LEADERSHIP IN MOBILE
to drive
SERVICE REVENUE GROWTH

PLAY 2019-2022: prepare for 5G

5G-READY NETWORK

- Network designed for data,
- >70% of high capacity sites
- Sites supporting 5G equipment, open to other operators

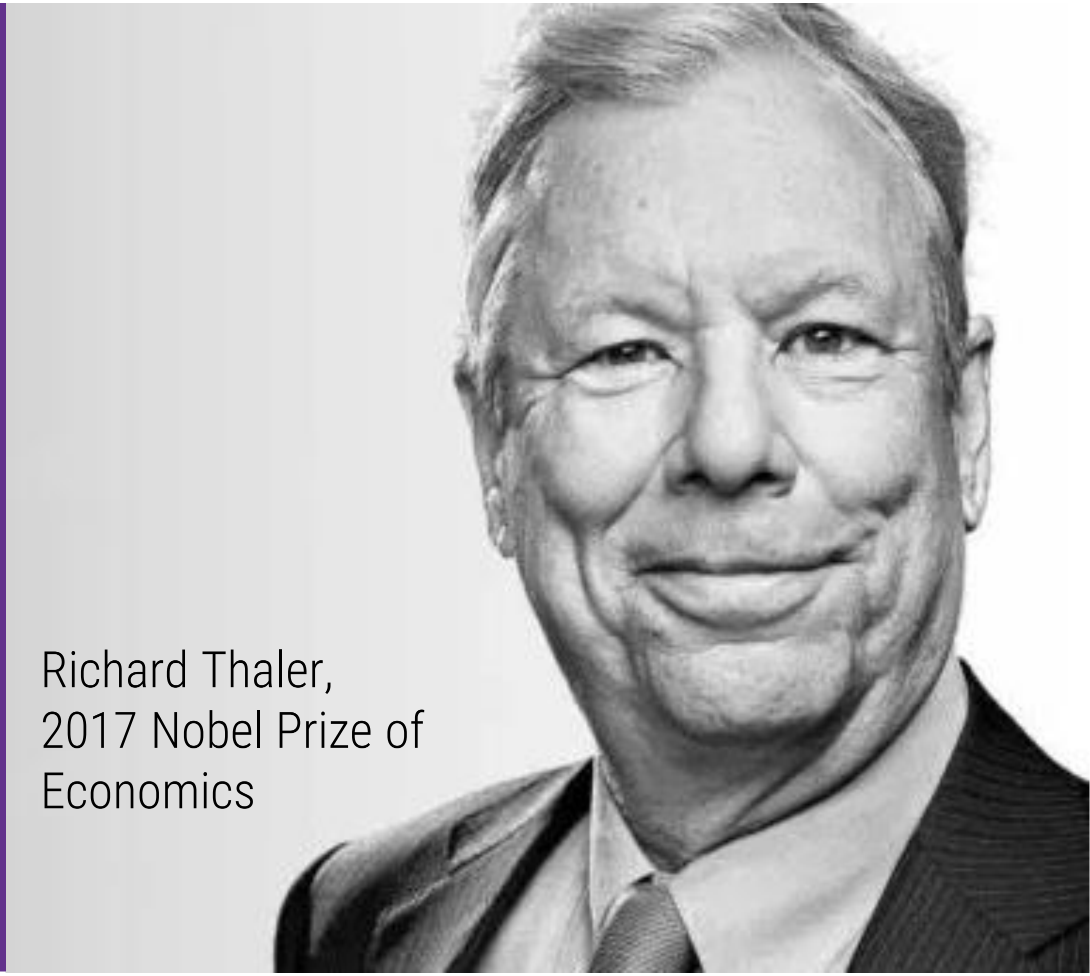
NEW GENERATION OF MOBILE-CENTRIC SERVICES

- PLAY NEXT
- PLAY 4G LTE advanced Internet
- PLAY Now TV

ONE MOBILE PLATFORM
AVAILABLE TO 100% OF POPULATION

Fair PLAY

„The value of seeming fair should be especially high for firms that plan to be in business selling to the same customers for a long time”.



Source: R. Thaler, *Misbehaving: The Making of Behavioral Economics* (2017)

Q&A Session

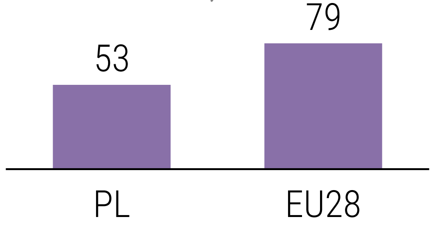
Glossary

ADSL	Asymmetric digital subscriber line
ARPU	Average revenue per user
CRM	Customer relationship management
DOCSIS	Data Over Cable Service Interface Specification
FCFE	Free cash flow to equity
FMC	Fixed-mobile convergence
FTTH	Fibre-to-the-home
HH	Households
HP	Home Passed
ISP	Internet service provider
MCC	Mobile-centric convergence
MNO	Mobile network operator
MNP	Mobile number portability
Mobile BB	Mobile broadband
NPS	Net Promoter Score
OTT TV	‘Over-the-top’ TV
POS	Point of sale
RGU	Revenue generating unit
SVOD	Subscription video on demand
VDSL	Very High Bitrate Digital Subscriber Line
xDSL	x Digital subscriber line

Low fixed broadband penetration also allows for mobile-centric convergence

LOW FIXED BROADBAND PENETRATION
(DUE TO HIGH ROLL-OUT COSTS IN SPARSELY POPULATED AREAS)

NGA BROADBAND PENETRATION [1]
% Households, H1'2017

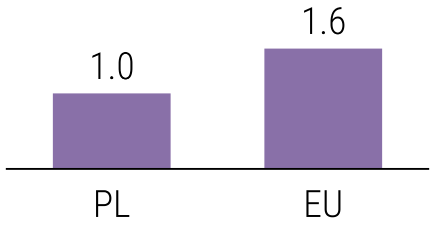


Fixed-mobile convergence (FMC) services are limited to ~55% of households

Mobile-centric convergence services are available to ~100% of households

PRICES AND ARPU ARE ALREADY VERY LOW

NORMALISED FIXED + MOBILE ARPU [2]
%, 2016



Limited scope for FMC discounts – a prerequisite to drive consumer uptake of FMC offers

Mobile broadband is already used by ~50% of households [3]

Mobile-centric convergence is best-suited to Poland

Note: NGA – Next-Generation Access network
Source: 1 – European Commission, 2 – ARPU as % of real expenditure per capita, Analysis Mason, Ovum, Eurostat, ADL; 3 – Datawise, UKE, 2017

Customers believe PLAY is best positioned to address their digital needs

TOP EXPECTATIONS OF MOBILE OPERATOR

Importance % surveyed customers

TAILORED CUSTOMER SERVICE

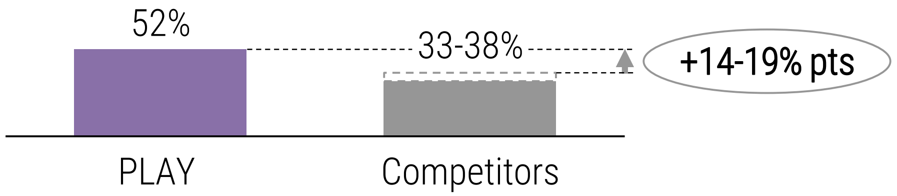
74%

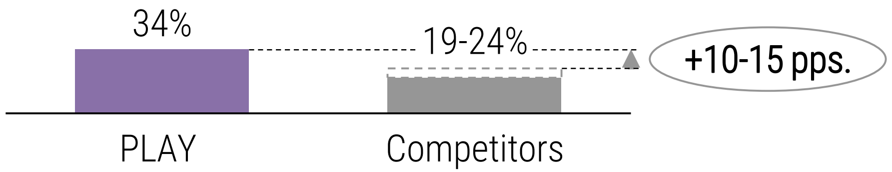
TECHNOLOGY & INNOVATION

62%

MOST IMPORTANT CHARACTERISTICS OF DIGITAL SERVICES

Perception % surveyed customers [1]





PLAY leads in customers' expectations for technology innovation and customer service

Source: 1 - Perception of "treats everyone individually" adn "modern, technologically advanced", segmentation study H1'18, n=1300