AGORA GROUP

Consolidated financial statements

as at 31 December 2021 and for the year ended thereon

March 24, 2022

CONTENTS

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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

	Note	31 December 2021	31 December 2020
Assets			
Non-current assets:			
Intangible assets	3	410,192	422,900
Property, plant and equipment	4	366,730	401,157
Right-of-use assets	5	610,108	659,372
Long-term financial assets	6	3,158	522
Investments in equity accounted investees	7	142,910	149,549
Receivables and prepayments	8	6,360	8,416
Deferred tax assets	16	47,937	41,682
		1,587,395	**1,683,598**
Current assets:			
Inventories	9	19,994	15,235
Accounts receivable and prepayments	10	177,366	165,374
Income tax receivable		599	1,159
Short-term securities and other financial assets	11	1,024	77
Cash and cash equivalents	12	134,878	138,355
		333,861	**320,200**
Non-current assets held for sale	4	-	14,500
		333,861	**334,700**
Total assets		**1,921,256**	**2,018,298**

Accompanying notes are an integral part of these consolidated financial statements.

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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021 (CONTINUED)

	Note	31 December 2021	31 December 2020
Equity and liabilities			
Equity attributable to equity holders of the parent:			
Share capital	13	46,581	46,581
Share premium		147,192	147,192
Retained earnings and other reserves	14	580,582	627,169
		774,355	**820,942**
Non-controlling interest	38	**5,929**	**11,381**
Total equity		**780,284**	**832,323**
Non-current liabilities:			
Deferred tax liabilities	16	5,841	6,132
Long-term borrowings	15	630,182	687,292
Other financial liabilities	17	34,344	34,548
Retirement severance provision	18	3,401	2,855
Provisions	19	93	286
Accruals and other liabilities	20	18,312	7,164
Contract liabilities	21	2,126	1,507
		694,299	**739,784**
Current liabilities:			
Retirement severance provision	18	344	242
Trade and other payables	20	246,531	244,770
Income tax liabilities		642	919
Short-term borrowings	15	176,541	180,691
Provisions	19	2,052	3,388
Contract liabilities	21	20,563	16,181
		446,673	**446,191**
Total equity and liabilities		**1,921,256**	**2,018,298**

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
Revenue	22	965,874	836,459
Cost of sales	23	(691,891)	(648,537)
Gross profit		**273,983**	**187,922**
Selling expenses	23	(169,109)	(156,461)
Administrative expenses	23	(155,748)	(135,131)
Other operating income	24	22,311	39,220
Other operating expenses	25	(10,792)	(49,296)
Impairment losses for receivables - net	25	(2,496)	2,038
Operating loss		**(41,851)**	**(111,708)**
Finance income	29	4,730	13,273
Finance cost	30	(22,192)	(61,696)
Share of results of equity accounted investees		9,361	7,431
Loss before income taxes		**(49,952)**	**(152,700)**
Income tax expense	31	3,310	22,461
Net loss for the period		**(46,642)**	**(130,239)**
Attributable to:			
Equity holders of the parent		(44,568)	(117,193)
Non-controlling interest		(2,074)	(13,046)
		(46,642)	**(130,239)**
Basic/diluted earnings per share (in PLN)	32	**(0.96)**	**(2.52)**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
Net loss for the period	**(46,642)**	**(130,239)**
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	(448)	746
Income tax effect	88	(142)
	(360)	604
Other comprehensive income/(loss) for the period	**(360)**	**604**
Total comprehensive income for the period	**(47,002)**	**(129,635)**
Attributable to:		
Shareholders of the parent	(44,932)	(116,579)
Non-controlling interests	(2,070)	(13,056)
	(47,002)	**(129,635)**

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(all amounts in PLN thousands unless otherwise indicated)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Equity attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Twelve months ended 31 December 2021						
As at 31 December 2020	**46,581**	**147,192**	**627,169**	**820,942**	**11,381**	**832,323**
Total comprehensive income for the period						
Net loss for the period	-	-	(44,568)	(44,568)	(2,074)	(46,642)
Other comprehensive income	-	-	(364)	(364)	4	(360)
Total comprehensive income for the period	**-**	**-**	**(44,932)**	**(44,932)**	**(2,070)**	**(47,002)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payments (note 28)	-	-	-	-	(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 (note 33)	-	-	(1,550)	(1,550)	(857)	(2,407)
Additional contribution of non-controlling shareholders	-	-	(105)	(105)	105	-
Total changes in ownership interests in subsidiaries	**-**	**-**	**(1,655)**	**(1,655)**	**(752)**	**(2,407)**
Total transactions with owners	-	-	(1,655)	(1,655)	(3,382)	(5,037)
As at 31 December 2021	**46,581**	**147,192**	**580,582**	**774,355**	**5,929**	**780,284**

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(all amounts in PLN thousands unless otherwise indicated)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Equity attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings	**Total**	**Non-controlling interest**	**Total equity**
Twelve months ended 31 December 2020						
As at 31 December 2019	**46,581**	**147,192**	**737,470**	**931,243**	**20,932**	**952,175**
Total comprehensive income for the period						
Net loss for the period	-	-	(117,193)	(117,193)	(13,046)	(130,239)
Other comprehensive income	-	-	614	614	(10)	604
Total comprehensive income for the period	**-**	**-**	**(116,579)**	**(116,579)**	**(13,056)**	**(129,635)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payments	-	-	-	-	465	465
Dividends of subsidiaries	-	-	-	-	(98)	(98)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**367**	**367**
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	-	-	(1,051)	(1,051)	(879)	(1,930)
Expiration of put option liability	-	-	9,248	9,248	-	9,248
Additional contribution of non-controlling shareholders	-	-	(1,918)	(1,918)	1,935	17
Disposal of a subsidiary	-	-	-	-	2,081	2,081
Other	-	-	(1)	(1)	1	-
Total changes in ownership interests in subsidiaries	**-**	**-**	**6,278**	**6,278**	**3,138**	**9,416**
Total transactions with owners	-	-	6,278	6,278	3,505	9,783
As at 31 December 2020	**46,581**	**147,192**	**627,169**	**820,942**	**11,381**	**832,323**

Accompanying notes are an integral part of these consolidated financial statements.

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021	2020
Cash flows from operating activities			
Loss before income taxes		**(49,952)**	**(152,700)**
Adjustments for:			
Share of results of equity accounted investees		(9,361)	(7,431)
Depreciation and amortisation	23	161,379	162,989
Foreign exchange (gain) /loss		(2,204)	37,534
Interest, net		19,616	20,277
Loss on investing activities		2,344	22,990
(Increase) / decrease in inventories		(4,759)	6,073
(Increase) / decrease in receivables		(6,226)	57,530
(Decrease) / increase in payables		14,825	(5,585)
Decrease in provisions		(1,328)	(255)
Increase in contract liabilities		4,999	3,755
Remeasurement of put options	35	(4)	(11,318)
Equity-settled share-based payments	28	139	465
Cash generated from operations		**129,468**	**134,324**
Income taxes paid		(2,663)	(2,450)
Net cash from operating activities		**126,805**	**131,874**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and intangibles		22,264	25,632
Disposal of subsidiaries, associates and jointly controlled entities (net of cash disposed of)		-	3,377
Dividends received		16,000	12,000
Loan repayment received		60	201
Interest received		13	23
Disposal of short-term securities		-	24,283
Other inflows (1)		-	2,800
Purchase of property, plant and equipment and intangibles		(49,463)	(66,583)
Acquisition of subsidiary (net of cash acquired), associates and jointly controlled entities		-	(7,180)
Acquisition of short-term securities		-	(15,000)
Loans granted		(3,600)	-
Other outflows (2)		(4,000)	(4,000)
Net cash used in investing activities		**(18,726)**	**(24,447)**

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

	Note	2021	2020
Cash flows from financing activities			
Proceeds from borrowings		27,771	46,464
Other inflows		-	17
Acquisition of non-controlling interest	33	(2,607)	(1,868)
Dividends paid to non-controlling shareholders		(1,654)	(98)
Repayment of borrowings		(59,964)	(15,173)
Payment of lease liabilities		(54,180)	(39,887)
Interest paid		(20,922)	(19,592)
Net cash used in financing activities		**(111,556)**	**(30,137)**
Net increase in cash and cash equivalents		**(3,477)**	**77,290**
Cash and cash equivalents			
At start of period		138,355	61,065
At end of period		134,878	138,355

(1) Other inflows relate to the partial 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 deposits paid in by company AMS Serwis Sp. z o.o. to bank BNP Paribas Bank Polska S.A. The cash deposits are a collateral of loan facility granted to company Helios S.A.

Accompanying notes are an integral part of these consolidated financial statements.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2021 AND FOR THE YEAR ENDED THEREON

1. GENERAL INFORMATION

(a) Core business activity

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 gastronomic activity through the company Step Inside Sp. z o.o.

As at 31 December 2021 the Agora Group ("the 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 carries out activity in all major cities of Poland.

There was no change in name of reporting entity from the end of the preceding reporting period.

(b) Registered Office

Czerska 8/10 Street
00-732 Warsaw, Poland

(c) Registration of the Company in the National Court Register

Seat of the court:	Regional Court in Warsaw, XIII Commercial Department
Registration number:	KRS 0000059944

(d) Tax Office and Provincial Statistical Office registration of the Company

NIP:	526-030-56-44
REGON:	011559486

(e) Management Board

During the period reported in the consolidated financial statements, the Management Board of the Company comprised the following members:

Bartosz Hojka	President	for the whole year
Tomasz Jagiello	Member	for the whole year
Agnieszka Sadowska	Member	till 20 October 2021
Anna Krynska-Godlewska	Member	for the whole year
Tomasz Grabowski	Member	from 1 June 2021
Agnieszka Siuzdak-Zyga	Member	from 5 August 2021

(f) Supervisory Board

The Supervisory Board of the Company comprised the following members:

Andrzej Szlezak	Chairman	for the whole year
Tomasz Sielicki	Member	for the whole year
Wanda Rapaczynski	Member	for the whole year
Dariusz Formela	Member	for the whole year
Maciej Wisniewski	Member	for the whole year
Tomasz Karusewicz	Member	for the whole year

(g) Information about the financial statements

The consolidated financial statements were authorised for issue by the Management Board on 24 March 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) applicable to financial reporting, adopted by the European Union.

Information about standards and interpretations, which were published and become effective after the balance sheet date, including those awaiting endorsement by the European Union, is presented in point (aa).

(b) Basis of preparation

The consolidated financial statements are presented in PLN thousands. Polish zloty is functional currency of parent company and its subsidiaries, associates and joint-ventures, except of associate ROI Hunter a.s. which functional currency is Czech crown. All amounts (unless otherwise indicated) are recalculated and rounded to nearest thousand. The consolidated financial statements are prepared on the historical cost basis except that financial instruments are stated at their fair value.

The consolidated financial statements of the Group were prepared with the assumption that the Company and its Group would continue their business activities in the foreseeable future. Additional information concerning the impact of Covid-19 pandemic on Group business activities is disclosed in note 40.

The accounting policies were applied consistently by Group entities.

In the preparation of these consolidated financial statements, the Group has followed the same accounting policies as used in the Consolidated Financial Statements as at 31 December 2020, except for the 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);
3) Covid-19-Related Rent Concessions – extension (Amendments to IFRS 16).

The application of the amendments in points 1)-2) had no impact on the consolidated financial statements. The Group did not apply the amendments to IFRS 16 in terms of accounting for rent concessions.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities, which are controlled by the Group. Control exists when the Group due to its involvement in an investee is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the investee. The Group has power over an investee when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns.

The acquisition method of accounting is applied to account for the acquisition of subsidiaries by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date when control commences until the date that control ceases to exist. Contingent consideration is initially recognised at the acquisition date fair value. Subsequent changes in the value of the contingent payment liability are recognised through the income statement. Changes in a parent`s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Joint ventures and associates

An associate is that entity in which the Group has significant influence, but not control. Joint venture is an entity which is jointly controlled by the Group and other shareholders on the basis of a statute, company's act or other agreement. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates and joint ventures from the date that significant influence or joint control commences until the date that significant influence or joint control ceases to exist. The investments in associates and joint ventures are accounted for using the equity method. An interest in a joint venture or associate is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint venture or associate. When the Group's share of losses exceeds the carrying amount of the investment, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate or joint venture.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains or losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity against the investment in the associate and the joint venture.

(iv) Put options granted to non-controlling interests

When an agreement signed by the Group with non-controlling shareholders grants a conditional put option for the shares, which they possess and the put option granted meets the definition of a financial liability under *IAS 32 Financial Instruments: Presentation* and at the same time, the non-controlling shareholders holding put options have retained their rights to the economic benefits associated with the underlying shares, the Group recognises the financial liability in the consolidated balance sheet (line item: other financial liabilities) equal to the estimated, discounted redemption amount of the put option and decreases other reserves (line item in the consolidated balance sheet: Retained earnings and other reserves). Subsequent changes in the value of the liability are recognised through the income statement.

(d) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost or cost incurred for their manufacture, development or modernization, less accumulated depreciation and impairment losses, if any (see accounting policy from point v).

The cost of property, plant and equipment comprises costs incurred in their purchase or development and modernisation and includes capitalised borrowing costs.

Depreciation is calculated on the straight line basis over the estimated useful life of each asset. Estimated useful life of property, plant and equipment, by significant class of asset, is usually as follows:

Buildings	2 - 40 years
Plant and machinery	2 - 20 years
Motor vehicles	3 - 8 years
Other equipment	1 - 20 years

Repairs and renewals are charged to the income statement when the expenditure is incurred; in other cases are capitalised.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(e) Intangible assets

Goodwill arising on an acquisition represents the excess of the cost of the acquisition over the fair value of the net identifiable assets acquired. Goodwill is stated at cost less impairment losses, if any (see accounting policy point v). Goodwill is tested annually for impairment or more often if there are indications of impairment.

In respect of associates and joint-ventures accounted for the equity method, the carrying amount of goodwill is included in the carrying amount of the investment in the associate and the joint-venture.

Intangible assets, except for goodwill and acquired magazine titles, that are acquired by the Group are stated at purchase price or cost incurred for generating assets less accumulated amortisation and impairment losses, if any (see accounting policy point v).

Intangibles (including mainly acquired concessions, licences and software) are depreciated using the straight line method over the estimated useful life of each asset, except for some special projects related to distribution and co-operation rights for movies and computer games, in case of which the consumption of economic benefits may significantly differ from the straight line approach and the pattern of consumption of economic benefits in particular periods can be reliably determined based on generated revenue and it can be demonstrated that revenue and the consumption of economic benefits of the intangible asset are highly correlated.

Estimated useful lives of intangible assets (apart from acquired magazine titles) are usually as follows:

Concessions	2 - 20 years
Licences, software and others	2 - 15 years
Internally generated intangible assets	2 - 5 years

Acquired magazine titles have indefinite useful lives and are not amortised. Their market position and lack of legal and market barriers for their publishing determined such qualification. Instead they are tested annually for impairment or more often if there are indications of impairment (see accounting policy v).

Subsequent expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Internally generated intangible assets comprise expenditure related to developing computer software and internet applications, including costs of employee benefits, which can be directly allocated to the development phase of an internal project. During the development phase and after its completion the internally generated intangible assets are assessed whether there are indications of impairment according to the accounting policy described in point v.

(f) Right-of-use assets and lease liabilities

Lease contract is a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of the lease agreement, the lessee recognizes existing operating leases in balance sheet as a new asset – the right-of-use the underlying asset – and a new liability – the obligation to make lease payments. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

At the commencement date, a lessee shall measure the right-of-use asset at cost, comprising:

a) the amount of the initial measurement of the lease liability;

b) any lease payments made at or before the commencement date, less any lease incentives received;

c) any initial direct costs incurred by the lessee;

d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

After the commencement date, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

The Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) fixed payments, less any lease incentives receivable;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable by the lessee under residual value guarantees;

d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;

e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

a) increasing the carrying amount to reflect interest on the lease liability;

b) reducing the carrying amount to reflect the lease payments made; and

c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Variable lease payments not included in the measurement of the lease liability shall be recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

To either short-term leases or leases for which the underlying asset is of low value, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, together with both: periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

When estimating the lease term for contracts concluded for an indefinite period, the Group takes into account the contract enforcement period, which is usually the period of notice and uses the exemption for short-term contracts, if the contract enforcement period is no longer than 12 months.

Lessee's incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

When estimating the discount rate, the Group takes into account the estimated interest margin that the Group would have to incur in order to finance the subject of the agreement on the financial market, considering the duration of the contract and the contract currency.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and demand deposits.

(h) Derivative financial instruments

Derivative financial instruments are recognized initially and subsequently measured at fair value. The Group does not apply hedge accounting and any gain or loss relating to the change in the fair value of the derivative financial instrument is recognized in the income statement.

Upon signing an agreement that includes derivative financial instruments embedded, the Group assesses whether the economic characteristics of the embedded derivative instrument are closely related to the economic characteristics of the financial instrument ("host contract") and whether the agreement that embodies both the embedded derivative instrument and the host contract is currently measured at fair value with changes in fair value reported in earnings, and whether a separate instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. Derivatives embedded in foreign currency non-financial instrument contracts are not separated from the host contracts if these contracts are in currencies which are commonly used in the economic environment in which transactions take place. If the embedded derivative instrument is determined not to be closely related to the host contract and the embedded derivative instrument would qualify as a derivative instrument, the embedded derivative instrument is separated from the host contract and valued at fair value with changes recorded in the income statement.

(i) Financial assets measured at amortized cost

A financial asset is classified to those measured at amortized cost if the following two conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

The Group`s category financial assets measured at amortized cost includes cash and cash equivalents, loans granted, trade receivables and other receivables.

The Group recognises a loss allowance for expected credit losses on financial assets that are classified to financial assets measured at amortized cost or financial assets measured at fair value through other comprehensive income. If the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for expected credit losses for that financial instrument at an amount equal to the lifetime expected credit losses. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for expected credit losses for that financial instrument at an amount equal to 12-month expected credit losses. Trade receivables of the Group do not contain a significant financing component and the loss allowance for them is measured at an amount equal to lifetime expected credit losses.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group estimates the expected credit losses related to trade receivables by applying an individual loss assessment and a collective loss assessment determined on the basis of historical payment statistics. The Group regularly reviews its methodology and assumptions used for estimating expected credit losses to reduce any differences between estimates and actual credit loss experience.

Changes in impairment losses are recognized in the profit and loss respectively in other operating expenses or financial costs, depending on the type of receivables to which the impairment loss relates. The Group creates loss allowance for doubtful interest in the same period in which the interest is accrued.

Interest income is recognised in the period to which it relates using the effective interest rate method.

(j) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those that the Group principally holds for the purpose of short-term profit taking. Subsequent to initial recognition (at which date available-for-sale financial assets are stated at cost), all available-for-sale financial assets are measured at fair value. Financial gains or losses on financial assets are recognised in net profit or loss for the period (finance income or cost).

The Group`s category financial assets measured at fair value through profit or loss includes short- term investments in securities, including certificates in investment funds.

(k) Derecognition of financial instruments

Financial assets are derecognised, when the contractual rights to the cash flows from the financial asset have expired or the Group has transferred the contractual rights to the cash flows to a third party and simultaneously transferred substantially all the risks and rewards of ownership of the asset.

The financial liabilities are removed from the balance sheet, when the obligation specified in the contract is discharged, cancelled or has expired.

(l) Foreign currency transactions

Presentation currency for consolidated financial statements is Polish zloty. Functional currency for Agora S.A., its subsidiaries and associates is Polish zloty Polish zloty, except of associate ROI Hunter a.s. which functional currency is Czech crown.

Foreign currency transactions are translated at the foreign exchange rates prevailing at the date of the transactions using:

- the purchase or selling rate of the bank whose services are used by the Group entity – in case of foreign currency sales or purchase transactions, as well as of the debt or liability payment transactions,
- the average rate specified for a given currency by the National Bank of Poland as on the preceding date before that date – in case of other transactions.

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised as financial income or expense in the consolidated income statement. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to PLN at the foreign exchange rate set by the National Bank of Poland ruling for that date.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less VAT, discounts and the costs of completion and selling expenses. Inventories comprise goods for resale, materials, finished goods and work in progress, including production cost of own movies.

Cost is determined by specific identification of their individual costs for paints and paper and by the first-in, first-out (FIFO) method for other materials, goods for resale and finished goods.

(n) Equity

(i) Share capital

The share capital of the parent company is also the share capital of the Group and is presented at the nominal value of registered stock, in accordance with the parent company's statute and commercial registration.

(ii) Treasury shares purchased for their redemption

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

(iii) Share premium

The share premium is a capital reserve arising on the Group's initial public offering ("IPO") during 1999 and is presented net of the IPO costs, decreased by the tax shield on the costs.

(iv) Retained earnings and other reserves

Retained earnings represent accumulated net profits / losses, including reserve capital accumulated from prior year's profits. Other reserves include also the equivalent of costs of share-based payments recognised in accordance with IFRS 2 in relation to the share incentive plans based on Agora S.A.'s shares, which ended in the first half of 2013, the initial recognition of put options granted to the non-controlling shareholders and actuarial gains and losses on defined benefit plans recognised in accordance with the policy described in point (q).

(o) Income taxes and deferred income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax expense is calculated according to tax regulations, including mutual settlements of benefits between companies included in the Tax Capital Group described in note 16.

Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and for tax losses carried forward, except for:

(i) the initial recognition of assets or liabilities that in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit (tax loss) and

(ii) differences relating to investments in subsidiaries and associates to the extent the parent are able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The principal temporary differences arise on depreciation of property, plant and equipment and various transactions not considered to be taxable or tax-deductible until settlement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

The Group set off for the presentation proposes deferred income tax assets against deferred income tax liabilities at the companies' level.

(p) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the value of money over time and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

(q) Retirement severance provision

The Group makes contributions to the Government's retirement benefit scheme. The state plan is funded on a pay-as-you-go basis, i.e. the Group is obliged to pay the contributions as they fall due and if the Group ceases to employ members of the state plan, it will have no obligation to pay any additional benefits. The state plan is defined contribution plan. The expense for the contributions is charged to the income statement in the period to which they relate.

Employees of the Group are entitled to retirement severance payment which is paid out on the non-recurrent basis at the moment of retiring. The amount of payment is defined in the labour law. The Group does not exclude assets that might serve in the future as a source of settling liabilities resulting from retirement payments. The Group creates provision for future liabilities in order to allocate costs to the periods they relate to. The Group's obligation in respect of retirement severance provision is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The amount of the liability is calculated by actuary and is based on forecasted individual's entitlements method. Changes in the value of the liability are recognized in profit or loss, except for actuarial gains and losses, which are recognized in other comprehensive income.

(r) Interest-bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method.

(s) Grants related to property, plant and equipment or intangible assets and employee remuneration

Grants received for the financing of acquisition or construction of property, plant and equipment or intangible assets are recognised, when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching thereto. The grants are initially recognised at fair value as deferred income and credited to the income statement as other operating income on a systematic basis over the useful life of the respective assets.

Moreover, in 2021 and in 2020 the Group received employee remuneration subsidy that was recognized in the other operating income (see details in note 24).

(t) Trade and other payables

Trade and other payables are stated at amortised cost.

(u) Revenue recognition

The Group recognises revenue when (or as) it transfers control of promised goods or services to a customer at the amount of the transaction price to which it expects to be entitled with respect to any variable amounts such as rebates granted and sales with a right of return. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that depicts the entity's performance or at a point in time, when control of the goods or services is transferred to the customer.

Revenue is disaggregated into the following main categories based on the nature of transferred goods and services:

- Advertising revenue - revenue is recognised in the period in which the service is provided to the customer i.e. during the advertising campaign period. The level of fulfilment of the obligation to provide the service is measured in proportion to the duration of the service provided.
- Sales of cinema tickets - revenue is recognised in the period in which the film screening service is provided, in case of tickets pre-sale and cinema vouchers revenue is recognised when the ticket is used by the customer or when the right to use the ticket expires.
- Copy sales - in case of paper editions revenue is recognised when the good is transferred to the customer and in case of paid access to digital subscription during the period of the content available.
- Bar sales in cinemas and gastronomic sales – revenue is recognised when the good or product is transferred to the customer.
- Printing services - revenue is recognised in the period in which the service is provided to the customer.
- Film distribution and production sales - revenue is recognised during the period of film distribution in cinemas and depends on inflows from sales of cinema tickets, while in case of the sale of film licences revenue is recognised when the customer acquires the right to use the licences.

Revenue from advertising services, film distribution in cinemas and from selling a digital access to internet services of *Gazeta Wyborcza* represent revenue recognised over time, because advertising campaigns, film distribution and access to digital subscription represent services performed throughout the specified time agreed in contracts with customers. Revenue from other goods and services of the Group usually represent revenue recognised at a point in time, when control of the goods or services is transferred to the customer, which is at the moment, when the service is completed or goods are delivered to a customer.
Advance consideration received for goods and services, which were not transferred to customers at the balance sheet date and will be realized in future accounting periods are presented in the balance sheet in the line item "*Contract liabilities*".

Sale with a right of return

In the area of press sales (*Gazeta Wyborcza* and periodicals) and copy sales, the Group sells its goods with the right to return goods during the period agreed with the customers. The Group recognises the refund liability (returns liability) in the amount of consideration which, in line with expectations, will be refundable by adjusting the amount of revenue recognised. The returns liability is estimated using the expected value method based on past experience and on-going monitoring of sales of individual press and book titles. Due to the nature of goods which can be returned and taking into account the decrease in their value, the Group does not recognise a returns asset.

Customer rebates

In accordance with its trade policy, the Group provides its clients with commercial rebates, including annual rebates dependent on turnover, which can be determined by amount or as a percentage of turnover. The Group estimates the value of the refund liability (rebates liability) based on the terms of signed agreements and the forecasted turnover of individual clients. The final value of customer rebates is known after the end of a financial year and may differ from the estimates recognised during the year.

(v) Impairment losses

The carrying amount of the Group's assets, other than inventories (see accounting policy m), and deferred tax assets (see accounting policy o) for which other procedures should be applied, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated (the higher of net selling price and value in use). The value in use is assumed to be a present value of discounted future economic benefits which will be generated by the assets.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

At each balance sheet date the Group reviews recognised impairment losses whether there is any indication showing that some of the recognised impairment losses should be reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversal on an impairment loss is recognised in the income statement.

An impairment loss for goodwill is not reversed.

(w) Borrowing costs

Interest and other costs of borrowing are recorded in the income statement using effective interest rate in the period to which they relate, unless directly related to investments in qualifying assets, which require a substantial period of time to get ready for its intended use or sale, in which case they are capitalised.

(x) Share-based payments

Within the Agora Group there are incentive plans carried out, which are accounted for in accordance with IFRS 2 *Share-based payments.* In the Incentive Plan for Management Board members of the Company described in note 28 one of the components (based on share price appreciation) is accounted for as a cash-settled share-based payment. In this plan, members of the Management Board of the Company are entitled to a reward based on the realization of the Target of Share Price Rise. The value of the provision for the cost of the reward concerning the realization of the Target of Share Price Rise, is 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. The value is charged to the staff costs in Income Statement in proportion to the full period of the Plan with a corresponding figure recognised within accruals. The changes in the value of this accrual are included in staff costs.

Moreover, the eligible employees of a subsidiary participated in an equity-settled incentive program. On the basis of the plan, the eligible employees were entitled to receive shares in the company. The fair value of shares determined at the grant date was recognised in staff costs over the vesting period with a corresponding increase in Group equity allocated to non-controlling interests. 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 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 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.

(y) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the resolution of the Company's shareholders.

(z) Related parties

For the purposes of these consolidated financial statements, related parties comprise significant shareholders, subsidiaries, associates, joint ventures and members of the Management and Supervisory Boards of the parent and group entities and their immediate family, and entities under their control.

(aa) New accounting standards and interpretations of International Financial Reporting Interpretations Committee (IFRIC)

The Group did not early apply new standards and interpretations, which were published and endorsed by the European Union or which will be endorsed in the nearest future and which become effective after the balance sheet date.

Standards and interpretations endorsed by the European Union:

1) Amendments to IFRS 3 *Business Combinations*, IAS 16 *Property, Plant and Equipment*, IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, Annual Improvements 2018-2020 (effective for annual periods beginning on January 1, 2022)

The package of amendments includes three narrow scope amendments to standards:

- update a reference in IFRS 3 *Business Combinations* to the Conceptual Framework for Financial Reporting without changing the accounting requirements for business combinations,
- prohibit an entity from deducting from the cost of property plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead an entity will recognize such sales proceeds and related cost in profit or loss,
- specify which costs an entity includes when assessing whether a contract will be loss-making.

The package also includes the annual improvements including changes that clarify the wording or correct minor consequences, oversights or conflicts between requirements in IFRS 1 *First-time Adoption of International Financial Reporting Standards*, IFRS 9 *Financial Instruments*, IAS 41 *Agriculture* and the Illustrative Examples accompanying IFRS 16 *Leases*.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

2) IFRS 17 *Insurance Contracts* (effective for annual periods beginning on January 1, 2023), including amendments to IFRS 17

IFRS 17, which supersedes the interim standard, IFRS 4 *Insurance Contracts*, establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within its scope.

The amendments will have no impact on the consolidated financial statements.

Standards and interpretations awaiting on endorsement by the European Union:

1) Amendments to IAS 1 *Presentation of Financial Statements* (effective for annual periods beginning on 1 January 2023)

The amendments clarify the criteria for classifying a liability as non-current depending on rights at end of the reporting period.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

2) Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2: *Disclosure of Accounting policies* (effective for annual periods beginning on January 1, 2023)

The amendments to IAS 1 require entities to disclose their material accounting policy information rather than significant accounting policies.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

3) Amendments to IAS 8 *Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates* (effective for annual periods beginning on January 1, 2023)

The amendments introduced a definition of “accounting estimates” and included other amendments to IAS 8 clarifying how to distinguish changes in accounting policies from changes in estimates. The distinction is important as changes in accounting policies are generally applied retrospectively while changes in estimates are accounted for in the period in which the change occurs.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

4) Amendments to IAS 12 *Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction* (effective for annual periods beginning on January 1, 2023)

The Amendments revise IAS 12 to require entities not to apply the IAS 12 initial recognition exemption to transactions that, on initial recognition, give rise to equal and taxable temporary differences.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

5) Amendments to IFRS 17 *Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative information* (effective for annual periods beginning on January 1, 2023)

The amendments will have no impact on the consolidated financial statements.

6) Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* **-** *Sales or contributions of assets between an investor and its associate/joint venture* (effective for annual periods beginning on or after 1 January 2016, although The European Commission deferred the endorsement of changes indefinitely)

The amendments remove the acknowledged inconsistency between the requirements of IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture concerning the recognition of profit or loss on the loss of control of subsidiary and require a full gain or loss to be recognised when the assets transferred meet the definition of a business under IFRS 3 *Business Combinations.*

The amendments will have no impact on the consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated)

3. INTANGIBLE ASSETS

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Cost as at 1 January 2021	**45,715**	**404,174**	**247,707**	**48,724**	**48,762**	**795,082**
Additions	-	-	10,790	556	10,489	21,835
Acquisitions	-	-	7,661	555	-	8,216
Transfer from assets under construction	-	-	3,129	1	-	3,130
Internal development	-	-	-	-	10,489	10,489
Disposals	-	-	(1,515)	-	-	(1,515)
Sale	-	-	(139)	-	-	(139)
Liquidation	-	-	(1,376)	-	-	(1,376)
Cost as at 31 December 2021	**45,715**	**404,174**	**256,982**	**49,280**	**59,251**	**815,402**

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

3. INTANGIBLE ASSETS – CONT.

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Amortisation and impairment losses as at 1 January 2021	**36,440**	**86,370**	**183,011**	**43,344**	**23,017**	**372,182**
Amortisation charge for the period	-	-	19,453	2,792	11,585	33,830
Impairment losses (note 40)	-	-	-	-	713	713
Sale	-	-	(139)	-	-	(139)
Liquidation	-	-	(1,376)	-	-	(1,376)
Amortisation and impairment losses as at 31 December 2021	**36,440**	**86,370**	**200,949**	**46,136**	**35,315**	**405,210**
Carrying amounts						
As at 1 January 2021	**9,275**	**317,804**	**64,696**	**5,380**	**25,745**	**422,900**
As at 31 December 2021	**9,275**	**317,804**	**56,033**	**3,144**	**23,936**	**410,192**

As at the balance sheet date, 31 December 2021, Concessions, patents and licences category included mainly concessions related to advertising activities in the Outdoor segment (PLN 26,993 thousand), radio concessions (PLN 6,305 thousand) and software licenses (PLN 22,645 thousand).

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

3. INTANGIBLE ASSETS – CONT.

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Cost as at 1 January 2020	**45,715**	**407,730**	**249,136**	**48,806**	**38,589**	**789,976**
Additions	-	-	12,681	1,563	12,041	26,285
Acquisitions	-	-	8,728	1,220	-	9,948
Transfer from assets under construction	-	-	3,953	343	-	4,296
Internal development	-	-	-	-	12,041	12,041
Disposals	-	(3,556)	(14,110)	(1,645)	(1,868)	(21,179)
Sale	-	-	(4,058)	(1,237)	(1,685)	(6,980)
Liquidation	-	(3,556)	(9,915)	(12)	(183)	(13,666)
Sale of subsidiary	-	-	(83)	(396)	-	(479)
Other	-	-	(54)	-	-	(54)
Cost as at 31 December 2020	**45,715**	**404,174**	**247,707**	**48,724**	**48,762**	**795,082**

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

3. INTANGIBLE ASSETS – CONT.

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Amortisation and impairment losses as at 1 January 2020	**36,440**	**87,465**	**168,629**	**41,912**	**14,483**	**348,929**
Amortisation charge for the period	-	-	19,441	2,689	9,382	31,512
Impairment losses	-	2,461	9,095	376	1,135	13,067
Sale	-	-	(3,925)	(1,237)	(664)	(5,826)
Liquidation	-	(3,556)	(10,092)	-	(1,319)	(14,967)
Sale of subsidiary	-	-	(83)	(396)	-	(479)
Other	-	-	(54)	-		(54)
Amortisation and impairment losses as at 31 December 2020	**36,440**	**86,370**	**183,011**	**43,344**	**23,017**	**372,182**
Carrying amounts						
As at 1 January 2020	**9,275**	**320,265**	**80,507**	**6,894**	**24,106**	**441,047**
As at 31 December 2020	**9,275**	**317,804**	**64,696**	**5,380**	**25,745**	**422,900**

As at the balance sheet date, 31 December 2020, Concessions, patents and licences category included mainly concessions related to advertising activities in the Outdoor segment (PLN 33,413 thousand), radio concessions (PLN 6,812 thousand) and software licenses (PLN 24,369 thousand).

Amortisation of intangibles is recognised in “cost of sales”, “selling expenses” and “administrative expenses”, impairment losses are recognised in “other operating expenses” in the income statement.

Contractual commitments connected to intangible assets are disclosed in note 36.

(all amounts in PLN thousands unless otherwise indicated)

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost as at 1 January 2021	**24,757**	**523,217**	**474,988**	**4,482**	**198,389**	**33,643**	**1,259,476**
Additions	-	3,086	29,935	621	8,595	27,297	69,534
Acquisitions	-	175	8,894	501	513	26,119	36,202
Transfer from assets under construction	-	2,911	9,087	10	2,283	-	14,291
Purchase of leased assets	-	-	11,954	110	5,798	-	17,862
Other	-	-	-	-	1	1,178	1,179
Disposals	-	(15,149)	(7,544)	(1,101)	(9,985)	(30,923)	(64,702)
Sale	-	(11,617)	(5,662)	(1,101)	(4,558)	(11,833)	(34,771)
Liquidation	-	(3,532)	(1,882)	-	(5,427)	(896)	(11,737)
Transfer from assets under construction	-	-	-	-	-	(17,421)	(17,421)
Other	-	-	-	-	-	(773)	(773)
Cost as at 31 December 2021	**24,757**	**511,154**	**497,379**	**4,002**	**196,999**	**30,017**	**1,264,308**

(all amounts in PLN thousands unless otherwise indicated)

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Depreciation and impairment losses as at 1 January 2021	**-**	**274,023**	**410,508**	**3,619**	**164,547**	**5,622**	**858,319**
Depreciation charge for the period	-	20,469	21,151	344	8,824	-	50,788
Impairment losses (note 40)	-	2,452	131	-	241	1,572	4,396
Reversal of impairment losses	-	-	-	-	(100)	(108)	(208)
Sale	-	(11,350)	(5,551)	(719)	(1,752)	-	(19,372)
Liquidation	-	(3,151)	(1,672)	-	(4,856)	(159)	(9,838)
Purchase of leased assets	-	-	7,826	110	5,557	-	13,493
Depreciation and impairment losses as at 31 December 2021	**-**	**282,443**	**432,393**	**3,354**	**172,461**	**6,927**	**897,578**
Carrying amounts							
As at 1 January 2021	**24,757**	**249,194**	**64,480**	**863**	**33,842**	**28,021**	**401,157**
As at 31 December 2021	**24,757**	**228,711**	**64,986**	**648**	**24,538**	**23,090**	**366,730**

(all amounts in PLN thousands unless otherwise indicated)

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost as at 1 January 2020	**25,014**	**552,166**	**787,660**	**6,046**	**203,117**	**54,896**	**1,628,899**
Additions	-	16,888	19,927	264	10,141	46,370	93,590
Acquisitions	-	156	5,200	120	510	45,167	51,153
Transfer from assets under construction	-	16,729	13,395	22	9,598	-	39,744
Purchase of leased assets	-	-	1,332	122	-	-	1,454
Other	-	3	-	-	33	1,203	1,239
Disposals	(257)	(45,837)	(332,599)	(1,828)	(14,869)	(67,623)	(463,013)
Sale	(257)	(1,156)	(308,217)	(1,828)	(426)	(16,389)	(328,273)
Liquidation	-	(2,912)	(11,872)	-	(13,798)	(6,160)	(34,742)
Sold with the sale of a subsidiary	-	(5,610)	(313)	-	(637)	(107)	(6,667)
Transfer from assets under construction	-	-	-	-	-	(44,040)	(44,040)
Reclassification to non-current assets held for sale (note 4b)	-	(36,159)	(12,197)	-	(8)	-	(48,364)
Other	-	-	-	-	-	(927)	(927)
Cost as at 31 December 2020	**24,757**	**523,217**	**474,988**	**4,482**	**198,389**	**33,643**	**1,259,476**

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

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Depreciation and impairment losses as at 1 January 2020	**-**	**272,769**	**719,999**	**4,654**	**168,766**	**4,152**	**1,170,340**
Depreciation charge for the period	-	21,186	21,154	550	8,798	-	51,688
Impairment losses (note 40)	-	12,948	333	-	1,211	6,934	21,426
Reversal of impairment losses	-	-	-	-	-	(351)	(351)
Sale	-	(1,156)	(307,594)	(1,673)	(418)	-	(310,841)
Liquidation	-	(2,762)	(11,864)	-	(13,165)	(5,006)	(32,797)
Sold with the sale of a subsidiary	-	(5,610)	(313)	-	(637)	(107)	(6,667)
Reclassification to non-current assets held for sale (note 4b)	-	(23,352)	(11,938)	-	(8)	-	(35,298)
Purchase of leased assets	-	-	731	88	-	-	819
Depreciation and impairment losses as at 31 December 2020	**-**	**274,023**	**410,508**	**3,619**	**164,547**	**5,622**	**858,319**
Carrying amounts							
As at 1 January 2020	**25,014**	**279,397**	**67,661**	**1,392**	**34,351**	**50,744**	**458,559**
As at 31 December 2020	**24,757**	**249,194**	**64,480**	**863**	**33,842**	**28,021**	**401,157**

Depreciation of property, plant and equipment is recognised in “cost of sales”, “selling expenses” and “administrative expenses”. Impairment losses are recognised in “other operating expenses” in the income statement. Reversals of impairment losses are recognised in “other operating income” in the income statement.

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

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

a) Collateral for assets

The following property, plant and equipment are pledged as security for loan facility concerning Agora S.A. as well as bank loans concerning Helios S.A.

No.	Assets	Net book value at 31 December 2021
1	Land	10,496
2	Buildings	113,177
3	Plant, machinery and equipment	3,836
4	Other fixed assets	263
		127,772

b) Property, plant and equipment held for sale as at the balance sheet date

As at 31 December 2021 non-current assets held for sale did not occur.

As at 31 December 2020 non-current assets with the carrying amount of PLN 14,500 thousand were presented as held for sale and included perpetual usufruct of land and ownership title to buildings located at Krzywa street in Pila. The information about operating segments presented in note 22 included abovementioned assets in the reconciliation items.

As at 31 December 2020 Group took active steps to sell the above assets. The Company's Management Board expected to complete the sale in less than 12 months from the balance sheet date. The Group recognized impairment loss on the above assets in the amount of PLN 4,373 thousand in order to adjust their value to expected sale price.

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.

c) Contractual investment commitments

Contractual investment commitments are disclosed in note 36.

(all amounts in PLN thousands unless otherwise indicated)

5. RIGHT-OF-USE ASSETS

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other right-of-use assets	Total
Cost as at 1 January 2021	**117,231**	**612,171**	**74,616**	**3,086**	**24,639**	**831,743**
Additions	23,440	59,731	-	633	-	83,804
Increases due to leases*	23,440	59,731	-	633	-	83,804
Disposals	(16,183)	(46,515)	(11,959)	(172)	(5,798)	(80,627)
Liquidation	-	-	(5)	-	-	(5)
Decreases due to leases*	(16,183)	(46,515)	-	(62)	-	(62,760)
Purchase of leased assets	-	-	(11,954)	(110)	(5,798)	(17,862)
Cost as at 31 December 2021	**124,488**	**625,387**	**62,657**	**3,547**	**18,841**	**834,920**

** increases and decreases due to leases in 2021 resulted mainly from the modifications of existing lease agreements due to revision of rates and change of lease periods.*

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other right-of-use assets	Total
Depreciation and impairment losses as at 1 January 2021	**29,410**	**107,015**	**23,975**	**1,205**	**10,766**	**172,371**
Depreciation charge for the period	16,287	48,781	8,025	742	2,926	76,761
Liquidation	-	-	(3)	-	-	(3)
Decreases due to leases	(7,055)	(3,721)	-	(48)	-	(10,824)
Purchase of leased assets	-	-	(7,826)	(110)	(5,557)	(13,493)
Depreciation and impairment losses as at 31 December 2021	**38,642**	**152,075**	**24,171**	**1,789**	**8,135**	**224,812**
Carrying amounts						
As at 1 January 2021	**87,821**	**505,156**	**50,641**	**1,881**	**13,873**	**659,372**
As at 31 December 2021	**85,846**	**473,312**	**38,486**	**1,758**	**10,706**	**610,108**

(all amounts in PLN thousands unless otherwise indicated)

5. RIGHT-OF-USE ASSETS – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other right-of-use assets	Total
Cost as at 1 January 2020	**107,548**	**482,501**	**72,012**	**1,686**	**24,264**	**688,011**
Additions	25,320	160,929	6,779	1,652	956	195,636
Increases due to leases	25,320	160,929	6,763	1,652	956	195,620
Reclassifications	-	-	16	-	-	16
Disposals	(15,637)	(31,259)	(4,175)	(252)	(581)	(51,904)
Disposed of on disposal of a subsidiary	-	(9,144)	-	(112)	-	(9,256)
Reclassifications	-	-	-	-	(16)	(16)
Decreases due to leases	(12,503)	(22,115)	(2,843)	(18)	(565)	(38,044)
Purchase of leased assets	-	-	(1,332)	(122)	-	(1,454)
Reclassified to assets held for sale (note 4b)	(3,134)	-	-	-	-	(3,134)
Cost as at 31 December 2020	**117,231**	**612,171**	**74,616**	**3,086**	**24,639**	**831,743**

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

5. RIGHT-OF-USE ASSETS – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other right-of-use assets	Total
Depreciation and impairment losses as at 1 January 2020	**19,551**	**54,990**	**15,198**	**673**	**7,248**	**97,660**
Depreciation charge for the period	14,578	52,847	8,357	690	3,317	79,789
Impairment losses (note 40)	-	1,770	1,755	-	287	3,812
Liquidation	-	(33)	-	-	-	(33)
Disposed of on disposal of a subsidiary	-	(2,290)	-	(70)	-	(2,360)
Decreases due to leases	(3,019)	(269)	(604)	-	(86)	(3,978)
Purchase of leased assets	-	-	(731)	(88)	-	(819)
Reclassified to assets held for sale (note 4b)	(1,700)	-	-	-	-	(1,700)
Depreciation and impairment losses as at 31 December 2020	**29,410**	**107,015**	**23,975**	**1,205**	**10,766**	**172,371**
Carrying amounts						
As at 1 January 2020	**87,997**	**427,511**	**56,814**	**1,013**	**17,016**	**590,351**
As at 31 December 2020	**87,821**	**505,156**	**50,641**	**1,881**	**13,873**	**659,372**

The rights-of-use assets relate to assets used by The Group under long-term lease agreements, which include: Lease agreements for office space, finance lease agreements for cars, cinema equipment and catering facilities, and lease agreements for external advertising media in the *Outdoor* segment (In the table above presented in the category Land), the radio station location in the *Radio* segment and Helios cinema locations and the location of the restaurants in the *Film and Book* segment. The Group also holds perpetual usufruct of land, which are eligible under IFRS 16 for lease agreements.

In case of office space and locations for cinemas and restaurants, the contractual period is between 1 and 12 years, car leasing and equipment leasing contracts cover a period between 2 and 5 years, outdoor media locations have 1 to 16 year contractual periods, and radio station locations for which concession periods are adopted are typically 10 years. The right of perpetual usufruct of land shall be valid for a further period of 68 years from the balance sheet date.

In case of equipment under financial lease, which the Group intends to purchase after the lease term, the depreciation periods taken exceed the contractual period and are up to 10 years depending on the type of equipment. The right of perpetual usufruct of land in the amount of PLN 23,651 thousand is pledged as security for loan facility described in note 15 (value excluding the impact of IFRS 16 amounts to PLN 4,043 thousand).

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

6. LONG-TERM FINANCIAL ASSETS

Long-term financial assets include shares and loans granted to the unconsolidated companies.

	2021	2020
Balance as at beginning of the period	**522**	**783**
Shares	83	83
Loans granted	201	462
Additional paid-in capital	238	238
Additions	**3,600**	**-**
Loans granted	3,600	-
- grant of loans	3,600	-
Disposals	**(964)**	**(261)**
Loans granted	(964)	(261)
- repayment of loans	-	(100)
- fair value adjustments	-	(50)
- reclassifications	(964)	(111)
Balance as at end of the period	**3,158**	**522**
Shares	83	83
Loans granted	2,837	201
Additional paid-in capital	238	238

The value of shares relates to held shares constituting 16.7% of the share capital of an unquoted company Polskie Badania Internetu Sp. z o.o., which deals with the research of internet market for participants of this market. In the Group's opinion, the value of shares included in the purchase price does not significantly differ from its fair value.

The loans granted relate to loans granted by the Group companies to their permanent business partners. In the Group's opinion as at 31 December 2021, the loan amount is not significant and is not subject to significant credit risk. Therefore, the Group assessed that the measurement of the loss allowance for expected credit losses for that financial instrument does not have a material impact on the consolidated financial statements.

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

7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2021	2020
Investments in associates	142,697	149,338
Investments in joint ventures	213	211
Total investments in equity accounted investees	**142,910**	**149,549**

Balance as at beginning of the period	**149,549**	**154,127**
Additions	9,361	7,431
Share in net profits	9,361	7,431
Disposals	(16,000)	(12,009)
Sale of shares	-	(9)
Dividends received	(16,000)	(12,000)
Balance as at end of the period	**142,910**	**149,549**

Financial information about associates is presented in note 38.

8. RECEIVABLES AND PREPAYMENTS

	31 December 2021	31 December 2020
Prepayments	1,147	3,154
Other	5,213	5,262
Total accounts receivable and prepayments	**6,360**	**8,416**

In 2021 the company AMS Serwis Sp. z o.o. provided the bank with cash deposits as a cash collateral securing the bank loan granted to Helios S.A. As at 31 December 2021 deposit receivable amounted to PLN 4.0 million and is presented within other long-term receivables. The deposit paid in 2021 will be kept until March 23, 2023. As at 31 December 2020 the deposit paid in by AMS Serwis Sp. z o.o. in 2020 was presented within other long-term receivables. As at 31 December 2021 this deposit is presented within short-term receivables.

9. INVENTORIES

	31 December 2021	31 December 2020
Raw materials and consumables	8,020	7,308
Work in progress	6,657	4,451
Finished goods	2,449	1,788
Goods for resale	2,868	1,688
	19,994	**15,235**
Impairment losses recognised	11,202	10,975
Total inventories, gross	**31,196**	**26,210**

Finished goods and work in progress comprises mainly costs related to the production of own movies and publications.

The cost of inventories recognised as an expense amounted to PLN 68,406 thousand (2020: PLN 64,527 thousand) and is presented in “cost of sales” in the income statement.

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

Impairment losses and reversals of impairment losses are recognised in "cost of sales" in the income statement (in 2021 increase of impairment losses in the amount of PLN 2,988 thousand, decrease of impairment losses in the amount of PLN 2,531 thousand, in 2020 increase of impairment losses in the amount of PLN 5,398 thousand, decrease of impairment losses in the amount of PLN 5,090 thousand).

10. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 December 2021	31 December 2020
Trade receivables	125,787	120,865
Taxes, social security and similar	25,287	22,653
Prepayments	8,202	7,556
Other	18,090	14,300
	177,366	**165,374**
Impairment losses recognised	9,800	10,623
Total accounts receivable and prepayments, gross	**187,166**	**175,997**

Other receivables include mainly loans granted to employees from the Group's social fund in the amount of PLN 8,476 thousand (31 December 2020: PLN 9,767 thousand). Loans are granted for periods up to 7 years and are repayable in monthly instalments. Loans granted bear a fixed interest rate that amounts to 2%.

Accounts receivable include receivables from related parties – details are presented in note 39.

Trade receivables are non-interest bearing and payment terms vary usually from 7 to 30 days.

In 2020 the company AMS Serwis Sp. z o.o. provided the bank with cash deposits as a cash collateral securing the bank loan granted to Helios S.A. As at 31 December 2021 deposit receivable amounted to PLN 4.0 million and is presented within other short-term receivables (as at 31 December 2020 deposit receivable was presented within other long-term receivables).

Analysis of credit risk exposure on the basis of ageing of trade receivables

	31 December 2021			
	Range of expected credit loss rate*	Gross value	Impairment loss	Net value
Current receivables	0.07 - 0.9	106,351	232	106,119
Overdue receivables within 1 month	0.32 - 1.17	15,398	76	15,322
Overdue receivables between 1 and 3 months	1.47 - 4.34	4,272	630	3,642
Overdue receivables between 3 and 6 months	11.69 - 40.3	2,448	2,017	431
Overdue receivables between 6 months and 1 year	42.03 - 68.54	233	104	129
Overdue receivables more than 1 year	100.00	6,885	6,741	144
		135,587	**9,800**	**125,787**

** the amount of impairment loss as at the balance sheet date in individual age categories may also include additional impairment losses up to 100% of receivables balance by applying an individual loss assessment; additional information on expected credit loss policies and credit risk management policies are included in note 2i) and 34 to consolidated financial statements.*

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

	31 December 2020			
	Range of expected credit loss rate	Gross value	Impairment loss	Net value
Current receivables	0.02 - 2.54	99,589	172	99,417
Overdue receivables within 1 month	0.04 - 3.38	15,320	50	15,270
Overdue receivables between 1 and 3 months	0.19 - 9.76	4,768	82	4,686
Overdue receivables between 3 and 6 months	1.09 - 31.43	837	68	769
Overdue receivables between 6 months and 1 year	2.73 - 61.43	1,070	771	299
Overdue receivables more than 1 year	100.00	9,904	9,480	424
		131,488	**10,623**	**120,865**

Changes in impairment losses on accounts receivable

	2021	2020
Balance as at beginning of the period	**10,623**	**34,037**
Additions	4,231	2,793
Reversals	(1,735)	(4,831)
Used impairment losses	(3,319)	(21,376)
Balance as at end of the period	**9,800**	**10,623**

11. SHORT-TERM SECURITIES AND OTHER FINANCIAL ASSETS

	31 December 2021	31 December 2020
Certificates in investment funds	1	1
Loans granted	1,023	76
	1,024	**77**

12. CASH AND CASH EQUIVALENTS

	31 December 2021	31 December 2020
Cash at bank and in hand	82,477	105,058
Short-term bank deposits	52,285	33,248
Cash in transit	70	35
Other	46	14
	134,878	**138,355**

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

Cash and cash equivalents includes the amount of PLN 6,192 thousand representing cash held on behalf of the Group's social fund (31 December 2020: PLN 5,356 thousand) and cash held in the VAT account in amount of PLN 2,165 thousand (31 December 2020: PLN 1,249 thousand).

13. SHARE CAPITAL

Registered share capital as at 31 December, 2021

Series	Type of shares	Type of preference	Amount of shares	Par value	Origin of capital
A	preference	voting	4,281,600	4,282	conversion
BiD	ordinary	none	42,299,231	42,299	conversion, share issue
			46,580,831	**46,581**	

The nominal value of each share amounts to PLN 1.

Each Registered A share carries five votes at general meetings.

All issued shares are fully paid.

14. RETAINED EARNINGS AND OTHER RESERVES

Dividends

Retained earnings may be distributed subject to regulations, stipulated in the commercial companies' code and according to dividend policy announced by the Company.

Frame dividend policy announced by the Company on 14 February of 2005 provides for return of excess cash to shareholders, depending on the Company's perspectives and market conditions, through annual dividend and through share repurchases for the purpose of their redemption.

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, was 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.

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

15. LONG-TERM AND SHORT-TERM BORROWINGS

	31 December 2021	31 December 2020
Long term bank loans	21,907	51,647
Long term loans (1)	761	-
Lease liabilities	607,514	635,645
Total long term borrowings	**630,182**	**687,292**
of which: Lease liabilities resulting from the application of IFRS 16	*578,029*	*591,947*
Short term bank loans	79,274	86,370
Short term loans (1)	761	-
Lease liabilities	96,506	94,321
Total short term borrowings	**176,541**	**180,691**
of which: Lease liabilities resulting from the application of IFRS 16	*82,156*	*75,677*

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

Future cash flows from bank loans and lease liabilities and changes in lease liabilities are disclosed in note 35.

Lease liabilities relate to right-of-use assets described in note 5.

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.

On September 22, 2021 the Management Board of Agora S.A. learned about the cancellation of a part of the preferential loan granted to Helios S.A. by the Polish Development Fund S.A. with effect from 24 September 2021.

The redemption value is PLN 3,129,000.00 and was presented in Group’s other operating income. As at 24 September 2021 the part of the loan that was not cancelled amounted to PLN 1,902,000.00 and is repaid in 10 equal quarterly instalments.

- **Conclusion of annexes with DNB Bank Polska S.A.**

On October 15, 2021, Agora S.A. concluded: (i) Annex No. 10 to the Credit Limit Agreement No. 1661/001/2017 of May 25, 2017 as amended (ii) Annex No. 2 to the Overdraft Agreement No. 1735/119/2020 of September 24, 2020, as amended, with DNB Bank Polska S.A.

The above-mentioned annexes modify: the value of the Receivables Turnover Ratio, rules regarding the prohibition of selling the Company's assets and rules for acquiring shares / stocks in subsidiaries, as well as specifying the rules for providing the lender with financial data of entities from the Agora S.A. Capital Group.

Additional information connected to loan and leasing agreement is included in the table below.

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

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2021	31 December 2020	31 December 2021		31 December 2020					
			Long term	Short term	Long term	Short term				
Credits										
DNB Bank Polska S. A.	135,000	135,000	17,321	19,322	43,682	33,430	WIBOR 1 M or 3 M + bank margin	The non-renewable credit - 1st tranche quarterly 12 instalments from July 1, 2018 to April 1, 2021 (two instalments from 2020 moved to the end of the repayment period) - fully repaid; 2nd tranche quarterly 12 instalments from April 1, 2020 to January 2, 2023 (first two instalments moved to the end of the repayment period); credit facility in the current account - may be used by September 28, 2022.	Mortgages on properties in Warsaw (including perpetual usufruct and buildings located on them), pledge on insurance policies, Guarantee from Bank Gospodarstwa Krajowego granted under the portfolio guarantee line PLG FGP, blank promissory note to the Bank Gospodarstwa Krajowego, financial and registered pledge on shares in Yeldbird Sp. z o.o., financial and registered pledge on shares of AMS S.A., The guarantee granted by GRA Sp. z o.o. together with a declaration of execution under Article 777 par. 1 point 5. Code of Civil procedure, statement by Agora S.A. on the establishment of the enforcement order in accordance with Article 777 par. 1 point 5. The Code of Civil procedure.	credit line granted to Agora S.A. (divided into parts: non-renewable credit and ready to use credit facility in the current account)

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

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2021	31 December 2020	31 December 2021		31 December 2020					
			Long term	Short term	Long term	Short term				
DNB Bank Polska S. A.	65,000	65,000	-	-	-	-	WIBOR 1M + bank margin	Credit facility in the current account - may be used by September 22, 2022.	Guarantee from Bank Gospodarstwa Krajowego granted under the portfolio guarantee line PLG FGP, blank promissory note to the Bank Gospodarstwa Krajowego, mortgages on properties in Warsaw (including perpetual usufruct and buildings located on them), pledge on insurance policies, financial and registered pledge on shares in Yeldbird Sp. z o.o., financial and registered pledge on shares of AMS S.A., the guarantee granted by GRA Sp. z o.o. together with a declaration of execution under Article 777 par. 1 point 5. Code of Civil procedure, statement by Agora S.A. on the establishment of the enforcement order in accordance with Article 777 par. 1 point 5. The Code of Civil procedure.	credit facility in the current account granted to Agora S.A.
Santander Bank Polska S.A.	5,000	22 720	917	1,000	1,916	1,000	1M WIBOR + bank margin	monthly instalments until May 30, 2023	Mortgage on properties in Bialystok, Radom, Sosnowiec and Opole, pledge on insurance policy, blank promissory note, patronage declaration from Agora S.A.	investment credit granted to Helios S.A.
Santander Bank Polska S.A.	23 000	23 000	-	16,170	-	20,841	1M WIBOR + bank margin	repayment in one instalment in January 2022	Blank promissory note, joint mortgage on properties in Bialystok, Radom, Opole, Sosnowiec, pledge on insurance policy, contractual mortgage, registered pledge, patronage declaration from Agora S.A., statement on voluntary submission to enforcement, subordination agreement of debt	credit facility in the current account granted to Helios S.A.

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

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2021	31 December 2020	31 December 2021		31 December 2020					
			Long term	Short term	Long term	Short term				
Santander Bank Polska S.A.	40,000	40 000*	-	20,000	-	13,500	1M WIBOR + bank margin	repayment of limit in the amount of PLN 20 million in one instalment in August 2022; repayment of limit in the amount of PLN 20 million in one instalment in December 2022	Liquidity guarantee by PLG FGP, financial pledge, pledge on current accounts, patronage declaration from Agora S.A., statement on voluntary submission to enforcement	revolving credit granted to Helios S.A.
BNP Paribas Bank Polska S.A.	10,000	58,200	3,669	2,014	6,049	5,416	1M WIBOR + bank margin	monthly instalments until March 29, 2024	Pledge on current account, blank promissory note with promissory note declaration, mortgage on property in Opole, Bialystok, Sosnowiec and Radom with pledge on insurance policy, pledge on receivables from a contract	investment credit granted to Helios S.A.
BNP Paribas Bank Polska S.A.	-	1,500	-	-	-	60	1M WIBOR + bank margin	monthly instalments until 06.2021	mortgage on property in Opole, registered pledge on cinema equipment, pledge on insurance policies, Bank`s right to settle liabilities arising from loan agreement against current account, blank promissory note with promissory note declaration	revolving credit granted to Helios S.A.

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

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2021	31 December 2020	31 December 2021		31 December 2020					
			Long term	Short term	Long term	Short term				
BNP Paribas Bank Polska S.A.	-	5,000	-	-	-	2,556	1M WIBOR + bank margin	credit facility in the current account until September 2021	Mortgage on property in Opole, pledge on insurance policy, joint mortgage on properties in Bialystok, Radom, Sosnowiec, pledge on receivables from a contract, pledge on receivables from agreement, blank promissory note issued by Helios S.A. and Step Inside Sp. z o.o.	credit facility in the current account granted to Helios S.A.
BNP Paribas Bank Polska S.A.	40,000	40,000*	-	20,768	-	9,567	1M WIBOR + bank margin	repayment of limit in the amount of PLN 20 million to September 2022; repayment of limit in the amount of PLN 20 million to December 2022	Blank promissory note, bank guarantee or cash deposit from one of entities from Agora Group, guarantee of granting credit facility provided by BGK	credit facility in the current account granted to Helios S.A.
mBank SA	1,000	1,000	-	-	-	-	WIBOR ON+ bank margin	credit facility in the current account until November 29, 2022	Statement on voluntary submission to enforcement, financial pledge on bank account of AMS S.A. managed by mBank S.A.with a power of attorney	credit facility in the current account AMS S.A.
Loans										
Polski Fundusz Rozwoju	5,031	-	761	761	-	-	first year 1.25%, second year 1.75%, third year 2.75%	final repayment in December 2023	ordinary and registered pledge on trademark, pledge on shares in Step Inside Sp. z o.o., statement on voluntary submission to enforcement, part of the loan in the amount of PLN 3,129 thousand was cancelled in 2021	preferential loan

**in the above amount of agreement the second tranche of financing in the amount of PLN 20.0 million is included under the agreements concluded on December 23,2020 and it was launched after balance sheet date after meeting all requirements of launching under concluded agreements.*

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

16. DEFERRED INCOME TAXES

Deferred income taxes are calculated using a rate of 19% and 9% (2020: 19% and 9%). The tax rate of 9% (for a small CIT taxpayer) applies to subsidiaries IM 40 Sp. z o.o., Optimizers Sp. z o.o., Goldenline Sp. z o.o., Piano Group Sp. z o.o. and Next Script Sp. z o.o. (in 2020 IM 40 Sp. z o.o., Optimizers Sp. z o.o., Plan A Sp. z o.o., Piano Group Sp. z o.o. and Next Script Sp. z o.o.).

Deferred tax assets

	As at 1 January 2021	Recognised in the income statement	Recognised in other comprehensive income	Related to disposal of a subsidiary	As at 31 December 2021
Accruals	**21,849**	(7,040)	-	-	**14,809**
F/X differences	**1**	13	-	-	**14**
Interests liabilities	**688**	(23)	-	-	**665**
Liabilities for rebates, returns and deferred income	**8,352**	1,731	-	-	**10,083**
Provisions	**963**	(209)	88	-	**842**
Accelerated depreciation and amortisation	**3,639**	136	-	-	**3,775**
Impairment losses for inventories	**2,085**	38	-	-	**2,123**
Impairment losses for accounts receivable	**707**	196	-	-	**903**
Tax losses	**905**	1,223	-	-	**2,128**
Lease (1)	**138,960**	(5,146)	-	-	**133,814**
Other	**-**	106	-	-	**106**
	178,149	**(8,975)**	**88**	**-**	**169,262**

Deferred tax liabilities

	As at 1 January 2021	Recognised in the income statement	Recognised in other comprehensive income	Related to disposal of a subsidiary	As at 31 December 2021
Accelerated depreciation and amortisation	**16,884**	(5,727)	-	-	**11,157**
Financial assets and liabilities	**1**	7	-	-	**8**
F/x differences	**30**	(19)	-	-	**11**
Interest receivables	**2**	31	-	-	**33**
Lease (1)	**124,775**	(9,419)	-	-	**115,356**
Other	**907**	(306)	-	-	**601**
	142,599	**(15,433)**	**-**	**-**	**127,166**

(all amounts in PLN thousands unless otherwise indicated)

Deferred tax asset

	As at 1 January 2020	Recognised in the income statement	Recognised in other comprehensive income	Related to acquisition of a subsidiary	As at 31 December 2020
Accruals	**17,836**	4,157	-	(144)	**21,849**
Financial assets and liabilities	**2**	(2)	-	-	**-**
F/X differences	**16**	(15)	-	-	**1**
Interests liabilities	**130**	558	-	-	**688**
Liabilities for rebates, returns and deferred income	**9,371**	(1,019)	-	-	**8,352**
Provisions	**1,201**	(96)	(142)	-	**963**
Accelerated depreciation and amortisation	**2,235**	1,404	-	-	**3,639**
Impairment losses for inventories	**2,231**	(146)	-	-	**2,085**
Impairment losses for accounts receivable	**838**	(131)	-	-	**707**
Tax losses	**834**	71	-	-	**905**
Lease (1)	**110,636**	29,903	-	(1,579)	**138,960**
	145,330	**34,684**	**(142)**	**(1,723)**	**178,149**

Deferred tax liabilities

Accelerated depreciation and amortisation	**23,041**	(6,006)	-	(151)	**16,884**
Financial assets and liabilities	**48**	(47)	-	-	**1**
F/x differences	**1**	29	-	-	**30**
Interests liabilities	**29**	(27)	-	-	**2**
Lease (1)	**111,064**	15,077	-	(1,366)	**124,775**
Other	**517**	390	-	-	**907**
	134,700	**9,416**	**-**	**(1,517)**	**142,599**

(1) In 2021 the Group changed in this note the presentation of deferred tax assets and liabilities related to leases by presenting them separately the comparative data have been restated accordingly. The above change had no impact on the presentation net deferred tax assets and liabilities in the Group balance sheet.

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

Deferred tax assets and liabilities	Before offsetting	Offsetting	31 December 2021 Carrying amount
Assets	169,262	(121,325)	47,937
Liabilities	127,166	(121,325)	5,841

Deferred tax assets and liabilities	Before offsetting (1)	Offsetting (1)	31 December 2020 Carrying amount
Assets	178,149	(136,467)	41,682
Liabilities	142,599	(136,467)	6,132

(1) In 2021 the Group changed in this note the presentation of deferred tax assets and liabilities related to leases by presenting them separately the comparative data have been restated accordingly. The above change had no impact on the presentation net deferred tax assets and liabilities in the Group balance sheet.

Deferred tax assets recognized in 2021 relate mainly to deductible temporary differences that are expected to be realized during periods in which the Group expects to obtain sufficient taxable profits for their realization.

Unrecognised tax assets

The Group did not recognise certain deferred tax assets concerning some unused tax losses and part of deductible temporary differences due to uncertainty about the availability of sufficient future tax profits within the next five years when these losses can be carried forward or within periods when realization of temporary differences is expected.

The amounts of unused tax losses and other deductible temporary differences available together with expiry dates for which the deferred tax assets have not been recognised are shown in the table below:

	31 December 2021	31 December 2020	Expiry date
Unused tax losses	95,133	179,869	up to 2026
Other deductible temporary differences	30,592	6,248	up to 2027

Tax Capital Group

- **The establishment of the tax capital group**

On December 21, 2017, the Management Board of Agora S.A. adopted a resolution expressing the intention to establish a Tax Capital Group ("TCG") which shall include Agora and the its subsidiaries: Grupa Radiowa Agory Sp. z o.o., Agora TC Sp. z o.o., Domiporta Sp. z o.o. (currently Plan D Sp.z o.o.), Helios S.A., AMS S.A., Yieldbird Sp. z o.o., and Plan A Sp. z o.o.

On February 15, 2018, the Management Board of Agora S.A. received a decision issued by the Head of the Second Mazovian Tax Office in Warsaw on the registration of the contract on the establishment of TCG.

TCG will be established on March 1, 2018, and each subsequent tax year will overlap with the calendar year. The agreement shall be in force till December 31, 2020.

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

In the agreement on the establishment of the Tax Capital Group, Agora was designated as the company representing the TCG with respect to the obligations arising from the Corporate Income Tax Act and from the provisions of the Tax Ordinance.

The extension of the period of operation of the tax capital group

On December, 10 2020 the Management Board of Agora S.A. received the decision dated 8 December 2020 issued by the Head of the Second Mazovian Tax Office in Warsaw on the registration of the agreement to extend the period of operation of the TCG. The agreement on extending the period of operation of the TCG was concluded for the period until 31 December 2021.

On December 9, 2021, Agora received the decision dated 8 December 2021 issued by the Head of the First Mazovian Tax Office in Warsaw on the registration of the agreement to extend the period of operation of the TCG. The operating period of the TCG was extended until 31 December 2022.

17. OTHER FINANCIAL LIABILITIES

	2021	2020
Long term		
Put option liabilities	34,344	34,548
	34,344	**34,548**

Put option liabilities concern the estimated redemption amount of the put options granted to non-controlling shareholders.

As at December 31, 2021, its value amounted to:
- for non-controlling shareholders of Helios S.A. PLN 30,114 thousand (31 December 2020: PLN 28,454 thousand),
- for non-controlling shareholders of Piano Group Sp. z o.o.: PLN 960 thousand (31 December 2020: 941 thousand),
- for non-controlling shareholders of HRlink Sp. z o.o.: PLN 3,270 thousand (31 December 2020: 5,153 thousand).

Additional information on changes in put option liabilities is disclosed in note 35 point 3.

18. RETIREMENT SEVERANCE PROVISION

According to the Polish employment regulations, employees have the right to the retirement severances payments. The amount provided as at December 31, 2021 amounted to PLN 3,745 thousand (31 December 2020: PLN 3,097 thousand), including long-term retirement severance provision of PLN 3,401 thousand (31 December 2020: PLN 2,855 thousand).

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

19. PROVISIONS

	Provision for restructuring	Provision for restructuring of advertising panels	Provision for guarantees	Provision for penalties, interests and similar	Provision for the cost of compensation and severances for the former Management Board Members	Provision for legal claims	Other	**Total**
As at 1 January 2021	**887**	**420**	**853**	**884**	**225**	**80**	**325**	**3,674**
Additions	-	538	-	77	463	151	-	1,229
Set up of provisions	-	538	-	77	463	151	-	1,229
Disposals	(662)	(875)	(480)	(48)	(328)	(40)	(325)	(2,758)
Provisions used during the period	(461)	(702)	-	(1)	(328)	-	-	(1,492)
Unused provisions reversed	(201)	(173)	(480)	(47)	-	(40)	(325)	(1,266)
As at 31 December 2021	**225**	**83**	**373**	**913**	**360**	**191**	**-**	**2,145**
Long term portion	**93**	**-**	**-**	**-**	**-**	**-**	**-**	**93**
Short term portion	**132**	**83**	**373**	**913**	**360**	**191**	**-**	**2,052**

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

(i) Provision for restructuring

Provision for restructuring relates mainly to the cost of group lay-offs connected with the restructuring of Print segment conducted in 2018-2019. As at 31 December 2021 the total provision outstanding for usage amounted to PLN 225 thousand.

(ii) Provision for penalties, interests and similar

Provision for penalties, interests and similar includes mainly penalties for putting advertising panels on the waysides by the companies of the AMS Group.

(iii) Provision for legal claims

The Group is a defendant in court cases. As at 31 December 2021 the Group evaluated the risk of loss and payment of indemnities in those cases. The amount of indemnities was determined based on consultation with Group's lawyers taking into account the present status of those cases and information available.

Additionally, the companies of the Group are the party of legal disputes in the amount of PLN 1,743 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.

20. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

Non-current	31 December 2021	31 December 2020
Non-current accruals	-	240
- related to incentive plans	-	240
Other non-current liabilities	**18,312**	**6,924**
- related to purchase of non-current assets	1,760	1,334
- other *(1)*	16,552	5,590
Accruals and other liabilities	**18,312**	**7,164**

(1) In 2021 the amount includes the liability of Helios S.A. related to the implementation of the settlement with ZAPA (Związek Autorów i Producentów Audiowizualnych) in the amount of PLN 14,233 thousand.

Current	31 December 2021	31 December 2020
Trade payables	44,907	33,426
Other taxes and social security	34,972	42,148
Current accruals, including:	76,293	89,801
- employee benefits (remuneration, vacation pay, bonuses, incentive plans)	*30,207*	*26,117*
- accrual for costs	*46,086*	*63,684*
Rebates liability	42,973	35,900
Returns liability	6,069	5,853
Liabilities related to purchase of non-current assets	13,717	17,243
Other *(2)*	13,007	5,113
Social Fund	14,593	15,286
Trade and other payables	**246,531**	**244,770**

(2) In 2021 the amount includes the liability of Helios S.A. related to the implementation of the settlement with ZAPA (Związek Autorów i Producentów Audiowizualnych) in the amount of PLN 6,986 thousand.

Trade payables are non-interest bearing and are normally settled usually within 14 - 30 days.

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

Taxes and social security payables are non-interest bearing and are usually settled monthly. In 2021 and 2020 the Group benefitted from the possibility of deferring payments of tax liabilities and social security contributions implemented under anti-crisis law.

Accounts payable include payables to related parties – details are presented in note 39.

21. CONTRACT LIABILITIES

The following table presents contract liabilities as at the balance sheet date:

	31 December 2021	31 December 2020
Non-current		
Prepayments for advertising services	1,778	-
Prepayments for subscriptions	30	48
Prepayments for film's licences	318	1,459
Non-current contract liabilities	**2,126**	**1,507**
Current		
Prepayments for advertising services	5,391	3,091
Prepayments for subscriptions	6,520	4,800
Prepayments for film's licences	3,092	1,329
Sale of coupons to cinemas	5,455	6,867
Other contract liabilities	105	94
Current contract liabilities	**20,563**	**16,181**

The following table presents changes in the contract liabilities during the financial year:

	Non-current	Current	Total
As at 1 January 2021	**1,507**	**16,181**	**17,688**
Increase from prepayments received	2,126	19,056	21,182
Decrease from recognised revenue	-	(16,181)	(16,181)
Reclassification	(1,507)	1,507	-
As at 31 December 2021	**2,126**	**20,563**	**22,689**

	Non-current	Current	Total
As at 1 January 2020	**98**	**13,850**	**13,948**
Increase from prepayments received	1,507	16,083	17,590
Decrease from recognised revenue	-	(13,850)	(13,850)
Reclassification	(98)	98	-
As at 31 December 2020	**1,507**	**16,181**	**17,688**

22. REVENUE AND OPERATING SEGMENT INFORMATION

(a) Operating segment information

In accordance with IFRS 8 *Operating segments,* in these 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's activities are divided into five 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 gastronomic activities of Step Inside Sp. z o.o. (till June 2, 2020 also Foodio Concepts Sp. z o.o.), 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 (mainly in terms of advertising 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, including operating profit or loss excluding the 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 costs of campaigns carried out on advertising panels are the only cost that are included above; they are 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 office space costs of the Company's headquarters and use of computers and development activities of IT department, which are allocated to segments), the Management Boards of Agora S.A., Agora TC Sp. z o.o. and 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 in relation to IFRS 16 impact 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 twelve months ended 31 December 2021 and 31 December 2020 relate to Instytut Badan Outdooru Sp. z o.o., Hash.fm Sp. z o.o. (till February 27, 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)

(a) Operating segment information, continued

	Twelve months ended 31 December 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Revenues from external customers	305,875	198,657	128,539	228,992	98,382	960,445	5,429	965,874
Intersegment revenues (2)	6,645	5,494	1,691	4,108	6,004	23,942	(23,942)	-
Total revenues	**312,520**	**204,151**	**130,230**	**233,100**	**104,386**	**984,387**	**(18,513)**	**965,874**
Total operating cost (1), (2), (3)	**(335,695)**	**(188,090)**	**(134,887)**	**(198,230)**	**(93,934)**	**(950,836)**	**(56,889)**	**(1,007,725)**
Operating profit / (loss) (1)	**(23,175)**	**16,061**	**(4,657)**	**34,870**	**10,452**	**33,551**	**(75,402)**	**(41,851)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(318,379)***	***(188,090)***	***(136,263)***	***(198,230)***	***(94,361)***	***(935,323)***	***(57,659)***	***(992,982)***
Operating profit / (loss) (excl. IFRS 16) (1)	***(5,859)***	***16,061***	***(6,033)***	***34,870***	***10,025***	***49,064***	***(76,172)***	***(27,108)***
Net finance income and cost							(17,462)	(17,462)
Share of results of equity accounted investees	-	-	2	(230)	9,589	9,361	-	9,361
Income tax							3,310	3,310
Net loss								**(46,642)**

(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 office space costs of the Company's headquarters, use of computers and development activities of IT department, which are allocated to segments), the Management Boards of Agora S.A., Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 88,216 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

(a) Operating segment information, continued

	Twelve months ended 31 December 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation	(82,944)	(7,409)	(37,404)	(9,688)	(7,297)	(144,742)	(15,777)	(160,519)
Operating depreciation and amortisation (excl. IFRS 16)	*(37,582)*	*(7,401)*	*(21,469)*	*(9,688)*	*(4,419)*	*(80,559)*	*(15,401)*	*(95,960)*
Amortisation recognised on consolidation (1)	(517)	-	-	(597)	-	(1,114)	254	(860)
Impairment losses	(2,221)	(3,552)	(2,442)	(113)	(663)	(8,991)	(1,190)	(10,181)
including non-current assets	*(1,720)*	*(713)*	*(1,793)*	-	-	*(4,226)*	*(883)*	*(5,109)*
Reversals of impairment losses	408	534	686	142	140	1,910	33	1,943
including non-current assets	-	-	*208*	-	-	*208*	-	*208*
Equity-settled share-based payments (nota 28)	-	-	-	(139)	-	(139)	-	(139)
Capital expenditure	12,512	4,087	8,680	8,842	4,401	38,522	5,197	43,719

	As at 31 December 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions (2)	Total Group
Property, plant and equipment and intangible assets	215,763	84,129	235,558	33,262	81,130	649,842	127,080	776,922
Right-of-use assets	500,111	55	62,235	44	22,145	584,590	25,518	610,108
Investments in associates and joint ventures accounted for by the equity method	-	-	213	17,569	125,128	142,910	-	142,910

(1) is not presented in operating result of the Group's segments;
(2) reconciling positions include mainly Company's headquarters (PLN 85,436 thousand) and other property, plant and equipment and intangible assets of Agora S.A. and Agora TC Sp. z o.o. support divisions not included in particular segments and intercompany eliminations.

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

(a) Operating segment information, continued

	Twelve months ended 31 December 2020							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Revenues from external customers	236,777	190,400	111,592	211,328	82,924	833,021	3,438	836,459
Intersegment revenues (2)	3,955	6,743	2,884	2,540	4,769	20,891	(20,891)	-
Total revenues	**240,732**	**197,143**	**114,476**	**213,868**	**87,693**	**853,912**	**(17,453)**	**836,459**
Total operating cost (1), (2), (3)	**(329,001)**	**(171,498)**	**(133,693)**	**(190,259)**	**(78,335)**	**(902,786)**	**(45,381)**	**(948,167)**
Operating profit / (loss) (1)	**(88,269)**	**25,645**	**(19,217)**	**23,609**	**9,358**	**(48,874)**	**(62,834)**	**(111,708)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(309,514)***	***(171,500)***	***(134,053)***	***(190,259)***	***(78,277)***	***(883,603)***	***(45,992)***	***(929,595)***
Operating profit / (loss) (excl. IFRS 16) (1)	***(68,782)***	***25,643***	***(19,577)***	***23,609***	***9,416***	***(29,691)***	***(63,445)***	***(93,136)***
Net finance income and cost							(48,423)	(48,423)
Share of results of equity accounted investees	-	-	140	688	6,603	7,431	-	7,431
Income tax							22,461	22,461
Net loss								**(130,239)**

(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 72,921 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

(a) Operating segment information, continued

	Twelve months ended 31 December 2020							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation	(85,956)	(6,431)	(35,567)	(8,835)	(7,235)	(144,024)	(17,837)	(161,861)
Operating depreciation and amortisation (excl. IFRS 16)	*(36,766)*	*(6,385)*	*(21,154)*	*(8,835)*	*(4,363)*	*(77,503)*	*(17,655)*	*(95,158)*
Amortisation recognised on consolidation (1)	(517)	-	-	(865)	-	(1,382)	254	(1,128)
Impairment losses	(14,059)	(393)	(9,127)	(13,192)	(775)	(37,546)	(4,909)	(42,455)
including non-current assets	*(13,251)*	-	*(7,485)*	*(12,660)*	-	*(33,396)*	*(4,909)*	*(38,305)*
Reversals of impairment losses	44	3,621	903	373	221	5,162	20	5,182
including non-current assets	-	-	*351*	-	-	*351*	-	*351*
Equity-settled share-based payments	-	-	-	(465)	-	(465)	-	(465)
Cost of restructuring (2)	-	-	-	(1,429)	-	(1,429)	-	(1,429)
Capital expenditure	34,918	5,598	8,999	10,486	2,502	62,503	3,769	66,272

	As at 31 December 2020							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions (3)	Total Group
Property, plant and equipment and intangible assets	232,814	88,110	249,984	34,742	81,141	686,791	150,332	837,123
Right-of-use assets	554,912	18	62,645	58	15,056	632,689	28,117	660,806
Investments in associates and joint ventures accounted for by the equity method	-	-	211	17,799	131,539	149,549	-	149,549

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

(2) cost of restructuring in Internet segment in the second quarter of 2020;

(3) reconciling positions include mainly Company's headquarters (89,717 thousand), buildings of printing plants in which printing activities have been discontinued 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. Reconciling positions include also property, plant and equipment and right-of-use assets, which were presented in the assets held for sale balance sheet line as disclosed in note 4b as at December 31, 2020.

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(b) Operating segment information, continued

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

	Twelve months ended 31 December 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	18,921	64,711	122,681	222,368	98,576	527,257	(17,893)	509,364
Ticket sales	126,859	-	-	-	1	126,860	(25)	126,835
Copy sales	37,321	105,584	-	1	-	142,906	(92)	142,814
Concession sales in cinemas	62,404	-	-	-	-	62,404	-	62,404
Printing services	-	26,780	-	-	-	26,780	-	26,780
Gastronomic sales (1)	28,685	-	-	-	-	28,685	(34)	28,651
Film distribution and production sales	12,716	-	-	-	-	12,716	-	12,716
Other	25,614	7,076	7,549	10,731	5,809	56,779	(469)	56,310
Total sales by category	**312,520**	**204,151**	**130,230**	**233,100**	**104,386**	**984,387**	**(18,513)**	**965,874**

	Twelve months ended 31 December 2020							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	11,952	58,778	110,475	203,951	83,180	468,336	(16,170)	452,166
Ticket sales	84,592	-	-	-	60	84,652	(74)	84,578
Copy sales	29,381	104,815	-	101	-	134,297	(521)	133,776
Concession sales in cinemas	37,172	-	-	-	-	37,172	-	37,172
Printing services	-	28,635	-	-	-	28,635	-	28,635
Gastronomic sales (1)	19,265	-	-	-	-	19,265	(1)	19,264
Film distribution and production sales	34,110	-	-	-	-	34,110	-	34,110
Other	24,260	4,915	4,001	9,816	4,453	47,445	(687)	46,758
Total sales by category	**240,732**	**197,143**	**114,476**	**213,868**	**87,693**	**853,912**	**(17,453)**	**836,459**

(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.

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In Movies and Books segment other revenue include among other revenues from catering business and sales of external publications.

Revenues from advertising services, film distribution in cinemas and from selling the digital access to internet services of *Gazeta Wyborcza* represent revenue recognised over time, because advertising campaigns, film distribution in cinemas and access to digital subscription represent services performed throughout the specified time agreed in contracts with customers. Revenue from other goods and services of the Company usually represent revenue recognised at a point in time, when control of the goods or services is transferred to the customer, which is at the moment, when the service is completed or goods are delivered to a customer.

23. EXPENSES BY NATURE

	2021	2020
Depreciation of property, plant and equipment (note 4)	50,788	51,688
Amortisation of intangibles (note 3)	33,830	31,512
Amortisation of right-of-use assets (note 5)	76,761	79,789
Raw materials, energy and consumables	98,894	95,338
Advertising and promotion costs	47,567	40,692
Expense relating to short-term leases	31,267	27,596
Expense relating to leases of low-value assets (that are not short-term leases)	225	340
Expense relating to variable lease payments	3,361	1,692
Taxes and similar charges	6,771	7,727
Other external services rendered	351,481	337,023
Staff costs (note 26)	315,840	266,539
Total expenses by nature	**1,016,785**	**939,936**
Change in the balance of products	13	274
Cost of production for in-house use	(50)	(81)
Total operating expenses	**1,016,748**	**940,129**
Selling expenses	(169,109)	(156,461)
Administrative expenses	(155,748)	(135,131)
Cost of sales	**691,891**	**648,537**

In the *Movies and Books* segment the part of rental agreements related to locations of Helios cinemas also contains variable lease payments in addition to the fixed fee, depending on the level of revenue from the sale of tickets or on the level of participation in cinemas. Due to restrictions imposed on cinema activity because of covid-19 pandemic, expense relating to variable lease payments did not have significant influence on consolidated financial statements.

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24. OTHER OPERATING INCOME

	2021	2020
Gain on disposal of non-financial non-current assets (1)	1,073	7,928
Grants received	7,123	16,453
Reversal of impairment losses for non-financial non-current assets	208	351
Reversal of provisions	1,266	1,292
Donations received	741	1,452
Liabilities written off	788	730
Profit from decrease of lease scope	-	2,873
Other (2)	11,112	8,141
	22,311	**39,220**

(1) *In 2020 gain on disposal of non-financial non-current assets includes mainly gain on sale of property at Daniszewska in Warsaw.*

(2) *In 2021 item 'Other' includes mainly the cancellation of loan granted to Helios S.A. by Polski Fundusz Rozwoju S.A. in the amount of PLN 3,129 thousand and exemption from social security contributions for 2020 for companies Helios S.A. and Next Film Sp. z o.o. in the total amount of PLN 3,948 thousand; in 2020 item 'Other' includes gain on disposal of a subsidiary Foodio Concepts Sp. z o.o. in the amount of PLN 1,023 thousand and gain on sale of enterprise Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.) in the amount of PLN 3,633 thousand.*

Inflow of funds from the Guaranteed Employee Benefits Fund to the Group and exemption from social security contributions

In 2020 selected companies of Agora Group submitted a request to receive employee remuneration subsidy from the Voivodship Labor Office in Warsaw from the Guaranteed Employee Benefits Fund ("GEBF").

Receiving of the subsidy was connected with the obligation to submit documents necessary for its settlement within 30 days from the day of obtaining the last tranche of payment.

In 2021 subsidiaries Helios S.A., Step Inside Sp. z o.o. and Next Film Sp. z o.o. received employee remuneration subsidy from the GEBF in the amount of PLN 2,401 thousand. In 2020 the total amount of co-financing from the GEBF received by the Group amounted to PLN 13.3 million (including Agora S.A. PLN 8.1 million). Subsidies are recognized in the other operating income of the Group in the item 'Grants received'.

Additionally, in 2021 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 in the total amount of PLN 4,943 thousand (including exemption for 2020 recognised in Group's other operating income for 2021 amounting to PLN 3,948 thousand).

The positive impact of these events on the Group result amounted to PLN 7,344 thousand in 2021.

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25. OTHER OPERATING EXPENSE

	2021	2020
Impairment losses recognised for non-financial non-current assets (note 3, 4, 5)	5,109	38,305
Donations	1,057	2,809
Provisions recognised	1,229	2,901
Liquidation of fixed assets including dismantling panels	1,130	1,437
Loss on the decrease of lease scope	498	-
Other	1,769	3,844
	10,792	**49,296**
Impairment losses recognised for receivables - net		
Impairment losses recognised for receivables (note 10)	4,231	2,793
Reversal of impairment losses for receivables (note 10)	(1,735)	(4,831)
	2,496	**(2,038)**

26. STAFF COSTS

	2021	2020
Wages and salaries	263,152	223,781
Social security costs	52,688	42,758
	315,840	**266,539**
Average number of employees	**2,288**	**2,136**

The headcount figure include employees of Agora S.A. and of the companies consolidated using the full consolidation method (see note 38).

◗ Procedure of a temporary reduction in the cost of remuneration in the Agora Group

On April 15, 2020, the Management Board of Agora S.A., with reference to the reports: No. 10/2020 of 23 March 2020 on the negative impact of a pandemic on the results of the Agora Group and No. 13/2020 on commencing on 6 April 2020 consultation procedure with the inter-enterprise commission of NSZZ "Solidarność" Agora SA and Inforadio Sp. z o.o. ("Commission") regarding actions planned by the Company to reduce the staff cost in the Group, including, inter alia, a temporary reduction by 20% remuneration paid on the basis of employment contracts, mandate contracts and service contracts for the period of six months in companies subject to the Commission's action, informed about the conclusion of an appropriate agreement on this matter on 15 April 2020.

From April 15 to October 15, 2020, by a decision of the Management Board of Agora S.A. the salaries of Agora Group employees were reduced by 20.0%. The larger scale of the reductions covered the Management Board and Supervisory Board of the Company. Savings due to the reduction of salaries and benefits for employees and regular associates will amount to approximately PLN 28.6 million in 2020.

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27. MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION

The remuneration of the Management Board members is based on three elements – fixed remuneration (base salary), variable component (motivation plans and discretionary bonuses) and non-wage benefits, whose scope is determined by the Supervisory Board.

Remuneration paid to Management Board members for the period of holding the post of a Management Board member is presented in the table below:

	2021	base salary	variable component	other benefits
Management Board				
Bartosz Hojka	1,621	800	817	4
Tomasz Jagiello	724	240	484	-
Anna Krynska - Godlewska	1,088	600	484	4
Agnieszka Sadowska (1)	988	500	484	4
Tomasz Grabowski (2)	420	420	-	-
Agnieszka Siuzdak-Zyga (3)	205	205	-	-
Grzegorz Kania (4)	484	-	484	-
	5,530	**2,765**	**2,753**	**12**

	2020	base salary (5)	variable component	other benefits
Management Board				
Bartosz Hojka	687	683	-	4
Tomasz Jagiello	205	205	-	-
Agnieszka Sadowska	513	510	-	3
Anna Krynska - Godlewska	514	510	-	4
Grzegorz Kania (4)	438	435	-	3
	2,357	**2,343**	**-**	**14**

(1) *Agnieszka Sadowska was the member of the Company's Management Board until October 20, 2021;*
(2) *Tomasz Grabowski is the member of the Company's Management Board from June 1, 2021;*
(3) *Agnieszka Siuzdak-Zyga is the member of the Company's Management Board from August 5, 2021;*
(4) *Grzegorz Kania was the member of the Company's Management Board until September 28, 2020; variable remuneration paid in 2021 relates to the Incentive Plan for the period of holding the post of a Management Board member in 2019;*
(5) *Significant decrease in remuneration paid to members of the Management Board of Agora S.A. is due to a reduction of the basic salary by 30.0% for a period of six months (April 15 to October 15, 2020), and also of the suspension of the payment of bonuses for 2019.*

Tomasz Jagiello received also remuneration as the President of the Management Board of Helios S.A. in the amount of PLN 423 thousand (in 2020: in the amount of PLN 297 thousand). His base salary was reduced on the same terms as for all employees of Helios S.A. in 2020. The other members of Agora's Management and Supervisory Board did not receive any remuneration for serving as board members in subsidiaries, joint ventures and associates.

The impact on staff costs of the incentive plan for the Management Board of Agora S.A. based on financial instruments is described in note 28.

The information related to liabilities to formerly Management Board members is described in note 19.

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Remuneration paid to Supervisory Board members comprised fixed salary and is presented in the table below:

Supervisory Board	2021	2020
Andrzej Szlezak	144	130
Wanda Rapaczynski	96	86
Tomasz Sielicki	96	86
Dariusz Formela	96	86
Maciej Wisniewski	96	86
Tomasz Karusewicz	96	86
	624	**560**

28. 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 fulfilment, 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 fulfilment 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 percentage 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 percentage 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 fulfilment 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 fulfilment for the Management Board members are specified in the Supervisory Board resolution.

As at 31 December 2021 the value of potential reward from the fulfilment of the EBITDA target has been calculated on the basis of the best estimate of the expected fulfilment value of the EBITDA target for 2021. As at 31 December 2020, the Group did not recognise a reserve for potential reward from the fulfilment of the EBITDA target in 2020 due to the failure to reach the EBITDA result to pay the incentive plan element. As at 31 December 2020, the value of potential reward from the fulfilment of the EBITDA target included the premium reserve recognised in the balance sheet at the end of 2019 which has not been paid as at 31 December 2020 based on the level of achievement of the EBITDA target in 2019.

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. That value is charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan. As at 31 December 2021, the

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value of reserve for potential reward concerning the realization of the Target of Share Price Increase includes the value of potential reward for the share price component for 2021, which was charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan.
As at 31 December 2020 the estimated Average Share Price in IQ of Next Year was below the Target of Share Price Increase and the accrual for this component of the Incentive Plan was not recognised in the balance sheet. As at 31 December 2020 the Group recognised the provision for the share price component of the Incentive Plan for 2019 after considering the impact of the outbreak of the Covid-19 pandemic on the dynamics of the changes of stock indices in the first quarter of 2020 on the basis of a Resolution of the Supervisory Board in the third quarter of 2020.

Total impact of the Incentive Plan on the consolidated financial statements of Agora S.A. is presented below:

	Twelve months ended 31 December 2021	Twelve months ended 31 December 2020
Income statement – (increase) of staff cost*	(2,572)	(1,355)
Income statement - deferred income tax	489	257
Liabilities - accruals - as at the end of the period	2,572	2,849
Deferred tax asset - as at the end of the period	489	541

* *the total amount of the cost presented in 2020 includes the cost of the share price component for 2019.*

The cost of the Incentive Plan concerning the Management Board of Agora S.A.:

	Twelve months ended 31 December 2021	Twelve months ended 31 December 2020
Bartosz Hojka	808	415
Tomasz Jagiello	460	235
Agnieszka Sadowska (1)	383	235
Anna Krynska - Godlewska	460	235
Tomasz Grabowski (2)	270	-
Agnieszka Siuzdak - Zyga (3)	191	-
Grzegorz Kania (4)	-	235
	2,572	**1,355**

(1) Agnieszka Sadowska was the member of the Company's Management Board until October 20, 2021;
(2) Tomasz Grabowski is the member of the Company's Management Board from June 1, 2021;
(3) Agnieszka Siuzdak-Zyga is the member of the Company’s Management Board from August 5, 2021;
(4) Grzegorz Kania was the member of the Company's Management Board until September 28, 2020.

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b) Incentive plan based on shares 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 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 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 final value of reward depends on the value of reached EBIT target in 2021 of the company Yieldbird, its net debt as at the end of 2021 and the EBIT multiplier agreed between the parties. The abovementioned factors influence the final purchase price of shares agreed in incentive plan.

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

	Twelve months ended 31 December 2021	Twelve months ended 31 December 2020
Income statement - staff costs	**(858)**	**(465)**
including recognition of cost of equity-settled plan	*(139)*	*(465)*
including remeasurement of cash-settled plan	*(719)*	-
Equity - non-controlling interest	**(976)**	**465**
including recognition of cost of equity-settled plan	*139*	*465*
including reclassification of equity-settled plan to liabilities	*(1,115)*	-
Non-current liability arising from incentive plans	**1,834**	**-**
including reclassification of equity-settled plan to liabilities	*1,115*	-
including remeasurement of cash-settled plan	*719*	-

29. FINANCE INCOME

	2021	2020
Interests on loans and similar items	59	29
Other interest and income from short-term financial assets	668	438
Gain on sale of non-current financial assets (1)	-	226
Reversal of impairment losses for financial assets	64	70
F/x gains	2,054	-
Valuation of put option (note 35)	1,883	11,318
Other (2)	2	1,192
	4,730	**13,273**

(1) Gain on sale of non-current financial assets entirely relates to disposal of shares in the company Hash.fm Sp. z o.o.
(2) In 2020 amount includes financial income recognised as a result of decrease in value of liability for the acquisition of shares in Piano Group Sp. z o.o. in the amount of PLN 1,180 thousand.

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30. FINANCE COST

	2021	2020
Interest on loans payable and similar items	4,330	3,995
Lease interest	15,304	16,306
Other interest (1)	679	3,712
Loss on sale of financial assets	-	302
Impairment loss on financial assets (2)	-	63
Valuation of put options (note 35)	1,879	-
F/x losses	-	37,318
	22,192	**61,696**

(1) In 2020 the amount includes interest on the provision created in Helios S.A. for the fee for previous years for ZAPA (Związek Autorów i Producentów Audiowizualnych) in the amount of PLN 3,247 thousand;

(2) Impairment loss on financial assets relates to shares in and loan granted to the associated company Hash.fm Sp. z o.o.

In 2020 foreign exchange losses resulted from negative foreign exchange differences arising due to valuation of lease liabilities under IFRS 16. Value of these negative exchange differences amounted to PLN 37,540 thousand.

31. INCOME TAXES

Income tax recognised in the consolidated income statement

	2021	2020
Current tax expense		
Current year	(3,394)	(3,052)
Adjustments for prior periods	246	245
	(3,148)	**(2,807)**
Deferred tax expense		
Origination and reversal of temporary differences	6,508	22,148
Utilization of tax loss	(6)	(105)
Origination of tax loss	158	215
Change in tax rate	(191)	-
The amount of benefit from a previously unrecognised tax loss	489	5
The amount of benefit from a temporary difference of a prior period	(294)	3,050
The adjustment of deferred tax related to tax losses	(206)	(45)
	6,458	**25,268**
Total tax expense recognised in the income statement	**3,310**	**22,461**

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Income tax expense recognised in other comprehensive income

	2021	2020
Actuarial gains/(losses) on defined benefit plans	88	(142)
Total tax expense recognised in other comprehensive income	**88**	**(142)**

Current tax receivables and liabilities are expected to be recovered or settled within one year.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate ruling in the particular year 19% as follows:

	2021	2020
Loss before tax	**(49,952)**	**(152,700)**
Tax calculated at a rate of 19% (2020: 19%)	**9,491**	**29,013**
Tax effect of:		
Share of results of equity accounted investees	1,779	1,412
Gain on sale of subsidiaries	-	458
Other non-taxable revenues	1,305	2,979
Other non-deductible expenses	(2,369)	(4,684)
Impairment loss recognised for goodwill	-	(468)
Temporary differences for which deferred tax was not recognised	175	(254)
Tax losses for which deferred tax was not recognised	(7,383)	(9,177)
Recognition of deferred tax on tax losses from previous periods	489	5
Recognition/(derecognition) of deferred tax for temporary differences from previous period	(294)	3,050
Other	117	127
Tax calculated at an effective rate of 6,6% (2020: 14,7%)	**3,310**	**22,461**

32. EARNINGS PER SHARE

In calculating earnings per share the following variables were used:
as numerators – net profits attributable to equity holders of the Company for the respective years,
as denominators - the average number of shares in the current year which is 46,580,831 for 2021 (2020: 46,580,831).

Weighted average number of shares

	2021	2020
At the beginning of the period	**46,580,831**	**46,580,831**
At the end of the period	**46,580,831**	**46,580,831**

There are no dilutive factors.

33. BUSINESS COMBINATIONS

Sale of shares in Goldenline Sp. z o.o.

On January 28, 2021, Agora S.A. ("Seller") concluded a share sale agreement with HRlink sp. z o.o. ("Buyer") regarding the sale of all shares in Goldenline sp. z o.o. Agora S.A. sold to the Buyer 3,221 shares with a nominal value of PLN 1,000 each and the total nominal value of PLN 3,221,000, constituting in total 100% of the share capital of Goldenline Sp. z o.o. for price amounting to PLN 1. As a result Agora S.A. does not have directly any shares in Goldenline Sp. z o.o, while indirect share of Agora Group amounts to 79.8%.

Acquisition of shares in Yieldbird Sp. z o.o.

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

Conclusion of a promised share sale agreement with one of the Minority Shareholders of Helios S.A.

On October 29, 2021, Agora S.A. concluded a promised share sale agreement with one of the Minority Shareholders of Helios S.A. as part of the implementation of the Tender Offer received on September 30, 2021 on the basis of managerial options agreements concluded (additional information on these agreements is included in note 35). Thus, now Agora S.A. owns 91.49% of the share capital of Helios S.A. and 91.49% of votes at the General Meeting of Helios S.A. The total expenditure for share purchase including transaction costs amounted to PLN 203 thousand.

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-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.

- **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.

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.

34. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- credit risk,
- liquidity risk,
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Management Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Policy of Risk Management functions within the Group that determines the rules and the framework of risk management process as well as establishes the responsibilities of its participants.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Company Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, granted loans and investment securities.
The maximum exposure to credit risk corresponds to the carrying amount of financial instruments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's credit risk is limited due to a great number and diversification of customers. The biggest customers (in respect of the turnover) are press distributors and advertisers (companies unrelated to the Group). The value of transactions with one of customers of the Group (Google Ireland Ltd) exceeded 10% of the total revenue of the Group in 2021. Revenue from sale to this customer in 2021 amounted to PLN 132,082 thousand and was disclosed in Internet and Radio segments.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective expected loss component established based on historical data of payment statistics for group of similar financial assets and future expectations.
The analysis of credit risk exposure on the basis of ageing of trade receivables as at balance sheet date and changes in impairment losses for receivables are presented in note 10.

Investments

The Group limits its exposure to credit risk by diversification of its investments in investment funds, which invest in different classes of debt instruments. The Group does not acquire securities directly, but only through investment funds. At the same time, the Company invest only in liquid securities or bank deposits.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. In addition, as at December 31, 2021, the Group maintains a credit facilities in DNB Bank Polska S. A., Santander Bank Polska S.A., BNP Paribas Bank Polska S.A. oraz mBank S.A (described in note 15).

In addition, the Company has implemented a liquidity management system, which functions within the Group ("the Cash Pooling Agreement"). The agreement was signed on May 25, 2017 between DNB Bank Polska S.A. on the one side and Agora S.A. and selected subsidiaries companies from the group from the other side. The Cash Pooling Agreement aims to optimize cash liquidity and the most efficient management of cash for entities participating in the cash pooling system. Agora S.A. acts as a cash pool leader within the system. In accordance with this agreement, the Company may use the funds collected by other participants of the cash pooling system. Intra-group balances and transactions related to cash pooling agreement are eliminated in the consolidated financial statements.

Payment deadlines concerning trade payables are described in note 20 and bank loans in note 15. Future estimated cash flows related to financial liabilities are described in note 35.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the rate of return.

Foreign currency risk

Foreign exchange risk is related to sales of printing services, advertising services, copy sales to foreign customers, purchases of newsprint which is contracted in EURO, fixed asset purchases and rent of premises, which are also partly contracted in foreign currencies, mainly EURO and USD. The Group's foreign currency risk is significantly impacted by the carrying valuation of lease liabilities.

Cash and cash equivalents denominated in foreign currency amounted to PLN 5,137 thousand as at balance sheet date (31 December 2020: PLN 5,621 thousand), mainly in EURO (PLN 2,650 thousand) and USD (PLN 2,479 thousand).

Accounts receivable in foreign currency amounted to PLN 7,624 thousand as at balance sheet date (31 December 2020: PLN 8,179 thousand), principally in EURO (PLN 4,355 thousand) and USD (PLN 3,252 thousand).

Liabilities requiring settlement in foreign currency amounted to PLN 542,570 thousand as at balance sheet date (31 December 2020: PLN 549,400 thousand), payable principally in EURO (PLN 541,486 thousand) and USD (PLN 1,038 thousand).

The Group does not hedge against exchange rate risk by entering into long-term hedging contracts. However, the Group may still enter into short term forward currency contracts with maturity up to 6 months.

In 2021, Agora S.A. was not engaged in any currency option instruments or other derivatives (used for hedging or speculative ones).

Interest rate risk

The Group invests in short-term deposits and short-term securities with variable interest rates. All the deposits and securities mature within one year.

Additionally, the Group has interest bearing bank loans, borrowings and finance lease agreements with interest at a floating rate based on WIBOR 1M or 3M.

Further information on balances as at balance sheet date are presented in note 35.

Sensitivity analysis

a) Interest rate risk

The Group has many financial instruments (including bank deposits, credits and loans). Their fair values and the fair value of future cash flows connected with them may fluctuate due to changes in interest rates. As at 31 December 2021, assuming a +/- 1pp change in interest rates, the impact of changes in fair value of financial instruments is estimated at the level of net loss/profit of PLN 63 thousand (as at December 31, 2020: net loss/profit of PLN 500 thousand).

b) Foreign currency risk

The Group has many financial instruments (including bank deposit, receivables, and payables). Their fair values and the fair value of future cash flows connected with them may fluctuate due to changes in interest rates. As at 31 December 2021, assuming the appreciation/depreciation of Polish zloty by 5%, the fair value of financial instruments that will fluctuate, is estimated to impact the net profit/loss in the amount of PLN 21,457 thousand (as at December 31, 2020: PLN the net profit/loss in the amount of 21,696 thousand).

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Further growth of the Group is the Management Board's overarching priority and the Group plans to use its capital in order to achieve that objective, building its long term value for shareholders. The Management Board monitors the ratio levels: ROCE and the paid dividend per share. Each decision concerning dividend payments or share repurchases is made after conducting proper analyses of the Company's financial position, investment capacity at the time, the balance sheet structure, bank loans requirements and the Company's share price quoted on the stock exchange and is approved by the General Meeting of Shareholders.

In the reported period there were no changes in the capital management policy.

The Management Board focuses on keeping the balance between possibility to reach higher rate of return ratio (if the debt level is higher) and advantages and security reached at the stable capital level.

Neither the Company nor its subsidiaries are obligated to obey externally defined capital rules.

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

35. FINANCIAL INSTRUMENTS

1) General information

	Short-term financial assets	Bank deposits	Loans granted	Bank and other loans received
a) Classification	Certificates in investment funds – financial asset at fair value through profit or loss	Financial assets measured at amortized cost	Financial assets measured at amortized cost	Financial liability
b) Nature of the instrument	Short-term low risk investments	Short-term low risk investments	Long- and short-term loans	Bank loans and non-current loans
c) Carrying value of the instrument	2021: PLN 1 thousand 2020: PLN 1 thousand	2021: PLN 52,285 thousand 2020: PLN 33,248 thousand	2021: PLN 3,860 thousand 2020: PLN 277 thousand	Bank loans 2021: PLN 101,181 thousand 2020: PLN 138,017 thousand Loans: 2021: PLN 1,522 thousand 2020: did not occur
d) Value of the instrument in foreign currency, if applicable	n/a	n/a	n/a	n/a
e) Purpose of the instrument	Investing of cash surpluses	Investing of cash surpluses	Financing of related companies and entities co-operating with the Group	Bank loan – investment needs Bank overdraft – operating needs Preferential loan – operating needs
f) Amount on which future payments are based	Total value of assets	Total value of deposits	Face value	Face value
g) Amount and timing of future cash receipts or payments	Interest depending on maturity	Interest depending on maturity	Interest depending on maturity	Bank loans - Interests paid monthly, preferential loan – interest paid quarterly
h) Date of repricing, maturity, expiry or execution	Liquid	Liquid – overnight or within 3 months	According to agreements	Payment terms for all loans are described in note 15
i) Early settlement option	Any time	Any time	Possible	Possible
j) Execution price or range of prices	Market value	Face value plus interests	Face value plus interests	Face value plus interests
k) Option to convert or exchange instrument to other asset or liability	None	None	None	None

	Short-term financial assets	Bank deposits	Loans granted	Bank and other loans received
l) Stated rate or amount of interest, dividend or other periodic return and the timing of payments	According to valuation of certificates, based on currency market instruments Timing of payments– at maturity, on the basis of the Group's decision	WIBID minus margin Timing of payments – at maturity	WIBOR + margin Timing of payments– instalments or at maturity date	Bank loans – WIBOR + bank margin Preferential loan – fixed rate Timing of payments – monthly or quarterly
m) Collateral held or pledged	None	None	Registered pledge on advertising panels in case of loan in the amount of PLN 3,647 thousand	Collaterals are described in note 15
n) Other conditions	None	None	None	Bank loans are due in case of breach of covenants included in agreements
o) Type of risk associated with the instrument	Interest rate, credit risk of financial institution	Interest rate, credit risk of financial institution	Interest rate, credit risk of subsidiaries and associates	Interest rate
p) Fair value of the instrument	Equal to carrying value	Close to carrying value	Close to carrying value	Close to carrying value
q) Method of fair value determination	Market quotations	Discounted cash flow	Discounted cash flow	Discounted cash flow

Interest rate risk

r) Description of the risk	Due to floating rate	Due to floating rate	Due to floating rate	Due to floating rate
s) Contractual repricing or maturity date	See point h)	See point h)	See point h)	See point h)
t) Effective interest rate	Close to nominal	Close to nominal	Close to nominal	Close to nominal

Credit risk

u) Description of the risk	Depending on the creditworthiness of the financial institution	Depending on the creditworthiness of the bank	Depending on the creditworthiness of the borrowers	None
w) Maximum credit risk exposure	Amount deposited	Amount deposited less amount from BFG	Amount deposited	n/a

The information about trade receivables is included in note 10 and about trade payables in note 20.

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

2) Detailed information on financial instruments

	2021	2020
Interest income on financial assets		
Bank deposits	107	283
Loans granted	59	29
Other	2	15
Impairment losses recognised for financial assets		
Loans granted	-	(63)
Interest and commissions expense on financial liabilities		
Bank loans	(4,317)	(3,995)
Lease liabilities	(15,304)	(16,306)
Loans received	(13)	-
Other	(109)	(183)

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

3) Fair value hierarchy for financial instruments

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 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**

	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**

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 31 December 2021	As at 31 December 2020
Opening balance	**34,548**	**55,114**
Expiration of put option recognised in equity (1)	-	(9,248)
Remeasurement recognised in profit or loss , incl.:	(4)	(11,318)
- finance income (2)	*1,883*	*11,318*
- finance cost (2)	*(1,879)*	-
Exercise of the put option (3)	(200)	-
Closing balance	**34,344**	**34,548**

(1) relates to the expiration of the put option for the non-controlling shareholder of Goldenline Sp. z o.o. under the Annex of 20 January 2020 and the expiration of the put option for the non-controlling shareholder of Piano Group Sp. z o.o. under the Agreement of 23 June 2020;

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

In case of Helios S.A. options, the estimated value of liability depends mainly on the estimated operational result EBIT for two financial years preceding the agreed dates of exercising the option and discount rate adopted for valuation.

In case of HRlink Sp. z o.o. options, the future price of acquiring the shares will depend on the value of company EBITDA and the level and structure of revenues in the financial year preceding the exercising of the put option.

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 case of the put option granted to the non-controlling shareholders of Helios S.A., an increase of the estimated EBIT level over the period specified in put option conditions by 10%, would cause an increase of put option liability by c.a. PLN 3,509 thousand, while an increase of the discount rate by 1pp, would cause a decrease of the liability by c.a. PLN 1,501 thousand.

On December 31, 2020 Agora S.A. agreed with key managers of the subsidiary Helios S.A. who are also minority shareholders of Helios S.A. ("Managers") the change of the basic terms of the currently applicable call and put options relating to their shares in Helios S.A., i.a. in terms of: postponement of the possibility of the Managers to call on the Company to purchase the shares of Helios S.A. held by them (put option) in such a way that by the end of the second quarter of 2024 the put option will cover a maximum of 20% of the Managers' shares, and postponement the Company's right to call upon Managers to sell the Helios S.A. shares held by them (call option), so that the call option can be exercised from January 1, 2025 at the earliest. In addition, the buyout price for 51% of the shares acquired under the put option would be determined based on the results of Helios S.A. for the 2018 and 2019 financial years. The agreed changes of terms were taken into account in option valuation as at 31 December 2020.

Completion of negotiations on changing the terms of the managerial options in Helios S.A. and execution of annexes to the option agreements

On September 21, 2021 Agora S.A. completed negotiations with key managers of the subsidiary Helios S.A. who are also minority shareholders of Helios S.A. ("Managers") regarding the change of the terms of call and put options relating to their shares in Helios S.A., and signed relevant annexes with them.

The scope of the agreed changes includes, among others:

- postponement of the possibility to call the Company by the Managers to purchase the shares of Helios S.A. held by them (put option) in such a way that:
- by 31 December 2022, the put option will cover, subject to certain exceptions, a maximum 7.5% of the Managers' shares;
- by 30 June 2024, the put option will cover, subject to certain exceptions, a maximum 20.0% of the Managers' shares, and
- postponement of the Company's right to call upon Managers to sell the shares of Helios S.A. held by them (call option), so that the call option can be exercised, subject to certain exceptions, from 1 July 2025 at the earliest.

In addition, the price for ca. 58% of the shares acquired under the put option from Managers until 30 June 2025, will be determined based on the results of Helios S.A. for the 2018 and 2019 financial years. In the remaining scope and from 1 July 2025 - for all shares - the basis for calculating the share price under the put and call options will be the result of Helios S.A. for the last two financial years.

At the same time, the Company was granted Drag Along Right. As at 21 September 2021 Agora S.A. owned 91.4% of shares in Helios S.A. The remaining shares belonged to the Managers.

On September 30, 2021, Agora S.A. received from the Minority Shareholders of Helios S.A. joint tender offer to acquire shares in Helios S.A. ("Tender Offer") on the basis of and under the terms of the Surety Agreement - Option Agreement concluded on October 29, 2010, as amended by the annex of October 3, 2017 and the annex of September 21, 2021.

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

Under this Tender Offer, the Minority Shareholders of Helios S.A. called Agora S.A. to conclude a promised share sale agreement with one of the Minority Shareholders of Helios S.A. 6,200 (say: six thousand two hundred) shares for the total amount of PLN 200,260 (say: two hundred thousand two hundred and sixty zlotys). Tender offer was realised on October 29, 2021.

4) Cash flows related to financial liabilities

The future estimated undiscounted cash flows related to financial liabilities based on contractual maturities at the balance sheet date are presented below:

	31 December 2021					
	Contractual cash flows	6 months or less	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bank loans	102,151	68,567	11,505	20,397	1,682	-
Loans received	1 552	393	390	769	-	-
Lease liabilities	890,931	49,335	48,459	93,021	235,850	464,266
including: Lease liabilities resulting from the application of IFRS 16	*843,928*	*41,305*	*40,623*	*79,963*	*217,771*	*464,266*
Trade payables	44,907	44,907	-	-	-	-
Put option liabilities	49,853	-	-	-	5,943	43,910*
Liabilities related to purchase of non-current assets	15,827	13,093	624	247	795	1,068
Total	**1,105,221**	**176,295**	**60,978**	**114,434**	**244,270**	**509,244**

** liquidity period according to the estimated optimal economic period of put option realisation by non-controlling shareholders of Helios S.A. based on long-term financial forecasts included in the valuation of the put option. According to option agreements, there is also a possibility of settling part of options in former liquidity periods (additional information about put option valuation is disclosed in note 35 point 3).*

	31 December 2020					
	Contractual cash flows	6 months or less	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bank loans	140,536	25,788	62,436	29,028	23,284	-
Lease liabilities	858,342	47,556	48,835	91,508	240,045	430,398
including: Lease liabilities resulting from the application of IFRS 16	*790,684*	*36,956*	*38,547*	*75,855*	*209,447*	*429,879*
Trade payables	33,426	33,426	-	-	-	-
Put option liabilities*	44,330	-	-	2,683	26,103	15,544
Liabilities related to purchase of non-current assets	18,824	16,953	290	542	399	640
Total	**1,095,458**	**123,723**	**111,561**	**123,761**	**289,831**	**446,582**

** for put options related to shares of Helios S.A. liquidity periods were determined according to the estimated optimal economic period of put option realisation by non-controlling shareholders of Helios S.A. based on long-term financial forecasts included in the valuation of the put option and accepted changes in option agreements as at 31 December 2020.*

Additional information on liquidity risk management is disclosed in note 34.

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

5) Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities (including changes arising from cash flows and non-cash changes) are presented in table below:

		Cash flows		Non-cash changes					
	As at 31 December 2020	Capital	Interests and commissions	Recognition of assets under lease	Interests and commissions accrued	Loan cancellation	F/X differences	Reducing the scope of the agreements	As at 31 December 2021
Bank loans	138,017	(36,844)	(3,711)	-	3,719	-	-	-	101,181
Lease liabilities	729,966	(54,180)	(17,079)	69,927	15,304	-	(2,204)	(37,714)	704,020
Loans	-	4,651	(13)	-	13	(3,129)	-	-	1,522

		Cash flows		Non-cash changes					
	As at 31 December 2019	Capital	Interests and commissions	Recognition of assets under lease	Interests and commissions accrued	Acquired with the purchase of the company	F/X differences	Reducing the scope of the agreements	As at 31 December 2020
Bank loans	106,772	31,291	(4,967)	-	4,921	-	-	-	138,017
Lease liabilities	579,624	(39,887)	(14,524)	176,599	16,306	(8,107)	37,534	(17,579)	729,966

36. CONTRACTUAL INVESTMENT COMMITMENTS

Contractual investment commitments related to property, plant and equipment existing at the balance sheet date amounted to PLN 12,227 thousand (31 December 2020: PLN 13,779 thousand) and to intangible assets amounted to PLN 383 thousand (31 December 2020: 659 PLN 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 new cinemas.

37. CONTINGENCIES

As of 31 December 2021 and 31 December 2020, the Group had contingencies to third parties as presented below:

Benefiting party	Debtor	Valid till	Value As at 31 December 2021	Value As at 31 December 2020	Scope of collateral
Guarantees provided by Agora S.A.					
Bank Pekao S.A.	Agora's employees	16/06/2021	-	18	loans for the purchase of photographic equipment

Information on contingent liabilities related to legal disputes is described in note 19.

Advertising panels dismantling costs

Majority of lease agreements for rent of space for advertising panels includes an obligation to remove panels and restore the space to its previous condition. Agreements are usually concluded for finite or indefinite period with a specified period of notice, shorter than the useful life of the panels. Despite provisions of the agreements, the necessity to uninstall the panel will depend on future decisions taken at the end of the lease period. In case that the lease agreements will be extend for the next period, AMS S.A. will not bear the costs of uninstall the panels in this period. In relation to the period of the contracts the costs of uninstalling panels are not for AMS S.A. significant.
Taking into account these uncertainties, AMS S.A. decided to recognize expenditures on restoration when incurred or when the decision to restructure the panels is taken (including restoration). The restoration costs amounted to PLN 325 thousand in 2021 and PLN 1,073 thousand in 2020. Higher dismantling cost in 2020 resulted from the restructuring of portfolio of advertising panels.

Other information

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 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.

(all amounts in PLN thousands unless otherwise indicated)

38. GROUP COMPANIES

Basic information about the companies composing the Agora Group is presented in the tables below:

		31 December 2021							
		% of shares held (effectively)	Assets		Liabilities		Revenue	Net result	Other comprehensive income
Companies consolidated (1)			Non-current	Current	Non-current	Current			
1	AMS S.A., Warsaw	100.0%	201,974	57,746	48,245	63,296	128,177	(1,810)	40
2	IM 40 Sp. z o.o., Warsaw (2)	72.0%	1,396	2,586	1,114	352	2,898	938	-
3	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	60,693	16,186	17,343	10,421	52,198	(71)	(59)
4	AMS Serwis Sp. z o.o., Warsaw (3)	100.0%	27,259	33,780	920	6,629	26,725	829	(21)
5	Inforadio Sp. z o.o., Warsaw (2)	66.1%	4,897	6,217	3,277	2,257	15,257	2,417	(33)
6	Agora TC Sp. z o.o., Warsaw	100.0%	424	1,082	144	637	4,252	314	2
7	Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	3,565	27,596	269	21,990	99,469	4,877	4
8	Plan D Sp. z o.o., Warsaw	100.0%	2	3,014	-	32	5	(70)	-
9	Helios S.A., Lodz (8)	91.5%	686,716	27,558	526,801	183,779	216,387	(30,484)	77
10	Next Film Sp. z o.o., Warsaw (4)	91.5%	5,461	10,660	169	8,619	16,266	(2,460)	3
11	Yieldbird Sp. z o.o., Warsaw (7)	95.8%	8,526	43,027	8	31,566	161,309	8,028	3
12	Next Script Sp. z o.o., Warsaw (4),(5)	75.9%	-	405	-	40	-	(47)	-
13	Optimizers Sp. z o.o., Warsaw (3)	100.0%	6,218	2,283	9,000	468	1,577	(1,024)	-
14	Goldenline Sp. z o.o., Szczecin (6)	79.8%	692	234	3	909	1,774	78	4
15	Plan A Sp. z o.o., Warsaw	100.0%	-	8	-	5	-	(18)	-
16	Agora Finanse Sp. z o.o., Warsaw	100.0%	-	187	-	-	-	(35)	-
17	Step Inside Sp. z o.o. (4)	82.3%	27,736	2,980	14,940	10,415	28,798	(2,817)	-
18	Piano Group Sp. z o.o., Warsaw (3)	92.0%	313	1,300	-	1,797	5,180	(1,062)	-
19	HRlink Sp. z o.o., Szczecin	79.8%	2,146	1,232	-	1,094	10,175	(45)	-

(1) the presented data are before elimination of intergroup transactions;
(2) indirectly through GRA Sp. z o.o.;
(3) indirectly through AMS S.A.;
(4) indirectly through Helios S.A.;
(5) indirectly through Next Film Sp. z o.o.;
(6) 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;
(7) acquisition of additional shares on April 15, 2021;
(8) acquisition of additional shares on October 29, 2021.

(all amounts in PLN thousands unless otherwise indicated)

38. GROUP COMPANIES, CONTINUED

		31 December 2020							
		% of shares held (effectively)	Assets		Liabilities		Revenue	Net result	Other comprehensive income
	Companies consolidated (1)		Non-current	Current	Non-current	Current			
1	AMS S.A., Warsaw	100.0%	223,374	56,660	48,103	61,983	113,275	(17,264)	(62)
2	IM 40 Sp. z o.o., Warsaw (2)	72.0%	589	2,537	228	252	2,670	715	-
3	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	70,768	17,418	12,896	9,284	46,728	7,254	74
4	AMS Serwis Sp. z o.o. (formerly Adpol Sp. z o.o.), Warsaw (3),(6)	100.0%	14,663	43,834	1,000	4,609	13,388	204	2
5	Inforadio Sp. z o.o., Warsaw (2)	66.1%	2,597	6,477	1,106	2,087	11,723	1,387	36
6	Agora TC Sp. z o.o., Warsaw	100.0%	248	1,922	37	464	4,690	922	1
7	Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	2,117	26,055	163	18,381	84,812	3,586	12
8	Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Warsaw (10)	100.0%	3	3,094	-	43	3,743	1,086	-
9	Helios S.A., Lodz	91.4%	752,527	15,137	548,261	185,300	139,419	(127,419)	(28)
10	Next Film Sp. z o.o., Warsaw (4)	91.4%	7,375	13,084	1,343	9,326	42,994	733	-
11	Yieldbird Sp. z o.o. , Warsaw (11)	92.1%	7,026	36,409	248	20,904	150,438	10,475	1
12	Next Script Sp. z o.o., Warsaw (4),(5)	75.9%	6	431	-	26	-	(7)	-
13	Optimizers Sp. z o.o., Warsaw (3)	100.0%	49	129	-	121	-	(43)	-
14	Goldenline Sp. z o.o., Warsaw (7)	100.0%	360	227	2	651	2,562	(990)	19
15	Plan A Sp. z o.o., Warsaw	100.0%	-	24	-	3	-	(11)	-
16	Agora Finanse Sp. z o.o., Warsaw	100.0%	-	222	-	-	-	(31)	-
17	Step Inside Sp. z o.o., Lodz (4), (8)	82.3%	30,457	3,372	16,880	8,770	17,025	(5,486)	-
18	Piano Group Sp. z o.o., Warsaw (3),(9)	92.0%	327	1,040	-	488	2,817	(1,877)	-
19	HRlink Sp. z o.o., Szczecin	79.8%	1,958	1,008	-	636	7,089	(432)	-
20	Foodio Concepts Sp. z o.o., Łódź (4),(12)	-	-	-	-	-	2,344	(9,797)	-

(1) the presented data are before elimination of intergroup transactions;
(2) indirectly through GRA Sp. z o.o.;
(3) indirectly through AMS S.A.;
(4) indirectly through Helios S.A.;
(5) indirectly through Next Film Sp. z o.o.;
(6) change of the company`s business name from Adpol Sp. z o.o. to AMS Serwis Sp. z o.o. on April 1, 2020;
(7) acquisition of additional shares in Goldenline Sp. z o.o. on January 20, 2020;
(8) the accession of minority shareholders to the company Step Inside Sp. z o.o. on January 31, 2020;
(9) acquisition of additional shares in Piano Group Sp. z o.o. on June 23, 2020; data of Piano Group Sp. z o.o. include data of companies Benefit Multimedia SKA and Benefit Multimedia Sp. z o.o. in connection with their merger with Piano Group Sp. z o.o. on December 17, 2020;
(10) change of the company`s business name from Domiporta Sp. z o.o. to Plan D Sp. z o.o. on July 17, 2020;
(11) the accession of minority shareholders to the company Yieldbird Sp. z o.o. on September 21, 2020;
(12) disposal of shares in the company Foodio Concepts Sp. z o.o. on June 2, 2020, the data from the profit and loss account shall include data till the date of loss of control.

(all amounts in PLN thousands unless otherwise indicated)

38. GROUP COMPANIES, CONTINUED

	Joint ventures and associates accounted for using the equity method (1)	31 December 2021 % of shares held (effectively)	Assets Non-current	Assets Current	Liabilities Non-current	Liabilities Current	Revenue	Net result	Other comprehensive income
1	Instytut Badan Outdooru IBO Sp. z o.o., Warsaw (2)	50.0%	4	784	-	95	685	4	-
2	ROI Hunter a.s., Brno	23.9%	9,093	23,020	2,066	4,541	26,908	(960)	-
3	Eurozet sp. z o.o., Warsaw (3)	40.0%	293,321	71,990	61,094	46,659	194,978	23,972	-

	Joint ventures and associates accounted for using the equity method (1)	31 December 2020 % of shares held (effectively)	Assets Non-current	Assets Current	Liabilities Non-current	Liabilities Current	Revenue	Net result	Other comprehensive income
1	Instytut Badan Outdooru IBO Sp. z o.o., Warsaw (2)	50.0%	8	851	-	170	935	280	-
2	ROI Hunter a.s., Brno	23.9%	12,874	17,747	2,724	2,966	29,694	3,259	-
3	Eurozet Sp. z o.o., Warsaw (3)	40.0%	309,779	74,658	67,303	43,915	176,147	16,507	-
4	Hash.fm Sp. z o.o., Warszawa (4)	-	-	-	-	-	224	(184)	-

(1) the presented data are after consolidation adjustments;
(2) indirectly through AMS S.A.;
(3) the presented balance sheet and profit and loss account data include consolidation adjustments resulting from the measurement of assets to fair value at the date of acquisition of the shares in the company in accordance with the requirements of IAS 28, adjustment of net result due to amortisation of revaluation to fair value after deferred tax in amount of PLN 11,679 thousand in 2021 and 2020 was taken into account.
(4) disposal of shares in the company on February 27, 2020 and August 5, 2020, the data from the profit and loss account shall include data for the period from January 1, 2020 till February 27, 2020.

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

38. GROUP COMPANIES, CONTINUED

Information concerning the non-controlling interests in subsidiaries is presented in the table below:

Company	31 December 2021				
	% of shares held by non-controlling shares as at 31 December 2021	Accumulated amount of non-controlling shares as at 31 December 2021	Net profit/(loss) allocated to non-controlling shares in 2021	Other comprehensive income allocated to non-controlling shares in 2021	Dividends paid to non-controlling shareholders in 2021
IM 40 Sp. z o.o.	28.0%	704	263	-	(299)
Inforadio Sp. z o.o.	33.9%	1,895	819	11	(911)
Helios S.A.	8.5%	(292)	(2,653)	(7)	-
Next Film Sp. z o.o.	8.5%	(143)	(211)	-	-
Yieldbird Sp. z o.o.	4.2%	1,848	396	-	(444)
Next Script Sp. z o.o.	24.1%	87	(11)	-	-
Goldenline Sp. z o.o.	20.2%	100	(5)	-	-
Step Inside Sp. z o.o.	17.7%	947	(499)	-	-
Piano Group Sp. z o.o.	8.0%	(56)	(85)	-	-
HRlink Sp. z o.o.	20.2%	839	(88)	-	-
Total		**5,929**	**(2,074)**	**4**	**(1,654)**

Company	31 December 2020				
	% of shares held by non-controlling shares as at 31 December 2020	Accumulated amount of non-controlling shares as at 31 December 2020	Net profit/(loss) allocated to non-controlling shares in 2020	Other comprehensive income allocated to non-controlling shares in 2020	Dividends paid to non-controlling shareholders in 2020
IM 40 Sp. z o.o.	28.0%	741	200	-	(98)
Inforadio Sp. z o.o.	33.9%	1,976	470	(12)	-
Helios S.A.	8.6%	2,357	(10,943)	2	-
Next Film Sp. z o.o.	8.6%	68	63	-	-
Yieldbird Sp. z o.o.	7.9%	3,739	750	-	-
Next Script Sp. z o.o.	24.1%	97	(2)	-	-
Foodio Concepts Sp. z o.o. (1)	-	-	(1,976)	-	-
Step Inside Sp. z o.o.	17.7%	1,448	(972)	-	-
Piano Group	8.0%	29	(470)	-	-
HRlink Sp. z o.o.	20.2%	926	(166)	-	-
Total		**11,381**	**(13,046)**	**(10)**	**(98)**

(1) disposal of shares in the company Foodio Concepts Sp. z o.o. on June 2, 2020, the data from the profit and loss account shall include data till the date of loss of control.

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

The effect of transactions with non-controlling interests on the equity attributable to owners of the parent is presented in the table below:

	31 December 2021	31 December 2020
The change in the equity attributable to owners of the parent resulting from:		
- acquisition of additional shares from non-controlling shareholders (1)	(1,550)	(1,051)
- subscription for shares by non-controlling shareholders (2)	(105)	(1,918)
- expiration of put option liability (3)	-	9,248
- other	-	(1)
Net impact on the equity attributable to owners of the parent	**(1,655)**	**6,278**

(1) The change relates to the effect of accounting for the acquisition of shares from non-controlling shareholders of Yieldbird Sp. z o.o. and Helios S.A. in 2021 and the acquisition of shares from non-controlling shareholders of Goldenline Sp. z o.o. and Piano Group Sp. z o.o. in 2020;
(2) related to the effect of accounting for additional contribution of non-controlling shareholders of HRlink Sp. z o.o. to Goldenline Sp. z o.o. and the effect of accounting for additional contribution of non-controlling shareholders of Step Inside Sp. z o.o. and Yieldbird Sp. z o.o.;
(3) relates to expiration of put options granted to non-controlling shareholders of Goldenline Sp. z o.o. and expiration of put options granted to non-controlling shareholders of Piano Group Sp. z o.o.

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

39. RELATED-PARTY TRANSACTIONS

Table below presents total investments and the balances with related parties:

	31 December 2021	31 December 2020
Joint ventures		
Shares	213	211
Associates		
Shares	142,697	149,338
Trade receivables	160	-
Trade liabilities	288	37
Major shareholder		
Trade receivables	3	1
Other liabilities	8	210
Management Board of the Company		
Put option liabilities (1)	25,521	23,856
Management Boards of group companies		
Receivables	14	8
Put option liabilities (1)	8,014	9,723
Other liabilities	8	8

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

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

Table below presents total transactions with related parties during the year:

	2021	2020
Joint ventures		
Purchases	(413)	(102)
Associates		
Sales	456	27
Purchases	(929)	(173)
Dividend income (1)	16,000	12,000
Interests on loans granted	-	5
Major shareholder		
Sales	25	24
Other operating revenues	503	1,145
Management Board of the Company		
Sales	1	4
Other operating income	-	20
Finance income - remeasurement of put options (2)	-	7,617
Finance costs - remeasurement of put options (2)	(1,665)	-
Management Boards of group companies		
Sales	8	4
Finance income - remeasurement of put options (2)	1,709	3,521

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

Following types of transactions mainly occur within the Agora Group:

- advertising and printing services,
- rent of machinery, office and other fixed assets,
- sale of rights and granting licenses to works,
- production and service of advertising panels,
- providing various services: legal, financial, administration, trade, sharing market research results, data transmission, outsourcing,
- grant and repayment of loans and interest revenues and costs,
- dividend distribution,
- cash pooling settlements,
- settlements within the Tax Capital Group.

Transactions within the Agora Group are carried out on arm’s length basis and are within the normal business activities of companies.

40. ACCOUNTING ESTIMATES AND JUDGMENTS

Impact of the COVID-19 pandemic and the armed conflict in Ukraine on the Agora Group

The outbreak of the COVID-19 pandemic forced governments around the world to introduce restrictions aimed at stopping further spread of the virus. However, governments of countries with high vaccination rates among the population have recently chosen to lift majority of pandemic restrictions. Since March 1, 2022 also Polish government decided to withdraw most of the limits regarding numbers of people in cinemas or restaurants. Further development of the pandemic and measures to be implemented by the Polish government in order to fight it are unknown to the Company. A new additional factor generating uncertainty as to the further development of the economic situation in Poland is Russia's attack on Ukraine and the ongoing war there. The duration and scale of both - the pandemic and the war - may significantly affect the analyzes and estimates prepared by the Company, in particular with regard to the value of the advertising market, the number of cinema tickets sold as well as bar and food sales. The scale of this impact is not known to the Company. Therefore, the Management Board of Agora decided to recommend to the Supervisory Board and the General Meeting not to pay the dividend for 2021. This decision results from the uncertainty and unpredictability related both to the armed conflict in Ukraine and the further development of the pandemic situation and their impact on the Company's operations and results and Agora Group.

Despite the material challenges related to operating in a market environment negatively affected by the pandemic for yet another year, the Management Board of the Company does not recognise any significant uncertainty resulting from these circumstances that would raise serious doubts as to the continuation of operations for the Company and the Agora Group.

The aforementioned uncertainty factors may also have a significant impact on liquidity of the Group. The Company's Management Board carefully monitors the flow of receivables in order to secure the Group's financial liquidity and undertaking actions to secure the Group's liquidity in the foreseeable future. However, the result of these actions depends to a large extent on the pace of economic recovery following the pandemic crisis. The scale of generated revenues may pose a risk for the Agora Group's liquidity, in particular if prolonged duration of the pandemic leads to another suspension of operations in certain sectors of the economy or if worsening economic situation would lead Poles to resignation from expenditure on culture and entertainment..

In 2021, the Company and its subsidiary Helios S.A. secured additional financing to prevent the occurrence of a liquidity gap in the future, should the pandemic situation fail to improve. As at the balance sheet date, Agora S.A. had a granted and fully available working capital loan in the amount of PLN 100 million for the financing of operating activities available until September 22, 2022 in the amount of PLN 65 million and until September 28, 2022 in the amount of PLN 35 million. On the other hand, Helios S.A. had working capital loans in the amount of PLN 108 million, available in tranches till September 24, 2022, August 26, 2022 and December 23, 2022. As at the balance sheet date Helios still had not used PLN 51.1 million.

Free cash in the Agora Group at the end of 2021 amounted to PLN 134.9 million.

On 8 June 2021, Helios S.A. signed a preferential loan agreement for the amount of approximately PLN 5.0 million. The Company described this event in detail in current report 12/2021 of 9 June 2021. The funds from the above loan were used in July 2021 and the Company announced the cancellation of PLN 3.1 million from the above preferential loan in current report 19/2021 of 22 September 2021. Additionally, in 2021, companies in the Movies and Books segment received total aid as part of the so-called anti-crisis shield in the amount of PLN 11.3 million. The Company's Management Board carries out intensified monitoring 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.

Both Agora and all the companies of the Group have taken a number of measures aimed at minimizing the losses caused by the COVID-19 pandemic, ensuring the Group's financial security and the Group's return to the path of revenue growth and operating results. Some of the Group's businesses continued to face severe operating restrictions in 2021, ranging from an administrative ban on activity to various levels of restrictions, which directly or indirectly affected the economy.

Among all of the Group's businesses, Helios cinemas were most affected by direct state intervention into their activity. They remained closed from November 2020 until 20 May 2021. They reopened on 21 May 2021, with a sales limit of 50.0% of seats available in the screening room and lack of possibility to sell snacks and beverages in cinema bars. Thanks to further restrictions being lifted, on 13 June 2021, sales in Helios cinema bars were resumed and as of 26 June 2021, the ticket sales limit was increased to 75.0% of seats in the room. Moreover, this limit did not include vaccinated customers. Sanitary restrictions were tightened once again 1 December 2021 - the limit of 50% of cinema seats available for sale was introduced, while on 15 December this limit was reduced to 30% (not including vaccinated persons). However, the scale of restrictions in the cinema business in 2021 was smaller than in 2020, mainly due to the fact that the limit imposed on ticket sales did not include vaccinated persons, whose number is slowly but steadily increasing. In 2021, cinemas remained closed for 140 days based on an administrative decision, while in 2020, they were closed for 168 days.

In the Company's opinion, the scale of restrictions introduced to prevent the spread of the pandemic in 2022 should be smaller than in 2021, which will allow the Group to effectively fight for recovery of its results. It will depend on the number of people vaccinated and those who have acquired immunity after being infected with the coronavirus. Based on the available information, it appears that in 2022, the pandemic restrictions will have the strongest impact on the Group's cinema business in the first quarter of the year. On March 1,2022 Polish government decided to relax the restrictions in the cinemas. The second factor that will affect the cinema attendance in the first quarter of 2022 in Poland is Russia's attack on Ukraine. In subsequent periods, depending on the available cinema repertoire and the sanitary regime in force, the Movies and Books segment should generate more revenue than in the previous year and improve its financial results, which will affect the results of the entire Agora Group.

In addition, todate regulations related to counteracting the spread of COVID-19 had a negative effect on the food business developed through Step Inside company. In May 2021, restrictions on restaurant operations were gradually lifted. However, until the end of May 2021, the Helios group's activities in this area involved mainly take-away sales and delivery. Starting from 26 June 2021, the limit of seats that could be offered by restaurants to customers was increased to 75.0% of all available seats. As of 5 December 2021, the limit of available seats in restaurants was reduced to 50.0% and as of 15 December 2021, restaurants could offer 30.0% of available seats, excluding fully vaccinated customers.

In 2022, these two business areas of the Group will also be most exposed to restrictions on their operations. Thanks to the increasing number of vaccinated individuals, the effects of restrictions on ticket sales or available tables are less severe than at the beginning of the pandemic. The Group's business which may be affected by the consequences of restrictions introduced in other sectors is outdoor advertising. However, it appears that in 2022, the scale of restrictions introduced should be significantly smaller than in 2021, although this obviously remains beyond the Company's control.

As the vaccination programme proceeds and new medications are becoming available on the market, the direct impact of the coronavirus on the Group's operations and financial results should become less and less perceptible each quarter. However, the pandemic and its impact, in particular on the economy and the financial market, will continue to affect the operations of businesses in Poland in 2022. A new uncertainty factor that may affect the economic activity of enterprises is the ongoing war in Ukraine.

In 2021, the Group's revenue was influenced by two main factors: the administrative lockdown of cinemas and the pace of recovery of advertising spending in Poland. As regards the cinema business, its results were significantly better than in 2020, which was directly linked to the smaller scale of restrictions compared with those imposed on this segment in 2020. Nevertheless, the attendance and value of the cinema market in Poland have not yet returned to the record levels from 2019. The further pace of the reconstruction of the cinema market will be influenced, among others, by potential restrictions on cinema operations and the ongoing war in Ukraine. In the opinion of the Company, in 2022, cinema attendance will be higher than that recorded in 2021, but may not yet reach the level recorded in 2019.

It is worth noting that 2021 brought not only an increase in spending on the advertising market as compared with 2020, but also with 2019. Advertising spending was higher in every segment of the advertising market.

Nevertheless, the majority of segments of the advertising market have not recovered their value from before the pandemic. The crisis caused by the pandemic has led to advertising budgets being redirected mainly to the Internet, whose share in the market for advertising spending has grown significantly at the expense of other media. Television has also emerged from the crisis largely unscathed. Other segments of the advertising market are in the process of recovering their value. In terms of value, the biggest decline in advertising spending compared with 2019 was recorded in traditional press. The pandemic has changed the habits of some readers of the press and has significantly accelerated digitisation processes on this market, which has also changed the publishers' business model. *Gazeta Wyborcza* is an unquestionable leader in the digital transformation in Poland. At the end of December 2021, the number of digital subscriptions of Wyborcza.pl reached 286.1 thousand. Growing revenues from this form of content sales have significantly increased the share of digital revenues of the daily in its total revenues — to nearly 40.0%.

Another segment of the market which was hit hard by the reduction in advertising spending by entrepreneurs in response to the negative impact of the pandemic was outdoor advertising. It needs to be stressed that businesses are eagerly returning to outdoor panels, which give them the opportunity to reach mass recipients. However, as the Outdoor Chamber of Commerce states, it may take approximately 2 years to rebuild the value of outdoor advertising market to its 2019 level. AMS is putting more and more emphasis on developing of the digital part of its business, which has suffered the least in the course of the pandemic. DOOH media, offered by the company to a greater extent than before, will appear in those buildings which must remain operational also during the pandemic.

The outbreak of the pandemic has also resulted in large drops in advertising spending in radio stations, especially with regard to smaller market players. The prompt return of advertisers to this medium meant that spending on radio advertising was already only slightly lower than in 2019. Further recovery of the value of this market will certainly be facilitated by the loosening of sanitary restrictions and return to a stationary work model. In 2022, due to the increased number of COVID-19 cases between January and March this year, the pandemic will continue to have a negative impact on the audience and advertising revenue of radio stations.

On the other hand, advertisers have increased their activity in the two largest segments of the advertising market. TV advertising spending increased by just under 1.0% compared to 2019, showing how strong TV activity remains. However, it was the Internet that was the main beneficiary of structural changes on the advertising market, accelerated by the outbreak of the pandemic. Online advertising spending increased by nearly 27.0% and overtook television in terms of the advertising spending value.

Based on the available market data, the Company estimates that the value of the advertising market in Poland in 2022 will increase compared to 2021 by approximately 4.5–6.5%. Due to the fact that it is difficult to predict the further development of the situation related to the pandemic and the armed conflict in Ukraine, as well as their economic consequences, the above assumptions may be flawed and their accuracy is much lower than in periods of greater predictability. For this reason, the Management Board of the Company decided to postpone the publication of the estimated changes in the value of advertising expenditure in individual segments of the advertising market.

The Management Board of Agora estimates that in 2022, the revenues of the Agora Group may be higher than in 2021. At the beginning of the outbreak of the pandemic, the Agora Group undertook restructuring and austerity measures. In 2021, the Agora Group continued to operate under a more severe cost discipline, in particular in those businesses which could not go back to full operations. However, 2022 began in circumstances unfavourable to the development of enterprises. The majority of businesses continue to suffer the negative effects of the pandemic and are fighting to recover from the losses caused by its outbreak. On top of it, they are now facing the highest inflation Poland has seen in years, high increases in the prices of materials, energy and services, as well as growing financing costs. The wage pressure on all jobs is also high. These factors will contribute to the increase in the Group’s operating costs, in particular the costs of external services and staff costs. For this reason, the Management Board of Agora estimates that in 2022, the Agora Group may record results comparable to those for 2021.

A risk to this assumption is the deteriorating economic situation, which is expressed in rising prices of goods and services, high inflation, rising interest rates and energy and fuel costs. The deteriorating condition of the Polish economy is reflected in the weakening value of the Polish currency, which is important for the Group, in particular with regard to the PLN/EUR exchange rate. Russia's attack on Ukraine may aggravate these negative phenomena and may significantly slow down economic growth and increase inflation and fuel costs. Additionally, it is worth noting that the advertising market is correlated with the pace of economic growth, and the above factors are cooling down expectations as to the dynamics of the advertising market in 2022.

After limitation of investments only to those necessary in 2020 and 2021, in 2022 the Management Board of Agora plans to return to an active investment policy. In 2021, the capital expenditures of the Agora Group amounted to PLN 43.7 million, in 2022 they will increase approximately twice. In the event of a deterioration in the market situation, these expenses will be limited.

Agora plans to use the growth in the advertising market to further improve Agora's results, in particular in the area of Internet operations. Therefore, capital expenditures will be focused on increasing the quality of advertising space and the effectiveness of digital advertising offers. Yieldbird will focus on activities in Poland and selected European countries. The company will invest in technology supporting its strategic goals and in acquiring key competences from the market.

AMS will focus on investments in modern technological tools allowing for further development and strengthening of the position in the DOOH segment, automation of the sales process and greater use of data in building competitive offers.

In its radio activity, Agora will focus on activities strengthening the programming offer, which translates into the popularity of individual stations and thus the tendency of advertisers to place their campaigns on the stations of Agora's Radio Group. In 2021, such activities translated into record audience results for Agora's radio stations and a higher than market increase in advertising revenues.

In the case of cinema operations in 2022, Helios will focus on replacement investments and increasing the number of Dream rooms in the existing facilities, as well as on the opening of a new cinema.

The gastronomic activity developed within the Helios group under the Pasibus brand returns to investments in new premises and plans to open at least two new eateries in 2022, which should translate into development of the chain and an increase in its scale.

At the same time, the Management Board of the Company points out that in the event of a deteriorating economic situation or an increase in interest rates, it may be forced to resign from certain investments which, due to the higher cost of capital, will not provide the Group with the required rate of return within a specified period of time.

A key project influencing the long-term prospects of the Agora Group is the work on the development strategy for the entire Group for the years 2023 - 2027. In February 2022, the Management Board of Agora S.A. informed that it starts the process of analyzing the development potential of the Agora Group, its business portfolio and the market environment in order to finalize work on the development strategy for the Agora Group for the coming years in 2022.

Taking into account the funding available to the Group, the condition of individual Group businesses and the measures taken to counteract the negative effects of the pandemic, in the opinion of the Company's Management Board, it is reasonable to assume that the Company and the Group will continue as a going concern, despite the uncertainty related to the development of the pandemic.

Tests for impairment losses on assets

Estimates and assumptions are continually evaluated and based on historical experience and best knowledge of the Group as at the date of the estimation. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities concern impairment tests for goodwill and intangibles with indefinite useful life (magazine titles). In order to determine their recoverable amounts the value in use for the relevant cash generating units was determined on the basis of long-term cash flow projections.

The Group points out that the value of revenue included in the cash flow projections depends on the general economic situation in Poland and in Europe. Revenues grow in the periods of economic upswing and are marked by considerable decrease in time of the economic slowdown. Changes in factors such as GDP dynamics, unemployment rate, inflation rate, amounts of remuneration or level of consumption may influence the purchasing power of the Group`s customers and consumers of its services and goods. In 2021 and 2020 Covid-19 pandemics is an additional factor having impact on economic situation in Poland and in the world. Polish economy is also sensitive to the country political situation and a looping risk of abrupt legislative changes, whose full impact on the conditions of running business activity in Poland is hard to foresee. Moreover, advertising revenues depend also on the readership figures and shares in radio and television audience. Media market changes dynamically – some sectors can take advantage of the current changes while other can lose its position on the market. There is no certainty that the Group's position in the particular media sectors will remain unchanged. The estimated recoverable amount of the assets is also affected by the discount rate and the applied growth rate after the period of detailed forecast in the so-called residual period.

The Group identified three key assumptions, which have the most significant impact on the estimated recoverable amount of the assets:

1) the average growth rate of revenue during the period of detailed forecast,
2) the applied real long-term growth rate after the period covered by the forecast in the residual period and,
3) applied pre-tax discount rate.

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

Basic information about the method applied is summarized below:

	Goodwill related to activities in HRLink Sp. z o.o. - Internet	Rights related to activities in particular magazine titles	Goodwill related to radio activities	Goodwill related to activities in outdoor segment	Goodwill related to activities in cinema market	Goodwill allocated to activities in press segment
Carrying amount as at 31 December 2021	PLN 11,121 thousand	PLN 9,275 thousand	PLN 63,667 thousand	PLN 159,757 thousand	PLN 39,096 thousand	PLN 43,375 thousand
Assumptions	Financial forecasts and projections of the market for next years based on the best knowledge of the market, available market data and experience, including also the impact of Covid described widely in note 40.					
Detailed forecast period	5 years	5 years	5 years	5 years	5 years	5 years
Years:	The average growth rate of revenue during forecast for the years					
2022-2026	34%	1%	6%	8%	32%	5%
	Discount rate for the years (pre-tax)					
2022-2026	10.7%	7.2%	6.9%	7.8%	8.1%	9.4%
	The applied real long-term growth rate after the period covered by the forecast					
	0.5%	0.0%	0.5%	0.5%	0.5%	(2.1%)*

	The discount and growth rates applied as at the end of previous year					
	Discount rate for the years (pre-tax)					
2021-2025	8.0%	5.9%	5.4%	6.1%	6.7%	7.3%
	The applied real long-term growth rate after the period covered by the forecast					
	0.5%	0.0%	0.5%	0.5%	0.5%	(2.1%)*

* *The applied growth rate reflects the decreasing trend in revenue from sale of printed press, in future this rate will improve along with the increase of digital revenue from subscriptions and advertising in the view of the Group*

In 2021 and 2020 in result of annual tests for impairment losses, that were carried out in respect of goodwill and rights related to activities in particular magazine titles presented in table above, no impairment loss was recognized.

Below the information on impairment loss on non-currents assets (other than goodwill and rights related to activities in particular magazine titles) recognised in the total amount of PLN 4,901 thousand during 2021 is disclosed:

1. In the company Agora S.A. as a result of tests carried out the impairment loss was recognised on the property in Tychy in the amount of PLN 883 thousand on the basis of valuation conducted by independent real estate expert and on the website Odeszli.pl in the amount of PLN 713 thousand in connection with the lower than planned revenues from its operating activities.

2. In the company Helios S.A. the impairment losses on property, plant and equipment was recognised in relation to the activity of one of cinemas in the amount of PLN 1,720 thousand due to received notification on termination of 10-year lease agreement of cinema space. The company recognised impairment loss on assets that could not be transferred and used in different locations in case the agreement is not extended.

3. In the outdoor segment the impairment loss in the amount of PLN 1,585 thousand was recognised (including recognition in the amount of PLN 1,793 thousand and the reversal of PLN 208 thousand) related to the part of advertising panels which due to anticipated medium-term development of the outdoor advertising market, will not be used to the extent that could cover their pre-test carrying value.

Additional information on the impairment loss by category of assets are presented in note 3 and 4, and by operating segments in note 22.

In 2020 the total amount of impairment losses on non-financial non-current assets recognised during financial year amounted to PLN 37,954 thousand (including recognition in the amount of PLN 38,305 thousand and reversal in the amount of PLN 351 thousand).

In 2020 the impairment loss related mainly to non-current assets related to Domiporta's activity (currently Plan D Sp. z o.o.) in the amount of PLN 12,660 thousand (including goodwill in the amount of PLN 2,461 thousand), non-current assets related to the activity of Foodio Concepts Sp. z o.o. in the amount of PLN 8,735 thousand, advertising panels in the outdoor segment in net amount of PLN 7,134 thousand, impairment loss on property, plant and equipment and right-of-use assets in two cinemas in the total amount of PLN 4,195 thousand and impairment loss on the value of properties of Agora S.A. in Pila and Tychy in the total amount of PLN 4,909 thousand.

Detailed information on these impairment losses are included in consolidated financial statements of Agora Group for the year 2020.

Other

To the key estimates and assumptions, that may cause a significant adjustment to the amounts recognised in financial statements of the Group, belongs also the recognition of deferred tax assets on unused tax losses. Information on those estimates and judgments was described in note 16.

In addition, the application of IFRS 16 requires the Group to make analyses and estimates relating, inter alia, to the determination of the scope of contracts subject to IFRS 16, the determination of the lease term and the determination of the interest rate used to discount future cash flows. The estimates and assumptions adopted may be reviewed on the basis of changes in market and operational factors taken into account in their performance, new information and market practice regarding the application of the Standard. Additional information on estimates and assumptions is described in note 2(f).

41. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	PLN thousand		EURO thousand	
	2021	2020	2021	2020
Revenue	965,874	836,459	211,005	186,952
Operating loss	(41,851)	(111,708)	(9,143)	(24,967)
Loss before income taxes	(49,952)	(152,700)	(10,913)	(34,129)
Net loss for the period attributable to equity holders of the parent	(44,568)	(117,193)	(9,736)	(26,193)
Net cash from operating activities	126,805	131,874	27,702	29,474
Net cash used in investing activities	(18,726)	(24,447)	(4,091)	(5,464)
Net cash used in financing activities	(111,556)	(30,137)	(24,371)	(6,736)
Net increase/(decrease) in cash and cash equivalents	(3,477)	77,290	(760)	17,275
Total assets	1,921,256	2,018,298	417,719	437,353
Non-current liabilities	694,299	739,784	150,954	160,307
Current liabilities	446,673	446,191	97,115	96,687
Equity attributable to equity holders of the parent	774,355	820,942	168,360	177,893
Share capital	46,581	46,581	10,128	10,094
Weighted average number of shares	46,580,831	46,580,831	46,580,831	46,580,831
Earnings per share (in PLN / in EURO)	(0.96)	(2.52)	(0.21)	(0.56)
Book value per share (in PLN / in EURO)	16.62	17.62	3.61	3.82

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 2021 (for 2020) using the arithmetic average of exchange rates published by NBP and ruling on the last day of each month for four quarters. For the 2021 EURO 1 = 4.5775 PLN (EURO 1 = 4.4742 PLN).
- balance sheet figures using the average exchange rates published by NBP and ruling as at the balance sheet date. The exchange rate as at 31 December 2021 – EURO 1 = 4.5994 PLN; as at 31 December 2020 – EURO 1 = 4.6148 PLN.

42. EVENTS AFTER THE BALANCE SHEET DATE

- **On January 31, 2022** Agora S.A. with its registered office in Warsaw („the Company" or „Agora”) started negotiations with the majority shareholder of Eurozet sp. z o.o. with its seat in Warsaw („Eurozet"), ie. with SFS Ventures s.r.o. based in Prague (Czech Republic) („SFS Ventures") on the amendment to the provisions of the shareholders' agreement concluded on February 20, 2019 regarding the conditions for the exercise of Agora's right to acquire all remaining shares in Eurozet belonging to SFS Ventures ("Call Option"). The initiated negotiations include, inter alia, the issue of extending the period of exercising the Call Option by Agora, which began after 12 months and ends 36 months from the date of concluding the shareholders' agreement.

- **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.

  During this time the partners will continue negotiations on the amendment of the shareholders' agreement, in particular with regard to the conditions for exercising Agora's right to acquire all remaining shares in Eurozet belonging to SFS Ventures ("Call Option"), about which the Company informed in the current report 1/2022 of 1 February 2022.

- **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.

- **On February 24, 2022** Russia attacked Ukraine. The impact of the armed conflict in Ukraine on Agora Group is described in note 40.

Warsaw, March 24, 2021

Bartosz Hojka - President of the Management Board ……………………………………………..

Tomasz Jagiello - Member of the Management Board ……………………………………………..

Anna Krynska-Godlewska - Member of the Management Board ……………………………………………..

Tomasz Grabowski - Member of the Management Board ……………………………………………..

Agnieszka Siuzdak-Zyga - Member of the Management Board ……………………………………………..

Signature of the person responsible for keeping the accounting records

Ewa Kuzio – Chief Accountant ………………………………………………..

Signatures submitted electronically.