JOJ MEDIAHOUSE

ANNUAL REPORT 2018

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Dear business partners and colleagues,

In the past year, the growth of the economy of Slovakia and across Europe positively influenced the situation in the media sector, which also transformed into the excellent results of our Group. Unfortunately, the year 2018 will remain the year of the murder of journalist Ján Kuciak, which resonated and still resonates across Slovak, but also foreign media. After these tragic events, the work of media and journalists has become much more intensely monitored by society. We have to believe that we are able to use this enormous power to help people in Slovakia live better.

JOJ Media House had a very successful year and continues strengthening its significant position in the Central European media market. Advertising costs grew year on year, and we expect similar growth in the coming year. I consider the new regional periodicals "Petržalské noviny" and the very successful issue of five-year bonds in the past year as the most important events of our Group.

The year 2018 was successful even in the outdoor advertising sector, as evidenced by the results of the Slovak, Czech and Austrian companies belonging to the Group. All outdoor companies have been bringing innovations that strengthen their market position. The Slovak Akzent BigBoard has prepared a new supplement for its clients for scheduling campaigns in the form of detailed maps of carriers. The Austrian Epamedia continues to invest in the development of digital advertising and is a model in environmental access. The Czech BigBoard Praha develops the link of outdoor and online advertising through the BigPlan tool via SMS/MMS remarketing OOH.

TV JOJ has recorded the most successful year in its history in terms of sales. It also started selling online video ads in collaboration with the major local publishers – Ringier Axel Springer, News and Media Holding, and others – via the Valetin commercial online platform bringing together the premium Slovak online content.

For Radio Services, it was important to continue the project RÁDIO FUNGUJE, which is a unique example of how competing actors can collaborate. We managed to organize together a 2nd year of the conference on radio advertising – RADIO RULLEZ 2018 Volume 2: Creativity, which was held in the Hotel Bratislava on 15 November 2018. In cooperation with the monthly "Stratégie", we continue the competition "Rádio šupa", by which we want to support the logging of radio spots into regular evaluation carried out by the monthly "Stratégie". Our collaborative endeavor has also recorded success in the growth of investments in radio as a media type.

In the next year, we want to continue fulfilling our vision of building a strong Central European media group. We will provide high-quality media services, improve product quality, and bring a range of interesting projects within each of our segments.

In the JOJ Media House Group, the past year was characterized by the further development of our business and the excellent results, for which I would like to thank all employees. I would also like to thank our business partners and investors for their confidence and wish you all a successful year 2019.

Richard Flimel

Chairman of the Board of Directors

CORPORATE PROFILE 1

Since its foundation on 6 November 2010, JOJ Media House, a.s., (hereinafter referred to as the "parent company" or the "Company" and jointly with its subsidiaries as the "Group"), has ranked among the leading media companies not only in Slovakia and the Czech Republic but also in Austria and Croatia. It continuously strengthens its position.

SLOVAK REPUBLIC

In Slovakia, the Company operates in the following market areas:

TELEVISION BROADCAST AND PRODUCTION SECTOR

→ Slovenská produkčná, a.s. (94.96% share) – Through this company, the Company owns shares in the following companies:
→ MAC TV s.r.o. (100% share) – The company is a holder of a license to broadcast the television stations TV JOJ, PLUS, WAU, RiK, and Ťuki TV. It also operates Internet portals of the Group.
→ DONEAL, s.r.o. (100% share) – The company is a holder of a license to broadcast the TV station JOJ Cinema.
→ Magical roof s.r.o. (80% share) – The company is a holder of a license to broadcast the TV channel JOJ FAMILY.
→ PMT, s.r.o. (27% share) – The company ensures the implementation of electronic television audience measurement via people meters.

THE OUTDOOR ADVERTISING MARKET

→ Akzent BigBoard, a.s. (100% share) – Through this company, JOJ Media House owns shares in the following companies:
→ BigMedia, spol. s r.o. (100% share) – Exclusive selling ads on the carriers of its parent company and the aforementioned companies
→ RECAR Slovensko a.s. (100% share) – Advertising in means of transport.
→ RECAR Bratislava a. s. (70% share) – Advertising in means of transport in Bratislava, the capital city of Slovakia.
→ BHB, s.r.o. (51% share) – Selling ads of a particular character.

THE INTERNET AND APPLICATION DEVELOPMENT SECTOR

→ eFabrica, a. s. (100% share) – Its business activities are concentrated on the development of Internet applications, web design, operation of Internet domains and provision of technical support.

THE RADIO BROADCAST SECTOR

→ Radio Services a.s. (100% share) – The company provides comprehensive services to radio broadcasters.

OTHER SECTORS

→ JOJ Media House, a.s., owns a 30% share in the company Starhouse Media, a.s., which operates in the field of artist management.
→ Lafayette s. r. o. (100% share) – The company currently does not perform any business activity.
→ NIVEL PLUS s.r.o. (100% share) – The company is engaged in newspaper publishing.

CZECH REPUBLIC

THE OUTDOOR ADVERTISING MARKET

As regards the outdoor advertising industry in the Czech Republic, JOJ Media House, a.s., is a 60% shareholder of the company BigBoard Praha, a.s. Through its companies, it is the leader in the Czech outdoor advertising market. BigBoard Praha, a.s., is the owner of business shares in the following companies:

→ BigMedia, spol. s r.o. (100% share) – Rental of advertising space of its network.
→ Czech Outdoor s.r.o. (100% share) – Rental of advertising space.
→ Český billboard, s.r.o. (100% share) – Rental of advertising space.
→ MG Advertising, s.r.o. (50% share) – Rental of advertising space.
→ Barrandia s.r.o. (100% share) – Rental of advertising space.
→ Expiria, a.s. (100% share) – Rental of advertising space.
→ RAILREKLAM, spol. s r.o. (100% share) – Rental of advertising space on the property of the company České dráhy, a.s.
→ outdoor akzent s.r.o. (100% share) – The company is the leader in the Czech market in the field of billboard outdoor advertising.
→ Bilbo City s.r.o. (100% share) – Rental of advertising space.
→ Velonet ČR, s.r.o. (100% share) – Rental of advertising space, bike sharing.
→ Qeep, a.s. (100% share) – The company focuses on large-format outdoor media and LED screens in the city center of Prague.
→ News Advertising s.r.o. (100% share) – Rental of advertising, especially double bigboard spaces.
→ Flowee s.r.o. (65% share) – The company operates the biggest page about modern lifestyle on the Internet in the Czech Republic.
→ Kitchen Lab s.r.o. (70% share) – The company operates the web and mobile application kucharky.cz.
→ Nadační fond BigBoard (100% share) – The aim of the endowment fund is charitable activities and assistance to persons in need.
→ D & C AGENCY s.r.o. (100% share) – The company owns a 48% share in the company ERFLEX, a.s.
→ ERFLEX, a.s. (48% share) – The company primarily deals with building and operating networks of outdoor advertising and navigation spaces.

AUSTRIA

JOJ Media House, a.s., is the sole partner of the company Akcie.sk, s.r.o., which owns a 100% share of the company EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH (hereinafter referred to as the "EPAMEDIA"), which is the second in the outdoor advertising market in Austria. EPAMEDIA is the owner of shares in the following companies:

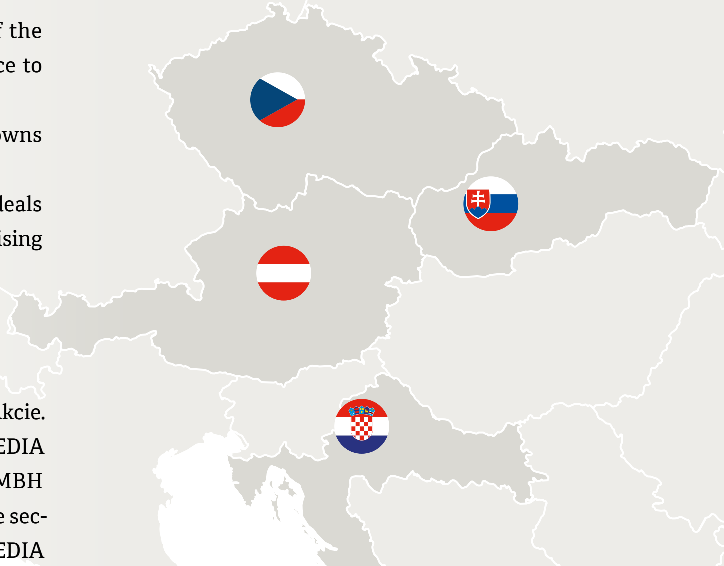
→ R&C Plakatforschung und – Kontrolle Ges.m.b.H. (51% share).

CROATIA

In 2016, JOJ Media House, a.s., has expanded its presence in the media market into the print segment in Croatia, where it owns shares in the following companies:

THE PRINT MEDIA SECTOR

→ NOVI LIST d.d. (84%) – The Novi List newspaper publishing.
→ GLAS ISTRE NOVINE d. o. o. (89%) – The Glas Istre newspaper publishing.
→ RTD d.o.o. (100 %) – The Zadarski List newspaper publishing.
→ INFANTINFO d.o.o. (0.9%) – Radio operation.



CORPORATE VALUES 2

THE VISION

JOJ Media House's vision is to become the major Central European media company and secure the long-term satisfaction of its customers with its media services and products for the effective communication of advertising to target groups.

OUR MISSION

The mission of JOJ Media House is to provide high quality media services to society in general as well as to business partners, which we want to ensure through the continuous expanding and improving our products.

CORPORATE VALUES

STRATEGY

The JOJ Media House strategy is to expand its products via both organic and inorganic growth in Central and Eastern Europe and the streamlining of the activities of individual-companies within the Group through synergistic links.

MEDIA MARKET ANALYSIS 3

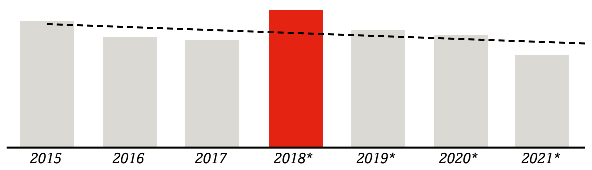
According to European Commission's latest estimates, **gross domestic product of the euro area grew by 1.9% in 2018**, which is a slight slowdown compared to 2.4% in 2017. In 2019, the European economy is forecast to grow for the seventh consecutive year, with growth expected in each Member State. Compared to the high growth rates of recent years, overall pace moderation is expected, with great uncertainty in view. The European economy should continue to benefit from improved labor market conditions, favorable financing conditions and a slightly expansionary fiscal policy. **According to the current forecast, the euro area GDP will increase by 1.3% in 2019** and by 1.6% in 2020. However, the risks of adverse developments associated with the uncertain outcome of the Brexit negotiations, as well as the risks arising from geopolitical tensions and the shift towards more closed and protectionist policies remain. While most of the euro area countries are experiencing labor market growth, this is far from being reflected in wages. The wages are, however, essential to maintaining consumption, which is the engine of economic growth.

The positive development of the euro area economies also affected the situation in the media markets, where the companies of the JOJ Media House Group operate. The latest forecasts for advertising spending show that the market is still transforming. According to GroupM's analysis, worldwide media investments reached the estimated 544 billion USD in 2018, which is growth by 4.3% compared to the previous year, and the **global growth in advertising spending will slow slightly to 3.6% in 2018**. Countries like China, USA, India and Japan, will contribute most to growth. As regards distribution and growth within segments, no significant changes are expected compared to the previous years. Digital advertising continues to grow at the fastest rate, 12.6% in 2018 and 9.7% in 2019, and its share in the total media mix will thus grow to 42% in 2019. Within the digital segment, virtual reality will be the most dynamic, with an average growth rate of 40% per year over the next 5 years.

THE SLOVAK MEDIA MARKET

Gross domestic product of Slovakia grew by 4.1% in 2018. The Ministry of Finance expects GDP growth by 4.0% in 2019. The central bank is more pessimistic – in its latest forecast, it estimated the growth of the economy to 3.5%. The growth of household consumption, as well as record low rates and wage and employment growth, had the most significant impact on the development of the Slovak economy. According to NBS forecasts, growth is expected to moderate in the coming years. In 2020, economic growth should reach 3.4%, and in 2021 it is expected to slow to 2.8%. The risk of slower economic growth in the medium term is mainly related to external factors: the slowdown in the EU economy, Brexit and protectionism.

GDP DEVELOPMENT REAL / *PREDICTION



Source: NBS Medium Term Forecast P1Q -2019

NBS MACROECONOMIC FORECAST

Year-on-year Dynamics in %	2015	2016	2017	2018*	2019*	2020*	2021*
GDP Development Real / *Prediction	3.8%	3.3%	3.2%	4.1%	3.5%	3.4%	2.8%

Source: NBS Medium Term Forecast P1Q-2019

The Slovak economy maintained a solid growth rate of 0.9% quarter on quarter **in early 2018**. The main source of economic growth was domestic demand and, above all, investment. Private consumption continued to grow steadily when it was supported by both higher employment and robust wage dynamics.

The growth rate of the Slovak economy accelerated to 1.1% **in the second quarter**. The main source of growth was renewed exports and, within domestic demand, mainly investments.

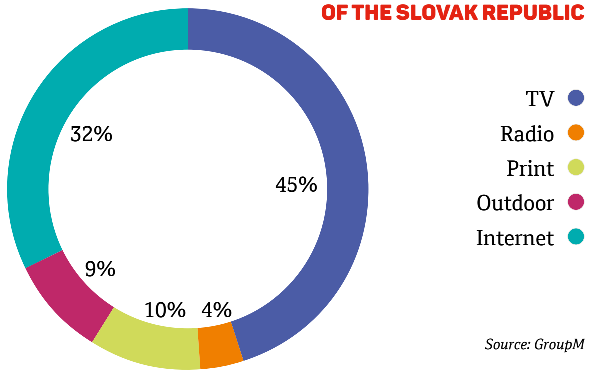
However, private consumption recorded a weaker development, slowing down the growth rate despite the improving labor market situation. Although the economy has grown as expected, the labor market has developed more positively than expected. The unemployment rate has slightly decreased compared to assumptions.

The Slovak economy grew by 1.1% quarter on quarter **in the third quarter**. It was driven by consumer demand and export performance. Despite the slowing global economy and the problem of automobile manufacturers in the euro area with meeting the emission standards, the dynamics of Slovak exports remained strong. Especially the production of finished cars was successful. Negative developments in the euro area were hit mainly by subcontractors, who were increasingly producing stocks.

The growth of the Slovak economy slowed to 3.6% year on year **in the fourth quarter of 2018**, mainly due to the negative contribution of net exports. Exports continued to slow the year-on-year growth rate but still benefited from the production of new car models. Consumer demand, public consumption and investment have increased in domestic demand. Investments have also risen again thanks to the public sector, with the positive effect of a stronger drawdown of euro funds. Labor market indicators for the first time indicated a reversal of the trend, and growth in both employment and wages began to slow.

The **Slovak media market** had a successful year **with an increase in advertising spending at 5.2%**. According to the Zenith agency's estimate, 361 million euros were channeled to Slovak media, with 343 million euros a year earlier. Based on its estimates, the media agency UNIMEDIA predicts an overall increase in the Slovak media market from 3.5% for 2019. A significant increase in state and euro funds is expected, which can contribute to high TV sales. The largest advertisers are traditionally companies in the retail, pharmaceutical, telecommunications and financial sectors. Even in the next year, the market will be dragged mainly by television and online advertising, to which more than three quarters of media investments are headed.

SHARE OF MEDIA TYPES IN THE MEDIA MARKET OF THE SLOVAK REPUBLIC

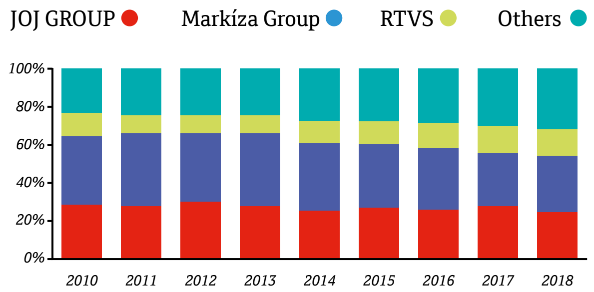


Source: GroupM

TELEVISION ADVERTISING

The economy of the euro area and, together with it, the Slovak economy grew in 2018, and this development was also positive for investment in the media market. According to GroupM estimates, the TV advertising sector grew by 3.2%. TV continues to hold its dominant position in the Slovak media market with a **market share of 45%** (GroupM). The TV advertising market can be considered stable, as there was no entry of a new competitor or significant legislative or other changes in 2018. The continuing demand for television advertising will allow commercial stations to raise their ad prices next year. TV JOJ also started selling online video ads in cooperation with Ringier Axel Springer, NMH and other publishers via the Valetin platform. A new European directive was adopted in autumn 2018 to change the rules on audio-visual media services in the Union's countries. Countries, including Slovakia, should implement it by 2020. The directive will bring more changes, which will affect TV advertising as well as YouTube and social networks and support European audio-visual content on Netflix.

PRIME TIME DEVELOPMENT BY YEARS (SHR % 12-54)



Source: TNS

Major providers of television advertising continue to remain:

MARKÍZA - SLOVAKIA, spol. s r.o. (a member of the group of Central European Media Enterprises Ltd.), which operates the broadcast of TV channels Markíza, Doma, Dajto, and Markíza International.

Rozhlas a televízia Slovenska – Public service television that operates broadcasting of channels Jednotka and Dvojka.

JOJ GROUP, which operates broadcasting of channels JOJ, PLUS, WAU, RiK, Ťuki TV, JOJ Cinema, and JOJ Family. The last-named channel launched its broadcast in the Czech Republic on 5 September 2016. The television stations RiK, Ťuki TV and JOJ Cinema, belong to a group of paid channels.

THE OUTDOOR ADVERTISING MARKET

According to estimates by GroupM, the Slovak **outdoor advertising market grew by 2.0% in 2018**.It should maintain a 9% share in the advertising market in the next year as well. JOJ Media House is the leader on the outdoor advertising market, owning a 100% share in Akzent BigBoard, a.s., which started its business activities in 2008 and managed to build a strong group of companies engaged in outdoor advertising. The Akzent BigBoard Group is constantly strengthening its position in the outdoor advertising market, not only by expanding the product portfolio but also by providing complex services and streamlining the organizational structure and administrative difficulty in selling outdoor advertising. We evaluate the development of the outdoor advertising market in the past year positively. There was no entry of a major competitor on this market.

The year 2019 will be a year of elections, which will definitely help to outdoor advertising and social networks. The presidential elections will affect the overall market distribution of media investment in favor of outdoor advertising. Due to parliamentary elections in 2020, some political parties will start to communicate in the second half of 2019. This event will also contribute to an increase in OOH's share of total media investment in 2019. The UNIMEDIA agency expects a 3.5% growth in the outdoor advertising market in 2019.

THE RADIO ADVERTISING MARKET

On 21 April 2015, JOJ Media House, a.s., entered the radio advertising market by acquiring the company Harad, a.s.,

a parent company of Radio Services, s.r.o. This company provides comprehensive services to radio broadcasters from the sale of the advertising space to ensuring the production of broadcasting content. Since 1 January 2016, Radio Services, a.s., has been exclusively selling commercial space of four established nationwide radio stations: **Rádio Vlna, Rádio Anténa Rock, Rádio Jemné and Rádio Europa 2**. Through this connection, the company has increased a market share, thus delivering an unrivaled product suitable for any advertiser. The most notable competitors include Rádio Expres, Rádio Slovensko, and Fun rádio. In November 2018, the Constitutional Court decided, after more than two years, that mandatory quotas for Slovak music on the radio were not in contradiction with the Constitution. By the end of this year, no radio exemption had been granted for 2019, and the mandatory share of home music will thus apply to each radio station from January.

THE PRINT MEDIA MARKET

In October 2016, JOJ Media House expanded its activities to the print media segment by the purchase of a 100% share in the company NIVEL PLUS s.r.o., which publishes **Bratislavské noviny**. It is a free newspaper published every two weeks and delivered to the mailboxes of over 200 thousand households in Bratislava. Thereby it ranks among one of the largest periodicals in Slovakia. In addition, since May 2018, we have also begun publishing the regional periodical **Petržalské noviny** in the volume of 40,800 copies every two weeks.

THE AUSTRIAN MEDIA MARKET

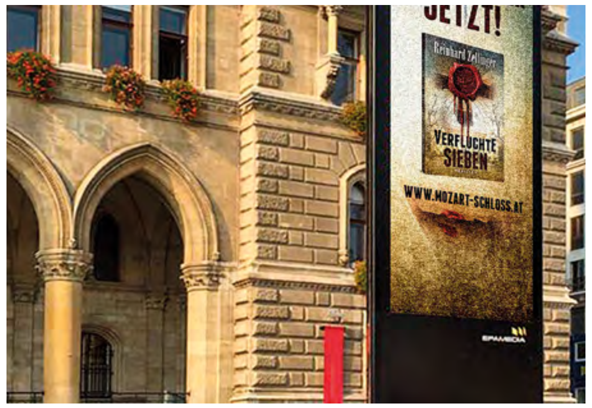
The outlook for the development of the Austrian economy is still growing, albeit less favorable than in previous years. Due to the growth of the Austrian economy, the country continues to experience a decline in unemployment. According to the latest forecast of the Austrian economic institute WIFO (Österreichische Institut für Wirtschaftsforschung), **Austria's gross domestic product will grow by 1.7% in 2019.** The IHS Institute (Institut für Höhere Studien) expects its year-on-year increase to reach 1.5%. The main risk factors for the Austrian economy in the coming year are Brexit and the consequences of trade wars.

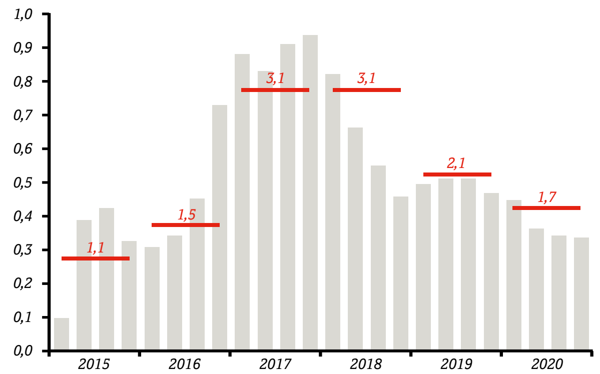
Investments in the media sector are expected to have a similar positive trend, and growth in this area is likely to follow the growth of gross domestic product, which is a slowdown compared to previous years. According to GroupM estimates, the whole media market grew by 1.2% this year, compared with last year's growth by 7.4%. **In 2018, the outdoor advertising sector recorded its first decline since 2013.** Prints and televisions have the largest shares of the market, and the growth of investments is mainly driven by television advertising.

JOJ Media House has been doing business on the Austrian outdoor advertising market since 2012. We consider this market to be developed and stabilized. In recent years, the focus has been on optimizing the portfolio of advertising media and streamlining the organizational structure, which has resulted in positive achievements of the Company.

GDP DEVELOPMENT REAL / *PREDICTION IN AUSTRIA

Year-on-year Dynamics in %	2014	2015	2016	2017	2018*	2019*	2020*
GDP Development Real / *Prediction	0.3%	1.1%	1.5%	3.1%	3.1%	2.1%	1.7%





Source: Osterreichische Nationalbank (ONB)

MEDIA MARKET ANALYSIS

THE CZECH MEDIA MARKET

Compared to the previous year, the year-on-year **rate of economic growth slowed from 4.5% to 2.8%**. Growth will continue to be close to 3% in the coming years. The increase in domestic economic activity will be driven mainly by growth in household consumption. It reflects the optimism of consumers in the environment of high income growth. Increasing foreign demand, coupled with a shortage of free labor and continuing low interest rates, motivate businesses to increase investments. The economy will also benefit from a steady but slowing growth in demand in the countries of the Czech Republic's main trading partners. There is little room for further reduction of the unemployment rate, resulting in slowing employment growth and continued high wage dynamics. The greatest risk is the continuing slowdown in Germany's economy, which is the Czech Republic's most important trading partner.

In 2018, the growth of the media market in the Czech Republic in the list prices (10.6%) remained very similar to that in 2017 (10.9%). The increase is again driven by TV advertising and the Internet. Outdoor advertising declined by -1.4% year on year. It is the first drop in the last eight years caused by the **removal of billboards from motorways and first-class roads** as a result of the 2012 amendment to the Roads Act. According to a rough estimate, such advertising accounted for about 10% of the total area of outdoor advertising. The demand for these areas has been partially replaced by a range of areas in cities, but a specific group of advertisers requesting direct motorway billboards remains unsatisfied and has reduced or moved its budgets to another media type.

The strongest media is TV, which has maintained last year's double-digit growth and a dominant position in the advertising market (46%). On-line advertising accounted for 25%, and print advertising reached 17% in advertising budgets last year. Radio advertising accounts for 7% of the total, and **outdoor advertising had a share of 5% in the year 2018**. Last year, Kaufland, Lidl and Alza.cz were using the highest priced ads.

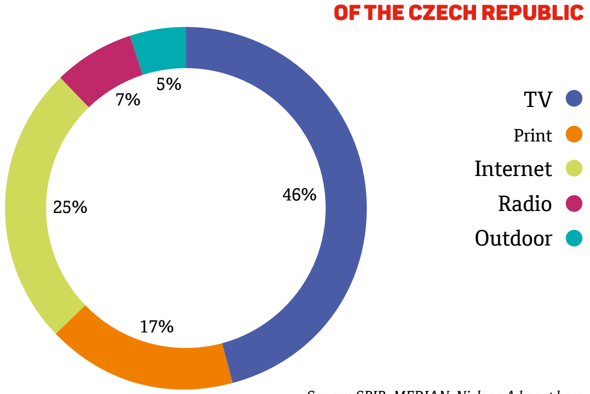
The largest provider of outdoor advertising in the Czech Republic is the BigBoard Group, which belongs to the JOJ Media House Group. **BigBoard continues to hold more than half of the market share**, which, in addition to organic growth, it has achieved through acquisitions. The shares in Qeep, a.s., which focuses on large-format outdoor media and LED screens in the center of Prague, or in RAILREKLAM, s.r.o., which leases the advertising space on the property of České dráhy, a.s., were acquired in this way.

GDP DEVELOPMENT REAL / *PREDICTION IN THE CZECH REPUBLIC

Year-on-year Dynamics in %	2014	2015	2016	2017	2018*	2019*	2020*
GDP Development Real / *Prediction	2.7%	5.4%	2.4%	4.5%	2.8%	2.9%	3.0%

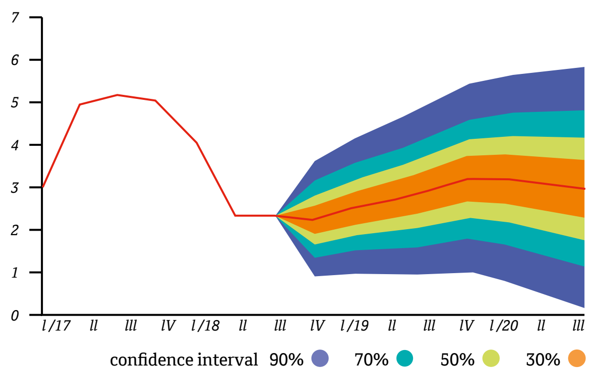
Source: Czech National Bank (CNB)

SHARE OF MEDIA TYPES IN THE MEDIA MARKET OF THE CZECH REPUBLIC



Source: SPIR, MEDIAN, Nielsen Admosphere

REAL GDP FORECAST IN THE CZECH REPUBLIC



Source: Czech National Bank (CNB)

MEDIA MARKET ANALYSIS

THE CROATIAN MEDIA MARKET

After six years of recession, the Croatian economy started to grow in 2015, and this **growth continued at 2.7% in 2018**. This positive trend was primarily supported by the increase of the tourism industry and accelerating household consumption. The Croatian National Bank predicts comparable growth for the next year, backed by stronger domestic consumption and euro funds. If Croatia cooperates closely with the European Commission and starts implementing the required reforms, it has the preconditions for managing the economic difficulties and creating a prosperous economy in the coming years. The Kuna could be included in the ERM-2 by the end of 2019 before Croatia takes over the Presidency of the Council of the European Union in the first half of 2020. Croatia could thus become a member of the euro area by 2025. Prior to joining the euro area, the country will have to tackle in particular government debt, which is now approaching 80% of gross domestic product.

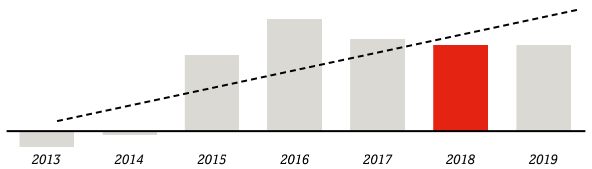
In April 2016, JOJ Media House acquired majority shares in respected regional journals Novi List, Glas Istre, and Zadarski list. With this acquisition, we have expanded our operation in the media market into the print media segment. According to GroupM estimates, after last year's decline, the media market in Croatia grew by 2.1% this year, of which the largest part was an increase in TV and Internet advertising. For the next year, GroupM estimates the year-on-year **growth of the media market at 4.4%**. A major rebranding of one of the top telecommunication operators is expected to start, and market growth should continue to be driven mainly by television and digital.

GDP DEVELOPMENT REAL / *PREDICTION

Year-on-year Dynamics in %	2013	2014	2015	2016	2017	2018*	2019*
GDP Development Real / *Prediction	-0.5%	-0.1%	2.4%	3.5%	2.9%	2.7%	2.7%

Source: Hrvatska narodna banka (HNB)

GDP DEVELOPMENT REAL / *PREDICTION



Source: Hrvatska narodna banka (HNB)

SUMMARY OF BUSINESS 4.1
THE OUTDOOR ADVERTISING MARKET

THE OUTDOOR ADVERTISING MARKET IN THE SLOVAK REPUBLIC

Likewise, in 2017, several elections were held in 2018, and the level of investment in outdoor advertising was comparable. **Municipal elections** took place in early November and contributed to the Company's positive figures. The most numerous group of advertising devices in our portfolio are billboards with a total number of more than 7,000 units, thereby confirming our position of a leader in the outdoor advertising market.

In 2018, the Company prepared a new additional service for its clients for scheduling campaigns in the form of **detailed maps of carriers**. Panel-offered clients are provided with a map where they can see the layout of the areas broken by format and number of views of each panel during one month. The number of views is based on the measurement of OOH carried out by TNS. Clients will thus not only get a more detailed overview of the distribution of their campaigns within the planned region but also information about the funds invested in terms of conversion to GRP, CPP and CPT.

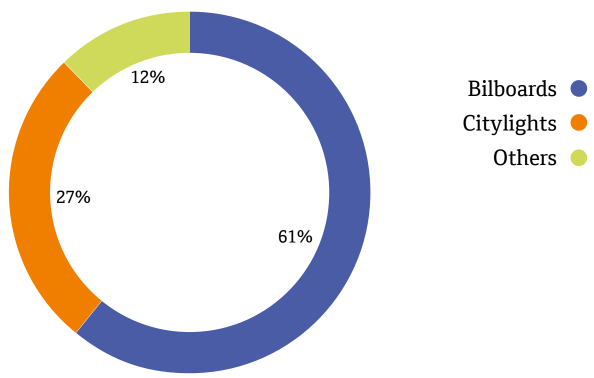
In 2018, we were fully focused on projects launched in the previous year. We found the great potential in **advertising in trains**, which started very well thanks to the trust of our clients. The Patronage project (the name of the train is used in station and train announcements, train tickets, timetables, search engines and electronic signs) was sold out to the fullest extent possible in 2018. The clients include brands such as Panta Rhei, Andrea Shop, PSS, Tatralandia, Mila, Horalky, University of Žilina and others. Furthermore, in this segment, we focus on sampling promotional materials, where we certainly see great possibilities for development in the form of expanding collaboration with clients looking for effective communication tools. In this case, we believe that it is not just about advertising, but also about making trips more enjoyable, as the clients publish not only their service portfolio in their promotional materials but also interesting articles or competitions.

An important **strategy of the Company** was to address and attract new and also smaller clients. It also brought positive results, with a large number of advertising campaigns carried out by the Company. In the long run, a large portfolio of new and satisfied clients was acquired. The positive outcome also reflected the unconventional cooperation with clients who have not been standard clients in the OOH segment yet. It is a collaboration with, e.g. TV JOJ, TV Markíza, or with clients who have been more or less online or television advertisers, such as Alza.sk and Mall.sk.

As regards advertising in the Bratislava public transport, we succeeded in taking a strategic step in the form of a renewal of the contract with Dopravný podnik Bratislava (Public Transport Company Bratislava). Regarding the new business strategies, the Company has again approached its clients by launching a Wi-Fi network together with OOH in Bratislava public transport. The number of vehicles using this service has grown significantly. Within the V4 countries, it even goes beyond the metropolises. Clients appreciated this service in a large part of campaigns, which gave the company a significant lead over competitors.

On 1 January 2018, Akzent BigBoard, a.s., and its subsidiary Media representative, s.r.o., merged, due to which the company **Media representative, s.r.o.**, ceased to exist on 31 December 2017, and Akzent BigBoard, a.s., became its successor. On 25 October 2018, Akzent BigBoard, a.s., sold 10% of its business share in its subsidiary **RECAR Bratislava, a.s.**, to the joint-stock company Dopravný podnik Bratislava, a.s., and thus, as of 31 December 2018, the company Akzent BigBoard owns 70% of shares of RECAR Bratislava, a.s.

PERCENTAGE OF SELECTED AKZENT BIGBOARD ADVERTISING SPACE



Source: Akzent BigBoard

THE OUTDOOR ADVERTISING MARKET IN THE CZECH REPUBLIC

According to Nielsen Admosphere data, the media market in the Czech Republic grew by more than 10% year-on-year in 2018. The largest advertisers were traditionally the companies Kaufland, Lidl and Alza.cz. The impact of the legislation on the decline in investment in outdoor advertising was significant in 2018, as, on 1 September 2017, the amendment to the Road Act came into force, which prohibits advertising near motorways and first-class roads. According to a rough estimate, such advertising accounted for about 10% of the total area of outdoor advertising. The demand for these areas has been partially replaced by a range of areas in cities, but a specific group of advertisers requesting direct motorway billboards remains unsatisfied.

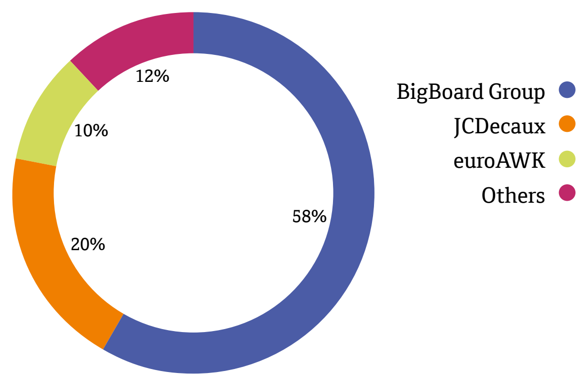
The BigBoard Group, which falls within the JOJ Media House holding, remains the biggest operator **with a 58% share of the outdoor advertising market in the Czech Republic**. This Group includes the following brands: BigBoard, Czech Outdoor, outdoor akzent, BilboCity, BigMedia, Qeep, and News Advertising, and in December 2017, it acquired a 100% share in the company RAILREKLAM s.r.o.

In October 2018, **elections to municipalities and a third of the Senate** took place in the Czech Republic. Outdoor advertising campaigns were at a typical electoral level. In May 2019, European Parliament elections will take place, which will not have a major impact on total annual media investment. The first quarter of 2019 showed a slight year-on-year organic growth of around 3%. We expect a similar pace of media investment in outdoor advertising throughout 2019. We do not expect any major M&A activity on the market.

More and more digital areas are emerging. Obviously, **digitizing areas is the way to higher returns** and better reaching the target group of advertisers. In the future, the digital areas sold in a programmatic manner will grow, but so far, they are not available. Rigid legislation, which has a very strict attitude towards the construction of LED screens, prevents greater development of OOH digitization.

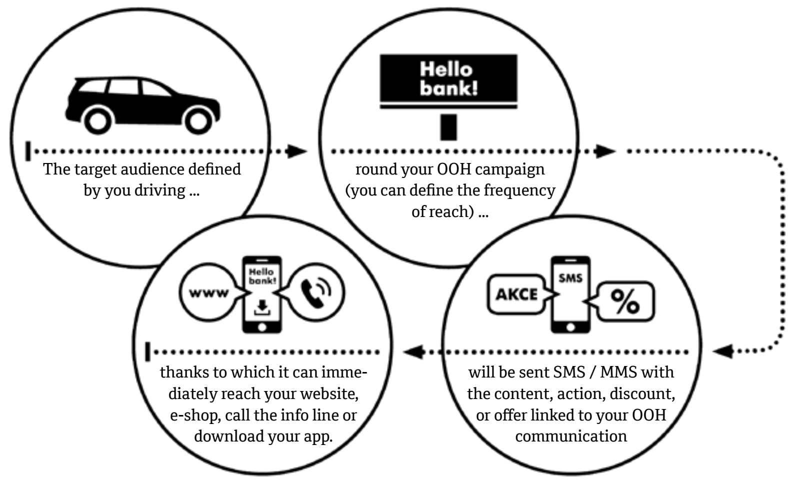
We also see the future in linking outdoor and online advertising. Based on the data for the outdoor advertising measurement collected through our BigPlan tool, we will be able to plan online campaigns. Using the BigPlan, we can identify people driving around specific advertising carriers and then preferably reach them online. The **combination of OOH and online advertising** would bring more efficiency to our clients than when they plan using these media types separately. In the campaign for the Hello Bank!, their outdoor advertising was combined with an SMS campaign that targeted people who already had the opportunity to get acquainted with a particular advertisement thanks to OOH. This method has proven to be significantly more efficient than if the SMS were only sent on a database basis.

MARKET SHARE OF SELECTED OOH COMPANIES IN 2018



Source: Nielsen Admosphere

SMS/MMS REMARKETING OOH



Source: BigPlan Brochure

THE OUTDOOR ADVERTISING MARKET IN AUSTRIA

The growth of the Austrian economy at 3.1% in 2018 caused an increase in the media market, but lower than expected. The market share of individual segments has not changed considerably. After significant growth in previous years, the outdoor **advertising market recorded a slight decline**. Radio and television advertising recorded a positive increase. Digital advertising, which is the preferred promotion method in Austria along with television and print, has also significantly slowed its rise. Based on these preliminary results, the growth of the media market is estimated to be up to 2% in 2019.

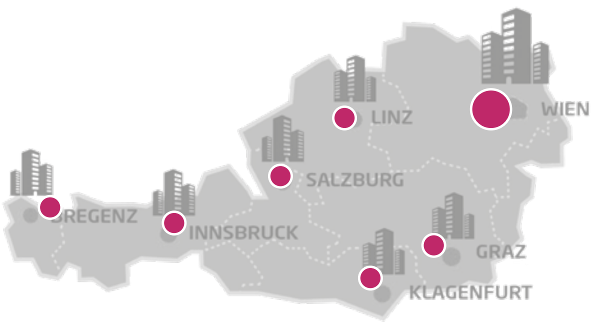
JOJ Media House has been doing business on this market through the company EPAMEDIA since 2012. The company has more than 90 years of tradition in this field and is the market leader in out-of-home advertising in Austria with more than 17 thousand billboards, 2 thousand citylights, 1 thousand posterlights, 51 bigboards, and other special types of advertising space. Together, it has **more than 20,000 spaces** across Austria, tand thus belonging to market leaders with an estimated 35% share. A traditional and biggest competitor is the company GEWISTA, with a 42% share, and other companies having together a 23% share. EPAMEDIA focuses mainly on optimizing the portfolio of advertising media and streamlining the organizational structure, which is reflected in the positive results of the company. Since 2013, the company has been strategically and operationally managed by Brigitte Ecker and Ing. Mag. Alexander Labschütz. With six regional offices and headquarters in Vienna, EPAMEDIA has a **strong presence in all of the federal republics**.

In addition to optimization measures and streamlining of business processes, the company invests in the development **of digital outdoor advertising**. It is the fastest growing area of the outdoor advertising market in Austria with an above-average year-on-year growth rate. These are advertisings on larger LED panels where ad spots are usually broadcast in short time loops. This type of advertising media has a number of advantages – multiple ads are released on one board, the content can be updated very quickly and easily, and it is possible to engage customers interactively and thus increase the efficiency and reach of ads.

In cooperation with the public transport company, **the first prototype of a digital bus** stop was built in Innsbruck in November 2018. The stop is equipped with a built-in citylight, a 75-inch high-resolution display and brightness, and a video player, offering attractive advertising options. This prototype demonstrates the company's leadership in digital outdoor advertising and innovation, which means that, as a strong and reliable technology partner, the company will shape the outdoor advertising market in the future.

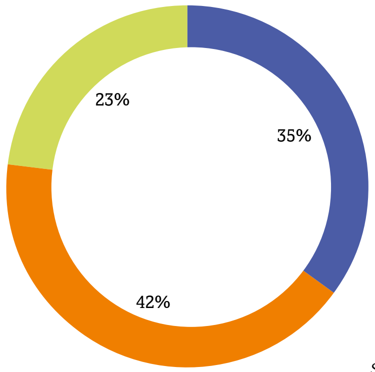
The **environment and sustainable development** play an important role in the company. Since 2017, EPAMEDIA as the first outdoor company in Austria produces 100% CO_2-neutral campaigns, has built a first stop in Vienna powered by solar panels only, uses electric cars, and saves energy and paper in administration. It also helps its clients and partners improve their carbon footprint.

HEADQUARTERS IN VIENNA AND 6 REGIONAL OFFICES



Source: EPAMEDIA

PERCENTAGE OF OOH ADVERTISING IN THE AUSTRIAN ADVERTISING MARKET IN 2018 BY CARRIER



Source: Estimates of Management

SUMMARY OF BUSINESS 4.2
THE TV JOJ GROUP

TV works! To be more accurate – video works! We have known it since 2007, when we started to work adequately with our video content on television, as well as online, where our unique platform HUSTE.tv became a pioneer of video in Slovakia.

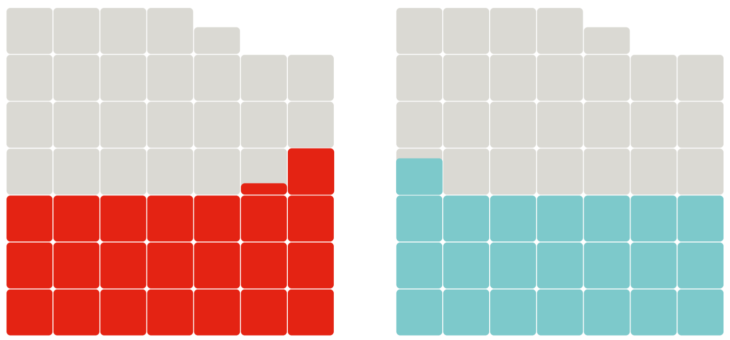
With today's **more than ten years of experience**, we also know that it is not enough to produce just sufficiency of quality video content, but it is also important to have this content placed on all platforms available to viewers. Viewers can see our own or foreign production not only on linear or paid TV, but they also have it available on all digital platforms, i.e. in mobile, tablet, and desktop.

There is more and more video content, and logically, we cannot include it in all our capacities. Therefore, we are now representing not only specific TV stations on the Slovak market but, through our **newly created VALETIN platform**, also a large part of the major online portals that have a significant amount of video content on our market. Thus, we can offer the highest reach of client campaigns through 100% penetration of our linear TV stations, the broad base of target groups represented by our stations, and the addition of younger age categories in our as well as represented video content. In real numbers, there are 3 linear stations (JOJ, PLUS, WAU), 3 paid stations (RiK, Ťuki, JOJ Cinema), 6 thematic stations (Prima Plus, AMCNI), our Czech full-format station JOJ Family, and 19 our own and more than 20 partner online portals we represent. In terms of reach, it is **half a million TV disposable ratings**, and, in terms of online portals, 2 million unique users monthly, generating nearly 200 million video views a year.

TV JOJ coped with the year 2018 as successfully as with previous seasons. The pillar of success continues to be a balanced combination of quality programmes produced by us and attractive acquisition content. TV JOJ continues to benefit from the fact that it is the only commercial television group influencing 100% of the Slovak population.

Our task is to bring plenitude of our own production to the Slovak market, to determine the trends of domestic production, and to have quality and interesting entertainment programmes, the proper setting of our stations and the adequate quantitative and qualitative selection of the partners we represent, and that all in the widest possible penetration and market reach.

AVERAGE DAILY REACH (AVRCH 3+) TO 12+ POPULATIONS IN SLOVAKIA

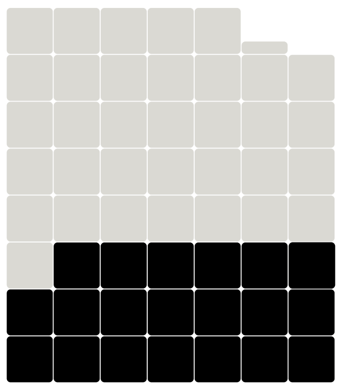


JOJ GROUP 2 225 000 · Univerzum 4 663 000 · CME Group 2 173 000

JOJ Group: JOJ, Plus, Wau, RiK, Prima Plus, Minimax, Spektrum, Šport 1, Šport 2 · CME Group: Markíza, Doma, Dajto, Nova International · Univerzum: TV population in TG 12+ · Values are stated for target group 12+ from 1 January 2018 to 30 September 2018 · AvRch 3+ is an all-day average reach to viewers having met the condition of 3-minute uninterrupted watching

Data Source: PMT/KANTAR MEDIA

HE AVERAGE MONTHLY REACH TO UNIQUE ONLINE USERS WITHIN THE POPULATION OF SLOVAKIA



valetin 2 000 000 · Population of the Slovak Republic 5 427 917

Data Source: Statistical Office of the Slovak Republic; JOJ Group

TV JOJ

Newscasts are obviously the most watched programmes of Slovak televisions. Every business day, TV JOJ broadcasts The Morning News first, The Twelve O'clock News at noon, and The Seventeen O'clock News in the afternoon. The everyday news programme aired in prime time begins with CRIMI, continues with the TV JOJ News, Sport and ends with Best Weather. All these parts of the news achieve excellent viewing results on a regular basis and create a great start-up curve for the next programmes.

On a daily average, the TV JOJ News reached 732 thousand viewers during the first nine months of 2018. The performance of the main news programme reached an above-average 10.5% viewership and market share of 26.9%, while CRIMI recorded an 8.3% rating and 23.4% share. On average, the Sport earned 8.2% viewership and 19.4% market share. Every evening, the news block on TV JOJ is concluded by the Best Weather, which is the most watched forecast in Slovakia, with 10.5% viewership and 24.5% market share. (The data express the nine-month average, from January 2018 to September 2018, in the target audience of 12+.)

JOJ reporters form the biggest news reporting team in Slovakia. Every day, they bring viewers an overview of the most important events from home and the world, while constantly addressing topics from all social areas. The TV JOJ reporters are known for their hard work in regions where they are always close to Slovaks whenever something happens. The news team also reveals important political and social affairs that have far-reaching consequences and wide-ranging social impact. The TV JOJ reporters have already been granted a number of professional awards for their investigative approach.

The news reporting includes also journalism as well as the lifestyle magazine Topstar, which brings the viewers the unique information about Slovak showbiz, interviews with interesting personalities as well as shots from behind the television scenes.

TV JOJ said goodbye to the old year with success. On the last day of the year, it was the most watched TV all day as well as in prime time, thus breaking its historical record from 2017. The audience records were broken by the New Year's Eve broadcast of Incognito. Overall, the programme was watched by up to 808 thousand viewers over the age of 12, making it the most watched New Year's Eve show over the past seven years. The New Year's Eve Incognito was the most successful part of the show since returning to screens.

JOJ TV has long declared its interest in promoting audiovisual art in Slovakia. Nowadays, it is a partner of several major projects and participates in the largest number of films and co-productions prepared by the most successful local film makers. In the near future, Slovak viewers can look forward to the premieres of films that will come to cinemas in 2019.

The Glass Room is a film made in the Czech and Slovak co-production based on the famous novel by Simon Mawer, a British writer, inspired by the dramatic events of the 20th century and the creation of the iconic architectural work – the Villa Tugendhat in Brno. The film was directed by Julius Ševčík, the creator of the drama Masaryk, which was awarded twelve Czech Lions. A number of foreign and domestic stars such as Carice van Houten (Game of Thrones), Hanna Alström (Kingsman), Claes Bang, Karel Roden, Marián Mitaš, Zuzana Fialová, Martin Hoffmann and others played the leading roles in the film.

After the scenarios for the Czech films Chasing Fifty, Masaryk or the series District Leage, their author Petr Kolečko has already tried the direction – his debut is a romantic comedy about beach volleyball called Slipping Through Fingers with many popular actors such as Petra Hřebíčková, Denisa Nesvačilová, Jiří Langmajer, Jakub Prachař, Marián Miezga, Kristína Greppelová and Ján Jackuliak.

The main hero of the film Summer Spent with a Cowboy (1976), actor Jaromír Hanzlík, brings a surprise for its spectators, fans and witnesses – he wrote a screenplay for the new film Summer Spent with a Gentleman, directed by Jiří Adamec (Ambulance). Jaromír Hanzlík himself also plays in the romantic comedy, as well as Igor Bareš, Alena Antalová, Lucie Vondráčková, Ivana Chýlková and many others.

The family film Christmas Will Come is directed by Lenka Kny, who has cast Martin Dejdar, Marek Němec and Anna Polívková in the main roles.

The TV JOJ's film offer will traditionally be varied and full of blockbusters. In 2019, TV JOJ will offer the latest parts of one of the most successful film series – The Fate of the Furious 8, but also Fifty Shades Darker, a sequel of the phenomenon made by the book bestseller. The JOJ TV viewers can also look forward to the last part of the popular German comedy trilogy about self-styled teacher / former criminal – Fack ju Göhte 3, as well as to the Christmas crime comedy Bad Santa 2, in which Billy Bob Thornton revives his legendary character – repulsively irresistible thief Willie.

The fans of the crazy and wild comedies will also come into their own in 2019 – TV JOJ will broadcast The Spy Who Dumped Me, the comedy in which Mila Kunis and Kate McKinnon are implicated in the international spy mission, and the Fun Mom Dinner, in which four moms decide to take a break from the kids and entertain themselves.

The TV JOJ programmes will also include war films, such as Hacksaw Ridge: The Birth of Hacksaw Ridge directed by Mel Gibson holding two Oscars, inspired by a true story, and spectacular adventure fantasy movies. In The Great Wall, Matt Damon will have to protect human civilization from a monster army, and, in the modern version of The Mummy, Tom Cruise will accidentally wake Princess Ahmanet, who desires to rule the world.

Younger, as well as older kids, will be delighted with funny animated movies such as Despicable Me 3, The Boss Baby, Trolls and Kung Fu Panda 3, and series fans can look forward to a new comedy crime series Take Two, the drama series 9-1-1, and the medical series The Resident.

PLUS

PLUS is the second channel of the JOJ Group portfolio, and it is currently focused on the commercially interesting audience – modern men in productive age as well as independent dynamic women. Among the smaller channels, PLUS has the highest number of loyal viewers watching it regularly, thus maintaining its stable position on the Slovak television market.

Its programme structure is comprised especially of popular acquisition films, series and programmes, favorite original formats as well as documentary series and spectacular foreign TV shows.

In 2019, PLUS will bring the sequel to the action series Taken, which is a prequel of the successful 96-hour film series, as well as the spin-off of the popular series Grey's

Anatomy about firefighters titled Station 19, the new X- Men: The Gifted, which is based on the Marvel comics and takes place in an alternative reality where all X-Men disappeared. And, last but not least, it will broadcast the miniseries The Disappearance, in which the investigation of the disappearance of a small boy on his tenth birthday reveals hidden family secrets with fatal consequences.

In the following year, even the fans of old Czechoslovak series will come into their own – PLUS has prepared the legendary comedy "Slovácko sa nesúdi" for them.

WAU

Currently, TV WAU, which is the third channel of the JOJ Group portfolio and has recently celebrated its fifth anniversary, targets all attractive younger audiences – both men and women. WAU complements the offer of other JOJ Group stations, and its programme structure is characterized mainly by crime series.

Even in the next season, WAU will bring the most popular and best criminal movies and series. Its programme offer will include CSI: Las Vegas, Miami and New York, and new series of the Criminal Minds.

WAU has also complemented its offer with Dr. House – the iconic medical series, and the iconic detective series Columbo with legendary Peter Falk in the title role. Both series will continue on its screens in 2019. In addition to the new series, WAU will also broadcast reality shows Botched, Clean House, and Million Dollar Listing Los Angeles and New York.

JOJ CINEMA

The latest blockbusters, exclusive Czech and Slovak TV premieres and the world's most successful films of all genres – not only for film connoisseurs but also for entire families – all this is broadcast by the JOJ Cinema premium station 24 hours a day without advertising. JOJ Cinema will celebrate its fourth birthday in 2019, and its ambition is to continue to offer its viewers a real movie experience. The next year's highlights will be stellar high-quality dramas, such as the poignant film Adrift, based on a true story, starring Shailene Woodley, the sci-fi thriller The Circle with Emma Watson and Tom Hanks in the lead roles, about a company in which there is no problem, the true story Only the Brave about the most elite firefighting team in the United States, and the adventurous thriller Gold with Matthew McConaughey, which is also based on a real story.

The rich programme offer of JOJ Cinema includes the Czech and Slovak television premiere of Suburbicon with Matt Damon and Julianne Moore, the drama Blind with Alec Baldwin in the title role, the sci-fi Valerian and the City of a Thousand Planets directed by Luc Besson, and the adventure film Redbad.

CHILDREN´S TELEVISION RIK AND ŤUKI

The JOJ Group, as the only media group on the market, offers Slovak viewers up to two TV channels broadcasting programmes for children in the Slovak language. Over the past three years, families with children have taken a liking to the RiK and Ťuki TV, and the awareness of both brands is still growing in this target group. Moreover, Ťuki proves that the JOJ Group is capable of customizing the television programme as well as the whole channel to its clients' requirements.

The programme structure of the children channel RiK consists of the popular classic Czechoslovak fairy tales, foreign and in particular European acquisitions, and the programmes of its own production. The next year, the youngest viewers can look forward to continuing parts of "Sníček", in which their favorite character Hugo takes trips to European cities. RiK has also prepared the series Vicky the Viking, Barbapapa, Space Ranger Roger, Strawberry Shortcake, and Fireman Sam.

Ťuki TV also broadcasts for the youngest viewers exclusively in the Slovak language. It differs from RiK by its availability to the customers of only one Slovak operator. In 2019, children can look forward to new stories on the Ťuki TV, as well as classic Czechoslovak, Czech, Russian and Polish cartoon fairy-tales such as the Story of the Little Mole, Mach and Sebestova, Bob Builder, Shaun Sheep, Amalka Fairy Tale, Little Rain Worms and the like. Children should certainly not miss new episodes of original programme formats, which are exclusively produced for this TV station, such as an educational and entertainment show "Výbuch" (Explosion).

Both RiK and Ťuki entertain the youngest viewers not only through television but also live at many events throughout the year. Children can meet the representatives of their favorite channels and their mascots on excursions directly in JOJ TV in Bratislava or at events all over Slovakia where they all come into their own – they can sing together, compete for beautiful prizes, play different games, take pictures or dance during workshops.

The JOJ Group also publishes books under the children's television brands, which motivate children to read and develop fantasy. Bookshops offer for example the books "Sníček", "Zabi nudu!", "Ťuki a jeho dobrodružstvá" (The Adventures of Ťuki) and "Ťuki a stratený psík (Ťuki and the Lost Dog) issued by the Ikar publishing house.

JOJ FAMILY

JOJ Family is a multi-genre family television channel designed for the Czech audience and for Slovaks living in the Czech Republic. It offers the best of the original programmes of its mother television JOJ, as well as acquisition and Czech films and series.

In 2019, as part of a new programme slot, JOJ Family will broadcast the Czechoslovak series legends, which will include, for example, the series Boys and Men, The Natives,

"Zákony pohybu" (Laws of Motion), and District to the North. JOJ Family will also offer its viewers popular German series like Clown, Medicopter 117, Dr. Stefan Frank, "Die Cleveren", Puma, "Die Motorrad-Cops" and In the Name of the Law. JOJ Family will broadcast, for example, the latest third series of the original Slovak family series Holidays and its winter special, but also a new series The Rescuers produced by TV JOJ.

OTHER TV

In addition to its own television channels, the JOJ Group's portfolio includes representation of foreign stations on our market. Since 2017, the JOJ Group has been selling the Prima Plus channel of the Czech broadcasting company FTP Prima, which brings the most interesting programmes of the original production of Prima – the Czech media group. Since June 2017, in advertising sales in Slovakia, the JOJ Group's trading portfolio also includes the quality thematic stations Minimax, Spektrum, AMC, Sport 1 and Sport 2 of AMC Networks International (AMCNI), a leader in payTV services on our market.

VALETIN

The JOJ Group represents not only partner specific TV channels, but, through the newly created VALETIN platform, also a part of major online portals having a significant volume of video content on our market. There are **19 our own and more than 20 partner online portals** that can, by their videos:

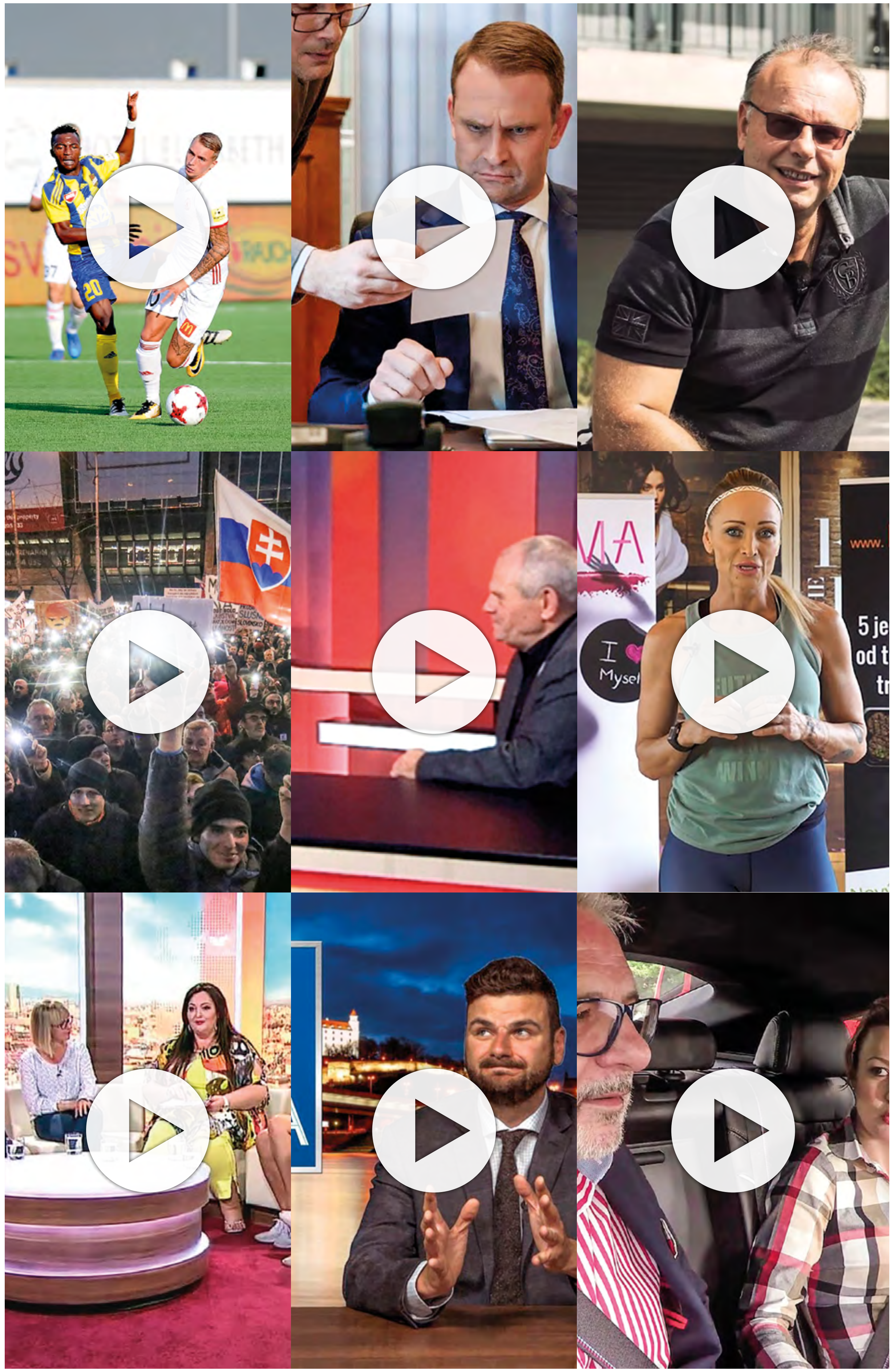
- reach more than 2 million unique users a month; *
- generate almost 200 million video views per year. **

VALENTIN partners include:*

- JOJ Group (joj.sk, noviny.sk, huste.tv, videoportal.sk, prezenu.sk, miestomuza.sk, maminerecepty.sk, kinosala.sk, autofans.sk, cvicte.sk, and others);
- News and Media Holding (1.pluska.sk, plus7dni.pluska.sk, sport24.sk, etrend.sk, plustv.sk, emma.sk, wanda.sk, zena.sk, sarm.sk, zdravie.sk, polovnictvo-rybarstvo.sk, zahradkar.sk, ujszo.sk);
- Ringier Axel Springer SK (aktuality.sk, sport.sk);
- Internet.sk (dnes24.sk, sport7.sk, fony.sk);
- touchIT.sk.

* Both the data and the list were up to date in October 2018, gradually growing and changing.
** Assumption for 2019

VALETIN is an open local platform that sells in-stream video ad formats, i.e. the video ad is embedded in the native player on the publisher's site, where it is 100% visible and expected by site visitors. This new video advertising distribution system reaches users to eliminate unwanted overlays of unique users of individual publishers and to technologically unify the video ad formats sold. All video ad formats meet IAB standards, while the system allows independent and transparent measurement of campaigns by third parties. The ambition of the VALETIN platform is to offer advertisers in the Slovak inventory better reaching of target groups, more efficient planning, easier purchase, and, last but not least, support of the local market.



SUMMARY OF BUSINESS 4.3
RADIO ADVERTISING MARKET

In 2015, the company JOJ Media House, a.s., entered the radio advertising market in Slovakia. Its subsidiary – Radio Services, a.s., provides comprehensive services to broadcasters from the sale of the advertising space to the production of broadcasting content.

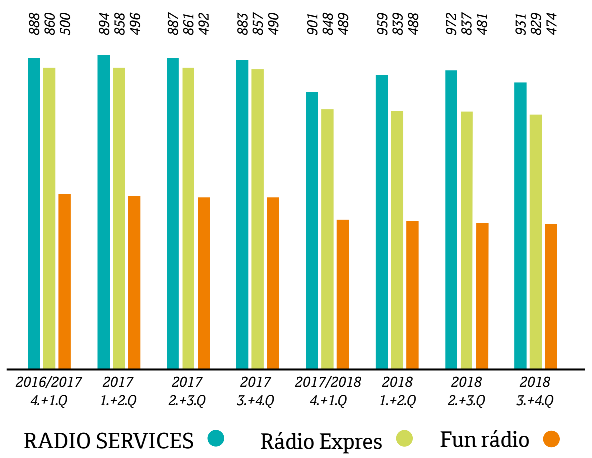
We were able to create a portfolio of products intended for target groups that do not affect each other; they are more or less homogeneous units. **Rádio Vlna** is aimed at the oldies format, with a broad range of listeners, especially people aged 35-40+. **Rádio Jemné** is targeted to women aged 30+, and **Rádio Anténa Rock** primarily to 30+ men. Since 1 January 2016, in addition to these three full-area radios, Radio Services, a.s., has been trading **Rádio Europa 2**, which is a significant revival for the target group of young people aged 14-29. It has also a great impact on listeners aged 30+, i.e. on a good class target group. By this new connection, Radio Services, a.s., has increased its market share and gives customers more opportunities than individual radio stations. Europa 2 exactly fits into the strategy of the company Radio Services, a.s., and, from the perspective of a comprehensive package of products for our clients, we have gained a potent competitive tool. It is a radio that can realize, due to its vigor and rapaciousness, unique projects of advertisers in a form that no other radio can do on the market. We named this group the **"Big Four"**, and, through it, we enrich the market by an unrivaled product suitable for any advertiser, precisely focusing on the target group and effectively spending funds on advertising. In addition to classic radio stations, we also have a portfolio of themed radio stations: "Rádio Anténa Rock Hard", "Rádio Jemné Chillout", "Rádio Vlna GOLDEN HITS" and children's radio "Žofka".

Daily audience	RADIO SERVICES		Rádio Expres		Fun rádio	
	Prj	Shr %	Prj	Shr %	Prj	Shr %
2016/2017 4. + 1.Q	888	24.3%	860	21.8%	500	12.0%
2017 1. + 2.Q	894	24.2%	858	22.2%	496	12.3%
2017 2. + 3.Q	887	25.1%	861	23.0%	492	12.4%
2017 3. + 4.Q	883	24.9%	857	23.0%	490	12.3%
2017/2018 4. + 1.Q	901	24.4%	848	23.1%	489	12.5%
2018 1. + 2.Q	959	25.8%	839	22.8%	488	12.2%
2018 2. + 3.Q	972	26.7%	837	22.2%	481	12.4%
2018 3. + 4.Q	931	25.8%	829	22.4%	474	12.8%

Source: MML-TGI – Extended data – Slovak Republic

In the parameter of "listening in the last week", the total listening of radios was 88.7% at the end of 2018, which is 3,966,000 listeners aged 14 to 79. Nearly 2.5 million people (61.8% of the population) listen to the radio every day, and, on average, every citizen of the Slovak Republic listens to the radio for almost 2 hours. By combining these four radio stations, **we can reach up to 1,951,000 listeners** in a wide range of target groups in Slovakia **a week**, i.e. 931,000 unique listeners a day. In 2018, Radio Services had up to 36% share of the costs incurred in radio advertising on the Slovak market. Year-on-year, the share grew by nearly 3% to the detriment of competitors. In its business strategy, Radio Services has always claimed to offer a number of listeners in a broad audience base, and we are already dominating there today. Investments in radio advertising grew by 3.6% compared to 2017. The most notable competitors include Rádio Expres, Rádio Slovensko, and Fun rádio.

DEVELOPMENT OF DAILY LISTENING TO RADIO SERVICES COMPARED TO MAIN COMPETITORS

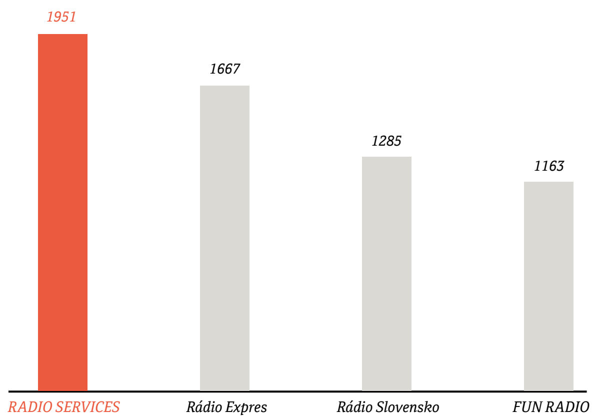


Source: MML-TGI – Extended data – Slovak Republic

Last year, the strongest commercial radio stations created an initiative called **"Radio Works"**. Its aim is to promote the perception of radio as an attractive, interactive, trendy and flexible medium, whose presence in the media mix is important. The first step of this initiative was to conduct surveys among listeners, advertisers and agencies. The results were the findings that confirmed the importance and unique nature of radio. Through radio, it is much easier to segment and reach specific audience and customer categories. On 15 November 2018, the 2nd year of the Radio Rulezz Conference titled Volume 2: Creativity was held in Bratislava. There were many famous Slovak and foreign speakers who have years of experience with radio. Josef Fišer from Median introduced the adMeter application based on audio matching. Rastislav Kočan from the agency Go4insight presented the results of a survey on the effect of radio advertising communication. Foreign guests, Philip Maes and Nik Goodman, presented their experience and insight into creativity in advertising. The Radio Rulezz Conference has thus become a regular event that helps to make this media type more attractive to advertisers.

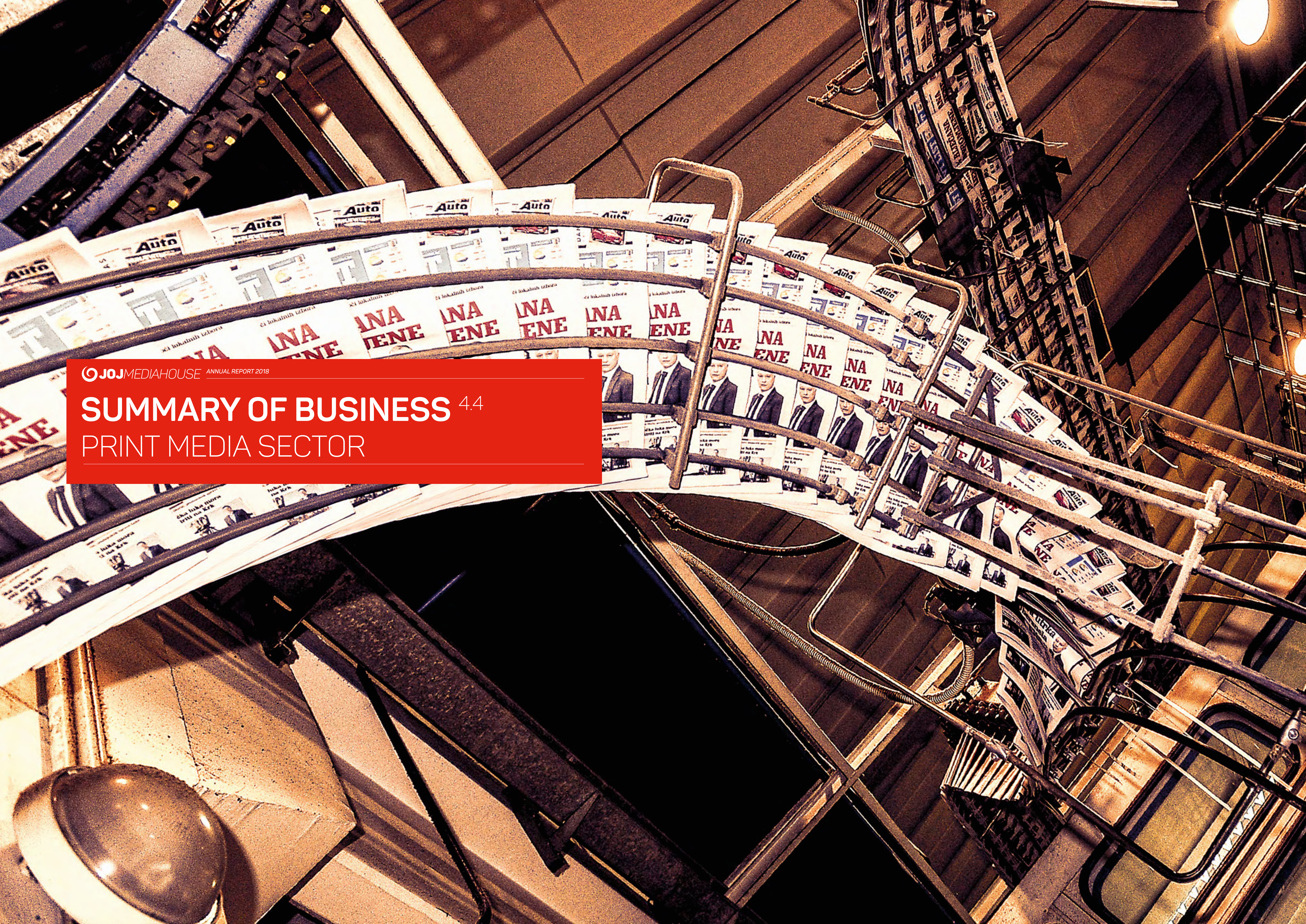
The **biggest challenge for Radio Services in 2019** is to establish healthy online sales of our products. Europa 2 is already one of the strongest radio market players in the online space. This fact is also confirmed by trends from abroad, where more and more audio streaming is being sold. Most likely, we will produce a larger number of podcasts and focus on selling audio online advertising. Event marketing is also very important. From this point of view, Radio Europa 2 has great potential for us. The event activities related to Rádio Vlna confirmed this trend, and the sale of the Oldies Party has become a major commercial pillar for us.

WEEKLY AUDIENCE 14+ (IN THOUSANDS)



Source: MML-TGI – Extended data for 3Q and 4Q 2018 – Slovak Republic

SUMMARY OF BUSINESS 4.4
PRINT MEDIA SECTOR



SUMMARY OF BUSINESS • PRINT MEDIA SECTOR

THE CROATIAN PRINT MEDIA MARKET

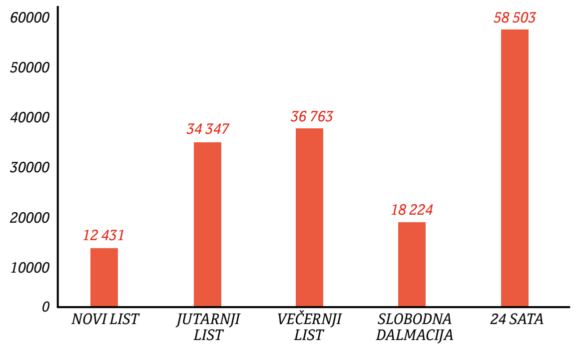
At the end of 2018, JOJ Media House, a.s., owned an 84% share in the publishing house NOVI LIST, d.d., an 89% share in GLAS ISTRE d.o.o., and a 100% share in RTD d.o.o. With this acquisition, the Group has expanded its operation in the media market into the print segment in Croatia. The Group has thus gained the oldest Croatian daily **Novi List**, with its history dating back to 1900, located in the city of Rijeka. It is currently the 6th bestselling daily in Croatia with average sales of more than 12 thousand copies per day and the most important market player in the Primorje-Gorski Kotar County. In addition to publishing its own newspaper, Novi List d.d. performs publishing and printing activities for companies within the Group as well as for external clients. **Glas Istre** Novine d.o.o. based in Pula has been publishing a regional daily of the same name since 1943 when it served as a partisan leaflet during the war. It focuses on the Istrian region where it continues to be the bestselling daily and has achieves more than 30% market share. The company RTD d.o.o. publishes **Zadarski List**. It began to be published in 1994 as a weekly, and four years later it became a daily newspaper and continues to be to date. Nowadays, this journal is one of the most famous symbols of Zadar, covering the entire surrounding region. As the first, the daily always brings the themes from the Zadar County, where it is the second most sold journal with a market share of 13%. A total of 432 thousand copies were sold in 2018.

The biggest competitors in the daily segment are the nationwide newspaper 24 sata, Jutarnji list, Večernji list and Slobodna Dalmacija. However, all 3 daily newspapers under JOJ Media House hold significant shares in their regions. We are the **third largest group of newspaper publishers in Croatia**, following the Styria Group and the Hanza Media Group.

The companies achieved positive results in 2018, compared to the previous year. They streamline their processes and reduce staff costs. All of them invest mainly in their internet portals to improve their readers' access to paid as well as free content. Most of the Croatian regional media revenues come from marketing activities that make up the most important component of their turnover.

Novi List continues to expand its range of activities, for example, into native advertising, video projects, event management, magazine production, and photo studio rental. In 2018, the benefits of investing in the www.novilist.hr portal showed – online advertising revenue continues to grow year on year. Novi List actively strengthened its role in society, especially around Rijeka, organizing lifestyle events and various competitions. Successful events were, for example, "Finding a New Fashion Blogger" or conferences on seaside tourism or the economy of the Croatian islands. Organizing conferences is a good opportunity for newspaper publishers to use existing platforms and resources and improve their revenues. In 2018, from this point of view, the conferences on tourism and sustainability as well as on transport were the most important events of **Glas Istre**. Both of them have attracted the population, experts and advertisers. For the next year, further conferences with topics such as gastronomy and agriculture are being prepared. Due to the increase in its price, **Zadarski List** managed to stabilize its revenue in 2018. It continued to invest and improve its Internet portal and the possibility of subscribing to the online journal. Every year, it organizes events in Zadar to support athletes or fishing competitions "Naj ulov".

AVERAGE DAILY SALES OF THE JOURNALS IN CROATIA IN 2018



Source: Croatian Competition Agency

SUMMARY OF BUSINESS • PRINT MEDIA SECTOR

THE SLOVAK PRINT MEDIA MARKET

On 17 October 2016, the company JOJ Media House, a.s., acquired the company NIVEL PLUS s.r.o., whose main activity is publishing the newspapers **Bratislavské noviny** and **Petržalské noviny** and ensuring the operation of the associated news portals bratislavskenoviny.sk and petrzalskenoviny.sk.

Bratislavské noviny originated in 1998, following the Nova Posoniensia newspaper published by Matej Bel in Pressburg in 1721-1722, as well as the rich history of Pressburger Zeitung, which was published between 1764 and 1929. Every 2 weeks, the company publishes **180,000 copies** in 5 versions, separately for each of the Bratislava districts. They are distributed free of charge to mailboxes in the entire city of Bratislava. The newspaper allows the possibility to advertise in the whole edition or in the particular versions distributed in the individual districts important for its clients in terms of their business activities and services offered.

Since May 2018, we have also been publishing a regional periodical – Petržalské noviny. It has been published for 25 years and is distributed free of charge to the mailboxes of Petržalka citizens in the volume of 40,800 copies every 2 weeks. The periodical brings current topics and news and focuses on events happening in the city district of Petržalka.

Through **joint advertising sales** in the form of preparation of combined prints and online packages for direct and agency advertisers, we develop the publisher's sales in available media types. To improve our advertising revenue, we decided to strengthen our main product – Bratislavské noviny, and, in 2018, we published specialized attachments ŠPECIÁL BÝVANIE, VOĽBY 2018, and ZDRAVIE.

In 2018, the **bratislavskenoviny.sk portal visit rate** recorded a significant 44% increase in real users compared to the previous period. The increase is the result of the ongoing trend of improving the portal's visual and content quality. We focus on dealing with actual themes and producing our own reportages and continue to provide our readers with the news that has won their favor. The focus on photographic processing of presented themes and video contents continues to grow. The news website bratislavskenoviny.sk continues to offer advertisers the possibility of the affinity purchase of PR or native articles for their clients as well as using the portal to support client brands with SEO (search engine optimization) tools. The website petrzalskenoviny.sk is a new product in the publishing portfolio. It is an important product for the communication with the citizens of Petržalka as well as for all advertisers who need to reach this city district.

In 2018, the actual content (crime, social affairs, transport, culture, self-government, construction, sports, gastronomy, shopping, and many others) has been expanded into the comprehensive pre-election news as well as **reporting on the 2018 municipal elections,** which provided detailed information about individual candidates for mayors or members of municipal councils and their views and attitudes, whether through interviews or news articles. Another area into which the website's content expanded was health, lifestyle and fashion – the themes that gained new, especially female readers. Creating the 2018 Municipal Election Section and the advertiser package offers generated increased revenue just because of PR purchases for the 2018 Elections.

Bratislavské Noviny ŠPECIÁL

VOĽBY 2018

Streda 24. októbra 2018 | ŠPECIALIZOVANÁ PRÍLOHA O KOMUNÁLNYCH VOĽBÁCH | Číslo 1

Kto zarába najviac? Ktorý starosta má najvyšší plat a kto, naopak, najnižší? Kde sa oplatí byť poslancom a kde v miestnom zastupiteľstve nedostanete ani cent?

Voliči politikom! Čo sa im nepáči. V uliciach hlavného mesta sme sa pýtali ľudí, čo im v ich miestnych častiach prekáža, čo by chceli zlepšiť a, naopak, čo oceňujú vo svojom okolí.

Politológ: O primátorovi rozhodne účasť, rozdiely sú minimálne! Členstvo v politických stranách alebo podpora od politických strán dáva podľa Grigorija Mesežnikova určitú predstavu, ako je kandidát zorientovaný, aké má politické a hodnotové priority.

ŠPECIÁL VOĽBY aj na www.banoviny.sk

Najväčšie zaujímavosti predvolebných kandidátok

BRATISLAVA

Aj dvaja 19-roční študenti a jeden 90-ročný Vrakunčan chcú byť poslancami.

Ženy verzus muži, kandidáti s titulmi či bez titulov, počty záujemcov o funkciu a realita.

V 17 mestských častiach chce byť starostami až 72 kandidátov. Najväčší počet, až 10, je v Petržalke. Rovnaký počet kandidátov sa uchádza ešte v Podunajských Biskupiciach, pričom ide len o mužov. Duel sa bude konať až v 6 mestských častiach. A to v pomerne veľkej Dúbravke, Vrakuni a v okrajových častiach, ako sú Rusovce, Čunovo, Záhorská Bystrica a Devín. A práve v Devíne sa „pobijú" len dve ženy. Z celkového počtu kandidátov 72 kandiduje 15 žien a 57 mužov. Najmenší vekový priemer kandidátov na starostu je v Novom Meste (36 rokov) a najväčší v Čunove (52,5). Rovnako zaujímavý je aj fakt, že v štyroch mestských častiach Vajnory, Devín, Záhorská Bystrica a Rusovce kandidujú len nezávislí kandidáti, bez podpory akejkoľvek strany. Najstaršieho kandidáta nájdete v Jarovciach. Je ním súčasný starosta Pavel Škodler (66) a najmladší kandiduje v Petržalke – Miroslav Dragun (29). Z celkového počtu 72 kandidátov je 58 s vysokoškolským titulom a 14 bez titulu. Zo 17 mestských častí chcú 12 starostovia obhájiť svoju pozíciu. Do miestnych zastupiteľstiev sa chce dostať až 842 ľudí, no šancu má len 265. Najviac ľudí kandiduje v Petržalke. A to 139 kandidátov v 6-tich volebných obvodoch. Najmenej je v Devíne, a to 9. Najvyšší vekový priemer kandidátov je v Starom Meste (51,7) a najnižší v Devínskej Novej Vsi (41,5). Čo sa týka veku, najzaujímavejšia je Vrakuňa. Tú nájdete 90-ročného kandidáta Jozefa Vaškebu a zároveň aj najmladšieho 19-ročného Lukáša Královiča. Ten však nie je jediný. Aj v Rači chce byť poslancom 19-ročný Dominik Vrba. Z celkového počtu kandidátov 842 je 215 žien. A najviac (1/3) ich kandiduje v Petržalke. Do mestského zastupiteľstva sa má z celkového počtu uchádzačov (284) šancu dostať každý šiesty. Najstaršími kandidátmi sú Štefan Holčík (74) zo Starého Mesta a Ján Čičmič (74) z Nového Mesta. Najmladšou je len 21-ročná Sofia Karasová z Podunajských Biskupíc. (lb)

Foto: shutterstock

www.BratislavskeNoviny.sk

SUMMARY OF BUSINESS 4.5

INTERNET APPLICATION DEVELOPMENT

JOJ Media House, a.s., operates on the market of Internet applications through eFabrica, a.s. The company is dedicated to enterprise web development and provides online technical support for the Group. In the long run, eFabrica, a.s., has been developing the publishing platform of the new generation – **CONTENTO CMS**, based on the principle of micro-services. This platform provides an entirely new, modern, and effective approach to creating online projects and consolidating online content.

CONTENTO CMS is an online system consisting of several small/single-purpose applications that can be used separately or combined into functional units according to the client specifications – the content management system. Each application is fine-tuned and reflects the particular requirements of online editors such as the management of articles, picture and gallery management, video and streaming management, poll management, quiz and questionnaire management, data collection and analysis, importing different kinds of content, measuring performance of individual parts of the websites, active work with social networks, paywall and registered/paying user administration, online transfers, online chat, and many others. For communication between systems, Contento CMS uses API calls, which are nowadays a modern communication standard. CONTENTO CMS is a **system designed primarily for televisions, radios, and publishing and large media houses**, which have many projects and the need to consolidate contents and search for synergies.

In 2018, eFabrica, a.s., continued implementing the Contento CMS for existing clients. A new project – videoportal.sk – was added to the **online portfolio of JOJ Group**, bringing viewers a complete video archive of all JOJ Group channels in a clear structure and free of charge.

eFabrica, a.s., also continued working on existing projects for **MAFRA Slovakia, a.s.** – the most interesting projects include redesigning the HN account – the platform for online sales of the publisher's digital subscriptions and print titles.

The **municipal elections in Slovakia** were one of the attracting projects of eFabrica, a.s., in 2018. In the context of the elections, the system for aggregating and managing election results has been improved. It uses data from the Statistical Office of the Slovak Republic and displays them on news portals in real time. Due to the complexity and robustness of the Contento CMS system, Mafra Slovakia stood up the high traffic on these portals in exposed times and was the market leader as regards reporting the election results.

Another interesting project from the perspective of Contento CMS was the work for Radio Services, a.s., which represents 4 Slovak radios – Rádio Jemné, Rádio Anténa Rock, Rádio Vlna and Rádio Európa 2. The agreement has resulted in the gradual **consolidation of radio websites** into a common publishing system that, in addition to cost savings, also brings synergies at the level of sales of the common advertising space. The first 3 radios launched a new website at the end of 2018, and the migration of the Rádio Európa 2 website is scheduled for the first quarter of 2019.

PERSONNEL POLICY 5

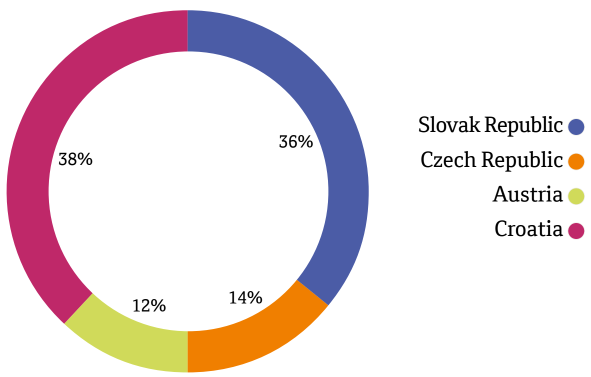
PERSONNEL POLICY

As in any other organization, in the JOJ Media House Group, employees are a major component of company resources and an important element in the success of the entire Group. For this reason, the personnel policy is focused on the selection, motivation, and evaluation of employees, who contribute to increasing efficiency, achieving the assigned tasks and, in the long run, also to achieving strategic goals. JOJ Media House concentrates its attention on all occupational categories because each one of them participates in the achievement of the Group goals in its way.

The JOJ Media House Group is one of the major employers not only in Slovakia but also in other countries in which it performs its business activities, such as the Czech Republic, Austria, and Croatia. Compared to the previous year, the average number of employees for the whole Group decreased slightly, mainly due to Novi List d.d.

The Company applies a **diversity policy** to its bodies, recognizes cultural and individual differences in workplaces, and stresses the need to eliminate unilateralism in areas such as employee selection, job performance assessment, pay, and opportunity for education. The objectives of the policy reflect the organization's determination to provide equal opportunities to all regardless of gender, race, nationality, belief, altered working capacity, age, or marital status. The Company respects the principle of equal opportunity, which means that it will not allow direct or indirect discrimination against any employee.

SHARE OF COUNTRIES IN THE AVERAGE NUMBER OF EMPLOYEES



OVERVIEW OF THE AVERAGE NUMBER OF EMPLOYEES OF THE MEDIA HOUSE BY COUNTRY

	2018	2017
Slovak Republic	282	279
Czech Republic	110	110
Austria	97	94
Croatia	305	323
Total JOJ Media House	**794**	**805**

OVERVIEW OF THE AVERAGE NUMBER OF EMPLOYEES OF THE MEDIA HOUSE BY COMPANY

	2018	2017
JOJ Media House, a.s.	3	3
Slovenská Produkčná, a.s.	201	199
MAC TV s.r.o.	4	4
BigMedia, spol. s r. o.	20	22
Akzent BigBoard, a. s.	29	25
Recar Slovensko a. s.	2	2
Recar Bratislava a.s.	5	5
NIVEL PLUS s.r.o.	1	1
BHB, s.r.o.	1	1
Radio Services a.s.	10	10
eFabrica, a.s.	7	7
Big Board Praha, a.s.	24	28
Czech Outdoor, s.r.o.	23	19
BigMedia, spol. s r.o.	25	25
Outdoor akzent s.r.o.	16	17
RAILREKLAM s.r.o.	22	21
EPAMEDIA - EUROPÄISCHE PLAKAT - UND AUSSEN MEDIEN GMBH	94	91
R+C Plakatforschung und kontrolle GmbH	3	3
Novi List d.d.	210	228
Glas Istre Novine d.o.o. Pula	65	64
RTD, d.o.o.	30	31
Total JOJ Media House	**794**	**805**

SIGNIFICANT EVENTS IN 2018

SIGNIFICANT EVENTS IN 2018

1 JANUARY 2018 was the decisive date on which the company **Media representative, s.r.o.**, merged with Akzent BigBoard, a.s.

ON 5 MARCH 2018, the company JOJ Media House, a.s., concluded the agreement on the purchase of 2,399 shares of **NOVI LIST d.d.** from a minority shareholder, increasing its share to 84.3%.

ON 23 MAY 2018, the newspaper Petržalské noviny was first published by NIVEL PLUS s.r.o.

ON 27 JUNE 2018, at its extraordinary meeting, the General Assembly of JOJ Media House, a.s., approved the issuance of five-year bonds with a fixed interest rate of 5.30% p.a.

ON 5 SEPTEMBER 2018, the company BigBoard Praha, a.s., founded the endowment fund **Nadační fond BigBoard**, aiming at charity and helping people in need.

ON 9 OCTOBER 2018, the company Akzent BigBoard, a.s., sold its share in the amount of 10% in the company **RECAR Bratislava a.s.**

ON 15 NOVEMBER 2018, the company Flowee s.r.o., a subsidiary of BigBoard Praha, a.s., acquired a 70% share in the company **Kitchen Lab s.r.o.**, which operates the web and mobile application kucharky.cz.

ON 18 DECEMBER 2018, the company Radio Services, a.s., sold its 30% share in the company **Cestovná agentúra CKSK, s.r.o.**

Events occurring after the closing of the accounting period

ON 12 MARCH 2019, the company Slovenská produkčná, a.s., acquired a 100% share in the company **Československá filmová společnost, s.r.o.**, which operates the television stations CS film, CS Mini, Kinosvět, Horor film, War TV, and the online video portal Film popular.

ON 5 APRIL 2019, the company JOJ Media House, a.s., sold its 28% share in the subsidiary company **eFabrica, a.s.**

ON 11 APRIL 2019, the company BigBoard Praha, a.s., acquired a 60% share in the company **HyperMedia, a.s.**, which operates and represents web portals.

PETRŽALSKÉ NOVINY®

24. 10. 2018 • vychádzajú 24 rokov • číslo 12 www.petrzalskenoviny.sk Dvojtýždenník • Zadarmo

Zmena letného času na zimný čas

V nedeľu, 28. októbra 2018, meníme čas z 3.00 na 2.00 h.

Petržalka je pripravená na zimnú údržbu chodníkov

Podľa nového zákona o pozemných komunikáciách prechádza povinnosť zabezpečovať zimnú údržbu na komunikáciách IV. triedy (chodníkoch) z vlastníkov a správcov nehnuteľností, ku ktorým sú uvedené komunikácie priľahlé, na správcu komunikácie.

strany **18-19**

Starosta ocenil pedagógov

Svetový deň učiteľov, ktorý si celý svet pripomína 5. októbra, je svedectvom o tom, že prínos pedagógov vo vzdelávacom procese a pre rozvoj spoločnosti je dôležitý. Práve to treba v každej spoločnosti viac pochopiť, uznať a doceniť. Učiteľ popritom, že odovzdáva znalosti, sa podieľa na výchove novej generácie. Aj to je dôvod, prečo sme si už po štvrtýkrát uctili a ocenili najlepších a najaktívnejších učiteľov a aj odborných zamestnancov našich škôl.

Pri príležitosti Svetového dňa učiteľov sa od roku 2014, z iniciatívy starostu Vladimíra Bajana, každoročne oceňujú najlepší pedagogickí a odborní zamestnanci základných a materských škôl v zriaďovateľskej pôsobnosti mestskej časti za mimoriadne výsledky v pedagogickej činnosti. Oceňovanie je spojené aj s finančnou odmenou. *„Chcem vám zaželať veľa trpezlivosti, nielen s deťmi, ale aj ich rodičmi. Odviedli ste kus dobrej práce, aj napriek tomu, že často nie je adekvátne ohodnotená a za to vám patrí veľká vďaka,"* povedal oceneným starosta Vladimír Bajan.

Aj tento rok si z rúk starostu prevzalo kytice a 1000-eurovú odmenu deväť pedagógov z petržalských základných a materských škôl:

1. Katarína Betáková – triedna učiteľka 7. A a výchovná poradkyňa v ZŠ Nobelovo námestie za vynikajúce výsledky v pedagogickej činnosti za rok 2018, za trvalé dlhoročné mimoriadne výsledky dosahované v práci triednej učiteľky a výchovnej poradkyne v ZŠ Nobelovo nám. 6, s osobitným zreteľom na realizáciu kariérneho poradenstva, výchove k ľudským právam a prevencie sociálno-patologických javov medzi žiakmi.

2. Iveta Bosnyáková – učiteľka predprimárneho vzdelávania v MŠ Bohrova za vynikajúce výsledky v pedagogickej činnosti za rok 2018 a za mimoriadny osobný prínos v rozvoji predprimárneho vzdelávania s osobitným dôrazom na environmentálnu výchovu zameranú na zážitkové učenie detí materskej školy, za vynikajúce výsledky v práci vedúcej metodického združenia a za prípravu študentov pedagogických škôl a Pedagogickej fakulty UK na ich budúce povolanie.

3. Iryna Dankanyč – triedna učiteľka III. B triedy v ZŠ Holíčska za vynikajúce výsledky v pedagogickej činnosti za rok 2018 a za mimoriadny osobný prínos v oblasti rozvoja multikultúrnej výchovy a vzdelávania, spolupráce so základnou školou v Zakarpatskej oblasti, mimoriadne úspešnú spoluprácu s rodičmi a tvorbu vlastných projektov na skvalitnenie hudobnej výchovy a umeleckého vzdelávania žiakov.

4. Mária Gibejová – zástupkyňa riaditeľa ZŠ Pankúchova 4, učiteľka predmetov dejepis, nemecký a ruský jazyk za vynikajúce výsledky v pedagogickej, organizátorskej a riadiacej práci za rok 2018 s osobitným zreteľom za mimoriadne výsledky v práci vedúcej projektového tímu Externé hodnotenia kvality školy podporujúce sebahodnotiace procesy a rozvoj školy, za aktívnu spoluprácu so zriaďovateľom pri organizovaní odborných seminárov pre projektové tímy ZŠ, za tvorbu učebných pomôcok a osobný prínos pri rozvíjaní kompetencií žiakov tvorivo a aktívne prezentovať svoju prácu.

5. Oľga Horváthová – triedna učiteľka 9. A triedy ZŠ Turnianska za vynikajúce výsledky v pedagogickej činnosti za rok 2018 a za mimoriadny osobný prínos v environmentálnej výchove, realizácii medzinárodného projektu Zelená škola a ďalších medzinárodných projektov, vynikajúcu spoluprácu s vysokými školami pri príprave budúcich pedagógov.

Pokračovanie na strane 2

RISK FACTORS AND RISK MANAGEMENT 7

The Group has identified certain risk factors related to its business and operations. The following are considered to be the key factors:

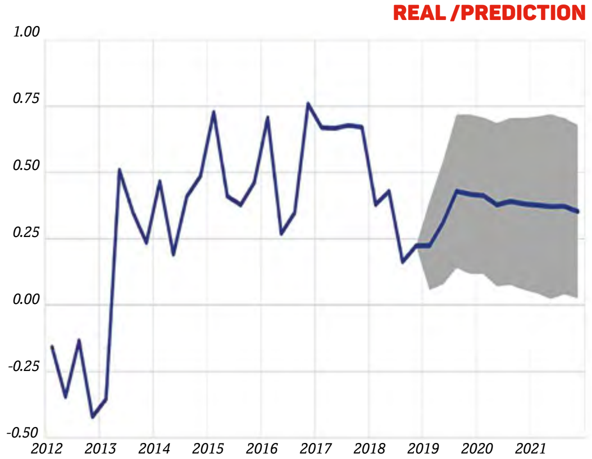
THE RISK OF THE COMPANY BECOMING DEPENDENT ON BUSINESS RESULTS OF ITS SUBSIDIARIES

The primary business activity of the Company is the management and financing of participations in other companies. Therefore, the Company is dependent on income from dividends and interest on loans to subsidiaries, and these depend on the success of its subsidiaries' business.

THE RISK OF A CRISIS, DEPENDENCE ON GENERAL ECONOMIC CONDITIONS AND THE RISK OF DECLINING ADVERTISING EXPENDITURE

Revenue from advertising makes up the majority of subsidiary revenues which are dependent on generally favorable economic market conditions. There is a risk that in the event of an economic crisis, recession, or adverse economic conditions, there will be a general reduction in advertising expenditure, with the result being that the Group may suffer losses.

EURO AREA GDP DEVELOPMENT, QUARTERLY, REAL /PREDICTION



Source: European Central Bank (ECB)

THE RISK OF CHANGES IN THE ADVERTISING EXPENDITURE STRUCTURE

Due to the holding's focus on televisions advertising, the advertising expenditure structure of companies in the Slovak advertising market plays an important role in relation to future developments. According to the Group's internal analyses, historically the most used promotional medium is television and outdoor advertising, ranging at around 60–65% of total advertising expenditures. There is no guarantee that the television advertising market will maintain its current position to compete with other advertising media.

THE RISK OF COMPETITIVE STATIONS BEING LAUNCHED

The advent of digitization has made room for new television stations which could lead to more intense fighting in the media sector and television advertising. Due to the relatively simple process of obtaining a digital broadcasting license, new companies can enter the market, and the established companies may launch new stations. Such a competitive struggle may lead to a declining of viewer's ratings and the associated reduction in advertising revenue.

THE RISK OF REGULATION

The broadcasting and advertising area is subject to regulation and, should the conditions of this regulation change, it can not be guaranteed that such a change will not be reflected negatively in the economic results of the Group's business.

THE RISK OF VIEWER'S RATINGS DECLINING

The emergence of competing television stations with attractive ranges of programmes as well as alternative forms of entertainment can lead to an outflow of viewers. The preferences and tastes of audiences are changing, and the Group runs the risk that in this dynamic environment it may inaccurately estimate the needs of the public. The decline in viewership is closely related to the decrease in advertising revenue, which could have a negative impact on the profitability and overall development of the Group.

THE RISK OF LICENSE REVOCATION OR NON-RENEWAL OF VALIDITY

In the event of violation of the laws and regulations in force in respect of television broadcasting, in the extreme cases, the competent regulator may resort to withdrawal of the broadcasting license and thereby prevent further broadcast. Likewise, there is no legal entitlement to an extension of the license for its expiration. Since television advertising is a key source of income for the holding company, withdrawal of the license for broadcasting or non-renewal may have a negative impact on the Group's business.

RISK OF REFINANCING OF EXISTING LOANS AND FUNDING NEW PROJECTS

The consolidated capital structure of the Group includes, to a large extent, debt financing that originated in the pre-crisis period. The companies within the holding initially chose

PRIME TIME 12-54 SHR%

PRIME TIME	TV JOJ	Markíza	Jednotka	Dvojka	Plus	DOMA	Dajto!	FOOOR	WAU	Senzi	Others
Year 2010	26.5	34.3	10.0	1.9	2.2	1.7					23.4
Year 2011	24.3	35.0	7.3	1.7	3.9	2.9					24.9
Year 2012	26.1	29.0	6.6	2.3	4.1	6.2	0.7				24.9
Year 2013	22.5	29.3	6.9	2.0	4.5	4.2	2.8	1.5	1.1	0.1	25.1
Year 2014	19.5	27.7	8.4	2.7	5.0	3.7	3.9		1.4	0.1	27.6
Year 2015	20.9	25.2	9.3	2.3	4.7	4.1	3.9		1.7	0.2	27.9
Year 2016	19.7	23.3	10.0	3.0	4.8	4.4	4.0		2.1		28.7
Year 2017	20.9	20.4	11.3	2.5	4.5	4.0	3.6		2.5		30.3
Year 2018	18.2	22.3	10.9	2.6	3.9	4.1	3.3		2.7		32.1

Source: TNS

an aggressive financial strategy, the financial market crisis, however, hindered their rapid development. The Group does not exclude the need to re-use resources other than its own to reimburse existing or future liabilities. The use of foreign funding sources is associated not only with a more limited approach to new sources of funding but also with reduced flexibility in management decisions resulting from different provisions in loan agreements designed to protect existing creditors.

TECHNOLOGICAL DEVELOPMENT

The development of new technologies is associated with the risk of lagging behind competitors. Although there are ongoing shifts in the media sector, the improvement, upgrading and the implementation of individual innovations is a financially and operationally demanding process that requires not only changes by media companies but also changes on the part of customers (viewers). New technologies can cause an outflow of viewers to rival broadcasters or to other alternative forms of entertainment, which can result in a decline in advertising revenues.

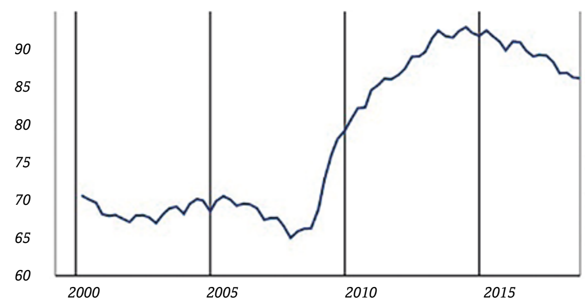
THE RISK OF CONCENTRATION

The diversification of services offered by companies within the holding is observable only in the media sector where they are focused, alongside television advertising, on other forms of advertising. There is a risk that in the event of changes in the needs of the advertising market, the Group may fail to respond flexibly and quickly, which could have the potential to reduce revenues for companies within the Group.

THE RISK OF AN UNSTABLE EUROZONE

The current unstable situation in Europe and the unresolved issues of assistance to disproportionately indebted EU members expose the Slovak Republic and Austria as Eurozone members to the risk associated with the strategy of assistance to these Eurozone countries. In the context of strengthening the power of the European Financial Stabilization Mechanism, an increase in guarantees arises. In the case of failure of the Eurozone countries such as Greece which has the problem to repay loans from the European Financial Stabilization Mechanism, associated with the need for financial assistance from other EU Member States, could affect the business environment and cause deterioration of the general economic situation in Slovakia, Austria, Croatia and the Czech Republic as well as in other EU countries upon which the Group is commercially dependent. The aforementioned circumstances, as well as all related regulations, measures and decisions could negatively affect the Group's financial performance.

EUROZONE COUNTRIES INDEBTEDNESS (% OF GDP)



Source: European Central Bank (ECB)

THE RISK OF LEGAL ACTION

Due to the nature of the business within the holding companies in the media industry, where often shocking information and information on the edge of the law appear in a competitive fight, it is not possible to exclude potential litigation of subsidiaries. Any eventual lost litigation may have a negative impact on the financial position of the Group.

THE RISK OF LOOSING SIGNIFICANT CLIENTS

Advertisers, whether in the form of advertising agencies or companies being direct advertisers, are also the cornerstones of business of the companies within the holding. The loss or termination of these relationships may result in a decrease in revenue from advertising.

SIGNAL TRANSMISSION RISK

The area of signal transmission is relatively concentrated sector in Slovakia. There is a risk that, with the onset of digitization, distributing companies will gain a stronger bargaining position and will be more selective when concluding new contracts. They also may seek changes in the charges from operators of television stations. Lack of signal propagation for TV JOJ, PLUS, WAU, RiK, Ťuki, JOJ Cinema and JOJ Family programme structures could lead to a decline in advertising revenue.

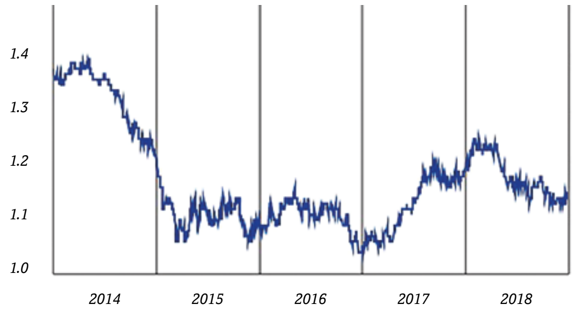
THE RISK OF NON-RENEWAL OF LEASING CONTRACTS

Structures with advertising sold by companies operating on the market of outdoor advertising are located on land that is not owned by the companies themselves, nor is the property of the companies within the holding. These are areas which Akzent BigBoard, BigBoard Praha, EPAMEDIA and their subsidiaries rent. In most cases, relationships with landlords are governed by fixed-term agreements, therefore there is a risk that, after the expiry of the agreed period, the agreements will not be renewed, whether due to reluctance to extend the agreement by the landlord or due to other limitations. There is therefore a risk that adequate replacement advertising areas to sell advertising space can not be found, which can have the effect of reducing revenue from advertising.

THE RISK OF EUR/USD EXCHANGE RATES

The volatility of exchange rates, primarily the U.S. Dollar in relation to the Euro, is the internal risk factor that affects income/expense of the Group, especially the company Slovenská produkčná, a.s. The majority of film licenses and licenses for shows are acquired from transatlantic film

DEVELOPMENT OF THE EUR TO USD EXCHANGE RATE



Source: European Central Bank (ECB)

studios and licensing houses in U.S. Dollars (USD). The company Slovenská produkčná, a.s., periodically enters into forward currency contracts to ensure the EUR/USD exchange rate and minimize the related risk.

NATURAL CATASTROPHES

No industry can avoid natural catastrophes, some of which can have a devastating impact on the operation of all companies. These include, for example, meteorological, geological or other disasters that could interrupt the signal transmission. In the field of outdoor advertising, such events may significantly damage, even destroy advertising spaces and greatly reduce their number.

THE RISK OF LEGISLATIVE CHANGES

As the market, society and overall conditions evolve, national laws are also being developed. The Group has expanded its operations to four Central and Eastern European countries and has therefore identified the risk of changing legislation. These are changes to outdoor advertising laws, such as the Prague Construction Regulations – the specific legal regulations regarding changes/restrictions on the placement of advertising media, their distance from roads, and the like. Possible changes in the law will require additional expenditures for advertising space relocation and ultimately reducing the total number of advertising media.

ADMINISTRATION AND MANAGEMENT 8

OWNERSHIP STRUCTURE

JOJ Media House is owned by the following companies:

99.9% is owned by TV JOJ L.P.
0.1% is owned by Mgr. Richard Flimel

SHARE CAPITAL

The share capital of the Company is made up of the following shares:

- number: 1,000 pieces
- class: ordinary, registered shares
- type: share certificates
- nominal value: 25.00 EUR, with the issue price of each share in the amount of 27.50 EUR

QUALIFYING HOLDINGS IN THE SHARE CAPITAL

The ownership of the shares comprising the share capital of the Company is divided as follows: 99.9% of the shares are owned by TV JOJ L.P. and 0.1% by Mgr. Richard Flimel. These shares are not freely tradable. The company HERNADO LIMITED as a general partner acts on behalf of the company TV JOJ L.P. The ultimate owner of the company HERNADO LIMITED is Mgr. Richard Flimel.

The Company does not own and has not issued any other securities admitted to trading on a regulated market in any Member State or country of the European Economic Area except for Slovakia. The Company has executed **four issues of bonds** listed on Bratislava Stock Exchange (Burza cenných papierov v Bratislave, a.s.). The first issue was in the amount of 25 million EUR marked with the following code: ISIN: SK4120008244. These bonds were paid up to 21 December 2015. The second issue has reached a level of 55 million EUR marked with the following code: ISIN: SK4120009382. These bonds were paid up to 15 August 2018. The third issue was in the total amount of 48.5 million EUR marked with the following code: ISIN: SK4120011222. And the fourth issue was in the amount of 50 million EUR marked with the following code: ISIN: SK4120014390.

THE GENERAL ASSEMBLY

The General Assembly is the supreme body of the Company. The scope of powers of the General Assembly is determined by Act No. 513/1991 Coll., the Commercial Code, as amended, and the Articles of Association. The General Assembly consists of all attending shareholders, directors, the supervisory board and third persons invited by the bodies of the Company and shareholders who convene the General Assembly. Shareholders are entitled to attend the General Assembly, vote, request information and explanations concerning the affairs of the Company or entities controlled by the Company related to the agenda of the General Assembly and to present proposals.

Shareholders may exercise their rights at the General Assembly through a proxy holder who presents written scope of authorization. The exercise of the right to vote by shareholders is not limited by the Articles of Association. The number of shareholder votes is determined by the ratio of the nominal value of their shares to the share capital.

The General Assembly makes decisions through a majority vote from shareholders present.

In matters relating to changes to the Articles of Association, the increase or reduction of the share capital, the authorization given by the Board of Directors to increase the share capital, issue priority or convertible bonds, the dissolution of the Company, or the changes in the legal form of the Company, a two-thirds majority of the votes of the shareholders present is required, and a notarial deed of these facts must be drawn up.

A two-thirds majority of the votes of the shareholders present is also necessary to adopt a decision of the General Assembly on the close of trading the shares of the Company on the stock exchange and the Company's cessation to be a public joint stock company and become a private joint stock company.

The decision of the General Assembly on the change of the rights associated with some class of shares and on the restriction of the negotiability of registered shares requires the consent of a two-thirds majority of the votes of the shareholders owning the respective shares.

The increase in the share capital can be made upon the entry of new contributions in subscribing new shares, using the Company's property, using other funds of the Company recognized as the Company's equity in the individual financial statements, or combination thereof.

The powers of the General Assembly include:

- a) deciding on amendments to the Articles of Association by the two-thirds of votes of the shareholders present;
- b) election and removal of the members of the Board of Directors by the majority of the votes of the present shareholders and the appointment of the chairman of the Board of Directors from among the members of the Board of Directors. The term of office of a member of the Board of Directors is five years. A member of the Board of Directors may only be only a natural person;
- c) election and removal of members of the Supervisory Board by the majority of the votes of the shareholders present, with the exception of members of the Supervisory Board elected and removed by employees. The term of office of the members of the Supervisory Board is five years. The chairman of the Supervisory Board is elected and removed by members of the Supervisory Board from among themselves, and the person concerned shall not vote. A member of the Supervisory Board may only be a natural person.

As at the date of this report, the Company does not own any its shares, interim certificates, or business shares of the parent accounting entity.

In the period from 1 **January 2018 to 31 December 2018**, the General Assembly was convened as follows:

- On 27 April 2018, the **annual meeting of the General Assembly** was held for the purpose of consultation and approval of the consolidated financial statements together with the annual report for 2017.
  - The General Assembly of the Company took note of the auditor's report on the Company's consolidated financial statements and annual report as at 31 December 2017 and decided to approve them.
- On 27 April 2018, the **annual meeting of the General Assembly** was held for the purpose of consultation and approval of the regular individual financial statements and the proposal to settle the loss of the Company for 2017.
  - The General Assembly of the Company took note of the auditor's report on the Company's regular individual financial statements as at 31 December 2017 and decided to approve it.
  - The General Assembly of the Company decided on the settlement of the loss for 2017 amounting to -421,265.56 EUR (in words: four hundred twenty-one thousand two hundred and sixty-five euros and fifty-six euro cents) as follows: Loss for the year 2017 will be shifted to the Unpaid Loss of Past Years account.
  - The General Assembly of the Company decided to approve the auditor for the verification of the financial statements of the Company for 2018, which is the company KPMG Slovensko spol. s r.o.
- On 27 June 2018, the **extraordinary meeting of the General Assembly** of JOJ Media House, a.s., was held for the purpose of issuance of Company's bonds.
  - The General Assembly approved the issuance of the Company's bonds at a maximum nominal value of 50,000,000.00 EUR.

THE BOARD OF DIRECTORS

The Board of Directors is the statutory body of the company JOJ Media House, a.s. It is authorized to act on behalf of the Company in all matters and represent the Company towards third parties and in the proceedings before courts and any other authorities. The Board of Directors manages the activities of the Company and decides on all matters of the Company unless they fall within the competence of the other bodies of the Company by law or upon the Articles of Association. The Board of Directors carries out the commercial administration of the Company and takes care of all of its operational and organizational matters. The Board of Directors is required to ensure the proper keeping of accounts and other records, business bookkeeping and other documents belonging to the Company. Among other things, it submits annual individual accounts and extraordinary individual financial statements, the proposal for profit distribution, including the determination of the amount, method and place of payment dividends and royalties, and a proposal to cover the losses to the General Assembly for approval. The Board of Directors also convenes the General Assembly of the Company.

The Board of Directors has one member:

Mgr. Richard Flimel
Chairman of the Board of Directors
(since 6 November 2010)

THE SUPERVISORY BOARD

The Supervisory Board is the highest control body within the Company. It supervises the activities of the Board of Directors and business activities of the Company. The Supervisory Board reviews procedures in matters pertaining to the Company and is entitled at any time to inspect accounting documents, files and records relating to the activities of the Company and detect the position of the Company. The Supervisory Board examines the financial statements, which the Company is required to prepare under a specific regulation, the proposal for distribution of profit or coverage of losses and is furthermore required to submit a report on the outcome to the General Assembly. In the event of serious deficiencies in the management of the Company and in other cases where in the interests of the Company, the Supervisory Board convenes the General Assembly.

Up until the date the annual report was published, the Supervisory Board was made up of three members:

Mgr. Marcel Grega
Chairman of the Supervisory Board
(since 6 November 2010)

Ing. Mojmír Mlčoch
Member of the Supervisory Board
(since 21 April 2016)

János Gaál
Member of the Supervisory Board
(since 17 October 2011)

THE AUDIT COMMITTEE

Upon the decision of the extraordinary meeting of the General Assembly held on 31 January 2017, the Supervisory Board took over the activities of the Audit Committee under a specific regulation governing the powers and activities of audit committees.

THE CODE OF CORPORATE GOVERNANCE

JOJ Media House is fully aware of the importance of maintaining the principles of Corporate Governance. On 11 December 2017, the Board of Directors declared compliance with the principles of the Slovak Code of Corporate Governance. The Compliance Statement includes complete information about the Company management methods as well as information on deviations from the Slovak Code of Corporate Governance. All this information is published on the www.jojmediahouse.sk website. The governance of the Company deviates from this Code in the following points:

I.C.2.iii
The corporate governance framework should allow the use of electronic voting in absentia, including the electronic distribution of proxy advisory documents and reliable voting validation systems.

This principle has not been met. The Company does not use electronic voting at the General Assembly.

I.C.4
To elect members of the company bodies and to decide on their remuneration is the fundamental right of the shareholder. Effective shareholder participation in decisions on the nomination, election and remuneration of members of corporate bodies should be encouraged.

This principle has been met partially. The Company proceeds in accordance with the Commercial Code and the Articles of Association, but the members of the Supervisory Board and the Board of Directors are not entitled to any remuneration.

I.C.4.iv.
The remuneration system for members of corporate bodies and employees in the form of shares should be approved by shareholders.

The principle does not apply to us. The Company does not provide remunerations in the form of shares.

I.C.4.v.
Remuneration for members of company bodies and senior management should be made public, especially as regards the remuneration scheme; as well as the total amount of compensation paid under this scheme, explaining the link between the remuneration and the performance of the company.

This principle has not been met. The Company proceeds in accordance with the Commercial Code and the Articles of Association, but the members of the Supervisory Board and the Board of Directors are not entitled to any remuneration.

I.C.4.vi.
Non-financial remuneration schemes (shares, etc.) should be approved by shareholders, either for particular individuals or the functioning of the whole system.

The principle does not apply to us. The Company does not provide remunerations in the form of shares and options.

I.C.6
Obstacles to cross-border voting should be removed.

This principle has been met partially. The voting time allows domestic and foreign shareholders to response in time. However, the Company does not use electronic voting.

I.C.6.iii
In order to further facilitate the voting of foreign investors, laws, rules, and corporate procedures should allow participation in voting in electronic form and in a non-discriminatory manner.

This principle has not been met. The company does not use voting in electronic form at the General Assembly.

II.D
The corporate governance framework should require service providers, such as proxy advisers, analysts, brokers, rating agencies, and others who provide analyzes or advice with the possibility of influencing the decisions of investors / shareholders to adopt, apply and publish procedures to minimize conflicts of interest that could impair the integrity of their analyzes or advice.

This principle has not been met. The potential conflict of interest on the part of external consultants is resolved by agreements concluded with them, upon which they are obliged to act in the best interests of the client.

IV.A.4.
The disclosure of information should include, inter alia, the following information:

Statement of remuneration in the company, including information about the remuneration of members of corporate bodies and senior management, as well as information on the link between the remuneration of members of the bodies and senior management and the long-term performance of the company.

This principle has not been met. The Company does not maintain and does not publish any statement of remuneration. The members of the Supervisory Board and the Board of Directors are not paid any remuneration for performance of their offices.

IV.A.5.
The disclosure of information should include, inter alia, the following information:

Information about members of the company bodies, including their qualifications, selection procedures, ownership of shares in the company, membership in other bodies, other executive functions, and whether the company body considers them to be independent.

This principle has been met partially. The Company publishes information about the members of the Company bodies, but less comprehensive than required by the principle.

IV.A.9.i.
The disclosure of information should include, inter alia, the following information:

The internal arrangement of the bodies and the strategy in the field of corporate governance. Information should be disclosed about the internal arrangement of the bodies and the strategy in the field of corporate governance, including the content of any corporate governance code or the procedure and processes through which it is implemented.

This principle has been met partially. The corporate governance is based on the Slovak Code of Corporate Governance, the Articles of Association, and the internal rules of the Company.

IV.C.i.
The audit committee or a similar body of the company should oversee the internal audit activities as well as the overall relationship with external auditors.

This principle has been met partially. On 31 January 2017, the Supervisory Board took over the activities of the audit committee under a specific regulation governing the powers and activities of audit committees.

V.D.5.iv.
The company body or appointment committee should identify

potential candidates who meet the required profiles and propose them to shareholders and consider candidates nominated by shareholders who have the right to submit nominations.

This principle has been met partially. The Company has not established any appointment committee.

INTERNAL CONTROL SYSTEMS

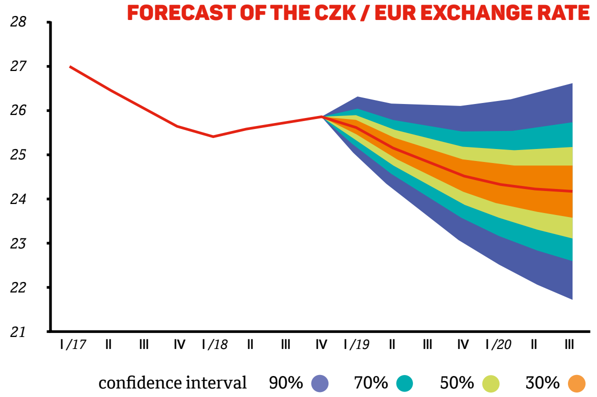
Analyses of profit, cash flow, liquidity, profitability, activity, and debts, as well as cost analyses form part of the system of internal controls and financial management in the Group. They are connected with strict control measures in accounting and monitoring devices of a technical nature. Using the system of internal controls, we ensure the compliance of the activities of the Company with the laws, internal rules, and the objectives of the Company, as well as information necessary for decision-making processes. The primary task of the audit committee is making suggestions and recommendations regarding the execution of internal controls and overseeing the observance of legal regulations and recommendations relating to financial reporting and auditing in the Company. The Company's internal rules govern the organizational framework, rules for relationships, responsibility, and performance activities within the internal control system. The Group ensures the internal control by regular monitoring of the financial plan and the overall financial situation. Its role is to act preventively in accordance with internal rules and policies, detect deviations and eliminate them.

RISK MANAGEMENT METHODS

Liquidity Risk – This risk arises out of the conventional financing of the Group's operations, its ability to repay its liabilities at maturity and to manage its financial position. It represents a risk of inability to finance assets at a reasonable maturity and interest rate, and the danger of being unable to realize assets at a reasonable price within a reasonable time horizon. Individual companies in the Group use a variety of methods for the management of liquidity risk. The management focuses on monitoring and managing the liquidity of each company. The Group covers the difference between short-term financial assets and liabilities using undrawn loans. Short-term financial needs are satisfied by overdraft loans and undrawn credit lines.

Currency Risk – The Group is exposed to the currency risk mainly related to USD and CZK. Long-term acquisition agreements are denominated primarily in USD. Therefore the Group manages the currency risk through forward contracts. The currency risk to CZK arises mainly out of received interest-bearing loans denominated in CZK. The sensitivity analysis is used to assess the currency risk.

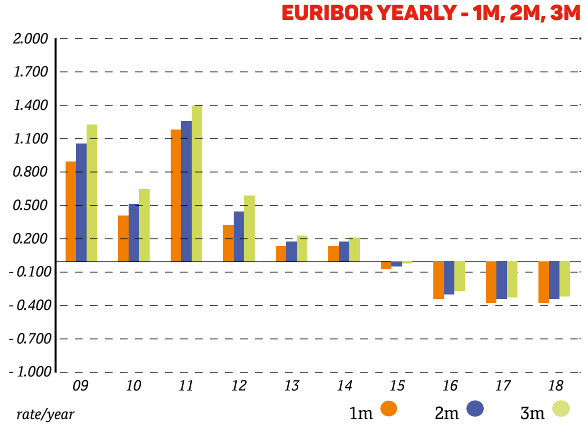
FORECAST OF THE CZK / EUR EXCHANGE RATE



Source: Czech National Bank (CNB)

Credit Risk – The Group is exposed to this risk primarily in the case of trade receivables, other receivables, and loans granted. The volume of exposure to this risk is expressed in the carrying amount of the particular asset recorded in the statement of financial position. The carrying value of receivables and loans granted reflects the highest possible financial loss, which would have to be recognized if the counterparty wholly fails to meet its contractual obligations and any collateral and guarantee would be nil. This value, therefore, highly exceeds the expected losses included in the reserve for bad debts.

EURIBOR YEARLY - 1M, 2M, 3M



Source: European Money Markets Institute (EMMI)

ADMINISTRATION AND MANAGEMENT

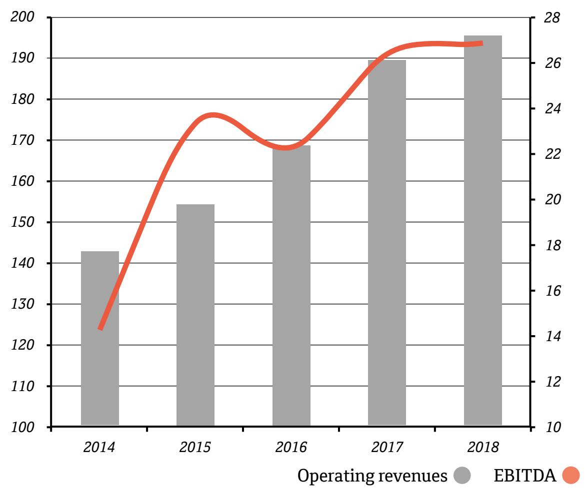
Interest Rate Risk – The Group operations are exposed to the risk of changes in interest rates. The volume of this risk is equal to the value of interest-bearing assets and interest-bearing liabilities for which the interest rate at the due date or at the time of change is different from the current interest rate. The period for which the rate is fixed to the financial instrument, therefore, expresses the exposure to the risk of changes in interest rates. The Interest Sensitivity Analysis for Variable Rate Instruments and the Profile of Financial Instruments are used to assess interest rate risk.

Operational Risk – The Group is also exposed to the operational risk, such as a broadcast blackout. The Group manages this risk by diversification of the retransmission possibilities and implements redundant technology solutions to eliminate it.

MANAGEMENT METHODS

The methods of the management of the companies in the Group include financial planning, raising funds, budgeting, and financial analysis. Due to its international reach, cross-national management diversity is an essential component of Group management. The companies also place emphasis on processes and management of areas such as market research and analysis, marketing research, promotion, brand management, sales, CRM and HRM. In management, the Group uses a continental corporate governance model focused on efficiency.

GROUP'S FINANCIAL INDICATORS DEVELOPMENT (IN MILLIONS OF EUR)



Source: Consolidated Financial Statements of the Group

COMPANY'S BUSINESS MODEL

The Company's business model is based on selling advertising space, the price of which is crucially dependent on audience measurement, monitoring and surveys in target groups of end-users, i.e. usually the target group aged 12 to 54. The measuring is ultimately used for ordering ads and ad pricing, using the so-called Gross Rating Points (GRPs) that quantify the impression as a percentage of the target group. In this type of business, it is a common the conclusion of advertising contracts at the end of the year for the next year. No significant risks of impact on the area of corporate social responsibility arise out of the business relationships, products, services or other activities of the Company. Each Company's activity is described in detail in the previous chapters.

EXPECTED FUTURE DEVELOPMENT OF THE COMPANY'S ACTIVITIES

The management assumes that the trend in GDP will also copy the trend of increasing media investments. The GDP forecast for the countries in which the Group operates is positive, and the prospect for investment in advertising space for 2019 is also positive. Domestic consumption and export activity contribute to the growth of the economies of our main advertising partners. The whole economy improves its performance, and similarly, investments in the media segment show growing trends. No entry of a major competitor into this market is expected. All these factors should contribute to the continuing organic growth of the Group's revenue and operating profitability.

PROPOSAL FOR DISTRIBUTION OF PROFIT OR SETTLEMENT OF LOSS

The distribution of the operating result of the company JOJ Media House, a.s., for the accounting period 2018 in the amount of -2,609,939.00 EUR shall be decided by the General Assembly. The proposal of the statutory body to the General Assembly is asfollow:

- shifting to the Unpaid Loss of Past Years account in the amount of 2,609,939.00 EUR.

The shareholders / partners of subsidiaries will decide on their operating results.

OTHER ADDITIONAL INFORMATION

In 2018, the company JOJ Media House, a.s., and the companies included in the consolidation did not incur any costs in the field of research and development.

The company JOJ Media House has no structural unit outside Slovakia.

The company Slovenská produkčná, uses foreign exchange forward transactions to secure the financial risk of a negative development of the exchange rate of USD to EUR. The Group manages the financial and credit risks through diversified financing. Cash flow and liquidity parameters are monitored at regular intervals.

The Company has not concluded any agreement that will enter into force, change or terminate as a result of a change in control ratios in respect of a takeover bid.

There are no agreements concluded between the Company and members of its bodies or employees, based on which compensation should be provided to them if their office or employment ends by resignation from position, notice of termination given by the employee, removal from office, notice of termination by the employer without providing any reasons, or if their office or employment is terminated as a result of a takeover bid.

The Company does not deal with any activities that have an impact on the environment and have no significant impact on employment.

The Company is not aware of any agreement between the owners of securities that could lead to restrictions on voting rights and the negotiability of the securities.

The exercise of the right to vote by shareholders is not limited by the Articles of Association.

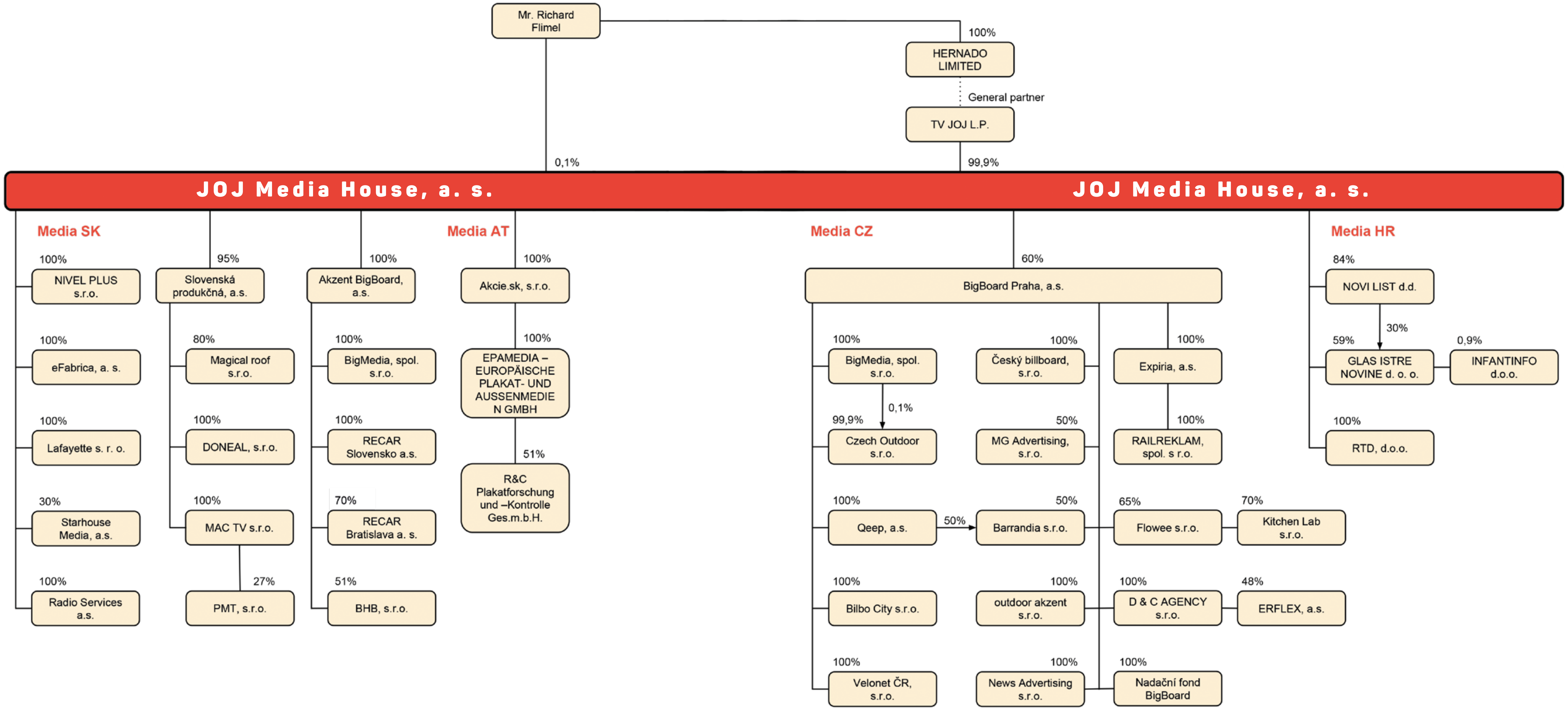
To the date of preparation of this document, no securities were issued, the owners of which would have special control rights.

In 2012, the company BigBoard Praha, a.s., carried out two issues of bonds listed on the Prague Stock Exchange (Burza cenných papírů Praha, a.s.). The first issue was in the amount of 730 million CZK and was marked with the following code: ISIN: CZ0003502312. The second issue reached a level of 660 million EUR marked with the following code: ISIN: CZ0003503153.

As at the date of this document, the Company is not aware of any additional specific regulations according to which it should add any information to the annual report.

Contact person responsible for the preparation of the annual report: Ing. Vladimír Drahovský, drahovsky@joj.sk, +421917643681

ORGANIZATIONAL STRUCTURE 9



Mr. Richard Flimel
100%
HERNADO LIMITED
General partner
TV JOJ L.P.
0,1%
99,9%
JOJ Media House, a. s.
JOJ Media House, a. s.
Media SK
100%
NIVEL PLUS s.r.o.
100%
eFabrica, a. s.
100%
Lafayette s. r. o.
30%
Starhouse Media, a.s.
100%
Radio Services a.s.
95%
Slovenská produkčná, a.s.
80%
Magical roof s.r.o.
100%
DONEAL, s.r.o.
100%
MAC TV s.r.o.
27%
PMT, s.r.o.
100%
Akzent BigBoard, a.s.
100%
BigMedia, spol. s.r.o.
100%
RECAR Slovensko a.s.
70%
RECAR Bratislava a. s.
51%
BHB, s.r.o.
Media AT
100%
Akcie.sk, s.r.o.
100%
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH
51%
R&C Plakatforschung und –Kontrolle Ges.m.b.H.
Media CZ
60%
BigBoard Praha, a.s.
100%
BigMedia, spol. s.r.o.
0,1%
99,9%
Czech Outdoor s.r.o.
100%
Qeep, a.s.
50%
100%
Bilbo City s.r.o.
100%
Velonet ČR, s.r.o.
100%
Český billboard, s.r.o.
50%
MG Advertising, s.r.o.
50%
Barrandia s.r.o.
100%
outdoor akzent s.r.o.
100%
News Advertising s.r.o.
100%
Expiria, a.s.
100%
RAILREKLAM, spol. s r.o.
65%
Flowee s.r.o.
70%
Kitchen Lab s.r.o.
100%
D & C AGENCY s.r.o.
48%
ERFLEX, a.s.
100%
Nadační fond BigBoard
Media HR
84%
NOVI LIST d.d.
30%
59%
GLAS ISTRE NOVINE d. o. o.
0,9%
INFANTINFO d.o.o.
100%
RTD, d.o.o.

CORPORATE SOCIAL RESPONSIBILITY 10

TV JOJ FOUNDATION ESTABLISHMENT

The TV JOJ Foundation was established on 18 June 2007, and, in August of that year, it begun to carry out its mission as per its motto: **"Helping those who try."** The Governing Board designated certain areas which were defined as the core objectives upon its establishment. They are:

- Pediatric oncology
- Gifted children
- National cultural heritage
- Individually designed humanitarian aid for individuals or groups of persons

The Foundation fulfils its purpose particularly by providing funds through donations and grants to individuals, non-profit institutions, non-governmental organizations, educational institutions, municipalities and other associations providing public services. During its existence, the Foundation has handed **more than 1.6 million EUR**. In 2018, it was 26,878.64 EUR.

The Foundation is managed by the Governing Board consisting of 9 members of TV JOJ staff. The chairman is Marcel Grega, the statutory authority Vladimír Fatika – Foundation administrator, and the executive manager Luboš Sarnovský.

OVERVIEW OF 2018 ACTIVITIES

PEDIATRIC ONCOLOGY

The primary mission in this area was to support young oncology patients through the non-profit organization "Svetielko nádeje" (Light of Hope) which helps children with oncology disease and their families. It has been cooperating with our Foundation since its establishment. Also in 2018, through the project "Pomáhame ďalej" (We Continue Helping), together with the VW Foundation, we could provide "Svetielko nádeje" with a grant in the amount of 5,000.00 EUR for its operation.

GIFTED CHILDREN – SPORTS TALENTS

The main mission in this area is the support and development of sport in primary schools and smaller towns and villages. The Foundation supported the regional tournaments and finals in Bratislava within the "Floorball SK Liga 2017/2018" project in the form of financial aid in the amount of 4,100.00 EUR.

The "Floorball SK Liga 2018/2019" followed the previous successful year. Through this activity, we managed to engage almost 100,000 pupils and members of school floorball clubs and achieved the goal we had set – to attract girls and motivate pupils to physical activity. In total, almost 20,000 pupils joined the project. The project supported schools by direct subsidies of 41,600.00 EUR paid to them through municipalities. The winners of the regional tournament will also receive a grant of 16,000.00 EUR (2x8 teams). The nationwide final to be held in Košice in June 2019 will bring additional funds to schools.

Every school year, 20 players from all over Slovakia who, thanks to any fair-play criterion, deserve the opportunity to fight for a position in the Slovak national team are invited to participate in the "Floorball Challenge Team" project. They have the chance to improve their sports skills and gain more tournament practice. These players work with a coach, are in real contact with peers from all over Slovakia, get to know the school and club environment in various parts of Slovakia, and gain practical experience that they can use in the following years as, for example, coach assistants, and later as coaches or active club staff anywhere in the Slovak Republic. The Foundation supported this team by a grant in the amount of 15,000.00 EUR.

THE EXHIBITION MATCH OF TEAMS OF THE MINISTRY OF DEFENSE AND OLYMPIC LEGENDS

The Ministry of Defense of the Slovak Republic wants to support the interest of pupils and students in sport and a healthy lifestyle, which is a prerequisite for the work of professional soldiers. To this end, the Ministry has entered into cooperation with the TV JOJ Foundation in the "Floorball SK Liga" project. The cooperation symbolically started by the exhibition floorball match of the Olympic legends and the Slovak women's national floorball team. Minister Peter Gajdoš, Matej Tóth, Elena Kaliská, Martina Halinárová, Jozef Pribilinec and others were members of the team playing for the Ministry of Defense.

NATIONAL CULTURAL HERITAGE

The foundation has continued its project by preparing a new documentary "Ruky na skle" (Hands on Glass). The document is directed by Veronika Tóthová.

OTHER SUPPORT

TOMÁŠ TATAR CHALLENGE

One of the most successful Slovak ice hockey players in the NHL Tomas Tatar is the face of the TV JOJ Foundation project "Floorball SK LIGA". In the campaign, he challenged his hockey colleagues and friends to pit their strength against the best players of the national team in the exhibition match. In the square in Dubnica nad Váhom, we could watch the unique match of hockey players against floorball players. Marián Hossa, Marko Daňo, Michal Hlinka, Marián Gáborík, Milan Bartovič, Mário Bližňák and other famous hockey players were members of the Tomáš Tatar's team. The project had a charitable purpose – the national floorball team of Slovakia gained the missing money to participate in the World Cup.

2% NAŠI NAŠIM

The TV JOJ Foundation launched the first year of the employee grant project. We used 2% of the natural person income tax donated to the TV JOJ Foundation to support five employee projects receiving the most votes of the TV JOJ employees. The supported projects included, for example, the Agility World Championship for children and juniors, the Softball World Championship for women under 22, the Puppet Theater ASI Šaľa, and the renovation of nurseries in Sereď and Vinosady.

In 2018, the Foundation provided the grants
- of 3,890.00 EUR to 10 children to develop their hockey talent under the guidance of professional coaches in summer trainings organized by the Kopecky Hockey School in Brumov, the Czech Republic. We are glad that we could help many children to have a fantastic summer;
- of 3,000.00 EUR to the Slovak Floorball Association to ensure the Slovak national team's participation in the World Championship;
- of 5,000.00 EUR to the Slovak Football Association in Bratislava for its activities;
- of 2,000.00 EUR to support the Tomáš Tatar Challenge – the exhibition match of NHL players in Dubnica nad Váhom;
- of 2,228.00 EUR to support the DART racing team;
- of 1,463.00 EUR and 198.00 EUR to support disabled persons.

PLANNED ACTIVITIES FOR 2019

In 2019, the Foundation intends to continue carrying out its activities and successful projects and prepares:
- the final of the "Floorball SK Liga 2018/2019";
- the beginning of the "Floorball SK Liga 2019/2020";
- the project for employees – 2% Naši Našim;
- production of the documentary audiovisual work "Ruky na skle";
- assistance to mothers in need;
- support for oncology patients;
- support for children with disabilities;
- individually designed humanitarian aid for individuals or groups of people through the ongoing public fundraising; the collected funds can be used immediately in emergencies such as fires, floods, landslides, and the like.

CORPORATE SOCIAL RESPONSIBILITY

The accounting entity's activities do not imply any risks and potentially adverse consequences for corporate social responsibility.

In the field of corporate social responsibility, the Foundation ensured activities in the following areas:

ECONOMIC AREA

- Implementation and compliance of ethics and anti-corruption rules by limiting cash payments;
- Transparency through the order, invoice, and payment monitoring system and registering all contracts and agreements;
- Protection of intellectual property rights in the use of goods protected by copyrights;
- Good relationships with and the fair approach to donors, customers, and suppliers.

SOCIAL AREA

- Philanthropic activities, support through the Foundation, the development of activities of children and youth, helping socially disadvantaged and vulnerable communities, and the like;
- Communication with stakeholders, and accurate communication to donors and donees (customers);
- Respect for human rights and support of their observance;
- Compliance with labor standards and responsible behavior to our employees.

ENVIRONMENTAL AREA

- Better handling of resources and electricity, turning off devices in standby mode, reducing the impact on the environment;
- Using electronic documents, reducing paper consumption, and recycling paper;
- Environmental protection, separation of waste, and ensuring of recycling beyond the law.

DECLARATION OF THE COMPANY'S BOARD OF DIRECTORS 11

The individual and consolidated financial statements as of 31 December 2018 have been prepared in accordance with special regulations while providing a true and fair view of the assets, liabilities, financial position and operating result of the Company.

Mgr. Richard Flimel
Chairman of the Board of Directors

Mgr. Marcel Grega
Chairman of the Supervisory Board

ATTACHMENT 1

CONSOLIDATED FINANCIAL STATEMENTS

JOJ Media House, a. s.

Independent Auditors’ Report
on the consolidated financial statements and annual report

and

Annual report

2018

(Translation)

Translation note:

This version of the accompanying consolidated financial statements and annual report is a translation from the original, which was prepared in Slovak. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the consolidated financial statements and annual report takes precedence over this translation.

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1. Independent Auditors' Report

Appendix:

Consolidated financial statements as at 31 December 2018 prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

2. Annual report

KPMG Slovensko spol. s r.o.
Dvořákovo nábrežie 10
P.O. Box 7
820 04 Bratislava 24
Slovakia

Telephone +421 (0)2 59 98 41 11
Fax +421 (0)2 59 98 42 22
Internet www.kpmg.sk

Translation of the Auditors' Report originally prepared in Slovak language

Independent Auditors' Report

To the Shareholders, Supervisory Board and Board of Directors of JOJ Media House, a. s.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of JOJ Media House, a. s. and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2018, consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2018, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section. We are independent of the Company in accordance with the ethical requirements of the Act No. 423/2015 Coll. on statutory audit and on amendments to Act No. 431/2002 Coll. on accounting as amended ("the Act on Statutory Audit") including the Code of Ethics for an Auditor that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of non-current intangible assets

The Group management recognizes goodwill, televisual format, contractual rights, trademark and other intangible assets as non-current intangible assets with a carrying amount of EUR 145,116 thousand as at 31 December 2018, which represents 42% of the Group's total assets.

As at 31 December 2018, the most significant part of non-current intangible assets represents:

- Televisual format in the amount of EUR 75,267 thousand;
- Contractual rights in the amount of EUR 46,897 thousand;
- Goodwill in the amount of EUR 11,579 thousand; and
- Trademarks in the amount of EUR 8,176 thousand.

The Group management considers the potential impairment of goodwill during the year. If no indicator for potential impairment is detected, the Group, in accordance with IAS 36, tests the goodwill recognized in business combinations during the current accounting period and the goodwill reported in prior accounting periods for potential impairment on an annual basis as at 31 December, which is the date as at which the consolidated financial statements are prepared.

The Group management also tests for impairment other intangible assets with indefinite useful lives and cash-generating units, where the need for such testing was identified. If no indicator of possible impairment is identified during the year, the Group management, in accordance with IAS 36, tests the intangible assets with indefinite useful life for potential impairment on an annual basis as at 31 December, which is the date as at which the consolidated financial statements are prepared.

As a result of this, as at the balance sheet date, management of the Group conducted impairment testing for all the identifiable cash-generating units. Impairment testing includes the use of certain substantial accounting estimates, judgements and assumptions, which are inherently complex and therefore, in the future, actual results may differ from these estimates. Even small changes in these assumptions can have a significant impact on the test result.

Based on this impairment testing, no impairment losses of the assets were identified.

We refer you to Notes 2b) and 2f) of the consolidated financial statements for the description of the accounting policies used by the Group for these assets.

Our procedures related to the assessment of the valuation of the Group's non-current intangible assets and included the following:

- Assessing the existence of impairment indicators for the Group's non-current intangible assets.
- Assessing the impairment test's methodology against requirements of the relevant accounting standard and industry practice.
- Assessing the key assumptions used in the impairment testing by:

- Comparing the underlying drivers of the free cash flows to historical data of the Group and available market reports to assess their adequacy;

- Comparing the discount rate used in the estimate of the recoverable amount to market data for the relevant industry;

- Analyzing the sensitivity of the impairment test to changes in the discount rate and free cash flows;

- Evaluating the amount of headroom over the carrying amount of respective assets and thus assessing the existence of management bias in determining the key management assumptions applied in the model.

- Evaluating the adequacy of the information disclosed by the Group in Note 15 of the notes to the consolidated financial statements.

Responsibilities of the Statutory Body and Those Charged with Governance for the Consolidated Financial Statements

The statutory body is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as the statutory body determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the statutory body is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the statutory body either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.

- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Reporting on Information in the Annual Report

The statutory body is responsible for the information in the Annual Report prepared in accordance with the Act No. 431/2002 Coll. on Accounting as amended ("the Act on Accounting"). Our opinion on the consolidated financial statements does not cover other information in the Annual Report.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Annual Report and, in doing so, consider whether the other information is materially inconsistent with the audited consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Annual Report of the Group, we consider whether it includes the disclosures required by the Act on Accounting.

Based on the work undertaken in the course of the audit of the consolidated financial statements, in our opinion:

- the information given in the Annual Report for the year 2018 is consistent with the consolidated financial statements prepared for the same financial year; and
- the Annual Report contains information according to the Act on Accounting.

In addition to this, in light of the knowledge of the Group and its environment obtained in the course of audit of the consolidated financial statements, we are required to report if we have identified material misstatement in the Annual Report that we have obtained prior to the date of this auditors' report. We have nothing to report in this respect.

Additional requirements on the content of the auditors' report according to Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities

Appointment and approval of an auditor

We have been appointed as a statutory auditor by the statutory body of JOJ Media House, a. s. on 29 October 2018 on the basis of approval by the General Meeting of JOJ Media House, a. s. on 27 April 2018.

The period of our total uninterrupted engagement, including previous renewals (extensions of the period for which we were originally appointed) and reappointments as statutory auditors, is 8 years.

Consistency with the additional report to the audit committee

Our audit opinion as expressed in this report is consistent with the additional report to the supervisory board, which was issued on the same date as the date of this report.

Non-audit services

No prohibited non-audit services referred to in Article 5 (1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities were provided and we remained independent of the Group in conducting the audit.

We did not provide any other services to the Group outside of the statutory audit services and services disclosed in the consolidated financial statements of the Group.

30 April 2019
Bratislava, Slovak Republic

Slovenská komora audítorov
SKAU
Č.licencie 96
KPMG
Slovensko spol. s r.o.

Auditing company:
KPMG Slovensko spol. s r.o.
License SKAU No. 96

Responsible auditor:
Ing. Branislav Prokop
License UDVA No. 1024

JOJ Media House, a. s.
and Subsidiaries

Consolidated Financial Statements
for the year ended 31 December 2018

prepared in accordance with
International Financial Reporting Standards
as adopted by European Union

Content

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in thousands of EUR	*Note*	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Revenues from services	*5*	192 915	187 686
Other operating income	*6*	2 242	1 529
Total operating income		**195 157**	**189 215**
Bargain purchase gain		-	160
Personnel expenses	*7*	(29 780)	(28 905)
Production and impairment costs of TV and radio broadcasting programmes	*18*	(34 306)	(29 365)
Use and write-off of programme rights	*8,18*	(13 983)	(14 012)
Posting, printing and removal of advertising	*9*	(12 338)	(12 611)
Depreciation, amortization and impairment of non-current tangible and intangible assets	*10*	(21 414)	(17 888)
Rent of advertising space		(25 804)	(25 247)
Other operating expenses	*11*	(52 039)	(52 829)
Total operating expenses		**(189 664)**	**(180 857)**
Profit from operating activities		**5 493**	**8 518**
Exchange rate gain / (loss), net		(740)	907
Interest expense, net	*12*	(12 148)	(11 237)
Gain / (loss) from financial instruments, net		89	(65)
Gain from associates and joint ventures		-	1 022
Gain / (loss) from the sale of entities	*4*	(5)	366
Other financial expenses, net		(253)	(531)
Loss before tax		**(7 564)**	**(1 020)**
Income tax	*13*	(848)	(926)
Loss for the period		**(8 412)**	**(1 946)**
Gain / (loss) for the period attributable to:			
Shareholders of the company		(7 898)	(3 364)
Non-controlling interest		(514)	1 418

in thousands of EUR	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Other comprehensive income, after tax		
Items with subsequent reclassification into profit or loss:		
Foreign currencies translation differences	(111)	766
Items without subsequent reclassification into profit or loss:		
Changes in fair value of equity securities and Employee benefits recalculation (IAS 19)	(19)	-
Total other comprehensive income	**(130)**	**766**
Total comprehensive income for the period	**(8 542)**	**(1 180)**
Total comprehensive income attributable to:		
Shareholders of the company	(7 995)	(2 830)
Non-controlling interest	(547)	1 650

The notes presented on pages 10 to 92 form an integral part of the consolidated financial statements.

in thousands of EUR	*Note*	**As at 31 December 2018**	**As at 31 December 2017**
Assets			
Goodwill	*14*	11 579	12 069
Televisual format	*14*	75 267	79 694
Other non-current intangible assets	*14*	58 270	62 152
Programme rights	*18*	2 167	1 750
Accrued internal programme rights	*18*	4 522	5 975
Property, plant and equipment	*16*	87 192	90 898
Investment property		319	-
Investments in associates and joint ventures		58	63
Trade and other receivables	*19*	311	297
Loans granted	*20*	1 449	2 269
Other assets	*21*	166	143
Deferred tax asset	*27*	750	945
Total non-current assets		**242 050**	**256 255**
Programme rights	*18*	15 140	15 610
Accrued internal programme rights	*18*	32 348	27 345
Trade and other receivables	*19*	31 054	29 206
Other financial assets	*17*	1 043	962
Loans granted	*20*	2 005	23 445
Other assets	*21*	5 299	5 217
Corporate income tax receivable		734	224
Cash and cash equivalents	*22*	15 341	17 572
Assets held for sale	*23*	566	689
Total current assets		**103 530**	**120 270**
Total assets		**345 580**	**376 525**

in thousands of EUR	*Note*	**As at 31 December 2018**	**As at 31 December 2017**
Equity			
Share capital	*24*	25	25
Other funds	*24*	59 345	59 237
Accumulated losses		(28 489)	(22 683)
Total equity attributable to shareholders of the company		**30 881**	**36 579**
Non-controlling interests		3 219	2 390
Total equity		**34 100**	**38 969**
Liabilities			
Bank loans	*25*	45 022	56 345
Interest bearing loans and borrowings	*25*	17 976	9 804
Issued bonds	*26*	119 823	87 794
Provisions	*28*	1 135	1 773
Trade and other financial liabilities	*29*	2 070	1 024
Other liabilities	*30*	471	1 168
Deferred tax liability	*27*	29 910	31 255
Total non-current liabilities		**216 407**	**189 163**
Bank loans	*25*	23 614	30 147
Interest bearing loans and borrowings	*25*	2 412	2 952
Issued bonds	*26*	1 377	51 625
Provisions	*28*	1 367	2 407
Trade and other financial liabilities	*29*	57 489	52 832
Other liabilities	*30*	8 231	7 394
Corporate income tax liability		513	934
Liabilities related to assets held for sale	*23*	70	102
Total current liabilities		**95 073**	**148 393**
Total liabilities		**311 480**	**337 556**
Total equity and liabilities		**345 580**	**376 525**

The notes presented on pages 10 to 92 form an integral part of the consolidated financial statements.

in thousands of EUR	*Note*	Equity attributable to shareholders of the company								
		Share capital	**Legal reserve fund**	**Other capital funds**	**Foreign currency translation reserve**	**Revaluation fund**	**Accumulated losses**	**Total**	**Non-controlling interest**	**Total**
Balance at 1 January 2018		**25**	**310**	**59 337**	**(410)**	**-**	**(22 683)**	**36 579**	**2 390**	**38 969**
Initial application of IFRS 9		**-**	**-**	**-**	**-**	**-**	2 228	2 228	1 484	3 712
Balance at 1 January 2018- adjusted		**25**	**310**	**59 397**	**(410)**		**(20 455)**	**(38 807)**	**3 874**	**42 681**
Total comprehensive income for the period										
Loss for the period		-	-	-	-	-	(7 898)	(7 898)	(514)	(8 412)
Other comprehensive income, after tax										
Foreign currencies translation differences		-	-	-	(77)	-	-	(77)	(34)	(111)
Changes in fair value of equity securities and Employee benefits recalculation (IAS 19)					-	(20)		(20)	1	(19)
Total other comprehensive income		**-**	**-**	**-**	**(77)**	**(20)**	**-**	**(97)**	**(33)**	**(130)**
Total comprehensive income for the period		**-**	**-**	**-**	**(77)**	**(20)**	**(7 898)**	**(7 995)**	**(547)**	**(8 542)**
Transactions with shareholders recognized directly in equity										
Transfer to the legal reserve fund and other capital funds		-	205	-	-	-	(205)	-	-	-
Dividends paid out to non-controlling interest		-	-	-	-	-	-	-	(28)	(28)
Effect of new acquisitions	*4*	-	-	-	-	-	-	-	(1)	(1)
Changes in ownership interest without loss of control	*24*	-	-	-	**-**	-	69	69	(79)	(10)
Total transactions with shareholders		**-**	**205**	-	**-**	**-**	**(136)**	**69**	**(108)**	**(39)**
Balance at 31 December 2018		**25**	**515**	**59 337**	**(487)**	**(20)**	**(28 489)**	**30 881**	**3 219**	**34 100**

		Equity attributable to shareholders of the company							
in thousands of EUR	*Note*	**Share capital**	**Legal reserve fund**	**Other capital funds**	**Foreign currency translation reserve**	**Accumulated losses**	**Total**	**Non-controlling interest**	**Total**
Balance at 1 January 2017		**25**	**307**	**51 576**	**(979)**	**(19 462)**	**31 467**	**1 256**	**32 723**
Total comprehensive income for the period									
Gain / (loss) for the period		-	-	-	-	(3 364)	(3 364)	1 418	(1 946)
Other comprehensive income, after tax									
Foreign currencies translation differences		-	-	-	534	-	534	232	766
Total other comprehensive income		**-**	**-**	**-**	**534**	**-**	**534**	**232**	**766**
Total comprehensive income for the period		**-**	**-**	**-**	**534**	**(3 364)**	**(2 830)**	**1 650**	**(1 180)**
Transactions with shareholders recorded directly in equity									
Increase of other capital funds		-	-	7 800	-	(393)	7 407	393	7 800
Transfer to the legal reserve fund and other capital funds		-	3	(39)	-	36	-	-	-
Dividends paid out to non-controlling interest		-	-	-	-	-	-	(94)	(94)
Effect of new acquisitions	*4*	-	-	-	-	-	-	(95)	(95)
Changes in ownership interest without loss of control	*24*	-	-	-	35	500	535	(720)	(185)
Total transactions with shareholders		**-**	**3**	**7 761**	**35**	**143**	**7 942**	**(516)**	**7 426**
Balance at 31 December 2017		**25**	**310**	**59 337**	**(410)**	**(22 683)**	**36 579**	**2 390**	**38 969**

The notes presented on pages 10 to 92 form an integral part of the consolidated financial statements.

in thousands of EUR	*Note*	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Cash flows from operating activities			
Loss for the year		(8 412)	(1 946)
Corporate income tax	*13*	848	926
Interest expense, net	*12*	12 148	11 237
Profit before interest and tax		**4 584**	**10 217**
Adjustments for:			
Depreciation, amortization and impairment of non-current assets	*10*	21 414	17 888
Creation/ (reversal) of impairment of receivables and inventory	*11*	597	(295)
Creation of impairment of loans provided	*20*	9	454
Creation of impairment of accrued internal programme rights	*18*	183	-
Write off of accrued internal programme rights	*18*	3 832	3 914
Gain on written-off liabilities	*6*	(702)	(26)
Gain on investment property revaluation		(34)	-
Bargain purchase gain		-	(160)
(Gain) / loss from revaluation of financial instruments		(72)	65
Change in provisions		(1 066)	983
(Profit) / loss on disposal of non-current assets		(311)	260
Profit from associates and joint ventures		-	(1 022)
(Gain) / loss from the sale of entities	*4*	5	(366)
Other non-cash items		207	471
Operating profit before changes in working capital		**28 646**	**32 383**
Increase in programme rights and internal programme rights		(7 515)	(6 706)
Increase in trade and other receivables and other assets		(2 701)	(6 106)
Increase / (decrease) in trade liabilities, other financial liabilities and other liabilities		5 770	(1 589)
Cash flows from operating activities		**24 200**	**17 982**
Interest paid		(9 678)	(10 028)
Income tax paid		(2 902)	(2 305)
Net cash flows from operating activities		**11 620**	**5 649**
Cash flows from investing activities			
Disbursements on the creation of a foundation	*4*	(4)	-
Proceeds from business combinations	*4*	20	45
Proceeds from sale of entities, net of cash disposed	*4*	-	3
Disbursements on acquisition of ownership interests without a change of control		(10)	(185)
Proceeds from sale of property, plant and equipment and intangible assets		1 198	1 025
Acquisition of property, plant and equipment and intangible assets and investment property		(9 342)	(8 257)
Proceeds from financial instruments		49	61
Disbursements on acquisition of financial instruments		(125)	(236)
Disbursements of loans granted		(2 988)	(1 269)
Proceeds of loans granted		22 226	6 187
Dividends received		7	207
Interest received		4 095	367
Net cash from / (used) in investing activities		**15 126**	**(2 052)**

in thousands of EUR	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Cash flows from financing activities		
Repayments of loans	(5 639)	(14 906)
Drawings of loans	87	3 061
Issued bonds	35 000	-
Sale of own bonds	-	4 137
Repurchase of own bonds	(1 000)	-
Repayment of bonds and fees related to bond issuance	(51 280)	-
Repayment of finance lease liabilities	(600)	(627)
Increase in other capital funds	-	7 800
Dividends paid to non-controlling interests	(18)	(94)
Net cash used in financing activities	**(23 450)**	**(629)**
Increase in cash and cash equivalents	3 296	2 968
Cash and cash equivalents at 1 January*	(6 907)	(10 172)
Effect of exchange rate fluctuations on cash held	(16)	297
Cash and cash equivalents at 31 December*	**(3 627)**	**(6 907)**

Cash and cash equivalents include:

in thousands of EUR	*Note*	**As at 31 December 2018**	**As at 31 December 2017**
Cash and cash equivalents	*22*	15 341	17 572
Cash and cash equivalents included in assets held for sale	*23*	16	29
Bank overdrafts	*25*	(18 984)	(24 508)
Total		**(3 627)**	**(6 907)**

*Bank overdrafts payable on demand that represent a part of financial management of the Group are included within cash and cash equivalents for purposes of Consolidated statement of cash flows.

The notes presented on pages 10 to 92 form an integral part of the consolidated financial statements.

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1. Information about the accounting entity

JOJ Media House, a. s. (hereinafter referred to as “the parent company” or "the Company") was established on 26 October 2010 and was registered in the Commercial Register as a joint stock company on 6 November 2010 (Commercial Register of the District Court Bratislava I in Bratislava, Section Sa, file 5141/B) under the identification number 45 920 206. Tax identification number is 2023141945. The Company’s address is Brečtanová 1, 831 01 Bratislava.

The Company’s share capital is registered in the Commercial Register and is fully paid up.

The Company is not a partner with unlimited liability in other companies.

The consolidated financial statements of the Company as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in associates entities and joint ventures.

The main activities of the Group is operating private TV stations, providing services to the radio broadcasters, including the sale of media (advertising) space, publishing daily newspapers and the sale of external advertisement spaces (billboards, bigboards, movable “out of home” communication, etc.).

The Company’s bodies

Board of directors	Mgr. Richard Flimel - chairman
Supervisory board	Mgr. Marcel Grega Ing. Mojmír Mlčoch János Gaál

Information about the parent of the Group

On 1 February 2013, the structure of JOJ Media House, a.s.’s shareholders has changed in such way that instead of the majority shareholder HERNADO LIMITED, with its registered office in Akropoleos, 59-61 SAVVIDES CENTER, 1st floor, Flat/Office 102, 2012 Nicosia, Cyprus, registration number: 271787 („HERNADO LIMITED“) the new majority shareholder holding 99.9% of shares of the Company became TV JOJ L.P., with its registered office in Klimentos, 41 - 43 KLIMENTOS TOWER, 2nd floor, Flat/Office 21, 1061 Nicosia, Cyprus, registration number: 12128. HERNADO LIMITED, the previous majority shareholder, acts on behalf of the new majority shareholder as its general partner. This transaction has no effect on executing the control over the Company. Other aspects of shareholder structure remain unchanged.

The ultimate owner of HERNADO LIMITED is Mgr. Richard Flimel.

The shareholders of the Company as at 31 December 2018 and as at 31 December 2017 were as follows:

in EUR	**Interest in share capital EUR**	**Interest in share capital %**	**Voting rights %**
TV JOJ L.P.	24 975	99.90	99.90*
Mgr. Richard Flimel	25	0.10	0.10
	25 000	**100**	**100**

* The company HERNADO LIMITED acts on behalf of TV JOJ L.P. as its general partner

1. Information about the accounting entity (continued)

The Company is not included into any other consolidated financial statements.

2. Significant accounting policies

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union ("EU").

b) Basis for preparation

Legal reason for the preparation of the Financial Statements

The consolidated financial statements of the Company as at 31 December 2018 have been prepared in accordance with the Article 22 of the Slovak Act No. 431/2002 Coll. on Accounting for the accounting period from 1 January 2018 to 31 December 2018.

The consolidated financial statements were prepared using the accrual principle and going concern assumption that the Company will continue in operation for the foreseeable future.

The consolidated financial statements were prepared consistently in accordance with accounting principles used in the consolidated financial statements as at 31 December 2017, except for initial application of IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments in these consolidated financial statements (see below 'International financial reporting standards and change of accounting policies'). Based on transition method selected by the Group for initial application of IFRS 15 and IFRS 9, information for comparative period did not change.

The consolidated financial statements have been prepared on the historical cost basis, with the exception of investment property, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss which are measured at fair value.

Historical cost is generally based on the fair value of given consideration for the exchange of goods and services.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Functional currency

The consolidated financial statements are presented in euro (EUR), which is the functional currency of the Company and are rounded to thousands.

The use of estimates and judgments

The financial statements require management to use various judgments, estimates and assumptions to be exercised that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods, which are affected by the revision.

2. Significant accounting policies (continued)

Information about areas with significant uncertainties in estimates and critical judgments in applying accounting policies with the most significant effect on the amounts presented in the financial statements is described in the note 15 – Impairment testing of assets.

Impairment testing

On the day of acquisition, the goodwill is allocated to cash-generating units (CGU) that are expected to benefit from the synergies of the combination.

As at the balance sheet date, the Group considers the potential impairment of goodwill. If no indicator for potential impairment is detected, the Group, in accordance with IAS 36, tests the goodwill recognized in the business combination during the current accounting period and the goodwill reported in the prior accounting periods for potential impairment on an annual basis as at 31 December, i.e., as at the date of the preparation of the consolidated financial statements.

The Group is also testing for impairment other intangible assets with indefinite useful life and CGUs, where the need for such testing was identified. If no indicator of possible impairment is identified, the Group, in accordance with IAS 36, tests the intangible assets with indefinite useful life for potential impairment on an annual basis as at 31 December, i.e., as at the date of the preparation of the consolidated financial statements.

The recoverable amount of such assets is derived from future cash flows estimated by management, updated since the acquisition date. Key assumptions used in this testing are described in Note 15 – Impairment testing of assets. Impairment testing includes use of certain substantial accounting estimates, judgements and assumptions, which are inherently complex and therefore the future actual results may differ from these estimates. Even small changes in these assumptions can have a significant impact on the test result.

International Financial Reporting Standards

The following International Financial Reporting Standards, amendments to standards and interpretations adopted by the EU are effective for the accounting period starting 1 January 2018, and have been applied in preparing the Group's consolidated financial statements:

IFRS 15 and IFRS 9 Financial Instruments are effective for annual periods beginning on 1 January 2018. The initial application of standards set out below leads to the adjustments of Group's significant accounting principles.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IASB issued **IFRS 15 Revenue from Contracts with Customers,** effective for the periods beginning on or after 1 January 2018. Earlier application is permitted. IFRS 15 provides a framework for revenue recognition and will be applied to all contracts with customers. However, interest income and income from fees that are part of financial instruments and leases will continue to be outside the scope of IFRS 15 and will be governed by other relevant standards (e.g. IFRS 9 and IFRS 16 Leasing). IFRS 15 specifies that revenue should be recognised when (or as) the entity transfers control of goods or services to a customer at the amount to which the entity expects to be entitled. The Standard also establishes the principles that an entity shall apply to provide detailed disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from a contract with a customer.

The Group decided to apply this standard retrospectively using the cumulative effect of initial application as at 1 January 2018. The initial application of IFRS 15 did not have an impact on revenue recognition of the Group, because no changes have been made regarding the amount of recognized revenues, the moment of their recognition and a period of time over which revenues are recognized. The application of the standard had an impact on the presentation of liabilities (see Note 30 – Other liabilites) and on amendments to Group's accounting policies (see accounting policy p) and r)).

IFRS 9 Financial Instruments
In July 2014, IASB issued final version of **IFRS 9 Financial Instruments** that replaces IAS 39, Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 presents all three aspects of accounting for financial instrument projects: recognition and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, early application is permitted. In addition to hedge accounting, retrospective application is required, but the restatement of prior periods is not required.

The Group applies the new standard from 1 January 2018. The initial application of IFRS 9, including the new model of asset impairment, had an impact on the consolidated financial statements as stated below and had no impact on the accounting policies relatig to the recognition of financial liabilites. According to IFRS 9, financial assets are classified as initially recognized at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) – are similar to IAS 39, the criteria for classification into the appropriate measurement category are significantly different. The impairment model in IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking an 'expected credit loss' (ECL) model. Application of standard caused the change in presentation of financial asset (see Note 17 – Other Financial Assets). As at date of initial application of IFRS 9, changes in the Group's accouting policies have been made (see accounting policy j) and accounting policy m) i). The Group assessed impact of IFRS 9 on the revaluation of financial assets. The Group considered the impact to be non-material and therefore did not record the impact of IFRS 9 on financial assets.

Amendments to IFRS 9 Financial Instruments: Prepayment Features with Negative Compensation and Modification of Financial Liabilities, effective for annual periods beginning on or after 1 January 2019, earlier application is permitted. These amendments address concerns raised about accounting for financial assets that include particular contractual prepayment options and clarify accounting for financial liabilities after modification.

Effective from 1 January 2018, the Group decided to apply amendments to IFRS 9 and standard IFRS 9 simultaneously. As at 1 January 2018, the application of amendments had an impact on the consolidated financial statements as follows: a decrease in the losses from previous years and a decrease in liabilities from issued bonds in the amount of EUR 3 712 thousand (see Note 26 – Issued bonds).

Annual Improvements to IFRS 2014-2016 Cycle (issued on 8 December 2016), effective for annual periods beginning on or after 1 January 2018 except for the changes to IFRS 12 that shall be applied for annual periods beginning on or after 1 January 2017.

Interpretation **IFRIC 22 Foreign Currency Transactions and Advance Consideration** clarifies that when determining the spot exchange rate to be used for the initial recognition of a related asset, expense or income (or part of it), and the derecognition of non-monetary assets or non-monetary liabilities arising from the payment or receipt of advance consideration in a foreign currency, the transaction date is the date on which an entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it) and on the derecognition of a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. Companies may apply the amendments retrospectively. Alternatively, an entity may apply the interpretation prospectively to all assets, expenses and revenues that were originally recognized during or after:

(i) the beginning of the accounting period in which the Company initially applied the interpretation or
(ii) the beginning of the previous accounting period recognized for comparative purposes in the financial statements of the reporting period in which the Company initially applied the interpretation.

2. Significant accounting policies (continued)

Interpretation IFRIC 22 is effective for annual periods beginning on or after 1 January 2018. Early application is permitted, which must be disclosed in the financial statements.
The Interpretation did not have a material impact on the financial statements as the current Group policy is in line with the interpretation.

Amendments to IAS 40 Investment Property is effective for annual periods beginning on or after 1 January 2018 and should be applied prospectively. Earlier application is permitted. The Amendments provide clarification on transfers of non-current assets and assets under construction to, or from, investment properties. Management's intention is no longer sufficient for transfer of an asset to, or from, investment properties. Such asset has to meet the definiton set by a standard and the change in assets' use has to be proved.The Group does not expect that the amendments will have a material impact on the financial statements because the Group transfers a property asset to, or from, investment property only when there is an actual change in use.

Published International Financial Reporting Standards as adopted by EU that are not yet effective

At 31 December 2018 the following new standards, amendments to standards and interpretations, that were published and adopted by EU are not yet effective for the period ended 31 December 2018, and have not been applied in preparation of these financial statements of the Group.

IFRS 16 Leases was issued in January 2016 and is effective for annual periods beginning on or after 1 January 2019. Earlier application is permitted if the entity also applies IFRS 15. The lessee must apply IFRS 16 using either a full retrospective approach or a modified retrospective approach. IFRS 16 supersedes IAS 17 Leases and related interpretations, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The Standard eliminates the current dual accounting model for lessees and instead requires companies to bring most leases on-balance sheet under a single model, eliminating the distinction between operating and finance leases.

Under IFRS 16, a contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. For such contracts, the new model requires a lessee to recognise a right-of-use asset and a lease liability. The right-of-use asset is depreciated and the liability accrues interest. This will result in a front-loaded pattern of expense for most leases, even when the lessee pays constant annual rentals.

The new Standard introduces a number of limited scope exceptions for lessees which include:
- leases with a lease term of 12 months or less and containing no purchase options, and
- leases where the underlying asset has a low value ('small-ticket' leases).

Lessor accounting shall remain largely unaffected by the introduction of the new Standard and the distinction between operating and finance leases will be retained.

Based on the analysis performed, the Group's management expects that the initial application of standard as at 1 January 2019 will increase right-of-use and lease liabilities by EUR 71 974 thousand.

Interpretation **IFRIC 23** Uncertainty over Income Tax Treatments clarifies the accounting for income tax, when such accounting involves uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it address the interest and penalty requirements associated with uncertainty in their assessment. Interpretation specifically addresses the following questions:

2. Significant accounting policies (continued)

- Whether the Company individually assesses the uncertainty in tax accounting
- The assumptions that an entity performs when assessing tax practices by tax authorities
- As an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax reductions and tax rates
- How the entity assesses the changes in facts and circumstances.

An entity should determine whether any uncertain tax assessment should be considered separately or together with one or more other uncertain assumptions. Applied should be a procedure that better predicts the solution of uncertainty. The interpretation is effective for annual periods beginning on or after 1 January 2019, with certain transitional concessions being possible. The Company will apply the interpretation as of its date of effectiveness. The Group does not expect that the Interpretation, when initially applied, will have material impact on the financial statements as the Group does not operate in a complex multinational tax environment.

Standards and interpretations not yet effective and not yet adopted by the European Union

Annual Improvements to IFRS 2015-2017 Cycle (issued on 12 December 2017), effective for annual periods beginning on or after 1 January 2019.

Amendments to **IFRS 10 and IAS 28** Sale or contribution of assets between an investor and its associate or joint venture. IASB decided to defer the endorsement indefinitely, but the early application is permitted. The Amendments clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business, such that:
a full gain or loss is recognised when a transaction between an investor and its associate or joint venture involves the transfer of an asset or assets which constitute a business (whether it is housed in a subsidiary or not), while a partial gain or loss is recognised when a transaction between an investor and its associate or joint venture involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

Amendments to **IAS 28 Long-term Interests in Associates and Joint Ventures**, effective for annual periods beginning on or after 1 January 2019. The amendment clarifies adoption of IFRS 9 to long-term interests in Associates and Joint Ventures, where the equivalent method is not applicable.

Revised Conceptual Framework issued on 29 March 2018 is effective for accounting periods beginning on or after 1 January 2020. The main changes and improvements will be made to:

- measurement concept, including the description of different measurement bases
- presentation and disclosure concept, including the classification of revenues and expenses in other comprehensive income
- derecognition of assets and libilities from financial statements
- updated definitions of asset and liability
- updated criteria of asset and liabilitiy recognition in financial statements

Amendments to **IAS 19** issued in February 2018 clarify the accounting when a change to a plan, a curtailment or settlement, takes place during the current accounting period. Amendments are effective for annual periods beginning on or after 1 January 2019, earlier application is permitted. Amendments should be applied prospectively.

Amendments to **IFRS 3** issued in October 2018 narrowed and clarified the definition of a business combination and an acquisition of a group of assets. Amendments are effective for business combinations made on or after 1 January 2020, earlier application is permitted.

2. Significant accounting policies (continued)

Amendments to **IAS 1** and **IAS 8** issued in October 2018 clarify the definition of 'material'. Based on new definition, the information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments are effective for annual periods beginning on or after 1 January 2020, earlier application is permitted.

The adoption of the above amendments will not have a material impact on the Group's accounting policies and financial statements.

Other International Financial Reporting Standards

The Group has not applied any other IFRS standards adopted by EU earlier where adoption is not mandatory at the balance sheet date. Where transition provisions in adopted IFRS give an entity the choice of whether to apply new standards prospectively or retrospectively, the Group elects to apply the Standards prospectively from the date of transition.

c) Basis for consolidation

i. Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognized in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognized in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognized in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

ii. Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when: (i) it has the power to control the relevant activities of the entities that significantly affect their profitability and income, (ii) it is exposed to, or has rights to, variable returns from its involvement with the entity and (iii) it has the ability to affect those returns through its power over the entity. Existence and influence of voting rights, including potential voting rights, should be considered when assessing whether the Group has the control over another entity. For a right to be substantial, an equity holder must have the practical ability to exercise that right at the time when the relevant entity's activities are taken. The Group has control over another entity even though it holds less than half of the voting rights. In such a case, the Group assesses the size of the voting rights of other investors as compared to their rights as

2. Significant accounting policies (continued)

well as the distribution of ownership of these other voting rights to determine whether it has de facto decision-making power over the entity.The protection rights of other investors, such as those relating to significant changes to an entity's activities or those that are applicable only in exceptional circumstances, do not prevent the Group from controlling another entity**.**

iii. Non-controlling interests

Non-controlling interests (“NCI”) are measured at their proportionate share of the acquiree’s identifiable net assets at the date of acquisition.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

iv. Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

v. Interests in equity- accounted investees

The Group’s interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence or joint control ceases.

vi. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group’s interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

vii. Consolidation scope

There are 40 companies included in the consolidation as at 31 December 2018 (2017: 40 companies), out of which 36 companies (2017: 35 companies) were consolidated using the full consolidation method and 4 companies (2017: 5 companies) using the equity method. All consolidated companies prepared their annual financial statements at 31 December 2018. These companies are listed in Note 37 – Group entities.

viii. Unification of accounting policies

The accounting policies and procedures applied by the consolidated companies in their financial statements were unified in the consolidation, and agree with the policies applied by the Parent Company.

2. Significant accounting policies (continued)

d) Foreign currency

i. Transactions in foreign currencies

Transactions in foreign currencies are initially translated into respective functional currencies of individual Group's entities at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into respective functional currencies of individual entities at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at historical cost are translated into respective functional currencies of individual entities at the foreign exchange rates ruling at the dates when the relating transactions occurred and are not subsequently retranslated. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into respective functional currencies of individual entities at the foreign exchange rates ruling at the dates the fair values are determined. Foreign exchange differences arising are recognized in current period's profit or loss.

ii. Financial statements of foreign entities

Assets and liabilities of the Group's entities recorded in other currencies than functional currency of the Company (foreign companies) are translated to Euro by the exchange rate valid at the balance sheet date. The goodwill and changes in fair values related to acquisition of new entities are translated in the same way. Revenues and expenses are translated to Euro by the exchange rate valid as at the date of the accounting transaction. Related exchange rate differences are recognized into equity.

Exchange rates announced by the European Central Bank are used for translation of foreign currencies.

With the loss of control in a foreign subsidiary, significant influence in a foreign associate, or joint control in a foreign jointly controlled entity, exchange rate differences previously recognized in equity are reclassified to profit or loss as part of a gain or loss on the sale of the entity.

When the Group sells a part of a foreign subsidiary without a loss of control, a proportional part of exchange rate differences recognized in equity is transferred to non-controlling interest.

When the Group sells a part of a foreign associate or a foreign jointly controlled entity without a loss of significant influence or joint control, a proportional part of exchange rate differences recognized in equity is transferred into profit or loss.

e) Property, plant and equipment (tangible fixed assets)

i. Owned assets

Items of property, plant and equipment are stated at cost less accumulated depreciation (refer to accounting policy under note e) iv.) and impairment losses (refer to accounting policy under note m)).

Acquisition cost consists of the price at which an asset has been acquired plus costs related to acquisition. The cost of self-constructed assets includes the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, costs of dismantling and removing the items and restoring the site on which they are located and relating production overhead costs. Borrowing costs are included in the acquisition cost of the qualifying asset.

2. Significant accounting policies (continued)

Acquisition costs related to the replacement of the part of the property, plant and equipment is recognized in the assets' carrying amount when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be reliably measured. The carrying amount of the replaced part is derecognized.

When parts of an item of property, plant and equipment have different useful lives, those components are accounted for as separate items (major components) of property, plant and equipment.

ii. Leased assets

Leases in terms of which the Group assumes substantially all of the risks and rewards of ownership are classified as finance leases. Leased assets are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation (see accounting policy e) iv.) and impairment losses (see accounting policy m)).

Other type of leasing is classified as operative leasing and such leased property is not included in the Group's statement of financial position.

iii. Subsequent expenditure

Subsequent expenditure is capitalised if it is probable that the future economic benefits embodied in the part of property, plant and equipment will flow to the Group and its cost can be measured reliably. All other expenditures including regular repair and maintenance of property, plant and equipment are recognised in the profit or loss as an expense as incurred.

iv. Depreciation

Depreciation is charged to the profit or loss on a straight-line basis over the estimated useful lives of items of property, plant and equipment. Land and acquisition of property, plant and equipment is not depreciated.

Estimated useful lives are as follows:

• Buildings and structures	20 to 37 years
• Bigboards and other advertising equipment	
Bigboards and other advertising equipment	10 to 30 years
Electronic advertising equipment	4 to 5 years
Technological installation	7 to 10 years
• Machinery and equipment	
Vehicles	4 to 5 years
Others	3 to 6 years

Depreciation methods, useful lives, as well as residual values, are reassessed annually at the balance sheet date.

Each part of an item of property, plant and equipment (component) with a cost that is significant in relation to the total cost of the item is depreciated separately. Significant components of property, plant and equipment with similar useful lives and depreciation method are grouped together when determining the depreciation rate.

2. Significant accounting policies (continued)

v. Gains and losses from sale of property, plant and equipment

Gains and losses from sale of property, plant and equipment are determined by comparison of proceeds from sale decreased by costs related to sale and carrying accounting value of property plant and equipment as at the date of sale. Gains and losses from sale of property, plant and equipment are recognized in profit or loss.

f) Non-current intangible assets

i. Goodwill

Goodwill is measured as the acquisition cost less cumulative losses from impairments (see accounting policy m)).

Goodwill from acquisition of subsidiaries is recognized as a separate item in the statement of financial position of the Group. Goodwill from acquisition of associates and jointly controlled entities is part of carrying value of Group's investments in these entities.

Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

ii. Other non-current intangible assets

Other non-current intangible assets include assets acquired in business combinations (e.g. televisual format, trademark and contractual relationships) and software. Intangible assets acquired in a business combination are recorded at fair value on the acquisition date if the intangible asset is separable or arises from contractual or other legal rights. These assets are carried at cost less accumulated amortisation (see accounting policy f) iv.) and impairment losses (see accounting policy m)).

iii. Subsequent expenditure

Subsequent expenditures are recognized in the carrying amount of non-current intangible assets only when it is probable that the future economic benefits embodied will flow to the Group. All other expenditures including the costs for internally generated goodwill and trademark are recognised in the profit or loss as incurred.

iv. Amortisation

Amortisation is charged to profit or loss on a straight-line basis (with the exception of televisual format, which is amortized non-straight-line based on its future expected economic benefits) over the estimated useful lives of non-current intangible assets, from the date the asset is available for use.

Useful lives are usually firmly set. Intangible assets with an indefinite useful life are not subject to amortisation and are annually tested for impairment. Their useful life is also reassessed at balance sheet date in order to evaluate whether the existing conditions still support the indefinite useful life assumption. Goodwill is not subject to amortisation but is tested annually for impairment.

2. Significant accounting policies (continued)

The estimated useful lives are as follows:

• Contractual relationships	7 to 20 years
• Televisual format[1]	42 years
• Other intangible assets - software and others	2 to 7 years
• Trademark	indefinite useful live

The useful lives of televisual format, contractual relationships and trademark have been specified by an independent third party when determining the fair value of assets at acquisition of subsidiaries. The estimated useful life of TV format reflects the time frame of the target audience that was set at the date of the acquisition between the age of 12 and 54, assuming that in 42 years the preferences of the audience will change to other forms of media. The useful lives of contractual relationships reflects the duration of the lease of advertising equipment and takes into the account risk of discontinuance of the lease. The useful life of the trademark reflects the period during which the economic benefits will flow to the Group. Since the Group is determined to use their logo, slogan and complete trademark, the Group together with an independent third party decided at the determination of fair values of assets at the acquisition of the companies that useful life of trademark will be indefinite.

Amortization methods and useful lives, as well as residual values, are reassessed at the balance sheet date and adjusted if appropriate.

g) Investment property

Investment property is property which is held by the Group with the intention of earning an income, either through rental income or through long-term increase in value of the property. Investment property is neither used in the production process or for administrative purposes nor sold within the scope of regular business activities of the Group.

Investment property is recognized at fair value which is determined by an independent valuer or management. Fair value is determined based on current prices of similir asset offered in an active market within the same location and the same conditions. If there are no current prices available, the generally applicable valuation model such as revenue technique are used. Profits and losses arising from change in fair value related to valuation of investment property are recognized in the profit or loss.

Investment property is considered to be acquired when the Group acquires all risks and benefits related to the ownership. Investment property is considered to be derecognized when all the risks and benefits are transfered on a buyer. Gains or losses on the disposal of investment properties are the difference between the net disposal proceeds of the investment property and carrying amount of the asset as at date of disposal. Gains or losses on the disposal of an investment property are recognized in the profit or loss.

Revenues from lease of investment property are recognized as defined in the accounting policy r).

h) Programme rights

Programme rights represent acquired titles of foreign and domestic movies and TV series where the Company obtained a right to use these titles in its broadcasting from the original holder of the rights for an agreed period. These include the right to create language versions to acquired titles, using the language appropriate to the broadcasting of the Group’s station.

[1] Televisual format represents the content of the television broadcasting and strategy by which this content is chosen and subsequently its perception from the point of view of television viewer.

2. Significant accounting policies (continued)

i. Non-current programme rights

Non-current programme rights are carried at cost. These programme rights are effective after one year from the balance sheet date. Non-current programme rights are amortised based on the number of runs. Percentage amount of amortisation was set by management based on the historical experience in the TV broadcasting and represents period during which the programme rights generate economic benefits. In case of two runs, 80% of cost is amortised after the first and 20% after the second run. In case of three and more runs, 60% of the cost is amortised after the first, 30% after the second and 10% after the third run.

Programme rights for acquired titles that have limited validity and ran through paid channels where management estimates their broadcasting more than 30 times are amortised on a straight line basis during the period the programme rights are valid.

There are several situations that lead to a downward value adjustment to programme rights. These include the programmes that will not be broadcasted as the relating rights are nearing their expiry date, the programmes with inappropriate content and the carrying amount of programmes broadcasted once, but their other runs will be broadcasted in times with a low potential to generate commercial revenue.

ii. Current programme rights

Current programme rights are carried at cost. These programme rights are effective or they will start to be effective within one year from the balance sheet date. Current programme rights are amortised in the same way as non-current programme rights, see Note h) i.).

The downward value adjustment to current programme rights is carried out in the same way as the value adjustment to non-current programme rights, see Note h) i.).

iii. Programme rights write-off

Programme rights that will expire before their broadcast are written-off through the profit or loss.

i) Internal programme rights

Internal programme rights represent the Group’s own production of television series, movies, sitcoms, documentaries, reality shows, news coverage and programmes focused on different topics (e.g. living, cooking, entertainment, etc.). Internal programmes include also dubbing and subtitles of foreign movies and television series.

Internal programme rights are recognized in the amount of direct costs of production and are amortized based on the number of broadcasted runs. Direct costs are costs which are interrelated with a production such as fees for actors, hosts, directors, script editors, screenwriters, cameramen, film producers, technicians, costs for stage setting, props, costumes, licenses, rent of premises for broadcast production and other costs related to outsourced works and services.

The percentage of amortization was determined by management based on historical experience in the television broadcasting sector and corresponds with a period during which the programme rights generate economic benefits. In the case of two runs, 80% of cost is amortised after the first and 20% after the second run. In the case of three runs, 60% of the cost is amortised after the first, 30% after the second and 10% after the third run. In the case of five runs, 60% of the cost is amortised after the first, 10% after the second through the fifth run.

2. Significant accounting policies (continued)

The value of internal programme rights is decreased by programme titles that will not be broadcasted due to an inappropriate content orientation or by the carrying amount of programmes broadcasted once, but their other runs will be broadcasted in time with low potential to generate advertising revenues. In case of programmes that will not be rerun in four years after the end of the last episode of the broadcast premiere, the entire carrying value of the programme (format or show) is written off as an expense.

From the nature of internal programme rights the licensing period starts immediately after their production, and therefore they are recognised as current assets in the Consolidated statement of financial position of the Group, except for situations when Group's management expects that internal programme rights will be broadcasted not earlier than one year after the reporting date.

j) Financial instruments

Financial assets – accounting principle applied after 1 January 2018
The Group classifies financial assets as measured at amortised cost, at fair value through other comprehensive income or at fair value through profit or loss based on the basis of both:
a) the Group's business model for managing the financial assets, and
b) the contractual cash flow characteristics of the financial asset.

Financial assets carried at amortised cost
A financial asset is measured at amortised cost if both of the following conditions are met:
a) the asset is held within a portfolio with a business model whose objective is to hold assets in order to collect the contractual cash flows, and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Such financial assets are recognized in the consolidated statement of financial position within trade receivables and other receivables, loans granted, cash and cash equivalents.

Financial assets carried at fair value through other comprehensive income
A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:
a) the asset is held within a business model whose objective is achieved by collecting the contractual cash flows as well as selling financial assets, and
b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group applied an irrevocable election at initial recognition, for particular investments in equity instruments that are not held for sale and that would otherwise be measured at fair value through profit or loss, to present subsequent changes in fair value including exchange rate gains and losses in other comprehensive income.

Such financial assets are recognized in the consolidated statement of financial position within other financial assets as equity securities carried at fair value through other comprehensive income.

Debt securities within financial asset are measured at fair value through other comprehensive income, if they are held within a business model whose objective is achieved by collecting the contractual cash flows as well as selling financial assets. The Group does not hold any debt securities.

2. Significant accounting policies (continued)

Financial assets carried at fair value through profit or loss
If the financial asset is not measured at amortised cost or at fair value through profit or loss, it is measured at fair value through other comprehensive income. Financial assets at fair value through profit or loss are those held by the Group for trading in order to obtain short term gains and derivative financial instruments. Such financial assets are recognized within other financial assets in the consolidated statement of financial position.

The Group uses derivative financial instruments to hedge against risks arising from its operating, financing and investing activities. In accordance with the financial policy, the Group does not hold nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by EU, they are treated as trade instruments.

Financial assets – accounting principle applied before 1 January 2018
Financial assets are classified in one of the following categories: securities available for sale, financial instruments carried at fair value through profit or loss, loans and receivables and cash and cash equivalents. The Group does not recognise any assets held to maturity.

Securities available for sale
Securities available for sale represent non-derivative financial assets, which are not presented as financial assets carried at fair value through profit or loss, loans and receivables or assets held to maturity. Securities available for sale are recognized within other financial assets in the statement of financial position of the Group.

Loans and receivables
Loans and receivables represent non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables arise, when Group provides cash equivalents, goods or services directly to the debtor without intention of trading with the receivable.

Loans and receivables are recognized in the statement of financial position of the Group within trade and other receivables and loans granted.

Cash and cash equivalents
Cash and cash equivalents include bank accounts and deposit accounts.

Financial assets carried at fair value through profit or loss
If the financial asset is not measured at amortised cost or at fair value through profit or loss, it is measured at fair value through other comprehensive income. Financial assets at fair value through profit or loss are those held by the Group for trading in order to obtain short term gains and derivative financial instruments. Such financial assets are recognized within other financial assets in the statement of financial position of the Group.

The Group uses derivative financial instruments to hedge against risks arising from its operating, financing and investing activities. In accordance with the financial policy, the Group does not hold nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by EU, they are treated as trade instruments.

Financial liabilities *– accounting principle applied before and after 1 January 2018*
Financial liabilities are classified in one of the following categories: financial liabilities carried at fair value through profit or loss or carried at amortized cost (IFRS 9) or other financial liabilities (IAS 39).

2. Significant accounting policies (continued)

Financial liabilities carried at fair value through profit or loss
Financial liabilities carried at fair value through profit or loss represent financial liabilities held for trading, including derivative financial instruments. Financial derivative instruments are recognized within trade and other financial liabilities in the statement of financial position of the Group.

The Group is using derivative financial instruments to hedge against risks arising from operating, financing and investing activities. In accordance with the financial policy of the Group, the Group does not hold nor does it issue financial derivatives for trading purposes. As none of the derivatives fulfil the criteria for hedge accounting under IFRS as adopted by EU, they are treated as trade instruments.

Financial liabilities carried at amortised cost (IFRS 9), or Other financial liabilities (IAS 39)
Financial liabilities carried at amortised cost (IFRS 9), or Other financial liabilities (IAS 39) are various financial liabilities not carried at fair value through profit or loss. Other financial liabilities, recognized in the statement of the financial position, are bank loans, interest-bearing borrowings, bonds issued and trade and other financial liabilities.

i. Initial recognition of financial instruments

Financial assed carried at fair value through profit or loss and financial asset carried at fair value through other comprehensive income (IFRS 9), or securities available for sale (IAS 39) are recognized at the date that Groups commits to purchase them. Regular purchases and sales of these financial instruments are recognized at the trading date. Financial assets carried at amortised cost (IFRS 9), or loans and receivables (IAS 39) are recognized at the date of acquisition.

Financial liabilities are initially recognized at the trading date.

ii. Measurement of financial instruments

Financial assets carried at fair value through other comprehensive income – accounting principle applied after 1 January 2018
Financial assets carried at fair value through other comprehensive income are initially carried at fair value including costs related to acquisition. Subsequently, they are carried at fair value, gains and losses from the change in fair value are recognized directly within other comprehensive income in equity.

For equity securities carried at fair value through other comprehensive income, all exchange rate gains and losses are recognized within other comprehensive income in equity. The change in the fair value and the net gain/loss from the sale are not recognized in the profit or loss but in other comprehensive income. The gains and losses can be be reclassified within equity from revaluation fund to losses from previous years at the time of sale. Only dividends are recognized in the profit or loss.

When fair value cannot be reliably measured and acquisition costs represent the best fair value estimate, equity securities carried at fair value through other comprehensive income are recognized in the amount of acquisition costs.

Interest income from debt securities carried at fair value through other comprehensive income is calculated using the effective interest rate method and is recognized in profit or loss. All exchange rate gains and losses and impairment losses are recognized in profit or loss. The gains and losses arising from the change in the fair value of debt securities are reclassified from other comprehensive income to profit or loss at the time of sale.

2. Significant accounting policies (continued)

Securities available for sale – accounting principle applied before 1 January 2018

Securities available for sale are initially recognized at fair value, this measurement: increased by costs related to acquisition or issue. Subsequent to initial recognition, they are measured at fair value and the gains and losses arising from the change in fair value are recognised directly in equity. The change in the fair value of securities available for sale is derecognised from equity to profit or loss at the time of sale. All incurred costs associated with transactions are recognized in profit or loss.

If the fair value cannot be reliably determined, the securities available for sale are stated at cost.

Financial assets carried at fair value through profit or loss – accounting principle applied before and after 1 January 2018

Financial assets carried at fair value through profit or loss are initially carried at fair value without costs related to acquisition. Subsequently, they are carried at fair value, gains and losses from the change in fair value as well as interest income and dividends are recorded through profit or loss. All costs associated to transactions are recognized in profit or loss.

Financial assets carried at amortised cost (IFRS 9), or Loans and receivables (IAS 39) – accounting principle applied before and after 1 January 2018

Loans and receivables are initially recognized at the fair value including directly attributable transaction costs. Subsequently they are measured at amortized cost less impairment losses, using the effective interest rate method (see accounting policy m)).

Trade and other receivables are initially measured at nominal value. Receivables are decreased by write-downs for any amounts expected to be irrecoverable (see accounting policy m)).

Interest income and exchange rate gain or loss are recognized in profit or loss. Gain or loss incurred during derecognition of a financial asset is recognized in the profit or loss.

Financial liabilities carried at fair value through profit or loss - accounting policy applied before and after 1 January 2018

Financial liabilities carried at fair value through profit or loss are initially recognized at their fair value. After initial recognition, they are measured at fair value. Gains and losses, as well as interest expense are recorded through profit or loss. All costs related to transactions are recorded through profit or loss.

Financial liabilities carried at amortised cost (IFRS 9), or Other financial liabilities (IAS 39) – accounting policy applied before and after 1 January 2018

Bank loans, interest-bearing borrowings and issued bonds are initially recognized at fair value decreased by related transaction costs. In subsequent periods they are recognized in the statement of financial position of the Group in amortized cost. Difference between this amount and the amount in which loans, borrowings and issued bonds are repaid, is recognised as expense in profit or loss using effective interest rate method.

Trade and other financial liabilities are initially recognized at nominal value, at the time of their take over are valued at acquisition costs.

2. Significant accounting policies (continued)

iii. Offset of financial instruments

Financial assets and financial liabilities are offset in the statement of financial position of the Group and only net amount is recognized when the Group has legally enforceable right to offset the amounts and an intention exists to settle the transactions based on their net amount.

iv. Derecognition of financial instruments

Financial asset is derecognised when:
a) the asset is repaid or the rights to cash flows from the investment are terminated, or,
b) the Group transfers the rights to cash flows from the investment or enters into a transfer agreement, thereby (i) in principle the Group transfers all the risks and potential gains associated with ownership; or (ii) the Group does not transfer all the risk or potential gains, leaving no control over the investment. It will retain control if the counterparty does not have a real possibility to sell the asset as a whole to an unrelated third party without additionally restricting sales.

Financial liabilities are derecognised when the obligation of the Group specified in the contract ceases to exist, is settled or cancelled.

Difference between gross amount of derecognised financial asset and consideration paid is recognized through profit or loss.

k) Other assets

Other assets are other non-financial assets (not described elsewhere) carried initially at their nominal value and also inventory (see also accounting policy l).

l) Inventory

Inventories are measured at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The cost of inventory is based on the first-in-first-out principle and includes expenditure incurred in acquiring the inventories.

m) Impairment

i. Financial assets

Accounting policy applied after 1 January 2018

The Group recognizes impairment loss of expected credit loss, (“ECL”) for:
a) financial assets measured at amortized cost
b) debt securities measured at fair value through other comprehensive income and
c) contract assets

2. Significant accounting policies (continued)

The Group measures impairment losses in the amount that equals to the expected credit losses over the whole lifetime (lifetime ECL), except for non-current loans provided and deposits in banks by which the credit risk (default risk over the expected lifetime of a financial asset) did not change significantly since their initial recognition. These impairment losses are measured at 12-month ECL.

The impairment losses of trade receivables and contract assets are always measured at lifetime ECL.

In assessing whether the credit risk of a financial asset has significantly increased since initial recognition and in estimating ECL, the Group uses reasonable and substantiated information that is relevant and available without undue cost or effort. It includes quantitative and qualitative information and analysis, based on the Group's past experience and informed credit evaluation, including the information about future.

The Group expects that the credit risk of a finacial asset increases, if it is more than 30 days overdue.

The Group considers a financial asset to be defaulted when:
a) it is not probable that a debtor will pay its credit obligations to the Group in full, without using the collateral (if any); or
b) financial asset is more than 90 days overdue.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.

12-month ECLs are ECLs that result from all possible default events within 12 months after the reporting date (or a shorter period when expected lifetime of a financial asset does not exceed 12 months)

The maximum period over which ECL should be measured is the maximum contractual period over which the Group is exposed to a credit risk.

Measurement of ECL's

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted using the effective interest rate of the financial asset.

Impaired financial asset

The Group's financial assets measured at amortized cost and debt securities measured at fair value through other comprehensive income are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication, causing the negative impact on the future cashflows of a financial asset exists, the financial asset is impaired.

Observable indicators of impairment of a financial asset (decreased credit risk):
a) significant financial difficulties of the debtor or issuer;
b) breach of the contract, e.g. payment delay or more than 90 days overdue;
c) restructuralization of a loan or an advance payment by the Group upon conditions that would otherwise not be accepted by the Group;
d) it is probable, that debtor enters into liquidation or other financial reorganization; or
e) termination of an active stock market due to financial difficulties.

2. Significant accounting policies (continued)

Presentation of impairment loss to ECL in the statement of financial position

Impairment loss to financial assets measured at amortised cost are deducted from the gross amount of financial assets.

Impairment loss to debt securities measured at fair value through other comprehensive income are recognized in profit or loss and are dislosed in other comprehensive income.

Impairment loss is reviewed at each reporting date.

Accounting policy applied before 1 January 2018

The carrying amounts of the Group's financial assets, other than financial assets carried at fair value through profit or loss and investments in associates and joint ventures, are reviewed at each reporting date to determine whether there is any indication of impairment.

Financial assets are considered impaired, when due to objective reasons one or more conditions would have a negative impact on the expected future cash flows from the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assets' original effective interest rate.

All individually significant assets are specifically assessed for impairment. Assets that are not individually significant are collectively assessed for impairment by grouping together assets with similar credit risk characteristics. All losses from impairment are recognized in the profit or loss.

When an event occurring after the impairment was recognized causes the amount of impairment to decrease, the impairment loss is reversed. In case of financial assets carried at amortized cost, the reversal is recorded in the profit or loss.

Impairment loss from investments in associates and joint ventures is calculated as the difference between the recoverable amount and carrying amount. Recoverable amount of such asset is higher of the net realizable amount or the value in use. Impairment loss is recognized in the profit or loss and is reversed if the recoverable amount increases.

i. Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventory (see accounting policy l)), deferred tax asset (see accounting policy t)), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets' recoverable amount is estimated.

Goodwill and non-current intangible assets with indefinite useful lives are not amortised but are tested annually for impairment as part of the relating cash generating unit (CGU).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. The recoverable amount of an asset or CGU is the greater of its net realizable value and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate

2. Significant accounting policies (continued)

that reflects current market assessments of the time value of money and the risks specific to the Group and its environment. When an asset is not generating cash flows that are sufficiently independent, its recoverable amount is determined for the CGU where it belongs. A CGU is the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. An impairment loss and its reversal are presented in the profit or loss as a decrease or an increase in the non-current assets value.

Impairment loss recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (or group of CGUs), and then to reduce the carrying amounts of other assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses from previous periods are reassessed at each balance sheet date to ascertain whether there are factors indicating the impairment loss decreased or ceased to exist. The loss is reversed if the assumptions used to estimate recoverable amount change. Impairment loss can be reversed or decreased to the extent so that the carrying amount would not exceed the carrying amount arrived at after depreciation and amortization without impairment. In case of goodwill, the impairment loss cannot be decreased (reversed).

n) Provisions

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be measured reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

o) Employee benefits

The Group has both defined benefit and defined contribution plans.

A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee will receive upon retirement. The amount of benefit is dependent on one or more factors such as age, years of service and salary.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity or to the Government. The Group have no legal or constructive obligation to pay further contributions if the funds do not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group had created expectations on the part of its employees that it will continue to provide the benefits and it is management’s judgement that it is not probable that the Group will cease to provide them.

The liability recognised in the Consolidated statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date.

The defined benefit obligation is calculated annually by actuaries using the Projected Unit Credit Method. The present value of the defined benefit obligation is determined by (a) discounting the estimated future cash outflows using interest rates of high quality government or corporate bonds which have terms to maturity approximating the terms of the related pension liability and (b) then attributing the calculated present value to the periods of service based on the plan.

2. Significant accounting policies (continued)

Actuarial gain and loss arising from experience adjustments and changes in actuarial assumptions are immediately recognized in the period when incurred, and are presented through other comprehensive income. Interest expenses are recognized in profit or loss within interest expenses.

The Group makes contributions to government and private contribution pension plans.

The Group makes contributions to the health, sickness, retirement, accidental and guarantee insurance and unemployment schemes at the statutory rates in force during the year based on gross salary payments.

p) Contract liabilities

Contract liabilities represent the Group's obligations to transfer goods or services to a customer for which the Group has already received consideration from the customer. Contract liabilities are recognized within other liabilities in the consolidated statement of financial position.

q) Other liabilities

Other liabilities represent liabilities from the employee's benefits (see accounting policy o)), contract liabilities (see accounting policy p)) and other non-financial liabilities (with no further disclosures in the notes) that are valued upon recognition at their nominal value.

r) Revenues from services

The Group recognized revenues from contracts with customers, when it is probable that future economic benefits will flow into Group and will be reliably measured. Revenues are recognized at fair value. The Group recognize mainly revenues from the sale of external advertising area (billboards, bigboards, transport "out of home" communication etc.), from the sale of media advertising area (TV, radio and newspapers), from the sale of retransmission services and programme services and revenues from the sale of newspapers.

Revenues are recognized in the period when the advertisement was broadcasted or published, the service was provided and the newspaper was sold. Revenues are accrued during the period over which the service was provided. Deferred revenues are recognized as contract liabilities (see accounting policy p)).

Issued invoices are usually due within 8 – 60 days. Advance payment received from the customers are recognized as contract liabilities (see accounting policy p)).

Revenues from leasing are recognized evenly over the duration of the lease.

Revenues from services do not carry the value added tax. They are also decreased by discounts and rebates (bonuses, credit notes, etc.).

Remaining performance obligations are recognized using a practical expedient according to IFRS 15. The Group does not disclose information on contracts with original maturity one year or less.

s) Interest expense and interest income

Interest income and expense are recorded in the profit or loss as it accrues. Interest income and expense include amortization of all premiums, discounts or other differences between the initial accounting value of the interest bearing instrument and its value at the time of its maturity. This is calculated using the basis of effective interest rate.

2. Significant accounting policies (continued)

t) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to items directly recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is presented in the statement of financial position, providing for the temporary differences between the carrying amounts of assets and liabilities and the amounts used for tax purposes. Deferred tax does not apply to the following temporary differences: initial recognition of assets and liabilities from transaction which is not a business combination and that effect neither accounting or tax profit or loss, differences related to investments in subsidiaries in which it is probable that there will not be settled in the foreseeable future. Deferred tax is not recognized also for taxable differences arising from initial recognition of goodwill. Deferred tax is calculated using rates that are expected to be effective when the temporary differences will be realized. These are either based on enacted or substantially enacted rates at the balance sheet date.

Deferred tax asset and liability are offset, if there is legally enforceable right to offset current tax liability and asset and these relate to the same tax authority and the same tax subject, or relate to different tax subjects but they intend to settled tax assets and liabilities net or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which temporary differences can be utilised. Deferred tax assets are assessed at each balance sheet date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

u) Fair value estimates

In determining the fair value of assets and liabilities, the Group uses market (observable) inputs whenever possible. If the market is not active, the fair value of assets and liabilities is determined using the valuation techniques. When applying valuation techniques, the estimates and assumptions are used, that are consistent with available information on estimates and assumptions and that would be used by other market participants in price determination.

Based on inputs used to determine the fair value of assets and liabilities, different levels of fair value were defined:
Level 1: quoted market prices (not adjusted) in active markets for identical assets and liabilities
Level 2: inputs other than quoted prices in Level 1 that are observable for the assets or liabilities, either directly (eg. as prices) or indirectly (eg. derived from prices) and are quoted on non-active markets for identical asset and liability entries.
Level 3: inputs for assets and liabilities that are not based on observable market inputs (unobservable inputs).

The main methods and assumptions used to estimate the fair value of financial assets and liabilities listed in the Note 32 – Fair value information are described below:

i. Loans granted

Fair value of granted loans is determined using the estimated future discounted cash inflows from repaid principal and interest. When estimating future cash flows, default risk as well as the conditions indicating impairment were considered. Estimated fair values of granted loans represents changes in the loan valuation from the moment when they were provided as well as changes in the interest rates in the case of loans bearing fixed interest rates.

2. Significant accounting policies (continued)

ii. Bank loans, interest bearing loans and issued bonds

The fair value of loans and borrowings without specified maturity is determined as a sum of liabilities payable at the reporting date. The fair value of loans, borrowings and issued bonds with agreed maturity is determined based on the discounted future cash flows using interest rates offered for loans and borrowings with similar maturities.

iii. Trade and other financial receivables / payables

For receivables and liabilities, it is assumed that their nominal amount represents their fair value.

v) Assets held for sale

If the carrying amount of non-current assets (or assets and liabilities included in the group of assets held for sale) is expected to be realized mainly through its sale and not its use, these assets are classified as assets held for sale.

Immediately before the initial classification of the asset as held for sale (or assets and liabilities included in the group of assets held for sale), the carrying amount of the asset is restated in accordance with applicable IFRSs. Subsequently to the initial classification as held for sale, non-current assets or group of assets that are classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Any impairment losses of a group of assets held for sale are initially allocated to goodwill and then in a proportionate way to other assets and liabilities, except inventories, financial assets and deferred tax asset, which are further recognised in accordance with the Group's accounting policies.

w) Operating segments

Operating segments are parts of the Group able to earn revenues and incur expenses, whose operating results are regularly reviewed by the Group's chief operating decision makers when they are allocating resources and measuring the performance and for which financial information is available. The Company's management considers the following operating segments: “Media Slovakia“, “Media Czech republic”, “Media Austria” and “Media Croatia”.

3. Segment information

Intra-segment elimination are presented in a separate column. Prices used between segments were set on an arm's length principle for similar services and financing.

Information about significant customers

The Group does not have revenues from one customer that would exceed 10% of its total revenues.

Additional segment information

Expenses and revenues in the consolidated statement of profit or loss and other comprehensive income for newly acquired subsidiaries are included since their acquisition date, for companies sold during the period are included until the date of sale.

3. Segment information (continued)

Information on operating segments – Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2018

in thousands of EUR	**Media Slovakia**	**Media Czech republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Revenues from services	103 783	46 069	31 384	12 330	(651)	192 915
Other operating income	591	320	502	829	-	2 242
Total operating income	**104 374**	**46 389**	**31 886**	**13 159**	**(651)**	**195 157**
Personnel expenses	(12 402)	(5 357)	(5 444)	(6 577)	-	(29 780)
Production and impairment costs of TV and radio broadcasting programmes	(34 246)	(628)	-	-	568	(34 306)
Use and write-off of programme rights	(13 484)	(499)	-	-	-	(13 983)
Posting, printing and removal of advertising	(3 483)	(3 809)	(5 046)	-	-	(12 338)
Depreciation, amortization and impairment of non-current assets	(9 499)	(5 604)	(5 988)	(323)	-	(21 414)
Rent of advertising space	(5 043)	(12 469)	(8 379)	-	87	(25 804)
Other operating expenses	(24 036)	(14 109)	(7 358)	(6 536)	-	(52 039)
Total operating expenses	**(102 193)**	**(42 475)**	**(32 215)**	**(13 436)**	**655**	**(189 664)**
Profit / (loss) from operating activities	**2 181**	**3 914**	**(329)**	**(277)**	**4**	**5 493**
Exchange rate gain/ (loss), net	(724)	(20)	-	(8)	12	(740)
Interest expenses, net	(7 707)	(3 929)	(360)	(152)	-	(12 148)
Gain / (loss) from financial instruments, net	69	11	(6)	15	-	89
Loss from the sale of entities	(5)	-	-	-	-	(5)
Other financial expenses, net	(135)	(73)	(10)	(35)	-	(253)
Profit / (loss) before tax	**(6 321)**	**(97)**	**(705)**	**(457)**	**16**	**(7 564)**
Income tax	250	(728)	(310)	(60)	-	(848)
Profit / (loss) for the period	**(6 071)**	**(825)**	**(1 015)**	**(517)**	**16**	**(8 412)**
Other comprehensive income, after tax	**-**	**(117)**	**(24)**	**11**	**-**	**(130)**
Foreign currencies translation differences	-	(117)	-	6	-	(111)
Changes in fair value of equity securities and Employee benefits recalculation (IAS 19)	-	-	(24)	5	-	(19)
Total comprehensive income	**(6 071)**	**(942)**	**(1 039)**	**(506)**	**16**	**(8 542)**

3. Segment information (continued)

Information on operating segments – Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2017

in thousands of EUR	**Media Slovakia**	**Media Czech republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Revenues from services	99 060	43 534	33 655	12 576	*(1 139)*	187 686
Other operating income	248	583	419	279	-	1 529
Total operating income	**99 308**	**44 117**	**34 074**	**12 855**	***(1 139)***	**189 215**
Bargain purchase gain	54	106	-	-	-	160
Personnel expenses	(11 587)	(4 085)	(6 219)	(7 014)	-	(28 905)
Production costs of TV and radio broadcasting programmes	(30 076)	(357)	-	-	*1 068*	(29 365)
Use and write-off of programme rights	(13 134)	(878)	-	-	-	(14 012)
Posting, printing and removal of advertising	(3 420)	(3 705)	(5 486)	-	-	(12 611)
Depreciation, amortization and impairment of non-current assets	(9 314)	(4 275)	(4 005)	(294)	-	(17 888)
Rent of advertising space	(5 274)	(11 130)	(8 945)	-	*102*	(25 247)
Other operating expenses	(25 681)	(13 882)	(7 377)	(5 889)	-	(52 829)
Total operating expenses	**(98 486)**	**(38 312)**	**(32 032)**	**(13 197)**	***1 170***	**(180 857)**
Profit / (loss) from operating activities	**876**	**5 911**	**2 042**	**(342)**	***31***	**8 518**
Exchange rate gain/ (loss), net	819	123	-	(7)	*(28)*	907
Interest expenses, net	(7 454)	(3 236)	(423)	(124)	-	(11 237)
Gain / (loss) from financial instruments, net	(85)	-	1	19	-	(65)
Gain from associates and joint ventures	-	1 022	-	-	-	1 022
Gain from the sale of entities	-	-	-	366	-	366
Other financial income / (expenses), net	(122)	93	(8)	(494)	-	(531)
Profit / (loss) before tax	**(5 966)**	**3 913**	**1 612**	**(582)**	***3***	**(1 020)**
Income tax	331	(956)	(233)	(68)	-	(926)
Profit / (loss) for the period	**(5 635)**	**2 957**	**1 379**	**(650)**	***3***	**(1 946)**
Other comprehensive income, after tax	**-**	**727**	**-**	**39**	**-**	**766**
Foreign currencies translation differences	-	727	-	39	-	766
Total comprehensive income	**(5 635)**	**3 684**	**1 379**	**(611)**	***3***	**(1 180)**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2018

in thousands of EUR

Assets	Media Slovakia	Media Czech republic	Media Austria	Media Croatia	*Intra-segmental elimination*	Total
Goodwill	5 650	3 994	-	1 935	-	11 579
Televisual format	75 267	-	-	-	-	75 267
Other non-current intangible assets	8 149	26 729	22 913	479	-	58 270
Programme rights	16 909	398	-	-	-	17 307
Internal programme rights	36 870	-	-	-	-	36 870
Property, plant and equipment	27 002	35 775	18 582	5 833	-	87 192
Investment property	-	319	-	-	-	319
Investment in associates and joint ventures	58	-	-	-	-	58
Trade and other receivables	17 610	11 813	1 309	1 362	(729)	31 365
Other financial instruments	33	587	418	5	-	1 043
Loans granted	13 214	753	-	1	(10 514)	3 454
Deferred tax asset	647	103	-	-	-	750
Other assets	894	3 154	921	496	-	5 465
Corporate income tax receivable	239	464	-	31	-	734
Cash and cash equivalents	4 480	4 108	6 722	31	-	15 341
Assets held for sale	-	-	-	566	-	566
Total assets	**207 022**	**88 197**	**50 865**	**10 739**	**(11 243)**	**345 580**
Liabilities						
Bank loans	67 559	996	-	81	-	68 636
Interest bearing loans and borrowings	18 676	1 718	6 488	3 969	(10 463)	20 388
Issued bonds	74 728	46 472	-	-	-	121 200
Provisions	944	291	850	417	-	2 502
Trade and other financial liabilities	43 606	10 560	3 358	2 764	(729)	59 559
Other liabilities	3 606	1 367	2 115	1 614	-	8 702
Corporate income tax liability	253	139	121	-	-	513
Deferred tax liability	20 076	9 408	1	425	-	29 910
Liabilities related to assets held for sale	-	-	-	137	(67)	70
Total liabilities	**229 448**	**70 951**	**12 933**	**9 407**	**(11 259)**	**311 480**

3. Segment information (continued)

Information on operating segments – Consolidated statement of financial position as at 31 December 2017

in thousands of EUR	**Media Slovakia**	**Media Czech republic**	**Media Austria**	**Media Croatia**	***Intra-segmental elimination***	**Total**
Assets						
Goodwill	6 119	4 022	-	1 928	-	12 069
TV format	79 694	-	-	-	-	79 694
Other non-current intangible assets	8 688	28 509	24 420	535	-	62 152
Programme rights	16 844	516	-	-	-	17 360
Internal programme rights	33 320	-	-	-	-	33 320
Property, plant and equipment	26 480	36 669	21 884	5 865	-	90 898
Investment in associates and joint ventures	63	-	-	-	-	63
Trade and other receivables	16 991	10 829	833	1 332	(482)	29 503
Other financial instruments	34	464	430	34	-	962
Loans granted	37 659	651	-	7	(12 603)	25 714
Deferred tax asset	938	7	-	-	-	945
Other assets	1 668	2 262	709	721	-	5 360
Corporate income tax receivable	16	204	-	4	-	224
Cash and cash equivalents	4 402	5 820	7 274	76	-	17 572
Assets held for sale	-	119	-	570	-	689
Total assets	**232 916**	**90 072**	**55 550**	**11 072**	**(13 085)**	**376 525**
Liabilities						
Bank loans	85 403	1 002	-	87	-	86 492
Interest bearing loans and borrowings	10 796	2 351	8 123	4 023	(12 537)	12 756
Issued bonds	89 547	49 872	-	-	-	139 419
Provisions	915	1 738	1 033	494	-	4 180
Trade and other financial liabilities	38 611	9 312	3 947	2 468	(482)	53 856
Other liabilities	2 456	1 208	3 234	1 666	(2)	8 562
Corporate income tax liability	296	394	240	4	-	934
Deferred tax liability	21 209	9 720	3	323	-	31 255
Liabilities related to assets held for sale	-	-	-	169	(67)	102
Total liabilities	**249 233**	**75 597**	**16 580**	**9 234**	**(13 088)**	**337 556**

4. Acquisition and disposal of entities

Acquisition and creation of a foundation for the year ended 31 December 2018

Information about acquisitions carried out and newly established entities during the year ended 31 December 2018 are presented in notes 4.a) to 4.e).

a) Details on creation of a foundation

Endowment Fund Big Board
On 5 September 2018, the Company through the subsidiary BigBoard Praha, a.s. established the Foundation (Nadační fond Big Board) with a contribution of EUR 4 thousand that represents a 100% share of the Foundation.

b) Details on new acquisition

Kitchen Lab s.r.o.
Based on an agreement on transfer of the ownership interest signed on 15 November 2018, the Company, through the subsidiary Flowee s.r.o. acquired a 70% share in the company Kitchen Lab s.r.o. The shares were acquired for EUR 3 thousand. As at 31 December 2018, the company is consolidated using the full consolidation method.

c) Goodwill

Goodwill has been allocated to cash-generating units (CGU) that are expected to benefit from the synergies of the combination.

Kitchen Lab s.r.o.
The goodwill in the amount of EUR 2 thousand has arisen on acquisition. The company owns online shop kuchařky.cz which provides the sale of books related to cooking.

d) Fair value adjustments of identified net assets

As a result of the allocation of purchase prices for business combinations, no fair value adjustments were made during the period from 1 January 2018 to 31 December 2018.

e) Effect of acquisitions

The acquisitions had the following effect on Group's assets and liabilities:

in thousands of EUR	**Kitchen Lab s.r.o.**
Other non-current intangible assets	15
Other assets	53
Cash and cash equivalents	20
Interest bearing borrowings	(76)
Trade and other financial liabilities	(15)
Non-controlling interest	1
Net identifiable assets	**(2)**
Goodwill on acquisition of new subsidiaries	2
Cost of acquisition	**-**

4. Acquisition and disposal of entities (continued)

in thousands of EUR	**Kitchen Lab s.r.o.**
Consideration paid in cash	-
Cash acquired	20
Net cash inflow	**20**
Loss for period after acquisition	(55)
Revenues for period after acquisition	2

Based on the Company's management expectation, if the acquisition was performed as at 1 January 2018, consolidated revenues for the year ended 31 December 2018 would be the same and consolidated loss after tax would be EUR 8 415 thousand.

Acquisition and establishing of entities for the year ended 31 December 2017

Information about acquisitions and establishment of entities for the year ended 31 December 2017 is presented in Notes 4.f) to 4.i).

f) Details about new acquisition

PMT, s.r.o.
Based on an agreement on transfer of the ownership interest signed on 16 January 2017, the Company, through the subsidiary MAC TV s.r.o. acquired an 11% share in the company PMT, s.r.o. The shares were acquired for EUR 2 thousand. MAC TV s.r.o. had previously held a share of 16%. As at 31 December 2017, the company is consolidated using equity consolidation method.

Cestovná agentúra CKSK, s.r.o.
Based on an agreement on transfer of the ownership interest signed on 12 June 2017, the Company, through the subsidiary Radio Services a.s. acquired a 30% share in the company Cestovná agentúra CKSK, s.r.o. The shares were acquired for EUR 5 thousand. As at 31 December 2017, the company is consolidated using equity consolidation method.

D & C AGENCY s.r.o.
On 15 November 2017, the Company through the subsidiary BigBoard Praha, a.s. acquired a 50% share in the company D & C AGENCY s.r.o. The shares were acquired for EUR 156 thousand. BigBoard Praha, a.s. had previously held a share of 50%, but did not exercise effective control or joint control over the company D & C AGENCY s.r.o. As at 31 December 2017, the company is consolidated using full consolidation method.

Flowee s.r.o.
On 4 January 2017, the Company through the subsidiary BigBoard Praha, a.s. established the company Flowee s.r.o. The amount of the investment was EUR 9 thousand at the time of its establishment and the share of the Group was 35% at the time of establishment. Subsequently, on 15 December 2017, the company, through the subsidiary BigBoard Praha, a.s. acquired an additional share of 30%. Acquisition value of the additional share was EUR 0. As at 31 December 2017, the company is consolidated using full consolidation method.

RAILREKLAM, spol. s r.o.
On 21 December 2017, the Company through the subsidiary Expiria, a.s. acquired a 51% share in the company RAILREKLAM, spol. s r.o. The shares were acquired for EUR 2 319 thousand. Expiria, a.s. had previously held a share of 49% and RAILREKLAM, spol. s r.o. was consolidated using equity consolidation method. As at 31 December 2017, the company is consolidated using full consolidation method.

4. Acquisition and disposal of entities (continued)

g) Goodwill

Goodwill has been allocated to cash-generating units (CGU) that are expected to benefit from the synergies of the business combination.

Cestovná agentúra CKSK, s.r.o.
The goodwill in the amount of EUR 3 thousand has arisen on acquisition. The company operates in tourism.

Flowee s.r.o.
The goodwill in the amount of EUR 177 thousand has arisen on acquisition. The company runs a website (portal) that publishes articles on healthy lifestyles, personal development and the like. The company Flowee s.r.o. generates revenue primary by offering an online advertising space, running an e-shop and organizing special promotional projects such as various events, training sessions and seminars. Through this acquisition, the Group strengthened its position on the market and improved its portfolio of online advertising.

RAILREKLAM, spol. s r.o.
The goodwill in the amount of EUR 480 thousand has arisen on acquisition. The company RAIREKLAM, spol. s r.o. operates more than 10 000 advertising slots of different types and formats. The company has signed exclusive agreements with companies České dráhy, a.s. ("CD") and Správa železniční dopravní cesty, státní organizace ("SZDC") valid until the year 2020 and 2025 respectively, on the basis of which RAIREKLAM, spol. s r.o. became the sole entity authorized to use the assets CD and SZDC to place an advertisement. Through this acquisition, the Group strengthened its position on the market and improved its portfolio of advertising media.

h) Fair value adjustments of identified net assets

The fair value of assets and liabilities was identified and set by management of the Company with the assistance of an independent expert. Realization of the fair value adjustments as they are listed below depends on the conditions that will exist on the relevant markets in the future. There is a level of uncertainty relating to the future development of relevant markets in which the acquired entities operate.

Fair value adjustments of identified net assets in business combinations for the year ended 31 December 2017 are presented below:

In thousands of EUR	**RAILREKLAM, spol. s r.o.**	**D & C AGENCY s.r.o.**	**Total**
Property, plant and equipment	1 543	-	1 543
Other non-current intangible assets	789	-	789
Other financial instrument	-	76	76
Deferred tax liability	(443)	(14)	(457)
Total net effect	**1 889**	**62**	**1 951**

Adjustments to the fair values of the assets of both listed companies are based on the management's estimate and the external specialist.

4. Acquisition and disposal of entities (continued)

The following assumptions were used to determine the fair values:

RAILREKLAM, spol. s r.o.
The fair value of non-current tangible assets was determined using the market approach for cars and using the cost approach for other items of non-current tangible assets. In the cost method, the fair value of the asset is determined on the basis of the replacement costs, respectively the prices for which new equivalent assets can be acquired. To determine the replacement costs, the following approaches were used: Replacement cost new ("RCN") a Cost of reproduction new ("CRN").

The fair value of intangible assets resulting from contractual relationships was determined using the income approach, namely the multi-period excess earnings method (MPEEM). In determining the fair value, the long-term growth rate of 2% was used for the 2021 and for subsequent periods. Such growth rate is considered reasonable within the market in which the acquired entity operates. For the years 2019 and 2020, management expects revenue growth at the level of 1.5% and 0.3% respectively. For the year 2018, management expects revenue decrease of 3.7%, which relates to the contractual obligation to dismantle advertising equipment that does not comply with a new regulation based on the amendment to the Land Communication Act in the Czech Republic (see Note 36 – Other events). The wear and tear rate was set at 10%. The discount rate of 10.3% and 14.1% were used to determine the fair values of intangible assets. The useful life of non-current intangible assets resulting from contractual relationships was set at 10 years.

D & C AGENCY s.r.o.
The fair value of financial investment was determined using the income approach, namely the method of discounted cash flows. In determining the fair value, the discount rate of 9.2% and the long-term growth rate of 2% was used, such growth rate is considered reasonable within the market in which the acquired entity operates.

As a result of the allocation of purchase prices for other business combinations, no fair value adjustments were made.

i) Effect of acquisition

The acquisitions had the following effect on Group's assets and liabilities:

in thousands of EUR	**RAILREKLAM, spol. s r.o.**	**Others**	**Total**
Other non-current intangible assets	921	4	925
Property, plant and equipment	1 846	-	1 846
Other financial instruments	-	265	265
Interest in an associate or joint ventures	-	60	60
Trade and other receivables	510	2	512
Other assets	168	8	176
Cash and cash equivalents	2 506	21	2 527
Interest bearing borrowings	-	(201)	(201)
Provisions	(274)	-	(274)
Trade and other financial liabilities	(978)	(95)	(1 073)
Other liabilities	(170)	(2)	(172)
Deferred tax liability	(392)	(14)	(406)
Corporate income tax liability	(70)	-	(70)
Non-controlling interest	-	95	95
Net identifiable assets	**4 067**	**143**	**4 210**

4. Acquisition and disposal of entities (continued)

in thousands of EUR	RAILREKLAM, spol. s r.o.	Others	Total
Fair value of investment in associate as at date of increase in interest	(2 228)	-	(2 228)
Goodwill on acquisition of new subsidiaries	480	20	500
Cost of acquisition	**2 319**	**163**	**2 482**
Consideration paid in cash	(2 319)	(163)	(2 482)
Cash acquired	2 506	21	2 527
Net cash inflow / (outflow)	**187**	**(142)**	**45**
Gain after acquisition	88	141	229
Revenues for period after acquisition	-	1	1

Based on the Company's management expectation, if the acquisition was performed as at 1 January 2017, consolidated revenues for the year ended 31 December 2017 would be EUR 193 855 thousand and consolidated loss would be EUR 1 621 thousand.

Disposals of entities for the year ended 31 December 2018

Information about disposals for the year ended 31 December 2018 are presented in notes 4.j) to 4.k).

j) Details about sold entity

Cestovná agentúra CKSK, s.r.o.
On 18 December 2018, the shares in the company Cestovná agentúra CKSK, s.r.o. (30% share) were sold to a third party. The selling price was EUR 1.

k) Effect of the entities sold

The sale of the entities had the following effect on Group's assets and liabilities:

in thousands of EUR	Cestovná agentúra CKSK, s.r.o.
Investments in associates and joint ventures	(5)
Disposed net identifiable assets	**(5)**
Selling price	-
Loss on sale	**(5)**
Consideration received in cash	-
Decrease in cash	-
Net cash outflow	**-**

4. Acquisition and disposal of entities (continued)

Disposals of entities for the year ended 31 December 2017

Information about disposals for the year ended 31 December 2017 are presented in notes 4.l) to 4.m).

l) Details about sold entity

Infantinfo d.o.o.
On 7 February 2017, the shares in Infantinfo d.o.o. (98.64% share) were sold to a third party. The selling price was EUR 7 thousand. The Group has retained a share of 0.9% in Infantinfo d.o.o.

Adamić d.o.o.
On 8 December 2017, 100% shares of the company Adamić d.o.o. was sold gratuitously

m) Effect of the entities sold

The sale of the entities had the following effect on Group's assets and liabilities:

in thousands of EUR	**Infantinfo d.o.o.**	**Adamić d.o.o.**	**Total**
Property, plant and equipment	(13)	(6)	(19)
Trade and other receivables	(57)	(40)	(97)
Other assets	(1)	(183)	(184)
Cash and cash equivalents	(3)	(1)	(4)
Interest bearing loans and borrowings	21	-	21
Trade and other financial liabilities	108	453	561
Other liabilities	42	39	81
Disposed net identifiable liabilities	**97**	**262**	**359**
Selling price	7	-	7
Profit on sale	**104**	**262**	**366**
Consideration received in cash	7	-	7
Decrease in cash	(3)	(1)	(4)
Net cash inflow / (outflow)	**4**	**(1)**	**3**

5. Revenues from services

Revenues per major categories are as follows:

in thousands of EUR	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Revenue from the segment „Media Slovakia“	102 867	98 937
Revenue from the segment „Media Czech Republic“	45 947	42 518
Revenue from the segment „Media Austria“	31 381	33 655
Revenue from the segment „Media Croatia“	12 238	12 576
Revenue from lease	482	-
Total	**192 915**	**187 686**

Impact of IFRS 15 Revenue from Contracts with Customers was as follows:

in thousands of EUR	**Year ended 31 December 2018**	**Reclassification**	**Year ended 31 December 2018 without application of IFRS 15**
Revenue from the segment „Media Slovakia“	102 867	300	103 167
Revenue from the segment „Media Czech Republic“	45 947	87	46 034
Revenue from the segment „Media Austria“	31 381	3	31 384
Revenue from the segment „Media Croatia“	12 238	92	12 330
Revenue from lease	482	(482)	-
Total	**192 915**	**-**	**192 915**

6. Other operating income

in thousands of EUR	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Revenues from written off liabilities	702	26
Revenues from market research	350	349
Revenues from sale of inventory	234	279
Insurance claims	195	211
Revenues from fines and penalties	110	152
Others	651	512
Total	**2 242**	**1 529**

7. Personnel expenses

in thousands of EUR	Year ended 31 December 2018	Year ended 31 December 2017
Wages and salaries	(23 075)	(21 826)
Contribution to social and health insurance	(6 084)	(5 810)
Other wages and salaries costs	(621)	(1 269)
Total	**(29 780)**	**(28 905)**

The average number of employees of the Group during the period from 1 January 2018 to 31 December 2018 was 794, out of which management represents 31 (from 1 January 2017 to 31 December 2017: 805, out of which management: 32).

The number of Group employees as at 31 December 2018 was 821, out of which management represents 35 (as at 31 December 2017: 821, out of which management 37).

8. Use and write-off of programme rights

in thousands of EUR	*Note*	Year ended 31 December 2018	Year ended 31 December 2017
Programme rights utilisation	*18*	(13 982)	(13 994)
Write off of unused programme rights	*18*	(1)	(18)
Total		**(13 983)**	**(14 012)**

9. Posting, printing and removal of advertising

in thousands of EUR	Year ended 31 December 2018	Year ended 31 December 2017
Posting of advertising	(8 437)	(8 913)
Printing of advertising	(3 884)	(3 692)
Removal of advertising	(17)	(6)
Total	**(12 338)**	**(12 611)**

10. Depreciation, amortisation and impairment of non-current assets

in thousands of EUR	*Note*	Year ended 31 December 2018	Year ended 31 December 2017
Amortisation	*14*	(9 590)	(9 691)
Depreciation	*16*	(11 354)	(8 189)
Creation of impairment allowance to goodwill	*14*	(470)	-
Creation of impairment allowance to non-current assets	*16*	-	(8)
Total		**(21 414)**	**(17 888)**

11. Other operating expenses

in thousands of EUR	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Marketing expenses	(9 787)	(9 784)
Retransmission	(8 345)	(8 331)
Material and energy consumption	(4 854)	(4 300)
Repair and maintenance	(4 496)	(4 275)
Other expenses related to publishing local daily newspapers	(3 261)	(3 299)
Legal, accounting and advisory services	(3 234)	(2 007)
Rent of premises	(2 259)	(1 780)
Other taxes and fees	(2 111)	(2 191)
Advertising time rent	(1 961)	(1 942)
Outsourcing expenses	(1 557)	(1 198)
Expenses related to representation, sponsoring	(1 405)	(1 298)
Fees to performing rights societies and to AVF[1]	(1 258)	(1 275)
Media surveys	(1 197)	(1 737)
Software support and IT services	(959)	(1 270)
Transport and car insurance expenses	(884)	(715)
Telephones fees and internet services	(705)	(640)
(Creation) / release of value adjustment to trade receivables and inventories	(597)	295
Other rent	(515)	(660)
Services related to rented premises	(502)	(441)
Insurance of property except for insurance of car	(366)	(351)
Fines and penalties	(88)	(247)
(Creation) / Release of provisions	838	(1 244)
Other	(2 536)	(4 139)
Total	**(52 039)**	**(52 829)**

[1]AVF – Audiovisual fund – state institution for support and development of audiovisual culture and industry

The Group is using the services of the auditing companies KPMG Slovensko spol. s r.o., PricewaterhouseCoopers Audit, s.r.o., KPMG Austria AG and KPMG D.O.O., to audit the individual financial statements of the Group entities and the consolidated financial statements of the Company. The cost of these services for the year ended 31 December 2018 amounted to EUR 255 thousand (year ended 31 December 2017: EUR 229 thousand).

Costs for other services provided by the auditing companies KPMG Slovensko spol. s r.o., PricewaterhouseCoopers Audit, s.r.o., KPMG Austria AG and KPMG D.O.O. for the year ended 31 December 2018 amounted to EUR 125 thousand (year ended 31 December 2017: EUR 2 thousand).

12. Interest expense and income

in thousands of EUR	*Note*	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Interest income			
Loans granted		1 090	1 818
Total interest income		**1 090**	**1 818**
Interest expense			
Issued bonds	*26,25*	(9 424)	(8 455)
Bank loans	*25*	(3 034)	(3 769)
Interest bearing borrowings	*25*	(542)	(481)
Other		(238)	(350)
Total interest expense		**(13 238)**	**(13 055)**
Interest expense, net		**(12 148)**	**(11 237)**

13. Income tax

in thousands of EUR	**Year ended 31 December 2018**	**Year ended 31 December 2017**
Current income tax		
Current year	(1 991)	(2 250)
Corrections of previous periods	20	(116)
Deferred income tax		
Creation and reversal of temporary differences and tax losses	1 123	1 396
Change in the tax rate	-	44
Total income tax expense in profit or loss	**(848)**	**(926)**

13. Income tax (continued)

Reconciliation of the effective tax rate

in thousands of EUR	2018	%	2017	%
Loss before tax	**(7 564)**		**(1 020)**	
Income tax at local rate	(1 588)	21	(214)	21
Effect of tax rates in other countries	(13)	-	4	-
Permanent differences	2 081	(28)	1 496	(147)
Change in the tax rate	-	-	(44)	4
Bargain purchase gain	-	-	(32)	3
Tax losses to which no deferred tax was recognized in current period	1 502	(20)	369	(36)
Utilization of tax losses to which no deferred tax was previously recognized	(1 204)	16	(915)	89
Decrease in deferred tax asset in the current period due to its non-utilization	82	(1)	124	(12)
Correction of income tax from previous periods	(20)	-	116	(11)
Tax licences	8	-	22	(2)
Total income tax expense in profit or loss / (decrease in expenses)	**848**	**(12)**	**926**	**(91)**

Deferred tax is calculated using the tax rate which is expected to be valid in the period, during which the receivable will be realised or the liability settled.

The tax rate in Slovakia is 21% (2017: 21%). The tax rate in the Czech Republic is 19% (2017: 19%), in Austria 25% (2017: 25%) and in Croatia 18% (2017: 18%).

14. Goodwill, televisual format and other intangible assets

Year ended 31 December 2018:

in thousands of EUR	**Tele-visual format**	**Contractual rights**	**Goodwill**	**Trade-mark**	**Other assets**	**Total**
Acquisition cost						
Balance at 1 January 2018	**109 134**	**71 501**	**15 342**	**8 120**	**10 380**	**214 477**
Additions	-	-	-	75	1 392	**1 467**
Additions from business combinations	-	-	2	-	15	**17**
Disposals	-	-	-	-	(1 510)	**(1 510)**
Changes due to translation differences	-	(257)	(22)	(15)	(13)	**(307)**
Balance at 31 December 2018	**109 134**	**71 244**	**15 322**	**8 180**	**10 264**	**214 144**
Accumulated amortization and impairment allowance						
Balance at 1 January 2018	**(29 440)**	**(20 750)**	**(3 273)**	**-**	**(7 099)**	**(60 562)**
Amortisation	(4 427)	(3 674)	-	(4)	(1 485)	**(9 590)**
Impairment loss	-	-	(470)	-	-	**(470)**
Disposals	-	-	-	-	1 510	**1 510**
Changes due to translation differences	-	77	-	-	7	**84**
Balance at 31 December 2018	**(33 867)**	**(24 347)**	**(3 743)**	**(4)**	**(7 067)**	**(69 028)**
Carrying amount						
Balance at 1 January 2018	**79 694**	**50 751**	**12 069**	**8 120**	**3 281**	**153 915**
Balance at 31 December 2018	**75 267**	**46 897**	**11 579**	**8 176**	**3 197**	**145 116**

14. Goodwill, televisual format and other intangible assets (continued)

Year ended 31 December 2017:

in thousands of EUR	**Tele-visual format**	**Contractual rights**	**Goodwill**	**Trade-mark**	**Other assets**	**Total**
Acquisition cost						
Balance at 1 January 2017	**109 134**	**68 788**	**14 833**	**7 996**	**9 943**	**210 694**
Additions	-	-	-	-	1 219	**1 219**
Additions from business combinations	-	-	177	-	4	**181**
Disposals	-	-	-	-	(965)	**(965)**
Disposals at the sale of the company	-	-	-	-	(2)	**(2)**
Transfer to the assets held for sale	-	-	(370)	-	-	**(370)**
Change of the consolidation method	-	834	480	-	87	**1 401**
Changes due to translation differences	-	1 879	222	124	94	**2 319**
Balance at 31 December 2017	**109 134**	**71 501**	**15 342**	**8 120**	**10 380**	**214 477**
Accumulated amortization and impairment allowance						
Balance at 1 January 2017	**(24 886)**	**(16 406)**	**(3 273)**	**-**	**(6 359)**	**(50 924)**
Amortisation	(4 554)	(3 861)	-	-	(1 276)	**(9 691)**
Disposals	-	-	-	-	580	**580**
Disposals at the sale of the company	-	-	-	-	2	**2**
Changes due to translation differences	-	(483)	-	-	(46)	**(529)**
Balance at 31 December 2017	**(29 440)**	**(20 750)**	**(3 273)**	**-**	**(7 099)**	**(60 562)**
Carrying amount						
Balance at 1 January 2017	**84 248**	**52 382**	**11 560**	**7 996**	**3 584**	**159 770**
Balance at 31 December 2017	**79 694**	**50 751**	**12 069**	**8 120**	**3 281**	**153 915**

15. Impairment testing of assets

For the reasons set out in Note 2 - Significant Accounting Policies, as at the balance sheet date, management of the Group conducted impairment testing for all the identifiable cash-generating units.

a) Impairment testing for the year ended 31 December 2018

CGU BigBoard Praha[1]

As at 31 December 2018, goodwill in the amount of EUR 3 994 thousand and non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 2 147 thousand were recorded by the Group relating to CGU BigBoard Praha[1].

The assumptions used in the impairment testing of the CGU BigBoard Praha[1] as at 31 December 2018 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

15. Impairment testing of assets (continued)

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.

- A discount rate of 8.75% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU BigBoard Praha[1] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase in discount rate from 8.75% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU Slovenská produkčná[2]
The Group does not recognize any goodwill or non-current intangible assets with indefinite useful life for the CGU Slovenská produkčná[2] as at 31 December 2018. In 2018, the Company performed an analysis to identify impairment indicators of CGU Slovenská produkčná's assets. Based on the Company's analysis, impairment indicators for the CGU Slovenská produkčná were identified, and therefore the Company performed impairment testing of assets.

The assumptions used in impairment testing of the CGU Slovenská produkčná as at 31 December 2018 were as follows:

- Assets value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were estimated based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.

- A discount rate of 9% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Slovenská produkčná[2] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 9% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

15. Impairment testing of assets (continued)

CGU Akzent BigBoard[3]
As at 31 December 2018, the Group recognized for the CGU Akzent BigBoard[3] a goodwill in the amount of EUR 1 913 thousand and non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 1 865 thousand.

The assumptions used in impairment testing of the CGU Akzent BigBoard[3] as at 31 December 2018 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- A discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Akzent BigBoard[3] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU EPAMEDIA[4]
As at 31 December 2018, no goodwill was recognized for CGU EPAMEDIA[4]. For the CGU EPAMEDIA[4], the Group recognized a non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 3 800 thousand as at 31 December 2018.

The assumptions used in the impairment testing of the CGU EPAMEDIA[4] as at 31 December 2018 were as follows:

- Non-current intangible assets' value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

15. Impairment testing of assets (continued)

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU EPAMEDIA[4] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

CGU RADIO SERVICES[5]
As at 31 December 2018, the Group recognized for the CGU RADIO SERVICES[5] a goodwill in the amount of EUR 3 430 thousand.

The assumptions used in the impairment testing of the CGU RADIO SERVICES[5] as at 31 December 2018 were as follows:

- Non-current intangible assets' value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 9.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU RADIO SERVICES[5] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 9.5% to 12% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

CGU Croatia[6]
As at 31 December 2018, the Group recognized for the CGU Croatia[6] a goodwill in the amount of EUR 1 935 thousand and non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 292 thousand.

The assumptions used in the impairment testing of the CGU Croatia[6] as at 31 December 2018 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

15. Impairment testing of assets (continued)

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 8.75% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Croatia[6] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.75% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

[1] The group BigBoard Praha includes: BigBoard Praha, a.s., BigMedia, spol. s r.o., Czech Outdoor s.r.o., Expiria, a.s., RAILREKLAM, s.r.o., MG Advertising, s.r.o., Barrandia s.r.o., Český billboard, s.r.o., outdoor akzent s.r.o., Bilbo City s.r.o., QEEP, a.s., Velonet ČR, s.r.o. D & C AGENCY s.r.o., News Advertising s.r.o. and Flowee s.r.o. and Kitchen Lab s.r.o.

[2] The group Slovenská produkčná includes: Slovenská produkčná, a.s., MAC TV s.r.o., PMT, s.r.o., DONEAL, s.r.o. and Magical roof s.r.o.

[3] The group Akzent BigBoard includes: Akzent BigBoard, a.s., BigMedia, spol. s r.o., RECAR Bratislava a.s., RECAR Slovensko a.s. and BHB, s.r.o.

[4] The group EPAMEDIA includes: EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH and R + C Plakatforschung und –kontrolle Gesellschaft mbH.

[5] The group RADIO SERVICES includes: Radio Services a.s.

[6] The group Croatia includes: NOVI LIST d.d. and Glas Istre Novine d.o.o.

b) Impairment testing for the year ended 31 December 2017

CGU BigBoard Praha[1]

As at 31 December 2017, goodwill in the amount of EUR 4 020 thousand and non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 2 165 thousand were recorded by the Group relating to CGU BigBoard Praha[1].

The assumptions used in the impairment testing of the CGU BigBoard Praha[1] as at 31 December 2017 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a 5-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

15. Impairment testing of assets (continued)

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.

- A discount rate of 8.75% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU BigBoard Praha[1] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase in discount rate from 8.75% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU Slovenská produkčná[2]
The Group does not recognize any goodwill or non-current intangible assets with indefinite useful life for the CGU Slovenská produkčná[2] as at 31 December 2017. In 2017, the Company performed an analysis to identify impairment indicators of CGU Slovenská produkčná's assets. Based on the Company's analysis, impairment indicators for the CGU Slovenská produkčná were identified, and therefore the Company performed impairment testing of assets.

The assumptions used in impairment testing of the CGU Slovenská produkčná as at 31 December 2017 were as follows:

- Assets value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were estimated based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGU's market.

- A discount rate of 9% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Slovenská produkčná[2] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase in discount rate from 9% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

15. Impairment testing of assets (continued)

CGU Akzent BigBoard[3]

As at 31 December 2017, the Group recognized for the CGU Akzent BigBoard[3] a goodwill in the amount of EUR 1 913 thousand and non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 1 865 thousand.

The assumptions used in impairment testing of the CGU Akzent BigBoard[3] as at 31 December 2017 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- A discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Akzent BigBoard[3] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compared to the management estimate would not cause the assets to be impaired.

CGU EPAMEDIA[4]

As at 31 December 2017, no goodwill was recognized for CGU EPAMEDIA[4]. For the CGU EPAMEDIA[4], the Group recognized non-current intangible asset with indefinite useful life, the trademark, in the amount of EUR 3 800 thousand as at 31 December 2017.

The assumptions used in the impairment testing of the CGU EPAMEDIA[4] as at 31 December 2017 were as follows:

- Non-current intangible assets' value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 8.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

15. Impairment testing of assets (continued)

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU EPAMEDIA[4] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.5% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

CGU RADIO SERVICES[5]

As at 31 December 2017, the Group recognized for the CGU RADIO SERVICES[5] a goodwill in the amount of EUR 3 430 thousand.

The assumptions used in the impairment testing of the CGU RADIO SERVICES[5] as at 31 December 2017 were as follows:

- Non-current intangible assets' value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 9.5% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU RADIO SERVICES[5] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 9.5% to 12% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

15. Impairment testing of assets (continued)

CGU Croatia[6]
As at 31 December 2017, the Group recognized for the CGU Croatia[6] a goodwill in the amount of EUR 1 928 thousand and non-current intangible assets with indefinite useful life, the trademark, in the amount of EUR 290 thousand.

The assumptions used in the impairment testing of the CGU Croatia[6] as at 31 December 2017 were as follows:

- Goodwill's value in use was derived from future cash flows estimated by management, updated since acquisition date. Future cash flows were constructed based on past results, current results from operating activities and a five-year business plan of the CGU. Projected cash flows used in determining the value in use cover a period of five years.

- Growth rate used to extrapolate the projected cash flows after this five-year period was set at 2% and is considered appropriate for the CGUs market.

- The discount rate of 8.75% was determined based on the target structure of own and external capital of comparable businesses in the industry.

- Key assumptions, and also the most volatile ones, used in determining the value in use, were expected net cash flows and the discount rate. Management's approach to determining the weight of each key assumption was based on historical experience, which is consistent with external sources of information.

Based on this testing, no impairment losses of the assets of CGU Croatia[6] were identified.

The Company has carried out a sensitivity analysis aimed at the change of discount rate and the change of net cash flows. An increase of discount rate from 8.75% to 10% would not cause the assets to be impaired. A decrease of net cash flows by 10% when compare to management estimates would not cause the assets to be impaired.

[1] The group BigBoard Praha includes: BigBoard Praha, a.s., BigMedia, spol. s r.o., Czech Outdoor s.r.o., Expiria, a.s., RAILREKLAM spol. s r.o., MG Advertising, s.r.o., Barrandia s.r.o., Český billboard, s.r.o., outdoor akzent s.r.o., Bilbo City s.r.o., QEEP, a.s., Velonet ČR, s.r.o., D & C AGENCY s.r.o., News Advertising s.r.o. and Flowee s.r.o.

[2] The group Slovenská produkčná includes: Slovenská produkčná, a.s., MAC TV s.r.o., PMT, s.r.o., DONEAL, s.r.o. and Magical roof s.r.o.

[3] The group Akzent BigBoard includes: Akzent BigBoard, a.s, BigMedia, spol. s r.o., RECAR Bratislava a.s., RECAR Slovensko a.s., Media representative, s.r.o. and BHB, s.r.o.

[4] The group EPAMEDIA includes: EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH and R + C Plakatforschung und –kontrolle Gesellschaft mbH.

[5] The group RADIO SERVICES includes: Radio Services a.s. and Cestovná agentúra CKSK, s.r.o.

[6] The group Croatia includes: NOVI LIST d.d. and Glas Istre Novine d.o.o.

16. Property, plant and equipment

Year ended 31 December 2018:

In thousands of EUR	Land	Buildings and structures	Bigboards and other advertising equipment	Machinery and equipment	Acquisition of property, plant and equipment	Total
Acquisition cost						
Balance as at 1 January 2018	**996**	**8 175**	**96 611**	**20 306**	**2 686**	**128 774**
Additions	-	219	2 883	4 455	1 225	**8 782**
Transfers	-	148	2 085	106	(2 339)	**-**
Disposals	-	-	(6 444)	(1 002)	(145)	**(7 591)**
Changes due to translation differences	2	17	(320)	(24)	(4)	**(329)**
Balance as at 31 December 2018	**998**	**8 559**	**94 815**	**23 841**	**1 423**	**129 636**
Accumulated depreciation and impairment allowance						
Balance as at 1 January 2018	**-**	**(783)**	**(23 110)**	**(13 983)**	**-**	**(37 876)**
Depreciation	-	(335)	(8 017)	(3 002)	-	**(11 354)**
Use of value adjustment	-	-	63	-	-	**63**
Disposals	-	-	5 766	875	-	**6 641**
Changes due to translation differences	-	(1)	74	9	-	**82**
Balance as at 31 December 2018	**-**	**(1 119)**	**(25 224)**	**(16 101)**	**-**	**(42 444)**
Carrying value						
Balance as at 1 January 2018	**996**	**7 392**	**73 501**	**6 323**	**2 686**	**90 898**
Balance as at 31 December 2018	**998**	**7 440**	**69 591**	**7 740**	**1 423**	**87 192**

16. Property, plant and equipment (continued)

Year ended 31 December 2017:

In thousands of EUR	Land	Buildings and structures	Bigboards and other advertising equipment	Machinery and equipment	Acquisition of property, plant and equipment	Total
Acquisition cost						
Balance as at 1 January 2017	**983**	**8 097**	**92 437**	**17 476**	**932**	**119 925**
Additions	-	136	1 710	2 821	2 851	**7 518**
Transfers	-	-	1 048	5	(1 053)	**-**
Disposals	-	(5)	(2 582)	(264)	(79)	**(2 930)**
Disposals at the sale of the company	-	(17)	-	(13)	-	**(30)**
Transfer to the assets held for sale	-	(119)	-	(18)	-	**(137)**
Change of the consolidation method	-	-	1 692	147	7	**1 846**
Changes due to translation differences	13	83	2 306	152	28	**2 582**
Balance as at 31 December 2017	**996**	**8 175**	**96 611**	**20 306**	**2 686**	**128 774**
Accumulated depreciation and impairment allowance						
Balance as at 1 January 2017	**-**	**(517)**	**(19 213)**	**(11 427)**	**-**	**(31 157)**
Depreciation	-	(266)	(5 216)	(2 707)	-	**(8 189)**
Value adjustment creation	-	-	(8)	-	-	**(8)**
Use of value adjustment	-	-	43	-	-	**43**
Disposals	-	1	1 788	197	-	**1 986**
Disposals at the sale of the company	-	2	-	9	-	**11**
Transfer to the assets held for sale	-	-	-	9	-	**9**
Changes due to translation differences	-	(3)	(504)	(64)	-	**(571)**
Balance as at 31 December 2017	**-**	**(783)**	**(23 110)**	**(13 983)**	**-**	**(37 876)**
Carrying value						
Balance as at 1 January 2017	**983**	**7 580**	**73 224**	**6 049**	**932**	**88 768**
Balance as at 31 December 2017	**996**	**7 392**	**73 501**	**6 323**	**2 686**	**90 898**

16. Property, plant and equipment (continued)

Impairment of non–current tangible assets

As at 31 December 2018, the impairment provision amounted to EUR 324 thousand and will be used for the regular dismantling of advertising equipment (31 December 2017: EUR 387 thousand)

Insurance of property, plant and equipment

The Group has insured its assets against natural disasters, theft, vandalism and general machinery malfunction. Cars are insured through full accident and liability insurance. The Group is also insured against liability for damage. The total insured amount of assets as at 31 December 2018 amounts to EUR 55 046 thousand (31 December 2017: EUR 55 054 thousand).

Leased assets

The Group leases cars, broadcasting equipment, a ship, and land with a building based on a finance lease agreement. The finance lease agreement relating to the land and building is concluded until 2022 and finance lease agreement to the ship until 2020. The finance lease agreements relating to the broadcasting equipment is signed until 2019-2023.

The carrying value of leased assets amounted to EUR 4 063 thousand as at 31 December 2018 (31 December 2017: EUR 3 816 thousand).

Restriction in use of assets

On 23 June 2014, the Police of the Czech Republic, Bureau of Corruption and Financial Crime ruled a Decision to seize advertising equipment of the company Czech Outdoor, s.r.o. based on a suspicion of a crime regarding the administration of property of other person. The above-mentioned criminal proceeding is not held against Czech Outdoor, s.r.o. or its current or former statutory representatives, it is held against the former statutory representatives of Ředitelství silnic a dálnic ČR (Road and Motorway directorate of the Czech Republic), with which Czech Outdoor s.r.o. signed in 2010 an amendment to the rental contracts. On 21 September 2018, the court deprived the accused of charges and canceled the seizure of advertising equipment.

For more information on the restriction in use of assets see Note 25 – Bank loans and interest bearing borrowings.

17. Other financial assets

in thousands of EUR	**31 December 2018**	**31 December 2017**
Equity securities measured at fair value through other comprehensive income (IFRS 9)	499	-
Mutual funds measured at fair value through the profit or loss	418	430
Other financial assets valuated by fair value through the profit or loss	126	34
Securities available for sale (IAS 39)	-	498
Total	**1 043**	**962**

The administrator of the mutual funds is Raiffeisenlandesbank Niederösterreich-Wien AG.

Equity securities measured through the other comprehensive income are recognized at acquisition costs which represent the best estimate of their fair value.

17. Other financial instruments (continued)

Fair value hierarchy

Determining fair value of financial assets carried at fair value through profit or loss is as follows:

in thousands of EUR	31 December 2018	31 December 2017
Level 1	418	464
Level 2	625	498
Total	**1 043**	**962**

18. Programme rights and internal programme rights

Year ended 31 December 2018:

in thousands of EUR

	Programme rights	Internal programme rights	Total
Acquisition cost			
Balance as at 1 January 2018	**17 360**	**35 309**	**52 669**
Additions	13 933	37 524	**51 457**
Utilisation	(13 982)	(30 291)	**(44 273)**
Written off	(1)	(3 832)	**(3 833)**
Changes due to translation differences	(3)	-	**(3)**
Balance as at 31 December 2018	**17 307**	**38 710**	**56 017**
Impairment allowance			
Balance as at 1 January 2018	**-**	**(1 989)**	**(1 989)**
Creation	-	(796)	**(796)**
Release	-	613	**613**
Utilisation	-	332	**332**
Balance as at 31 December 2018	**-**	**(1 840)**	**(1 840)**
Carrying value			
Balance as at 1 January 2018	**17 360**	**33 320**	**50 680**
Balance as at 31 December 2018	**17 307**	**36 870**	**54 177**

For the year ended 31 December 2018, the main increase in internal programme rights was represented by series (For the year ended 31 December 2017: series).

18. Programme rights and accrued internal programme rights (continued)

Year ended 31 December 2017:

in thousands of EUR

	Programme rights	Internal programme rights	Total
Acquisition cost			
Balance as at 1 January 2017	**16 059**	**34 738**	**50 797**
Additions	15 281	29 936	**45 217**
Utilisation	(13 994)	(25 451)	**(39 445)**
Written off	(18)	(3 914)	**(3 932)**
Changes due to translation differences	32	-	**32**
Balance as at 31 December 2017	**17 360**	**35 309**	**52 669**
Impairment allowance			
Balance as at 1 January 2017	**-**	**(2 941)**	**(2 941)**
Utilisation	-	952	**952**
Balance as at 31 December 2017	**-**	**(1 989)**	**(1 989)**
Carrying value			
Balance as at 1 January 2017	**16 059**	**31 797**	**47 856**
Balance as at 31 December 2017	**17 360**	**33 320**	**50 680**

in thousands of EUR	31 December 2018	31 December 2017
Valid programme rights or those becoming valid within 1 year after the balance sheet date	15 140	15 610
Current programme rights	**15 140**	**15 610**
Programme rights becoming valid more than 1 year after the balance sheet date	329	395
Programme rights becoming valid more than 2 years after the balance sheet date	1 838	1 355
Non-current programme rights	**2 167**	**1 750**
Total	**17 307**	**17 360**

The Group has no programme rights or internal programme rights carried at a value exceeding net realisable value, as management expects that income from broadcasted advertisements will exceed the value of programme rights and internal programme rights presented in the consolidated statement of financial position.

19. Trade and other receivables

in thousands of EUR	31 December 2018	31 December 2017
Trade receivables	30 585	30 008
Other receivables	2 589	1 349
Receivables subtotal	**33 174**	**31 357**
Impairment allowance to receivables – Level 3	(1 809)	(1 854)
Total	**31 365**	**29 503**

Changes in impairment allowance during the period:

in thousands of EUR	Year ended 31 December 2018	Year ended 31 December 2017
Balance as at 1 January	**1 854**	**2 260**
Creation	648	752
Use	(504)	(163)
Release	(182)	(1 072)
Disposal at the sale of the company	-	(3)
Changes due to translation differences	(7)	80
Balance as at 31 December	**1 809**	**1 854**

Impairment provisions to receivables reflect customers' credit rating and their ability to pay their liabilities.

20. Loans granted

in thousands of EUR	31 December 2018	31 December 2017
Loans granted	3 961	26 211
Impairment allowance – level 3	(507)	(497)
Total	**3 454**	**25 714**

See also Note 31 – Risk management information.

Changes in impairment allowance during the period:

in thousands of EUR	Year ended 31 December 2018	Year ended 31 December 2017
Balance as at 1 January	**497**	**40**
Creation	9	454
Changes due to translation differences	1	3
Balance as at 31 December	**507**	**497**

21. Other assets

in thousands of EUR	**31 December 2018**	**31 December 2017**
Advances paid	2 282	2 017
Prepaid expenses	1 784	1 881
Inventory	696	865
Tax receivables	631	531
Receivables from employees and institutions of social security	72	66
Total	**5 465**	**5 360**

22. Cash and cash equivalents

in thousands of EUR	**31 December 2018**	**31 December 2017**
Bank accounts	15 220	17 450
Cash in hand	95	90
Stamps and vouchers	26	32
Total	**15 341**	**17 572**

23. Assets held for sale

The detail structure of the assets held for sale as at 31 December 2018 is as follows:

in thousands of EUR *Segment*	**RTD d.o.o. Zadar** *Media Croatia*
Assets	
Goodwill	372
Property, plant and equipment	9
Trade and other receivables	167
Other assets	2
Cash and cash equivalents	16
Total assets	**566**
Liabilities	
Trade and other financial liabilities	36
Other liabilities	34
Total liabilities	**70**

23. Assets held for sale (continued)

The detail structure of the assets held for sale is as at 31 December 2017 as follows:

in thousands of EUR	**RTD d.o.o. Zadar**	**BigMedia, spol. s r.o.**	**Total**
Segment	*Media Croatia*	*Media Czech Republic*	
Assets			
Goodwill	370	-	**370**
Property, plant and equipment	9	119	**128**
Other financial instruments	1	-	**1**
Trade and other receivables	161	-	**161**
Cash and cash equivalents	29	-	**29**
Total assets	**570**	**119**	**689**
Liabilities			
Trade and other financial liabilities	20	-	**20**
Other liabilities	33	-	**33**
Deferred tax liability	49	-	**49**
Total liabilities	**102**	**-**	**102**

As at 31 December 2017, Property, plant and equipment in the amount of EUR 119 thousand in the company BigMedia, spol. s r.o. represents a flat held for sale. As at 31 December 2018, a change of purpose has been made and the flat is presented within investment property in the statement of financial position.

The company RTD d.o.o. is expected to be sold by the end of the year 2019. Group's management actively seeks a buyer and collects price offers.

24. Equity

Share capital

As at 31 December 2018 and 31 December 2017, the Company's share capital equals EUR 25 thousand. Share capital as at 31 December 2018 and 31 December 2017 constituted of 1 000 common shares in a nominal value of EUR 25 per share.

The shareholder is entitled to dividends and is entitled to cast his vote during general meetings of the Company, 1 vote per share. Share capital is fully paid up.

Other funds

Other funds include legal reserve fund in the amount of EUR 515 thousand, other capital funds in the amount of EUR 59 337 thousand, fund from foreign currencies translations differences in the amount of EUR (487) thousand and revaluation fund in the amount of EUR (20) thousand (as at 31 December 2017: legal reserve fund of EUR 310 thousand, other capital funds of EUR 59 337 thousand and fund from foreign currency translation of EUR (410) thousand).

The Company is obliged, according to the Slovak legal regulations, to create a legal reserve fund at a minimum of 10% of net profit and at least up to 20% of the share capital (cumulatively). The legal reserve fund can only be used to cover the Company's losses and cannot be paid out as dividends. The calculation of the reserve fund is carried out in line with legal requirements.

24. Equity (continued)

Non-controlling interests

The following subsidiaries have non-controlling interests that are significant to the Group:

	Place of business	Ownership interest attributable to non-controlling share	
		31 December 2018	31 December 2017
		%	%
BigBoard Praha, a.s.	Czech Republic	40	40
Czech Outdoor s.r.o.	Czech Republic	40	40
outdoor akzent s.r.o.	Czech Republic	40	40

Summary financial information of subsidiaries before elimination of intra-group relations for the year ended 31 December 2018 are shown in the table below:

Year ended 31 December 2018

in thousands of EUR	BigBoard Praha, a.s.	Czech Outdoor s.r.o.	outdoor akzent s.r.o.
Revenue (100%)	14 912	11 319	11 644
Profit / (loss) for period (100%)	(1 697)	(955)	1 920
Other comprehensive income (100%)	77	(59)	(89)
Comprehensive income for period (100%)	**(1 620)**	**(1 014)**	**1 831**
Profit / (loss) for the period attributable to non-controlling interests	(679)	(382)	768
Comprehensive income for period attributable to non-controlling interests	(648)	(406)	732

31 December 2018

in thousands of EUR	BigBoard Praha, a.s.	Czech Outdoor s.r.o.	outdoor akzent s.r.o.
Non-current assets	49 332	18 117	661
Current assets	5 451	9 492	9 904
Non-current liabilities	(50 513)	(15 831)	(3 435)
Current liabilities	(13 431)	(4 326)	(2 463)
Net assets / (liabilities) (100%)	**(9 161)**	**7 452**	**4 667**
Net assets / (liabilities) attributable to non-controlling interests	(3 664)	2 981	1 867

24. Equity (continued)

Year ended 31 December 2018

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Cash flows from / (used in) operating activities	(535)	1 096	464
Cash flows used in investing activities	(159)	(965)	(193)
Cash flows from / (used in) financing activities	745	(156)	-
Increase / (decrease) in cash and cash equivalents	**51**	**(25)**	**271**

Summary financial information of subsidiaries before elimination of intra-group relations for the year ended 31 December 2017 are shown in the table below:

Year ended 31 December 2017

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Revenue (100%)	14 917	14 223	11 078
Profit / (loss) for period (100%)	(13)	(35)	2 097
Other comprehensive income (100%)	(585)	467	572
Comprehensive income for period (100%)	**(598)**	**432**	**2 669**
Profit / (loss) for the period attributable to non-controlling interests	(5)	(14)	839
Comprehensive income for period attributable to non-controlling interests	(239)	173	1 068

31 December 2017

in thousands of EUR	**BigBoard Praha, a.s.**	**Czech Outdoor s.r.o.**	**outdoor akzent s.r.o.**
Non-current assets	48 005	18 959	1 471
Current assets	7 093	9 927	7 086
Non-current liabilities	(52 399)	(16 025)	(1 561)
Current liabilities	(13 951)	(4 394)	(4 159)
Net assets / (liabilities) (100%)	**(11 252)**	**8 467**	**2 837**
Net assets / (liabilities) attributable to non-controlling interests	(4 501)	3 387	1 135

24. Equity (continued)

Year ended 31 December 2017

in thousands of EUR	BigBoard Praha, a.s.	Czech Outdoor s.r.o.	outdoor akzent s.r.o.
Cash flows from operating activities	763	675	1 004
Cash flows from / (used in) investing activities	1 120	(917)	(479)
Cash flows used in financing activities	(2 596)	-	(760)
Decrease in cash and cash equivalents	**(713)**	**(242)**	**(235)**
Dividends paid to non-controlling interests	**-**	**-**	**(296)**

Effect on acquisition of ownership interest without a loss of control as at 31 December 2018

in thousands of EUR	
Carrying amount of non-controlling interest acquired	95
Acquisition cost of non-controlling interest	(12)
Change of equity attributable to shareholders of the company	**83**

Effect on disposal of ownership interest without a loss of control as at 31 December 2018

in thousands of EUR	
Carrying amount of non-controlling interest disposed	(16)
Sale price	2
Change of equity attributable to shareholders of the company	**(14)**

Effect on acquisition of ownership interest without a loss of control as at 31 December 2017

in thousands of EUR	
Carrying amount of non-controlling interest acquired	523
Acquisition cost of non-controlling interest	(568)
Change of equity attributable to shareholders of the company	**(45)**

24. Equity (continued)

Effect on disposal of ownership interest without a loss of control as at 31 December 2017

in thousands of EUR

Carrying amount of non-controlling interest disposed	580
Sale price	-
Change of equity attributable to shareholders of the company	**580**
Share premium attributable to non-controlling interest	**383**

25. Bank loans and interest bearing borrowings

in thousands of EUR	31 December 2018	31 December 2017
Bank loans – bearing fixed interest rates	97	973
Bank loans – bearing variable interest rates	68 539	85 519
Borrowings – bearing fixed interest rates	11 863	12 266
Borrowings – bearing variable interest rates	8 525	490
Total	**89 024**	**99 248**

The average interest rate of bank loans and interest bearing borrowings as at 31 December 2018 equalled to 4.05% (as at 31 December 2017: 4.03%).

As at 31 December 2018, the Group drew loans from several banking institutions. Some loans have contractually defined amount of financial covenants that the Group is obligated to fulfil.

As at 31 December 2018, the Group breached one financial covenant. Before the year end, the Group received a waiver from the bank stated that the bank waives early loan repayment. As at 31 December 2018, the Group recognizes the liability within non-current liabilities.

The financial leasing contract relating to a building also has defined covenants. The Group as at 31 December 2018 breached the covenants as defined in the contract on financial leasing and the financial leasing has become payable on demand. Therefore, the Group presented the liability as current as at 31 December 2018. Concurrently, the Group does not expect that the leasing company will demand early repayment of the finance lease.

The Group provided guarantees for received bank loans, interest bearing borrowings and finance leasing:

in thousands of EUR	31 December 2018	31 December 2017
Internal programme rights	36 870	33 320
Programme rights	17 307	17 360
Trade and other receivables	2 360	8 334
Property, plant and equipment	3 183	3 641
Other guarantees	250	250
Total	**59 970**	**62 905**

25. Bank loans and interest bearing borrowings (continued)

Property, plant and equipment represents leased property used for securing the finance leasing in the amount of EUR 2 945 thousand (as at 31 December 2017: EUR 3 436 thousand).

Finance lease liabilities

Finance lease liabilities as at 31 December 2018 were as follows:

in thousands of EUR	**Payments**	**Interest**	**Principal**
Less than 3 months	891	61	830
3 months to 1 year	625	31	594
1 to 5 years	1 017	35	982
Total	**2 533**	**127**	**2 406**

Finance lease liabilities as at 31 December 2017 were as follows:

in thousands of EUR	**Payments**	**Interest**	**Principal**
Less than 3 months	682	42	640
3 months to 1 year	433	28	405
1 to 5 years	915	25	890
Total	**2 030**	**95**	**1 935**

25. Bank loans and interest bearing borrowings (continued)

Reconciliation of the movements of liabilities to cash flows from financing activities:

in thousands of EUR	Bank Overdrafts	Bank loans and interest bearing borrowings	Issued bonds	Trade payables, other financial liabilities and other payables	NCI	Total
Balance as at 1 January 2018	**24 508**	**74 740**	**139 419**	**62 471**	**2 390**	**303 528**
Initial application of IFRS 9	-	-	(3 712)	-	1 484	(2 228)
Balance as at 1 January 2018 - adjusted	**24 508**	**74 740**	**135 707**	**62 471**	**3 874**	**301 300**
Changes in cash flows from financing activities						
Repayments of loans	-	(5 639)	-	-	-	(5 639)
Drawings of loans	-	87	-	-	-	87
Issued bonds	-	-	35 000	-	-	35 000
Repurchase of own bonds	-	-	(1 000)	-	-	(1 000)
Repayments of bonds and fees related to bond issuance	-	-	(51 280)	-	-	(51 280)
Finance lease repayments	-	(600)	-	-	-	(600)
Dividends paid to non-controlling interests	-	-	-	10	(28)	(18)
Total changes in cash flows from financing activities	**-**	**(6 152)**	**(17 280)**	**10**	**(28)**	**(23 450)**
Other changes						
Interest expenses	595	2 981	9 424	238	-	13 238
Unrealized exchanged gains / (losses), net	-	10	(290)	(64)	(34)	(378)
Interest paid	(627)	(2 690)	(6 361)	-	-	(9 678)
Acquisition of property, plant and equipment through financial lease	-	1 075	-	-	-	1 075
Increase in trade payables, other financial liabilities and other payables	-	-	-	5 770	-	5 770
Increase in overdraft in the period	(5 492)	-	-	-	-	(5 492)
Changes resulting from acquisitions of subsidiaries and associates and changes in ownership without change of control	-	76	-	15	(80)	11
Other changes	-	-	-	(109)	(513)	(622)
Total of other changes	**(5 524)**	**1 452**	**2 773**	**5 850**	**(627)**	**3 924**
Balance as at 31 December 2018 including assets held for sale	**18 984**	**70 040**	**121 200**	**68 331**	**3 219**	**281 774**
Of which included in assetes held for sale	-	-	-	70	-	70
Balance as at 31 December 2018	**18 984**	**70 040**	**121 200**	**68 261**	**3 219**	**281 704**

25. Bank loans and interest bearing borrowings (continued)

in thousands of EUR	Bank Overdrafts	Bank loans and interest bearing borrowings	Issued bonds	Equity attributable to holders of controlling interest	NCI	Total
Balance as at 1 January 2017	**21 981**	**86 363**	**130 196**	**31 467**	**1 256**	**271 263**
Changes in cash flows from financing activities						
Repayments of loans	-	(14 906)	-	-	-	(14 906)
Drawings of loans	-	3 061	-	-	-	3 061
Sale of own bonds	-	-	4 137	-	-	4 137
Finance lease payments	-	(627)	-	-	-	(627)
Increase in other capital funds	-	-	-	7 407	393	7 800
Dividends paid to non-controlling interests	-	-	-	-	(94)	(94)
Total changes in cash flows from financing activities	**-**	**(12 472)**	**4 137**	**7 407**	**299**	**(629)**
Other changes						
Interest expenses	755	3 495	8 455	-	-	12 705
Unrealized exchanged gains, net	-	517	2 774	534	232	4 057
Interest paid	(765)	(3 120)	(6 143)	-	-	(10 028)
Acquisition of property, plant and equipment through financial lease	-	480	-	-	-	480
Non-monetary transactions	-	(703)	-	-	-	(703)
Increase in overdraft in period	2 537	-	-	-	-	2 537
Changes resulting from acquisitions of subsidiaries and associates and changes in ownership without change of control	-	180	-	535	(815)	(100)
Loss for the period	-	-	-	(3 364)	1 418	(1 946)
Total of other changes	**2 527**	**849**	**5 086**	**(2 295)**	**835**	**7 002**
Balance as at 31 December 2017	**24 508**	**74 740**	**139 419**	**36 579**	**2 390**	**277 636**

26. Issued bonds

The Company has the following bonds in issue:

in thousands of EUR	ISIN	Issued	Due date	Original currency of the issue	Nominal value of the issue in original currency	Effective interest rate in %	Carrying value as at 31 December 2018	Carrying value as at 31 December 2017
Type								
Payable to bearer	CZ0003502312	28.11.2012	28.11.2022	CZK	730 000	7.66	25 639	28 603
Payable to bearer	CZ0003503153	5.12.2012	5.12.2024	CZK	545 041	9.53	20 833	21 269
Payable to bearer	SK4120009382	15.8.2013	15.8.2018	EUR	50 280	6.62	-	51 371
Payable to bearer	SK4120011222	7.12.2015	7.12.2021	EUR	48 500	6.36	40 522	38 176
Payable to bearer	SK4120014390	7.8.2018	7.8.2023	EUR	34 000	5.99	34 206	-
							121 200	**139 419**

The issued bonds in the amount of EUR 1 377 thousand presented as current liabilities in the Consolidated statement of financial position of the Group represent unpaid accrued interest.

Bonds ISIN CZ0003502312 are bearing fixed interest that is payable semi-annually. Interest expense for the year ended 31 December 2018 is in the amount EUR 1 891 thousand (for the year ended 31 December 2017 in the amount of EUR 1 268 thousand).

Based on the meeting of bondholders held on 17 October 2016, it was agreed that the maturity of bonds will be prolonged to 28 November 2022 and the nominal interest rate will be reduced from 7% p.a. to 4.5% p.a., in both cases with effect from 28 November 2016. The Group decided to permit earlier application of amendments to IFRS 9: Prepayment features with negative compensation and modification of financial liabilities. As at 1 January 2018, the modification had the following impact on the presentation of bonds ISIN CZ0003502312: change in effective interest rate from 4,63% to 7,66% and decrease in liabilities relating to bonds issued by EUR 3 371 thousand.

Bonds ISIN CZ0003503153 are bearing fixed interest that is payable annually. Interest expense for the year ended 31 December 2018 is in the amount of EUR 1 973 thousand (for the year ended 31 December 2017 in the amount of EUR 1 893 thousand).

Based on the Board meeting held on 30 October 2016, it was agreed that the maturity of bonds will be prolonged to 5 December 2024. The Group decided to permit earlier application of amendments to IFRS 9 Prepayment features with negative compensation and modification of financial liabilities. As at 1 January 2018, the modification had the following impact on the presentation of bonds ISIN CZ0003503153: change in effective interest rate from 9,37% to 9,53% and decrease in liabilities relating to bonds issued by EUR 341 thousand.

Bonds in the nominal value in the amount of CZK 100 000 thousand (EUR 3 887 thousand) were purchased back by the Group on 12 August 2013 and are still held by the Group as at 31 December 2018. These bonds were not issued for the purposes of a public offering.

Bonds ISIN SK4120009382 are bearing fixed interest that is payable annually. Interest expense for the year ended 31 December 2018 is in the amount of EUR 2 029 thousand (for the year ended 31 December 2017 in the amount of EUR 3 079 thousand).

26. Issued bonds (continued)

Bonds in the nominal value of EUR 12 970 thousand were purchased back by the Group on 25 August 2015. Additional bonds in the nominal value of EUR 1 500 thousand were purchased back by the Group on 9 December 2015.

For the year ended 31 December 2016, the Group sold own bonds as follows: on 20 April 2016 in the nominal value of EUR 6 000 thousand, on 24 May 2016 in the nominal value of EUR 500 thousand and on 25 July 2016 in the nominal value EUR 1 100 thousand.

For the year ended 31 December 2017, the Group sold own bonds in the nominal value of EUR 2 150 thousand.

On 15 August 2018, the whole issue has been fully repaid.

Bonds SK4120011222 are zero coupon bonds. Interest expense for the year ended 31 December 2018 is in the amount of EUR 2 427 thousand (for the year ended 31 December 2017: EUR 2 215 thousand).

Bonds in the nominal value of EUR 2 812 thousand were purchased back by the Group on 9 December 2015 for EUR 1 982 thousand.

On 12 April 2016, the Group sold own bonds in the nominal value of EUR 345 thousand.

For the year ended 31 December 2017, the Group sold own bonds in the nominal value of EUR 2 467 thousand.

As at 31 December 2018, the Group didn’t own any bonds from this issue.

On 7 August 2018, the Group issued bonds ISIN SK4120014390 in the nominal value of EUR 35 000 thousand. Bonds in the amount of EUR 1 000 thousand were repurchased by the Group and are held as own bonds as at 31 December 2018.

Bonds are bearing fixed interest that is payable annually. Interest expense for the year ended 31 December 2018 is in the amount of EUR 1 104 thousand.

27. Deferred tax asset / (liability)

The following items gave rise to a deferred tax asset / (liability):

in thousands of EUR	**Receivables 31 December 2018**	**Liabilities 31 December 2018**	**Total 31 December 2018**
Temporary differences related to:			
Property, plant and equipment	23	(11 811)	(11 788)
Intangible assets	-	(27 743)	(27 743)
Provisions	303	(1)	302
Unpaid interest	-	(172)	(172)
Tax losses	9 191	-	9 191
Other	1 057	(7)	1 050
Netting	*(9 824)*	*9 824*	-
Total	**750**	**(29 910)**	**(29 160)**

27. Deferred tax asset / (liability) (continued)

in thousands of EUR	**Receivables 31 December 2017**	**Liabilities 31 December 2017**	**Total 31 December 2017**
Temporary differences related to:			
Property, plant and equipment	9	(12 872)	(12 863)
Intangible assets	-	(29 483)	(29 483)
Provisions	610	-	610
Unpaid interest	-	(205)	(205)
Tax losses	10 459	-	10 459
Other	1 190	(18)	1 172
Netting	*(11 323)*	*11 323*	-
Total	**945**	**(31 255)**	**(30 310)**

Deferred tax asset from losses carried forward is recognized only to the extent that is probable that a taxable profit will be available against which this amount can be utilized.

Deferred tax asset arising from the following items was not recognized (tax base):

in thousands of EUR	**31 December 2018**	**31 December 2017**
Tax losses	62 100	58 434
Total	**62 100**	**58 434**

Expected periods for expiration of tax losses utilization:

in thousands of EUR	**2019**	**2020**	**2021**	**2022**	**After 2022**
Tax losses	5 049	5 288	3 601	1 280	83 841

Tax losses incurred in Slovakia can be utilized on a straight-line basis no more than 4 consecutive years equally, the maximum time period for tax losses utilization in the Czech Republic and in Croatia is 5 years. In Austria, tax losses utilization is not limited by time.

28. Provisions

Year ended 31 December 2018:

in thousands of EUR	**Asset retirement obligation provision**	**Employee benefits**	**Fines from RpVaR[1] and lawsuits**	**Other provisions**	**Provisions total**
Balance as at 1 January	**1 690**	**1 180**	**676**	**634**	**4 180**
Creation	9	781	194	423	**1 407**
Utilisation	(666)	(143)	(82)	(426)	**(1 317)**
Release	(741)	(709)	(147)	(165)	**(1 762)**
Changes due to translation differences	(7)	1	-	-	**(6)**
Balance as at 31 December	**285**	**1 110**	**641**	**466**	**2 502**

Current	1 367
Non-current	1 135
Total	**2 502**

Year ended 31 December 2017:

in thousands of EUR	**Asset retirement obligation provision**	**Employee benefits**	**Fines from RpVaR[1] and lawsuits**	**Other provisions**	**Provisions total**
Balance as at 1 January	**128**	**1 233**	**823**	**680**	**2 864**
Creation	1 323	-	247	417	**1 987**
Utilisation	(81)	(59)	(189)	(445)	**(774)**
Release	-	-	(210)	(18)	**(228)**
Changes due to translation differences	46	6	5	-	**57**
Changes of consolidation method	274	-	-	-	**274**
Balance as at 31 December	**1 690**	**1 180**	**676**	**634**	**4 180**

Current	2 407
Non-current	1 773
Total	**4 180**

[1]RpVaR – Council for Broadcasting and Retransmission

29. Trade liabilities and other financial liabilities

in thousands of EUR	31 December 2018	31 December 2017
Trade liabilities	45 444	48 702
Liabilities from reimbursements	9 405	-
Accrued expenses	3 255	3 450
Other financial liabilities	1 455	1 704
Total	**59 559**	**53 856**

Liabilities from reimbursements represent volume discounts provided in connection with the contracts with customers.

Application of IFRS 15 Revenue from Contracts with Customers affects disclosure requirements as follows:

in thousands of EUR	31 December 2018	Reclassification	31 December 2018 without application of IFRS 15
Trade liabilities	45 444	9 405	54 849
Liabilities from reimbursements	9 405	(9 405)	-
Accrued expenses	3 255	-	3 255
Other financial liabilities	1 455	-	1 455
	59 559	**-**	**59 559**

Structure of liabilities according to their due dates is shown in the following table:

in thousands of EUR	31 December 2018	31 December 2017
Overdue liabilities	9 345	8 700
Liabilities within due date	50 214	45 156
	59 559	**53 856**

Almost one half of the overdue liabilities as at 31 December 2018 were paid by the date of the financial statements' preparation. Group expects that the remaining amount of the overdue liabilities will be paid by the end of the year 2019.

30. Other liabilities

in thousands of EUR	31 December 2018	31 December 2017
Liabilities towards employees and institutions of social security	3 869	4 897
Other tax liabilities	2 931	2 666
Contract liabilities	1 880	-
Deferred revenue	22	780
Advance payments received	-	219
Total	**8 702**	**8 562**

30. Other liabilities (continued)

The liabilities towards employees and institutions include a social fund liability in the amount EUR 112 thousand as at 31 December 2018 (as at 31 December 2017: EUR 110 thousand).

As at 1 January 2018, the opening balance of contract liabilities amounted to EUR 979 thousand. For the year ended 31 December 2018, EUR 657 thousand of this amount was recognized as revenue in the current accounting period.

The majority of contract liabilities relates to advance payments made by customers of the Group. The Group expects that the whole amount of contract liabilities will be recognized in revenues in the following accounting period.

Application of IFRS 15 Revenue from Contracts with Customers affects disclosure requirements as follows:

in thousands of EUR	**31 December 2018**	**Reclassification**	**31 December 2018 without application of IFRS 15**
Liabilities towards employees and institutions of social security	3 869	-	3 869
Other tax liabilities	2 931	-	2 931
Contract liabilities	1 880	(1 880)	-
Deferred revenue	22	743	765
Advance payments received	-	1 137	1 137
Total	**8 702**	**-**	**8 702**

31. Risk management information

This section provides details on the financial risks to which the Group is exposed to and the methods of their management. The most important types of financial risks to which the Group is exposed are credit risk, liquidity risk, market risk and operational risk. Market risk represents mainly interest rate risk and currency risk.

Liquidity risk

Liquidity risk is formed during financing the ordinary activities of the Group, concurrently with the ability to meet its obligations when due, and during management of financial positions. It poses a risk of failure to fund assets in adequate due date and interest rate and a risk of failure to realize assets for an appropriate price within a reasonable time period.

Individual companies in the Group use different methods for managing liquidity risk. The Group's management focuses on monitoring and managing liquidity of each individual company.

The following table presents an analysis of financial assets and liabilities of the Group presented according to the remaining contractual maturity of financial assets and liabilities as at balance sheet date. The presented amounts also include estimated payments of interest and represent contractual undiscounted cash flows.

The maturity of financial assets and liabilities as at 31 December 2018 is as follows:

in thousands of EUR	**Carrying amount**	***Undis-counted cash flows***	**Up to 3 months**	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**
Assets						
Cash and cash equivalents	15 341	15 341	15 341	-	-	-
Trade and other receivables	31 365	31 365	31 047	7	220	91
Other financial assets	1 043	1 043	917	126	-	-
Loans granted	3 454	3 678	-	2 103	1 470	105
	51 203	**51 427**	**47 305**	**2 236**	**1 690**	**196**
Liabilities						
Bank loans and interest bearing borrowings	(89 024)	(105 464)	(19 918)	(7 712)	(44 950)	(32 884)
Trade and other financial liabilities	(59 559)	(59 559)	(39 077)	(18 412)	(2 070)	-
Issued bonds	(121 200)	(158 062)	-	(5 422)	(129 545)	(23 095)
	(269 783)	**(323 085)**	**(58 995)**	**(31 546)**	**(176 565)**	**(55 979)**

The differences between the current financial assets and liabilities are balanced by the Group as follows:

- The Group has several not fully drawn loans, which can be utilized when needed. Current financial needs are satisfied through overdraft facilities and undrawn credit lines.
  As at 31 December 2018, the Group had EUR 12 863 thousand (as at 31 December 2017: EUR 1 371 thousand) of undrawn credit facilities.

31. Risk management information (continued)

- The Group at the same time drew overdraft facilities in the amount of EUR 18 984 thousand as at 31 December 2018 (as at 31 December 2017: EUR 24 508 thousand). These loans are granted for one year period and are regularly prolonged. Based on past experience, the Group's management expects that the maturity of these loans will be extended for another year and therefore will not result during 2019 in a cash outflow equaling to the amount of drawn balances of overdrafts as at 31 December 2018.
- As at 31 December 2018, the Group presents as current assets acquired programme rights and internal programme rights amounting to EUR 47 488 thousand (as at 31 December 2017: EUR 42 955 thousands). Utilizing programme rights and internal programme rights, the Group will gain cash inflows, during 2019 and ongoing periods depending on license agreements.

The maturity of financial assets and liabilities as at 31 December 2017 is as follows:

in thousands of EUR	**Carrying amount**	***Undis-counted cash flows***	**Up to 3 months**	**3 months to 1 year**	**1 year to 5 years**	**Over 5 years**
Assets						
Cash and cash equivalents	17 572	*17 572*	17 572	-	-	-
Trade and other receivables	29 503	*29 503*	28 794	412	210	87
Other financial assets	962	*962*	962	-	-	-
Loans granted	25 714	*27 072*	280	24 131	2 661	-
	73 751	***75 109***	**47 608**	**24 543**	**2 871**	**87**
Liabilities						
Bank loans and interest bearing borrowings	(99 248)	*(119 980)*	(8 751)	(26 626)	(47 918)	(36 685)
Trade and other financial liabilities	(53 856)	*(53 856)*	(45 605)	(7 227)	(1 024)	-
Issued bonds	(139 419)	*(171 668)*	-	(56 563)	(89 918)	(25 187)
	(292 523)	***(345 504)***	**(54 356)**	**(90 416)**	**(138 860)**	**(61 872)**

Credit risk

The Group is facing this risk especially with trade receivables, other receivables and granted loans. The exposure to this risk is expressed by the carrying amount of these assets in the consolidated statement of financial position. The carrying amount of receivables and granted loans represent the maximum possible loss that would have to be recorded should the counterparty fail to meet its contractual obligations and all guarantees would have a zero value. The carrying amount thus substantially exceeds the expected losses expressed by impairment allowance.

The Company has not accepted any guarantees for its receivables.

31. Risk management information (continued)

Credit risk exposure by sector as at 31 December 2018 is as follows:

in thousands of EUR	**Corporations**	**Banks and financial institutions**	**Other**	**Total**
Assets				
Cash and cash equivalents	-	15 220	121	**15 341**
Trade and other receivables	31 144	102	119	**31 365**
Other financial assets	625	418	-	**1 043**
Loans granted	3 422	-	32	**3 454**
	35 191	**15 740**	**272**	**51 203**

Credit risk exposure by sector as at 31 December 2017 is as follows:

in thousands of EUR	**Corporations**	**Banks and financial institutions**	**Other**	**Total**
Assets				
Cash and cash equivalents	-	17 450	122	**17 572**
Trade and other receivables	29 250	107	146	**29 503**
Other financial assets	532	430	-	**962**
Loans granted	23 862	1 771	81	**25 714**
	53 644	**19 758**	**349**	**73 751**

As at 31 December 2018, the average interest rate on provided loans was 6.34% (as at 31 December 2017: 5.38%).

As at 31 December 2018, loans granted include two significant loans that represents 33% of the total loans provided (as at 31 December 2017: one major loan represented 83% of total loans provided).

The most significant loan in the total amount of EUR 21 398 thousand was provided to one related party as at 31 December 2017. This loan was fully repaid during 2018.

Credit risk exposure by country as at 31 December 2018 is as follows:

in thousands of EUR	**Slovakia**	**Czech Republic**	**Austria**	**Cyprus**	**Other**	**Total**
Assets						
Cash and cash equivalents	4 268	4 320	6 722	-	31	**15 341**
Trade and other receivables	16 177	12 060	945	-	2 183	**31 365**
Other financial assets	33	587	418	-	5	**1 043**
Loans granted	2 701	753	-	-	-	**3 454**
	23 179	**17 720**	**8 085**	**-**	**2 219**	**51 203**

31. Risk management information (continued)

Credit risk exposure by country as at 31 December 2017 is as follows:

in thousands of EUR	Slovakia	Czech Republic	Austria	Cyprus	Other	Total
Assets						
Cash and cash equivalents	4 393	5 829	7 274	-	76	**17 572**
Trade and other receivables	15 907	10 937	740	-	1 919	**29 503**
Other financial assets	34	464	430	-	34	**962**
Loans granted	1 887	651	-	21 398	1 778	**25 714**
	22 221	**17 881**	**8 444**	**21 398**	**3 807**	**73 751**

Credit risk exposure – impairment of financial assets

Trade and other receivables

in thousands of EUR	**31 December 2018**				**31 December 2017**			
	Nominal value	**%**	**Impairment provision**	**Carrying value**	**Nominal value**	**%**	**Impairment provision**	**Carrying value**
Due maturity	21 827	66	(450)	21 377	21 102	67	(72)	21 030
Overdue 1-30 days	5 057	15	-	5 057	3 001	10	(7)	2 994
Overdue 31-180 days	3 749	11	(2)	3 747	4 412	14	(81)	4 331
Overdue 181-365 days	855	3	(221)	634	539	2	(237)	302
Overdue more than 365 days	1 686	5	(1 136)	550	2 303	7	(1 457)	846
	33 174	**100**	**(1 809)**	**31 365**	**31 357**	**100**	**(1 854)**	**29 503**

Loans granted

in thousands of EUR	**31 December 2018**				**31 December 2017**			
	Nominal value	**%**	**Impairment provision**	**Carrying value**	**Nominal value**	**%**	**Impairment provision**	**Carrying value**
Due maturity	3 491	88	(37)	3 454	25 743	98	(29)	25 714
Overdue more than 365 days	470	12	(470)	-	468	2	(468)	-
	3 961	**100**	**(507)**	**3 454**	**26 211**	**100**	**(497)**	**25 714**

Management of the Group assessed possible loss from financial assets according to IFRS 9. Based on the assessment, management of the Group concluded that IFRS 9 does not have a significant impact on the revaluation of financial assets. Therefore, the Group did not record any impact of IFRS 9 on financial assets as at 31 December 2018.

31. Risk management information (continued)

Currency risk

The Group is exposed to currency risk especially in relation to USD and CZK. Long term contracts for purchasing programme rights are mostly denominated in USD that is why the Group manages the currency risk by forward contracts. Currency risk to CZK results mostly from interest-bearing borrowings denominated in CZK.

The following table provides an analysis of only those items of financial assets and liabilities of the Group that are denominated in a currency other than the functional currency of the individual Group companies.

Currency risk exposure as at 31 December 2018 is as follows:

in thousands of EUR	**EUR**	**CZK**	**USD**
Assets			
Cash and cash equivalents	440	35	5
Trade and other receivables	145	68	-
Loans granted	50	-	-
	635	**103**	**5**
Liabilities			
Bank loans and interest bearing borrowings	996	8 584	-
Trade and other financial liabilities	22	45	11 207
	1 018	**8 629**	**11 207**

Currency risk exposure as at 31 December 2017 is as follows:

in thousands of EUR	**EUR**	**CZK**	**USD**
Assets			
Cash and cash equivalents	9	54	247
Trade and other receivables	189	53	-
	198	**107**	**247**
Liabilities			
Bank loans and interest bearing borrowings	1 002	8 107	-
Trade and other financial liabilities	152	21	10 624
	1 154	**8 128**	**10 624**

31. Risk management information (continued)

Sensitivity analysis
Strengthening of the euro by 10% against foreign currencies listed below would have the following effect on the portfolio (in the case of a weakening, the opposite effect). This analysis assumes that all other variables, in particular interest rates, remain unchanged.

in thousands of EUR	**Effect on portfolio**
31 December 2018	
CZK	775
USD	1 018
31 December 2017	
CZK	729
USD	943

Interest rate risk
The operations of the Group are exposed to the interest rate fluctuations. The scope of this risk is equal to the amount of interest bearing assets and liabilities, whose interest rate at their maturity or at the moment of an interest rate change varies from the current interest rate. The period during which the financial instrument has set a fixed interest rate reflects the exposure to the risk in changes in interest rates.

Profile of financial instruments
As at 31 December 2018, the interest rate profile of the interest bearing financial instruments of the Group is as follows:

in thousands of EUR	**31 December 2018**	**31 December 2017**
Fixed interest rate		
Assets	7 482	31 447
Bank loans and interest bearing borrowings	(11 960)	(13 239)
Issued bonds	(121 200)	(139 419)
	(125 678)	**(121 211)**
Variable interest rate		
Assets	11 192	11 717
Bank loans and interest bearing borrowings	(77 064)	(86 009)
	(65 872)	**(74 292)**

Sensitivity analysis for instruments with variable interest rates
A change by 100 basis points in interest rates would have the following effect on the portfolio:

in thousands of EUR	**31 December 2018**	**31 December 2017**
A decrease in interest rates by 100 bp	651	734
An increase in interest rates by 100 bp	(651)	(734)

31. Risk management information (continued)

Operational risk

The Group is also exposed to operational risk, such as outage in broadcasting. The Group manages this risk by diversifying transmissions and implementing backup technological solutions for eliminating this risk.

Furthermore, the Group is exposed to a risk that the rental contracts for areas beneath its advertising equipment will not be renewed in the future. This risk is mitigated by diversifying the providers of space for advertising equipment.

Capital management

Management of the Company considers equity as capital for the purposes of the capital management. The aim of the Group in the capital management is to continue as going concern, to provide sufficient return on capital to the shareholders and benefits for other stakeholders. The aim is also to keep optimal structure of capital with the aim of reduction of the financing costs. Management of the Group manages the shareholders' equity recognized in accordance with the International Financial Reporting Standards as adopted by EU as at 31 December 2018 in the amount of EUR 34 100 thousand (as at 31 December 2017: EUR 38 969 thousand).

The Group monitors structure of the capital based on the ratio of the total debt to the total of equity and liabilities. Total debt is calculated as the amount of bank loans, interest rate borrowings and issued bonds (including short term portions as recognized in the Consolidated statement of the financial position).

If necessary, the parent company provides financial support by increasing the equity through other capital funds. During 2018, other capital funds were not increased by the parent company TV JOJ L.P (during 2017, other capital funds were increased by the parent company TV JOJ L.P by EUR 7 800 thousand).

32. Fair value information

The following summary includes information about carrying and fair values of financial assets and liabilities of the Group which are not carried at fair value. The summary does not include financial assets and liabilities where their carrying amount approximates fair value.

	31 December 2018		31 December 2017	
in thousands of EUR	**Carrying amount**	**Fair value Level: 2**	**Carrying amount**	**Fair value Level: 2**
Financial assets				
Loans granted	3 454	3 365	25 714	26 089
Financial liabilities				
Bank loans	68 636	69 973	86 492	88 947
Interest bearing borrowings	20 388	20 172	12 756	12 964
Issued bonds	121 200	123 785	139 419	149 835

The main methods and assumptions used in estimating fair values are discussed in Note 2 - Significant Accounting Policies - accounting policy u).

33. Leasing of assets

Group as a lessee

The Group is leasing cars, administrative and technical premises, advertising space, advertising equipment and land underneath the advertising equipment, which it does not own.

The contracts are usually for an indefinite time period with notice period from 1 to 6 months or for a period from 3 months to 18 years.

For the year ended 31 December 2018, total recurring lease expenses under frame contracts amounted to EUR 25 148 thousand (for the year ended 31 December 2017: EUR 24 384 thousand).

The structure of the future minimum irrevocable lease liabilities as at 31 December 2018 is as follows:

in thousands of EUR	**31 December 2018**	**31 December 2017**
Less than 1 year	16 775	18 508
1 to 5 years	37 189	35 914
More than 5 years	3 044	1 887
Total	**57 008**	**56 309**

34. Contingent liabilities

Many parts of Slovak tax legislation remain untested and there is uncertainty about the interpretation that the tax authorities may apply in a number of areas. The effect of this uncertainty cannot be quantified and will only be resolved as legislative precedents are set or when the official interpretations of the authorities are available.

35. Subsequent events

On 5 April 2019, the Group sold 28% shares of the company eFabrica, a. s. to a third party.

On 12 March 2019, the Group acquired through its subsidiary Slovenská produkčná, a.s. a 100% share in Československá filmová spoločnosť, s.r.o. and a 100% share in its subsidiary CS filmová, s.r.o. The Group did not yet allocate the purchase price to the value of identifiable assets and liabilities in the newly acquired subsidiaries.

On 11 April 2019, the Group acquired through its subsidiary BigBoard Praha, a.s. and 60% share in the company HyperMedia, a.s. and its subsidiaries. The Group did not yet allocate the purchase price to the value of identifiable assets and liabilities in the newly acquired subsidiaries.

36. Other events

Act on land communication

On 1 September 2012, an amendment to the Act on land communication has been adopted in Czech Republic. The amendment significantly restricted establishment and administration of external advertising equipment in protected area of highways and first class roads. Due to the above mentioned amendment, effective from 1 September 2017, the Group dismantled a majority of commercial advertisements in protected area of highways and first class roads.

36. Other events (continued)

Leaving the Group without any source of compensation, the amendment restricts the billboard lease and billboard advertising within the valid period of contract duration. Therefore a group of senators decided to file a constitutional complaint against the amendment. Due to increased media pressure, pressure from authorities and the fact that the constitutional court did not make a decision in the case of this complaint, the Group started to dismantle advertising equipment in December 2017. During 2018, the Group continued to dismantle advertising equipment.

The amendment to the Act on land communication caused that the Group dismantled 1 350 pieces of advertising equipment including billboards, smartboards, bigboards and 1 081 pieces of bridge-boards. It caused an annual decrease in revenues by EUR 3 788 thousand, mainly in the company Czech Outdoor s.r.o. 2018 was the first year the amendment affected economic activities of the Group. In the following years, the Group does not expect an additional decrease in revenues due to the negative impact of the above mentioned amendment, since the majority of advertising equipment was dismantled as at 31 December 2018.

Prague building regulations

On 15 July 2014, the Council of the City of Prague adopted a Regulation no. 1607/2014, which states general requirements for land use and technical requirements for buildings in the capital city Prague (Prague building regulations, PSP), hereinafter referred to as "Regulation". The article 77 and subsequent articles of the Regulation addresses rules for placing of advertising installations and structures for advertising in the capital city of Prague in the built-up areas. This Regulation entered into force on 1 October 2014. Due to formal errors, consisting mainly in the absence of notification of PSP as a technical regulation in the European Union authorities, the validity of the PSP was suspended by the Ministry of Regional Development in January 2015. The Regulation was subsequently redrafted, including the part related to the regulation of advertisement. A new version approved by the Council of the city of Prague by Regulation no. 1839 on 11 August 2015 includes a request for a minimal distance between advertising equipment to be 100 metres. The Group sees the proposed method of regulation as appropriate, as this will improve the quality of public space while maintaining the functionality of outdoor advertising. The Group expects a decrease in the number of its advertising equipment by approximately 12%. The expected economic impact on the Group will be rather neutral to positive, because a restriction in the supply and expected continuing demand will result in an increase in unit prices and in an increase in the profitability of existing advertising equipment units in the capital Prague.

The new version of regulation was sent as a notification to the European Council. In February 2016, the European Council has not approved the Regulation due to the facts that are not related to the regulation of outdoor advertising. On 27 May 2016, the Council of the City of Prague approved new version of regulation no. 10/2016, effective from 1 August 2016. The Group expects that the new version of regulation will not have a significantly negative impact on the Group in the following years.

Recently, there have been opinions (mainly from the traffic police and the Ministry of Transport of the Czech Republic), referring to the risk of installation and administration of advertising equipment operating on the basis of LED technology (light billboards with dynamic content) near the roads. This advertising equipment has a greater ability to attract road users compared to the conventional (static) advertising equipment and therefore represents a greater risk to users. The Group currently operates these panels through its subsidiaries outdoor akzent s.r.o. and QEEP, a.s. Removing this advertising equipment would have a negative impact on the Group, resulting in a significant decrease in EBITDA.

37. Group entities

A list of the Group entities as at 31 December 2018 is as follows:

	Country of registration	Company share held	Control	Consolidation method
JOJ Media House, a. s.	Slovakia	100%	direct	Full
Slovenská produkčná, a.s.	Slovakia	94.96%	direct	Full
MAC TV s.r.o.	Slovakia	100%	indirect	Full
TELEPON PLUS, spol. s r.o.	Slovakia	49%	indirect	Equity
PMT, s.r.o.	Slovakia	27%	indirect	Equity
DONEAL, s.r.o.	Czech Republic	100%	indirect	Full
Magical roof s.r.o.	Czech Republic	80%	indirect	Full
Akzent BigBoard, a.s.[5]	Slovakia	100%	direct	Full
BigMedia, spol. s r.o.	Slovakia	100%	indirect	Full
RECAR Bratislava a.s.[7]	Slovakia	70%	indirect	Full
RECAR Slovensko a.s.	Slovakia	100%	indirect	Full
BHB, s.r.o.	Slovakia	51%	indirect	Full
Akcie.sk, s.r.o.	Slovakia	100%	direct	Full
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH	Austria	100%	indirect	Full
R + C Plakatforschung und –kontrolle Gesellschaft mbH	Austria	51%	indirect	Full
Starhouse Media, a. s.	Slovakia	30%	direct	Equity
BigBoard Praha, a.s.	Czech Republic	60%	direct	Full
BigMedia, spol. s r.o.	Czech Republic	100%	indirect	Full
Czech Outdoor s.r.o.[3]	Czech Republic	100%	indirect	Full
Expiria, a.s.	Czech Republic	100%	indirect	Full
RAILREKLAM, spol. s r.o.	Czech Republic	100%	indirect	Full
MG Advertising, s.r.o.	Czech Republic	50%	indirect	Equity
QEEP, a.s.	Czech Republic	100%	indirect	Full
Barrandia s.r.o.[1]	Czech Republic	100%	indirect	Full
Český billboard, s.r.o.	Czech Republic	100%	indirect	Full
outdoor akzent s.r.o.	Czech Republic	100%	indirect	Full
Bilbo City s.r.o.	Czech Republic	100%	indirect	Full
Velonet ČR, s.r.o.	Czech Republic	100%	indirect	Full
D & C AGENCY s.r.o.	Czech Republic	100%	indirect	Full
News Advertising s.r.o.	Czech Republic	100%	indirect	Full
Flowee s.r.o.[4]	Czech Republic	65%	indirect	Full
Kitchen Lab s.r.o.[8]	Czech Republic	70%	Indirect	Full
Nadační fond Bigboard	Czech Republic	100%	indirect	Full
eFabrica, a. s.	Slovakia	100%	direct	Full
Radio Services a.s.	Slovakia	100%	direct	Full
Lafayette s. r. o.	Slovakia	100%	direct	Full
NOVI LIST d.d.[6]	Croatia	84.32%	direct	Full
Glas Istre Novine d.o.o.[2]	Croatia	89.05%	direct	Full
RTD d.o.o. Zadar	Croatia	100%	direct	Full
NIVEL PLUS s.r.o.	Slovakia	100%	direct	Full

37. Group entities (continued)

A list of the Group entities as at 31 December 2017 is as follows:

	Country of registration	Company share held	Control	Consolidation method
JOJ Media House, a. s.	Slovakia	100%	direct	Full
Slovenská produkčná, a.s.	Slovakia	94.96%	direct	Full
MAC TV s.r.o.	Slovakia	100%	indirect	Full
TELEPON PLUS, spol. s r.o.	Slovakia	49%	indirect	Equity
PMT, s.r.o.	Slovakia	27%	indirect	Equity
DONEAL, s.r.o.	Czech Republic	100%	indirect	Full
Magical roof s.r.o.	Czech Republic	80%	indirect	Full
Akzent BigBoard, a.s.[5]	Slovakia	100%	direct	Full
BigMedia, spol. s r.o.	Slovakia	100%	indirect	Full
RECAR Bratislava a.s.[7]	Slovakia	80%	indirect	Full
RECAR Slovensko a.s.	Slovakia	100%	indirect	Full
Media representative, s.r.o.[5]	Slovakia	100%	indirect	Full
BHB, s.r.o.	Slovakia	51%	indirect	Full
Akcie.sk, s.r.o.	Slovakia	100%	direct	Full
EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH	Austria	100%	indirect	Full
R + C Plakatforschung und –kontrolle Gesellschaft mbH	Austria	51%	indirect	Full
Starhouse Media, a. s.	Slovakia	30%	direct	Equity
BigBoard Praha, a.s.	Czech Republic	60%	direct	Full
BigMedia, spol. s r.o.	Czech Republic	100%	indirect	Full
Czech Outdoor s.r.o.[3]	Czech Republic	100%	indirect	Full
Expiria, a.s.	Czech Republic	100%	indirect	Full
RAILREKLAM, spol. s r.o.	Czech Republic	100%	indirect	Full
MG Advertising, s.r.o.	Czech Republic	50%	indirect	Equity
QEEP, a.s.	Czech Republic	100%	indirect	Full
Barrandia s.r.o.[1]	Czech Republic	100%	indirect	Full
Český billboard, s.r.o.	Czech Republic	100%	indirect	Full
outdoor akzent s.r.o.	Czech Republic	100%	indirect	Full
Bilbo City s.r.o.	Czech Republic	100%	indirect	Full
Velonet ČR, s.r.o.	Czech Republic	100%	indirect	Full
D & C AGENCY s.r.o.	Czech Republic	100%	indirect	Full
News Advertising s.r.o.	Czech Republic	100%	indirect	Full
Flowee s.r.o.[4]	Czech Republic	65%	indirect	Full
eFabrica, a. s.	Slovakia	100%	direct	Full
Radio Services a.s.	Slovakia	100%	direct	Full
Cestovná agentúra CKSK, s.r.o.	Slovakia	30%	indirect	Equity
Lafayette s. r. o.	Slovakia	100%	direct	Full
NOVI LIST d.d.[6]	Croatia	80.32%	direct	Full
Glas Istre Novine d.o.o.[2]	Croatia	89.05%	direct	Full
RTD d.o.o. Zadar	Croatia	100%	direct	Full
NIVEL PLUS s.r.o.	Slovakia	100%	direct	Full

37. Group entities (continued)

[1] The Group owns a 50% share in Barrandia s.r.o. through its subsidiary BigBoard Praha, a.s. and a 50% share through its subsidiary QEEP, a.s.

[2] The Group owns a 59.05% share in Glas Istre Novine d.o.o. through the parent company JOJ Media House, a. s. a 30% share through its subsidiary NOVI LIST d.d.

[3] The Group owns a 99.9% share in Czech Outdoor s.r.o. through its subsidiary BigBoard Praha, a.s. and a 0.1% share through its subsidiary BigMedia, spol. s r.o. (Czech republic)

[4] Although the Group's effective share in Flowee s.r.o. is less than 50%, the Group assessed, that it has a control of the company through its subsidiary BigBoard Praha, a.s.

[5] During the year 2018, the company Media representative, s.r.o. merged with the company Akzent BigBoard, a.s.

[6] On 5 March 2018, the Group acquired an additional 4% share in the company NOVI LIST d.d.

[7] On 9 October 2019, the Group sold 10% share in the company RECAR Bratislava a.s.

[8] Although the Group's effective share in Kitchen Lab s.r.o. is less than 50%, the Group assessed, that it has a control of the company through its subsidiary BigBoard Praha, a.s.

38. Related parties

Identification of related parties

The Company considers the following as related parties: shareholders of the parent entity, companies controlled by the shareholders of the Company, associates, joint ventures, the Company's key management personel and entities controlled by the Company's key management personnel.

Transactions with key management personnel

For the year ended 31 December 2018, the key management personnel of the Company received a reward in the amount of EUR 114 thousand (for the year ended 31 December 2017: EUR 51 thousand).

Other transactions with related parties

Receivables and liabilities from transactions with related parties:

in thousands of EUR	**Receivables 31 December 2018**	**Liabilities 31 December 2018**	**Receivables 31 December 2017**	**Liabilities 31 December 2017**
Shareholders of the Company	-	-	21 398	-
Joint ventures	-	-	7	-
Total	**-**	**-**	**21 405**	**-**

38. Related parties (continued)

Revenue and expenses from transactions with related parties:

in thousands of EUR	**Revenues Year ended 31 December 2018**	**Expenses Year ended 31 December 2018**	**Revenues Year ended 31 December 2017**	**Expenses Year ended 31 December 2017**
		-		
Shareholders of the Company	801	-	1 360	-
Associated companies	1	-	366	(126)
Joint ventures	1	-	-	-
Total	**803**	**-**	**1 726**	**(126)**

For the year ended 31 December 2018, other capital funds were not increased by the parent company TV JOJ L.P. (for the year ended 31 December 2017: share capital was increased by the parent company TV JOJ L.P. by EUR 7 800 thousand).

The Group does not have any other assets and liabilities arising from transactions with related parties.

Transactions with related parties are realized at standard market conditions.

39. Approval of consolidated financial statements

The financial statements, on pages 1 to 92, for the year ended 31 December 2018 were prepared and approved by the board of directors for issue on 30 April 2019.

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Mgr. Richard Flimel
Chairman of the Board of Directors