

AGORA GROUP

Condensed
interim
consolidated
financial statements
**as at 30 June 2018
and for three and
six month period
ended thereon**

August 10, 2018

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2018

	As at 30 June 2018 unaudited	As at 31 March 2018 unaudited	As at 31 December 2017 adjusted*	As at 1 January 2017 adjusted*
Assets				
Non-current assets:				
Intangible assets	433,617	434,704	437,942	462,781
Property, plant and equipment	505,927	513,881	513,965	627,510
Long-term financial assets	83	83	83	83
Investments in equity accounted investees	1,750	7,383	7,847	21,417
Receivables and prepayments	16,711	14,922	14,937	14,287
Deferred tax assets	18,507	19,403	16,537	13,374
	976,595	990,376	991,311	1,139,452
Current assets:				
Inventories	30,945	31,464	34,792	33,829
Accounts receivable and prepayments	213,796	239,754	253,601	264,302
Income tax receivable	1,835	286	200	836
Short-term securities and other financial assets	118,320	1,063	92,834	80,032
Cash and cash equivalents	42,740	128,029	19,198	50,197
	407,636	400,596	400,625	429,196
Non-current assets held for sale	-	-	13,747	10,682
	407,636	400,596	414,372	439,878
Total assets	1,384,231	1,390,972	1,405,683	1,579,330

* the adjustments to comparative amounts were described in note 2 to the semi-annual consolidated financial statements.

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2018 (CONTINUED)

	As at 30 June 2018 unaudited	As at 31 March 2018 unaudited	As at 31 December 2017 adjusted*	As at 1 January 2017 adjusted*
Equity and liabilities				
Equity attributable to equity holders of the parent:				
Share capital	47,665	47,665	47,665	47,665
Treasury shares	(21,744)	(21,744)	(21,744)	-
Share premium	147,192	147,192	147,192	147,192
Retained earnings and other reserves	806,826	829,796	822,505	902,266
	979,939	1,002,909	995,618	1,097,123
Non-controlling interest	17,806	21,794	19,065	20,195
Total equity	997,745	1,024,703	1,014,683	1,117,318
Non-current liabilities:				
Deferred tax liabilities	13,306	13,291	12,328	23,768
Long-term borrowings	57,323	52,506	56,108	71,931
Other financial liabilities	30,605	30,605	30,605	24,707
Retirement severance provision	2,903	2,804	2,804	2,745
Provisions	1,423	406	539	696
Accruals and other liabilities	3,350	3,085	2,627	3,043
Contract liabilities	682	1,273	1,358	1,499
	109,592	103,970	106,369	128,389
Current liabilities:				
Retirement severance provision	298	298	298	228
Trade and other payables	222,541	211,872	231,871	250,198
Income tax liabilities	5,057	4,114	7,039	14,114
Short-term borrowings	31,336	28,179	29,169	38,988
Other financial liabilities	-	-	-	9,818
Provisions	3,643	4,314	3,296	7,541
Contract liabilities	14,019	13,522	12,958	12,736
	276,894	262,299	284,631	333,623
Total equity and liabilities	1,384,231	1,390,972	1,405,683	1,579,330

* the adjustments to comparative amounts were described in note 2 to the semi-annual consolidated financial statements.

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED INCOME STATEMENT FOR THREE AND SIX MONTHS ENDED 30 JUNE 2018

	Note	Three months ended 30 June 2018 unaudited	Six months ended 30 June 2018 unaudited	Three months ended 30 June 2017 unaudited	Six months ended 30 June 2017 unaudited
Revenue	2	258,258	536,255	282,715	583,683
Cost of sales		(181,689)	(378,549)	(196,145)	(411,315)
Gross profit		76,569	157,706	86,570	172,368
Selling expenses		(49,051)	(96,064)	(48,813)	(101,254)
Administrative expenses		(35,756)	(70,750)	(31,705)	(63,675)
Other operating income		2,932	19,559	2,728	7,048
Other operating expenses		(17,476)	(20,167)	(1,994)	(4,139)
Operating profit/(loss)	2	(22,782)	(9,716)	6,786	10,348
Finance income		27,563	28,329	706	1,538
Finance costs		(1,232)	(2,102)	(1,199)	(2,579)
Share of results of equity accounted investees		(251)	(715)	(1,624)	(3,657)
Profit before income taxes		3,298	15,796	4,669	5,650
Income tax		(3,133)	(5,914)	(3,940)	(11,044)
Profit/(loss) for the period		165	9,882	729	(5,394)
Attributable to:					
Equity holders of the parent		335	8,511	334	(7,840)
Non-controlling interest		(170)	1,371	395	2,446
		165	9,882	729	(5,394)
Basic/diluted earnings per share (in PLN)		0.01	0.18	0.01	(0.16)

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THREE AND SIX MONTHS ENDED 30 JUNE 2018

	Three months ended 30 June 2018 unaudited	Six months ended 30 June 2018 unaudited	Three months ended 30 June 2017 unaudited	Six months ended 30 June 2017 unaudited
Profit/(loss) for the period	165	9 882	729	(5 394)
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
	-	-	-	-
Items that will be reclassified to profit or loss				
	-	-	-	-
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	165	9 882	729	(5 394)
Attributable to:				
Shareholders of the parent	335	8 511	334	(7 840)
Non-controlling interests	(170)	1 371	395	2 446
	165	9 882	729	(5 394)

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2018

Attributable to equity holders of the parent

	Share capital	Treasury shares	Share premium	Retained earnings and other reserves	Total	Non-controlling interest	Total equity
Six months ended 30 June 2018							
As at 31 December 2017 audited	47,665	(21,744)	147,192	822,505	995,618	19,065	1,014,683
Total comprehensive income for the period							
Net profit for the period	-	-	-	8,511	8,511	1,371	9,882
Total comprehensive income for the period	-	-	-	8,511	8,511	1,371	9,882
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Equity-settled share-based payments	-	-	-	-	-	713	713
Dividends declared	-	-	-	(23,290)	(23,290)	-	(23,290)
Dividends of subsidiaries	-	-	-	-	-	(4,244)	(4,244)
Total contributions by and distributions to owners	-	-	-	(23,290)	(23,290)	(3,531)	(26,821)
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests	-	-	-	(15)	(15)	15	-
Additional contribution of non-controlling shareholders	-	-	-	(885)	(885)	886	1
Total changes in ownership interests in subsidiaries	-	-	-	(900)	(900)	901	1
Total transactions with owners	-	-	-	(24,190)	(24,190)	(2,630)	(26,820)
As at 30 June 2018 unaudited	47,665	(21,744)	147,192	806,826	979,939	17,806	997,745

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2018 (CONTINUED)

	Attributable to equity holders of the parent					Non-controlling interest	Total equity
	Share capital	Treasury shares	Share premium	Retained earnings and other reserves	Total		
Six months ended 30 June 2017							
As at 31 December 2016 audited	47,665	-	147,192	902,266	1,097,123	20,195	1,117,318
Total comprehensive income for the period							
Net profit/(loss) for the period	-	-	-	(7,840)	(7,840)	2,446	(5,394)
Total comprehensive income for the period	-	-	-	(7,840)	(7,840)	2,446	(5,394)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Dividends of subsidiaries	-	-	-	-	-	(1,866)	(1,866)
Total contributions by and distributions to owners	-	-	-	-	-	(1,866)	(1,866)
Changes in ownership interests in subsidiaries							
Acquisition of non-controlling interests	-	-	-	3,579	3,579	(3,579)	-
Additional contribution of non-controlling shareholder	-	-	-	(13)	(13)	93	80
Sale of a subsidiary	-	-	-	-	-	35	35
Total changes in ownership interests in subsidiaries	-	-	-	3,566	3,566	(3,451)	115
Total transactions with owners	-	-	-	3,566	3,566	(5,317)	(1,751)
As at 30 June 2017 unaudited	47,665	-	147,192	897,992	1,092,849	17,324	1,110,173

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THREE AND SIX MONTHS ENDED 30 JUNE 2018

	Three months ended 30 June 2018 unaudited	Six months ended 30 June 2018 unaudited	Three months ended 30 June 2017 adjusted *	Six months ended 30 June 2017, adjusted *
Cash flows from operating activities				
Profit before income taxes	3,298	15,796	4,669	5,650
Adjustments for:				
Share of results of equity accounted investees	251	715	1,624	3,657
Depreciation of property, plant and equipment	14,505	31,228	19,290	38,732
Amortization of intangible assets	5,990	12,600	5,342	11,224
Interest, net	594	1,187	810	1,659
(Profit) / loss on investing activities	(27,102)	(41,862)	(404)	(2,405)
(Increase) / decrease in inventories	519	3,847	3,889	6,362
(Increase) / decrease in receivables	10,106	26,437	(3,128)	23,272
(Decrease) / increase in payables	(9,718)	(21,988)	(36,545)	(44,373)
(Decrease) / increase in provisions	445	1,330	(201)	(5,575)
(Decrease) / increase in contract liabilities	(95)	384	(859)	(556)
(Profit) / loss on disposal/acquisition of subsidiary	-	-	159	159
Other adjustments	576	1,006	203	323
Cash generated from operations	(631)	30,680	(5,151)	38,129
Income taxes paid	(2,798)	(6,982)	(1,441)	(13,902)
Net cash from operating activities	(3,429)	23,698	(6,592)	24,227
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment and intangibles	12,645	40,513	7,506	14,885
Disposal of subsidiaries (net of cash disposed), associates and jointly controlled entities	32,081	32,111	(13)	(13)
Loan repayment received	1,030	1,030	1,000	1,000
Interest received	79	181	685	836
Disposal of short-term securities	15,033	123,298	64,941	92,863
Other inflows (1)	10,800	10,800	-	-
Purchase of property, plant and equipment and intangibles	(16,411)	(46,190)	(11,117)	(30,297)
Acquisition of short-term securities	(133,000)	(149,000)	(5,000)	(42,000)
Loans granted	-	-	-	(124)
Net cash used in investing activities	(77,743)	12,743	58,002	37,150

	Three months ended 30 June 2018 unaudited	Six months ended 30 June 2018 unaudited	Three months ended 30 June 2017 adjusted *	Six months ended 30 June 2017, adjusted *
Cash flows from financing activities				
Proceeds from borrowings	8,234	8,626	25,000	27,972
Other inflows	-	1	80	80
Acquisition of non-controlling interest	-	-	(3,183)	(3,183)
Dividends paid to non-controlling shareholders	(1,303)	(1,303)	(1,866)	(1,866)
Repayment of borrowings	(6,966)	(12,155)	(35,442)	(37,867)
Outflows from cash pooling	-	-	(1,832)	(9,804)
Payment of finance lease liabilities	(3,228)	(6,436)	(4,088)	(8,457)
Interest paid	(664)	(1,344)	(806)	(1,767)
Other	(190)	(288)	(244)	(329)
Net cash used in financing activities	(4,117)	(12,899)	(22,381)	(35,221)
Net increase / (decrease) in cash and cash equivalents	(85,289)	23,542	29,029	26,156
Cash and cash equivalents				
At start of period	128,029	19,198	47,324	50,197
At end of period	42,740	42,740	76,353	76,353

* the adjustments to comparative amounts were described in note 2 to the semi-annual consolidated financial statements.

(1) other inflows relate to the partial refund of cash deposits to company AMS S.A. connected with collateral securing the concession contract for construction and utilization of bus shelters in Warsaw.

Accompanying notes are an integral part of these condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2018 AND FOR 3 AND 6 MONTHS PERIOD ENDED THEREON

1. GENERAL INFORMATION

Agora S.A. with its registered seat in Warsaw, Czerska 8/10 street ("the Company") principally conducts publishing activity (including *Gazeta Wyborcza*, magazines, periodicals and books) and carries out internet activity. The Agora Group ("the Group") is active in the cinema segment through its subsidiary Helios S.A. and in the outdoor segment through its subsidiary AMS S.A. Moreover, the Group controls 4 radio broadcasting companies and offers printing services for external clients in printing houses belonging to the Company and to its subsidiary Agora Poligrafia Sp. z o.o. The Group also engages in projects related to production and co-production of movies through the company Next Film Sp. z o.o. and in food service activity through the company Foodio Concepts Sp. z o.o. Until 14 June 2018 the Group was also present in TV segment by holding shares in Stopklatka S.A.

As at 30 June 2018 the Agora Group comprised: the parent company Agora S.A. and 18 subsidiaries. Additionally, the Group held shares in jointly controlled entity Online Technologies HR Sp. z o.o. and in 2 associates: Instytut Badan Outdooru IBO Sp. z o.o. and Hash.fm Sp. z o.o.

The condensed interim consolidated financial statements were prepared as at and for three and six months ended 30 June 2018, with comparative figures presented as at 31 March 2018 and as at 31 December 2017 and as at 1 January 2017 and for three and six months ended 30 June 2017.

The condensed interim consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on August 10, 2018.

2. SALES AND SEGMENT INFORMATION

In these condensed interim consolidated financial statements, in accordance with IFRS 8 *Operating segments*, information on operating segments are presented on the basis of components of the Group that management monitors in making decisions about operating matters. Operating segments are components of the Group, about which separate financial information is available, that is evaluated regularly by the chief operating decision maker in the process of decision making regarding allocation of resources and assessing the performance of the Group. For management purposes, the Group is organized into business units based on their products and services.

Detailed information about the accounting policies for presentation of operating segments and the scope of their activity have been included in the condensed semi-annual consolidated financial statements as at 30 June 2018 and for six month period ended thereon.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 June 2018							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Revenues from external customers	64,622	52,917	46,718	45,682	28,272	18,473	1,574	258,258
Intersegment revenues (2)	3,109	1,845	559	783	858	237	(7,391)	-
Total revenues	67,731	54,762	47,277	46,465	29,130	18,710	(5,817)	258,258
Total operating cost (1), (2), (3)	(77,524)	(71,288)	(36,584)	(40,584)	(23,258)	(19,108)	(12,694)	(281,040)
Operating profit (loss) (1)	(9,793)	(16,526)	10,693	5,881	5,872	(398)	(18,511)	(22,782)
Net finance income and cost							26,331	26,331
Share of results of equity accounted investees (3)	-	-	-	(34)	-	-	(217)	(251)
Income tax expense							(3,133)	(3,133)
Net profit								165

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the *Outdoor* segment to other segments;

(3) *reconciling positions* show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company's headquarters, which are allocated to segments since the first quarter of 2018), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 21,385 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group. In case of equity accounted investees, the reconciling positions include the investment in Stopklatka S.A.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 June 2018							
	Movies and books (3)	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Operating depreciation and amortisation	(7,166)	(333)	(4,934)	(1,139)	(1,017)	(1,737)	(3,419)	(19,745)
Amortisation recognised on consolidation (1)	(129)	-	-	(684)	-	-	63	(750)
Impairment losses	(112)	(15,885)	(171)	-	(53)	(67)	-	(16,288)
<i>including non-current assets</i>	-	-	-	-	-	-	-	-
Reversals of impairment losses	-	318	249	38	23	28	72	728
<i>including non-current assets</i>	-	-	-	-	-	-	-	-
Equity-settled share-based payments	(109)	-	-	(302)	-	-	-	(411)
Cost of restructuring	-	(2,200)	-	-	-	-	-	(2,200)
Capital expenditure (2)	14,110	420	2,443	1,758	415	31	2,412	21,589

(1) is not presented in operating result of the Group's segments;

(2) based on invoices booked in the period.

(3) capital expenditure include also lease property, plant and equipment in the amount of PLN 9,940 thousand.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2018							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Revenues from external customers	175,811	100,577	82,449	85,133	53,690	35,459	3,136	536,255
Intersegment revenues (2)	7,006	3,855	763	1,575	1,466	633	(15,298)	-
Total revenues	182,817	104,432	83,212	86,708	55,156	36,092	(12,162)	536,255
Total operating cost (1), (2), (3)	(175,969)	(125,554)	(69,121)	(78,196)	(47,031)	(38,321)	(11,779)	(545,971)
Operating profit / (loss) (1)	6,848	(21,122)	14,091	8,512	8,125	(2,229)	(23,941)	(9,716)
Net finance income and cost							26,227	26,227
Share of results of equity accounted investees (3)	-	-	-	(148)	-	-	(567)	(715)
Income tax							(5,914)	(5,914)
Net profit								9,882

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the *Outdoor* segment to other segments;

(3) *reconciling positions* show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company's headquarters, which are allocated to segments since the first quarter of 2018), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 29,782 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group. In case of equity accounted investees, the reconciling positions include the investment in Stoplatka S.A.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2018							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Operating depreciation and amortisation	(15,032)	(679)	(9,842)	(2,300)	(2,006)	(3,792)	(8,677)	(42,328)
Amortisation recognised on consolidation (1)	(259)	-	-	(1,368)	-	-	127	(1,500)
Impairment losses	(110)	(16,765)	(592)	(154)	(157)	(148)	(52)	(17,978)
<i>including non-current assets</i>	-	-	-	-	-	-	-	-
Reversals of impairment losses	87	538	572	151	80	74	9	1,511
<i>including non-current assets</i>	-	-	163	-	-	-	-	163
Equity-settled share-based payments	(109)	-	-	(604)	-	-	-	(713)
Cost of restructuring (2)	-	(2,200)	-	-	-	(1,418)	-	(3,618)
Capital expenditure (3)	22,861	616	3,769	3,294	817	172	3,020	34,549
	As at 30 June 2018							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions (4)	Total
Property, plant and equipment and intangible assets	268,184	57,758	267,225	42,631	85,364	80,667	137,715	939,544
Investments in associates and joint ventures accounted for by the equity method	-	-	-	1,750	-	-	-	1,750

(1) is not presented in operating result of the Group's segments;

(2) cost related to group lay-offs executed in Print segment in the first quarter of 2018 and costs relating to restructuring in Magazine's Department in second quarter of 2018;

(3) based on invoices booked in the period, Movies and books data include also lease property, plant and equipment in the amount of PLN 13,362 thousand;

(4) *reconciling positions* include mainly Company's headquarter (PLN 101,455 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 June 2017							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Revenues from external customers	75,371	60,585	44,860	40,651	27,008	32,514	1,726	282,715
Intersegment revenues (2)	3,598	2,237	294	1,382	879	397	(8,787)	-
Total revenues	78,969	62,822	45,154	42,033	27,887	32,911	(7,061)	282,715
Total operating cost (1), (2), (3)	(80,659)	(58,846)	(33,039)	(35,751)	(23,045)	(34,131)	(10,458)	(275,929)
Operating profit/ (loss) (1)	(1,690)	3,976	12,115	6,282	4,842	(1,220)	(17,519)	6,786
Net finance income and cost							(493)	(493)
Share of results of equity accounted investees (3)	-	-	-	13	-	-	(1,637)	(1,624)
Income tax expense							(3,940)	(3,940)
Net profit								729

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the *Outdoor* segment to other segments;

(3) *reconciling positions* show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company's headquarters, which are allocated to segments since the first quarter of 2018), the Management Board, Agora TC Sp. z o.o. (PLN 22,028 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group. In case of equity accounted investees, the reconciling positions include the investment in Stopklatka S.A. and Green Content Sp. z o.o.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 June 2017							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Operating depreciation and amortisation	(7,860)	(463)	(4,240)	(1,142)	(853)	(5,410)	(3,914)	(23,882)
Amortisation recognised on consolidation (1)	(129)	-	-	(684)	-	-	63	(750)
Impairment losses	(126)	(127)	(326)	(104)	(120)	(22)	(288)	(1,113)
<i>including non-current assets</i>	-	-	-	-	-	-	-	-
Reversals of impairment losses	5	3	228	158	39	138	-	571
<i>including non-current assets</i>	-	-	-	-	-	-	-	-
Capital expenditure (2)	3,409	137	3,359	1,186	765	322	1,173	10,351

(1) is not presented in operating result of the Group's segments;

(2) based on invoices booked in the period;

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2017							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Revenues from external customers	197,820	111,026	79,418	78,483	51,743	61,851	3,342	583,683
Intersegment revenues (2)	8,023	4,374	1,066	2,546	1,948	799	(18,756)	-
Total revenues	205,843	115,400	80,484	81,029	53,691	62,650	(15,414)	583,683
Total operating cost (1), (2), (3)	(187,238)	(113,882)	(62,683)	(74,810)	(48,582)	(66,332)	(19,808)	(573,335)
Operating profit/(loss) (1)	18,605	1,518	17,801	6,219	5,109	(3,682)	(35,222)	10,348
Net finance income and cost							(1,041)	(1,041)
Share of results of equity accounted investees (3)	-	-	-	66			(3,723)	(3,657)
Income tax							(11,044)	(11,044)
Net loss								(5,394)

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the *Outdoor* segment to other segments;

(3) *reconciling positions* show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company's headquarters, which are allocated to segments since the first quarter of 2018), the Management Board, Agora TC Sp. z o.o. (PLN 44,420 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group. In case of equity accounted investees, the reconciling positions include the investment in Stopklatka S.A. and Green Content Sp. z o.o.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2017							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Operating depreciation and amortisation	(16,282)	(937)	(8,526)	(2,307)	(1,716)	(10,810)	(7,878)	(48,456)
Amortisation recognised on consolidation (1)	(259)	-	-	(1,368)	-	-	127	(1,500)
Impairment losses	(418)	(445)	(634)	(434)	(259)	(39)	(294)	(2,523)
<i>including non-current assets</i>	-	-	-	-	-	-	-	-
Reversals of impairment losses	306	144	488	506	160	197	1	1,802
<i>including non-current assets</i>	-	-	-	-	-	-	-	-
Capital expenditure (2)	5,594	352	6,269	2,002	860	1,105	2,719	18,901
	As at 30 June 2017							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions (3)	Total
Property, plant and equipment and intangible assets	267,683	71,770	271,367	65,796	80,930	147,938	160,170	1,065,654
Investments in associates and joint ventures accounted for by the equity method	-	-	-	1,908	-	-	15,852	17,760

(1) is not presented in operating result of the Group's segments;

(2) based on invoices booked in the period;

(3) *reconciling positions* include mainly Company's headquarter (PLN 106,412 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations. In case of equity accounted investees, the reconciling positions include the investment in Stopklatka S.A. and Green Content Sp. z o.o.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

Disaggregation of revenue into main categories based on the nature of transferred goods and services.

Three months ended 30 June 2018								
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Advertising revenue	5,971	27,848	46,901	43,687	27,883	-	(5,519)	146,771
Ticket sales	35,001	-	-	-	244	-	(249)	34,996
Copy sales	6,853	25,573	-	-	-	-	(810)	31,616
Concession sales in cinemas	13,828	-	-	-	-	-	1	13,829
Printing services	-	10	-	-	-	16,494	(5)	16,499
Film distribution and production sales	1,469	-	-	-	-	-	(130)	1,339
Other	4,609	1,331	376	2,778	1,003	2,216	895	13,208
Total sales by category	67,731	54,762	47,277	46,465	29,130	18,710	(5,817)	258,258
Six months ended 30 June 2018								
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Advertising revenue	12,537	49,821	82,447	81,130	52,404	-	(11,329)	267,010
Ticket sales	101,275	-	-	-	307	-	(412)	101,170
Copy sales	14,839	52,349	-	-	-	-	(1,699)	65,489
Concession sales in cinemas	37,845	-	-	-	-	-	(32)	37,813
Printing services	-	10	-	-	-	32,064	-	32,074
Film distribution and production sales	6,449	-	-	-	-	-	(129)	6,320
Other	9,872	2,252	765	5,578	2,445	4,028	1,439	26,379
Total sales by category	182,817	104,432	83,212	86,708	55,156	36,092	(12,162)	536,255

Three months ended 30 June 2017

	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Advertising revenue	5,959	32,124	44,597	38,970	27,180	-	(6,030)	142,800
Ticket sales	43,546	-	-	-	39	-	18	43,603
Copy sales	5,811	29,474	-	1	-	-	(912)	34,374
Concession sales in cinemas	17,545	-	-	-	-	-	(18)	17,527
Printing services	-	6	-	-	-	30,916	-	30,922
Film distribution and production sales	1,116	-	-	-	-	-	(284)	832
Other	4,992	1,218	557	3,062	668	1,995	165	12,657
Total sales by category	78,969	62,822	45,154	42,033	27,887	32,911	(7,061)	282,715

Six months ended 30 June 2017

	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Advertising revenue	15,647	55,855	79,247	74,635	51,413	-	(14,618)	262,179
Ticket sales	108,134	-	-	-	236	-	(400)	107,970
Copy sales	12,332	57,505	-	1	-	-	(1,780)	68,058
Concession sales in cinemas	39,697	-	-	-	-	-	(53)	39,644
Printing services	-	11	-	-	-	58,907	-	58,918
Film distribution and production sales	20,254	-	-	-	-	-	(284)	19,970
Other	9,779	2,029	1,237	6,393	2,042	3,743	1,721	26,944
Total sales by category	205,843	115,400	80,484	81,029	53,691	62,650	(15,414)	583,683

3. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2018 to June 30, 2018 the following changes in impairment losses were accounted (in brackets the amounts for the second quarter of 2018):

- impairment loss for receivables: increase by PLN 15,673 thousand (increase by PLN 14,909 thousand),
- impairment loss for inventory: increase by PLN 1,161 thousand (increase by PLN 718 thousand),
- impairment loss for tangible assets and intangible assets: decrease by PLN 3,502 thousand, includes PLN 3,165 thousand related to the use of impairment loss due to the sale of the press title *Swiat Motocykli* (decrease by PLN 82 thousand).

Additionally in the period from January 1, 2018 to June 30, 2018 the following provisions were changed (in brackets the amounts for the second quarter of 2018):

- provision for penalties, interests and similar: decrease by PLN 469 thousand (decrease by PLN 469 thousand),
- provision for onerous contracts: decrease by PLN 116 thousand (decrease by PLN 58 thousand),
- provision for legal claims and similar: decrease by PLN 162 thousand (decrease by PLN 80 thousand),
- provision for the remuneration and severances for the former Management Board Members: used in the amount of PLN 252 thousand (used in the amount of PLN 75 thousand),
- retirement severance provision: increase by PLN 99 thousand (increase by PLN 99 thousand),
- provision for restructuring: increase by PLN 2,230 thousand, including: set-up in the amount of PLN 3,618 thousand and the use in the amount of PLN 1,388 thousand (increase by PLN 1,028 thousand, including: set-up in the amount of PLN 2,200 thousand and the use in the amount of PLN 1,172 thousand).

4. OTHER NOTES

The Management Board of Agora S.A. believes that the notes to Agora Group's condensed semi-annual consolidated financial statements present all other material information required to assess the Group's financial position and financial results in the period from January, 1, 2018 to June, 30, 2018 and therefore these condensed interim consolidated financial statements should be read together with the condensed semi-annual consolidated financial statements, which are included in the semi-annual report.

Accounting policies applied to prepare condensed interim consolidated financial statements meet the International Accounting Standard 34 "Interim Financial Reporting" and are the same as for the condensed semi-annual consolidated financial statements of Agora Group.

Warsaw, August 10, 2018

Bartosz Hojka - President of the Management Board

Signed on the Polish original

Tomasz Jagiello - Member of the Management Board

Signed on the Polish original

Agnieszka Sadowska - Member of the Management Board

Signed on the Polish original

Anna Krynska-Godlewska - Member of the Management Board

Signed on the Polish original

Grzegorz Kania - Member of the Management Board

Signed on the Polish original