

AGORA GROUP

Condensed
interim
consolidated
financial statements
**as at 30 June 2019
and for three and
six month period
ended thereon**

September 5, 2019

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019

	As at 30 June 2019 unaudited	As at 31 March 2019 unaudited	As at 31 December 2018 audited
Assets			
Non-current assets:			
Intangible assets	418,439	418,241	420,680
Property, plant and equipment	450,450	463,011	519,472
Right-of-use assets	541,910	540,211	-
Long-term financial assets	1,413	1,167	379
Investments in equity accounted investees	160,752	143,570	11,295
Receivables and prepayments	13,786	13,062	14,573
Deferred tax assets	17,835	17,533	14,899
	1,604,585	1,596,795	981,298
Current assets:			
Inventories	26,108	32,813	35,777
Accounts receivable and prepayments	205,467	205,822	226,764
Income tax receivable	1,905	351	534
Short-term securities and other financial assets	59,606	73,920	122,450
Cash and cash equivalents	42,022	30,240	33,003
	335,108	343,146	418,528
Total assets	1,939,693	1,939,941	1,399,826

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019 (CONTINUED)

	As at 30 June 2019 unaudited	As at 31 March 2019 unaudited	As at 31 December 2018 audited
Equity and liabilities			
Equity attributable to equity holders of the parent:			
Share capital	46,581	46,581	46,581
Treasury shares	-	-	-
Share premium	147,192	147,192	147,192
Retained earnings and other reserves	745,793	776,188	781,237
	939,566	969,961	975,010
Non-controlling interest	19,708	23,209	21,149
Total equity	959,274	993,170	996,159
Non-current liabilities:			
Deferred tax liabilities	10,567	9,862	9,544
Long-term borrowings	534,507	545,605	64,586
Other financial liabilities	33,237	33,237	33,237
Retirement severance provision	3,080	2,916	2,916
Provisions	1,171	1,335	1,316
Accruals and other liabilities	3,401	3,173	2,950
Contract liabilities	271	325	450
	586,234	596,453	114,999
Current liabilities:			
Retirement severance provision	113	241	241
Trade and other payables	252,421	213,871	232,914
Income tax liabilities	698	5,573	4,298
Short-term borrowings	123,905	108,473	33,209
Other financial liabilities	1,608	1,607	1,607
Provisions	2,566	7,726	2,453
Contract liabilities	12,874	12,827	13,946
	394,185	350,318	288,668
Total equity and liabilities	1,939,693	1,939,941	1,399,826

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

CONSOLIDATED INCOME STATEMENT FOR THREE AND SIX MONTHS ENDED 30 JUNE 2019

	Note	Three months ended 30 June 2019 unaudited	Six months ended 30 June 2019 unaudited	Three months ended 30 June 2018 unaudited	Six months ended 30 June 2018 unaudited
Revenue	2	269,787	578,224	258,258	536,255
Cost of sales		(190,799)	(411,149)	(181,689)	(378,549)
Gross profit		78,988	167,075	76,569	157,706
Selling expenses		(49,879)	(98,358)	(49,051)	(96,064)
Administrative expenses		(37,748)	(75,500)	(35,756)	(70,750)
Other operating income		2,026	4,002	2,370	18,211
Other operating expenses		(1,707)	(3,221)	(1,329)	(2,283)
Impairment losses for receivables - net		(850)	(2,697)	(15,585)	(16,536)
Operating loss		(9,170)	(8,699)	(22,782)	(9,716)
Finance income		5,026	5,661	27,563	28,329
Finance costs		(5,488)	(10,485)	(1,232)	(2,102)
Share of results of equity accounted investees		2,538	2,751	(251)	(715)
Profit/(loss) before income taxes		(7,094)	(10,772)	3,298	15,796
Income tax		506	791	(3,133)	(5,914)
Profit/(loss) for the period		(6,588)	(9,981)	165	9,882
Attributable to:					
Equity holders of the parent		(6,219)	(11,268)	335	8,511
Non-controlling interest		(369)	1,287	(170)	1,371
		(6,588)	(9,981)	165	9,882
Basic/diluted earnings per share (in PLN)		(0.13)	(0.24)	0.01	0.18

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 2019

	Three months ended 30 June 2019 unaudited	Six months ended 30 June 2019 unaudited	Three months ended 30 June 2018 unaudited	Six months ended 30 June 2018 unaudited
Profit/(loss) for the period	(6,588)	(9,981)	165	9,882
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	(6,588)	(9,981)	165	9,882
Attributable to:				
Shareholders of the parent	(6,219)	(11,268)	335	8,511
Non-controlling interests	(369)	1,287	(170)	1,371
	(6,588)	(9,981)	165	9,882

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 2019

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 2019							
As at 31 December 2018 audited	46,581	-	147,192	781,237	975,010	21,149	996,159
Total comprehensive income for the period							
Net profit/(loss) for the period	-	-	-	(11,268)	(11,268)	1,287	(9,981)
Total comprehensive income for the period	-	-	-	(11,268)	(11,268)	1,287	(9,981)
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners							
Equity-settled share-based payments (note 5)	-	-	-	-	-	808	808
Dividends declared	-	-	-	(23,290)	(23,290)	-	(23,290)
Dividends of subsidiaries	-	-	-	-	-	(4,422)	(4,422)
Total contributions by and distributions to owners	-	-	-	(23,290)	(23,290)	(3,614)	(26,904)
Changes in ownership interests in subsidiaries							
Additional contribution of non-controlling shareholders	-	-	-	(886)	(886)	886	-
Total changes in ownership interests in subsidiaries	-	-	-	(886)	(886)	886	-
Total transactions with owners	-	-	-	(24,176)	(24,176)	(2,728)	(26,904)
As at 30 June 2019 unaudited	46,581	-	147,192	745,793	939,566	19,708	959,274

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 2019 (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 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 shareholder	-	-	-	(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 CASH FLOW STATEMENT FOR THREE AND SIX MONTHS ENDED 30 JUNE 2019

	Three months ended 30 June 2019 unaudited	Six months ended 30 June 2019 unaudited	Three months ended 30 June 2018 unaudited	Six months ended 30 June 2018 unaudited
Cash flows from operating activities				
Profit/(loss) before income taxes	(7,094)	(10,772)	3,298	15,796
Adjustments for:				
Share of results of equity accounted investees	(2,538)	(2,751)	251	715
Depreciation of property, plant and equipment	13,484	25,731	14,505	31,228
Amortization of intangible assets	7,011	13,911	5,990	12,600
Depreciation of right-of-use assets	18,787	37,048	-	-
Foreign exchange (gain) /loss	(4,535)	(4,429)	-	-
Interest, net	5,203	9,853	594	1,187
(Profit) / loss on investing activities	64	(878)	(27,102)	(41,862)
(Decrease) / increase in provisions	(5,288)	4	445	1,330
(Increase) / decrease in inventories	6,705	9,669	519	3,847
(Increase) / decrease in receivables	(5,153)	15,385	10,106	26,437
(Decrease) / increase in payables	12,762	2,268	(9,718)	(21,988)
(Decrease) / increase in contract liabilities	(7)	(1,251)	(95)	384
Equity-settled share-based payments	404	808	302	713
Other adjustments	136	280	274	293
Cash generated from operations	39,941	94,876	(631)	30,680
Income taxes paid	(5,518)	(6,089)	(2,798)	(6,982)
Net cash from operating activities	34,423	88,787	(3,429)	23,698
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment and intangibles	23,664	28,093	12,645	40,513
Disposal of subsidiaries (net of cash disposed), associates and jointly controlled entities	-	-	32,081	32,111
Loan repayment received	12	12	1,030	1,030
Interest received	43	78	79	181
Disposal of short-term securities	15,007	89,022	15,033	123,298
Other inflows (1)	-	-	10,800	10,800
Purchase of property, plant and equipment and intangibles	(25,929)	(58,335)	(16,411)	(46,190)
Acquisition of subsidiary (net of cash acquired), associates and jointly controlled entities	(13,134)	(145,196)	-	-
Acquisition of short-term securities	-	(25,000)	(133,000)	(149,000)
Loans granted	(30)	(830)	-	-
Net cash used in investing activities	(367)	(112,156)	(77,743)	12,743

	Three months ended 30 June 2019 unaudited	Six months ended 30 June 2019 unaudited	Three months ended 30 June 2018 unaudited	Six months ended 30 June 2018 unaudited
Cash flows from financing activities				
Proceeds from borrowings	9,422	90,886	8,234	8,626
Other inflows	-	-	-	1
Dividends paid to non-controlling shareholders	(3,902)	(3,902)	(1,303)	(1,303)
Repayment of borrowings	(4,663)	(9,392)	(6,966)	(12,155)
Payment of lease liabilities	(17,871)	(35,061)	(3,228)	(6,436)
Interest paid	(5,142)	(9,638)	(664)	(1,344)
Other	(118)	(505)	(190)	(288)
Net cash used in financing activities	(22,274)	32,388	(4,117)	(12,899)
Net increase / (decrease) in cash and cash equivalents	11,782	9,019	(85,289)	23,542
Cash and cash equivalents				
At start of period	30,240	33,003	128,029	19,198
At end of period	42,022	42,022	42,740	42,740

(1) 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 2019 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. Additionally, 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 gastronomy activity through the company Foodio Concepts Sp. z o.o. and Step Inside Sp. z o.o.

As at 30 June 2019 the Agora Group comprised: the parent company Agora S.A. and 19 subsidiaries. Additionally, the Group held shares in jointly controlled entities: Online Technologies HR Sp. z o.o. and Instytut Badan Outdooru IBO Sp. z o.o. and in associates: Hash.fm Sp. z o.o., ROI Hunter a.s. and Eurozet Sp. z o.o.

The condensed interim consolidated financial statements were prepared as at and for three and six months ended 30 June 2019, with comparative figures presented as at 31 March 2019 and as at 31 December 2018 and for three and six months ended 30 June 2018.

The condensed interim consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on September 5, 2019.

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 2019 and for six month period ended thereon.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 June 2019							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Revenues from external customers	80,626	49,308	50,176	47,883	26,821	12,859	2,114	269,787
Intersegment revenues (2)	3,421	2,888	577	553	1,114	261	(8,814)	-
Total revenues	84,047	52,196	50,753	48,436	27,935	13,120	(6,700)	269,787
Total operating cost (1), (2), (3)	(93,917)	(50,851)	(38,667)	(43,517)	(24,302)	(15,548)	(12,155)	(278,957)
Operating profit / (loss) (1)	(9,870)	1,345	12,086	4,919	3,633	(2,428)	(18,855)	(9,170)
Total operating cost (excl. IFRS 16) (1), (2), (3)	(95,405)	(50,853)	(38,824)	(43,517)	(24,344)	(15,559)	(12,327)	(280,829)
Operating profit / (loss) (excl. IFRS 16) (1)	(11,358)	1,343	11,929	4,919	3,591	(2,439)	(19,027)	(11,042)
Net finance income and cost							(462)	(462)
Share of results of equity accounted investees (3)	-	-	-	(889)	3,427	-	-	2,538
Income tax expense							506	506
Net loss								(6,588)

(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), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 21,639 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 June 2019							
	Movies and books (2)	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Operating depreciation and amortisation	(20,632)	(305)	(7,240)	(1,703)	(1,743)	(2,607)	(4,404)	(38,634)
<i>Operating depreciation and amortisation (excl. IFRS 16)</i>	<i>(7,853)</i>	<i>(302)</i>	<i>(4,824)</i>	<i>(1,703)</i>	<i>(1,067)</i>	<i>(2,602)</i>	<i>(4,557)</i>	<i>(22,908)</i>
Amortisation recognised on consolidation (1)	(129)	-	-	(582)	-	-	63	(648)
Impairment losses	(247)	(493)	(59)	(379)	(247)	-	127	(1,298)
<i>including non-current assets</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Reversals of impairment losses	41	93	47	41	86	287	(229)	366
<i>including non-current assets</i>	<i>-</i>	<i>-</i>	<i>41</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>41</i>
Equity-settled share-based payments	(102)	-	-	(302)	-	-	-	(404)
Capital expenditure (2)	16,863	3,249	1,963	3,642	224	254	3,327	29,522

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

(2) capital expenditure include also finance lease of property, plant and equipment in the amount of PLN 9,035 thousand.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2019							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Revenues from external customers	235,425	93,550	84,671	84,732	47,850	28,365	3,631	578,224
Intersegment revenues (2)	6,589	5,025	1,976	1,321	2,141	520	(17,572)	-
Total revenues	242,014	98,575	86,647	86,053	49,991	28,885	(13,941)	578,224
Total operating cost (1), (2), (3)	(227,598)	(99,304)	(73,510)	(79,766)	(45,288)	(39,370)	(22,087)	(586,923)
Operating profit / (loss) (1)	14,416	(729)	13,137	6,287	4,703	(10,485)	(36,028)	(8,699)
Total operating cost (excl. IFRS 16) (1), (2), (3)	(230,130)	(99,305)	(73,671)	(79,766)	(45,384)	(39,390)	(22,433)	(590,079)
Operating profit / (loss) (excl. IFRS 16) (1)	11,884	(730)	12,976	6,287	4,607	(10,505)	(36,374)	(11,855)
Net finance income and cost							(4,824)	(4,824)
Share of results of equity accounted investees (3)	-	-	-	(1,342)	4,093	-	-	2,751
Income tax							791	791
Net loss								(9,981)

(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), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 42,514 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

2. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2019							
	Movies and books (3)	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Operating depreciation and amortisation	(41,444)	(584)	(14,277)	(3,153)	(3,490)	(4,064)	(8,382)	(75,394)
<i>Operating depreciation and amortisation (excl. IFRS 16)</i>	<i>(16,106)</i>	<i>(577)</i>	<i>(9,667)</i>	<i>(3,153)</i>	<i>(2,135)</i>	<i>(4,056)</i>	<i>(8,689)</i>	<i>(44,383)</i>
Amortisation recognised on consolidation (1)	(259)	-	-	(1,164)	-	-	127	(1,296)
Impairment losses	(467)	(691)	(791)	(598)	(298)	(340)	(322)	(3,507)
<i>including non-current assets</i>	<i>-</i>	<i>-</i>	<i>(37)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(37)</i>
Reversals of impairment losses	91	163	119	90	149	84	-	696
<i>including non-current assets</i>	<i>-</i>	<i>-</i>	<i>69</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>69</i>
Equity-settled share-based payments	(204)	-	-	(604)	-	-	-	(808)
Cost of restructuring (2)	-	-	-	-	-	(4,923)	(710)	(5,633)
Capital expenditure (3)	30,586	4,299	4,048	6,759	374	400	4,250	50,716
	As at 30 June 2019							
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions (4)	Total
Property, plant and equipment and intangible assets	230,801	58,950	254,977	38,145	83,092	74,533	128,391	868,889
Right-of-use assets	468,021	95	30,823	-	12,048	2,738	28,185	541,910
Investments in associates and joint ventures accounted for by the equity method	-	-	-	19,469	141,283	-	-	160,752

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

(2) cost of restructuring (including group lay-offs) in Print segment and IT in the first quarter of 2019.

(3) based on invoices booked in the period, Movies and books data include also lease property, plant and equipment in the amount of PLN 14,271 thousand;

(4) reconciling positions include mainly Company's headquarter (PLN 96,918 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 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)
including non-current assets	-	-	-	-	-	-	-	-
Reversals of impairment losses	-	318	249	38	23	28	72	728
including non-current assets	-	-	-	-	-	-	-	-
Equity-settled share-based payments	(109)	-	-	(302)	-	-	-	(411)
Cost of group lay-offs	-	(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 Stopklatka 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 group lay-offs (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)

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

Three months ended 30 June 2019								
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Advertising revenue	7,358	23,722	50,240	45,845	26,499	-	(6,275)	147,389
Ticket sales	39,223	-	-	-	62	-	(74)	39,211
Copy sales	9,147	27,063	-	-	-	-	(881)	35,329
Concession sales in cinemas	17,900	-	-	-	-	-	(1)	17,899
Printing services	-	2	-	-	-	11,267	1	11,270
Film distribution and production sales	3,037	-	-	-	-	-	-	3,037
Other	7,382	1,409	513	2,591	1,374	1,853	530	15,652
Total sales by category	84,047	52,196	50,753	48,436	27,935	13,120	(6,700)	269,787

Six months ended 30 June 2019								
	Movies and books	Press	Outdoor	Internet	Radio	Print	Reconciling positions	Total
Advertising revenue	15,143	41,786	85,389	81,054	47,293	-	(12,947)	257,718
Ticket sales	116,068	-	-	-	189	-	(210)	116,047
Copy sales	17,197	54,343	-	55	-	-	(1,722)	69,873
Concession sales in cinemas	48,804	-	-	-	-	-	(25)	48,779
Printing services	-	7	-	-	-	25,531	-	25,538
Film distribution and production sales	30,732	-	-	-	-	-	-	30,732
Other	14,070	2,439	1,258	4,944	2,509	3,354	963	29,537
Total sales by category	242,014	98,575	86,647	86,053	49,991	28,885	(13,941)	578,224

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

3. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2019 to June 30, 2019 the following changes in impairment losses were accounted (in brackets the amounts for the second quarter of 2019):

- impairment loss for receivables: increase by PLN 1,398 thousand (decrease by PLN 15 thousand),
- impairment loss for inventory: increase by PLN 1,176 thousand (decrease by PLN 641 thousand),
- impairment loss for tangible assets and intangible assets: decrease by PLN 296 thousand (decrease by PLN 120 thousand).

Additionally in the period from January 1, 2019 to June 30, 2019 the following provisions were changed (in brackets the amounts for the second quarter of 2019):

- provision for penalties, interests and similar: increase by PLN 18 thousand (increase by PLN 18 thousand),
- provision for onerous contracts: decrease by PLN 116 thousand (decrease by PLN 58 thousand),
- provision for legal claims and similar: decrease by PLN 18 thousand (decrease by PLN 18 thousand),
- provision for the remuneration and severances for the former Management Board Members: used in the amount of PLN 74 thousand (no change),
- retirement severance provision: increase by PLN 37 thousand (increase by PLN 37 thousand),
- provision for restructuring: increase by PLN 158 thousand, including: set-up in the amount of PLN 5,633 thousand and the use in the amount of PLN 5,475 thousand (decrease by PLN 5,266 thousand, including: the use in the amount of PLN 5,266 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, 2019 to June, 30, 2019 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, September 5, 2019

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

Signatures submitted electronically.