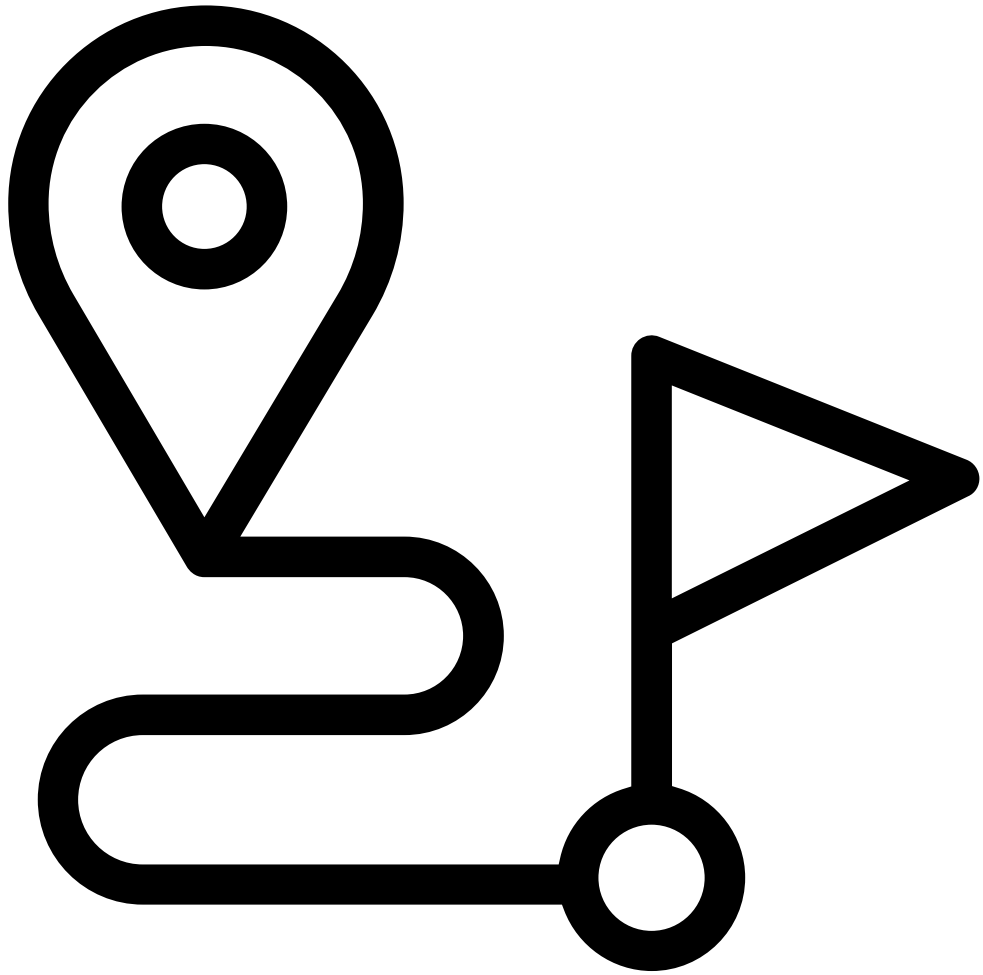
AGORA GROUP IN 2019

Everyday responsibility



Operations of Agora Group

Grupa Agora (Agora Group) has conducted operations on the Polish media market since

1989, with complementary media businesses sharing Agora brands and values. Agora S.A. has been listed on Warsaw Stock Exchange since 1999. The company’s main business are:

HELIOS	**Helios S.A.** – Poland's largest cinema chain and the owner of NEXT FILM – a film production and distribution brand releasing popular titles such as: "Bogowie", "Sztuka kochania. Historia Michaliny Wisłockiej" or "Pokot"
ams	**Spółka AMS S.A.** – market leader in OOH advertising in Poland, offers advertising displays in all segments of the market
GAZETA wyborcza	**„Gazeta Wyborcza"** – Poland's largest opinion daily and national leader in the digital transformation of the press. Agora's press portfolio includes also a number of specialized magazines and periodicals such as „Wysokie Obcasy Extra", „Avanti", „Książki. Magazyn do czytania"
KULTURALNY SKLEP.PL publio.pl	Agora publishes books, music albums and films and sells publications online in: **Kulturalnysklep.pl** and **Publio.pl**
Radio złote przeboje ROCK RADIO RADIO Pogoda Pierwsze Radio Informacyjne TOK FM	Three music radio stations: **Radio Złote Przeboje, Radio Pogoda and Rock Radio,** and holds shares in **Radio TOK FM,** a national news & talk radio, a unique formula on the Polish market
GAZETA.PL SPORT.PL	Some of the dozens of Agora's Internet brands are: **Gazeta.pl and serwis Sport.pl,** available online or via mobile applications
YIELDBIRD hrlink.pl goldenline ROI HUNTER	**Yieldbird** – one of Poland's fastest-growing providers of programmatic advertising, and **HRLink, GoldenLine and ROI Hunter**
PAPA DIEGO ŚWIEŻY MEKSYK PASIBUS VAN DOG	Fast casual restaurant concepts: **Papa Diego and Van Dog** (Foodio Concept, member of Helios) and **Pasibus** (Step Inside, member of Helios Group)
AGORA SA	Printing plants in Warsaw, printing the titles of Agora and clients

Capital group of Agora

23

companies in consolidated capital group of Agora

As at 31 December 2019, the capital group consisted of 23 consolidated companies, four co-subsidiaries and one unconsolidated and not reported under equity method.

The list of companies within the Group - % of shares held (effectively)

The list of companies within the Group

	31 December 2019	31 December 2018
Subsidiaries consolidated		
Agora Poligrafia Sp. z o.o., Tychy	100.00%	100.00%
Agora TC Sp. z o.o., Warsaw	100.00%	100.00%
AMS S.A., Warsaw	100.00%	100.00%
Adpol Sp. z o.o., Warsaw (1)	100.00%	100.00%
Grupa Radiowa Agory Sp. z o.o., (GRA), Warsaw	100.00%	100.00%

	31 December 2019	31 December 2018
Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.00%	100.00%
IM 40 Sp. z o.o., Warsaw (2)	72.00%	72.00%
Inforadio Sp. z o.o., Warsaw (2)	66.1%	66.1%
Helios S.A. , Lodz	91.4%	91.4%
Next Film Sp. z o.o., Warsaw (3)	91.4%	91.4%
Next Script Sp. z o.o. , Warsaw (4)	75.9%	75.9%
Domiporta Sp. z o.o., Warsaw	100.00%	100.00%
Optimizers Sp. z o.o., Warsaw (1)	100.00%	100.00%
Yieldbird Sp. z o.o., Warsaw (9)	93.7%	81.5%
GoldenLine Sp. z o.o., Warsaw	92.7%	92.7%
Plan A Sp. z o.o., Warsaw	100.00%	100.00%
Agora Finanse Sp. z o.o., Warsaw	100.00%	100.00%
Foodio Concepts Sp. z o.o., Lodz (3)	82.3%	82.3%
Step Inside Sp. z o.o., Lodz (3), (6)	91.4%	-

	31 December 2019	31 December 2018
Piano Group Sp. z o.o., Warsaw (1), (10)	60.0%	-
Benefit Multimedia Sp. z o.o., Warsaw (5), (10)	60.0%	-
Benefit Multimedia Sp. z o.o. S.K.A., Warsaw (5), (10)	60.0%	-
HRlink Sp. z o.o. (formerly: Online Technologies HR Sp. z o.o.), Szczecin (11)	79.8%	46.2%
Joint ventures and associates accounted for the equity method		
Hash.fm Sp. z o.o., Warsaw	49.5%	49.5%
Instytut Badann Outdooru IBO Sp. z o.o., Warsaw (1)	50.0%	50.0%
ROI Hunter a.s., Brno (8)	23.9%	13.4%
Eurozet Sp. z o.o., Warsaw (7)	40.0%	-
Companies excluded from consolidation and equity accounting		
Polskie Badania Internetu Sp. z o.o., Warsaw	16.7%	16.7%

(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.;

(5) indirectly through Piano Group Sp. z o.o.;
(6) on January 11, 2019 the District Court for Lodz - Srodmiescie registered the company set up, in which Helios S.A. holds 100% share in equity;
(7) acquisition of shares on February 20, 2019;
(8) acquisition of additional shares on June 17, 2019;
(9) acquisition of additional shares on August 8, 2019;
(10) acquisition of shares on July 15, 2019;
(11) acquisition of additional shares on September 12, 2019 and the change of the company`s business name from Online Technologies HR Sp. z o.o.to HRlink Sp. z o.o. on November 28, 2019;

Financial results

PLN 1.2 billion

net sales of Agora Group in 2019.

↑9.5%

YOY increase of net sales of Agora Group

PLN 190.2 million

EBITDA of Agora Group in 2019

↑93.3%

YOY increase of EBITDA of Agora Group

PLN 16.2 million

net profit of Agora Group (adjusted)

The condensed interim consolidated financial statements of the Agora Group for 2019 includes: Agora S.A. and 23 subsidiaries, which operate principally in the internet, cinema, radio, gastronomy and outdoor segments.
Additionally, as at 31 December 2019 the Group held shares in jointly controlled entity Instytut Badan Outdooru IBO Sp. z o.o., as well as in associated companies Hash.fm Sp. z o.o, ROI Hunter a.s. and Eurozet Sp. z o.o.

Financial results Agora Group

in PLN million	2019	2018	% change yoy
Total sales (1)	1,249.7	1,141.2	↑9.5%

in PLN million	2019	2018	% change yoy
Advertising revenue	579.7	554.5	↑4.5%
Ticket sales	258.0	236.4	↑9.1%
Copy sales	139.2	131.1	↑6.2%
Concession sales in cinemas	111.0	90.2	↑23.1%
Printing services	47.2	63.7	↓25.9%
Revenues from film activities	39.1	65.3	↑272.4%
Operating cost net. including:	(1 225.0)	(1 140.3)	↑7.4%
External services	(447.7)	(438.7)	↑2.1%
Staff cost	(336.2)	(328.7)	↑2.3%
Raw materials. energy and consumables	(153.0)	(153.1)	↓0.1%
D&A	(158.0)	(87.6)	↑80.4%
Promotion and marketing	X	(67.5)	↑14.8%
Cost of restructuring (2)	(5.6)	(3.6)	↑55.6%
Gain on sale of property (3)	-	13.9	-

in PLN million	2019	2018	% change yoy
Loss allowance for receivables from Ruch S.A.covered under a.a.p. (4)	-	(20.3)	-
Impairment losses (5)	(7.5)	(9.9)	↓24.2%
Net profit [excl. MSSF 16]	9.6	9.4	↓36.2%
Operating result – EBIT [excl. MSSF 16] (6)	17.4	0.9	↑1 833.3%
margin EBIT [incl. MSSF 16]	1.4	0.1%	↑1.3pkt%
EBITDA [bez MSSF 16] (6)	114.8	98.4	↑16.7%
margin EBITDA [incl.MSSF 16]	9.2%	8.6%	↑6.6 pkt%
Operating cost (excl. one-offs) (8)	(1 224.8)	(1 130.4)	↑8.4%
EBIT (excl. one-offs) (8)	24.9	10.8	↑130.6%
Profit for the period (excl. one-offs) (8)	16.2	17.5	↓7.4%

Source: consolidated financial statements according to IFRS, 4Q2019.

(1) particular sales positions, apart from ticket and concession sales in cinemas and printing services, include sales of Publishing House division and film activities (functioning within the Movies and Books segment);

(2) includes costs of restructuring (including group lay-offs) in Print segment and in Agora's support divisions in the first quarter of 2019; in 2018 includes costs related to group lay-offs executed in Print segment in the first quarter of 2018 and costs of restructuring in Magazines division in the 2Q of 2018;

(3) the line item includes the gain achieved by Agora S.A. on sale of properties located in Gdansk and Warsaw in the 1Q of 2018;

(4) the amount includes an impairment allowance for receivables from Ruch S.A., which are covered under the accelerated arrangement procedure (a.a.p.);

(5) the amounts include impairment losses on property, plant and equipment and intangible assets; in 2019 impairment losses relate mainly to intangible assets of Goldenline, in 2018 imparirment losses relate mainly to Goldenline domain and the monthly Ladny Dom;

(6) the amount of the operating result – EBIT, EBITDA and net loss excluding impact of International Financial Reporting Standard no. 16 Leases;

(7) relates to gain on sale of shares in Stopklatka S.A. in the 2Q of 2018.;

(8) remeasurement of equity interest at the acquisition date is related to the acquisition of HRlink Sp. z o.o. (formerly: Online Technologies HR Sp. z o.o.) in the third quarter of 2019;

(9) relates to revaluation of put option liabilities granted to non-controlling shareholders of Helios S.A. and Goldenline Sp. z o.o. Detailed information on revaluation of put option liabilities are presented in note 35 of consolidated financial statements;

(10) the performance measure “EBITDA” is defined as EBIT increased by depreciation and amortization and impairment losses of property, plant and equipment and intangible assets. Detailed information on definitions of financial ratios are presented in the Notes to part IV of this MD&A.

Financial results of Agora’s selected subsidiaries in 2019

Selected subsidiaries in the Agora Group [non-consolidated data]

Selected subsidiaries in the Agora Group 2019

	Revenue [in PLN thou.]	Net profit/(loss) [in PLN thou.]
AMS	181 775	27 581

	Revenue [in PLN thou.]	Net profit/(loss) [in PLN thou.]
Grupa Radiowa Agora	51 296	16 107
Doradztwo Mediowe	105 463	3 721
Domiporta	9 269	(807)
Helios S.A.	417 565	29 655
Next Film	53 341	693
Yieldbird	141 916	6 298
GoldenLine	6 949	(5 817)
Foodio Concept	9 314	(9 034)
Step Inside	6 975	(1 352)
Move TV	3 495	1 391
HRlink	2 774	(304)

Source: consolidated financial statements according to IFRS, 4Q2019.

Selected subsidiaries in the Agora Group 2018

	Revenue [in PLN thou.]	Net profit/(loss) [in PLN thou.]

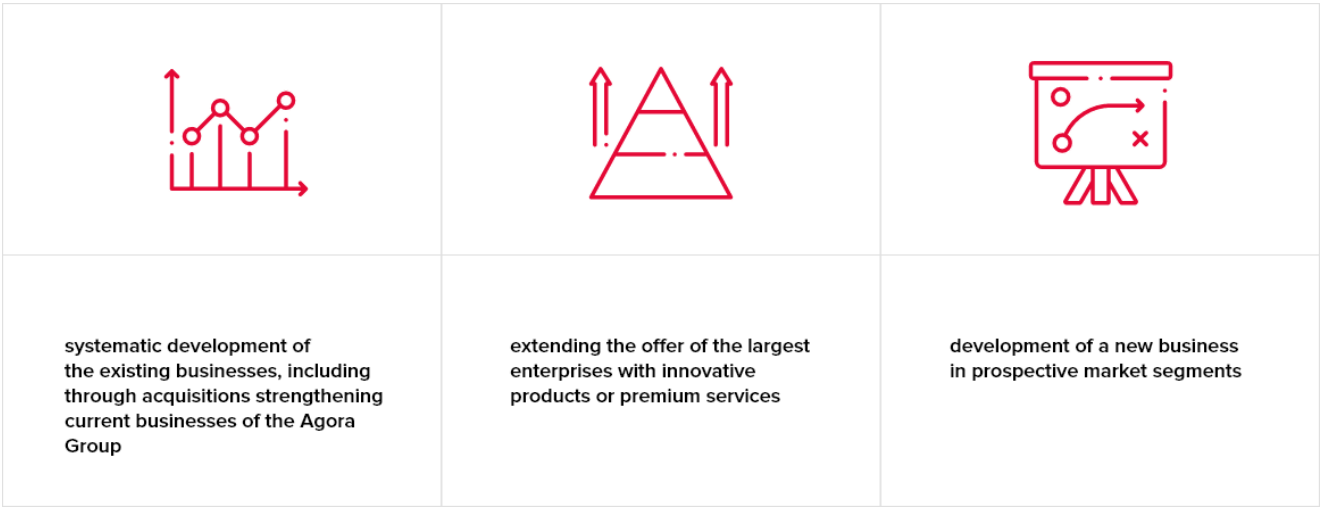
	Revenue [in PLN thou.]	Net profit/(loss) [in PLN thou.]
AMS	173 741	27 581
Grupa Radiowa Agora	51 936	12 737
Doradztwo Mediowe	108 706	3 914
Domiporta	9 655	348
Helios S.A.	367 915	32 345
Next Film	14 490	(3 823)
Yieldbird	93 310	5 731
GoldenLine	14 251	(700)
Foodio Concept	295	(1 589)
Step Inside	-	-
Move TV	-	-
HRlink	-	-

Source: consolidated financial statements according to IFRS, 4Q2019.

The growth directions of the Agora Group

THE NEW STRATEGY OF THE AGORA GROUP FOR THE YEARS 2018-2022

The primary objective of the Company's Management Board is to accelerate the development and increase the scale of operations of the Agora Group. The new strategy of the Agora Group for the years 2018-2022 is based on the following pillars:



In February 2019, the Company acquired 40% of shares in Eurozet Sp. z o.o., the second largest Polish broadcaster in terms of radio coverage. In October 2019, Agora applied to the President of the Office of Competition and Consumer Protection for consent to acquire the remaining 60% of shares in Eurozet. This transaction may change the Agora Group's position on the radio broadcasters' market and may affect the verification of the Group's investment plans in non-media businesses. At the same time, it is worth noting that this potential transaction does not change the key objectives and strategic goals of the Agora Group. Acceleration of growth and increase in the scale of the Agora Group's activities remains the most important goal, which will be reflected in increased revenue and profitability of the Group.

Taking into account the application for the consent of the President of the Office of Competition and Consumer Protection for the acquisition of 60% of shares in Eurozet Sp. z o.o. and the investments already made in the area of Internet and digital outdoor activities, the Company will engage in a smaller number of new investment projects by 2022.

The cinemas remain the priority development direction of the Agora Group in the area of entertainment in the broad sense. To date, the Company has not been able to find other projects in this area that would provide the Group with an equally satisfactory rate of return, whilst offering good development prospects.

The food business developed within the Helios Group by Foodio Concepts Sp. z o.o. and Step Inside Sp. z o.o. completed the first stage of its operation. At the end of 2019, the first company operated as many as 14 restaurants. The goal for the coming year is to improve their financial efficiency. The second concept – developed under the Pasibus brand name – had 6 operating restaurants at the end of last year. At the beginning of 2020, an investment

agreement was signed, which will ensure faster development of this promising burger chain.

Another important directions of development in the strategic perspective of the Agora Group until 2022 are digitalization and further development of premium services and products. We are still looking for assets that would complement or strengthen our portfolio in these areas. Examples of such investments include Piano Group Sp. z o.o., the owner of the Move TV platform. With this investment, AMS has taken another step in building its digital media and services offer and strengthened its position in the promising DOOH area.

An example of measures related to the expansion of significant projects of the Group by innovative products or premium services is the continued dynamic development of Yieldbird, the leader in the ad-tech industry, related to the introduction of a product sold in the SaaS (software as a service) model to its offer. Yieldbird has so far achieved global success with its business and continues to grow in foreign markets.

We have also made investments in the B2B solutions segment. In June 2019, we acquired further shares in ROI Hunter, a Czech company, and we hold a 23.9% stake in this entity. ROI Hunter is a provider of a marketing platform which allows companies from the e-commerce industry to promote and sell products via Google and Facebook. In September, we also became the majority shareholder of HR Link Sp. z o.o., one of the fastest growing technology companies in Europe.

The sale of high-quality content in the subscription model remains an important direction of Agora's development. During the current strategic perspective, the Group wants to triple the average number of subscriptions of Gazeta Wyborcza and podcasts of Radio TOK FM, as well as ensure improved monetization of this business model. Ultimately in the year 2022, half of the revenues of Gazeta Wyborcza is to be generated from digital sources and its profitability is expected to improve regularly. The Company is working steadily to achieve this objective. At the end of 2019, the number of digital subscriptions of Gazeta Wyborcza reached a record level of nearly 218 thousand and the share of digital revenues of Gazeta Wyborcza in total revenue of the daily increased to 24.0%. The number of sold subscriptions of Radio TOK FM podcasts has also increased – at the end of December 2019, it reached 20 thousand.