

LETTER TO SHAREHOLDERS

Ladies and Gentlemen! Dear Shareholders!

I would like to start this year's letter with a thank you. I thank all Agora's employees and associates, whose commitment and mobilization allowed us to pass the hellishly difficult exam that last year was for us.

The COVID-19 pandemic has painfully hit two of Agora's biggest sources of inflows: advertising and cinemas. Our advertising revenue-based businesses, especially the Outdoor segment, faced a drastic decline in advertising spending, and the cinemas - with a short break for the summer - have been closed for a year. As a result, our revenues decreased by over PLN 400 million.

We responded to this unexpected crisis and the negligible state aid with swift and decisive actions. We immediately shut down those businesses that had limited options to recover quickly from the pandemic. We lowered costs by almost PLN 280 million and suspended most of our investment plans. However, with remarkable consistency, as in many recent years, we kept investing in Agora's digital offer. As a result, the income from digital subscriptions of *Gazeta Wyborcza* achieved the highest increase in six years, i.e. from the first year after the project was launched. The Internet segment, as well as the Agora Publishing House offering book and music publications recorded abrupt increases in profitability.

2020 was a difficult year for independent journalism in Poland. For many months now, the media, which keep on monitoring the conduct of the authorities, have been struggling with dozens of unfounded court proceedings intended to intimidate them. State institutions and companies boycott independent editorial offices, including Agora's media. Additional challenges in this turbulent time are the rapid legislative changes aimed at the media and entrepreneurs who are struggling with the consequences of the outbreak of the pandemic on their own. When other European countries introduce tax reliefs to stimulate the recovery of the economy, the Polish government plans to impose draconian burdens on companies operating on the advertising market. And yet it is advertising that drives consumption and that is the source of media livelihood. Advertising tax will make it difficult or impossible for the media to fulfill their mission, which is to provide reliable information to the public and to control the actions of authorities. In this case, together with other Polish broadcasters and publishers, we protested in the joint action "Media without a choice". We will defend our independence. We also intend to demand that entrepreneurs in Poland be able to operate within the limits permitted by law, without unjustified interference with the freedom to conduct business. An example of such interference was the decision of the President of the Office of Competition and Consumer Protection prohibiting Agora from taking control over Eurozet. Contrary to the evidence gathered in the course of the record-breaking, 15-month-long proceedings, the antimonopoly office referred to the "quasi-duopoly" theory, unknown in competition law and economics. The President of the Office of Competition and Consumer Protection arbitrarily decided that after the transaction, the two biggest rivals would cooperate with each other in order to limit competition on the market. We fundamentally disagree with these statements, which are not based on facts or current market practice. Therefore, we have appealed against this decision and will use all possible legal measures to obtain approval for this transaction.

2021 is a transition period for the entire Agora Group and many other companies in Poland. We started with secured financing for restoring profitability. We will maintain cost discipline and systematically bring our core businesses back to full capacity. Although completing this task will last longer than a year, in 2021 we want to take a quantum leap in this direction. We will focus even more on investments that will accelerate the further digitization of our Group. We will also, just like before, stay close to the issues that our readers and listeners live by, supporting the values underlying Agora: democracy, solidarity, diversity, the right to reliable information and journalistic independence.

On behalf of our entire team, thank you for your kindness and support.

Bartosz Hojka

President of the Management Board of Agora S.A.