AGORA SA

AGORA GROUP

Condensed semi-annual consolidated financial statements **as at 30 June 2021 and for six month period ended thereon**

August 12, 2021

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2021

	Note	As at 30 June 2021 unaudited	As at 31 December 2020 audited
Assets			
Non-current assets:			
Intangible assets		413,859	422,900
Property, plant and equipment		379,976	401,157
Right-of-use assets		645,231	659,372
Long-term financial assets		489	522
Investments in equity accounted investees		153,753	149,549
Receivables and prepayments		10,654	8,416
Deferred tax assets		45,268	41,682
		1,649,230	**1,683,598**
Current assets:			
Inventories		18,587	15,235
Accounts receivable and prepayments		150,216	165,374
Income tax receivable		1,284	1,159
Short-term securities and other financial assets		78	77
Cash and cash equivalents		122,859	138,355
		293,024	**320,200**
Non-current assets held for sale	14	-	14,500
		293,024	**334,700**
Total assets		**1,942,254**	**2,018,298**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2021 (CONTINUED)

	Note	As at 30 June 2021 unaudited	As at 31 December 2020 audited
Equity and liabilities			
Equity attributable to equity holders of the parent:			
Share capital		46,581	46,581
Share premium		147,192	147,192
Retained earnings and other reserves		560,031	627,169
		753,804	**820,942**
Non-controlling interest		4,224	11,381
Total equity		**758,028**	**832,323**
Non-current liabilities:			
Deferred tax liabilities		5,947	6,132
Long-term borrowings	3	668,514	687,292
Other financial liabilities	15	34,548	34,548
Retirement severance provision		2,945	2,855
Provisions		49	286
Accruals and other liabilities		24,771	7,164
Contract liabilities		4,036	1,507
		740,810	**739,784**
Current liabilities:			
Retirement severance provision		145	242
Trade and other payables		233,352	244,770
Income tax liabilities		479	919
Short-term borrowings	3	187,945	180,691
Provisions		3,315	3,388
Contract liabilities		18,180	16,181
		443,416	**446,191**
Total equity and liabilities		**1,942,254**	**2,018,298**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED INCOME STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2021

	Note	Six months ended 30 June 2021 unaudited	Six months ended 30 June 2020 unaudited
Revenue	4	347,767	419,122
Cost of sales		(280,902)	(332,080)
Gross profit		**66,865**	**87,042**
Selling expenses		(74,920)	(78,175)
Administrative expenses		(76,396)	(66,355)
Other operating income		12,450	19,770
Other operating expenses		(5,144)	(33,915)
Impairment losses for receivables - net		58	(1,233)
Operating loss		**(77,087)**	**(72,866)**
Finance income		11,429	4,007
Finance costs		(10,467)	(29,994)
Share of results of equity accounted investees		4,204	(441)
Loss before income taxes		**(71,921)**	**(99,294)**
Income tax		2,661	11,098
Net loss for the period		**(69,260)**	**(88,196)**
Attributable to:			
Equity holders of the parent		(65,494)	(81,316)
Non-controlling interest		(3,766)	(6,880)
		(69,260)	**(88,196)**
Basic/diluted earnings per share (in PLN)		(1.41)	(1.75)

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR SIX MONTHS ENDED 30 JUNE 2021

	Six months ended 30 June 2021 unaudited	Six months ended 30 June 2020 unaudited
Net loss for the period	**(69,260)**	**(88,196)**
Other comprehensive income:		
Items that will not be reclassified to profit or loss		
	-	-
Items that will be reclassified to profit or loss		
	-	-
Other comprehensive income for the period	**-**	**-**
Total comprehensive income for the period	**(69,260)**	**(88,196)**
Attributable to:		
Shareholders of the parent	(65,494)	(81,316)
Non-controlling interests	(3,766)	(6,880)
	(69,260)	**(88,196)**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2021

	Attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Six months ended 30 June 2021						
As at 31 December 2020 audited	**46,581**	**147,192**	**627,169**	**820,942**	**11,381**	**832,323**
Total comprehensive income for the period						
Net loss for the period	-	-	(65,494)	(65,494)	(3,766)	(69,260)
Total comprehensive income for the period	**-**	**-**	**(65,494)**	**(65,494)**	**(3,766)**	**(69,260)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payments (note 5b)	-	-	-	-	(976)	(976)
Dividends of subsidiaries	-	-	-	-	(1,654)	(1,654)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(2,630)**	**(2,630)**
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	-	-	(1,539)	(1,539)	(865)	(2,404)
Additional contribution of non-controlling shareholders	-	-	(105)	(105)	105	-
Other	-	-	-	-	(1)	(1)
Total changes in ownership interests in subsidiaries	**-**	**-**	**(1,644)**	**(1,644)**	**(761)**	**(2,405)**
Total transactions with owners	-	-	(1,644)	(1,644)	(3,391)	(5,035)
As at 30 June 2021 unaudited	**46,581**	**147,192**	**560,031**	**753,804**	**4,224**	**758,028**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2021 (CONTINUED)

	Attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Six months ended 30 June 2020						
As at 31 December 2019 audited	**46,581**	**147,192**	**737,470**	**931,243**	**20,932**	**952,175**
Total comprehensive income for the period						
Net loss for the period	-	-	(81,316)	(81,316)	(6,880)	(88,196)
Total comprehensive income for the period	**-**	**-**	**(81,316)**	**(81,316)**	**(6,880)**	**(88,196)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payments (note 5b)	-	-	-	-	325	325
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**325**	**325**
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	-	-	(1,052)	(1,052)	(878)	(1,930)
Expiration of put option liability	-	-	9,248	9,248	-	9,248
Additional contribution of non-controlling shareholders	-	-	(1,663)	(1,663)	1,679	16
Sale of a subsidiary	-	-	-	-	2,081	2,081
Total changes in ownership interests in subsidiaries	**-**	**-**	**6,533**	**6,533**	**2,882**	**9,415**
Total transactions with owners	-	-	6,533	6,533	3,207	9,740
As at 30 June 2020 unaudited	**46,581**	**147,192**	**662,687**	**856,460**	**17,259**	**873,719**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2021

		Six months ended 30 June 2021 unaudited	Six months ended 30 June 2020 unaudited
Cash flows from operating activities			
Loss before income taxes		**(71,921)**	**(99,294)**
Adjustments for:			
Share of results of equity accounted investees		(4,204)	441
Depreciation and amortisation		81,237	84,158
Foreign exchange (gain)/loss		(11,067)	19,772
Interest, net		10,275	10,146
Loss on investing activities		2,613	15,814
(Decrease)/Increase in deferred revenues and accruals		(317)	921
Decrease/(increase) in inventories		(3,352)	3,136
Decrease in receivables and prepayments		16,700	87,419
(Decrease)/increase in payables		15,782	(5,220)
Increase in contract liabilities		4,527	2,722
Remeasurement of put options		-	(2,228)
Equity-settled share-based payments	5b	139	325
Cash generated from operations		**40,412**	**118,112**
Income taxes outflows		(1,514)	(2,334)
Net cash from operating activities		**38,898**	**115,778**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment, and intangibles		17,366	15,939
Disposal of subsidiaries (net of cash disposed), associates and joint ventures		-	3,297
Loan repayment received		29	125
Interest received		7	16
Disposal of short-term securities		-	24,282
Other inflows (1)		-	2,800
Purchase of property, plant and equipment and intangibles		(26,824)	(34,834)
Acquisition of subsidiary (net of cash acquired), associates and joint ventures		-	(7,180)
Acquisition of short-term securities		-	(15,000)
Other outflows (2)		(4,000)	-
Net cash used in investing activities		**(13,422)**	**(10,555)**

(all amounts in PLN thousands unless otherwise indicated) translation only

CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2021 (CONTINUED)

	Six months ended 30 June 2021 unaudited	Six months ended 30 June 2020 unaudited
Cash flows from financing activities		
Proceeds from borrowings	26,691	801
Other inflows	-	16
Acquisition of non-controlling interests	(2,404)	(1,868)
Dividends paid to non-controlling shareholders	(1,654)	-
Loans repayment	(35,117)	(4,252)
Payment of lease liabilities	(19,743)	(20,409)
Interest paid	(8,745)	(7,311)
Net cash used in financing activities	**(40,972)**	**(33,023)**
Net increase /(decrease) in cash and cash equivalents	**(15,496)**	**72,200**
Cash and cash equivalents		
At start of period	138,355	61,065
At end of period	122,859	133,265

(1) Other inflows relate to the refund of cash deposits to company AMS S.A. connected with collateral securing the concession contract for construction and utilization of bus shelters in Warsaw.

(2) Other outflows relate to cash deposit paid in by company AMS Serwis Sp. z o.o. to bank BNP Paribas Bank Polska S.A. The cash deposit is a collateral of loan facility granted to company Helios S.A.

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

NOTES TO THE CONDENSED SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2021 AND FOR SIX MONTH PERIOD ENDED THEREON

1. GENERAL INFORMATION

Agora S.A. with its registered seat in Warsaw, Czerska 8/10 street ("the Company") principally conducts publishing activity (including *Gazeta Wyborcza*, periodicals and books) and carries out internet and radio activity. Additionally, the Agora Group ("the Group") is active in the cinema segment through its subsidiary Helios S.A. and in the outdoor segment through its subsidiary AMS S.A. The Group also engages in projects related to production and co-production of movies through the company Next Film Sp. z o.o. and in gastronomy activity through the company Step Inside Sp. z o.o.

As at 30 June 2021 the Agora Group comprised: the parent company Agora S.A. and 19 subsidiaries. Additionally, the Group held shares in jointly controlled entity: Instytut Badań Outdooru IBO Sp. z o.o. and in associates: ROI Hunter a.s. and Eurozet Sp. z o.o.

The Group operates in all major cities in Poland.

The condensed semi-annual consolidated financial statements were prepared as at and for six months ended 30 June 2021, with comparative figures presented as at 31 December 2020 and for six months ended 30 June 2020.

The condensed semi-annual consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on August 12, 2021.

2. STATEMENT OF COMPLIANCE

The condensed semi-annual consolidated financial statements as at 30 June 2021 and for six months ended 30 June 2021 have not been audited by an independent auditor. The consolidated financial statements as at 31 December 2020 and for twelve months ended 31 December 2020 have been audited by an independent auditor who issued an unmodified opinion.

The condensed semi-annual consolidated financial statements have been prepared under International Accounting Standard 34 "Interim Financial Reporting" according to art. 55 point 5 and art. 45 point 1a-1c of Accounting Act (Official Journal from 2021, item 217 with subsequent amendments), regulations issued based on that Act and the Decree of Minister of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2018, item 757).

The condensed semi-annual consolidated financial statements as at 30 June, 2021 should be read together with the audited consolidated financial statements as at December 31, 2020. In the preparation of these condensed semi-annual consolidated financial statements, the Group has followed the same accounting policies as used in the consolidated financial statements as at December 31, 2020, except for changes described below.

For the Group's financial statements for the year started with January 1, 2021 the following new standards and amendments to existing standards, which were endorsed by the European Union, are effective:

1) Exemption from IFRS 9 (Amendements to IFRS 4);
2) Interest Rate Benchmark Reform – Phase 2 (Amendements to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16).

The application of the above amendments had no impact on the condensed semi-annual consolidated financial statements of the Group.

(all amounts in PLN thousands unless otherwise indicated) translation only

3. LONG-TERM AND SHORT-TERM BORROWINGS

The amount of the Group's loan and lease liabilities as at the balance sheet date is presented below:

	30 June 2021	31 December 2020
Long-term bank loans	33,016	51,647
Long-term loans (1)	3,019	-
Finance lease liabilities	632,479	635,645
Total long-term borrowings	**668,514**	**687,292**
including: Lease liabilities resulting from application of IFRS 16	*595,846*	*591,947*
Short-term bank loans	91,498	86,370
Short-term loans (1)	2,012	-
Finance lease liabilities	94,435	94,321
Total short-term borrowings	**187,945**	**180,691**
including: Lease liabilities resulting from application of IFRS 16	*78,119*	*75,677*

(1) relates to a preferential loan granted to Helios under the Government Program - Financial Shield of the Polish Development Fund for Large Companies.

On June 8, 2021 the management board of subsidiary Helios S.A. („Helios") signed a preferential loan agreement in the amount of PLN 5,031,000.00 ("Agreement") with Polski Fundusz Rozwoju S.A. (Polish Development Fund, "PFR") with its seat in Warsaw under the Government Program - Financial Shield of the Polish Development Fund for Large Companies.

Loan was paid out on June 24, 2021 after meeting the conditions specified in the Agreement. The deadline for repayment of the loan is 31 December 2023. The loan may be used to finance Helios' day-to-day operations.

The Program regulations regarding the terms of granting the loan provide for the possibility of remitting its repayment up to 75% of the amount received, depending on the fulfillment by Helios of the conditions specified in the Agreement. The outstanding portion of the loan is to be repaid in 10 equal quarterly installments. The annual interest rate on the loan is fixed.

The loan repayment is secured by: (i) ordinary pledge and registered pledge on the Helios trademark with the highest priority up to the highest security amount of PLN 7,546,500.00, (ii) registered pledge on the shares of Helios subsidiary - Step Inside Sp. z o.o. based in Łodź with the highest priority to the highest security amount of PLN 7,546,500.00 and (iii) declaration of submission to enforcement up to the amount of PLN 7,546,500.00 with the deadline for PFR to apply for an enforcement clause as of 31 December 2026.

4. SALES AND SEGMENT INFORMATION

In accordance with IFRS 8 *Operating segments,* in these condensed semi-annual consolidated financial statements information on operating segments are presented on the basis of components of the Group, about which separate financial information is available, that is evaluated regularly by the chief operating decision maker in the process of decision making regarding allocation of resources and assessing the performance of the Group.

For management purposes, the Group is organized into business units based on their products and services.

The Group activities are divided into five major reportable operating segments as follows:

1) the *Movies and Books* segment includes the Group's activities within the cinema management of Helios S.A., film distribution and production activities of Next Film Sp. z o.o. and Next Script Sp. z o.o. as well as the gastronomy activities of Step Inside Sp. z o.o. and Foodio Concepts Sp. z o.o. (till May 31, 2020) and Agora`s Publishing House,

2) the *Press* segment includes the Group's activities related to publishing of the daily *Gazeta Wyborcza* (including digital subscriptions), special editions of *Gazeta Wyborcza* magazines as well as publishing of the periodicals, as well as the printing activities (in printing plant in Warsaw that provides printing services mainly for *Gazeta Wyborcza)*,

3) the *Outdoor* segment includes the activities within the AMS Group, which provides advertising services on different forms of outdoor advertising panels,

4) the *Internet* segment includes the following Group's activities: the Internet and multi-media products and services within the Agora's Internet department as well as the activities of companies: Plan D Sp. z o.o., Yieldbird Sp. z o.o., GoldenLine Sp. z o.o. and HRlink Sp. z o.o.,

5) the *Radio* segment includes the Group's activities within local radio stations, super-regional *TOK FM* radio and Agora's Radio Department,

Accounting policies for operating segments are the same as followed by the Agora Group, besides some issues described below.

The Management Board monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss EBIT, including EBIT excluding impact of IFRS 16.

Operating results of reportable segments do not include:

a) revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the *Outdoor* segment to other segments,

b) amortisation recognised on consolidation (described below).

Group financing (including finance costs and finance revenue) and income tax are managed on a Group level and are not allocated to operating segments. Transfer prices between operating segments are set on the market basis in the manner similar to transactions with third parties.

Reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company`s headquarters use of computers and development activities of IT department, which are allocated to segments), the Management Board, Agora TC Sp. z o.o., Agora Finanse Sp. z o.o., intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

Operating depreciation and amortisation includes amortisation of intangible assets, depreciation of right-of-use assets recognised according to IFRS 16 and fixed assets of each segment. Amortisation recognised on consolidation can be defined as consolidation adjustments, inter alia: the amortisation of intangible assets and adjustments to property, plant and equipment recognised directly on consolidation.

Impairment losses and reversals of impairment losses show impairment losses and their reversals presented in other operating expenses and income.

Amount of investment in associates and joint ventures accounted for by the equity method include the amount of acquired shares adjusted by the Group`s share of net results of those entities accounted for by the equity method. The financials presented for six months ended 30 June 2021 and 30 June 2020 relate to Instytut Badan Outdooru Sp. z o.o., Hash.fm Sp. z o.o. (till 27 February 2020), ROI Hunter a.s. and Eurozet Sp. z o.o.

Capital expenditure consists of additions based on the invoices booked in the reported period connected to purchases of intangible and fixed assets.

The Agora Group does not present geographical reporting segments, because its business activities are carried out mainly in Poland.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2021							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions**	**Total Group**
Revenues from external customers	64,565	93,075	47,121	99,357	40,657	344,775	2,992	347,767
Intersegment revenues (2)	820	2,778	674	1,716	2,249	8,237	(8,237)	-
Total revenues	**65,385**	**95,853**	**47,795**	**101,073**	**42,906**	**353,012**	**(5,245)**	**347,767**
Total operating cost (1), (2), (3)	**(114,736)**	**(87,511)**	**(63,020)**	**(87,551)**	**(41,480)**	**(394,298)**	**(30,556)**	**(424,854)**
Operating profit / (loss) (1)	**(49,351)**	**8,342**	**(15,225)**	**13,522**	**1,426**	**(41,286)**	**(35,801)**	**(77,087)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(99,522)***	***(87,511)***	***(63,891)***	***(87,551)***	***(41,687)***	***(380,162)***	***(30,962)***	***(411,124)***
Operating profit / (loss) (excl. IFRS 16) (1)	***(34,137)***	***8,342***	***(16,096)***	***13,522***	***1,219***	***(27,150)***	***(36,207)***	***(63,357)***
Net finance income and cost							962	962
Share of results of equity accounted investees	-	-	(127)	165	4,166	4,204	-	4,204
Income tax							2,661	2,661
Net loss								**(69,260)**

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;
(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the Outdoor segment to other segments;
(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company`s headquarters, use of computers and development activities of IT department, which are allocated to segments), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 42,392 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2021							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions**	**Total Group**
Operating depreciation and amortisation	(41,856)	(3,850)	(18,704)	(4,796)	(3,652)	(72,858)	(7,948)	(80,806)
Operating depreciation and amortisation (excl. IFRS 16)	*(18,480)*	*(3,847)*	*(10,815)*	*(4,796)*	*(2,229)*	*(40,167)*	*(7,778)*	*(47,945)*
Amortisation recognised on consolidation (1)	(259)	-	-	(299)	-	(558)	127	(431)
Impairment losses	(89)	(143)	(2,204)	(51)	(171)	(2,658)	(809)	(3,467)
including non-current assets	-	-	*(1,643)*	-	-	*(1,643)*	*(883)*	*(2,526)*
Reversals of impairment losses	69	210	511	137	117	1,044	-	1,044
including non-current assets	-	-	*105*	-	-	*105*	-	*105*
Equity-settled share-based payments (note 5b)	-	-	-	(139)	-	(139)	-	(139)
Capital expenditure	4,420	2,366	2,705	4,444	868	14,803	80	14,883

	As at 30 June 2021							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions (2)**	**Total Group**
Property, plant and equipment and intangible assets	224,087	86,648	239,821	34,073	79,787	664,416	129,419	793,835
Right-of-use assets	541,275	15	65,081	51	13,999	620,421	24,810	645,231
Investments in associates and joint ventures accounted for by the equity method	-	-	84	17,964	135,705	153,753	-	153,753

(1) is not presented in operating result of the Group's segments;
(2) reconciling positions include mainly Company's headquarter (PLN 87,294 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2020							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions**	**Total Group**
Revenues from external customers	155,119	91,872	44,777	89,796	36,079	417,643	1,479	419,122
Intersegment revenues (2)	2,500	3,485	467	1,195	2,312	9,959	(9,959)	-
Total revenues	**157,619**	**95,357**	**45,244**	**90,991**	**38,391**	**427,602**	**(8,480)**	**419,122**
Total operating cost (1), (2), (3)	**(183,739)**	**(91,288)**	**(67,813)**	**(92,913)**	**(38,000)**	**(473,753)**	**(18,235)**	**(491,988)**
Operating profit / (loss) (1)	**(26,120)**	**4,069**	**(22,569)**	**(1,922)**	**391**	**(46,151)**	**(26,715)**	**(72,866)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(174,155)***	***(91,289)***	***(67,698)***	***(92,913)***	***(37,794)***	***(463,849)***	***(18,470)***	***(482,319)***
Operating profit / (loss) (excl. IFRS 16) (1)	***(16,536)***	***4,068***	***(22,454)***	***(1,922)***	***597***	***(36,247)***	***(26,950)***	***(63,197)***
Net finance income and cost							(25,987)	(25,987)
Share of results of equity accounted investees	-	-	(28)	153	(566)	(441)	-	(441)
Income tax							11,098	11,098
Net profit								**(88,196)**

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;
(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the Outdoor segment to other segments;
(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company`s headquarters, which are allocated to segments), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 32,461 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2020							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions**	**Total Group**
Operating depreciation and amortisation	(45,418)	(3,050)	(18,137)	(4,320)	(3,594)	(74,519)	(8,941)	(83,460)
Operating depreciation and amortisation (excl. IFRS 16)	*(18,708)*	*(3,026)*	*(10,911)*	*(4,320)*	*(2,169)*	*(39,134)*	*(8,943)*	*(48,077)*
Amortisation recognised on consolidation (1)	(259)	-	-	(566)	-	(825)	127	(698)
Impairment losses	(11,214)	(243)	(7,189)	(12,962)	(499)	(32,107)	1,187	(30,920)
including non-current assets	*(8,996)*	-	*(6,698)*	*(12,660)*	-	*(28,354)*	*(536)*	*(28,890)*
Reversals of impairment losses	81	148	226	159	119	733	-	733
Equity-settled share-based payments	-	-	-	(325)	-	(325)	-	(325)
Cost of restructuring (2)	-	-	-	(1,429)	-	(1,429)	-	(1,429)
Capital expenditure	19,022	3,645	2,860	5,660	996	32,183	2,412	34,595

	As at 30 June 2020							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions (3)**	**Total Group**
Property, plant and equipment and intangible assets	227,958	89,381	269,789	34,764	81,835	703,727	147,614	851,341
Right-of-use assets	485,671	22	59,331	65	12,307	557,396	28,823	586,219
Investments in associates and joint ventures accounted for by the equity method	-	-	43	17,264	136,370	153,677	-	153,677

(1) is not presented in operating result of the Group's segments;
(2) relates to restructuring costs in the Internet segment in the second quarter of 2020;
(3) reconciling positions include mainly Company's headquarter (PLN 92,162 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

(all amounts in PLN thousands unless otherwise indicated) translation only

4. SALES AND SEGMENT INFORMATION (CONTINUED)

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

	Six months ended 30 June 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	2,471	29,344	45,606	95,950	40,566	213,937	(4,891)	209,046
Ticket sales	16,496	-	-	-	-	16,496	(4)	16,492
Copy sales	17,315	51,581	-	-	-	68,896	(38)	68,858
Concession sales in cinemas	5,257	-	-	-	-	5,257	-	5,257
Printing services	-	12,209	-	-	-	12,209	-	12,209
Gastronomic sales (1)	11,953	-	-	-	-	11,953	(17)	11,936
Film distribution and production sales	2,358	-	-	-	-	2,358	-	2,358
Other	9,535	2,719	2,189	5,123	2,340	21,906	(295)	21,611
Total sales by category	**65,385**	**95,853**	**47,795**	**101,073**	**42,906**	**353,012**	**(5,245)**	**347,767**

	Six months ended 30 June 2020							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	6,983	25,780	43,490	85,908	36,163	198,324	(7,355)	190,969
Ticket sales	61,676	-	-	-	11	61,687	(34)	61,653
Copy sales	13,343	51,678	-	100	-	65,121	(480)	64,641
Concession sales in cinemas	25,784	-	-	-	-	25,784	-	25,784
Printing services	-	15,446	-	-	-	15,446	-	15,446
Gastronomic sales (1)	7,606	-	-	-	-	7,606	-	7,606
Film distribution and production sales	31,423	-	-	-	-	31,423	-	31,423
Other	10,804	2,453	1,754	4,983	2,217	22,211	(611)	21,600
Total sales by category	**157,619**	**95,357**	**45,244**	**90,991**	**38,391**	**427,602**	**(8,480)**	**419,122**

(1) Gastronomic sales include activity of Step Inside Sp. z o.o. and Foodio Concepts Sp. z o.o. (till June 2, 2020), the comparative data have been restated accordingly.

(all amounts in PLN thousands unless otherwise indicated) translation only

5. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

a) Incentive Plan for the Management Board members

Management Board members of the Company participate in an incentive program ("Incentive Plan"), within which one of the components (related to the Company`s share price increase) is accounted for as a cash-settled share-based payment. According to the Incentive Plan Management Board members are eligible to receive an Annual Bonus based on two components described below:

(i) the stage of realisation of the target based on the EBITDA of the Agora Group ("the EBITDA target"). The amount of a potential bonus in this component of the Incentive Plan depends on the stage of the EBITDA target fulfillment, which is specified as the EBITDA level of the Agora Group to be reached in the given financial year determined by the Supervisory Board. The fulfillment of the EBITDA target will be determined on the basis of the audited consolidated financial statements of the Agora Group for the given financial year;

(ii) the percent of Company's share price increase ("the Target of Share Price Increase"). The amount of a potential bonus in this component of the Incentive Plan will depend on the percent of Company's share price increase in the future. The share price increase will be calculated as a difference between the average of the quoted closing Company's share prices in the first quarter of the financial year commencing after the financial year for which the bonus is calculated ("the Average Share Price in IQ of Next Year") and the average of the quoted closing Company's share prices in the first quarter of the financial year for which the bonus is calculated ("the Average Share Price in IQ of Bonus Year"). If the Average Share Price in IQ of Next Year will be lower than the Average Share Price in IQ of Bonus Year, the Target of Share Price Increase is not satisfied and the bonus in this component of the Incentive Plan will not be granted, however, the Supervisory Board retains a right to the final verification of the Target of Share Price Increase by reference to the dynamics of changes in stock exchange indexes on capital markets.

The bonus from the Incentive Plan depends also on the fulfillment of a non-market condition, which is the continuation of holding the post of the Management Board member within the period, for which the bonus is calculated.

The rules, goals, adjustments and conditions for the Incentive Plan fulfillment for the Management Board members are specified in the Supervisory Board resolution.

As at 30 June 2021, the value of the provision for the EBITDA reward includes the provision for the reward for the year 2019 recognized in the balance sheet at the end of 2020, which has not been paid at the balance sheet date, and the value of the potential reward estimated on the basis of the best estimate of the expected value of achieving the EBITDA target in 2021, which was charged to the Income Statement in proportion of the time that elapsed till the balance sheet date.

The value of the potential reward concerning the realization of the Target of Share Price Increase, was estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. As at 30 June 2021, the value of the provision for the Target of Share Price Increase includes the provision for share price component of Plan for 2019, which has not been paid as at the balance sheet date and estimated value of the potential reward for share price component of Plan for 2021, which was charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan.

The basic parameters of the Binomial Option Price Model used for calculation of the fair value of the potential reward from the realization of the Target of Share Price Increase are described below:

the share price of Agora S.A. as at the current balance sheet date	PLN	9.90
volatility of the share price of Agora S.A. during the last twelve months	%	48.32
the Average Share Price in IQ of Bonus Year	PLN	6.62

(all amounts in PLN thousands unless otherwise indicated) translation only

Total impact of the Incentive Plan on the condensed semi-annual consolidated financial statements of the Agora Group:

	Six months ended 30 June 2021	Six months ended 30 June 2020
Income statement – (increase)/decrease of staff costs	(1,297)	-
Income statement - deferred income tax	246	-
Liabilities: accruals - as at the end of the period	4,146	1,494
Deferred tax asset - as at the end of the period	788	284

b) Incentive plan based on share in subsidiary

In 2017 the eligible employees of subsidiary Yieldbird Sp. z o.o. joined an equity-settled incentive program based on company shares. On the basis of the plan, the eligible employees received three tranches of shares in this company. The grant of shares was dependent on the fulfilment of a non-market condition, which is the continuation of employment within the agreed vesting period. The fair value of the shares determined at the grant date was recognised in staff costs over the vesting period with a corresponding increase in equity. In the second quarter of 2021 Agora S.A. concluded an agreement with program participants on the basis of which the end of the vesting period of the last tranche of shares was extended from July 1, 2021 to November 1, 2022 and Agora S.A. undertook obligation to purchase the last tranche of shares. As a result, in semi-annual consolidated financial statements Agora Group reclassified the last part of plan connected with third tranche of shares from equity-settled incentive plan to cash-settled incentive plan and recognised non-current liability to pay reward due to realisation of plan measured at fair value of estimated payment as at balance sheet date and accounted for in proportion of agreed vesting period.

The impact of the incentive plan based on shares in subsidiary Yieldbird on the condensed semi-annual consolidated financial statements of the Agora Group is presented in the table below:

	Six months ended 30 June 2021	Six months ended 30 June 2020
Income statement - staff costs	**(653)**	**(325)**
including recognition of cost of equity-settled plan	*(139)*	*(325)*
including remeasurement of cash-settled plan	*(514)*	-
Equity - non-controlling interest	**(977)**	**325**
including recognition of cost of equity-settled plan	*139*	*325*
including reclassification of equity-settled plan to liabilities	*(1,116)*	-
Non-current liability arising from incentive plans	**1,630**	**-**
including reclassification of equity-settled plan to liabilities	*1,116*	-
including remeasurement of cash-settled plan	*514*	-

6. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2021 to June 30, 2021 the following changes in impairment losses were recognised:

- impairment loss for receivables: decrease by PLN 547 thousand,
- impairment loss for inventory: increase by PLN 230 thousand,
- impairment loss for tangible assets and intangible assets: decrease by PLN 2,285 thousand (including set-up by PLN 2,526* thousand, the use in the amount of PLN 4,706* thousand, release by PLN 105 thousand),

** impairment loss set-up relates to advertising panels in Outdoor segment in the amount of PLN 1,643 thousand and Agora S.A. property located in Tychy in the amount of PLN 883 thousand; the use of impairment loss was mainly connected with the disposal of printing activity assets, which was covered by impairment loss.*

Additionally in the period from January 1, 2021 to June 30, 2021 the following provisions were changed:
- provision for penalties, interests and similar: increase by PLN 10 thousand,
- provision for the restructuring of advertising panels: increase by PLN 159 thousand (including set-up by PLN 538 thousand, the use in PLN 444 thousand, reversal in the amount of PLN 94 thousand),
- retirement severance provision: decrease by PLN 6 thousand,
- provision for restructuring: decrease by PLN 326 thousand including: release in the amount of PLN 59 thousand and the use in the amount of PLN 267 thousand,
- provision for severance payments for former members of the Management Board: used in the amount of PLN 150 thousand,
- other provisions: decrease by PLN 3 thousand.

7. CONTINGENCIES

As at 30 June 2021 contingencies to third parties did not occur.

Information on contingent liabilities related to legal disputes is described in note 8.

8. COURT CASES

As at June 30, 2021, the companies of the Agora Group have not entered into significant litigation for claims pending before court, arbitration authority or public administration authority. Provision for legal claims as at June 30, 2021, amounted to PLN 77 thousand (as at December 31, 2020: PLN 80 thousand).

Additionally, as at June 30, 2021, the companies of the Group are a party of legal disputes in the amount of PLN 1,877 thousand (as at December 31, 2020: PLN 2,565 thousand) in cases when the Management Board estimates the probability of loss for less than 50%. Such disputes are contingent liabilities.

9. SEASONALITY

Advertising revenues are subject to seasonality – revenues earned in the first and third quarters are usually lower than in the second and fourth quarters.

Cinema revenues are subject to seasonality – revenues earned in the second and third quarters are usually lower than in the first and fourth quarters.

10. RELATED PARTY TRANSACTIONS

(a) Management Board and Supervisory Board remuneration

The remuneration paid to Management Board members of Agora S.A. amounted to PLN 1,187 thousand (six months ended June 30, 2020: PLN 1,222 thousand). The amounts include remuneration paid during the period of holding the post of a Management Board member.

The remuneration paid to Supervisory Board members of Agora S.A. amounted to PLN 312 thousand (six months ended June 30, 2020: PLN 285 thousand).

(all amounts in PLN thousands unless otherwise indicated) translation only

(b) companies related to Agora Group (not consolidated)

There were no material transactions and balances with related entities other that disclosed below:

	Six months ended 30 June 2021	Six months ended 30 June 2020
Jointly controlled entities		
Purchases	(241)	(51)
Associates		
Sales	96	25
Purchases	(195)	(68)
Interest on loans granted	-	5
Major shareholder		
Sales	13	11
Other operating income	398	349

	As at 30 June 2021	As at 31 December 2020
Jointly controlled entities		
Shares	84	211
Associates		
Shares	153,669	149,338
Trade receivables	62	-
Trade liabilities	52	37
Major shareholder		
Trade receivables	2	1
Other liabilities	29	210
Management Board of the Company		
Put option liabilities (1)	23,856	23,856
Management Boards of group companies		
Receivables	41	8
Put option liabilities (1)	9,723	9,723
Other liabilities	13	8

(1) concerns put options linked to shares in Helios S.A. and shares in HRlink Sp. z o.o. and Piano Group Sp. z o.o.

(all amounts in PLN thousands unless otherwise indicated) translation only

11. DESCRIPTION OF THE GROUP

The list of companies within the Group:

		% of shares held (effectively)	
		30 June 2021	31 December 2020
	Subsidiaries consolidated		
1	Agora TC Sp. z o.o., Warsaw	100.0%	100.0%
2	AMS S.A., Warsaw	100.0%	100.0%
3	AMS Serwis Sp. z o.o., Warsaw (1)	100.0%	100.0%
4	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	100.0%
5	Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	100.0%
6	IM 40 Sp. z o.o., Warsaw (2)	72.0%	72.0%
7	Inforadio Sp. z o.o., Warsaw (2)	66.1%	66.1%
8	Helios S.A. , Lodz	91.4%	91.4%
9	Next Film Sp. z o.o., Warsaw (3)	91.4%	91.4%
10	Next Script Sp. z o.o., Warsaw (4)	75.9%	75.9%
11	Plan D Sp. z o.o., Warsaw	100.0%	100.0%
12	Optimizers Sp. z o.o., Warsaw	100.0%	100.0%
13	Yieldbird Sp. z o.o., Warsaw (6)	95.8%	92.1%
14	GoldenLine Sp. z o.o., Szczecin (5)	79.8%	100.0%
15	Plan A Sp. z o.o., Warsaw	100.0%	100.0%
16	Agora Finanse Sp. z o.o. , Warsaw	100.0%	100.0%
17	Step Inside Sp. z o.o., Lodz (3)	82.3%	82.3%
18	HRlink Sp. z o.o., Szczecin	79.8%	79.8%
19	Piano Group Sp. z o.o., Warsaw (1)	92.0%	92.0%
	Joint ventures and associates accounted for the equity method		
20	Instytut Badań Outdooru IBO Sp. z o.o., Warsaw (1)	50.0%	50.0%
21	ROI Hunter a.s., Brno	23.9%	23.9%
22	Eurozet Sp. z o.o., Warsaw	40.0%	40.0%
	Companies excluded from consolidation and equity accounting		
23	Polskie Badania Internetu Sp. z o.o., Warsaw	16.7%	16.7%

(1) indirectly through AMS S.A.;
(2) indirectly through GRA Sp. z o.o.;
(3) indirectly through Helios S.A.;
(4) indirectly through Next Film Sp. z o.o.;
(5) indirectly through HRlink Sp. z o.o., purchase of shares in Goldenline Sp. z o.o. by HRlink Sp. z o.o. on January 28, 2021;
(6) acquisition of additional shares on April 15, 2021.

12. CHANGES IN THE COMPOSITION OF THE GROUP

- **Sale of shares in the company Goldenline Sp. z o.o.**

On January 28, 2021, Agora S.A. ('the Seller') concluded a sales agreement of shares with HRlink Sp. z o.o ('the Buyer') concerning the sale of all the shares in the company Goldenline Sp. z o.o. Agora S.A. has transferred to the Buyer 3,221 shares of nominal value PLN 1 thousand each and total nominal value of PLN 3,221 thousand constituting a total of 100% of Goldenline Sp. z o.o. share capital. Currently Agora S.A. does not have any share in Goldenline Sp. z o.o.

- **Acquisition of additional shares in Yieldbird Sp. z o.o.**

On April 15, 2021, Agora S.A. acquired from minority shareholders 35 shares in the company Yieldbird Sp. z o. o. The total purchase price of shares in Yieldbird Sp. z o.o. amounted to PLN 2,381 thousand, while the total expenditure for share purchase including transaction costs amounted to PLN 2,404 thousand. As a result of the above transaction, Agora currently holds 926 shares in the share capital of Yieldbird Sp. z o. o. in the nominal value of PLN 46,300, constituting a total of 95.8% of share capital.

- **Call for repurchase of shares in associate Helios S.A.**

On 29 March 2016, a minority shareholder ("the Minority Shareholder") of Helios S.A. holding 320,400 shares in that company, which represent 2.77% of the share capital ("the Shares"), addressed to Helios S.A. a call under Art. 418 (1) of the Code of Commercial Companies (hereinafter: "CCC") for convening the General Shareholders' Meeting and putting the issue of passing a resolution on mandatory sell-out of the Shares ("the Call") on its agenda.

As a result of: (i) the Call, (ii) the subsequent calls made under Article 418(1) of the CCC by the Minority Shareholder and other minority shareholders of Helios S.A. who acquired a part of the Shares from the Minority Shareholder, and (iii) the resolutions passed by the General Shareholders' Meeting of Helios S.A. on 10 May 2016 and 13 June 2016, two sell-out procedures (under Art. 418(1) of the CCC) and one squeeze-out procedure (under Art. 418 of the CCC) are currently pending at Helios S.A., aimed at the purchase of the Shares held by the Minority Shareholder and other minority shareholders by two shareholders of Helios S.A. (including Agora S.A.).

i. Sell-out

As part of the sell-out, until 30 June 2016 Agora S.A. transferred to Helios S.A. the amount of PLN 2,938 thousand as payment of the sell-out price calculated in accordance with Art. 418(1) § 6 of the CCC. In its balance sheet as at 31 December 2016, the Agora Group recognized a liability in respect of the purchase of the Shares from the minority shareholders of Helios S.A. totalling PLN 3,185 thousand. This amount comprised PLN 2,938 thousand transferred by Agora S.A. to Helios S.A. (which was also recognized in the Group's equity under retained earnings/accumulated losses and current year profit/(loss)) and the total amount transferred by the other shareholder of Helios S.A. as part of the execution of the sell-out procedures. As part of the sell-out procedure, the amount of PLN 3,171 thousand was transferred by Helios S.A. to the Minority Shareholder on 2 June 2017 for the purchase of 318,930 shares. Moreover, on 2 June 2017, a total of PLN 14 thousand was transferred to the other minority shareholders for the purchase of 1,460 shares. As a result of these transactions, the Group met the commitment to purchase shares, which was recognized in the Group's balance sheet. As a result of the procedures described above, Agora S.A. increased its block of shares in Helios S.A. from 10,277,800 to 10,573,352 shares, i.e. by 295,552 shares. Agora S.A. currently holds 91.44% of the shares of Helios S.A.

The shareholders whose shares are being purchased under the sell-out procedure did not accept the price calculated in accordance with Art. 418(1) § 6 of the CCC and, based on Art. 418(1) § 7 of the CCC, applied to the registration court to appoint a registered auditor who would determine the price for the shares on behalf of the Court. The final valuation of the Shares that are subject to the sell-out procedures will be determined by the registration court having jurisdiction over the registered office of Helios S.A. based on the opinion of an expert appointed by the registration court having jurisdiction over the registered office of Helios S.A. A change in such valuation, if any, will result in an adjustment to the price of the shares purchased. As at the date of the publication of this report, the District Court for Lodz-Srodmiescie in Lodz, the 20th Department of the National Court Register, appointed an expert for the purpose of the valuation of the shares to be purchased from the Minority Shareholder (318,930 shares) and from other minority shareholders (1,460 shares in total).

The Minority Shareholder described in the previous sentence, as well as other minority shareholders who were entitled from 1 460 shares, appealed against the decision of the Court on the selection of an expert. All the appeals described above were dismissed by final decisions of the District Court in Łódź, XIII Commercial Appeal Division of February 20, 2019 and September 19, 2019.

(ii) Squeeze-out procedure

The squeeze out procedure which entered into force on July 14, 2016 is carried out with respect to 10 shares. The holder of these shares did not respond to the Company's call published in accordance with the applicable procedure in Monitor Sadowy i Gospodarczy (Court and Business Gazette) calling minority shareholders holding the said shares to submit the share documents to the Company, within two weeks of the publication of the call, under the sanction of cancelling the shares after that date. In connection with the above, on April 7, 2017, the Management Board of Helios S.A. adopted a resolution cancelling these shares and announced this in Monitor Sadowy i Gospodarczy of May 8, 2017. Currently, the valuation of the shares by the registered auditor nominated by the Court is being finalized.

As at the date of publication of these consolidated financial statements, the squeeze-out and share buyback procedures have not been completed.

13. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY FOR THE CONDENSED SEMI – ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF AGORA S.A. AND THE TRANSLATION METHOD OF FINANCIAL DATA

The functional and presentation currency for Agora S.A. and other companies as well as for the presented condensed interim consolidated financial statements is Polish zloty, except of associate ROI Hunter a.s. which functional currency is Czech crown.

Selected financial data presented in the financial statements has been translated into EURO in the following way:

- income statement and cash flow statement figures for the two quarters of 2021 (two quarters of 2020) using the arithmetic average of exchange rates published by NBP and ruling on the last day of each month for two quarters. For the two quarters of 2021 EURO 1 = PLN 4.5472 (EURO 1 = PLN 4.4413).
- balance sheet figures using the average exchange rates published by NBP and ruling as at the balance sheet date. The exchange rate as at 30 June 2021 – EURO 1 = PLN 4.5208; as at 31 December 2020 – EURO 1 = PLN 4.6148, as at 30 June 2020 – EURO 1 = PLN 4.4660.

14. PROPERTY, PLANT AND EQUIPMENT

In the period from January 1, 2021 to June 30, 2021, the Group purchased property, plant and equipment in the amount of PLN 9,664 thousand (in the period of January 1, 2020 to June 30, 2020: PLN 16,447 thousand).

As at June 30, 2021, the commitments for the purchase of property, plant and equipment amounted to PLN 11,638 thousand (as at December 31,2020: PLN 13,779 thousand).

The commitments for the purchase of property, plant and equipment include inter alia future liabilities resulting from the signed agreements related to the realization of the concession contract for the construction and utilization of bus shelters in Cracow and building of new cinemas.

(all amounts in PLN thousands unless otherwise indicated) translation only

Sale of the property

On January 29, 2021 the Management Board of Agora S.A. informed that on January, 29 2021 the Company concluded a preliminary agreement for the sale of the perpetual usufruct right to a developed real estate with a total area of 7.46 ha, including the ownership title to buildings constituting an object of ownership separate from the land, located in Pila at ul. Krzywa 35, for which the District Court in Pila, VI Division of Land Registry, keeps a land and mortgage register with the number PO1I/00009141/0 ("Property").

The decision to sell the Property results from the fact that after the restructuring of the printing activity and the phasing out of printing plant in Pila in the second half of 2019 (about which Agora informed in regulatory filings No. 5/2019 of 5 March 2019 and No. 7/2019 of 25 March 2019) The Company does not effectively use the area of the Property for operating activities.

On March 4, 2021 Agora S.A. concluded a promised agreement on sale of the property described above.

The net sales price of the Property amounted to PLN 14.5 million and its sale did not affect the operating result of the Agora Group in 2021, as the selling price of the Property was in line with its book value. The transaction is visible in the Group's cash flows and resulted in a decrease in the value of the Group's fixed assets, which as at December 31, 2020, were presented in the balance sheet as assets held for sale.

15. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The Group applies the following hierarchy for disclosing information about fair value of financial instruments – by valuation technique:
Level 1: quoted prices in active markets (unadjusted) for identical assets or liabilities;
Level 2: valuation techniques in which inputs that are significant to fair value measurement are observable, directly or indirectly, market data;
Level 3: valuation techniques in which inputs that are significant to fair value measurement are not based on observable market data.

The table below shows financial instruments measured at fair value at the balance sheet date:

	As at 30 June 2021	Level 1	Level 2	Level 3
Certificates in investment funds	1	-	1	-
Financial assets measured at fair value	**1**	**-**	**1**	**-**
Put option liabilities	34,548	-	-	34,548
Financial liabilities measured at fair value	**34,548**	**-**	**-**	**34,548**

	As at 31 December 2020	Level 1	Level 2	Level 3
Certificates in investment funds	1	-	1	-
Financial assets measured at fair value	**1**	**-**	**1**	**-**
Put option liabilities	34,548	-	-	34,548
Financial liabilities measured at fair value	**34,548**	**-**	**-**	**34,548**

Key assumptions that are most significant to the fair value measurement of financial instruments in Level 3 of the fair value hierarchy include Helios put options parameters, i.e. estimated level of the operating result EBIT and discount rate.

In the period from January 1, 2021 to June 30, 2021 there were no changes in the value of the financial instruments categorised within Level 3 of the fair value hierarchy and there were no changes in valuation techniques.

16. NET RESULT DISTRIBUTION FOR THE YEAR 2020

On March 17, 2021 the Management Board of Agora S.A. adopted a resolution on the submission of a motion to the Annual General Meeting of Shareholders to withhold the payment of dividend for 2020.

The above departure from the dividend policy announced on 14 February 2005, is related to the economic uncertainty and the further impact of the COVID-19 pandemic and its effects on the operating activities and financial results of both Agora and the Agora Group, which is difficult to estimate.

In the circumstances of such high uncertainty, the Management Board of Agora considered it justified to keep the financial resources in the Company and recommend not to pay dividends for 2020 in order to strengthen the financial position of the Group.

The above decision received a positive opinion from the members of the Supervisory Board.

In accordance with the resolution adopted on June 24, 2021 the General Meeting of Shareholders decided to cover the net loss of Agora S.A. for the financial year 2020 in the amount of PLN 54,859 thousand with profits from previous years.

17. OTHER INFORMATION

- **Impact of the COVID-19 pandemic on the Agora Group**

The COVID-19 pandemic and government actions undertaken to reduce the further spread of coronavirus will have a significant negative impact on the financial performance of Agora and its subsidiaries in the following quarters of 2021, in particular in the event of a further increase in the number of diseases. Despite the challenges related to functioning in a market environment with negative consequences of the pandemic and a high level of uncertainty as to possible restrictions on business activities in the future, the Management Board of the Company does not see any indications that would raise serious doubts as to the continuation of business performance of the Company and the Agora Group.

In order to ensure financial liquidity, the Company and its subsidiary Helios S.A. secured additional financing. In addition, extra initiatives are being implemented by Helios to prevent a liquidity gap in the future in the event of the pandemic situation becoming worse and further restrictions on cultural activities being applied. On 8 June 2021, Helios S.A. signed a preferential loan agreement in the amount of approximately PLN 5.0 million. The Company reported this event in detail in regulatory filing no. 12/2021 of 9 June 2021. Additionally, in the first half of 2021, companies functioning within the Movies and Books segment received total aid as a part of the so called anti-crisis shield in the amount of PLN 7.3 million. As at the balance sheet date, Agora S.A. had a working capital loan granted and fully available in the amount of PLN 100.0 million to finance operating activities. On the other hand, Helios S.A. had a working capital loan of PLN 108.0 million (including PLN 2.0 million of sublimit for Step Inside Sp. z o.o.) and the funds available as at the balance sheet date amounted to PLN 40.5 million. The Company's Management Board carries out intensified monitoring activities of receivables inflow in order to secure the financial liquidity of the Group and takes other measures to secure its liquidity in the foreseeable future. However, the result of these actions depends to a large extent on the pace of economic recovery following the corona crisis and the magnitude of the restrictions associated with the potential increase of COVID-19 infections. A significant risk to the liquidity of the Agora Group may be the scale of revenues generated, in particular in the event of a recurrence of a pandemic which will result in a resuspension of operations of certain sectors of the economy. Both Agora and all companies from its capital group took a number of actions aimed at minimising the losses caused by the COVID-19 pandemic, providing financial security for the Group and returning the Group to the path of growing revenues and operating results.

In the opinion of the Company's Management Board, in connection with the extension of the closure of cultural facilities until 20 May 2021, the largest negative impact of the pandemic on the Group's operations was visible in the first half of 2021. In subsequent periods, depending on the available cinema repertoire and the applicable sanitary regime, the Movies and Books segment should generate higher revenues than a year before and improve its financial results, which will have an impact on the results of the Agora Group as a whole.

The resumption of cinema activities on 21 May 2021 resulted in a dynamic increase in revenues of the Movies and Books segment as compared to the corresponding period of 2020. The interesting repertoire planned for the remaining quarters of 2021 suggests that the pace of recovery of the cinema market could further accelerate, unless further restrictions on cinema activity are introduced.

The second quarter of 2021, in addition to the reopening of cultural facilities, also brought clear signals of advertising market recovery in Poland. According to the Company's estimates, in 2021, the value of advertising market in Poland in the first half of 2021 outgrew that recorded in the first half of 2019. In the coming quarters online advertising spending will be significantly higher than in 2019. The value of expenditure on advertising on radio and television will be basically at the same level as in 2019. On the other hand, outdoor advertising and cinema, ie the sectors most affected by the negative effects of the pandemic, will, in the Company's opinion, need more time to rebuild their value.

As a result, in 2021, according to the Company's estimates, advertisers will increase their spending on promoting their goods and services by approximately 8% -11% compared to 2020. This is a result of the fact that the reconstruction of the advertising market value has already started in in the first quarter of 2021, and in the second quarter it accelerated significantly thanks to the unfreezing of other sectors of the economy. In the opinion of the Company, the only market segment in which the value of advertising expenditure will shrink throughout 2021 will be traditional press. This decrease may amount to 9-12% compared to 2020. In cinemas, due to the longer than expected closure of cultural facilities, the growth dynamics will be lower than the Company expected and will amount to 6-9%. Based on the available market data, Agora decided to leave the estimated growth in TV advertising spending unchanged at 5-8%. The dynamic increase in the value of expenses will take place in the outdoor advertising segment - it may reach 15-18%. Advertising expenditure will increase by 9-12% yoy in Internet, and by 8-11% yoy in radio.

The above estimates and expectations carry the risk of a renewed aggravation of the pandemic and an increase in the number of sickness cases in the second half of 2021. If the government decides to introduce sanitary restrictions similar in scale to those introduced in previous periods, the above estimates of the reconstruction of the advertising market are subject to the risk of failure to implement them.

At the same time, it is worth noting that during the so-called "third wave of the pandemic", the reaction of the advertising market was less violent than in previous periods. Advertisers did not drastically reduce their total advertising budgets. Their activity was only halted in the sectors that were most affected by sanitary restrictions, namely cinemas and outdoor advertising.

Due to a significant improvement in these two areas, namely cinema activities and the advertising market, the rate of restoration of the Agora Group's revenue in the following quarters should accelerate, provided, provided, however, that the scale of restrictions related to the prevention of another wave of pandemic in the second half of 2021 will not be similar to that of last year. The experience of other countries in the same situation shows that, once the restrictions on cultural activities have been lifted, viewers are rapidly returning to watching movies in cinemas. The pace of this return depends not only on the repertoire available, but largely on the scale of the sanitary restrictions and the severity of the pandemic in a given country. In the opinion of the Management Board of Helios S.A. there is a chance - that owing to the opening of multiroom cinemas on 21 May 2021 - the attendance in the current year should be comparable to the one recorded in 2020.

One of the segments of the advertising market most affected by the pandemic is outdoor advertising, which is sensitive to the number of contacts between the public and the promotional message. A reduction in advertising expenditures in this market area will have a significant impact on the results of the Agora Group. AMS is the leader of the outdoor advertising market in Poland with modern panels in the most popular locations. Lifting restrictions on the movement of population, increase in the number of contacts with advertising messages and subsequent stages of “unfreezing” of the Polish economy should result in a more rapid return of advertising campaigns to AMS advertising panels than on the market in general.

The effects of the pandemic and the limited advertising expenditure significantly affected the radio business of the Agora Group. The Agora Radio Group is one amongst the smallest players on the radio market in Poland, and therefore, it can experience more difficulties in competing for significantly limited advertising budgets than large broadcasters. However, the elimination of business restrictions has already had a positive impact on the segment's revenues, mainly due to the increased activity of local entrepreneurs. It is worth noting that the current situation in Poland has contributed to the growing listeners' interest in the offer of Radio TOK FM, whose audience has recently reached the highest levels in the history of this radio station. The audience results of other radio stations belonging to Agora have also been improving. In the long term, this should translate into a greater interest of clients in the radio advertising offer.

The pandemic also significantly affected the digitalisation processes in the press market. The digitalisation of press titles accelerated, which in the Company's opinion will continue in subsequent periods of 2021. As a result, the offer of traditional press will continue to shrink and the digital offer will become even more essential. Agora is the leader of the Polish market in the area of digital subscriptions. The number of active subscriptions of Wyborcza.pl has been growing steadily – at the end of June 2021 it amounted to over 258 thousand. The share of daily's digital revenue has been increasing constantly, and optimization measures in the area of traditional press will contribute to improvement of the performance of the entire Press segment.

The Company expects a further increase in revenue in the Internet segment, both as a result of significant improvement in the quality of advertising space of Gazeta.pl, as well as the fast-growing Yieldbird company. In the opinion of the Management Board of Agora, the development initiatives undertaken by individual Internet projects of the Group significantly improved the quality of digital advertising space and the safety of advertising messages, which are increasingly important from the customers' point of view. This translates into an increasing share of digital inflows in total advertising sales of the Group (51.8% in the first half of 2021). With subsequent initiatives to improve the effectiveness of the introduced solutions and the increase in spending on online advertising, the share of digital revenues in total advertising revenue of the Agora Group in 2021 will be even higher.

The Agora Group develops food services activities within Step Inside Sp. z o.o. company, which runs the Pasibus brand restaurants. Revenues from the company's operations have been growing steadily – in the second quarter of 2021, they amounted to PLN 6.6 million. The dynamic increase in revenue in this business area was linked to the lifting of further restrictions, in particular the opening of shopping malls and the permission to serve food on site in restaurants.

The copy sales of titles in traditional form will decrease in the second half of 2021 due to not only the market trends but also the Poles quickly getting used to reading digital publications. However, the Agora Group is actively developing the digital subscription of *Gazeta Wyborcza* and the sale of books and music in digital form or via online outlets. This results in a steady increase in the share of digital revenues both from the sale of publications (30.2% in the first half of 2021) and more broadly from sales of content in the Agora Group (35.9% in the first half of 2021). The Company's Management Board estimates that by investing in projects supporting digital growth in the Group, this trend will further accelerate in 2021.

Taking all these issues into account, the Management Board of Agora estimates that throughout 2021, the revenues of the Agora Group will increase as compared to 2020, and the Group will start a gradual recovery of its financial results. The EBIT operating loss will decrease and the Group will record a profit at EBITDA level. The businesses that will be the fastest to start reconstructing their results are: Cinemas, Food Services Activities, Outdoor and Radio.

At the same time, the Management Board of Agora continues initiatives supporting the improvement of the Group's operating results, as well as financial and liquidity security of the Company and of the Agora Group as a whole, taking into account the possibility of the pandemic recurring later this year.

However, it is worth remembering that due to the difficulty in predicting the further developments in the situation related to the pandemic and its economic consequences, the above assumptions may be erroneous and their accuracy is much smaller than in periods of greater predictability.

- **Proceedings of UOKiK regarding Eurozet Sp. z o.o.**

On January 7, 2021, the Company learned from the official website uokik.gov.pl about issuing a decision of the President of the Office of Competition and Consumer Protection ("President of UOKiK") to prohibit the concentration consisting of taking control by the Company over Eurozet Sp. z o.o.

The company disagrees with the merits of the decision of the President of UOKiK. In the opinion of the Company, the decision was issued in breach of anti-monopoly regulations and administrative proceedings. Additionally, the decision does not take into account the evidence, in particular the economic analyses presented by the Company.

Therefore, Agora will take all actions provided for by law in this matter. The decision of the President of UOKiK is not yet final and the Company will appeal against the decision to the Court of Competition and Consumer Protection within one month from the date of its delivery.

On February 8, 2021, the Company filed to the District Court in Warsaw – the Competition and Consumers Protection Court - an appeal against the decision of the President of the Office of Competition and Consumer Protection ("President of UOKiK"), issued on 7 January 2021, prohibiting Agora taking control over Eurozet Sp. z o.o.

Company appealed to the District Court in Warsaw, requesting the court to issue a reformative ruling which will allow the concentration to be carried out without any further conditions. The evidence gathered in the case clearly indicates that all the conditions for issuing such a decision are met.

On May 6, 2021 the President of the Office of Competition and Consumer Protection transferred the case file to the District Court in Warsaw – the Court of Competition and Consumer Protection.

On May 27, 2021 Agora S.A. filed an application for review of the appeal against the decision of the President of the Office of Competition and Consumer Protection prohibiting Agora's concentration with Eurozet beyond the order in which cases were received by the competent court. On June 2, 2021, the court granted Agora's request, which means that the case will be examined in an expedited manner.

- **Tax control**

On February 28, 2019, Agora S.A. ("Company") received a tax control protocol related to the accuracy of VAT settlements for the period of September to December 2017. The Tax Office is questioning the way that the Company applies certain VAT regulations for selected goods and services. Subsequently, the Tax Office opened a tax procedure and on 26 December 2019 the Company received a tax assessment dimensional decision by the tax authority of first instance determining the VAT arrears in the amount of PLN 0.5 million (principal amount). The amount resulting from the decision together plus interests has been paid on 7 January, 2020. Simultaneously, The Company's Management Board did not agree with the findings of the decision and has filed an appeal on 9 January 2020 to the Director of the Chamber of Tax Administration in Warsaw. The Management Board of the Company considers the adopted method of evidence to be appropriate and will defend it in further administrative or court proceedings. In the Company's Management Board opinion, following appeal or legal proceedings, the amount paid shall be refunded and there is no basis to recognise a provision for potential tax losses. As at the date of these financial statements the tax procedure is pending.

- **Inflow of funds from the Guaranteed Employee Benefits Fund to the Group**

In the first half of 2021 subsidiaries Helios S.A. and Step Inside Sp. z o.o. received employee remuneration subsidy from the Guaranteed Employee Benefits Fund in the amount of PLN 2,401 thousand.

Additionally, companies Helios S.A. and Next Film Sp. z o.o. received decisions of the Social Security Office to exempt from payment social security contributions for the year 2021 and 2020 amounting to PLN 4,943 thousand (including exemption for 2020 recognised in other operating income amounting to PLN 3,948 thousand).

The positive impact of these events on the Group result amounted to PLN 7,344 thousand.

- **Appointment of a new member of the Management Board**

On May 18, 2021 The Management Board of Agora S.A. informed that pursuant to the provisions of § 28 section 3 of the Company's Articles of Association, the Management Board appointed on May 18, 2021, by co-opting, Mr. Tomasz Grabowski with effect on June 1, 2021.
In the Management Board of Agora S.A. he will supervise the central Technology department and technology departments responsible for the development of functionalities for Gazeta.pl and Wyborcza.pl as well as the development of technological innovations and the Big Data department.

On June 24, 2021, the General Meeting of Agora S.A. approved the appointment of Mr Tomasz Grabowski to the Management Board of the Company by way of co-option.

The above change was registered by the District Court for the capital city of Warsaw in Warsaw on July 23, 2021.

- **Strategic options review process for Agora Group's internet operations**

On June 9, 2021 the Management Board of Agora S.A. informed that on June 8, 2021 it made a decision to start the process of reviewing strategic options for Agora Group's internet operations in order to effectively achieve Agora's strategic goal related to the development of the subscription model and an increase in revenues from the sale of advertising services.

The review of strategic options is aimed at selecting the most advantageous way to achieve the long-term goal of the Company, which is the development of the Group leading to maximization of value for the current and future shareholders of the Company. As part of the review, the Company intends to analyze various scenarios related to, i.a., the reorganization of the group in order to organize its structure.

The above list of options is not exhaustive and does not preclude the consideration of other options, not listed above, if such appear as a result of the review, including the sale of assets. It is uncertain whether and when a decision to choose a particular option will be made. The Management Board of Agora will publish information on the review process in accordance with applicable law.

- **Other information**

Income tax recognized in the Group's Income Statement differs from the theoretical amount resulting from the application of the tax rate valid in Poland equal to 19% mainly due to the non-recognition of deferred tax assets due to tax losses incurred in the taxation of the Tax Capital Group due to uncertainty of achieving sufficient future tax profits enabling them to be settled.

18. POST BALANCE-SHEET EVENTS

- **Changes in the composition of the Management Board**

On July 30, 2021 the Management Board of Agora S.A. informed that on 30 July 2021 the Company received from Ms. Agnieszka Sadowska a declaration of intention to resign from the position of a Member of the Management Board of the Company, effective at the latest on 31 October 2021.

On August 5, 2021 the Management Board of Agora S.A. informed that, pursuant to the provisions of § 28 section 3 of the Company's Articles of Association, on 5 August 2021, the Management Board appointed Ms Agnieszka Siuzdak-Zyga, by co-opting.

In the Management Board of Agora S.A. she will supervise the Gazeta.pl division.

19. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	PLN thousand			EURO thousand		
	Six months ended 30 June 2021 unaudited	As at 31 December 2020 audited	Six months ended 30 June 2020 unaudited	Six months ended 30 June 2021 unaudited	As at 31 December 2020 audited	Six months ended 30 June 2020 unaudited
Sales	347,767		419,122	76,479		94,369
Operating loss	(77,087)		(72,866)	(16,953)		(16,406)
Loss before income taxes	(71,921)		(99,294)	(15,817)		(22,357)
Net loss for the period attributable to equity holders of the parent	(65,494)		(81,316)	(14,403)		(18,309)
Net cash from operating activities	38,898		115,778	8,554		26,068
Net cash used in investing activities	(13,422)		(10,555)	(2,952)		(2,377)
Net cash used in financing activities	(40,972)		(33,023)	(9,010)		(7,435)
Net increase / (decrease) in cash and cash equivalents	(15,496)		72,200	(3,408)		16,257
Total assets	1,942,254	2,018,298		429,626	437,353	
Non-current liabilities	740,810	739,784		163,867	160,307	
Current liabilities	443,416	446,191		98,084	96,687	
Equity attributable to equity holders of the parent	753,804	820,942		166,741	177,893	
Share capital	46,581	46,581		10,304	10,094	
Weighted average number of shares	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831
Earnings per share (in PLN / in EURO)	(1.41)		(1.75)	(0.31)		(0.39)
Book value per share (in PLN / in EURO)	16.18	17.62		3.58	3.82	

Warsaw, August 12, 2021

Bartosz Hojka - President of the Management Board	*Signed on the Polish original*
Tomasz Jagiello - Member of the Management Board	*Signed on the Polish original*
Agnieszka Sadowska - Member of the Management Board	*Signed on the Polish original*
Anna Krynska-Godlewska - Member of the Management Board	*Signed on the Polish original*
Tomasz Grabowski - Member of the Management Board	*Signed on the Polish original*
Agnieszka Siuzdak-Zyga - Member of the Management Board	*Signed on the Polish original*

Signatures submitted electronically.