AGORA SA

AGORA GROUP

Condensed semi-annual consolidated financial statements **as at 30 June 2018 and for six month period ended thereon**

August 10, 2018

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2018

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

** the adjustments to comparative amounts were described in note 2.*

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2018 (CONTINUED)

	Note	As at 30 June 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
Treasury shares		(21,744)	(21,744)	-
Share premium		147,192	147,192	147,192
Retained earnings and other reserves		806,826	822,505	902,266
		979,939	**995,618**	**1,097,123**
Non-controlling interest		17,806	19,065	20,195
Total equity		**997,745**	**1,014,683**	**1,117,318**
Non-current liabilities:				
Deferred tax liabilities		13,306	12,328	23,768
Long-term borrowings	3	57,323	56,108	71,931
Other financial liabilities	15	30,605	30,605	24,707
Retirement severance provision		2,903	2,804	2,745
Provisions		1,423	539	696
Accruals and other liabilities		3,350	2,627	3,043
Contract liabilities		682	1,358	1,499
		109,592	**106,369**	**128,389**
Current liabilities:				
Retirement severance provision		298	298	228
Trade and other payables		222,541	231,871	250,198
Income tax liabilities		5,057	7,039	14,114
Short-term borrowings	3	31,336	29,169	38,988
Other financial liabilities		-	-	9,818
Provisions		3,643	3,296	7,541
Contract liabilities		14,019	12,958	12,736
		276,894	**284,631**	**333,623**
Total equity and liabilities		**1,384,231**	**1,405,683**	**1,579,330**

**the adjustments to comparative amounts were described in note 2.*

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED INCOME STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2018

	Note	Six months ended 30 June 2018 unaudited	Six months ended 30 June 2017 unaudited
Revenue	4	536,255	583,683
Cost of sales		(378,549)	(411,315)
Gross profit		**157,706**	**172,368**
Selling expenses		(96,064)	(101,254)
Administrative expenses		(70,750)	(63,675)
Other operating income		19,559	7,048
Other operating expenses		(20,167)	(4,139)
Operating profit/(loss)	4	**(9,716)**	**10,348**
Finance income		28,329	1,538
Finance costs		(2,102)	(2,579)
Share of results of equity accounted investees		(715)	(3,657)
Profit before income taxes		**15,796**	**5,650**
Income tax		(5,914)	(11,044)
Profit/(loss) for the period		**9,882**	**(5,394)**
Attributable to:			
Equity holders of the parent		8,511	(7,840)
Non-controlling interest		1,371	2,446
		9,882	**(5,394)**
Basic/diluted earnings per share (in PLN)		0.18	(0.16)

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

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

	Six months ended 30 June 2018 unaudited	Six months ended 30 June 2017 unaudited
Profit/(loss) for the period	**9,882**	**(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	**9,882**	**(5,394)**
Attributable to:		
Shareholders of the parent	8,511	(7,840)
Non-controlling interests	1,371	2,446
	9,882	**(5,394)**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

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 (note 5)	-	-	-	-	-	713	713
Dividends declared	-	-	-	(23,290)	(23,290)	-	(23,290)
Dividends of subsidiaries	-	-	-	-	-	(4,244)	(4,244)
Total contributions by and distribtutions 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 semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

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

	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 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 distribtutions 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 shareholders	-	-	-	(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 semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2018

	Six months ended 30 June 2018 unudited	Six months ended 30 June 2017, adjusted *
Cash flows from operating activities		
Profit before income taxes	**15,796**	**5,650**
Adjustments for:		
Share of results of equity accounted investees	715	3,657
Depreciation of property, plant and equipment	31,228	38,732
Amortization of intangible assets	12,600	11,224
Interest, net	1,187	1,659
(Profit) / loss on investing activities	(41,862)	(2,405)
(Increase) / decrease in inventories	3,847	6,362
(Increase) / decrease in receivables	26,437	23,272
(Decrease) / increase in payables	(21,988)	(44,373)
(Decrease) / increase in provisions	1,330	(5,575)
(Decrease) / increase in contract liabilities	384	(556)
(Profit) / loss on disposal/acquisition of subsidiary	-	159
Other adjustments	1,006	323
Cash generated from operations	**30,680**	**38,129**
Income taxes paid	(6,982)	(13,902)
Net cash from operating activities	**23,698**	**24,227**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment and intangibles	40,513	14,885
Disposal of subsidiaries (net of cash disposed), associates and jointly controlled entities	32,111	(13)
Loan repayment received	1,030	1,000
Interest received	181	836
Disposal of short-term securities	123,298	92,863
Other inflows (1)	10,800	-
Purchase of property, plant and equipment and intangibles	(46,190)	(30,297)
Acquisition of short-term securities	(149,000)	(42,000)
Loans granted	-	(124)
Net cash used in investing activities	**12,743**	**37,150**

(all amounts in PLN thousands unless otherwise indicated) translation only

	Six months ended 30 June 2018 unudited	Six months ended 30 June 2017, adjusted *
Cash flows from financing activities		
Proceeds from borrowings	8,626	27,972
Other inflows	1	80
Acquisition of non-controlling interest	-	(3,183)
Dividends paid to non-controlling shareholders	(1,303)	(1,866)
Repayment of borrowings	(12,155)	(37,867)
Outflows from cash pooling	-	(9,804)
Payment of finance lease liabilities	(6,436)	(8,457)
Interest paid	(1,344)	(1,767)
Other	(288)	(329)
Net cash used in financing activities	**(12,899)**	**(35,221)**
Net increase / (decrease) in cash and cash equivalents	**23,542**	**26,156**
Cash and cash equivalents		
At start of period	19,198	50,197
At end of period	42,740	76,353

**the adjustments to comparative amounts were described in note 2.*

(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 semi-annual consolidated financial statements.

NOTES TO THE CONDENSED SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2018 AND FOR SIX MONTH 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 semi-annual consolidated financial statements were prepared as at and for six months ended 30 June 2018, with comparative figures presented as at 31 December 2017, 1 January 2017 and for six months ended 30 June 2017.

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

2. STATEMENT OF COMPLIANCE

The condensed semi-annual consolidated financial statements as at 30 June 2018 and for six months ended 30 June 2018 have not been audited by an independent auditor. The consolidated financial statements as at 31 December 2017 and for twelve months ended 31 December 2017 have been audited by an independent auditor who issued an unmodified opinion.

The condensed semi-annual consolidated financial statements have been prepared under International Accounting Standard 34 "Interim Financial Reporting" according to art. 55 point 5 and art. 45 point 1a-1c of Accounting Act (Official Journal from 2018, item 395 with subsequent amendments), regulations issued based on that Act and the Decree of Minister of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2018, item 757).

The condensed semi-annual consolidated financial statements as at 30 June, 2018 should be read together with the audited consolidated financial statements as at December 31, 2017. In the preparation of these condensed semi-annual consolidated financial statements, the Group has followed the same accounting policies as used in the consolidated financial statements as at December 31, 2017, except for changes described below.

For the Group's financial statements for the year started with January 1, 2018 the following new standards and amendments to existing standards, which were endorsed by the European Union, are effective:

1) IFRS 15 *Revenue from Contracts with Customers;*
2) IFRS 9 *Financial Instruments;*
3) Amendments to IFRS 4 *Insurance contracts;*
4) Amendments to IFRS 2 *Share-based Payments;*
5) Amendments to IAS 40 *Investment Property;*
6) Amendments to IFRS - *Improvements 2014-2016;*
7) IFRIC 22 *Foreign Currency Transactions and Advance Consideration.*

The application of the amendments had no significant impact on the consolidated financial statements except for changes in the presentation of selected line items within the balance sheet as a result of the initial application of IFRS 15. The impact on the comparative amounts is presented in the tables below.

Application of IFRS 9

In case of IFRS 9 *Financial Instruments*, the Group concluded that the application of the new standard had no material impact on the methods of measurement of financial instruments. In particular, the Group did not identify any significant changes in classification of financial assets, which would result in a change in their measurement. In respect of credit risk assessment, the Group performed an analysis of its current methodology for calculating impairment losses of receivables, which takes into account an individual loss component and a collective loss component determined on the basis of historical payment statistics, and concludes that the initial application of the standard had no material impact on the value of receivables.

In accordance with the new standard, on initial recognition, the Group classifies financial assets into one of three categories:

- financial assets measured at amortized cost;
- financial assets measured at fair value through profit or loss; or
- financial assets measured at fair value through other comprehensive income.

A financial asset is classified to those measured at amortized cost if the following two conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

The Group`s category financial assets measured at amortized cost includes cash and cash equivalents, loans granted, trade receivables and other receivables.

The Group`s category financial assets measured at fair value through profit or loss includes short- term investments in securities, including certificates in investment funds.

The Group recognises a loss allowance for expected credit losses on financial assets that are classified to financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income. If the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the lifetime expected credit losses. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. Trade receivables of the Group do not contain a significant financing component and the loss allowance for them is measured at an amount equal to lifetime expected credit losses.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money; and
(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group estimates the expected credit losses related to trade receivables by applying an individual loss assessment and a collective loss assessment determined on the basis of historical payment statistics. The Group regularly reviews its methodology and assumptions used for estimating expected credit losses to reduce any differences between estimates and actual credit loss experience.

Application of IFRS 15 and other presentation adjustments

In case of IFRS 15 *Revenue from Contracts with Customers,* The Group conducted the process of assessing the impact that the application of the main provisions of the new standard may have on the financial statements, in particular in relation to multiple-element arrangements, licence agreements, customer rebates and services provided with the engagement of subcontractors. On the basis of the analysis, the Group concluded that the initial application of the standard had no material impact on the timing, amount and nature of revenue presented in the financial statements.

In accordance with the new standard the Group recognises revenue when (or as) it transfers control of promised goods or services to a customer at the amount of the transaction price to which it expects to be entitled with respect to any variable amounts such as rebates granted and sales with a right of return. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that depicts the entity's performance or at a point in time, when control of the goods or services is transferred to the customer.

Revenue is disaggregated into the following main categories based on the nature of transferred goods and services:

- Advertising revenue
- Ticket sales
- Copy sales
- Concession sales in cinemas
- Printing services
- Film distribution and production sales
- Other sales

Revenue from advertising services and from selling a digital access to internet services of *Gazeta Wyborcza* represent revenue recognised over time, because advertising campaigns and access to digital subscription represent services performed throughout the specified time agreed in contracts with customers. Revenue from other goods and services of the Group usually represent revenue recognised at a point in time, when control of the goods or services is transferred to the customer, which is at the moment, when the service is completed or goods are delivered to a customer.

Advance consideration received for goods and services, which were not transferred to customers at the balance sheet date and will be realized in future accounting periods are presented in the balance sheet in the line item "*Contract liabilities*".

As a result of applying IFRS 15, the Group implemented changes in the presentation of selected balance sheet line items and introduced additional disclosures required for interim financial statements related to disaggregation of revenue. In case of balance sheet, there was a change in presentation of returns liability, which previously was recognised in the line item "*Accounts receivable and prepayments*" and now is recognised in the line item „*Trade and other payables*". The above change increased the balance sheet total.

Additionally, due to the application of the new standard, the Group separated from the previous line item „*Deferred revenues and accruals*" a new line item *"Contract liabilities",* which comprises advance consideration received for goods and services, which were not transferred to customers at the balance sheet date and will be realized in future accounting periods. Simultaneously, the other balances within the line item „*Deferred revenues and accruals*" (including mainly cost accruals) were reclassified to the line item „*Trade and other payables*". The above change impacts only the presentation of line items within liabilities and does not impact the balance sheet total.

The Group applied the standard retrospectively in accordance with paragraph IFRS 15.C3a). The comparative amounts in the consolidated balance sheet and consolidated cash flow statement were adjusted accordingly.

The summary of changes to comparative amounts is presented in the tables below (detailed line items within non-current assets and equity were omitted).

(all amounts in PLN thousands unless otherwise indicated) translation only

Balance sheet as at 31 December 2017

	As at 31 December 2017 (as reported)	Presentation adjustments	As at 31 December 2017 (as adjusted)
Non-current assets:	**991,311**	**-**	**991,311**
Current assets:			
Inventories	34,792	-	34,792
Accounts receivable and prepayments	243,806	9,795	253,601
Income tax receivable	200	-	200
Short-term securities and other financial assets	92,834	-	92,834
Cash and cash equivalents	19,198	-	19,198
	390,830	**9,795**	**400,625**
Non-current assets held for sale	13,747	-	13,747
	404,577	**9,795**	**414,372**
Total assets	**1,395,888**	**9,795**	**1,405,683**

	As at 31 December 2017 (as reported)	Presentation adjustments	As at 31 December 2017 (as adjusted)
Total equity	**1,014,683**	**-**	**1,014,683**
Non-current liabilities:			
Deferred tax liabilities	12,328	-	12,328
Long-term borrowings	56,108	-	56,108
Other financial liabilities	30,605	-	30,605
Retirement severance provision	2,804	-	2,804
Provisions	539	-	539
Accruals and other liabilities	3,985	(1,358)	2,627
Contract liabilities	-	1,358	1,358
	106,369	**-**	**106,369**
Current liabilities:			
Retirement severance provision	298	-	298
Trade and other payables	140,381	91,490	231,871
Income tax liabilities	7,039	-	7,039
Short-term borrowings	29,169	-	29,169
Other financial liabilities	-	-	-
Provisions	3,296	-	3,296
Deferred revenues and accruals	94,653	(94,653)	-
Contract liabilities	-	12,958	12,958
	274,836	**9,795**	**284,631**
			-
Total equity and liabilities	**1,395,888**	**9,795**	**1,405,683**

(all amounts in PLN thousands unless otherwise indicated) translation only

Balance sheet as at 1 January 2017

	As at 1 January 2017 (as reported)	Presentation adjustments	As at 1 January 2017 (as adjusted)
Non-current assets:	**1,139,452**	**-**	**1,139,452**
Current assets:			
Inventories	33,829	-	33,829
Accounts receivable and prepayments	254,354	9,948	264,302
Income tax receivable	836	-	836
Short-term securities and other financial assets	80,032	-	80,032
Cash and cash equivalents	50,197	-	50,197
	419,248	**9,948**	**429,196**
Non-current assets held for sale	10,682	-	10,682
	429,930	**9,948**	**439,878**
Total assets	**1,569,382**	**9,948**	**1,579,330**

	As at 1 January 2017 (as reported)	Presentation adjustments	As at 1 January 2017 (as adjusted)
Total equity	**1,117,318**	**-**	**1,117,318**
Non-current liabilities:			
Deferred tax liabilities	23,768	-	23,768
Long-term borrowings	71,931	-	71,931
Other financial liabilities	24,707	-	24,707
Retirement severance provision	2,745	-	2,745
Provisions	696	-	696
Accruals and other liabilities	4,542	(1,499)	3,043
Contract liabilities	-	1,499	1,499
	128,389	**-**	**128,389**
Current liabilities:			
Retirement severance provision	228	-	228
Trade and other payables	160,881	89,317	250,198
Income tax liabilities	14,114	-	14,114
Short-term borrowings	38,988	-	38,988
Other financial liabilities	9,818	-	9,818
Provisions	7,541	-	7,541
Deferred revenues and accruals	92,105	(92,105)	-
Contract liabilities	-	12,736	12,736
	323,675	**9,948**	**333,623**
			-
Total equity and liabilities	**1,569,382**	**9,948**	**1,579,330**

(all amounts in PLN thousands unless otherwise indicated) translation only

Cash flow statement – operating activities

	Six months ended 30 June 2017 (as reported)	Presentation adjustments	Six months ended 30 June 2017 (as adjusted)
Cash flows from operating activities			
Profit before income taxes	**5,650**	**-**	**5,650**
Adjustments for:			
Share of results of equity accounted investees	3,657	-	3,657
Depreciation of property, plant and equipment	38,732	-	38,732
Amortization of intangible assets	11,224	-	11,224
Interest, net	1,659	-	1,659
(Profit) / loss on investing activities	(2,405)	-	(2,405)
(Increase) / decrease in inventories	6,362	-	6,362
(Increase) / decrease in receivables	23,488	(216)	23,272
(Decrease) / increase in payables	(27,978)	(16,395)	(44,373)
(Decrease) / increase in provisions	(5,575)	-	(5,575)
(Decrease) / increase in deferred revenues and accruals	(17,167)	17,167	-
(Decrease) / increase in contract liabilities	-	(556)	(556)
(Profit) / loss on disposal/acquisition of subsidiary	159	-	159
Other adjustments	323	-	323
Cash generated from operations	**38,129**	**-**	**38,129**
Income taxes (paid)/received	(13,902)	-	(13,902)
Net cash from operating activities	**24,227**	**-**	**24,227**

3. LONG-TERM AND SHORT-TERM BORROWINGS

On May 18, 2018, Agora S.A. signed Annex No. 1 to the Credit Line Agreement ("Agreement") concluded with DNB Bank Polska S.A. on May 25, 2017, according to which the Company has a credit limit of PLN 110,000 thousand, which may be used until May 23, 2019 on the same terms as set out in the Agreement. According to the Agreement, the Company has an open credit limit in the current account up to PLN 75,000 thousand ("Overdraft 1") that may be to e.g. finance or refinance acquisitions, investment expenditure and the working capital and after the contractual period, it is automatically converted into a non-renewable loan repayable in quarterly instalments and credit facility in the current account of up to PLN 35,000 thousand ("Overdraft 2") that can be used during the contractual period to finance the working capital and other corporate purposes of the Company including cash pooling facility.

As at 30 June 2018, the Company has an outstanding debt related to the non-renewable loan of PLN 25,042 thousand and finance lease liabilities in the amount of PLN 162 thousand. Moreover, the company AMS S.A. as at 30 June 2018 had outstanding debt within its current account facility in the amount of PLN 2,943 thousand.

As at 30 June 2018, external debt of the Helios S.A. including bank loans and finance lease liabilities amounted to PLN 60,513 thousand. This amount consisted of:

- bank loans in the amount of PLN 23,500 thousand (including PLN 14,333 thousand presented in non-current part);
- finance lease liabilities in the amount of PLN 37,013 thousand (including PLN 26,245 thousand presented in non-current part) - connected mainly with finance leasing of the cinema equipment and cars.

4. SALES AND SEGMENT INFORMATION

In accordance with IFRS 8 *Operating segments,* in these condensed semi-annual consolidated financial statements 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.

The Group activities are divided into six reportable operating segments as follows:

1) the *Movies and Books* segment includes the Group's activities within the cinema management of Helios S.A., film distribution and production activities of Next Film Sp. z o.o. and Next Script Sp. z o.o., the activities of Foodio Concepts Sp. z o.o. as well as the activities of Agora`s Publishing House,

2) the *Press* segment includes the Group's activities related to publishing of the daily *Gazeta Wyborcza* (including digital subscriptions), special editions of *Gazeta Wyborcza* magazines as well as publishing of the magazines within Agora's Magazine Department,

3) the *Outdoor* segment includes the activities within the AMS Group, which provides advertising services on different forms of outdoor advertising panels,

4) the *Internet* segment includes the following Group's activities: the Internet and multi-media products and services within the Agora's Internet department, including internet activities transferred from the Magazines division as well as the activities of companies: Trader.com (Polska) Sp. z o.o., Yieldbird Sp. z o.o., Sir Local Sp. z o.o. (until 31 March 2017), GoldenLine Sp. z o.o. and Optimizers Sp. z o.o.;

5) the *Radio* segment includes the Group's activities within local radio stations, super-regional *TOK FM* radio and Agora's Radio Department,

6) the *Print* segment includes the Group's activities related to printing services within the Agora's Printing Department and Agora Poligrafia Sp. z o.o.

Accounting policies for operating segments are the same as followed by the Agora Group, besides some issues described below.

Data within each reportable segment are consolidated pro-forma. The Management Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Press segment operating costs associated with the production of *Gazeta Wyborcza* are settled on the basis of the allocation of costs from the Print segment. The production costs are settled by allocation of printing services according to a card rate set on the market basis. Since the first quarter of 2018, the Group allocates costs related to office space in the Company`s headquarters to particular operating segments. Moreover, since the first quarter of 2018, the revenue and costs related to magazines' websites in the Magazines division were transferred from the Press segment to the Internet segment. The presentation of data for the comparative periods was adjusted accordingly. Segment performance is evaluated based on operating profit or loss.

Operating results of reportable segments do not include:
a) 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,
b) amortisation recognised on consolidation (described below).

Group financing (including finance costs and finance revenue) and income tax are managed on a Group level and are not allocated to operating segments. Transfer prices between operating segments are set on the market basis in the manner similar to transactions with third parties.

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.), the Management Board, Agora TC Sp. z o.o., Agora Finanse Sp. z o.o., 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 included the investment in Stopklatka S.A. (until 31 May 2018) and in Green Content Sp. z o.o. (until 31 August 2017).

Operating depreciation and amortisation includes amortisation of intangible assets and fixed assets of each segment. Amortisation recognised on consolidation can be defined as consolidation adjustments, inter alia: the amortisation of intangible assets and adjustments to property, plant and equipment recognised directly on consolidation.

Impairment losses and reversals of impairment losses show impairment losses and their reversals presented in other operating expenses and income.

Amount of investment in associates and joint ventures accounted for by the equity method include the amount of acquired shares adjusted by the Group`s share of net results of those entities accounted for by the equity method. The financials presented for six months ended 30 June 2018 and 30 June 2017 relate to Online Technologies HR Sp. z o.o, Instytut Badan Outdooru Sp. z o.o., Stopklatka S.A. (until 31 May 2018), Hash.fm Sp. z o.o. and Green Content Sp. z o.o. (in 2017).

Capital expenditure consists of additions based on the invoices booked in the reported period connected to purchases of intangible and fixed assets. In case of Movies and Books segment capital expenditure do not include outlays related to the cinema fit-out works to the extent in which those outlays are reimbursed by the owners of the premises, in which those cinemas are located.

The Agora Group does not present geographical reporting segments, because its business activities are carried out mainly in Poland.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. 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 Stopklatka S.A.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. 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)
including non-current assets	-	-	-	-	-	-	-	-
Reversals of impairment losses	87	538	572	151	80	74	9	1,511
including non-current assets	-	-	*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 Division 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.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. 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.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. 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)
including non-current assets	-	-	-	-	-	-	-	-
Reversals of impairment losses	306	144	488	506	160	197	1	1,802
including non-current assets	-	-	-	-	-	-	-	-
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.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. SALES AND SEGMENT INFORMATION (CONTINUED)

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

	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 revenue by category	**182,817**	**104,432**	**83,212**	**86,708**	**55,156**	**36,092**	**(12,162)**	**536,255**

	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 revenue by category	**205,843**	**115,400**	**80,484**	**81,029**	**53,691**	**62,650**	**(15,414)**	**583,683**

(all amounts in PLN thousands unless otherwise indicated) translation only

5. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

a) Incentive Plan for the Management Board members

Starting from the second quarter 2018, Management Board members of the Company participate in an incentive program ("Incentive Plan"), within which one of the components (related to the Company`s share price increase) is accounted for as a cash-settled share-based payment. According to the Incentive Plan Management Board members are eligible to receive an Annual Bonus based on two components described below:

(i) the stage of realisation of the target based on the EBITDA of the Agora Group ("the EBITDA target"). The amount of a potential bonus in this component of the Incentive Plan depends on the stage of the EBITDA target fulfillment, which is specified as the EBITDA level of the Agora Group to be reached in the given financial year determined by the Supervisory Board. The fulfillment of the EBITDA target will be determined on the basis of the audited consolidated financial statements of the Agora Group for the given financial year;

(ii) the percent of Company's share price increase ("the Target of Share Price Increase"). The amount of a potential bonus in this component of the Incentive Plan will depend on the percent of Company's share price increase in the future. The share price increase will be calculated as a difference between the average of the quoted closing Company's share prices in the first quarter of the financial year commencing after the financial year for which the bonus is calculated ("the Average Share Price in IQ of Next Year") and the average of the quoted closing Company's share prices in the first quarter of the financial year for which the bonus is calculated ("the Average Share Price in IQ of Bonus Year"). If the Average Share Price in IQ of Next Year will be lower than the Average Share Price in IQ of Bonus Year, the Target of Share Price Increase is not satisfied and the bonus in this component of the Incentive Plan will not be granted, however, the Supervisory Board retains a right to the final verification of the Target of Share Price Increase by reference to the dynamics of changes in stock exchange indexes on capital markets.

The bonus from the Incentive Plan depends also on the fulfillment of a non-market condition, which is the continuation of holding the post of the Management Board member within the period, for which the bonus is calculated.

The rules, goals, adjustments and conditions for the Incentive Plan fulfillment for the Management Board members are specified in the Supervisory Board resolution.

As at 30 June 2018, the value of potential reward from the fulfillment of the EBITDA target has been calculated on the basis of the best estimate of the expected fulfillment value of the EBITDA target for 2018 and was charged to the Income Statement in proportion of the time that elapsed till the balance sheet date.

The value of the potential reward concerning the realization of the Target of Share Price Increase, was estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. That value is charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan. As at 30 June 2018, the estimated Average Share Price in IQ of Next Year was below the Target of Share Price Increase and the accrual for this component of the Incentive Plan was not recognised in the balance sheet.

The basic parameters of the Binomial Option Price Model used for calculation of the fair value of the potential reward from the realization of the Target of Share Price Increase are described below:

the share price of Agora S.A. as at the current balance sheet date	PLN	13.25
volatility of the share price of Agora S.A. during the last twelve months	%	31.39
the Average Share Price in IQ of Bonus Year	PLN	14.17
risk-free rate	%	1.13-1.75 (at the maturity dates)

(all amounts in PLN thousands unless otherwise indicated) translation only

Total impact of the Incentive Plan on the consolidated financial statements of the Agora Group:

	Six months ended 30 June 2018	Six months ended 30 June 2017
Income statement – increase of staff costs*	1,164	1,790
Income statement - deferred income tax	(221)	(340)
Liabilities: accruals - as at the end of the period	454	751
Deferred tax asset - as at the end of the period	86	143

** the total cost of the plan recognised in the first half of 2018 includes the estimated costs of the plan for year 2018 and partial cost of the share price component of the plan for year 2017, which was settled in May 2018.*

b) Equity - settled incentive plans based on shares in subsidiaries

Starting from the third quarter 2017, the eligible employees of a subsidiary Yieldbird Sp. z o.o. participate in an equity-settled incentive program. On the basis of the plan, the eligible employees received shares in the company. The grant of shares is dependent on the fulfillment of a non-market condition, which is the continuation of employment within the agreed vesting period. The fair value of the shares determined at the grant date is recognised in staff costs over the vesting period with a corresponding increase in equity. The detailed information about measurement and settlement conditions of the incentive plan were described in the consolidated financial statements of the Agora Group for year 2017.

Moreover, starting from the second quarter 2018, the eligible employees of a subsidiary Foodio Concepts Sp. z o.o. participate in an equity-settled incentive program. On the basis of the plan, the eligible employees are entitled to receive shares in the company. The grant of shares is dependent on the fulfillment of a non-market condition, which is the achievement of specified levels of revenue and operating result of the company in the future reporting periods. The company estimated the length of the expected vesting period on the basis of the long-term forecasts of financial results of the company. The fair value of the shares determined at the grant date is recognised in staff costs over the vesting period with a corresponding increase in equity.

The impact of the incentive plans based on shares in subsidiaries on the consolidated financial statements of the Agora Group is presented in the table below:

	Six months ended 30 June 2018
Income statement – staff costs	713
Equity - non-controlling interests	713

(all amounts in PLN thousands unless otherwise indicated) translation only

6. 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 recognised:

- impairment loss for receivables: increase by PLN 15,673 thousand,
- impairment loss for inventory: increase by PLN 1,161 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*.

Additionally in the period from January 1, 2018 to to June 30, 2018 the following provisions were changed:

- provision for penalties, interests and similar: decrease by PLN 469 thousand,
- provision for onerous contracts: decrease by PLN 116 thousand,
- provision for legal claims and similar: decrease by PLN 162 thousand,
- provision for the remuneration and severances for the former Management Board Members: decrease by PLN 252 thousand,
- retirement severance provision: 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.

7. CONTINGENCIES, GUARANTEES AND OTHER COLLATERALS

As at 30 June 2018, the Group had contingencies, guarantees and other collaterals arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, other than those noted below:

Benefiting party	Debtor	Valid till	Amount 30 June 2018	Amount 31 December 2017	Scope of collateral
Guarantees provided by Agora S.A.					
Bank Pekao S.A.	Agora’s employees	30 Jul 2018 - 16 Jun 2021	178	233	loans for the purchase of photographic equipment
Guarantees provided by Agora Finanse Sp. z o.o.					
DNB Bank Polska S.A.	Agora S.A.	1 Apr 2024	202,500	-	Agora SA's liabilities from credit agreement
Guarantees provided by Adpol Sp. z o.o.					
mBank S.A.	AMS S.A.	2 Mar 2020 - 24 Apr 2020	16,200	32,400	bank guarantees related to the contract for the construction of bus shelters in Warsaw
Bills of exchange issued by AMS S.A. and Adpol Sp. z o.o.					
Gmina Miasto Szczecin	AMS S.A.	indefinite period	90	90	rent agreements on advertising panels
mBank S.A.	AMS S.A.	8 Sep 2018 - 31 Dec 2018	53	53	bank guarantees
Zarzad Drog Miejskich Warszawa	Adpol Sp. z o.o.	1 Jan 2022	200	200	contract for construction and exploitation of MSI panels

The total value of loan guarantees granted to entities from outside the Agora Group is not significant.

Additionally, Helios S.A. issued blank promissory notes as collaterals for bank loan agreements and finance lease agreements and guarantees on rent agreements.

(all amounts in PLN thousands unless otherwise indicated) translation only

Moreover, AMS S.A. provided to the bank cash deposits as a cash collateral securing the bank guarantees issued in relation to the concession contract for construction and utilization of bus shelters in Warsaw. As at 30 June 2018 the deposit receivable amounts to PLN 10.8 million and is presented within long-term receivables.

Information on contingent liabilities related to legal disputes is described in note 8.

8. COURT CASES

As at June 30, 2018, the Group has not entered into significant litigation for claims pending before court, arbitration authority or public administration authority. Provision for legal claims as at June 30, 2018, amounted to PLN 47 thousand (as at December 31, 2017: PLN 142 thousand).

Additionally, as at June 30, 2018, the companies of the Group are a party of legal disputes in the amount of PLN 2,590 thousand (as at December 31, 2017: PLN 2,410 thousand) in cases when the Management Board estimates the probability of loss for less than 50%. Such disputes are contingent liabilities.

9. SEASONALITY

Advertising revenues are subject to seasonality – revenues earned in the first and third quarters are usually lower than in the second and fourth quarters.

Cinema revenues are subject to seasonality – revenues earned in the second and third quarters are usually lower than in the first and fourth quarters.

10. RELATED PARTY TRANSACTIONS

(a) Management Board and Supervisory Board remuneration

The remuneration paid to Management Board members of Agora S.A. amounted to PLN 3,492 thousand (six months ended June 30, 2017: PLN 3,162 thousand). The amounts include remuneration paid during the period of holding the post of a Management Board member.

The remuneration paid to Supervisory Board members of Agora S.A. amounted to PLN 234 thousand (six months ended June 30, 2017: PLN 234 thousand).

(b) companies related to Agora Group (not consolidated)

There were no material transactions and balances with related entities other that disclosed below:

	Six months ended 30 June 2018	Six months ended 30 June 2017
Jointly controlled entities		
Sales	277	1,363
Purchases of goods and services	(98)	(520)
Interest on loans granted	16	26
Finance costs	-	(29)
Associates		
Sales	41	11
Purchases of goods and services	(47)	(30)
Interest on loans granted	-	61
Major shareholder		
Sales	12	31
Other operating income	-	95

(all amounts in PLN thousands unless otherwise indicated) translation only

	As at 30 June 2018	As at 31 December 2017
Jointly controlled entities		
Shares	894	6,908
Short-term receivables	2	149
Short-term liabilities	4	229
Loans granted	-	1,022
Associates		
Shares	856	939
Short-term receivables	74	31
Short-term liabilities	-	961
Loans granted	-	30
Major shareholder		
Short-term receivables	2	-
Dividends payable	2,701	-
Management Board of the Company		
Put option liabilities	24,440	24,440
Management Boards of group companies		
Put option liabilities	3,290	3,290
Dividends payable	1,831	-

(all amounts in PLN thousands unless otherwise indicated) translation only

11. DESCRIPTION OF THE GROUP

The list of companies from the Group:

		% of shares held (effectively)	
		30 June 2018	30 December 2017
	Subsidiaries consolidated		
1	Agora Poligrafia Sp. z o.o., Tychy	100.0%	100.0%
2	Agora TC Sp. z o.o., Warsaw	100.0%	100.0%
3	AMS S.A., Warsaw	100.0%	100.0%
4	Adpol Sp. z o.o., Warsaw (1)	100.0%	100.0%
5	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	100.0%
6	Doradztwo Mediowe Sp. z o.o, Warsaw (2)	100.0%	100.0%
7	IM 40 Sp. z o.o., Warsaw (2)	72.0%	72.0%
8	Inforadio Sp. z o.o., Warsaw (2)	66.1%	66.1%
9	Helios S.A., Lodz	91.4%	91.4%
10	Next Film Sp. z o.o., Lodz (3)	91.4%	91.4%
11	Next Script Sp. z o.o., Warsaw (4)	75.87%	68.6%
12	Trader.com (Polska) Sp. z o.o., Warsaw	100.0%	100.0%
13	Optimizers Sp. z o.o., Warsaw	100.0%	100.0%
14	Yieldbird Sp. z o.o., Warsaw	77.6%	77.6%
15	GoldenLine Sp. z o.o., Warsaw	92.7%	92.7%
16	Plan A Sp. z o.o., Warsaw	100.0%	100.0%
17	Agora Finanse Sp. z o.o., Warsaw (5)	100.0%	-
18	Foodio Concepts Sp. z o.o., Warsaw (6)	82.3%	-
	Joint ventures and associates accounted for the equity method		
19	Stopklatka S.A., Warsaw (7)	-	41.1%
20	Online Technologies HR Sp. z o.o., Szczecin	46.2%	46.2%
21	Hash.fm Sp. z o.o., Warsaw	49.5%	49.5%
22	Instytut Badan Outdooru IBO Sp. z o.o., Warsaw (1)	40.0%	40.0%
	Companies excluded from consolidation and equity accounting		
23	Polskie Badania Internetu Sp. z o.o., Warsaw	15.8%	15.8%

(1) indirectly through AMS S.A.;
(2) indirectly through GRA Sp. z o.o.;
(3) indirectly through Helios S.A.;
(4) indirectly through Next Film Sp. z o.o.; on May 28 2018 the share capital was increased and new shares were taken up by the majority shareholder;
(5) company set up on February 28, 2018;
(6) company set up on March 6, 2018;
(7) disposal of shares in the company on June 14, 2018.

12. CHANGES IN THE COMPOSITION OF THE GROUP

Changes in subsidiaries

On January 25, 2018, the Extraordinary General Meeting of Shareholders of Optimizers Sp. z o.o. ("Optimizers") adopted a resolution on discontinuing Optimizers' operating activities to date, including, in particular, refraining from undertaking any new business activities as part of Optimizers' operating activities to date. The above resolution does not constitute a resolution on dissolving Optimizers referred to in Article 270, section 2) of the Commercial Companies Code. Moreover, onn May 8, 2018, the Extraordinary General Meeting of Shareholders of Optimizers adopted a resolution on increasing Optimizers' share capital from PLN 100 thousand to PLN 500 thousand by creating 8,000 new shares to be taken up by Agora S.A. On July 2, 2018, the District Court for the Capital City of Warsaw in Warsaw registered the above change. At present, Agora S.A. holds 10,000 shares in Optimizers, representing 100% of the company's share capital and carrying 10,000 voting rights representing 100% of votes at the General Meeting of Shareholders.

On February 28, 2018, Agora S.A., as the sole shareholder, established Agora Finanse Sp. z o.o., with its registered office in Warsaw, and took up 100 shares in the company's share capital, with a nominal value of PLN 50 each, in return for a cash contribution of PLN 5,000. The shares held by Agora S.A. give it a 100% interest in the share capital and 100% of votes at the General Meeting of Shareholders.

On March 6, 2018, Helios S.A., a subsidiary of Agora, signed an investment agreement with two individual investors, Piotr Grajewski and Piotr Komor. The purpose of the agreement was to form the company Foodio Concepts sp. z o.o. with its registered office in Lodz and regulate the cooperation between the parties under the investment agreement. The purpose of the company is to develop the concept of, create, run and develop (mainly by building its own brands) a chain of several dozen eating places located in Poland, in shopping centres or in street locations. On 29 March 2018, the District Court for Lodz-Srodmiescie in Lodz, the 20th Business Department of the National Court Register, entered the said company in the register of entrepreneurs of the National Court Register. In exchange for a cash contribution of PLN 5,000 thousand, Helios S.A. acquired 90 shares in the company at PLN 50 par value each, representing 90% of the shares in the company (and 90% of the total number of votes at the Shareholders' Meeting). The individual investors acquired in total 10% of the shares in the company (5% each). Under the agreement, the combined share of the Individual Investors can be increased to 30%, provided that the company meets the specified financial targets. The agreement also stipulates that additional financing may be provided by Helios S.A. through a cash contribution in the amount of PLN 5 000 thousand.

On 29 March 2018, the Extraordinary Shareholders' Meeting of Agora - Poligrafia Sp. z o.o. with its registered office in Tychy ("Agora - Poligrafia") passed a resolution on increasing the company's share capital from PLN 1.5 million to PLN 2 million by issuing 1,000 new shares with PLN 500 par value each and a total par value of PLN 500 thousand. In accordance with the resolution, the shares will be acquired by the sole shareholder, i.e. the Company, in exchange for a cash contribution in the amount of PLN 10 million. Once this change is registered by the District Court Katowice - Wschód in Katowice, the 8th Business Department of the National Court Register, Agora S.A. will hold 4,000 shares in Agora - Poligrafia, representing 100% of its share capital and carrying 4,000 (100%) votes at the Shareholders' Meeting.

On May 28, 2018, the Extraordinary General Meeting of Shareholders of Next Script Sp. z o.o. ("Next Script") adopted a resolution on increasing Next Script's share capital from PLN 320 thousand to PLN 470 thousand by creating 3,000 new shares to be taken up by Agora S.A. On July 31, 2018, the above change has been registered with the District Court for the Capital City of Warsaw in Warsaw. Next Film sp. z o.o. now holds 7,800 shares in Next Script, representing 82.98% of the company's share capital and carrying 7,800 voting rights representing 82.98% of votes at the General Meeting of Shareholders.

On June 29, 2018, the Extraordinary General Meeting of Shareholders of Plan A Sp. z o.o. ("Plan A") adopted a resolution on increasing Plan A's share capital from PLN 5 thousand to PLN 10 thousand by creating 100 new shares to be taken up by Agora S.A. in return for a cash contribution of PLN 50 thousand. Once the above change has been registered with the District Court for the Capital City of Warsaw in Warsaw, Agora S.A. will hold 200 shares in Plan A, representing 100% of the company's share capital and carrying 200 voting rights representing 100% of votes at the General Meeting of Shareholders.

Sale of shares in the joint venture Stopklatka S.A.

On June 14, 2018, Agora concluded, with Bank Zachodni WBK S.A. – Dom Maklerski BZ WBK, acting at the request and on the account of Kino Polska TV S.A., an agreement on the sale of all of the shares held by Agora in Stopklatka S.A., with its registered office in Warsaw. As a result of the Transaction, Agora sold all of the shares it held in Stopklatka (i.e. 4,596,203 ordinary shares representing 41.14% of the share capital of Stopklatka). The price per share was PLN 7.0, and the value of the transaction amounted to PLN 32,173 thousand.

In consequence of the Transaction, the investment agreement concerning Stopklatka, concluded by and between Agora and Kino Polska, about which Agora informed in current report 06/2013 of February 22, 2013, expired. Conducting the Transaction means that Agora has divested from Stopklatka and has discontinued operating in the area of digital terrestrial television.

Sale transaction of shares Stopklatka S.A. in the second quarter of 2018 had a positive effect on the results of the Company and the Agora Group. The Agora Group recorded financial income from the sale of shares in the jointly controlled entity in the amount of PLN 26,700 thousand, and the impact of the transaction on the Group's net profit amounted to PLN 22,617 thousand. The impact of the above transaction on financial income and net result of Agora S.A. was respectively PLN 21,489 thousand and PLN 17,406 thousand.

Call for the repurchase of shares in a subsidiary

On March 29, 2016, a minority shareholder ("Minority Shareholder") of Helios S.A., holding 320,400 shares of Helios S.A., constituting 2.77% of the share capital ("Shares"), submitted a call to Helios S.A., based on Article 418 (1) of the Commercial Companies Code ("CCC"), for convening the general meeting of shareholders of Helios S.A. and placement on the agenda of an item regarding adoption of a resolution on Shares compulsory sell-out ("Call").

As a result of: (i) the Call, (ii) further calls, submitted pursuant to Article 418 (1) of CCC by the Minority Shareholder and others minority shareholders of Helios S.A., who purchased a portion of the Shares from the Minority Shareholder and (iii) resolutions adopted by the General Meetings of Shareholders of Helios S.A. held on May 10, 2016 and June 13, 2016, there are currently two ongoing sell-out procedures (pursuant to Article 418 (1) of CCC) and one ongoing squeeze-out procedure (pursuant to Article 418 of CCC), aiming at the acquisition by the two shareholders of Helios S.A., including Agora S.A., of the Shares held by the Minority Shareholder and other minority shareholders.

(i) Sell-out procedure

In connection with the ongoing sell-out procedures, as of June 30, 2016 Agora S.A. transferred the amount of PLN 2,938 thousand to Helios S.A., as the sell-out price, calculated based on Article 418 (1) § 6 of CCC. As of December 31, 2016 Agora Group recognised in its balance sheet a liability to acquire the shares from the minority shareholders of Helios S.A. in the total amount of PLN 3,185 thousand. The above mentioned amount included amount of PLN 2,938 thousand, which Agora S.A. transferred to Helios S.A. (with a corresponding increase in the Group equity in line Retained earnings and other reserves) and the total amount transferred by the second shareholder of Helios S.A. in connection with the ongoing sell-out procedures.

In the execution of sell out procedure, on June 2, 2017 Helios S.A. transferred the amount of PLN 3,171 thousand to Minority Shareholder as sell-out price for 318,930 shares. At the same day, Helios S.A. ordered money transfers in the total amount of PLN 14 thousand for others minority shareholders of Helios S.A., as sell-out price for 1,460 shares. As a result of above mentioned transactions, Agora Group fulfilled the obligation to purchase shares subject to sell-out procedure, which was recognised in its balance sheet.As a result of above, Agora S.A. increased the block of Helios S.A. shares from the amount of 10,277,800 shares to the amount 10,573,352 shares i.e. 295 552 shares. Agora S.A. currently owns 91.44% of Helios S.A. shares.

The shareholders, whose shares are subject of sell-out procedures, haven't agreed on sell-out price calculated based on Article 418 (1) § 6 of CCC and based on Article 418 (1) § 7 of CCC, applied to the registry court for appointment of expert in order to determine the price of sell-out shares by the court.

The final evaluation of Shares, which are subject to the sell-out procedure, will be calculated by an expert appointed by the registry court having the jurisdiction over the registered office of Helios S.A. Possibly change of price will effect change of sell-out price of shares.

As at the date of the publication of this report, the District Court for Lodz-Srodmiescie in Lodz, the 20th Department of the National Court Register, appointed an expert for the purpose of the valuation of the shares to be purchased from the Minority Shareholder (318,930 shares) and from other minority shareholders (1,460 shares in total). The minority shareholders referred to in the previous sentence appealed against the decision on appointing an expert.

(ii) Squeeze-out procedure

The squeeze-out procedure, which entered into force on 14 July 2016, is pending with respect to 10 shares. The holder of these shares did not respond to the Company's call published in accordance with the requirements in *Monitor Sądowy i Gospodarczy*, which requested the minority shareholders holding the above-mentioned shares of the Company to submit the share certificate to the Company within two weeks of the publication of the call under the sanction of cancelling the shares after this deadline. Consequently, on 7 April 2017 the Management Board of Helios S.A. passed a resolution on the cancellation of the above-mentioned shares and published it in *Monitor Sądowy i Gospodarczy* of 8 May 2017. The share valuation procedure by the registered auditor appointed by the Court is currently under way. The sell-out and squeeze-out procedures have not been completed as at the date of the publication hereof. On 10 January 2018, Helios S.A. received a statement of claim brought by the Minority Shareholder for revoking resolutions no. 2/2016 and 24/2016 of the Annual General Shareholders' Meeting of the Company dated 13 June 2016 concerning: (i) acceptance of the agenda (no. 2/2016), (ii) the squeeze-out (no. 24/2016). The Company submitted its response to the statement of claim, in which it motioned for the claim to be dismissed due to being groundless. The first instance Court ruled out that the claim was completely groundless and dismissed it in full.

As at the date of the publication hereof, the District Court for Lodz-Srodmiescie in Lodz, the 20th Department of the National Court Register, appointed an expert to perform a valuation of the shares.

As at the date of the publication of these interim consolidated financial statements the sell-out and squeeze-out procedures were not completed.

13. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY FOR THE CONDENSED SEMI – ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF AGORA S.A. AND THE TRANSLATION METHOD OF FINANCIAL DATA

The functional and presentation currency for Agora S.A. and other companies as well as for the presented semi – annual consolidated financial statements is Polish zloty.

Selected financial data presented in the financial statements has been translated into EURO in the following way:

- income statement and cash flow statement figures for the two quarters of 2018 (two quarters of 2017) using the arithmetic average of exchange rates published by NBP and ruling on the last day of each month for two quarters. For the two quarters of 2018 EURO 1 = PLN 4.2395 (EURO 1 = PLN 4.2474).
- balance sheet figures using the average exchange rates published by NBP and ruling as at the balance sheet date. The exchange rate as at 30 June 2018 – EURO 1 = PLN 4.3616; as at 31 December 2017 – EURO 1 = PLN 4.1709, as at 30 June 2017 – EURO 1 = PLN 4,2265.

14. PROPERTY, PLANT AND EQUIPMENT

a) property, plant and equipment held for sale as at the balance sheet date

As at 30 June 2018 there was no non-current assets held for sale. As at 31 December 2017, non-current assets with the carrying amount of PLN 13,747 thousand were presented as held for sale and comprised perpetual usufruct rights to a plot of land located at the Czerniakowska Street in Warsaw and properties located in Gdansk at the Tkacka 7/8 and Welniarska 19/20 streets. The assets above were sold in the first quarter of 2018. In the segment information provided in note 4 those assets were presented within reconciling positions.

On February 26, 2018, since the condition for sales of the right of perpetual usufruct was fulfilled, the Company signed an agreement transferring the right of perpetual usufruct of undeveloped property with the total area of 6,270 square meters in 85/87 Czerniakowska Street in Warsaw. The total amount of the transaction was net PLN 19.0 million and it positively impacted the operating result of the Company in the first quarter of 2018 by PLN 8.3 million.

On February 27, 2018, the Company signed an agreement for sale of the properties located in Gdansk at the Tkacka 7/8 and Welniarska 19/20 streets. The decision to sell the properties stems from the fact that the Company did not utilize effectively the entire property for its operations. The Company believes that the optimal solution shall be to lease office space adapted to the current scale of operations of the Company in Gdansk. The total sale price of the Property amounted to PLN 8.65 million net and its positive impact on the operating result of the Company in the first quarter of 2018 amounted to PLN 5.6 million.

b) property, plant and equipment purchased and contractual commitments as at the balance sheet date

In the period from January 1, 2018 to June 30, 2018, the Group purchased property, plant and equipment in the amount of PLN 44,342 thousand (in the period of January 1, 2017 to June 30, 2017: PLN 21,894 thousand).

As at June 30, 2018, the commitments for the purchase of property, plant and equipment amounted to PLN 20,369 thousand (as at December 31,2017: PLN 29,538 thousand).

The commitments for the purchase of property, plant and equipment include inter alia future liabilities resulting from the signed agreements related to the realization of the concession contract for the construction and utilization of bus shelters in Cracow and building new cinemas.

15. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The Group applies the following hierarchy for disclosing information about fair value of financial instruments – by valuation technique:
Level 1: quoted prices in active markets (unadjusted) for identical assets or liabilities;
Level 2: valuation techniques in which inputs that are significant to fair value measurement are observable, directly or indirectly, market data;
Level 3: valuation techniques in which inputs that are significant to fair value measurement are not based on observable market data.

(all amounts in PLN thousands unless otherwise indicated) translation only

The table below shows financial instruments measured at fair value at the balance sheet date:

	As at 30 June 2018	Level 1	Level 2	Level 3
Certificates in investment funds	118,320	-	118,320	-
Financial assets measured at fair value	**118,320**	**-**	**118,320**	**-**
Put option liabilities	30,605	-	-	30,605
Financial liabilities measured at fair value	**30,605**	**-**	**-**	**30,605**

	As at 31 December 2017	Level 1	Level 2	Level 3
Certificates in investment funds	91,783	-	91,783	-
Financial assets measured at fair value	**91,783**	**-**	**91,783**	**-**
Put option liabilities	30,605	-	-	30,605
Financial liabilities measured at fair value	**30,605**	**-**	**-**	**30,605**

Key assumptions that are most significant to the fair value measurement of financial instruments in Level 3 of the fair value hierarchy include: estimated level of the operating result EBIT during the period specified in put option conditions and discount rate.

In the period from January 1, 2018 to June 30, 2018 there were no changes in the value of the financial instruments categorised within Level 3 of the fair value hierarchy and there were no changes in valuation techniques.

16. NET RESULT DISTRIBUTION FOR THE YEAR 2017

In accordance with the resolution adopted by the General Meeting of Shareholders on June 20, 2018, the net loss of Agora S.A. for the financial year 2017 in the amount of PLN 68,122 thousand was covered from the reserve capital of the Company.

Besides, in accordance with the resolution No.7 on June 20, 2018, the General Meeting hereby decided to earmark PLN 23,290 thousand from the Company's supplementary capital for paying a dividend to the Company's shareholders. The dividend amount per share of the Company was PLN 0.50. The shareholders which were vested with the Company's shares on July 13, 2018 were eligible to receive a dividend. The dividend payment date was August 2, 2018.

On June 20, 2018, the General Meeting it also adopted of resolution No. 28 of on the redemption of the Company's own shares repurchased under the own share buyback program adopted by Resolution No. 19 of the Ordinary General Meeting of the Company dated June 21, 2017 and reduce the Company's share capital amount of PLN 1,085 thousand. The redemption of shares will take place upon the reduction of the Company's share capital. Until the publication of this report, the above change in the share capital has not been registered.

17. OTHER INFORMATION

Group lay-offs in Print segment

On February 7, 2018 The Management Board of Agora S.A informed about:

(i) concluding on February 7th, 2018 a trilateral agreement ("Agreement") with trade unions operating at the Company (which fulfills the provisions of article 3, Section 1 of the Act of March 13th, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees) and with work council in the Company (which constitutes an agreement in accordance with the Act of April 7th, 2006 on informing and consulting employees),

(ii) adopting by the Management Board of the Company on February 7th, 2018 resolution to execute collective redundancies in the Print segment of the Agora Group, in accordance with the provisions of the Agreement.

The collective redundancies were executed from February 15th, 2018 until March 16th, 2018, and affected 47 employees of the Print segment of the Agora Group, i.e. ca 15% of all employees of the segment.

In accordance with the agreement, the laid-off employees were provided by the Company with a wider range of supportive measures than required by law. The redundancy payment estimated according to law regulations was increased by indemnity in the amount equal to one additional monthly salary. The laid-off employees shall be supported by additional protective measures provided by the Company, inter alia, help in searching for new job or reskilling. Employees who will remain employed in the Print segment will have their basic remuneration increased, inter alia, due to the changed scope of duties. The Company, in accordance with requirements of law, submitted an appropriate set of information, together with the signed Agreement, to a relevant Labor Office.

The amount of provision for group lay-offs which was charged to the Agora Group's result in the first quarter of amounted to PLN 1.4 million. The Agora Group estimates that the restructuring measures my result in the annual savings of above PLN 2.0 million.

The reason for the restructuring measures, including restrictions on employment, is the ongoing decrease of revenues from sales of print services in the coldset technology in which Agora Group’s printing plants specialize. This trend mainly results from the condition of the press market in Poland - the main client of the Company’s coldset printing plants. Services commissioned by clients from other market segments, including those realized in the heatset technology, present a significantly smaller share in the Group’s print activity; due to infrastructural constraints, they never were, nor are able to compensate the decrease of revenues from coldset printing services.

Considering the current condition of the press market as well as negative forecasts regarding the prospects for its further development and progressive digitization of the media, it is not possible to stop the downward trend in the coldset printing business. Therefore, the Management Board of the Company decided that it is necessary to take decisive restructuring measures aimed at reducing operating costs of the printing plants and optimizing the operational processes so as to limit the negative impact of decrease of the number of volumes of print on the financial condition of the Print segment, i.a. by adjusting the employment structure to the current volume of services provided by Agora's printing plants.

Tax Capital Group

On February 15, 2018 the Management Board of Agora S.A. received a decision issued by the Head of the Second Mazovian Tax Office in Warsaw on the registration of the contract on the establishment of Agora Tax Capital Group ("TCG"), which includes: Agora S.A. and the following subsidiaries: Grupa Radiowa Agory Sp. z o.o., Agora TC Sp. z o.o., Trader.com (Polska) Sp. z o.o., Helios S.A., AMS S.A., Yieldbird Sp. z o.o. and Plan A Sp. z o.o.

In the agreement establishing the Tax Capital Group, Agora has been appointed the representative company for the tax group within the scope of obligations resulting from the Corporate Income Tax Act and from the provisions of Tax Ordinance.

Agora Tax Capital Group was established on March 1st, 2018, and each subsequent tax year will overlap with the calendar year. The agreement shall be in force till December 31st, 2020.

The Company estimates that the establishment of the tax capital group may result in lower tax charges of tax group, as provided for by law, by approximately PLN 5 million annually in the period of tax group's operation.

Impairment loss for receivables

The Company decided to recognize an impairment loss in the amount of PLN 16.3 million relating to the receivables from one of the Company's contractors, which are burdened with a large probability of being unrecoverable.

The aforementioned impairment loss concerned the assessment of impairment of receivables as at June 30, 2018 and was recognized in other operating expenses of the Company and Agora Group in the financial period ended June 30, 2018.

18. POST BALANCE-SHEET EVENTS

No events occurred.

18. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	PLN thousand			EURO thousand		
	Six months ended 30 June 2018 unaudited	As at 31 December 2017 adjusted	Six months ended 30 June 2017 unaudited	Six months ended 30 June 2018 unaudited	As at 31 December 2017 adjusted	Six months ended 30 June 2017 unaudited
Sales	536 255		583 683	126 490		137 421
Operating profit/(loss)	(9 716)		10 348	(2 292)		2 436
Profit before income taxes	15 796		5 650	3 726		1 330
Net profit/(loss) loss for the period attributable to equity holders of the parent	8 511		(7 840)	2 008		(1 846)
Net cash from operating activities	23 698		24 227	5 590		5 704
Net cash used in investing activities	12 743		37 150	3 006		8 747
Net cash used in financing activities	(12 899)		(35 221)	(3 043)		(8 292)
Net increase / (decrease) in cash and cash equivalents	23 542		26 156	5 553		6 158
Total assets	1 384 231	1 405 683		317 368	337 022	
Non-current liabilities	109 592	106 369		25 127	25 503	
Current liabilities	276 894	284 631		63 485	68 242	
Equity attributable to equity holders of the parent	979 939	995 618		224 674	238 706	
Share capital	47 665	47 665		10 928	11 428	
Weighted average number of shares	46 580 831	47 421 764	-	46 580 831	47 421 764	-
Earnings per share (in PLN / in EURO)	0,18		(0,16)	0,04		(0,04)
Book value per share (in PLN / in EURO)	21,04	20,99		4,82	5,03	

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*