

AGORA GROUP

Condensed
semi-annual
consolidated
financial statements
as at 30 June 2022
and for six month
period ended
thereon

August 11, 2022

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2022

	As at 30 June 2022 unaudited	As at 31 December 2021 audited
Assets		
Non-current assets:		
Intangible assets	406,603	410,192
Property, plant and equipment	358,929	366,730
Right-of-use assets	603,648	610,108
Long-term financial assets	2,683	3,158
Investments in equity accounted investees	146,999	142,910
Receivables and prepayments	3,319	6,360
Deferred tax assets	46,870	47,937
	1,569,051	1,587,395
Current assets:		
Inventories	27,360	19,994
Accounts receivable and prepayments	176,680	177,366
Income tax receivable	1,123	599
Short-term securities and other financial assets	1,027	1,024
Cash and cash equivalents	74,207	134,878
	280,397	333,861
Total assets	1,849,448	1,921,256

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2022 (CONTINUED)

	Note	As at 30 June 2022 unaudited	As at 31 December 2021 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		532,820	580,582
		726,593	774,355
Non-controlling interest		1,569	5,929
Total equity		728,162	780,284
Non-current liabilities:			
Deferred tax liabilities		5,905	5,841
Long-term borrowings	3	642,222	630,182
Other financial liabilities	15	28,345	34,344
Retirement severance provision		3,514	3,401
Provisions		-	93
Accruals and other liabilities		15,343	18,312
Contract liabilities		1,153	2,126
		696,482	694,299
Current liabilities:			
Retirement severance provision		160	344
Trade and other payables		208,890	246,531
Income tax liabilities		34	642
Short-term borrowings	3	196,054	176,541
Provisions		1,635	2,052
Contract liabilities		18,031	20,563
		424,804	446,673
Total equity and liabilities		1,849,448	1,921,256

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

CONSOLIDATED INCOME STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2022

	Note	Six months ended 30 June 2022 unaudited	Six months ended 30 June 2021 unaudited
Revenue	4	514,947	347,767
Cost of sales		(377,074)	(280,902)
Gross profit		137,873	66,865
Selling expenses		(89,797)	(74,920)
Administrative expenses		(84,232)	(76,396)
Other operating income		6,248	12,450
Other operating expenses		(3,489)	(5,144)
Impairment losses for receivables - net		(1,099)	58
Operating loss		(34,496)	(77,087)
Finance income		7,540	11,429
Finance costs		(26,032)	(10,467)
Share of results of equity accounted investees		4,089	4,204
Loss before income taxes		(48,899)	(71,921)
Income tax		(1,800)	2,661
Net loss for the period		(50,699)	(69,260)
Attributable to:			
Equity holders of the parent		(47,762)	(65,494)
Non-controlling interest		(2,937)	(3,766)
		(50,699)	(69,260)
Basic/diluted earnings per share (in PLN)		(1.03)	(1.41)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR SIX MONTHS ENDED 30 JUNE 2022

	Six months ended 30 June 2022 unaudited	Six months ended 30 June 2021 unaudited
Net loss for the period	(50,699)	(69,260)
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/(loss) for the period	(50,699)	(69,260)
Attributable to:		
Shareholders of the parent	(47,762)	(65,494)
Non-controlling interests	(2,937)	(3,766)
	(50,699)	(69,260)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2022

	Attributable to equity holders of the parent			Total	Non-controlling interest	Total equity
	Share capital	Share premium	Retained earnings and other reserves			
Six months ended 30 June 2022						
As at 31 December 2021 audited	46,581	147,192	580,582	774,355	5,929	780,284
Total comprehensive income for the period						
Net loss for the period	-	-	(47,762)	(47,762)	(2,937)	(50,699)
Total comprehensive income/(loss) for the period	-	-	(47,762)	(47,762)	(2,937)	(50,699)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends of subsidiaries	-	-	-	-	(1,422)	(1,422)
Total contributions by and distributions to owners	-	-	-	-	(1,422)	(1,422)
Changes in ownership interests in subsidiaries						
Other	-	-	-	-	(1)	(1)
Total changes in ownership interests in subsidiaries	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	-	-	(1,423)	(1,423)
As at 30 June 2022 unaudited	46,581	147,192	532,820	726,593	1,569	728,162

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

	Attributable to equity holders of the parent					Total equity
	Share capital	Share premium	Retained earnings and other reserves	Total	Non-controlling interest	
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/(loss) 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 5)	-	-	-	-	(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	-
Sale of a subsidiary	-	-	-	-	(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.

CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2022

	Note	Six months ended 30 June 2022 unaudited	Six months ended 30 June 2021 unaudited
Cash flows from operating activities			
Loss before income taxes		(48,899)	(71,921)
Adjustments for:			
Share of results of equity accounted investees		(4,089)	(4,204)
Depreciation and amortisation		79,395	81,237
Foreign exchange (gain)/loss		9,473	(11,067)
Interest, net		16,546	10,275
(Gain)/loss on investing activities		(2,429)	2,613
Increase in deferred revenues and accruals		(581)	(317)
Increase in inventories		(7,366)	(3,352)
Decrease in receivables and prepayments		8,316	16,700
(Decrease)/increase in payables		(35,935)	15,782
(Decrease)/increase in contract liabilities		(3,505)	4,527
Remeasurement of put options	15	(5,999)	-
Equity-settled share-based payments	5b	-	139
Cash generated from operations		4,927	40,412
Income taxes outflows		(1,762)	(1,514)
Net cash from operating activities		3,165	38,898
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment, and intangibles		2,531	17,366
Loan repayment received		425	29
Interest received		177	7
Purchase of property, plant and equipment and intangibles		(38,238)	(26,824)
Other outflows (1)		-	(4,000)
Net cash used in investing activities		(35,105)	(13,422)

CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2022 (CONTINUED)

	Six months ended 30 June 2022 unaudited	Six months ended 30 June 2021 unaudited
Cash flows from financing activities		
Proceeds from borrowings	69,643	26,691
Acquisition of non-controlling interests	-	(2,404)
Dividends paid to non-controlling shareholders	(1,422)	(1,654)
Loans repayment	(41,039)	(35,117)
Payment of lease liabilities	(39,479)	(19,743)
Interest paid	(16,434)	(8,745)
Net cash used in financing activities	(28,731)	(40,972)
Net decrease in cash and cash equivalents	(60,671)	(15,496)
Cash and cash equivalents		
At start of period	134,878	138,355
At end of period	74,207	122,859

(1) 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 2022 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* 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 2022 the Agora Group comprised: the parent company Agora S.A. and 19 subsidiaries. Additionally, the Group held shares in jointly controlled entity: Instytut Badan 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 2022, with comparative figures presented as at 31 December 2021 and for six months ended 30 June 2021.

The condensed semi-annual consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on August 11, 2022.

2. STATEMENT OF COMPLIANCE

The condensed semi-annual consolidated financial statements as at 30 June 2022 and for six months ended 30 June 2022 have not been audited by an independent auditor. The consolidated financial statements as at 31 December 2021 and for twelve months ended 31 December 2021 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 have been prepared with the assumption that the Company and its Group will continue as a going concern in the foreseeable future.

As at 30 June 2022 there was an excess of current liabilities over current assets, which amounted to PLN 144.4 million. In comparison, as at 31 December 2021 this excess amounted to PLN 112.8 million. It should be noted that the key influence on such a ratio of current liabilities to current assets has short-term borrowings item, which amounted to PLN 196 million. Out of this amount PLN 88.6 million accounted for lease liabilities arising from the application of IFRS 16, i.e. liabilities relating to future rental payments payable within one year of the balance sheet date, which are covered by current operations and revenues generated by the companies. The largest part of these liabilities is due to rental payments for cinemas in Helios S.A. amounting to PLN 63 million, where, in the Management Board's view, the balance sheet structure is typical of an industry where a significant proportion of sales are made on a cash basis.

The excess of current liabilities over current assets excluding the impact of IFRS 16 amounted to PLN 55.7 million. This excess is mainly generated by utilised working capital loans included in short-term borrowings item. With regard to short-term debt, Helios S.A. is in advanced discussions with the banks providing working capital loans to determine new schedules and repayment dates, which currently fall between August and December and, in the opinion of the Management Board, should end favourably for the company.

Taking into account the Group's own funds, available credit facilities and the current condition of individual businesses (including the improved performance of key segments) and the measures taken to counteract the negative effects of the economic crisis, in the opinion of the Company's Management Board, the Group's financial position is stable and it is reasonable to assume that Agora and Agora Group will continue as a going concern, despite the uncertainty mainly related to the consequences of Russia's invasion of Ukraine and the effects of the epidemiological situation in the country.

The condensed semi-annual consolidated financial statements as at 30 June, 2022 should be read together with the audited consolidated financial statements as at December 31, 2021. 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, 2021, except for changes described below.

For the Group's financial statements for the year started with January 1, 2022 the following amendments to existing standards, which were endorsed by the European Union, are effective:

- 1) Package of amendments (Amendments to IFRS 3, IAS 16, IAS 37),
- 2) Annual Improvements to IFRS 2018-2020.

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

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 2022	31 December 2021
Long-term bank loans	21,118	21,907
Long-term loans (1)	15,855	761
Finance lease liabilities	605,249	607,514
Total long-term borrowings	642,222	630,182
<i>including: Lease liabilities resulting from application of IFRS 16</i>	<i>582,072</i>	<i>578,029</i>
Short-term bank loans	89,770	79,274
Short-term loans (1)	4,200	761
Finance lease liabilities	102,084	96,506
Total short-term borrowings	196,054	176,541
<i>including: Lease liabilities resulting from application of IFRS 16</i>	<i>88,626</i>	<i>82,156</i>

(1) relates to preferential loans granted to Helios in 2022 and 2021 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies.

On March 28, 2022 Helios S.A. ("Helios") signed a preferential loan agreements in the amount of PLN 18,912,907.00 ("Agreement") with Polski Fundusz Rozwoju S.A. based in Warsaw ("PFR") under the Government Program - Financial Shield of the Polish Development Fund for Large Companies ("Program").

The Program Regulations concerning the terms of granting the loan provide for the possibility of redemption of its repayment up to 75% of the amount received, depending on the fulfillment by Helios of the conditions specified in the Agreement. The unredeemed part of the loan is to be repaid in 22 equal quarterly installments starting from 30 September 2022. The loan bears interest at a fixed annual rate.

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 28,369,360.50, (ii) registered pledge on the shares of the subsidiary Helios - Step Inside Sp. z o.o. based in Łódź with the highest priority to the highest security amount of PLN 28,369,360.50 and (iii) a declaration of submission to enforcement up to the amount of PLN 28,369,360.50 with the deadline for PFR to apply for an enforcement clause as of 31 December 2029.

The loan was received on June 3, 2022. Under the terms of the Program, Helios applied for redemption of part of the received funds.

The deadline for repayment of the loan is 31 December 2027. The loan can be used to finance Helios' day-to-day operations.

On August 5, 2022 the Management Board of Agora S.A. received information about the cancellation of a part of the preferential loan granted to Helios S.A. by the Polish Development Fund S.A. (more information in note 18).

On April 14, 2022 Agora S.A. concluded an overdraft agreement and a loan refinancing Agora's current term debt in the total amount of up to PLN 67 million (jointly "Loan" and "Loan Agreements") with Santander Bank Polska S.A. ("Bank"). The company announced the commencement of negotiations and the arrangement of preliminary material terms of credit agreements in the current report No. 10/2022 of 28 March 2022. The change of the entity providing financing to Agora results from the withdrawal of Agora S.A.'s existing creditor from its activities in Poland.

Pursuant to the signed Loan Agreements and after meeting the conditions for establishing legal security for the repayment of the loan and meeting other requirements usually applied when granting loans of a comparable amount, the Company has an investment loan of PLN 32 million with a 3-year repayment period and an overdraft facility in the amount of PLN 35 million with a 2-year availability period from the date of concluding a binding loan agreement with the Bank.

The funds from the investment loan in the amount of PLN 31.8 million were used on April 26, 2022 to refinance the existing term loan at DNB Bank Polska S.A. and the funds from the investment loan remaining after refinancing will be redeemed. An overdraft facility in the amount of PLN 35 million can be used to financing of day-to-day business activities.

The collaterals for the granted financing are typical for such agreements and, in accordance with the provisions of the Loan Agreements, they include: declaration of voluntary submission to enforcement by the Company and guarantors (Grupa Radiowa Agory Sp. z o.o. and Yieldbird Sp. z o.o.), contractual mortgage, established for the benefit of the Bank on real estate located in Warsaw at Czerna 8/10 Street, of which the Company has the right of perpetual usufruct and the ownership of the building located thereon, transfer of rights from the insurance policy on the above mentioned real estate, a guarantee from Bank Gospodarstwa Krajowego under the PLG FGP portfolio guarantee line secured with a blank promissory note, covering 80% of credit amounts in the current account, surety granted by companies from the Agora Group (Grupa Radiowa Agory Sp. z o.o. and Yieldbird Sp. z o.o.) in the amount of 150% of the Loan amount, registered and financial pledge on selected bank accounts of Agora S.A.

Moreover, during the financing period, the Company is obliged to maintain at a certain level the financial ratios related to the EBITDA result increased by received dividends and the agreed debt ratio.

Additionally, the Company and the guarantors (Grupa Radiowa Agory Sp. z o.o. and Yieldbird Sp. z o.o.), without the Bank's written consent, may not (except for cases specified in the contract) use the components of fixed assets, establish security over fixed assets, incur additional financial liabilities, except for debt up to the limit of PLN 10 million for current operations and the existing debt as at the date of signing the agreement and the debt available in the cash pool system.

Without the consent of the Bank, Agora cannot, among others, sell shares in dividend companies included in its capital group (AMS S.A., Agora TC Sp. z o.o., Grupa Radiowa Agory Sp. z o.o., Yieldbird Sp. z o.o., Eurozet Sp. z o.o., Helios S.A.), with exceptions specified in the contract, sell real estate in Tychy, grant loans and pay dividends to shareholders earlier than in 2023 after meeting the financial ratios specified in the Loan Agreements and with no breach of the agreement, purchase shares, stocks and securities apart from obligatory buyouts from companies from the capital group, as well as make transformations or mergers, division, liquidation or disposal of the enterprise, disposal of an organized part of the enterprise, charging it to a third party or a significant change in the subject of the Company's activity.

The Bank may, among others, terminate the Credit Agreements or withdraw from the payment of funds from the Loan or limit the amount of available funds in the event of, among others, lack of achievement agreed upon financial ratios, a change of control over the Company, submission of a motion for bankruptcy of the Company, initiation of restructuring proceedings or commenced enforcement of liabilities in the amount specified in the contract.

The loan bears interest at the WIBOR rate for three-month deposits in PLN increased by the Bank's margin. In the event of a breach of the terms of the agreement, the Bank may increase the loan margin, and in the event of overdue debt, it will charge the Company with interest on the debt. In addition, the Agreement does not contain provisions on contractual penalties.

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. and the gastronomy activities of Step Inside Sp. z o.o. as well as 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. and HRLink Group (from January 28, 2021 comprised of HRLink Sp. z o.o. and GoldenLine 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 and parking lots in the Company's headquarters, use of computers and development and maintenance activities of IT and Big Data departments, 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 2022 and 30 June 2021 relate to Instytut Badan Outdooru Sp. z o.o., 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.

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Revenues from external customers	205,037	98,161	76,017	84,624	47,624	511,463	3,484	514,947
Intersegment revenues (2)	4,449	2,412	998	2,185	2,710	12,754	(12,754)	-
Total revenues	209,486	100,573	77,015	86,809	50,334	524,217	(9,270)	514,947
Total operating cost (1), (2), (3)	(216,690)	(102,228)	(74,377)	(78,762)	(49,618)	(521,675)	(27,768)	(549,443)
Operating profit / (loss) (1)	(7,204)	(1,655)	2,638	8,047	716	2,542	(37,038)	(34,496)
Total operating cost (excl. IFRS 16) (1), (2), (3)	(225,253)	(102,229)	(75,449)	(78,762)	(50,092)	(531,785)	(28,168)	(559,953)
Operating profit / (loss) (excl. IFRS 16) (1)	(15,767)	(1,656)	1,566	8,047	242	(7,568)	(37,438)	(45,006)
Net finance income and cost							(18,492)	(18,492)
Share of results of equity accounted investees	-	-	(109)	(743)	4,941	4,089	-	4,089
Income tax							(1,800)	(1,800)
Net loss								(50,699)

(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 and parking lots in the Company's headquarters, use of computers and development and maintenance activities of IT and Big Data departments, which are allocated to segments), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 44,462 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation	(40,716)	(3,289)	(18,975)	(4,526)	(3,689)	(71,195)	(7,769)	(78,964)
Amortisation recognised on consolidation (1)	(259)	-	-	(299)	-	(558)	127	(431)
Impairment losses	(629)	(143)	(827)	(95)	(234)	(1,928)	(72)	(2,000)
<i>including non-current assets</i>	<i>(573)</i>	-	-	-	-	<i>(573)</i>	-	<i>(573)</i>
Reversals of impairment losses	1,775	48	63	19	24	1,929	13	1,942
<i>including non-current assets</i>	<i>1,720</i>	-	42	-	-	<i>1,762</i>	-	<i>1,762</i>
Capital expenditure	5,197	2,076	6,412	3,301	2,314	19,300	4,018	23,318
	As at 30 June 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions (2)	Total Group
Property, plant and equipment and intangible assets	214,699	82,955	230,941	31,729	81,060	641,384	124,148	765,532
Right-of-use assets	489,898	45	63,548	36	21,661	575,188	28,460	603,648
Investments in associates and joint ventures accounted for by the equity method	-	-	104	16,826	130,069	146,999	-	146,999

(1) is not presented in operating result of the Group's segments;

(2) reconciling positions include mainly Company's headquarter (PLN 83,409 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.

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.

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)
Amortisation recognised on consolidation (1)	(259)	-	-	(299)	-	(558)	127	(431)
Impairment losses	(89)	(143)	(2,204)	(51)	(171)	(2,658)	(809)	(3,467)
<i>including non-current assets</i>	-	-	(1,643)	-	-	(1,643)	(883)	(2,526)
Reversals of impairment losses	69	210	511	137	117	1,044	-	1,044
<i>including non-current assets</i>	-	-	105	-	-	105	-	105
Equity-settled share-based payments	-	-	-	(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.

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 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	12,645	28,678	73,257	82,089	47,554	244,223	(10,007)	234,216
Ticket sales	86,386	-	-	-	27	86,413	(56)	86,357
Copy sales	14,439	51,809	-	-	-	66,248	(48)	66,200
Concession sales in cinemas	45,403	-	-	-	-	45,403	(4)	45,399
Printing services	-	16,057	-	-	-	16,057	-	16,057
Gastronomic sales	17,865	-	-	-	-	17,865	-	17,865
Film distribution and production sales	18,668	-	-	-	-	18,668	-	18,668
Other	14,080	4,029	3,758	4,720	2,753	29,340	845	30,185
Total sales by category	209,486	100,573	77,015	86,809	50,334	524,217	(9,270)	514,947

	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	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

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 2022, the value of the provision for the EBITDA reward was estimated on the basis of the best estimate of the expected value of achieving the EBITDA target in 2022, 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. This value is charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan. As at 30 June 2022, the estimated Average Share Price in IQ of Next Year was lower than the Target of Share Price Increase thus the provision for this component of Incentive Plan is not recognised in the balance sheet.

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

	Six months ended 30 June 2022	Six months ended 30 June 2021
Income statement – (increase)/decrease of staff costs	(779)	(1,297)
Income statement - deferred income tax	148	246
Liabilities: accruals - as at the end of the period	779	4,146
Deferred tax asset - as at the end of the period	148	788

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, 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 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 2022	Six months ended 30 June 2021
Income statement - staff costs	(228)	(653)
<i>including recognition of cost of equity-settled plan</i>	-	(139)
<i>including remeasurement of cash-settled plan</i>	(228)	(514)
Equity - non-controlling interest	-	(976)
<i>including recognition of cost of equity-settled plan</i>	-	139
<i>including reclassification of equity-settled plan to liabilities</i>	-	(1,116)
Liability arising from incentive plans	2,062	1,630
<i>including reclassification of equity-settled plan to liabilities</i>	-	1,116
<i>including remeasurement of cash-settled plan</i>	-	514
<i>including the amount of liability as at 31 December 2021</i>	1,834	-
<i>including remeasurement of liability in the first half of 2022</i>	228	-

6. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2022 to June 30, 2022 the following changes in impairment losses were recognised:

- impairment loss for receivables: increase by PLN 848 thousand,
- impairment loss for inventory: decrease by PLN 499 thousand,
- impairment loss for property, plant and equipment: decrease by PLN 1,779 thousand (including release by PLN 1,762 thousand related mainly to fixed assets of one of the Helios S.A. cinemas in the amount of PLN 1,720 thousand) and the use in the amount of PLN 17 thousand,
- impairment loss for right-of-use assets: increase by PLN 573 thousand.

Additionally in the period from January 1, 2022 to June 30, 2022 the following provisions were changed:

- provision for penalties, interests and similar: increase by PLN 7 thousand,
- provision for guarantees: decrease by PLN 268 thousand, including the use in the amount of PLN 285 thousand and set up by PLN 17 thousand,
- provision for the restructuring of advertising panels: the use in the amount of PLN 30 thousand,
- provision for restructuring: used by PLN 35 thousand,
- provision for severance payments for former members of the Management Board: used in the amount of PLN 185 thousand,
- retirement severance provision: decrease by PLN 71 thousand.

7. CONTINGENCIES

As at 30 June 2022 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, 2022, 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, 2022, amounted to PLN 191 thousand (as at December 31, 2021: PLN 191 thousand).

Additionally, as at June 30, 2022, the companies of the Group are a party of legal disputes in the amount of PLN 2,355 thousand (as at December 31, 2021: PLN 1,743 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.

Unusual events such as the outbreak of a pandemic or armed conflict can disrupt the seasonality described above.

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 3,841 thousand (six months ended June 30, 2021: PLN 1,187 thousand). This amount includes also one-off bonus payments, inter alia, the one resulting from realization of Incentive Plan for 2021. 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, 2021: PLN 312 thousand).

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

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

	Six months ended 30 June 2022	Six months ended 30 June 2021
Jointly controlled entities		
Purchases	-	(241)
Associates		
Sales	608	96
Purchases	(842)	(195)
Major shareholder		
Sales	13	13
Other operating income	1	398
Management Board of the Company		
Finance income - remeasurment of put options (1)	1,916	-
Management Boards of group companies		
Finance income - remeasurment of put options (1)	3,897	-
	As at 30 June 2022	As at 31 December 2021
Jointly controlled entities		
Shares	104	213
Associates		
Shares	146,895	142,697
Trade receivables	378	160
Trade liabilities	355	288
Major shareholder		
Trade receivables	3	3
Other liabilities	8	8
Management Board of the Company		
Put option liabilities (1)	23,605	25,521
Management Boards of group companies		
Receivables	20	14
Put option liabilities (1)	4,117	8,014
Other liabilities	-	8

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

11. DESCRIPTION OF THE GROUP

As at 30 June 2022 the Agora Group included Agora S.A. and 19 subsidiaries. Additionally, the Group held shares in jointly controlled entity Instytut Badań Outdooru IBO Sp. z o.o., as well as in associated companies ROI Hunter a.s. and Eurozet Sp. z o.o.

	% of shares held (effectively)	
	30 June 2022	31 December 2021
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	91.5%	91.5%
9 Next Film Sp. z o.o., Warsaw (3)	91.5%	91.5%
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 (1)	100.0%	100.0%
13 Yieldbird Sp. z o.o., Warsaw	95.8%	95.8%
14 GoldenLine Sp. z o.o., Szczecin (5)	79.8%	79.8%
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 Video OOH Sp. z o.o. (formerly Piano Group Sp. z o.o.), Warsaw (1), (6)	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.;

(6) change of the company's business name from Piano Group Sp. z o.o. to Video OOH Sp. z o.o. on July 22, 2022.

12. CHANGES IN THE COMPOSITION OF THE GROUP

▶ Eurozet Sp. z o.o.

On February 16, 2022 Agora S.A. signed with the majority shareholder of Eurozet sp. z o.o. with its seat in Warsaw ("Eurozet"), i.e. with SFS Ventures sro with its seat in Prague (Czech Republic) ("SFS Ventures") an annex to the shareholders' agreement concluded on 20 February 2019 regarding the extension of the term for Agora to exercise the Call Option by 3 months, which will therefore end 39 months from the date of conclusion of the shareholders' agreement.

On May 12, 2022 Management Board of Agora S.A. informed that the District Court in Warsaw - Competition and Consumer Protection Court ("Court"), after conducting proceedings on the appeal of the Company, on 12 May 2022, announced a judgment amending in its entirety the decision of the President of the Office of Competition and Consumer Protection ("President of UOKiK") of 7 January 2021, prohibiting Agora from taking control over Eurozet Sp. z o.o. ("Decision").

The Decision was changed by the Court in such a way that it expressed unconditional consent to the takeover of Eurozet Sp. z o.o. by Agora ("Transaction").

The oral reasons for the ruling presented show that the Court, taking into account the arguments contained in Agora's appeal, concluded that the Transaction would not significantly restrict competition on the market.

The Court emphasized that the condition for issuing a decision prohibiting a concentration is to demonstrate a high probability of restriction of competition resulting directly from the concentration.

In the opinion of the Court, the hypothetical scenarios of the coordination activities of entrepreneurs presented in the Decision of the President of UOKiK, which may significantly restrict competition, are speculative and are not highly likely. In the opinion of the Court, they are not based on the market realities and economic conditions established in the course of evidence proceedings.

Moreover, the Court established that the evidence proceedings did not demonstrate the direct impact of the Transaction on such a change in market conditions that would lead to a high probability of giving up competition between competitors for mutual coordination and tacit collusion. The conducted evidence also did not confirm the hypothesis about the possible marginalization of competitors.

The judgment is not final and the parties may appeal against it within two weeks of receiving the written justification for the judgment.

On May 19, 2022 the Management Board of Agora S.A. with its registered office in Warsaw ("the Company", "Agora"), informed that the Company signed with the majority shareholder of Eurozet Sp. z o. o. with its seat in Warsaw ("Eurozet"), i.e. with SFS Ventures s.r.o. based in Prague (Czech Republic) ("SFS Ventures") Annex No. 2 to the shareholders' agreement concluded on 20 February 2019 regarding the extension by the end of June 2022 of the deadline for Agora to execute the Call Option.

On June 29, 2022 the Management Board of Agora S.A. with its registered office in Warsaw ("the Company", "Agora"), informed that the Company signed with the majority shareholder of Eurozet Sp. z o. o. with its seat in Warsaw ("Eurozet"), i.e. with SFS Ventures s.r.o. based in Prague (Czech Republic) ("SFS Ventures") Annex No. 3 to the shareholders' agreement concluded on 20 February 2019 regarding the extension by the end of July 2022 of the deadline for Agora to execute the Call Option.

During this time, the partners will continue negotiations on the amendment to the shareholders' agreement, in particular with regard to the date of exercising Agora's right to acquire all remaining shares of Eurozet belonging to SFS Ventures.

Plan A Sp. z o.o.

On June 2, 2022, the Extraordinary Shareholders Meeting of Plan A Sp. z o.o. adopted a resolution on increasing the share capital of Plan A Sp. z o.o. from PLN 10 thousand to PLN 15 thousand by creating of 100 new equal and indivisible shares with a nominal value of PLN 50.00 each, with a total nominal value of PLN 5,000.00. All newly created shares in the number of 100 were intended for acquisition by the sole shareholder of the Company, i.e. Agora S.A., and were fully covered by a cash contribution in the amount of PLN 50,000.00. The surplus over the nominal value of the shares taken up, i.e. the amount of PLN 45,000.00, was transferred to the company's supplementary 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. held 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-Srodmiemie 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 2022 (two quarters of 2021) 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 2022 EURO 1 = PLN 4.6427 (EURO 1 = PLN 4.5472).
- ▶ 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 2022 – EURO 1 = PLN 4.6806; as at 31 December 2021 – EURO 1 = PLN 4.5994, as at 30 June 2021 – EURO 1 = PLN 4.5208.

14. PROPERTY, PLANT AND EQUIPMENT

In the period from January 1, 2022 to June 30, 2022, the Group purchased property, plant and equipment in the amount of PLN 17,305 thousand (in the period of January 1, 2021 to June 30, 2021: PLN 9,664 thousand).

As at June 30, 2022, the commitments for the purchase of property, plant and equipment amounted to PLN 26,399 thousand (as at December 31, 2021: PLN 12,227 thousand).

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

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 2022	Level 1	Level 2	Level 3
Certificates in investment funds	1	-	1	-
Financial assets measured at fair value	1	-	1	-
Put option liabilities	28,345	-	-	28,345
Financial liabilities measured at fair value	28,345	-	-	28,345
	As at 31 December 2021	Level 1	Level 2	Level 3
Certificates in investment funds	1	-	1	-
Financial assets measured at fair value	1	-	1	-
Put option liabilities	34,344	-	-	34,344
Financial liabilities measured at fair value	34,344	-	-	34,344

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.

The table below shows reconciliation from the beginning balance to the ending balance for financial instruments in Level 3 of the fair value hierarchy:

	As at 30 June 2022	As at 31 December 2021
Opening balance	34,344	34,548
Remeasurement recognised in profit or loss, incl.:	(5,999)	(4)
- finance income (1)	5,999	1,883
- finance cost (2)	-	(1,879)
Exercise of the put option (3)	-	(200)
Closing balance	28,345	34,344

(1) in 2022 relates to the change in the valuation of put options for non-controlling shareholders of Helios S.A., Video OOH Sp. z o.o. (formerly Piano Group Sp. z o.o.) and HRLink Sp. z o.o.; in 2021 relates to the change in the valuation of put options for non-controlling shareholders of HRLink Sp. z o.o.

(2) concerns the change in the valuation of put options for non-controlling shareholders of Helios S.A. and Video OOH Sp. z o.o. (formerly Piano Group Sp. z o.o.).

(3) relates to a call to purchase 0.04% shares of Helios S.A. exercised on October 29, 2021 by a non-controlling shareholder pursuant to the provisions of an option agreement dated October 29, 2010.

16. NET RESULT DISTRIBUTION FOR THE YEAR 2021

On March 24, 2022 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 2021.

The above departure from the dividend policy announced on 14 February 2005, results from two years of the Company's struggle with the effects of the COVID-19 pandemic, which prevented the implementation of the Agora Group's strategy and forced the Company to make significant savings and discontinue development investments. The negative effects of the pandemic caused by restrictions and limitations in the activities of many enterprises also had a significant impact on the current condition of the Polish economy.

An additional factor increasing the uncertainty about the country's economic situation is difficult to estimate impact of Russian Federation's armed aggression in Ukraine on the Polish economy. It may significantly influence the growth rate of the Polish economy.

In the circumstances of such high uncertainty in the market environment, the Management Board of Agora considered it justified to keep the financial resources in the Company and recommend the General Meeting of Shareholders not to pay dividend for 2021 in order to strengthen the financial position of the Group. Additionally, the Management Board of Agora, after two years of limiting investments only to the essential ones, plans to allocate free funds to the implementation of growth and maintenance projects in the current businesses of the Agora Group.

The above decision received a positive opinion from the Supervisory Board in the form of resolution.

In accordance with the resolution adopted on June 21, 2022 the General Meeting of Shareholders decided to allocate the net profit of Agora S.A. for the financial year 2021 in the amount of PLN 27,763 thousand to Company's reserve capital.

17. OTHER INFORMATION

▀ Strategic options review process

On February 16, 2022 the Management Board of Agora S.A. made a decision to extend the process of reviewing strategic options for the Agora Group's internet operations, including the process of integrating the current Press segment with the Gazeta.pl division in one business area of the Agora Group to all areas of the Agora Group's operations as part of work on the preparation of the Agora Group's development strategy for the years 2023-2027.

Conclusions from the review of strategic options for the Agora Group's internet operations will be used in the course of work on the Agora Group's development strategy for the years 2023-2027. The Company plans to complete the work on a new strategic perspective in 2022.

▀ Changes in the Management Board

On April 21, 2022 the Extraordinary General Meeting of Shareholders of Agora S.A., pursuant to § 28 sec. 1 and § 29 sec. 2 of the Company's Statute resolved to appoint Mr. Wojciech Bartkowiak as a member of the Management Board of Agora S.A. for a joint term of office that will expire on the date of approval by the General Meeting of Shareholders Agora's financial statements for 2022.

The Extraordinary General Meeting of Shareholders also approved the co-option of Ms. Agnieszka Siuzdak-Zyga to the Management Board of Agora S.A. which took place on August 5, 2021.

On June 23, 2022 Ms. Agnieszka Siuzdak-Zyga resigned from the position of a Member of the Management Board of Agora S.A., effective from 31 August 2022 for personal and health reasons and related to them longer absence.

▶ Validation of the court decision on the approval of a partial arrangement in restructuring proceeding of Garmond Press S.A.

On June 28, 2022, the court decision of the District Court for Kraków-Śródmieście in Kraków of December 20, 2021, file ref. act: VIII Grz 66/21/S on the approval of a partial arrangement in restructuring proceeding of Garmond Press S.A. in restructuring based in Kraków (KRS 0000077450) was validated. According to the court decision:

- 20% of the main claim of Agora S.A. towards Garmond Press S.A. has been redeemed;
- all interest and incidental claims accrued on Agora S.A.'s principal claim towards Garmond Press S.A. as well as costs of court and enforcement proceedings, costs of legal representation and other administrative costs and handling fees have been redeemed entirely;
- 40% of the main claim of Agora S.A. towards Garmond Press S.A. is subject to repayment in 18 equal, interest-free monthly installments starting from the first full month after the lapse of 6 months from the delivery of a final court decision approving the arrangement to the debtor;
- 40% of the main claim of Agora S.A. towards Garmond Press S.A. is converted into shares in the share capital of Garmond Press S.A.

The increase in the company's capital was entered into the National Court Register on July 13, 2022 and on that date Agora S.A. became the owner of 3.54% of shares in the share capital of Garmond Press S.A. and 2.33% of votes at the company's general meeting.

▶ 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. On September 20, 2021, the Company received the decision of the Director of the Chamber of Tax Administration in Warsaw, in which the second-instance authority slightly reduced the amount of the Company's tax arrears, but essentially upheld the decision of the first-instance authority. On October 18, 2021, the Company filed a complaint with the Provincial Administrative Court in Warsaw against the decision of the second instance authority. The Provincial Administrative Court in Warsaw, in a judgment of 25 May 2022, overturned the decision of the Director of the Tax Administration Chamber in Warsaw and referred the case for reconsideration. The Company, disagreeing with part of the justification of the judgement, on 22 July 2022 filed a cassation appeal against this judgement and is currently awaiting its consideration by the Supreme Administrative Court. 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's opinion, following appeal or legal proceedings, the amount paid shall be refunded.

▶ 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

▶ **Appeal of the President of the Office of Competition and Consumer Protection against the Judgment of the Court of the first instance amending in its entirety the decision of the President of the Office of Competition and Consumer Protection**

On 28 July 2022 on the basis of information obtained at the registry of the District Court in Warsaw - Court of Competition and Consumer Protection ("Court"), Agora S.A. ("Company", "Agora") learned that on 26 July 2022, the President of the Office of Competition and Consumer Protection ("President of UOKiK") appealed against the judgment of the Court of 12 May 2022 amending in its entirety the decision of the President of the Office of Competition and Consumer Protection of 7 January 2021, prohibiting Agora taking control over Eurozet Sp. z o.o. ("Decision").

After conducting the proceedings on the appeal of the Company on 12 May 2022, the Court announced a judgment changing in its entirety the decision of the President of UOKiK of 7 January 2021.

The Decision was changed by the Court in such a way that it expressed unconditional consent to the takeover of Eurozet Sp.z o.o. by Agora.

The President of UOKiK appealed against the above judgment. Company plans to respond to the appeal of the President of UOKiK.

▶ **Signing of the Annex No. 4 to the agreement of shareholders of Eurozet company**

On 29 July 2022 Agora S.A. ("Agora") signed with the majority shareholder of Eurozet Sp. z o. o. with its seat in Warsaw ("Eurozet"), i.e. with SFS Ventures s.r.o. based in Prague (Czech Republic) ("SFS Ventures") Annex No. 4 to the shareholders' agreement concluded on 20 February 2019 regarding the extension until 19 August 2022 of the deadline for Agora to execute the Call Option.

During this time, the partners will continue negotiations on the amendment to the shareholders' agreement, in particular with regard to the date of exercising Agora's right to acquire all remaining shares of Eurozet belonging to SFS Ventures.

▶ **Yieldbird International Ltd**

On July 27, 2022 Yieldbird International Ltd was incorporated, which is a company under UK law with Yieldbird Sp. z o.o. as the sole shareholder. Agora S.A. holds 95.8% of the shares in Yieldbird Sp. z o.o.

▶ **Partial cancellation of the preferential loan from PFR S.A. granted to Helios S.A.**

On August 5, 2022 the Management Board of Agora S.A. informed that the subsidiary - Helios S.A. received a declaration on the cancellation of a part of the preferential loan granted to Helios S.A. by the Polish Development Fund S.A. effective from 9 August 2022.

The value of the redemption is PLN 14,070,705.00. The remaining part of the loan amounts to PLN 4,842,202 and will be payable in 22 quarterly installments by the end of 2027.

19. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	in PLN thousand			in EUR thousand		
	Six months ended 30 June 2022 unaudited	As at 31 December 2021 audited	Six months ended 30 June 2021 unaudited	Six months ended 30 June 2022 unaudited	As at 31 December 2021 audited	Six months ended 30 June 2021 unaudited
Revenue	514,947		347,767	110,915		76,479
Operating loss	(34,496)		(77,087)	(7,430)		(16,953)
Loss before income taxes	(48,899)		(71,921)	(10,532)		(15,817)
Net loss for the period attributable to equity holders of the parent	(47,762)		(65,494)	(10,288)		(14,403)
Net cash from operating activities	3,165		38,898	682		8,554
Net cash used in investing activities	(35,105)		(13,422)	(7,561)		(2,952)
Net cash used in financing activities	(28,731)		(40,972)	(6,188)		(9,010)
Net decrease in cash and cash equivalents	(60,671)		(15,496)	(13,068)		(3,408)
Total assets	1,849,448	1,921,256		395,131	417,719	
Non-current liabilities	696,482	694,299		148,802	150,954	
Current liabilities	424,804	446,673		90,758	97,115	
Equity attributable to equity holders of the parent	726,593	774,355		155,235	168,360	
Share capital	46,581	46,581		9,952	10,128	
Weighted average number of shares	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831
Basic/diluted earnings per share (in PLN / in EURO)	(1.03)		(1.41)	(0.22)		(0.31)
Book value per share (in PLN / in EURO)	15.60	16.62		3.33	3.61	

Warsaw, August 11, 2022

Bartosz Hojka - President of the Management Board

Signed on the Polish original

Tomasz Jagiello - 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

Wojciech Bartkowiak - Member of the Management Board

Signed on the Polish original

Signatures submitted electronically.