Capital Markets Day – October 13, 2016

Red Arrow

Jan Frouman
We engage audiences worldwide
We are raising our 2018 target by EUR 100m

Revenue target

[in EUR m]

<table>
<thead>
<tr>
<th>Year</th>
<th>H1 2016 LTM</th>
<th>Old 2018 target</th>
<th>New 2018 target</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>95</td>
<td>303</td>
<td>370</td>
</tr>
<tr>
<td>2016 LTM</td>
<td>303</td>
<td>370</td>
<td>470</td>
</tr>
</tbody>
</table>

1) New 2018 revenue growth target: +EUR 375m
### Continuously improving KPIs

<table>
<thead>
<tr>
<th>Number of productions&lt;sup&gt;1)&lt;/sup&gt;</th>
<th>Number of hours produced</th>
<th>Number of returning shows&lt;sup&gt;2)&lt;/sup&gt;</th>
<th>Returning shows’ rate&lt;sup&gt;3)&lt;/sup&gt;</th>
<th>Shows in the catalogue&lt;sup&gt;4)&lt;/sup&gt;</th>
<th>Number of int’l sales clients&lt;sup&gt;4)&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>330+</strong></td>
<td><strong>1,200+</strong></td>
<td><strong>130+</strong></td>
<td><strong>65%</strong></td>
<td><strong>870+</strong></td>
<td><strong>240</strong></td>
</tr>
<tr>
<td>vs. 230+ in H1 2015</td>
<td>vs. 860+ in H1 2015</td>
<td>vs. 60+ in H1 2015</td>
<td>vs. 49% in H1 2015</td>
<td>vs. 800+ in H1 2015</td>
<td>vs. 225 in H1 2015</td>
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</table>

Continuous improvement in all operational KPIs

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1) Incl. pilots, new and returning productions, multiple seasons counted as separate productions.
2) Returning shows with revenues booked in H1 2015.
3) % returning shows as of revenues.
4) Cumulative 2010 to 2016.

Note: All figures referring to H1 2016 vs. H1 2015 if not stated otherwise.
Extended footprint in financially essential US market

High-quality US investments

1) Minority investment
2) Share of H1 2016 LTM external revenues generated by US production entities

US accounts for 72% of our total revenues

1) Minority investment
2) Share of H1 2016 LTM external revenues generated by US production entities
Key strategies and growth plan

1. Expand and organically grow **US portfolio** of production companies
2. Create and own **new blockbuster formats**
3. Leverage synergies with **German TV channels** (BC GS)
4. Expand **digital production** capabilities and synergies with digital assets
5. Build an integrated **Digital Content Ecosystem** around thematic verticals
Continue to build scale with smart US-centric acquisitions

**US market forecast 2015-2020E**

<table>
<thead>
<tr>
<th>Year</th>
<th>Est. programming spend of TV broadcasters(^1) [in EUR bn]</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>33</td>
</tr>
<tr>
<td>2018E</td>
<td>38</td>
</tr>
<tr>
<td>2020E</td>
<td>39</td>
</tr>
</tbody>
</table>

\(^1\) Source: SNL Kagan (incl. basic cable channels without sports rights, premium channels and broadcast stations; homeshopping and RSN not included)  
\(^2\) Deviations due to rounding

**US investment strategy**

- **Majority and minority bolt-on investments** with path to control and 5-7 year partnership model
- Secure access to globally attractive **English-language scripted and non-scripted** high-quality IP and assets
- Transactions based on accretive valuations and margins to create a healthy, **non-cannibalizing portfolio**
Diversified production and customer portfolio

<table>
<thead>
<tr>
<th>Diversified slate of new and returning shows in all genres …</th>
<th>… catering to 200+ broadcasters and platforms worldwide</th>
</tr>
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<tbody>
<tr>
<td><strong>FICTION</strong></td>
<td><strong>S3 already commissioned</strong></td>
</tr>
<tr>
<td><strong>REAL REALITY</strong></td>
<td><strong>Sold to 10+ territories</strong></td>
</tr>
<tr>
<td><strong>SOCIAL EXPERIMENTS</strong></td>
<td><strong>Sold to 24+ territories</strong></td>
</tr>
<tr>
<td><strong>FACTUAL</strong></td>
<td><strong>Produced in 30+ countries</strong></td>
</tr>
<tr>
<td><strong>Our formats are produced in</strong></td>
<td><strong>Format ready-mades are sold into</strong></td>
</tr>
<tr>
<td>&gt;35 territories</td>
<td>&gt;130 territories</td>
</tr>
<tr>
<td><strong>Ø 8-10 new format launches per year</strong></td>
<td></td>
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Build-up strong IP assets and create new blockbuster formats for long-term sustainable value
We already account for over 10% of BC GS’s commissioned spendings

Increasing share of own productions

Red Arrow share of BC GS’s commissioned content [as % of commissioned spendings]

<table>
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<tr>
<th></th>
<th>H1 2015 LTM</th>
<th>H1 2016 LTM</th>
<th>2018E</th>
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<tr>
<td>8%</td>
<td></td>
<td>10%</td>
<td>&gt;20%</td>
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Joint format development process with BC GS

Launched YTD 2016

- “Ran an den Mann”
- “Kiss Bang Love”
- “So tickt der Mensch”
- “The Taste”

Pipeline 2016/2017

- Up to 11.2%
- Up to 14.1%

1) Base: All German TV households (German-speaking), A 14-49 years, Mon-Sun, full day 3-3h
Strong market demand for our digital production units

DIGITAL CONTENT HUBS
Optimized synergies between Red Arrow production companies

DIGITAL PRODUCTION AND DISTRIBUTION
New Red Arrow customers

DIGITAL IP OWNERSHIP
Complement content portfolio with thematically well-targeted channels

Three networks already launched
+15 new intl. platforms vs. PY
Our vision is to build an integrated Digital Content Ecosystem

**CONTENT PRODUCTION**
- Professional TV content
- Digital content
- Webstar content

**THEMATIC PACKAGING**
- Thematically focused content

**MULTICHOannel CONTENT DISTRIBUTION**
- P7S1 thematic digital platforms
  - Health & wellbeing
  - Food
  - Lifestyle & fashion

**MONETIZATION/ CUSTOMERS**
- Consumers (ads & subscriptions)
  - P7S1 and Media Alliance
- TV platforms and broadcasters
- Publishers

Ramp-up digital content production (low cost, high volume)

Monetize globally and feed our entertainment platforms
Key actions until 2018

- Increase **Red Arrow share** of BC GS’s commissioned content to >20%
- Continue to invest in globally attractive **scripted and non-scripted IP**
- Build an integrated **Digital Content Ecosystem** around thematic verticals