FINANCIAL AND MARKET PERFORMANCE OF AGORA GROUP IN 2Q2018

August 10th, 2018
AGENDA

1. Key components of market environment
2. Estimates of the Polish advertising market in 2018
3. Financial results of Agora Group
4. Results and development activities of the Agora’s business segments
5. Summary and prospects
MARKET ENVIRONMENT

Polish cinema attendance

Dynamics of ad spend in 2Q2018

Dynamics of the advertising market in Poland and GDP

Structure of the ad market in 2Q2018

Source: ad spend estimates by: Agora (press based on Kantar Media and Agora’s monitoring, radio based on Kantar Media), IGRZ (outdoor - since January 2014, the number of entities reporting their revenues to IGRZ declined), Starcom (TV, cinema, internet). Internet – comprises revenues from e-mail marketing, display, search engine marketing, revenues from video advertising and mobile advertising since 1Q2015. TV estimates include regular ad broadcast and sponsoring with product placement, exclude teleshopping and other advertising. The presented data is comparable; data refer to advertisements and announcements in six media (press, radio, television, outdoor advertising, internet, cinema), Central Statistical Office.

* Estimate GDP in 2018.
ESTIMATES OF THE POLISH ADVERTISING MARKET IN 2018

<table>
<thead>
<tr>
<th>market</th>
<th>television</th>
<th>internet</th>
<th>radio</th>
<th>outdoor</th>
<th>magazines</th>
<th>dailies</th>
<th>cinema</th>
</tr>
</thead>
<tbody>
<tr>
<td>15.0%</td>
<td>↑ higher estimate from 2-4%</td>
<td>↑ higher estimate from 1-3%</td>
<td>7-10%</td>
<td>↑ higher estimate from 1-3%</td>
<td>↑ higher estimate from (9%)-(7%)</td>
<td>↑ higher estimate from (12%)-(10%)</td>
<td>↑ lower estimate from 4-6%</td>
</tr>
<tr>
<td>10.0%</td>
<td>3.5-5.5%</td>
<td>4-6%</td>
<td>8.0%</td>
<td>3-5%</td>
<td>1-3%</td>
<td></td>
<td>4.5%</td>
</tr>
<tr>
<td>5.0%</td>
<td>2.0%</td>
<td>1.5%</td>
<td>0.0%</td>
<td>1.3%</td>
<td>(1.5)%</td>
<td>(8%)-(6%)</td>
<td>0-2%</td>
</tr>
<tr>
<td>0.0%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(10%)-(8%)</td>
<td></td>
</tr>
</tbody>
</table>

Nowadays estimates of the advertising market growth dynamics in 2018

Growth dynamics of the advertising market w 2017

Estimates of the advertising market growth dynamics in 2018 (8.03.2018)

Source: ad spend estimates by Agora (press based on Kantar Media and Agora’s monitoring, radio based on Kantar Media), IGRZ (outdoor - since January 2014, the number of entities reporting their revenues to IGRZ declined), StarLink (TV, cinema, Internet), Internet – comprise revenues from e-mail marketing, display, search engine marketing and revenues from video advertising. TV estimates include regular ad broadcast and sponsoring with product placement, exclude teleshopping and other advertising.
FINANCIAL RESULTS OF THE GROUP IN 2Q2018 AND 1H2018

<table>
<thead>
<tr>
<th>in PLN mln</th>
<th>2Q2018</th>
<th>2Q2017</th>
<th>% y/y change</th>
<th>1H2018</th>
<th>1H2017</th>
<th>% y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales, incl.</td>
<td>258.3</td>
<td>282.7</td>
<td>(8.6%)</td>
<td>536.3</td>
<td>583.7</td>
<td>(8.1%)</td>
</tr>
<tr>
<td>Advertising sales</td>
<td>146.8</td>
<td>142.8</td>
<td>2.8%</td>
<td>267.0</td>
<td>262.2</td>
<td>1.8%</td>
</tr>
<tr>
<td>Ticket sales</td>
<td>35.0</td>
<td>43.6</td>
<td>(19.7%)</td>
<td>101.2</td>
<td>108.0</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Copy sales</td>
<td>31.6</td>
<td>34.4</td>
<td>(8.1%)</td>
<td>65.5</td>
<td>68.1</td>
<td>(3.8%)</td>
</tr>
<tr>
<td>Printing services</td>
<td>13.8</td>
<td>17.5</td>
<td>(21.1%)</td>
<td>37.8</td>
<td>39.7</td>
<td>(4.8%)</td>
</tr>
<tr>
<td>Concession sales</td>
<td>16.5</td>
<td>30.9</td>
<td>(46.6%)</td>
<td>32.1</td>
<td>58.9</td>
<td>(45.5%)</td>
</tr>
<tr>
<td>Other</td>
<td>14.6</td>
<td>13.5</td>
<td>8.1%</td>
<td>32.7</td>
<td>46.8</td>
<td>(30.1%)</td>
</tr>
</tbody>
</table>

Operating cost, net, incl: | (281.1) | (276.0) | 1.8% | (546.0) | (573.4) | (4.8%) |

- External services | (100.9) | (99.5) | 1.4% | (209.0) | (211.9) | (1.4%) |
- Staff cost | (80.9) | (80.5) | 0.5% | (164.6) | (163.3) | 0.8% |
- Raw materials, energy and consumables | (35.8) | (46.6) | (23.2%) | (73.0) | (94.3) | (22.6%) |
- D&A | (20.5) | (24.7) | (17.0%) | (43.8) | (50.0) | (12.4%) |
- Promotion and marketing | (15.6) | (15.5) | 0.6% | (29.1) | (36.5) | (20.3%) |
- Restructuring cost | (2.2) | - | - | (3.6) | - | - |
- Gain on real estate sales | - | - | - | 13.9 | - | - |
- Write-off of unrecoverable receivables | (15.6) | - | - | (16.3) | - | - |

Operating result - EBIT | (22.8) | 6.7 | - | (9.7) | 10.3 | - |

EBIT margin (EBIT/Sales) | (8.8%) | 2.4% | (11.2pp) | (1.8%) | 1.8% | (3.6pp) |

EBITDA | (2.4) | 31.4 | - | 33.9 | 60.3 | (43.8%) |

EBITDA margin (EBITDA/Sales) | (0.9%) | 11.1% | (12.0pp) | 6.3% | 10.3% | (4.0pp) |

Gain on sale of shares | 26.7 | - | - | 26.7 | - | - |

Net profit/(loss) | 0.2 | 0.7 | (71.4%) | 9.9 | (5.4) | - |

Operating cost net excl. impairments | (265.5) | (276.0) | (3.8%) | (529.7) | (573.4) | (7.6%) |

EBIT excl. impairments | (7.2) | 6.7 | - | 6.6 | 10.3 | (35.9%) |

EBITDA excl. impairments | 13.2 | 31.4 | (58.0%) | 50.2 | 60.3 | (16.7%) |

Net profit/(loss) excl. impairments | 12.8 | 0.7 | 1,733.7% | 23.1 | (5.4) | - |

Source: consolidated financial statements according to IFRS, 1H2018;

1 particular sales positions, apart from ticket and concession sales in cinemas and printing services, include sales of Publishing House division and film activities (co-production and distribution in the Movies and Books segment), described in details in point IV.A in IFRS;

2 cost related to group lay-offs executed in Press segment in the 1Q2018 and lay-offs cost related to restructuring Magazines division in 2Q2018;

3 the line-item includes the gain achieved by Agora S.A. on sale of properties located in Gdańsk and Warsaw;

4 the amounts include write-off of receivables from one of the Company’s contractors, which are burdened with a large probability of being uncollectible;

5 the performance measure “EBITDA” is defined as EBIT increased by depreciation and amortization and impairment losses of property, plant and equipment and intangible assets. The amount of impairment losses included in the calculation of EBITDA in 1Q2018 amounted to PLN 0.1 million. Detailed information on definitions of financial ratios are presented in the Notes to part IV of MD&A;

6 gain on sale of shares in Stopklatka SA;

7 the amounts include write-off of receivables from one of the Company’s contractors, which are burdened with a large probability of being uncollectible.

REVENUE 2Q2018 vs. 2Q2017

- yoy decline of Agora Group’s revenue mainly due to lower yoy revenue from printing services, resulting from lower yoy volume of orders; lower yoy revenue from ticket sales and from concession sales due to yoy drop of cinema attendance

- lower yoy copysales revenue due to drop of copysales revenue in Press segment as a result of decline in copysales, lower yoy number of dual price editions of Gazeta Wyborcza and smaller number of monthlies in the Company’s portfolio, with higher yoy revenues from Agora Publishing House

- higher yoy advertising revenues in Internet, Outdoor, Radio, as well as Movies and Books segments, with lower yoy advertising revenues in Press segment

- yoy growth of other sales in Radio, Press, and Print segments with lower yoy other sales in Internet, Outdoor, as well as Movies and Books segments

COST 2Q2018 vs. 2Q2017

- higher yoy operating cost in majority of business segments except for Print, and Movies and Books segments

- significant impact of the write-off of unrecoverable receivables and restructuring reserve in Press segment

- lower yoy raw materials, energy and consumables cost due to lower yoy volume of orders in Print segment and lower volume of Company’s main press titles

- lower yoy D&A cost, mainly in Print, as well as Movies and Books segments and in Company’s supporting divisions

- yoy growth of external services as a result of higher cost of advertising space rental, higher yoy cost of advisory services, with lower yoy cost of film copy purchase, productions and computer services

- staff cost at the similar level; growth in most of the Group’s business segments, except for Press, and Print segments

Gain on sales of Stopklatka’s shares in the amount of PLN 26.7 million. Impact on the 2Q2018 net result of the Agora Group amounts to PLN 22.6 million
### MOVIES AND BOOKS: LOW CINEMA ATTENDANCE

<table>
<thead>
<tr>
<th>in PLN mln</th>
<th>2Q2018</th>
<th>2Q2017</th>
<th>% y/y change</th>
<th>1H2018</th>
<th>1H2017</th>
<th>% y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales, including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ticket sales</td>
<td>67.7</td>
<td>78.9</td>
<td>(14.2%)</td>
<td>182.8</td>
<td>205.8</td>
<td>(11.2%)</td>
</tr>
<tr>
<td>Concession sales</td>
<td>35.0</td>
<td>43.5</td>
<td>(19.5%)</td>
<td>101.3</td>
<td>108.1</td>
<td>(6.3%)</td>
</tr>
<tr>
<td>Advertising revenue</td>
<td>13.8</td>
<td>17.5</td>
<td>(21.1%)</td>
<td>37.8</td>
<td>39.7</td>
<td>(4.8%)</td>
</tr>
<tr>
<td>Film activities revenue</td>
<td>5.7</td>
<td>5.6</td>
<td>1.8%</td>
<td>12.0</td>
<td>14.1</td>
<td>(14.9%)</td>
</tr>
<tr>
<td>Agora Publishing House revenue</td>
<td>1.7</td>
<td>1.4</td>
<td>21.4%</td>
<td>7.1</td>
<td>21.5</td>
<td>(67.0%)</td>
</tr>
<tr>
<td>Total operating cost</td>
<td>(77.5)</td>
<td>(80.6)</td>
<td>(3.8%)</td>
<td>(176.0)</td>
<td>(187.2)</td>
<td>(6.0%)</td>
</tr>
<tr>
<td>Operating result - EBIT</td>
<td>(9.8)</td>
<td>(1.7)</td>
<td>(476.5%)</td>
<td>6.8</td>
<td>18.6</td>
<td>(63.4%)</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>(14.5%)</td>
<td>(2.2%)</td>
<td>(12.3pp)</td>
<td>3.7%</td>
<td>9.0%</td>
<td>(5.3pp)</td>
</tr>
<tr>
<td>EBITDA</td>
<td>(2.6)</td>
<td>6.1</td>
<td>-</td>
<td>21.9</td>
<td>34.9</td>
<td>(37.2%)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>(3.8%)</td>
<td>7.7%</td>
<td>(11.5pp)</td>
<td>12.0%</td>
<td>17.0%</td>
<td>(5.0pp)</td>
</tr>
</tbody>
</table>

#### Growth of Helios cinema network

- **45** cinemas
- **253** screens
- **50 thous.** seats

#### Operating date

<table>
<thead>
<tr>
<th>City</th>
<th>Katowice</th>
<th>Warszawa</th>
<th>Pila</th>
<th>Legionowo</th>
<th>Pabianice</th>
<th>Żory</th>
<th>Piaseczno</th>
</tr>
</thead>
<tbody>
<tr>
<td>Opening date</td>
<td>4Q2018</td>
<td>4Q2018</td>
<td>2019</td>
<td>2019</td>
<td>2019</td>
<td>2020</td>
<td>2021</td>
</tr>
<tr>
<td>Screens</td>
<td>8</td>
<td>8</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Seats</td>
<td>1,400</td>
<td>1,400</td>
<td>700</td>
<td>600</td>
<td>600</td>
<td>650</td>
<td>1,400</td>
</tr>
<tr>
<td>Cinema no.</td>
<td>46.47.</td>
<td>48.</td>
<td>49.</td>
<td>50.</td>
<td>51.</td>
<td>52.</td>
<td></td>
</tr>
</tbody>
</table>

#### Film activity

- **3** new movies of NEXT FILM in 2H2018

#### Agora Publishing House

- **69** book, music and movie publications in 1H2018

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**Source:** consolidated financial statements according to IFRS, 1H2018:

1. The amounts do not include revenues and total cost of cross-promotion of Agora’s different media (only the direct variable cost of campaigns carried out on advertising panels if such a promotion was executed without prior reservation);
2. The amounts comprise mainly the revenues from co-production and distribution of films;
3. The amounts include D&A costs in Publishing House division, which in 1H2018 amounted to PLN 0.5 mln and in 2Q2018 amounted to PLN 0.3 mln (in the comparable periods of 2017 it amounted accordingly to PLN 0.4 mln and 0.2 mln);
4. EBIT and EBITDA of Press, Internet, Movies and Books, as well as Print segments are calculated on the basis of cost directly attributable to the appropriate operating segment of the Agora Group and excludes allocations of all Company’s overheads (such as: cost of Agora’s Management Board and a majority of cost of the Company’s supporting divisions), which are included in reconciling positions. EBIT and EBITDA do not include other operating income and costs recognised in companies participating in the Tax Capital Group, which relate to intergroup settlement of benefits arising from the utilisation of tax losses that reduce the tax expense of the Tax Capital Group.
PRESS: DROP OF REVENUES AND CHANGES IN THE PORTFOLIO

in PLN mln | 2Q2018 | 2Q2017 | % y/y change | 1H2018 | 1H2017 | % y/y change
---|---|---|---|---|---|---
Total sales¹, incl: | 54.7 | 62.8 | (12.9%) | 104.4 | 115.4 | (9.5%)
Copy sales | 25.5 | 29.5 | (13.6%) | 52.3 | 57.5 | (9.0%)
incl. Gazeta Wyborcza | 21.8 | 24.3 | (10.3%) | 44.6 | 47.4 | (5.9%)
incl. Magazines | 1.8 | 2.8 | (35.7%) | 4.0 | 5.9 | (32.2%)
Advertising revenue¹,² | 27.8 | 32.2 | (13.7%) | 49.8 | 55.9 | (10.9%)
incl. Gazeta Wyborcza | 22.1 | 24.8 | (10.9%) | 39.3 | 43.3 | (9.2%)
incl. Magazines³ | 4.3 | 5.9 | (27.1%) | 8.0 | 10.1 | (20.8%)
Total operating cost²,³⁴,⁵ | (71.2) | (58.9) | 20.9% | (125.5) | (113.9) | 10.2%
  incl. restructuring cost | (2.2) | - | - | (2.2) | - | -
  incl. write-off of overdue and unrecuperable receivables⁵ | (15.6) | - | - | (16.3) | - | -
Operating result - EBIT³⁵ | (16.5) | 3.9 | - | (21.1) | 1.5 | -
  EBIT margin | (30.2%) | 6.2% | (36.4pp) | (20.2%) | 1.3% | (21.5pp)
EBITDA³⁵ | (16.1) | 4.3 | - | (20.4) | 2.3 | -
  EBITDA margin | (29.4%) | 6.8% | (36.2pp) | (19.5%) | 2.0% | (21.5pp)
Total operating cost² | (55.6) | (58.9) | (5.6%) | (109.2) | (113.9) | (1.1%)
EBIT excl. Impairments³ | (0.9) | 3.9 | - | (4.8) | 1.5 | -
EBITDA excl. Impairments³ | (0.5) | 4.3 | - | (4.1) | 2.3 | -

2Q2018 vs. 2Q2017
- yoy decline of the segment’s revenue due to lower yoy advertising sales and copy sales
- yoy decline of advertising revenue mainly in Gazeta Wyborcza and in months due to suspension of publication of selected titles
- lower yoy copy sales revenues result from lower yoy number of sold paper copies of Gazeta Wyborcza and months (Magazines division), due to, inter alia, discontinuation of publication of selected titles at the same time revenues from digital subscriptions of Gazeta Wyborcza grew yoy
- write-off unrecoverable receivables from one of the Company’s business partners (PLN 15.6 million) and restructuring reserve (PLN 2.2 million) impacted the level of segment’s operating cost
- lower yoy cost of raw materials, energy and consumables, as well as print services due to lower yoy printed volume of Gazeta Wyborcza and discontinuation of publishing of the titles: Magnolia, Dom&Wnętrze and the sales of Świat Motocykli
- lower yoy cost of marketing and promotion, mainly in Gazeta Wyborcza
- lower yoy staff cost as a result of lower yoy variable component of remuneration

Structural changes in the Press segment

**Gazeta Wyborcza division increased by:**
- 4 magazines: Avanti, Logo, Kuchnia and Opiekun
- Agora Custom Publishing – offers comprehensive custom publishing service – content offering development, graphic design, print and distribution

Discontinuation of: Cztery Kąty, Ładny Dom, Dziecko and Niezbędny ogrodnik from October, 2018

3rd edition of Co Jest Grane 24 Festival

15 thous. participants
- 16 concerts
- 18 meetings
- 2 spectacles

Więcej świata – new magazine of Gazeta Wyborcza

Harmony. Smarter reader’s journey of Gazeta Wyborcza with support from the Google Digital News Initiative programme

Source: consolidated financial statements according to IFRS, 1H2018;
¹ the amounts do not include revenues and total cost of cross-promotion of different media between the Agora Group segments (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation;
² the data include gains from the sales of advertising on the websites: Wyborcza.pl, Wyborcza.by, Wyzwolecionews.pl, as well as on the local websites;
³ the data include transfer of magazines’ websites from the Magazines division in the Press segment to the Internet segment. The presentation of data for the corresponding periods of time was adjusted accordingly;
⁴ the data include the allocated costs of office space occupied by the segment. The presentation of data for the corresponding periods of 2017 was adjusted accordingly;
⁵ the write-off of receivables from one of the Company’s contractors, which are burdened with a large probability of being unrecoverable, in 2Q2018 in the amount of PLN 15.6 mln and in 1H2018 in the amount of PLN 16.3 mln;
⁶ the amounts include impairment of unrecoverable receivables;
⁷ EBIT and EBITDA of Press, Internet, Movies and Books, as well as Print segments are calculated on the basis of cost directly attributable to the appropriate operating segment of the Agora Group and excludes allocations of all Company’s overheads (such as: cost of Agora’s Management Board and a majority of cost of the Company’s supporting divisions), which are included in reconciling positions. EBIT and EBITDA does not include other operating income and costs recognised in companies participating in the Tax Capital Group, which relate to intergroup settlement of benefits arising from the utilisation of tax losses that reduce the tax expense of the Tax Capital Group;
⁸ the amounts exclude write-off of receivables from one of the Company’s contractors, which are burdened with a large probability of being uncollectible.
OUTDOOR: OFFER DEVELOPMENT AND GROWTH OF REVENUES

### Consolidated financial statements according to IFRS, 1H2018

<table>
<thead>
<tr>
<th>Source</th>
<th>include in PLN mln</th>
<th>2Q2018</th>
<th>2Q2017</th>
<th>% y/y change</th>
<th>1H2018</th>
<th>1H2017</th>
<th>% y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales, including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>advertising revenue</td>
<td>46.9</td>
<td>44.5</td>
<td>5.4%</td>
<td>82.4</td>
<td>79.2</td>
<td>4.0%</td>
<td></td>
</tr>
<tr>
<td>Total operating cost</td>
<td>(36.6)</td>
<td>(33.1)</td>
<td>10.6%</td>
<td>(69.1)</td>
<td>(62.7)</td>
<td>10.2%</td>
<td></td>
</tr>
<tr>
<td>Operating result - EBIT</td>
<td>10.7</td>
<td>12.1</td>
<td>(11.6%)</td>
<td>14.1</td>
<td>17.8</td>
<td>(20.8%)</td>
<td></td>
</tr>
<tr>
<td>EBIT margin</td>
<td>22.6%</td>
<td>26.8%</td>
<td>(4.2pp)</td>
<td>16.9%</td>
<td>22.1%</td>
<td>(5.2pp)</td>
<td></td>
</tr>
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<td>(4.1pp)</td>
<td></td>
</tr>
</tbody>
</table>

#### 2Q2018 vs. 2Q2017
- yoy growth of revenue as a result of campaigns carried out on Premium Citylight, Digital and City Transport panels
- yoy growth of system maintenance cost due to the development of digital offer
- yoy growth of campaign execution cost due to higher number of advertising campaigns executed on city buses and higher volume of printed posters
- yoy growth of staff cost due to higher variable component of remuneration (better execution of sales targets) and reserve for motivation plans
- yoy growth in D&A cost resulting from the execution of contracts for construction of bus/tram shelters in Warsaw and Cracow

### AMS implements new services and products

#### Sustainable solutions for cities: **green bus shelters** and advertising pillars powered by solar energy

#### Advertising on 2.3 thous. ATM screens

#### New contract for bus/tram shelters in Cracow

- **24,322**
- number of advertising spaces
- ↑1.0% y/y

#### Investment includes:
- **107** bus/tram shelters
- **over 300** ad panels

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1. The amounts do not include revenues, direct and variable cost of cross-promotion of Agora’s other media on AMS panels if such promotion was executed without prior reservation.
2. EBIT and EBITDA does not include other operating income and costs recognised in companies participating in the Tax Capital Group, which relate to intergroup settlement benefits arising from the utilisation of tax issues that reduce the tax expense of the Tax Capital Group.
3. Excluding small advertising panels of AMS group installed on bus/tram shelters and digital screens in means of public transport and ATMs, as well as advertising panels on buses and trams.

Source: consolidated financial statements according to IFRS, 1H2018.
INTERNET: GROWTH OF REVENUES

<table>
<thead>
<tr>
<th>in PLN mln</th>
<th>2Q018</th>
<th>2Q017</th>
<th>% y/y change</th>
<th>1H2018</th>
<th>1H2017</th>
<th>% y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales(^1), including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>display ad sales(^{1,2})</td>
<td>46.5</td>
<td>42.0</td>
<td>10.7%</td>
<td>86.7</td>
<td>81.0</td>
<td>7.0%</td>
</tr>
<tr>
<td></td>
<td>41.2</td>
<td>35.3</td>
<td>16.7%</td>
<td>75.6</td>
<td>66.6</td>
<td>13.5%</td>
</tr>
<tr>
<td>Total operating cost</td>
<td>(40.6)</td>
<td>(35.7)</td>
<td>13.7%</td>
<td>(78.2)</td>
<td>(74.8)</td>
<td>4.5%</td>
</tr>
<tr>
<td>Operating result - EBIT(^3)</td>
<td>5.9</td>
<td>6.3</td>
<td>(6.3%)</td>
<td>8.5</td>
<td>6.2</td>
<td>37.1%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>12.7%</td>
<td>15.0%</td>
<td>(2.3pp)</td>
<td>9.8%</td>
<td>7.7%</td>
<td>(2.1pp)</td>
</tr>
<tr>
<td>EBITDA(^3)</td>
<td>7.0</td>
<td>7.6</td>
<td>(7.9%)</td>
<td>10.8</td>
<td>8.7</td>
<td>24.1%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>15.1%</td>
<td>18.1%</td>
<td>(3.0pp)</td>
<td>12.5%</td>
<td>10.7%</td>
<td>(1.8pp)</td>
</tr>
</tbody>
</table>

2Q2018 vs. 2Q2017

- yoy growth of the segment’s revenues resulting mainly from higher yoy advertising revenues, inter alia in Yieldbird
- yoy growth of operating cost resulting mainly from higher yoy external services cost, as well as marketing and promotion expenditure
- higher yoy cost of external services resulting mainly from higher cost of fees for advertising space acquired by Yieldbird
- higher yoy cost of marketing and promotion resulting from the advertising campaign of Sport.pl brand
- higher yoy staff cost in Internet division of Agora S.A. and in Yieldbird

Multimedia campaign of Sport.pl and Studio Mundial during the 2018 FIFA World Cup

Buzz.Gazeta.pl – new entertainment website of Gazeta.pl

Source: consolidated financial statements according to IFRS, 1H2018:
\(^1\) the amounts do not include total revenues and cost of cross promotion of Agora’s different media (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation, as well as exclude the inter-company sales between Agora’s Internet division, Trader.com (Polska) Sp. z o.o., Yieldbird Sp. z o.o., Sir Local Sp. z o.o., Goldenline Sp. z o.o. and Optimizers Sp. z o.o.
\(^2\) the data include transfer of magazines’ websites from the Magazines division in the Press segment to the Internet segment, as well as reassignment of incomes from e-commerce transactions from other revenues to advertising revenues. The presentation of data for the corresponding periods of 2017 was adjusted accordingly.
\(^3\) EBIT and EBITDA does not include other operating income and costs recognised in companies participating in the Tax Capital Group, which relate to intergroup settlement of benefits arising from the utilisation of tax losses that reduce the tax expense of the Tax Capital Group.
**RADIO: GROWTH OF REVENUES AND HIGHER OPERATION RESULT**

<table>
<thead>
<tr>
<th>Category</th>
<th>2Q2018</th>
<th>2Q2017</th>
<th>% y/y change</th>
<th>1H2018</th>
<th>1H2017</th>
<th>% y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales, including:</td>
<td>29.2</td>
<td>27.9</td>
<td>4.7%</td>
<td>55.2</td>
<td>53.7</td>
<td>2.8%</td>
</tr>
<tr>
<td>radio advertising revenue¹²</td>
<td>25.1</td>
<td>23.9</td>
<td>5.0%</td>
<td>46.9</td>
<td>44.9</td>
<td>4.5%</td>
</tr>
<tr>
<td>Total operating cost ²</td>
<td>(23.4)</td>
<td>(23.1)</td>
<td>1.3%</td>
<td>(47.1)</td>
<td>(48.6)</td>
<td>(3.1%)</td>
</tr>
<tr>
<td>Operating result - EBIT³</td>
<td>5.8</td>
<td>4.8</td>
<td>20.8%</td>
<td>8.1</td>
<td>5.1</td>
<td>58.8%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>19.9%</td>
<td>17.2%</td>
<td>2.7pp</td>
<td>14.7%</td>
<td>9.5%</td>
<td>5.2pp</td>
</tr>
<tr>
<td>EBITDA³</td>
<td>6.8</td>
<td>5.6</td>
<td>21.4%</td>
<td>10.1</td>
<td>6.8</td>
<td>48.5%</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>23.3%</td>
<td>20.1%</td>
<td>3.2pp</td>
<td>18.3%</td>
<td>12.7%</td>
<td>5.6pp</td>
</tr>
</tbody>
</table>

2Q2018 vs. 2Q2017

- yoy increase of revenues due to growth in sales of airtime in radio stations of Agora Radio Group, but with lower yoy revenues from brokerage services for Helios cinemas and in third party radio stations
- operating cost at the comparable level yoy
- higher yoy staff cost due to higher yoy level of full time salaries
- higher yoy external services due to higher cost of marketing research, but with lower yoy cost of brokerage services for Helios cinemas and sales of air time in third party radio stations
- lower yoy cost of promotion and marketing due to yoy lower promotion activity (advertising campaign of Radio Złote Przeboje in 2Q17)

**The 8th station of Radio Pogoda in Poland**

Radio Złote Przeboje won the National Broadcasting Council’s tender for a radio frequency in WETLINA in Bieszczady (103,6 FM)

**Promotional campaign of Radio Pogoda**

Source: consolidated financial statements according to IFRS, 1H2018:

¹ advertising revenues include revenues from brokerage services of proprietary and third-party air time;
² the amounts do not include revenues and total cost of cross-promotion of Agora’s different media (only the direct variable cost of campaigns carried out on advertising panels) if such a promotion was executed without prior reservation;
³ EBIT and EBITDA does not include other operating income and costs recognized in companies participating in the Tax Capital Group, which relate to intergroup settlement of benefits arising from the utilisation of tax losses that reduce the tax expense of the Tax Capital Group
⁴ audience market data referred herein are based on Radio Track surveys, carried out by Kantar Millward Brown (all places, all days and all quarter) in whole population and in the age group of 15+, from January to June (sample for 2017: 41,561; sample for 2018: 41,517).
## PRINT: LOWER PRODUCTION VOLUME

<table>
<thead>
<tr>
<th>in PLN mln</th>
<th>2Q2018</th>
<th>2Q2017</th>
<th>% y/y change</th>
<th>1H2018</th>
<th>1H2017</th>
<th>% y/y change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total sales, including:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>printing services(^1)</td>
<td>18.7</td>
<td>32.9</td>
<td>(43.2%)</td>
<td>36.1</td>
<td>62.6</td>
<td>(42.3%)</td>
</tr>
<tr>
<td></td>
<td>16.5</td>
<td>30.9</td>
<td>(46.6%)</td>
<td>32.1</td>
<td>58.9</td>
<td>(45.5%)</td>
</tr>
<tr>
<td>Total operating cost</td>
<td>(19.1)</td>
<td>(34.1)</td>
<td>(44.0%)</td>
<td>(38.3)</td>
<td>(66.3)</td>
<td>(42.2%)</td>
</tr>
<tr>
<td>Operating result - EBIT(^2)</td>
<td>(0.4)</td>
<td>(1.2)</td>
<td>66.7%</td>
<td>(2.2)</td>
<td>(3.7)</td>
<td>40.5%</td>
</tr>
<tr>
<td>EBIT margin</td>
<td>(2.1%)</td>
<td>(3.6%)</td>
<td>1.5pp</td>
<td>(6.1%)</td>
<td>(5.9%)</td>
<td>(0.2pp)</td>
</tr>
<tr>
<td>EBITDA(^2)</td>
<td>1.4</td>
<td>4.2</td>
<td>(66.7%)</td>
<td>1.6</td>
<td>7.1</td>
<td>(77.5%)</td>
</tr>
<tr>
<td>EBITDA margin</td>
<td>7.5%</td>
<td>12.8%</td>
<td>(5.3pp)</td>
<td>4.4%</td>
<td>11.3%</td>
<td>(6.9pp)</td>
</tr>
</tbody>
</table>

\(^1\) revenues from services rendered for external customers; 
\(^2\) EBIT and EBITDA of Press, Internet, Movies and Books, as well as Print segments are calculated on the basis of cost directly attributable to the appropriate operating segment of the Agora Group and excludes allocations of all Company’s overheads (such as: cost of Agora’s Management Board and a majority of cost of the Company’s supporting divisions), which are included in reconciling positions. EBIT and EBITDA does not include other operating income and costs recognised in companies participating in the Tax Capital Group, which relate to intergroup settlement of benefits arising from the utilisation of tax losses that reduce the tax expense of the Tax Capital Group.

Source: consolidated financial statements according to IFRS, 1H2018.

2Q2018 vs. 2Q2017
- yoy decrease in revenue and operating cost due to lower yoy volume of production resulting, inter alia, from lower yoy number of orders
- lower yoy cost of amortization due to the impairment of segment’s fixed assets in 2017

- plant in Warsaw (Bialoleka) – part of Print division in Agora SA
- plant in Pila – part of Print division in Agora SA
- plant in Tychy – Agora Poligrafia Sp. z o. o.
Drop of the Agora Group’s revenues due to lower yoy income from sales of printing services and lower yoy cinema attendance

Negative impact of the write-off of receivables from one of the business partners on Group’s results

Risk of lower cinema attendance in 2018

Higher estimation of advertising market growth in 2018

Announcement and implementation of Agora Group’s Strategy for 2018-2022
THANK YOU FOR YOUR ATTENTION

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press@agora.pl
@Agora_SA