

13 May 2019

PLAY COMMUNICATIONS S.A.*

(“Play” or the “Company”)

Results for the first quarter 2019

Play starts the year with double digit adjusted EBITDA growth, reflecting excellent business performance and focus on network quality

- **Operating revenue increased by 3.0% YoY to PLN 1.7bn driven by improvements in both usage revenue and sales of goods**
- **Adjusted EBITDA reached PLN 576m (+11.2% YoY), reflecting predominantly sound top line result as well as higher service and sales of goods margins**
- **Active contract subscriber base up by ca. 320k YoY (+3.6%) with stable low churn (0.8%), further increase in shares of contract subscribers (66%) and bundled customers (42%), maintaining leading market position (15m reported customers)**
- **FCFE generation of PLN 181m in Q1, up by 54.3% YoY**

Play (WSE: PLY), the leading Polish mobile network operator, today announces its results for the first quarter 2019. The results reconfirm Play’s leading market position with improvements in customer base, revenue, adjusted EBITDA, net profitability and cash generation.

Jean Marc Harion, CEO of P4, commented:

“Building upon strategic pillars defined last year, Play entered year 2019 recording positive trends across key operating and financial metrics. With further focus on building value of existing customer base, we are pleased to observe continued development in volume and usage which translated into higher than expected revenue growth in Q1. More importantly – on the backdrop of revenue increase we were able to significantly improve our adjusted EBITDA, mainly thanks to efforts put into our own national network roll-out out coupled with negotiating international termination rates. This clearly underlines relevance of our decision to become independent from national roaming through accelerated build up of our own infrastructure. In our 5G-Ready areas, we are able to provide data speeds above 100 Mbps, anticipating future 5G quality of service.

Going forward we believe that recently launched Play Now TV service for big screen and planned new mobile offerings will support Play in the top line. This combined with further actions aimed at maintaining Play a lean operation will allow us to deliver upon the full year and medium-term ambitions.”

Operational Highlights:

- **Reconfirmed Play’s position as Poland’s leading mobile-convergent operator:**
 - 12.7m active customers and 15.0m reported customers (+2.3% and -0.9% YoY, respectively);
 - Contract customer share up to 66.0% (+2.8pp YoY) whilst contract churn remained low and stable at 0.8%;
 - Blended ARPU stable YoY at PLN 31.8 and 42% share of bundled SIM cards (+4.2pp YoY) driving ARPA increase
 - Friendly User Tests of Play Now TV (network agnostic TV Box service for big screen) completed – commercially launched in April 2019.
- **Network roll-out on target:**
 - 7,124 sites operational at the end of March 2019 (+20% YoY), with 4G LTE population coverage at 97.4%;
 - Continuous leadership in own network data transmission according to SpeedTest.pl since November 2018;
 - 11% of sites upgraded to 5G-Ready quality.

* Play Communications S.A. is the holding company for Play Group which operating subsidiary P4 Sp. z o.o. manages the Play brand.

Financial Highlights:

- Operating revenue reached PLN 1,686m (+3.0% YoY), driven by both growth in usage revenue (+3.6% YOY) and sales of goods (+4.1% YoY), with the latter supported by wholesale transactions;
- Adjusted EBITDA amounted to PLN 576m (+11.2% YoY) reflecting mainly improvement in service and sales of goods margins, driven by reduced roaming costs and stronger handset pricing, respectively;
- Net profit was up to PLN 214m (+39.7% YoY), a function of EBITDA growth with higher depreciation offset by lower net finance costs and income tax charge.
- Cash capex amounted to PLN 238m (+31.2% YoY), driven by intensive current investment process combined with spill-over of payments from Q4 2018.
- Free cash flow to equity (post lease payments) (FCFE¹) of PLN 181m (+54.3% YoY) reflects stronger EBITDA offsetting higher cash capex, while lower change in working capital (lower increase in inventories YoY) makes the main difference.
- Board of Directors decided on distribution of 45% of FCFE generated in 2018 in a form of interim dividend at PLN 1.45 per share, which was paid on May 10th.

Holger Püchert, CFO of P4, commented:

“Our financials strengthened across the board in Q1 with the most visible progress in adjusted EBITDA which translated into higher Net Profit. Strong cash flow generation, continuous repayment of senior term loan and improvement in adjusted EBITDA reduced our leverage below 3x Net Debt to LTM adjusted EBITDA² and enhance financing capacity.”

2019 guidance status:

	Q1 Results	FY 2019 Guidance	Interpretation for FY Guidance
Revenue	+3%	Growth below 2018 result	Confirmed
Adjusted EBITDA	PLN 576m	PLN 2.2-2.3bn	At higher end of guidance
Cash capex	PLN 238m	Up to PLN 800m	Confirmed
FCFE	PLN 181m	PLN 670-750m	At higher end of guidance

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 LTM: Last 12 months, Net Debt defined as in Q1 2019 quarterly report.

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

	Three months ended March 31		Change
	2018	2019	
Operating revenue	1,637	1,686	3.0%
EBITDA	510	574	12.4%
Adj. EBITDA	518	576	11.2%
Net profit	153	214	39.7%
Cash Capex	(181)	(238)	31.2%
FCFE	117	181	54.3%
Total Reported Customers (in '000)	15,176	15,032	(0.9%)
Reported Contract Customers (in '000)	9,590	9,917	3.4%
Total Active Customers (in '000)	12,387	12,666	2.3%
Active Contract Customers (in '000)	8,735	9,053	3.6%
Net Contract Additions (in '000)	160	51	(68.0%)
Contract Churn (%)	0.8%	0.8%	0.00 pp
Contract ARPU (PLN)	37.5	37.1	(1.0%)
Data Usage per Contract Customer (MB)	6,123	7,351	20.1%
Network sites build in the period (net)	201	121	(39.8%)

Conference call and presentation webcast

The management team will host an analyst and investor conference call at 08.00am UK time (9:00am CET), on Tuesday 14th May 2019, including a Question and Answer session. Financial results for the three months ended 31st March 2019 will be 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/2086605>

Conference call ID: 2086605

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/m6/p/i2mzno8a>

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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 March 31, 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.