STRATEGY OF THE AGORA GROUP FOR 2018-2022

AGENDA

1

SUMMARY OF THE STRATEGY EXECUTION IN THE YEARS 2014-2017/2018

DEVELOPMENT DIRECTIONS OF THE AGORA GROUP FOR 2014-2017/2018

AGORA SA

MEDIUM-TERM PRIORITIES OF THE AGORA GROUP

REVENUES INCREASE

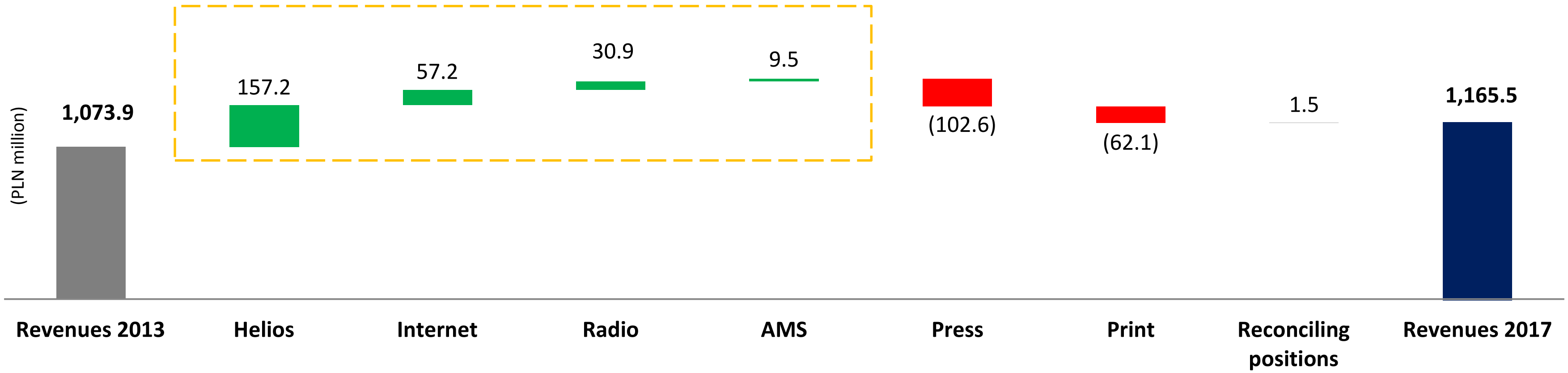
PROFITABILITY IMPROVEMENT

KEY TASKS FOR 2014-2017/2018

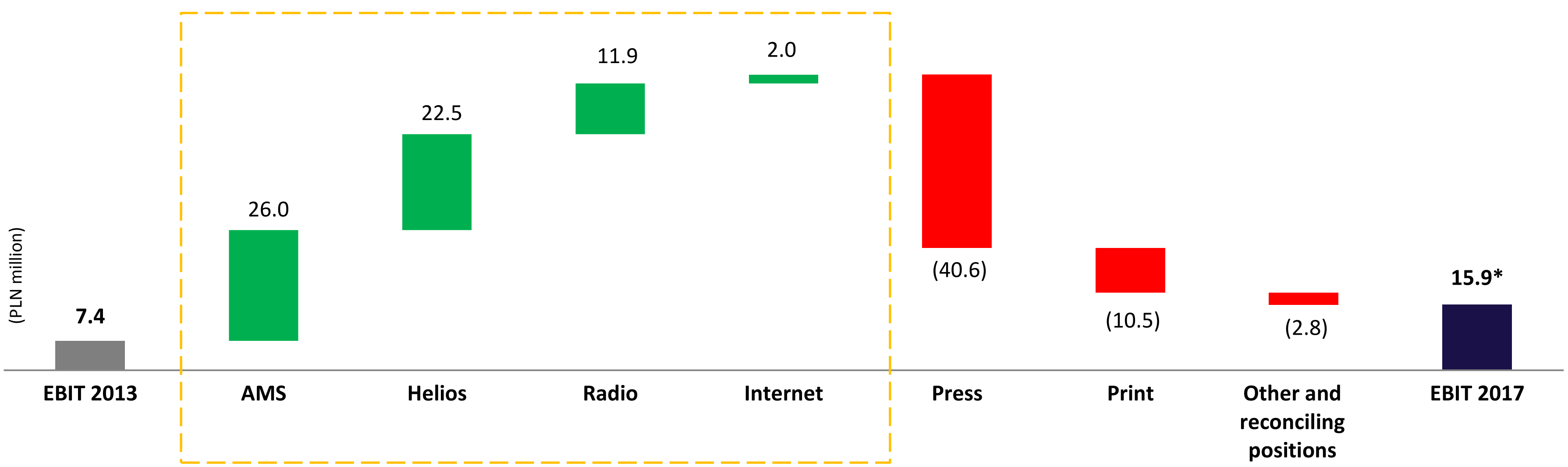
1. Digital transformation of print media operations
2. Building position in the TV market
3. Profitability improvement of the Group's key business segments
4. Cost optimization of the Group's shared functions and infrastructure

REVENUES INCREASE AND PROFITABILITY IMPROVEMENT

INCREASE OF REVENUES OF THE AGORA GROUP BY 8.5%



MORE THAN TWOFOLD INCREASE OF AGORA GROUP'S OPERATING RESULT



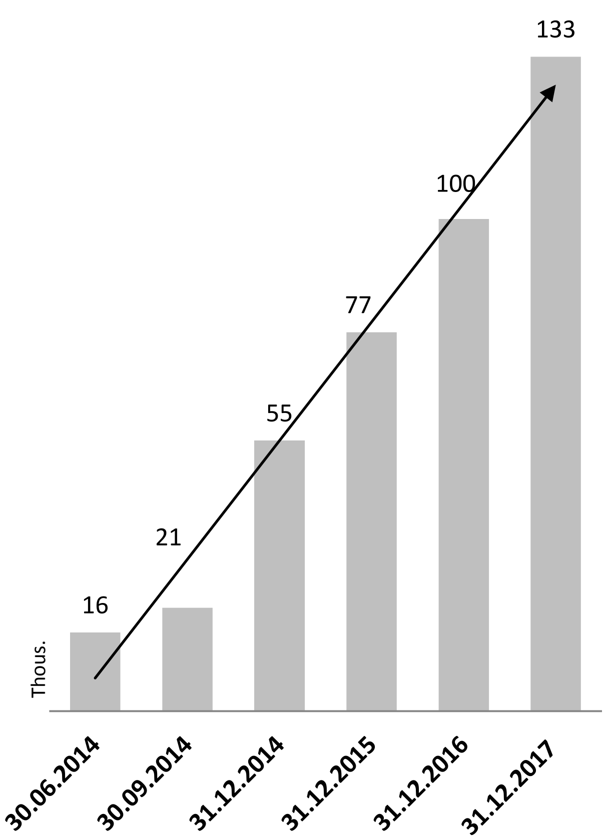
Source: consolidated financial statements according to IFRS for 2014, 2015, 2016, 2017,
* EBIT result after elimination of the impact of revaluation write-down on assets - concerning 2017.

DIGITAL TRANSFORMATION OF THE PRINT MEDIA OPERATIONS

AGORA SA

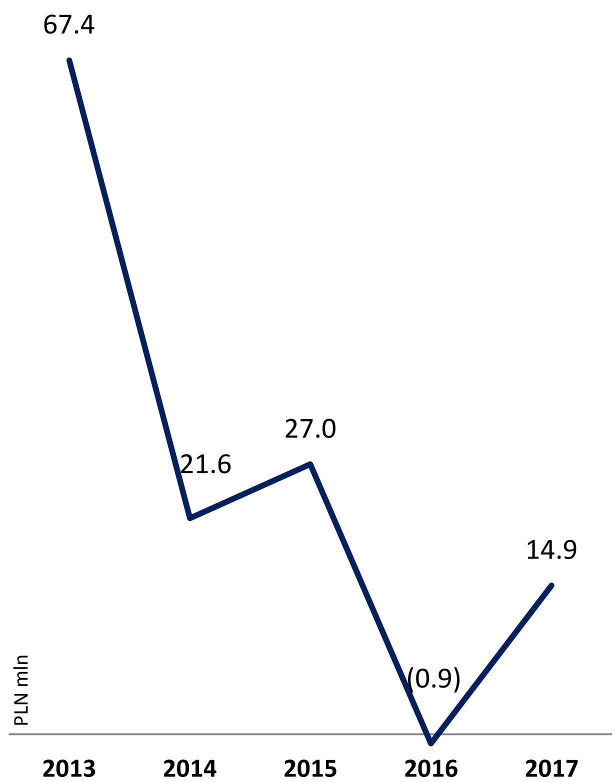
THE SUCCESS OF DIGITAL SUBSCRIPTIONS OF *GAZETA WYBORCZA*

An increase in the number of *Gazeta Wyborcza's* digital subscriptions



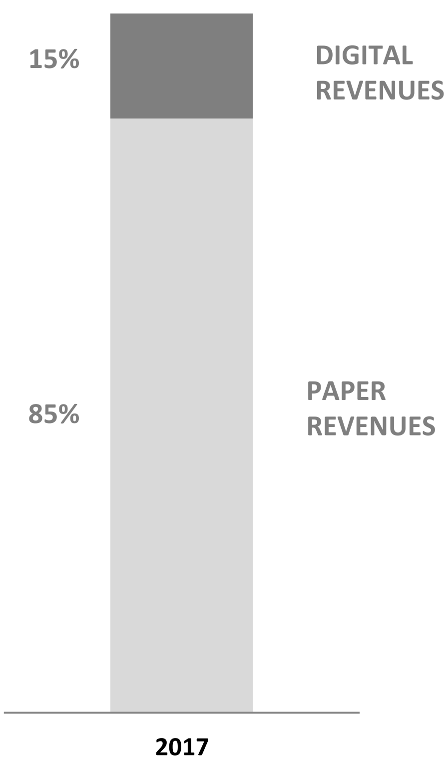
HALTING OF THE PROFITABILITY DECLINE

EBITDA of the Press segment



CHANGE OF THE REVENUES STRUCTURE

Revenue structure of *Gazeta Wyborcza*



Source: Consolidated Financial Statements According to IFRS, 2013-2017.

BUILDING POSITION IN THE TV MARKET

Successful entry into the TV market:

- Stopklatka achieved planned financial and market goals
- METRO – leader of MUX-8 platform from the onset of its broadcasting

STOPKLATKA tv

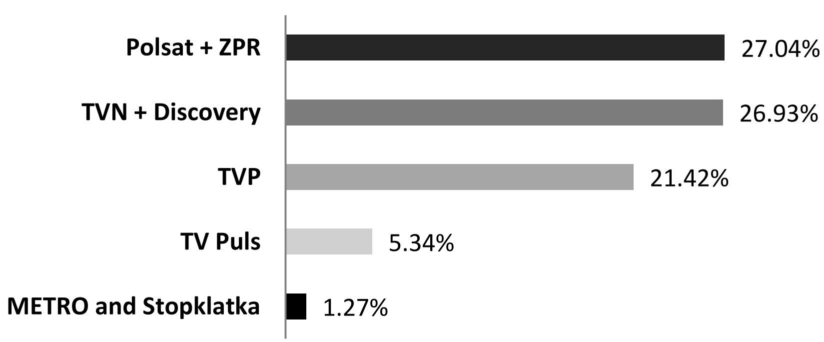
METRO

Profitable and quick withdrawal from the investment in TV sector allows for more effective allocation of resources in the Group's further development

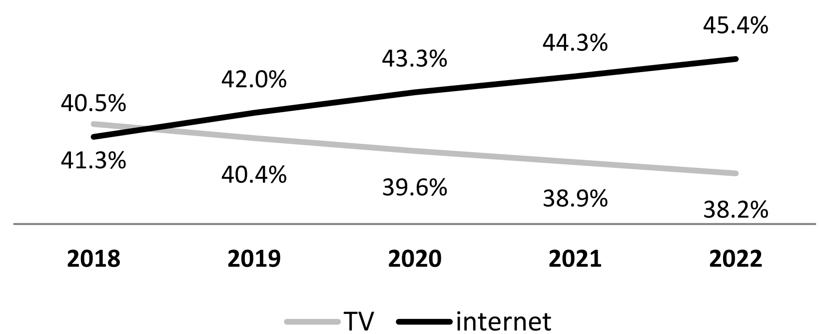
High barriers for further growth and consolidation of the TV market

In the next few years the TV advertising market will lose its leading position

Share in the television audience in a commercial group [%][1]

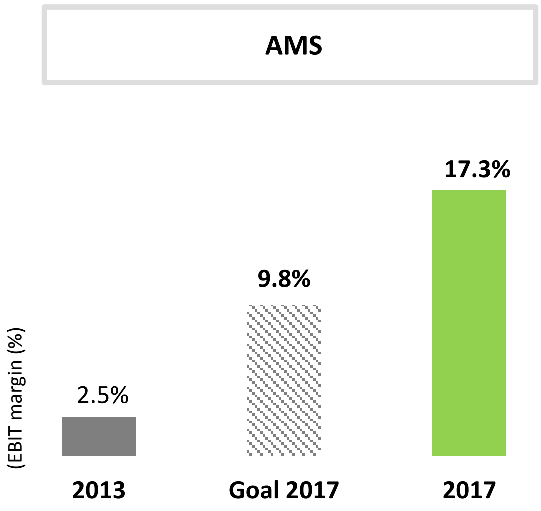


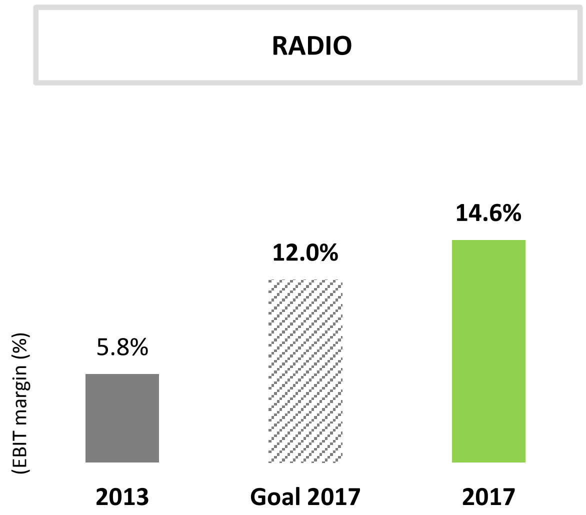
Forecasted share in advertising spending[2]



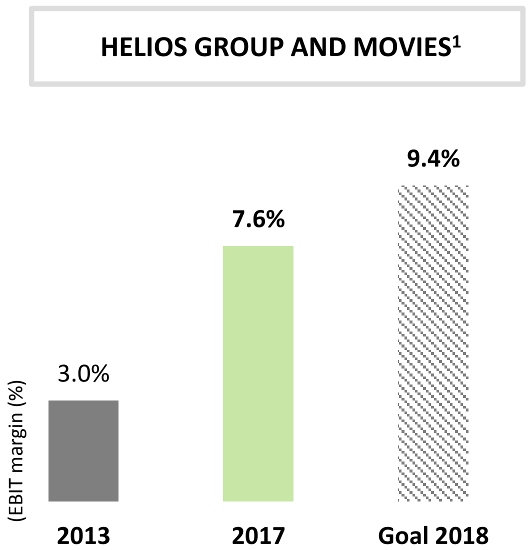
1 Nielsen Audience Measurement data; 2017; Target: 16-49, SHR;
2 Own data

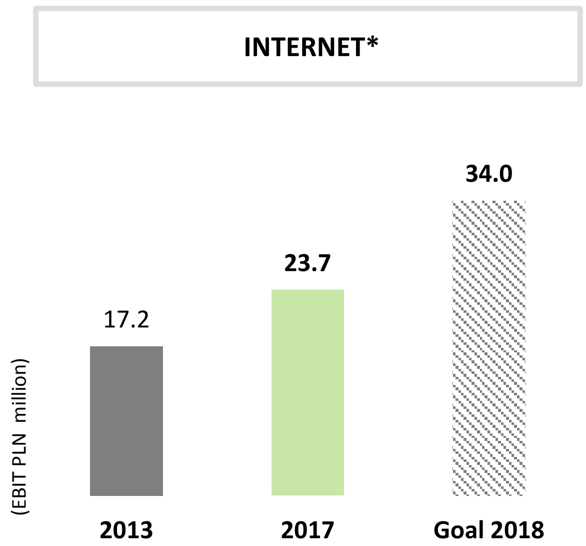
PROFITABILITY IMPROVEMENT OF THE GROUP'S KEY BUSINESS SEGMENTS





- 7-fold improvement in AMS profitability, EBIT margin significantly higher than planned
- A considerable improvement in the profitability of Radio and surpassing of the goals



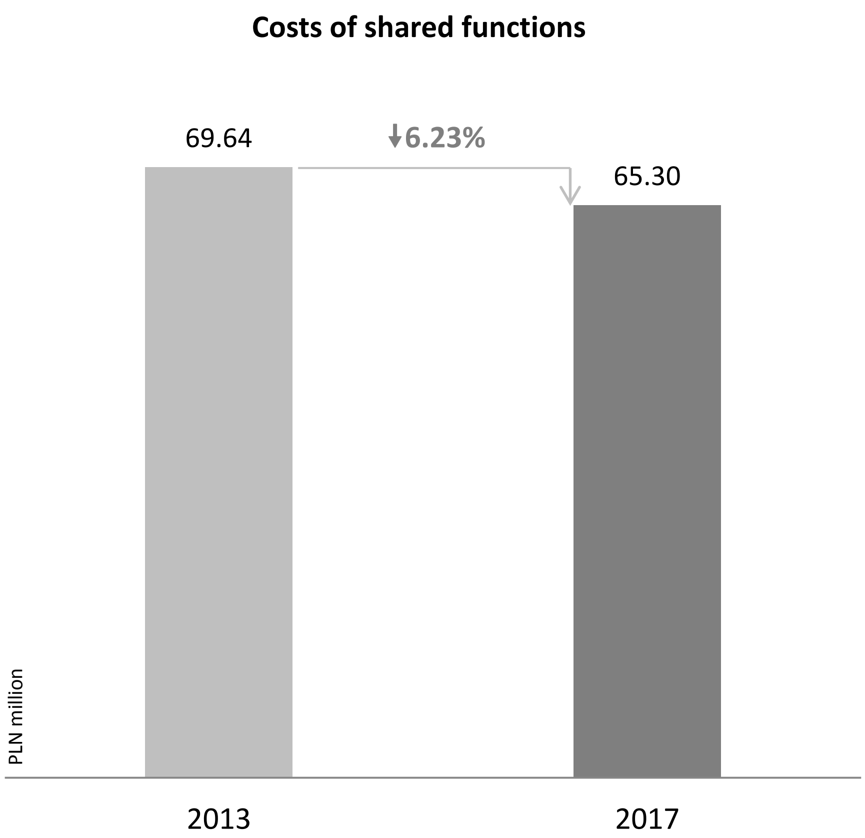


- The Helios group is on track to meet its goals. In 2017 - a record high result
- The recovery of the Internet segment's profitability; however, the set goal is unachievable

Source: consolidated financial statements according to IFRS, 2013-2017;
1 The Helios Group includes the results of the Helios group and film operations in Agora SA;
** The data provided do not include write-offs for impairment of non-current assets of Internet segments and changes in settlements between the Internet segment and* Gazeta Wyborcza *and changes in the allocation of office space costs.*

COST OPTIMIZATION OF THE GROUP'S SHARED FUNCTIONS AND INFRASTRUCTURE

SHARED FUNCTIONS[1] COST REDUCTION



- **Reducing the cost of shared functions** despite the growing diversification of the Group's operations

1 Costs of shared services presented in the financial statements under the so-called "Reconciling positions" contain data not included in individual segments, including other revenues and costs of support divisions (centralized technological, administrative and financial functions, human resources management, etc.), as well as the Management Board of Agora SA, Agora TC Sp. with o.o.
Own data.

2 MAIN OBJECTIVES FOR 2018-2022

MAIN OBJETCIVES FOR 2018-2022

AGORA SA

ACCELERATION OF DEVELOPMENT AND GROWTH OF SCALE OF THE AGORA GROUP

GOALS

REVENUES

PLN 1.600+ million in 2022

PROFITABILITY

EBITDA PLN 200+ million in 2022

PRIORITIES

DIGITIZATION AND PREMIUM OFFER

DIVERSIFICATION:

development of businesses outside of the advertising market

PILLARS OF THE STRATEGY FOR THE YEARS 2018-2022

AGORA SA

MAIN SOURCES OF GROWTH OF CURRENT BUSINESSES

LEADER OF THE PREMIUM CONTENT OFFERED IN SUBSCRIPTION MODEL

GAZETA wyborcza

Pierwsze Radio Informacyjne TOK FM

ACCELERATION OF YIELDBIRD'S GROWTH BY BROADENING ITS PRODUCT OFFER

YIELDBIRD

ORGANIC GROWTH AND STRENGTHENING OF THE MARKET POSITION OF HELIOS CINEMA NETWORK

HELIOS

PREMIUM PANELS AND DIGITAL SOLUTIONS IN OUTDOOR ADVERTISING

ams

NEW DIRECTIONS OF DEVELOPMENT

B2B SERVICES FOR E-COMMERCE, MARTECH SOLUTIONS

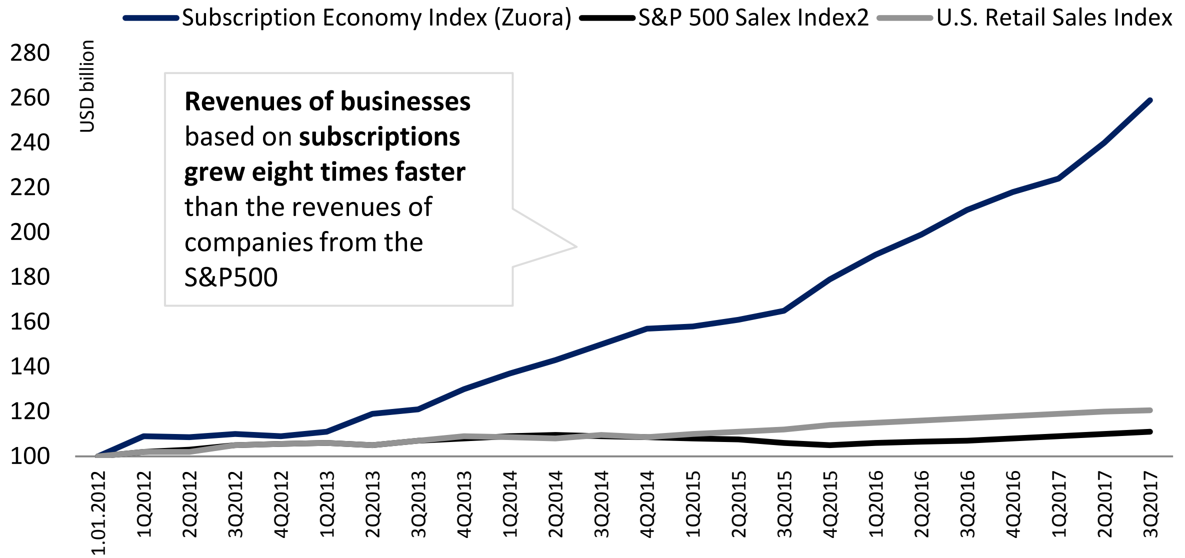
LEISURE: ENTERTAINMENT AND FOOD

AGORA SA

3 MAIN DIRECTIONS OF DEVELOPMENT OF THE CURRENT BUSINESSES OF THE AGORA GROUP

WORLDWIDE DEVELOPMENT OF THE SUBSCRIPTION MODEL[3]

Subscription Economy Index (USA)[1]



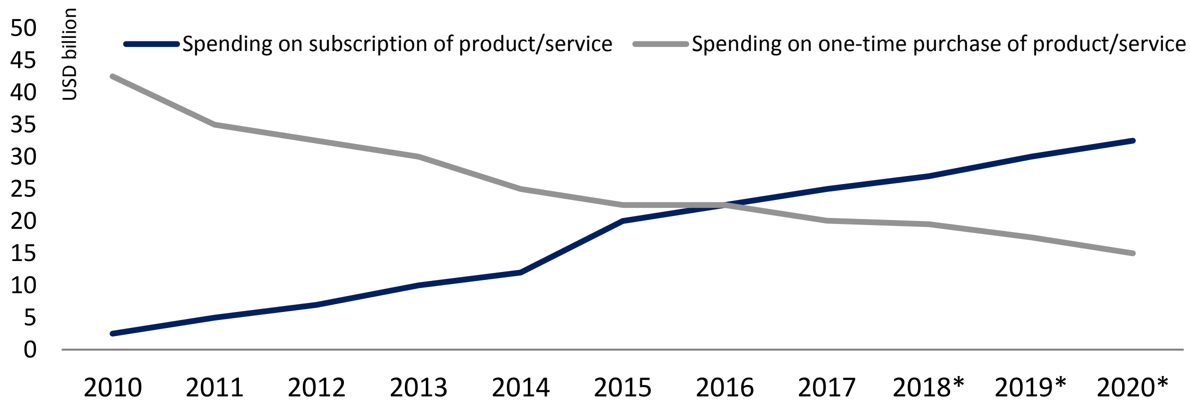
2018

- **50% of adults** in developed countries have at least **2 paid subscriptions** (video, audio or other)
- **20 million** of digital subscriptions

2020

- **50% of adults** in developed countries will have at least **4 paid subscriptions**

Expenditure on subscription to music and books publications or video vs. spending on one-time purchase of music and books publications or video[2]



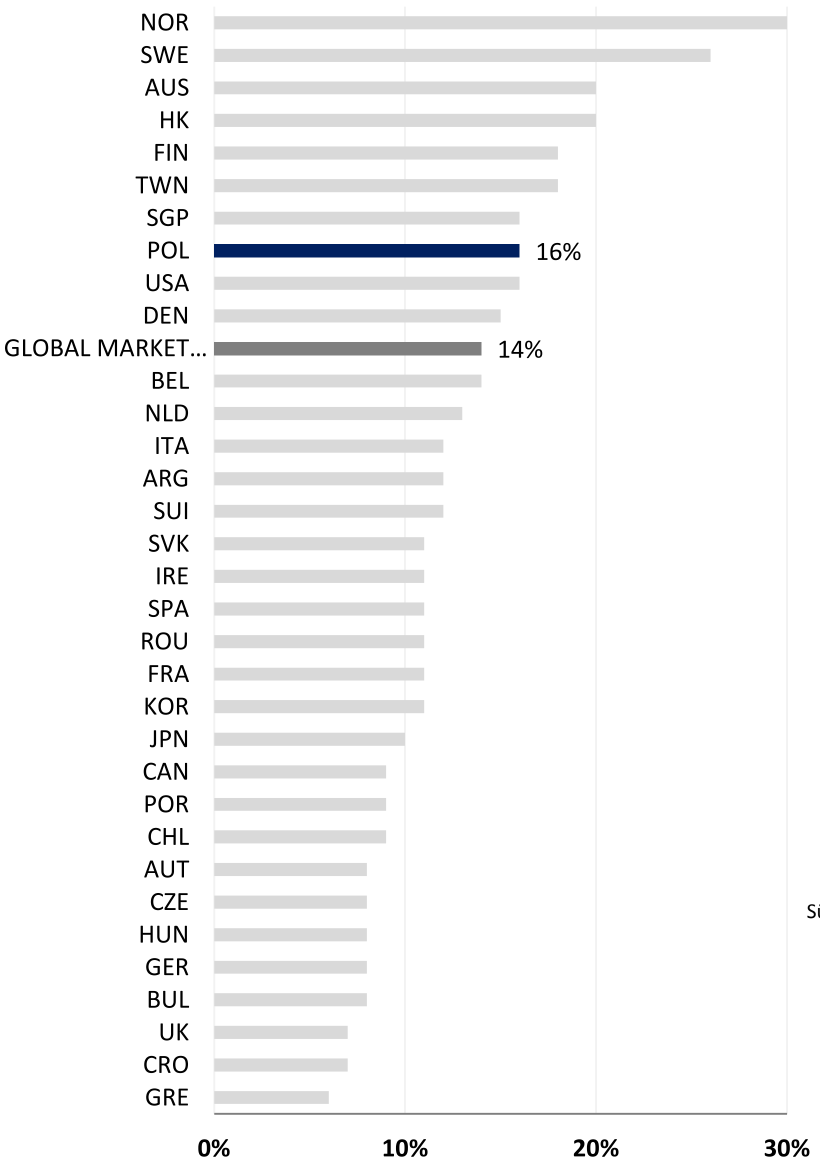
- **Higher willingness** to pay for access to content by **people using other subscription** services
- **The willingness to pay** for content grows the fastest in the age group **below 35**

1 The Subscription Economy Index 3rd Edition 2017, Zuora, US data;
2 Global Media Report 2016 Global Industry Overview McKinsey & Company, Wilkofsky Gruen Associates, global data. Expenses for the purchase of a product / service include the physical purchase of video, music and digital music downloads. Subscription expenses include access to subscription services: over-the-top (OTT), music and streaming video; Deloitte: Technology, Media and Telecommunications Predictions;
3 Digital News Report 2017.

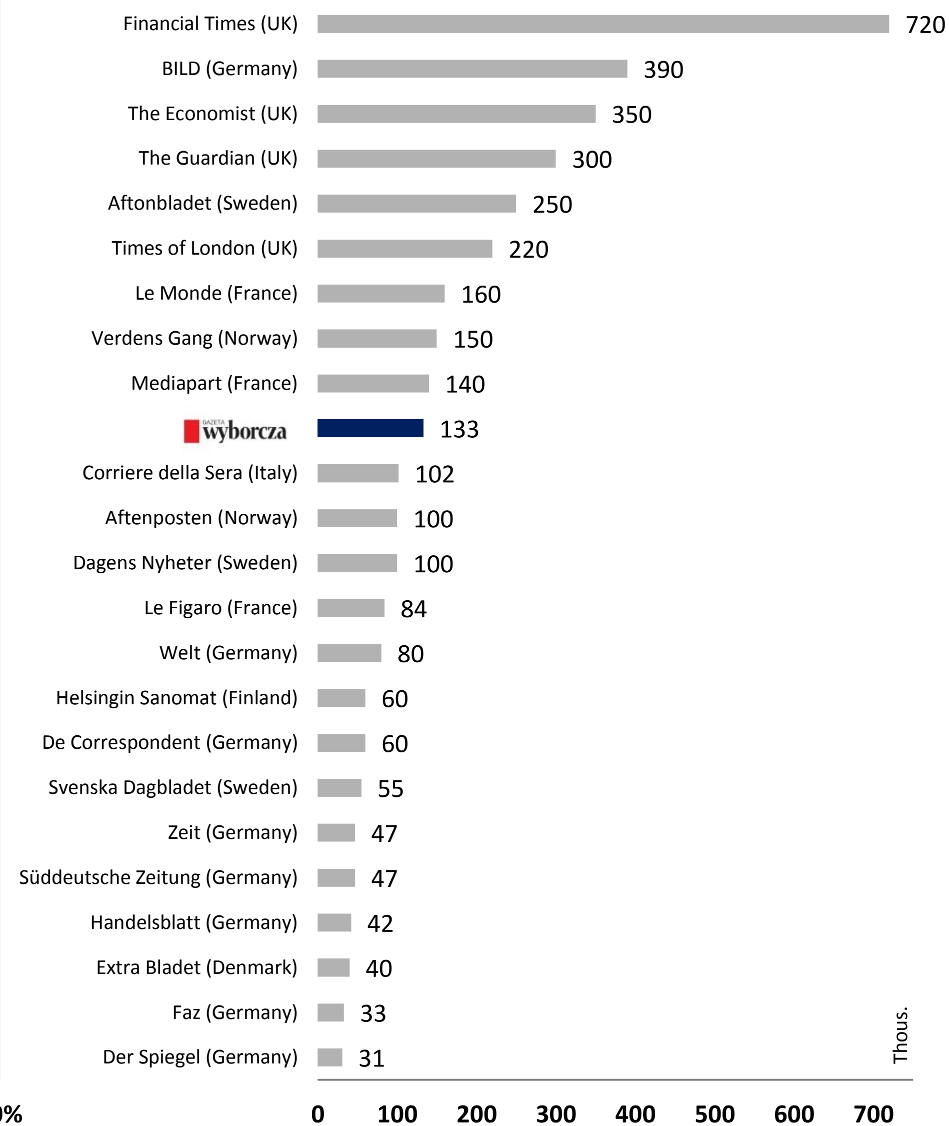
DEVELOPMENT OF PAID DIGITAL SUBSCRIPTION OF PRESS TITLES

AGORA SA

% of population that have paid for online news in the last year[1]



Paid digital subscriptions of European newspapers (latest public data)[2]



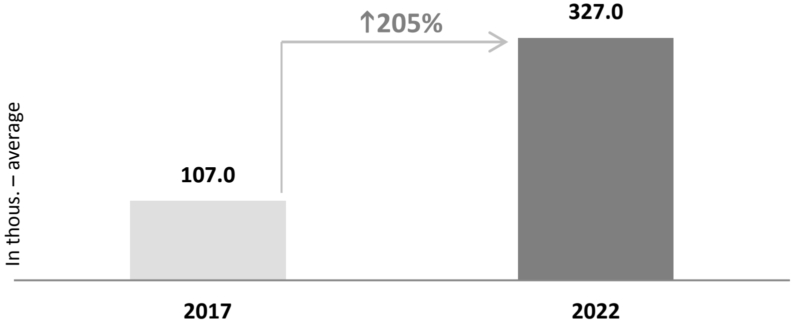
1 Reuters Digital News Report 2018, Base: Total sample in each market;
2 Global Digital Subscription Snapshot 2018, FIPP.

LEADER OF THE PREMIUM CONTENT OFFERED IN SUBSCRIPTION MODEL

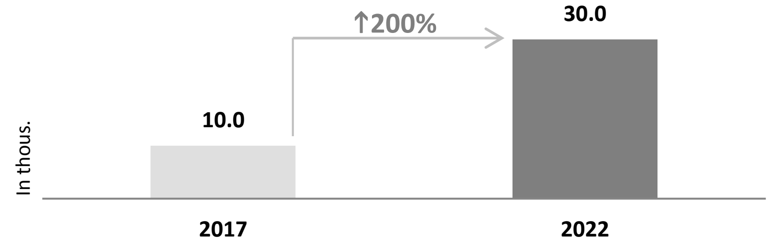
AGORA SA

TRIPLE THE NUMBER OF ACTIVE PAID SUBSCRIPTIONS UNTIL 2022

GAZETA wyborcza

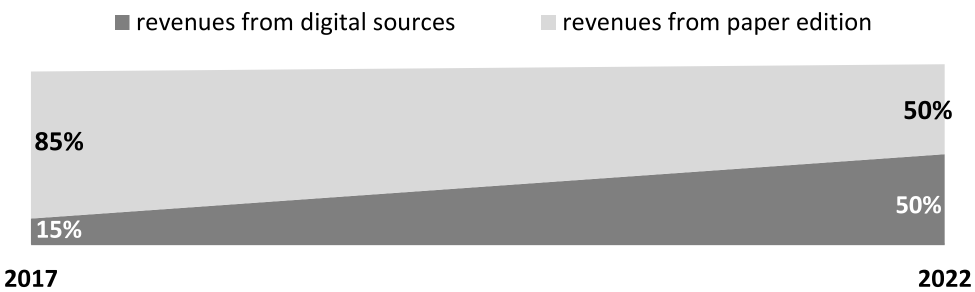


Pierwsze Radio Informacyjne TOK FM



GAZETA WYBORCZA: 50% OF REVENUES FROM DIGITAL SOURCES IN 2022

Change of revenue structure of *Gazeta Wyborcza*[1]



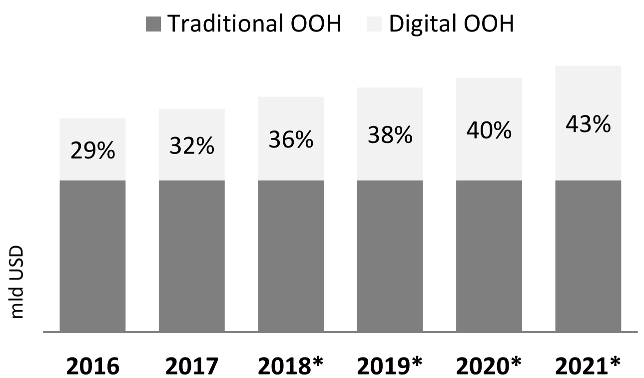
Change of the business model
– digital subscription as the main factor in *Gazeta Wyborcza's* revenue growth

Own data.

DIGITAL TRANSFORMATION OF THE OUTDOOR ADVERTISING MARKET

DOOH IS THE SECOND FASTEST GROWING SEGMENT OF THE ADVERTISING MARKET

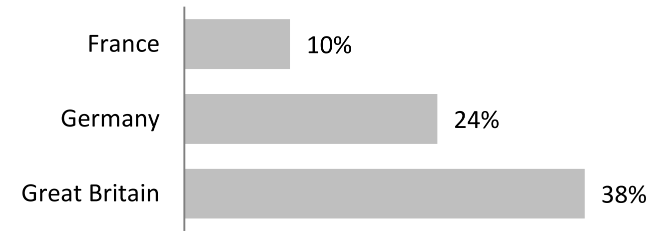
Global outdoor advertising market[1]



10-11%

annual average global growth rate of DOOH[2]

Share of digital OOH in outdoor advertising expenditure[1]



Poland[3] **5.5%**

DIGITAL OUT OF HOME IN POLAND

- market fragmentation
- the initial phase of market development
- possibility to build a significant position

1 Digital Out of Home Current status and directions of development; Hatalska.com.Data on expenditures in 2016;
2 MAGNA & REPORT, June 2017;
3 IGRZ report for 2017; ca. 58 sales of DOOH generated by companies covered by the monitoring were taken into account in the sales volume.

AMS AS THE LEADER OF PREMIUM PANELS AND DOOH MARKET

AGORA SA

AMS: MAIN DEVELOPMENT DIRECTIONS

PREMIUM OFFER

75% of revenues from Premium panels in 2022

50% increase in the number of Citylight Premium panels by 2022

DIGITAL SOLUTIONS

- **AMS as a leading integrator of quality digital solutions**
- **Development of a digital out of home offer integrated with urban furniture**

Innovations in traditional OOH and introduction of efficiency indices

75% of revenues from advertising offer based on media indices (outdoor track) in 2022

First projects with the use of digital solutions

Dynamic backlight – innovation of 2017

Self-service parcel pick-up stations (2.2 thous.) **and ATM screens** (2.3 thous.)

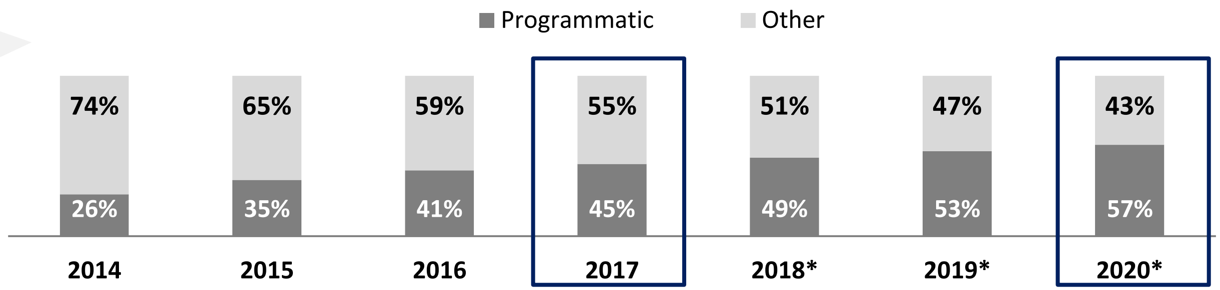
Smart bus shelters with WiFi (network in major cities)

B2B SERVICES: PROGRAMMATIC IN SAAS MODEL

AGORA SA

60% OF GLOBAL DIGITAL AD SPENDING BY 2020 FOR PROGRAMMATIC ADVERTISING[1]

% share of programmatic in total online advertising expenditure [1]



YIELDBIRD'S COMPLEMENTARY OFFER

Current offer	Development of SaaS product
Very small publishers	Medium and larger publishers with programmatic competences

- Supplementing the offer with a product solution
- Entering the new market - with a high margin product
- The growing need of publishers to manage advertising in a programmatic model

YIELDBIRD'S INVESTMENT IN A SaaS PRODUCT

YIELDBIRD

Expanding the client portfolio

Improvement of margins

1 Raport BCG, 2018 based on Magna Global 2016.

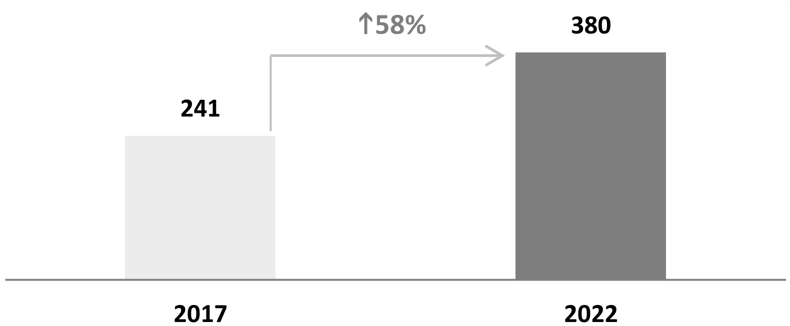
ENTERTAINMENT: HELIOS AS THE LEADER OF THE POLISH CINEMA MARKET

AGORA SA

MAIN DEVELOPMENT DIRECTIONS FOR HELIOS S.A.

The increase in the number of screens

Number of screens HELIOS

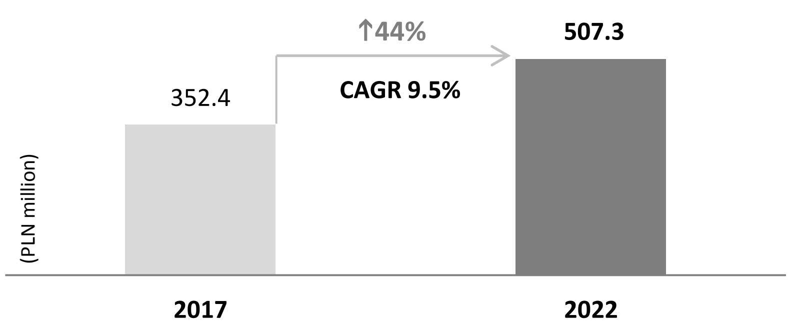


Premium offer

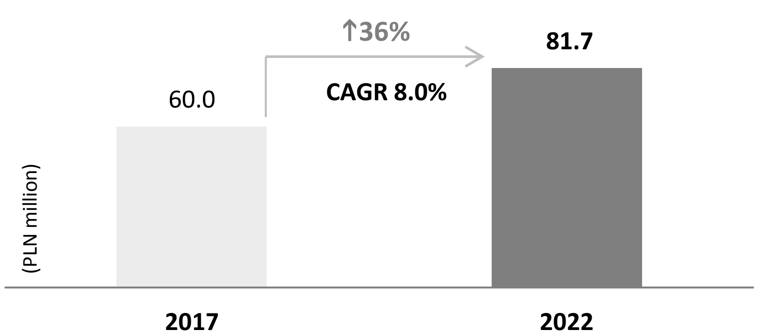
DREAM screening rooms

GROWTH THROUGH ORGANIC DEVELOPMENT

REVENUES



EBITDA



Own Data

INVESTMENTS IN CURRENT BUSINESSES

AGORA SA

50%
DEVELOPMENT

50%
MODERNIZATION

INVESTMENT IN THE CURRENT BUSINESSES
max.
PLN 430 million

18% AMS

49% CINEMAS

33% OTHER
(Internet, Radio, other)

Own data

4 DEVELOPMENT OF NEW BUSINESSES IN THE AGORA GROUP

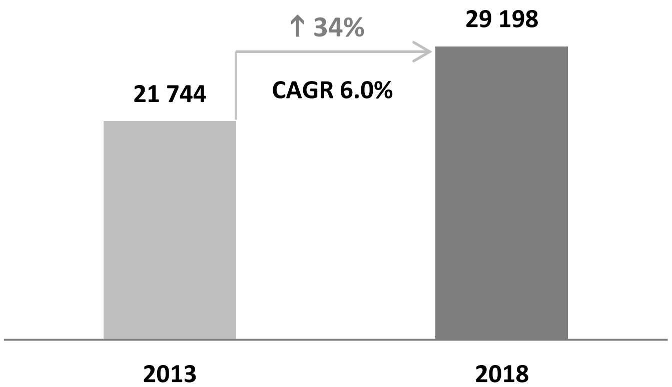
- B2B SERVICES FOR E-COMMERCE, MARTECH SOLUTIONS
- LEISURE: ENTERTAINMENT AND FOOD

B2B SERVICES FOR E-COMMERCE, MARTECH SOLUTIONS

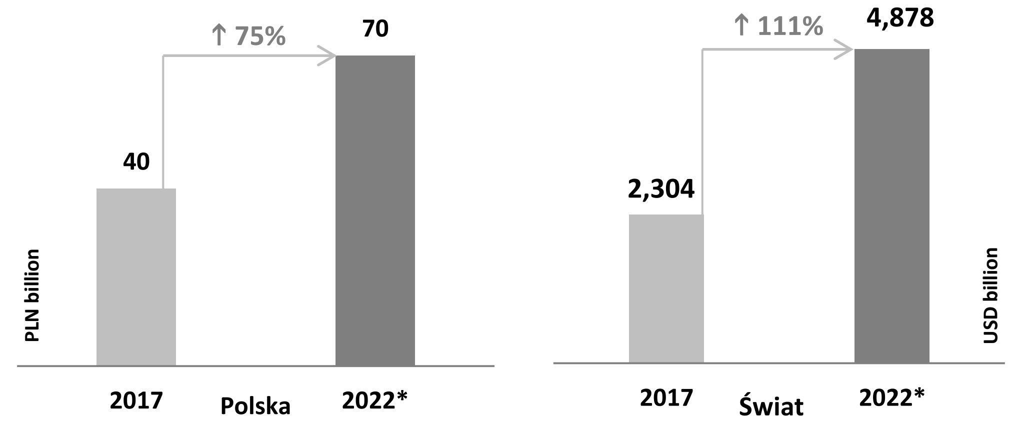
AGORA SA

Increasing activity of enterprises in the online sector, esp. in e-commerce

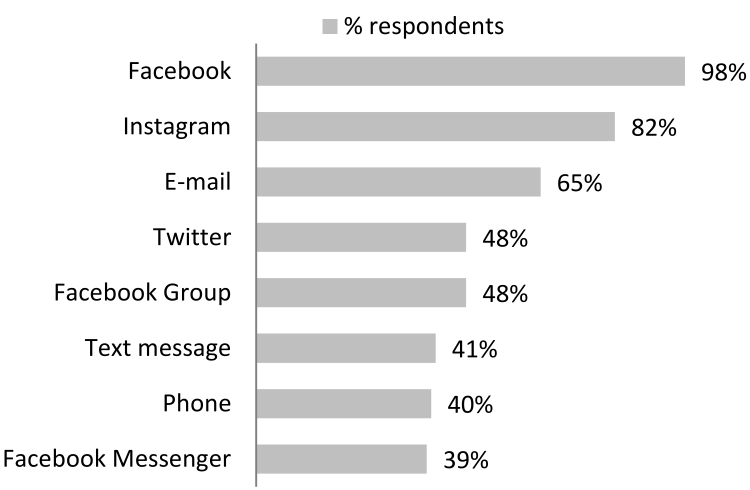
Number of registered e-commerce stores[1]



Value of the e-commerce market in Poland[3] and worldwide[4]



Multi-channel communication with online customers[2]



Atractive market trends and business models

- Large, growing market of B2B tools (MarTech, e-commerce)
- 2% of European B2C enterprises uses marketing automation tools vs. 49% in USA[5]
- Growing willingness of enterprises to outsource solutions
- Scalability and the possibility of expansion to other markets
- Predictable business model (eg SaaS), attractive profit margin
- Low inclination of clients to resign from the service

1 Number of e-commerce stores: Bisnode.pl: e-commerce market in Poland 2017-2018;
2 US Small Business Social Media Report Marketing research Survey, September 2017;
3 E-commerce 2018, Business Insider;
4 Statista.com;
5 Datanyze.

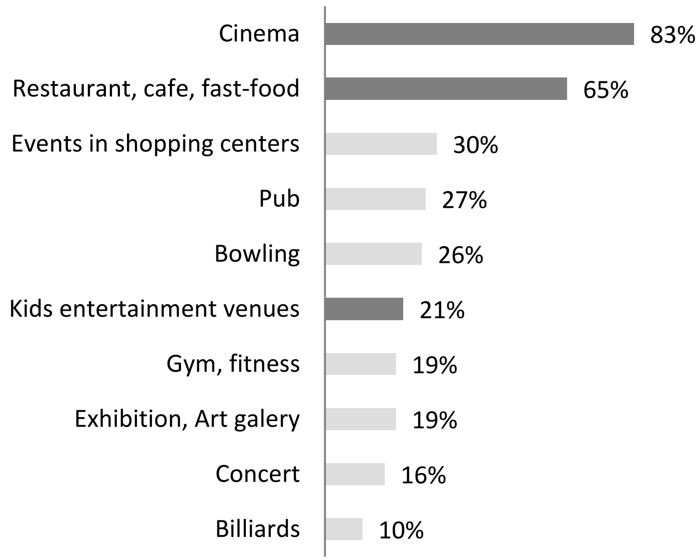
ENTERTAINMENT AND LEISURE: CHANGES OF HABITS AND LIFESTYLE

AGORA SA

Every tenth Pole regularly enjoys entertainment and recreation in shopping centers[1]

Share of space for entertainment, recreation and food court in the offer of shopping centers[1]

The most popular entertainment formats in Polish shopping centers[1]



Over 50% of Poles eats out regularly[2]

Over 85% of people at 15-29 years old eats out[2]

54% of Poles eats out[2]

3,7 average monthly number of visits at dining venues in 2017[2]

1,8% increase in number of dining venues in 2017[2]

Share of expenditure on eating out – % of household income[2]

Poland	Germany	Great Britain	Italy	Czech Republic
~ 3%	~ 5%	~ 10%	~ 10%	~ 7%

PLN 30 billion net

value of the food service market in 2018[3]

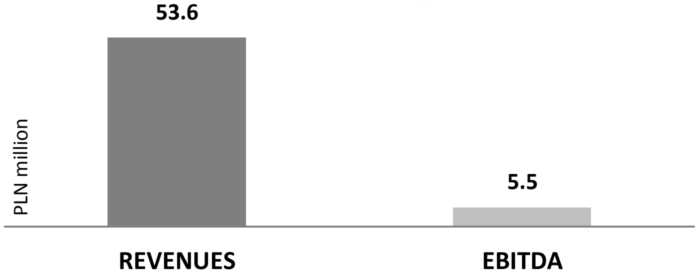
1 Report Is the change coming? A new dimension of entertainment and recreation in shopping centers, Colliers International Report, September 2017;
2 Polish report on fork 2017. GFK Polonia

FOOD SECTOR: BUILDING MARKET POSITION

ORGANIC DEVELOPMENT OF THE FAST-CASUAL CONCEPTS

- Creating own network of several dozen eateries in 4 years
- Launch of two brands at the same time

Estimated results of FOODIO in 2022



ORGANIC DEVELOPMENT OF HELIOS CAFE FORMAT

- Broadening of the assortment
- Openings outside of cinemas

ACQUISITIONS

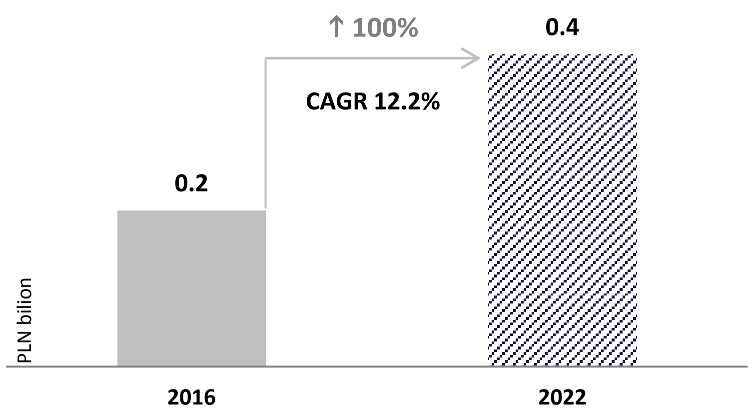
- Increase of the scale of the operations
- New food concepts

Own data.

ENTERTAINMENT CONCEPTS

Evolution of entertainment centers model

Estimated growth of the Polish kids entertainment venues[1]



Polish entertainment centers market

- market fragmentation
- lack of big, international players
- initial phase of market development

Agora as the leader of changes in the model of entertainment centers in Poland

EDUTAINMENT
education + entertainment
= education through entertainment

spending time together

developing interests

ENTERTAINMENT CENTERS

next to cinema and restaurants this is one of the main reasons for choosing a shopping center by families with children

1 BCG report, 2018;
Report Is the change coming? A new dimension of entertainment and recreation in shopping centers, Colliers International Report, September 2017

INVESTMENTS IN GROWTH IN NEW BUSINESSES

AGORA SA

SOURCES OF FUNDING

- cash generated by current businesses
- outside funding

max. PLN 500 million

LEISURE: ENTERTAINMENT AND FOOD

B2B SERVICES FOR E-COMMERCE, MARTECH SOLUTIONS

OTHER

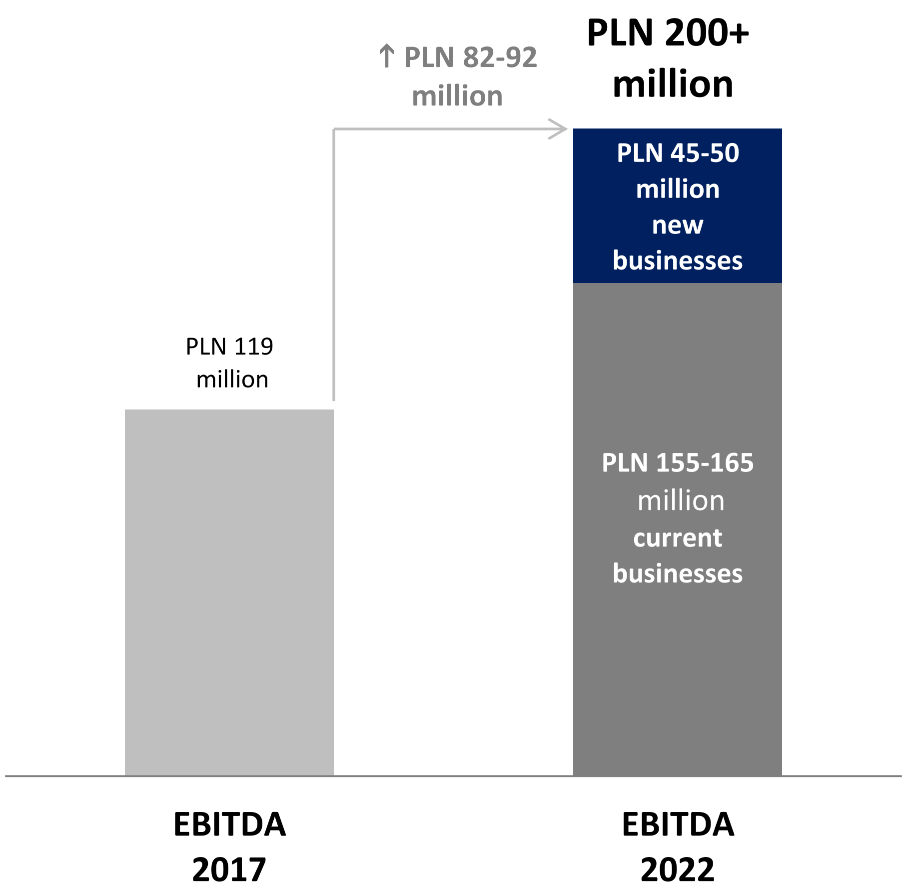
(including acquisitions that strengthen current businesses of the Agora Group)

Dane własne.

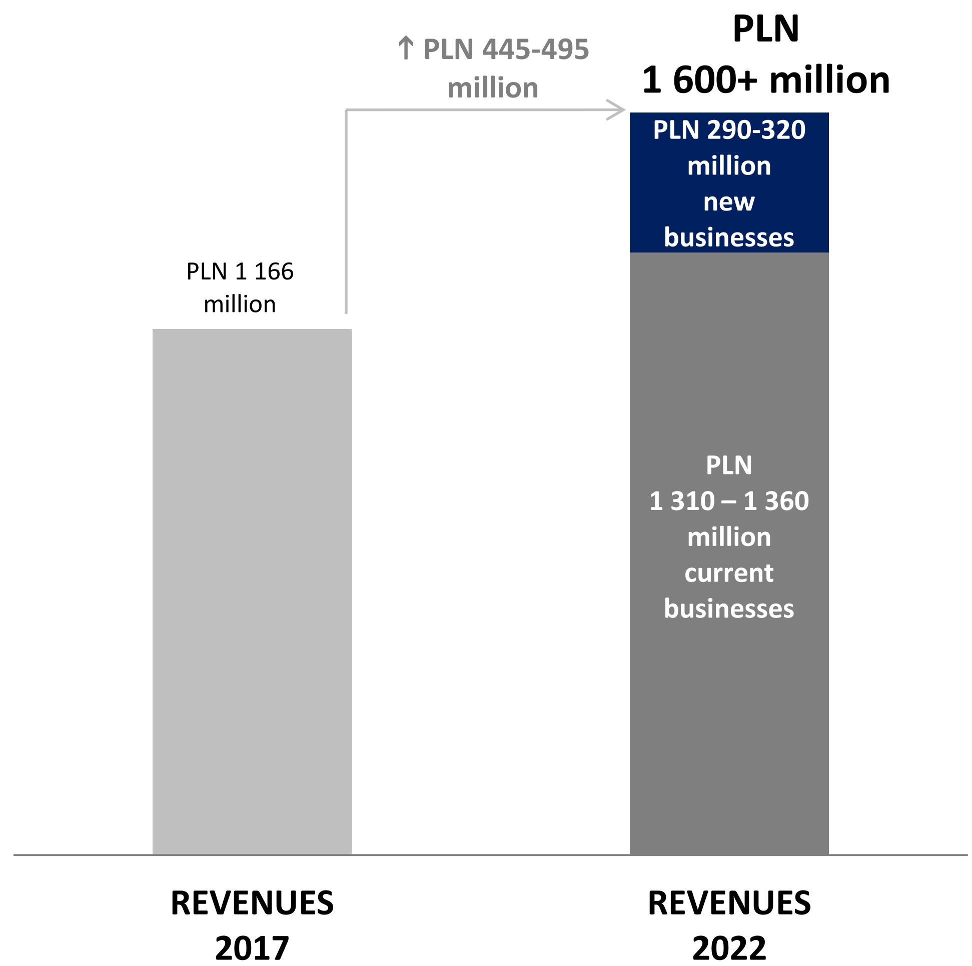
5 THE AGORA GROUP IN 2022

THE AGORA GROUP IN 2022

SUBSTANTIAL GROWTH OF EBITDA



INCREASE OF THE REVENUES



Own data.

THANK YOU FOR YOUR ATTENTION

Visit us at: www.agora.pl

Contact:
investor@agora.pl
press@agora.pl
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