AGORA GROUP

Report for
3q 2020

16, November 2020

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AGORA GROUP

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) OF THE GROUP'S RESULTS FOR THE THIRD QUARTER OF 2020

REVENUE PLN 612.1 MILLION

EBITDA PLN 73.4 MILLION

EBITDA EXCL. IFRS 16 PLN 34.5 MILLION

NET LOSS PLN 97.2 MILLION

NET LOSS EXCL. IFRS 16 PLN 57.8 MILLION

OPERATING CASH FLOW PLN 127.8 MILLION

OPERATING CASH FLOW EXCL. IFRS16 PLN 95.6 MILLION

Unless indicated otherwise, all data presented herein represent the period of January – September 2020, while comparisons refer to the same period of 2019. All data sources are presented in part IV of this MD&A. A new IFRS 16 standard has been in force since 2019, which influenced the presentation of selected categories of the income statement and balance sheet. In this document the data were presented both with the impact of IFRS 16 on the Group's results and without it.

I. IMPORTANT EVENTS AND FACTORS WHICH INFLUENCE THE FINANCIALS OF THE GROUP

- In the first three quarters of 2020, both the revenue and the results of the Agora Group were affected by the negative effects of the outbreak of the COVID-19 pandemic. These effects were particularly noticeable in cinema operations and in the Group's advertising undertakings. The restrictions introduced to prevent further spread of the pandemic had a significant negative impact on the operations of most of the Group's businesses. They included the administrative closure of cinemas and restaurants – from 12 March until 5 June 2020, and from 14 March until 18 May 2020, respectively. Significant uncertainty related to the development of the situation led to the suspension of advertising activities of most entrepreneurs, which was reflected in the level of the Group's advertisement-related revenue, in particular in the second quarter of 2020. In addition, due to the negative impact of the pandemic on the operations and development prospects of selected businesses, the Group decided to introduce a number of restructuring measures, some of which affected the level of Agora's costs and results. These included: restructuring of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.), including asset write-offs in the amount of PLN 12.7 million and the sale of an organised part of Plan D Sp. z o.o. enterprise (formerly known as Domiporta Sp. z o.o.). Moreover, the scale of operation and headcount of GoldenLine Sp. z o.o. were reduced. Total costs of restructuring in Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) and GoldenLine Sp. z o.o. amounted to PLN 1.4 million. The Group also decided to write downs the assets of Foodio Concepts Sp. z o.o. in the amount of PLN 9.0 million and to sell its shares. An insignificant asset write-off was also made in the printing business. Additionally, due to substantial decreases in the expenditure on outdoor advertising, AMS S.A. decided to review its panel portfolio and write some of them down, i.e. those which – due to the development of the outdoor advertising market anticipated in the medium term – would not be used to the extent ensuring attainment of the return of their current book value. The value of this write-off in the AMS group stood at PLN 6.5 million. Agora also sold real property in the period under analysis. The total profit on these transactions, amounting to PLN 7.1 million, contributed to the decrease in the Group's operating expenses and had a positive impact on its result. The total cost of all of these one-off events decreased the Agora Group's performance by PLN 19.4 million in the first three quarters of 2020. In the corresponding period of 2019, the restructuring costs

(PLN 5.6 million), mainly in the Print segment, negatively affected the Agora Group's results. In the period from January to September 2020, a co-financing for jobs from the Guaranteed Employee Benefit Fund in the amount of PLN 13.5 million had a positive impact on the level of the Group's operating expenses and its operating result.

- In the first three quarters of 2020, the Group's revenue amounted to PLN 612.1 million, showing a decrease by 29.8% yoy. The key factors affecting the level of the Group's revenue were the outbreak of the pandemic and the restrictions on business activity introduced to limit its spread. The sharpest drops in the revenue occurred in businesses most affected by the effects of the pandemic in the second quarter of 2020 – the Movies and Books and the Outdoor segments. In the Movies and Books segment, the revenue went down by 43.7% to PLN 205.1 million in the first three quarters of 2020 and by 61.3% to PLN 47.5 million in the third quarter of 2020 alone. The most significant decrease in the revenue in this segment hit the cinema business which – due to the administrative closure of cinemas throughout the second quarter of 2020 – had not generated any profits, while in the third quarter of 2020, it faced a limited repertoire offer and restrictions on the number of tickets sold. Both in the third quarter and in the first three quarters of 2020, the segment also recorded a decrease in the revenue from the film operations – by 82.0% to PLN 0.9 million and by 9.7% to PLN 33.5 million, respectively, due to a significantly lower number of titles introduced to cinema distribution this year. Despite the closure of some book selling facilities in the second quarter of 2020, in the period between January and September 2020, the Agora's Publishing House managed to maintain the revenue from its operations at the level reported in the previous year, and in the third quarter of 2020 alone, its income increased by 27.8% to PLN 11.5 million thanks to the sale of a license for the international distribution one of music albums. Both in the third quarter of 2020 and in the first three quarters of 2020, the segment's revenue from the food business activities was higher than in the previous year due to a larger scale of the venture developed under the Pasibus brand. In the period from January to September 2020, the Outdoor segment's revenue declined by 38.9% to PLN 78.6 million, mainly due to its significant decrease in the second quarter of 2020 caused primarily by the suspension of advertising campaigns as a result of the sanitary restrictions limiting the movement of population in public space. In the third quarter of 2020 alone, the segment's revenue went down by 20.7% to PLN 33.4 million. The Press segment also recorded lower revenue both in the first three quarters of 2020 and in the third quarter of 2020. The steepest decline in the revenue of this business was recorded in the income from advertising sales. It shrank by 36.0% to PLN 39.8 million in the period between January and September 2020 and by 31.4% to PLN 14.0 million in the third quarter of 2020. The second significant factor contributing to the decrease in Press revenue was lower inflow from the sales of printing services. It declined by 39.2% to PLN 22.3 million in the first three quarters of 2020 and by 38.4% to PLN 6.9 million in the third quarter of 2020. At the same time, it is worth noting that the earnings from content sales of Gazeta Wyborcza both in the third quarter of 2020 and in the period between January and September 2020 increased yoy by 3.4% to PLN 24.5 million and by 1.1% to PLN 72.8 million, respectively. The decrease in revenue of the Radio segment – by 20.0% to PLN 60.5 million in the first three quarters of 2020 and by 13.7% to PLN 22.1 million in the third quarter of 2020 – resulted mainly from the suspension of the majority of advertising campaigns in this medium due to the pandemic, in particular in the second quarter. The Internet segment's revenue was 1.3% higher than in the period from January to September 2019 and amounted to PLN 136.1 million, despite its decrease by 6.4% to PLN 45.1 million in the third quarter of 2020.
- The level of operating expenses, both in the third quarter and in the period between January and September 2020, was significantly affected by a number of savings measures adopted by the Company (e.g. a reduction in remuneration by 20.0% for six months), as well as resulting from legal measures (suspension of payment for cinema rents in shopping malls) or the impact of the pandemic on different business forms (including costs related to the implementation of advertising campaigns). Details of these activities have been described below in the Management Board's Commentary. The operating expenses in the period from January to September 2020 were positively affected by the profit on the sale of real property in the amount of PLN 7.1 million and the profit on the sale of a part of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) in the amount of PLN 3.6 million. The factors which had a negative impact on the level of operating expenses of the Group included write-offs on assets, mainly in Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o. and the AMS S.A. group, in the total amount of PLN 28.7 million in the first three quarters of 2020. The restructuring measures taken up in Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) and GoldenLine, the costs of which amounted to PLN 1.4 million, also negatively affected the level of operating expenses. As a result, in the first three quarters of 2020, the Group's operating expenses decreased by 20.9% and stood at PLN 689.3 million. Additionally, the Group's operating costs were positively influenced by the co-financing for jobs

obtained from the Guaranteed Employee Benefits Fund in the total amount of PLN 13.5 million (in the third quarter of 2020 alone, this amount stood at PLN 10.3 million). As a result, in the third quarter of 2020 alone, the operating expenses of the Agora Group declined by 30.8% to PLN 197.3 million.

- In the first three quarters of 2020, the operating costs recorded the sharpest decrease (to PLN 250.1 million) in the Movies and Books segment. This was primarily due to their decline in the second quarter of 2020 by 50.3% to PLN 46.7 million as a result of the administrative closure of cinemas and by 39.9% to PLN 66.4 million in the third quarter of 2020. The cost items that led to such a decrease were lower costs of external services, staff costs, promotion and marketing costs, as well as costs of materials, energy and the value of goods and materials sold. The decrease in the costs of external services resulted primarily from lower payments for film copies due to the lack of cinema screenings in the second quarter of 2020 and their limited number in the third quarter of 2020. The staff costs went down by 35.6% to PLN 11.4 million in the third quarter of 2020 and by 31.1% to PLN 35.6 million in the first three quarters of 2020. At the same time, a decrease in the costs of materials, energy and the value of goods and materials sold resulted from the administrative closure of cinemas and restaurants in the second quarter of 2020 and the restrictions on their operations in the third quarter of 2020. The decline in the operating expenses in the Press segment was mainly due to a cost reduction by 40.7% to PLN 39.4 million in the second quarter of 2020 and by 44.8% to PLN 35.3 million in the third quarter of 2020. Two main factors that contributed to the decrease in the operating expenses of the segment in both periods under analysis were lower costs of materials, energy, printing goods and services, as well as staff costs. Promotion and marketing costs were also lower, and in 2019, the segment's operating expenses were burdened with a restructuring provision in the amount of PLN 4.9 million. The expenditure from the first category decreased as a result of the reduction in the scale of printing activities and the reduction of the portfolio and volume of published press titles, while the decrease in staff costs resulted from a reduction in headcount and remuneration in most of the Agora Group's businesses from 15 April until 15 October 2020. In the third quarter of 2020, the operating expenses in the Radio segment were reduced by 26.5% to PLN 16.9 million which translated into their decline by 19.6% to PLN 54.9 million in the first three quarters of 2020. The reduced operating expenses in this category in both periods were mainly attributable to lower expenses on external services, staff costs, as well as expenditure on promotion and marketing. The reduction in the operating expenses by 14.4% to PLN 31.4 million in the third quarter of 2020 in the Outdoor segment translated into their decrease by 10.0% to PLN 99.2 million in the first three quarters of 2020, despite the costs of write-offs on some panels amounting to PLN 6.5 million. This resulted from a decrease in campaign costs by 41.4% to PLN 11.2 million in the period from January to September 2020, primarily due to the suspension of advertising campaigns by customers and reductions of system maintenance costs by 22.4% to PLN 26.7 million due to the renegotiation of lease costs of advertising spaces and reduction of the costs of ongoing maintenance and repair of advertising media. In the first three quarters of 2020, the only segment showing an increase in the operating expenses was the Internet. This cost category was higher by 3.6% and amounted to PLN 128.9 million in the first three quarters of 2020, despite its decrease by 19.7% to PLN 35.0 million in the second quarter of 2020 and by 19.3% to 36.0 million in the third quarter of 2020. The main reasons for an increase in operating expenses in the segment were write-offs on assets of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) in the amount of PLN 12.7 million and higher costs of external services, primarily in Yieldbird company.

- In the first three quarters of 2020, the Group's operating expenses presented without the effect of IFRS 16 decreased by 22.7% and amounted to PLN 678.0 million, and in the third quarter of 2020 alone, they went down by 31.8% to PLN 195.7 million.

- In the third quarter of 2020, the Group generated PLN 33.2 million profit on EBITDA level, while in the first three quarters of 2020, the Group's EBITDA amounted to PLN 73.4 million. The loss at the EBIT level in the third quarter of 2020 stood at PLN 4.3 million, and in the period from January to September 2020, it reached PLN 77.2 million. The Group recorded a net loss of PLN 9.0 million in the third quarter of 2020, and PLN 97.2 million in the first three quarters of 2020. The net loss attributable to the shareholders of the parent company amounted to PLN 7.1 million in the third quarter of 2020, and in the first nine months of 2020 – to PLN 88.4 million. It is worth noting that a co-financing for jobs from the Guaranteed Employee Benefit Fund amounting to PLN 13.5 million had a positive impact on the Group's operating result in the first three quarters of 2020. On the other hand, foreign exchange rate differences on lease liabilities resulting from IFRS 16 had a negative effect on the Group's net result in the period from January to September 2020. The net result of the Group was positively affected by the share in net profit of the companies accounted for using the equity method.

- In the third quarter of 2020, the Group recorded EBITDA profit of PLN 20.7 million, and PLN 34.5 million in the first three quarters of 2020, without the effect of IFRS 16. According to this presentation, the EBIT loss amounted to PLN 2.7 million in the period from July to September 2020, and PLN 65.9 million in the first three quarters of 2020. In the third quarter of 2020, the Group's net profit without the effect of IFRS 16 stood at PLN 0.8 million, and in three quarters of 2020 – this was a net loss of PLN 57.8 million.
- As at 30 September of 2020, the Group's cash and short-term financial assets amounted to PLN 139.9 million, which comprised PLN 139.8 million in cash and cash equivalents (cash in hand and at bank and bank deposits) and PLN 0.1 million in loans granted.
- As at the end of September 2020, the Group's loans and leases amounted to PLN 773.6 million (including lease liabilities under IFRS 16 of PLN 598.2 million). The Group's net debt in this approach amounted to PLN 633.8 million, while excluding the impact of IFRS 16, the Group's net debt as at 30 September 2020 amounted to PLN 35.6 million.

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

II. EXTERNAL AND INTERNAL FACTORS IMPORTANT FOR THE DEVELOPMENT OF THE GROUP

1. EXTERNAL FACTORS

1.1. Advertising market [3]

According to the Agora S.A. estimates ("Company", "Agora"), based on public data sources, in the third quarter of 2020, total advertising spending in Poland amounted to ca. PLN 2.1 billion and decreased by 3.0% yoy.

Tab. 1

	3Q 2018	4Q 2018	1Q 2019	2Q 2019	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020
% change yoy in ad market value	7.0%	4.5%	(0.5%)	2.5%	6.0%	4.0%	0.0%	(29.0%)	(3.0%)

In the third quarter of 2020 advertisers decreased advertising expenditure in all advertising segments despite Internet. The largest dynamics of the decrease was observed in cinemas functioning in the third quarter of 2020 in strict sanitary regime and with poor offer of titles. The significant drop of advertising expenditure took also place in magazines and dailies. The decrease in advertising spending was also seen in outdoor adverting. due to smaller traffic in cities. Also radio and TV suffered from lower yoy advertising expenditure. The data relating to the changes in the value of advertising expenditure in particular media segments are presented in the table below:

Tab. 2

Total advertising expenditure	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
(3.0%)	(2.0%)	9.0%	(5.5%)	(26.5%)	(40.5%)	(26.5%)	(88.0%)

The share of particular media segment in total advertising expenditure, in the third quarter of 2020, is presented in the table below:

Tab. 3

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100.0%	42.0%	42.0%	7.0%	5.0%	2.5%	1.5%	0.0%

In the first three quarters of 2020, total advertising spending in Poland amounted to ca PLN 6.1 billion and decreased by 12.0% yoy. At that time, advertisers limited their expenditure in all media segments, apart from Internet. The growth of advertising expenditure was visible in Internet, cinema and outdoor. The data relating to the changes in the value of advertising expenditure in particular media segments are presented in the table below:

Tab. 4

Total advertising expenditure	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
(12.0%)	(15.5%)	2.5%	(14.5%)	(38.5%)	(34.0%)	(25.0%)	(70.0%)

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

The share of particular media segment in total advertising expenditure, in the first three quarters of 2020, is presented in the table below:

Tab. 5

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100.0%	42.0%	42.0%	6.5%	4.0%	3.0%	1.5%	0.5%

1.2. Copy sales of dailies [4]

In the third quarter of 2020, the total paid circulation of dailies (verified by the National Circulation Audit Office (ZKDP)) decreased by 17.3% yoy and in the first three quarters of 2020 by 16.1% yoy. In both periods under discussion the largest decrease was observed in regional dailies.

1.3. Cinema admissions [10]

The outbreak of the COVID-19 pandemic had an impact on attendance in Polish cinemas in the period of January - September 2020. Due to the administrative closure of cinema facilities, the number of tickets sold in Polish cinemas in the second quarter of 2020 amounted to 136.1 thousand. (this figure does not include film productions distributed by UIP due to the lack of information from this distributor). In the third quarter of 2020, cinema operations were subject to restrictions related to the limitation of the number of tickets sold throughout Poland pursuant to an administrative decision. Depending on the assignment to the risk zone, the cinemas could sell either 50.0% or 25.0% of the available seats in the venues. As a result, the number of tickets sold in Polish cinemas in the third quarter of 2020 decreased by 76.7% compared to the third quarter of 2019 and amounted to over 3.4 million.

The number of tickets sold in Polish cinemas in the first three quarters of 2020 decreased by 63.5% compared to the corresponding period of 2019 and amounted to nearly 15.8 million.

2. INTERNAL FACTORS

2.1. Revenue

Tab. 6

in million PLN	**3Q 2020**	**% share**	**3Q 2019**	**% share**	***% change yoy***
Total sales (1)	**193.0**	***100.0%***	**293.3**	***100.0%***	***(34.2%)***
Advertising revenue	109.9	*56.9%*	134.1	*45.7%*	*(18.0%)*
Ticket sales	16.2	*8.4%*	63.0	*21.5%*	*(74.3%)*
Copy sales	33.0	*17.1%*	31.4	*10.7%*	*5.1%*
Concession sales in cinemas	8.1	*4.2%*	28.5	*9.7%*	*(71.6%)*
Printing services	6.9	*3.6%*	11.2	*3.8%*	*(38.4%)*
Revenues from film activities	0.7	*0.4%*	4.4	*1.5%*	*(84.1%)*
Other	18.2	*9.4%*	20.7	*7.1%*	*(12.1%)*

in million PLN	**1-3Q 2020**	**% share**	**1-3Q 2019**	**% share**	***% change yoy***
Total sales (1)	**612.1**	***100.0%***	**871.5**	***100.0%***	***(29.8%)***
Advertising revenue	300.9	*49.2%*	391.8	*45.0%*	*(23.2%)*
Ticket sales	77.9	*12.7%*	179.0	*20.5%*	*(56.5%)*
Copy sales	97.6	*15.9%*	101.3	*11.6%*	*(3.7%)*
Concession sales in cinemas	33.9	*5.5%*	77.3	*8.9%*	*(56.1%)*
Printing services	22.3	*3.6%*	36.7	*4.2%*	*(39.2%)*
Revenues from film activities	32.1	*5.2%*	35.1	*4.0%*	*(8.5%)*
Other	47.4	*7.9%*	50.3	*5.8%*	*(5.8%)*

(1) particular sales positions, apart from ticket and concession sales in cinemas and printing services, include sales of the Agora's Publishing House and film activities (functioning within the Movies and Books segment), described in details in point IV.A in this report.

In the third quarter of 2020, **the Group's total revenue** amounted to PLN 193.0 million and went down by 34.2% yoy. The main reason for this decrease was a drop in the revenue from cinema business due to administrative restrictions on the operation of cinemas and suspension of premieres of the largest film productions.

In the third quarter of 2020, the Agora Group's **advertising sales** recorded a decline by 18.0% yoy to PLN 109.9 million. It decreased in all operating segments of the Group. Revenue from cinema advertising in the Movies and Books segment declined by 76.1% to PLN 2.2 million, primarily as a result of the restrictions on cinema operations concerning the number of tickets sold, and thus the number of viewers at film screenings having contact with advertisement. In the Press segment, revenue from press advertising dropped by 31.4% as compared to the third quarter of 2019, amounting to PLN 14.0 million. A significant decrease in advertising revenue was also visible in the Outdoor segment – it shrank by 21.7% to PLN 32.5 million. In the Radio segment, the decline in revenue from radio advertising amounted to 7.5% as compared to the third quarter of 2019 – it accounted for PLN 19.6 million. The Internet segment recorded the lowest dynamics of the decrease in advertising revenue – by 3.5% to PLN 41.4 million. This was mainly attributable to lower revenue in Yieldbird, Plan D (formerly known as Domiporta Sp. z o.o.) and GoldenLine, with an increase in the advertising revenue recorded by Gazeta.pl.

In the third quarter of 2020, **the tickets sales in Helios cinemas** decreased by 74.3% yoy and amounted to PLN 16.2 million. In the period under discussion, over 932.9 million tickets were purchased at Helios cinemas, i.e. by 72.7%

less than in the third quarter of 2019. According to the data by Boxoffice.pl, the number of tickets sold in Polish cinemas reached more than 3.4 million in the third quarter of 2020 and dropped by 76.7% *[10]*.

In the period between July and September 2020, **the copy sales** amounted to PLN 33.0 million, showing an increase by 5.1% yoy. This growth was mostly driven by higher sales revenue of the Agora's Publishing House and higher sales of subscriptions to Wyborcza.pl.

The cinema concession sales decreased by 71.6% to PLN 8.1 million. This resulted from a lower cinema attendance due to the limits in the number of tickets sold and postponed premieres of large film productions.

Revenue from the sales of printing services of the Agora Group accounted for PLN 6.9 million in the third quarter of 2020, showing a decrease by 38.4% yoy. This was primarily due to a lower volume of orders.

The movie business generated revenue of PLN 0.7 million, which presented a decline compared to 2019. This was related to a limited number of new titles in cinema distribution. In the third quarter of 2020, NEXT FILM released one film production *Tarapaty 2*, which was displayed in cinemas operating under tight sanitary procedures. In the corresponding period of 2019, the company released two Polish productions – a crime comedy *Na bank się uda* and a historical drama *Piłsudski*.

The revenue from other sales amounted to PLN 18.2 million and went down by 12.1% compared to the third quarter of 2019. The decrease in this value was mainly attributable to lower revenue in this category in the Press segment. This resulted primarily from lower income from music festivals due to sanitary restrictions and lower proceeds from the sale of waste paper due to a smaller scale of printing activities. The revenue in this category in the Movies and Books segment increased thanks to higher revenue from the food business activity, book sales in online bookshops and the sale of a license for the international distribution one of music albums.

In the first three quarters of 2020, **the Group's total revenue** amounted to PLN 612.1 million, having gone down by 29.8% yoy. The outbreak of the COVID-19 pandemic and its effects noticeable by the Group in the second and third quarter of 2020 had a significant impact on the level of the revenue. These effects were most evident in the second quarter of 2020 and affected the Agora Group's cinema business, as well as those segments where the proceeds from the sales of advertising services constitute a significant portion of the revenue.

In the first three quarters of 2020, **the advertising sales** of the Agora Group amounted to PLN 300.9 million, showing a decrease by 23.2% yoy. A decline in this category of inflows was recorded in all operating segments of the Group except for the Internet. The highest dynamics of the decrease in advertising revenue was visible in cinemas – a drop by 61.3% to PLN 8.7 million. This was mainly due to the administrative closure of cinemas in the second quarter of 2020 and the restrictions on their operations in the third quarter of 2020. Advertising revenue in the Outdoor segment amounting to PLN 76.0 million was lower by 40.1% resulting from the restrictions limiting the movement of population introduced in the second quarter of 2020 and the condition of the advertising market. Revenue from press advertising in the Press segment decreased by 36.0% to PLN 39.8 million. This decline was driven by the deepening of the negative trends in the press advertising market and the reduction in the number of press titles published. Revenue from radio advertising in the Radio segment went down by 16.1% to PLN 51.7 million, primarily as a result of the reduction in expenditures in the radio advertising market in the second quarter of 2020 due to the outbreak of the COVID-19 pandemic. On the other hand, the advertising revenue in the Internet segment increased by 2.9% to PLN 122.6 million.

In the first three quarters of 2020, **revenues from the tickets sales at Helios cinemas** decreased by 56.5% to PLN 77.9 million. In the period under analysis, nearly 4.3 million tickets were purchased at Helios cinemas, i.e. 56.0% less than in the corresponding period of 2019. The main reasons for this drop were the administrative closure of cinemas in the second quarter of 2020 and the restrictions on their operations in the third quarter of 2020 introduced due to the outbreak of the COVID-19 pandemic. In the same period, the number of cinema tickets sold in Poland amounted to almost 15.8 million, showing a decrease by 63.5% *[10]*. According to the data reporting methodology applied by Boxoffice.pl, the number of tickets sold at Helios cinemas declined during this period by 56.8% *[10].*

In the first three quarters of 2020, **the copy sales** decreased by 3.7% to PLN 97.6 million yoy. This was mainly caused by the reduction of the sales network of both book and press publications due to the restrictions on the business of sales outlets and the movement of population introduced in the second quarter of 2020 related to the outbreak of the COVID-19 pandemic. As a result, both the proceeds from the sale of press and the Agora's Publishing House publications in stationary points of sale went down yoy. However, revenue from the sales of subscriptions to Wyborcza.pl increased.

The cinema concession sales decreased by 56.1% to PLN 33.9 million, mainly due to significantly lower cinema attendance yoy resulting from the administrative closure of cinemas in the second quarter of 2020 and the restrictions on their operations in the third quarter of 2020.

In the first three quarters of 2020, **revenue from the sales of printing services** in the Group amounted to PLN 22.3 million (down by 39.2% yoy). This resulted primarily from a lower volume of orders.

In the period from January to September 2020, the **Group's revenue from the movie business** stood at PLN 32.1 million, showing a decline by 8.5% yoy. In this period, NEXT FILM released three Polish film productions to the big screen, while in the corresponding period of 2019, it was as many as six.

The revenue from other sales amounted to PLN 47.4 million and decreased by 5.8% yoy. This was primarily related to lower revenue from this source in the Press segment, cinema operations and supporting divisions of the Group, with an increase in revenue from the food business activity and the proceeds from the Agora's Publishing House digital distribution, as well as the sale of a license for the international distribution of one of music albums.

2.2. Operating cost

Tab. 7

in million PLN	**3Q 2020**	**% share**	**3Q 2019**	**% share**	***% change yoy***
Operating cost net, including:	**(197.3)**	***100.0%***	**(285.0)**	***100.0%***	***(30.8%)***
Operating cost net excl. IFRS 16 (1), including:	(195.7)	*100.0%*	(287.1)	*100.0%*	*(31.8%)*
External services (2)	(68.9)	*34.9%*	(106.8)	*37.5%*	*(35.5%)*
External services excl. IFRS 16 (1) (2)	*(78.4)*	*40.1%*	*(126.3)*	*44.0%*	*(37.9%)*
Staff cost (2)	(61.4)	*31.1%*	(78.9)	*27.7%*	*(22.2%)*
Raw materials, energy and consumables (2)	(22.8)	*11.6%*	(33.0)	*11.6%*	*(30.9%)*
D&A	(37.7)	*19.1%*	(39.1)	*13.7%*	*(3.6%)*
D&A excl. IFRS 16 (1)	*(23.6)*	*12.1%*	*(21.6)*	*7.5%*	*9.3%*
Promotion and marketing	(9.3)	*4.7%*	(19.1)	*6.7%*	*(51.3%)*
Impairment losses (4)	0.2	*(0.1%)*	-	-	-

in million PLN	**1-3Q 2020**	**% share**	**1-3Q 2019**	**% share**	***% change yoy***
Operating cost net, including:	**(689.3)**	***100.0%***	**(871.9)**	***100.0%***	***(20.9%)***
Operating cost net excl. IFRS 16 (1), including:	(678.0)	*100.0%*	(877.2)	*100.0%*	*(22.7%)*
External services (2)	(241.3)	*35.0%*	(317.7)	*36.4%*	*(24.0%)*
External services excl. IFRS 16 (1) (2)	*(276.2)*	*40.7%*	*(372.1)*	*42.4%*	*(25.8%)*
Staff cost (2)	(196.2)	*28.5%*	(247.8)	*28.4%*	*(20.8%)*
Raw materials, energy and consumables (2)	(72.0)	*10.4%*	(104.9)	*12.0%*	*(31.4%)*
D&A	(121.9)	*17.7%*	(115.8)	*13.3%*	*5.3%*
D&A excl. IFRS 16 (1)	*(71.7)*	*10.6%*	*(66.0)*	*7.5%*	*8.6%*
Promotion and marketing	(28.5)	*4.1%*	(49.8)	*5.7%*	*(42.8%)*
Cost of restructuring (3)	(1.4)	*0.2%*	(5.6)	*0.6%*	*(75.0%)*
Impairment losses (4)	(28.7)	*4.2%*	-	-	-

(1) the amount of the cost excluding impact of International Financial Reporting Standard no. 16 Leases;

(2) in 2020, the Group changed the presentation of the production cost of books of Publishing House division, comparative data were restated accordingly;

(3) cost of restructuring in Internet segment in the second quarter of 2020 and restructuring cost (including lay-offs) in Print segment and support divisions in the first quarter of 2019;

(4) the amount includes impairment losses on fixed assets of the companies Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o and AMS S.A. group and Agora Poligrafia Sp. z o.o.

In the third quarter of 2020, the **net operating costs** of the Agora Group went down by 30.8% to PLN 197.3 million. They decreased in all operating segments of the Group. The sharpest decline in the net operating expenses – by 44.8% to PLN 35.3 million – was recorded in the Press segment. Another category where the operating expenses were significantly reduced (by 39.9% to PLN 66.4 million) was the Movies and Books segment. Operating costs in the Radio segment decreased by 26.5% to PLN 16.9 million, in the Internet segment they dropped by 19.3% to PLN 36.0 million, whereas in the Outdoor segment they declined by 14.4% to PLN 31.4 million.

Costs of external services, which were lower by 35.5% yoy and amounted to PLN 68.9 million, were the largest cost item. A decrease in this cost category was recorded in all operating segments of the Group. Its greatest decline was visible in the Movies and Books segment, mainly due to lower costs of purchasing film copies, lower payments to film producers and lower rents in cinemas. A significant decrease in this cost item was visible in the Press segment and resulted from the scale of printing activities which was smaller than in the previous year. The reduction in expenditure on external services in the Outdoor segment was attributable to a smaller number of advertising campaigns and lower costs of rent for the lease of advertising space. The reduction in the cost of external services in the Internet segment was driven by lower expenditure on the lease of advertising space, mainly by Yieldbird, and by limiting the businesses of GoldenLine and Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.). The costs of external services were also reduced in the Radio segment as a result of lower costs related to the sales brokerage services for the Helios cinema network and lower proceeds from the sales of airtime in third-party radio stations.

Staff costs stood at PLN 61.4 million, showing a decrease by 22.2% as compared to those recorded in the third quarter of 2019. This was mainly the effect of a 20% reduction in remuneration implemented in the Group for six months. Additionally, the level of remuneration was affected by a reduction in the variable component of remuneration which depends on sales results and a reduced number of full-time employees in the Agora Group.

The Group's headcount at the end of September 2020 (after eliminating the effect of reduction in working time) amounted to 2,332 full time employees and decreased by 182 FTEs yoy. This reduction resulted primarily from a lower yoy level of employment in all operating segments of the Group. The largest reduction in headcount was recorded in the Group's internet and press businesses. The factors that contributed to the reduced number of FTEs in the Group included the sale of a part of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.), limiting the business of GoldenLine and the sale of Foodio Concepts Sp. z o.o.

The yoy decrease in the **cost of materials and energy consumed and the value of goods and materials sold** was mainly related to lower revenue from concession sales in Helios cinemas and a decline in the volume of orders for printing services.

The costs of depreciation and amortisation went down by 3.6% to PLN 37.7 million. Their decrease was recorded in the Movies and Books segment and the Press segment. However, the costs of depreciation and amortisation were higher in the Outdoor segment and the Internet segment.

The Group's promotion and marketing costs declined by 51.3% yoy to PLN 9.3 million. They increased only in the Internet segment as a result of higher expenditure on the promotion of Gazeta.pl, while in other operating segments of the Group this cost item was reduced.

In the third quarter of 2020, the Group's net operating expenses, reported without the effect of IFRS 16, reached PLN 195.7 million and were 31.8% lower yoy.

In the first three quarters of 2020, the Group's **net operating expenses** decreased by 20.9% to PLN 689.3 million. Their decline was recorded in all operating segments of the Group except for the Internet.

It is worth noting that their yoy comparability was affected by a number of events. These included mainly impairment write-offs on fixed assets of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o., printing business and the AMS S.A. group in the total amount of PLN 28.7 million, and the costs of employment restructuring in GoldenLine Sp. z o.o. and Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) in the total amount of PLN 1.4 million. The Group's net operating expenses were positively affected by the profit on the disposal of a part of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) in the amount of PLN 3.6 million and the profit on the sale of real property in the amount of PLN 7.1 million. The total negative impact of those events on the Group's operating costs stood at PLN 19.4 million. Significant factors affecting the reduction of the Group's operating expenses included administrative closure of cinema operations (from 12 March until 5 June 2020), as well as saving measures taken up by the Group in relation to the outbreak of the COVID-19 pandemic.

In the first three quarters of 2020, the **costs of external services** decreased by 24.0% to PLN 241.3 million. The largest drop in this cost item was observed in the Movies and Books segment and resulted from the administrative closure of cinemas due to the COVID-19 pandemic. This was attributable to lower purchase costs of film copies and lower costs of rent, with higher costs of remuneration paid to film producers and costs of external services related to the food business. This cost category was also significantly reduced in the Outdoor segment in connection with a smaller number of advertising campaigns and a reduction in rents as well as ongoing maintenance and repair of advertising panels. It was also reduced in printing and radio activities. An increase in the costs of external services was recorded in the Internet segment and was driven by higher lease costs of advertising space by Yieldbird. Their increase was also recorded in HRlink.

In the first three quarters of 2020, **staff costs** went down by 20.8% to PLN 196.2 million. This was mainly the effect of a 20.0% reduction in remuneration implemented in the Group for six months. Additionally, the level of remuneration was affected by the release of the provisions for multi-annual incentive schemes in part of the Group's businesses, no provisions or lower amounts of provisions established in other businesses of the Group and a reduction in the variable component of remuneration which depends on sales results and the number of full-time employees in the Agora Group.

The costs of materials and energy consumed and the value of goods and materials sold decreased in the first three quarters of 2020 by 31.4% to PLN 72.0 million. This was mainly due to a significant reduction in the Press segment due to a smaller scale of printing activities. A substantial decline in this cost category was also recorded in the Movies and Books segment, primarily as a result of the exclusion of Helios cinemas from their operations until 3 July 2020 after their administrative closure in March 2020.

The costs of depreciation and amortisation increased by 5.3% to PLN 121.9 million. Their increase was recorded in the Outdoor segment, the Movies and Books segment and the Internet segment. In the case of the first segment,; this was caused by a larger number of agreements which are recognised in the books with the effect of IFRS 16, an accelerated depreciation of selected panels, completion of successive stages of concession contracts for the construction of bus/tram shelters, as well as the number of digital panels which was higher than in the previous year and the expansion of the Urban Information System; as regards the second segment, this was mainly attributable to the development of the food business activity. In case of Internet segment this related to the investment in technological infrastructure..

In the period under discussion, **promotion and marketing costs** were reduced by 42.8% to PLN 28.5 million. They decreased in all operating segments of the Group.

In the first three quarters of 2020, the Group’s net operating expenses presented without the effect of IFRS 16 amounted to PLN 678.0 million, showing a decline by 22.7% yoy.

3. PROSPECTS

The COVID-19 pandemic and the measures of the government administration undertaken to limit the further spread of the virus will have a significant negative impact on the financial performance of Agora and its subsidiaries in the entire 2020. Despite the challenges related to operating in the market environment burdened with the negative effects of the pandemic, the Management Board of the Company does not recognise any threat to the continuation of the Company's and the Agora Group's operations.

According to the Company's Management Board, the largest negative impact of the pandemic on the advertising activity of the Agora Group was visible already in the second quarter of 2020. Therefore, according to Agora's predictions, the rate of decline in the Group's revenue in this area should slow down. The operations of the Agora Group's cinemas and restaurants still depend on the decisions and measures taken by the government to which the Agora Group is able to adapt efficiently. In order to comply with the restrictions, Helios cinemas allowed for the purchase of 25.0% of seats in cinema screening rooms in the third quarter. The complete re-closure of cultural facilities, including cinemas, between 9 and at least 29 November 2020, will negatively affect the Helios network results in 2020. On 23 October 2020, restaurants were closed once again. They are only allowed to sell takeouts. This may affect the level of revenue generated by the Group's food business activity developed under the Pasibus brand. In addition, the restrictions on the operations of gyms and fitness clubs introduced in the same period will have a negative impact on the level of revenue and the result generated by Move TV developed in the Outdoor segment. Thanks to the development of digital sales channels, the pandemic does not have a significant effect on the level of revenue from the sales of digital content generated in the Group.

Both Agora and all the companies of the Group have taken a number of measures aimed at minimising the losses caused by the COVID-19 pandemic. The Management Board of Agora has implemented numerous saving measures to ensure financial security for the Group. Most of the cost categories and investment expenditures were reduced which contributed to a decrease in the amount of operating expenses in the Group in the first three quarters of 2020 by PLN 182.6 million, despite the one-off events. The Company's Management Board also recommended to the shareholders that the 2019 dividend should not be paid, leaving the profits earned with the Company.
Agora's Management Board decided to reduce the remuneration of the Agora Group's employees by 20.0% in the period from 15 April until 15 October 2020. Larger reductions applied to the Company's Management and Supervisory Board. According to Agora's estimates, savings from the reduction of staff costs will amount to approx. PLN 30.0 million. Remuneration in the Helios Group companies was reduced on 12 March 2020.

Agora also decided to optimise the portfolio of its investment projects, focusing – during this difficult time – on ensuring the safety of the Group's key assets. As a result, Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) and Foodio Concepts Sp. z o.o. were sold, while the scale of operation of GoldenLine Sp. z o.o. was limited.
The Company's Management Board carefully monitors the flow of receivables in order to secure the Group's financial liquidity, undertaking actions to secure the Group's liquidity in the foreseeable future. However, the effect of these actions depends to a large extent on the pace of economic recovery following the corona crisis. The scale of the revenue generated, in particular in the event that the outbreak of the second wave of the pandemic leads to another closure of certain economy sectors, may pose a significant risk to the liquidity of the Agora Group.

Agora and its subsidiary Helios S.A. secured additional financing of the liquidity gap expected in the first half of 2021 in the total amount of PLN 140.0 million.
From March 12 to July 3 this year. Helios cinemas were closed due to the outbreak of the pandemic. After reopening, they operated under a tightened sanitary regime, which involved, inter alia, with a limit on the number of tickets sold, as well as with a limited film repertoire due to the global situation on the cinema market. The number of tickets sold in Polish cinemas in the first three quarters of 2020 decreased by 63.5% compared to the corresponding period of 2019 and amounted to nearly 15.8 million.

The cinemas were closed again by an administrative decision from November 7 to 29, 2020. Currently - due to the development of the pandemic - it is not known whether decisions will be made to close this sector of the economy for a longer period of time. The company estimates that if the cinemas are closed in the fourth quarter of 2020, the decrease in attendance in Poland will amount to approximately 70.0% in 2020. In the Company's opinion (provided that the pandemic ends in the foreseeable future), the return to pre-pandemic attendance will be possible in 2022

In the third quarter of 2020, the value of the advertising market in Poland amounted to approximately PLN 2.1 billion and was lower by 3.0% than in the corresponding period of 2019. This was a significant improvement in the market situation compared to the second quarter of 2020, in which the value of advertising expenditure in Poland decreased by almost 29.0%. In the period of January - September 2020, the value of the advertising market in Poland reached almost PLN 6.1 million and was lower by 12.0% than in the corresponding period of 2019. The current wave of the COVID-19 pandemic and the related activities of the government administration, undertaken to limit the further spread of the virus, may have a negative impact on the condition of the advertising market in Poland, but the scale of declines observed in the second quarter of 2020 should not repeat.
Due to the inability to estimate the impact of the introduction of further restrictions on the advertising market, the Company decided not to verify its estimates of the change in the value of advertising expenditure in Poland presented in the Management Board's Commentary to the financial statements for the first half of 2020. According to the Company's published estimates, based on the forecast of GDP in Poland and data on the advertising market, in 2020 advertisers will reduce spending on promoting their goods and services by approximately 8.0% - 12.0% compared to 2019.

In the opinion of the Company, throughout 2020, the dynamics of advertising expenditure on individual media may differ from those presented by Agora after the first half of 2020. In the third quarter of 2020, advertisers quite quickly returned to advertising in electronic media (internet, TV and radio). The recovery of the value of advertising expenditure in the press and in outdoor advertising was slower. Substantial drops were visible in the cinema advertising expenditure due to the introduced limits on the number of tickets sold, which had a negative impact on the attendance level.

In the Company's opinion, in the fourth quarter of 2020, measures introduced to limit the further spread of the virus may primarily affect the outdoor advertising segment due to restrictions in the movement of the population and less exposure to the advertising messages. They will also affect advertising expenditure in the press to a lesser but noticeable extent. As in the previous quarters, the least negative impact of the pandemic on the value of advertising expenditure will be noticeable by electronic media (internet, TV and radio), although here the value of advertising expenditure may also decrease. Due to the administrative closure of cinemas from 7 November 2020, no advertising campaigns will be carried out in this segment.

At the same time, due to the fact that it is difficult to predict the further development of the pandemic situation and its economic impact, the above assumptions may be biased and their accuracy is much lower than in periods of greater predictability.

The development of the COVID-19 pandemic and further measures to be implemented by the Polish government to fight the pandemic are unknown to the Company. Their duration and scale may significantly affect the Company's analyses and estimates, in particular with regard to the value of the advertising market, the number of tickets sold in cinemas, and concession sales, as well as the revenue from copy sales. The described uncertainty factors may also have a significant impact on the increase of the liquidity gap and the ability to obtain the necessary additional financing, which may force the Company to seek other methods of securing financial liquidity of the Agora Group. Right now, it is difficult to predict which methods will be most adequate to the future development of the COVID-19 pandemic and the future administrative decisions and measures.

Taking into account all these issues, the Agora's Management Board estimates that, as a result of the current pandemic, the Agora Group's revenue may significantly decrease in the entire 2020, with the Group reporting an operational loss at the EBIT level. Businesses that will be most affected by the consequences of the pandemic are Cinema, Food Business and Outdoor. In reference to the current report 10/2020 of 23 March 2020, in the opinion of the Management Board of the Company actions introduced from 9 November 2020, in order to stop the spread of the pandemic do not provide grounds for changing the assessment of the Group's situation in 2020. The uncertainty factors and conditions of the Group's operations described in the report have not changed significantly, and their consequences are no longer a surprise to stakeholders and therefore their occurrence does not constitute confidential information.

III. FINANCIAL RESULTS

1. THE AGORA GROUP

The condensed interim consolidated financial statements of the Agora Group for the third quarter of 2020 includes: Agora S.A. and 22 subsidiaries, which operate principally in the internet, cinema, radio, gastronomy and outdoor segments. Additionally, as at 30 September 2020 the Group held shares in jointly controlled entity Instytut Badań Outdooru IBO Sp. z o.o., as well as in associated companies ROI Hunter a.s. and Eurozet Sp. z o.o.

A detailed list of companies of the Agora Group is presented in note 11 and the changes in the composition of the Group are described in note 12 to the condensed interim consolidated financial statements. The selected financial data together with translation into EURO are presented in note 18 to the condensed interim consolidated financial statements.

2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP

Tab. 9

in PLN million	**3Q 2020**	**3Q 2019**	***% change yoy***	**1-3Q 2020**	**1-3Q 2019**	***% change yoy***
Total sales (1)	**193.0**	**293.3**	***(34.2%)***	**612.1**	**871.5**	***(29.8%)***
Advertising revenue	109.9	134.1	*(18.0%)*	300.9	391.8	*(23.2%)*
Ticket sales	16.2	63.0	*(74.3%)*	77.9	179.0	*(56.5%)*
Copy sales	33.0	31.4	*5.1%*	97.6	101.3	*(3.7%)*
Concession sales in cinemas	8.1	28.5	*(71.6%)*	33.9	77.3	*(56.1%)*
Printing services	6.9	11.2	*(38.4%)*	22.3	36.7	*(39.2%)*
Revenues from film activities	0.7	4.4	*(84.1%)*	32.1	35.1	*(8.5%)*
Other	18.2	20.7	*(12.1%)*	47.4	50.3	*(5.8%)*
Operating cost net, including:	**(197.3)**	**(285.0)**	***(30.8%)***	**(689.3)**	**(871.9)**	***(20.9%)***
External services (2)	(68.9)	(106.8)	*(35.5%)*	(241.3)	(317.7)	*(24.0%)*
Staff cost (2)	(61.4)	(78.9)	*(22.2%)*	(196.2)	(247.8)	*(20.8%)*
Raw materials, energy and consumables (2)	(22.8)	(33.0)	*(30.9%)*	(72.0)	(104.9)	*(31.4%)*
D&A	(37.7)	(39.1)	*(3.6%)*	(121.9)	(115.8)	*5.3%*
Promotion and marketing	(9.3)	(19.1)	*(51.3%)*	(28.5)	(49.8)	*(42.8%)*
Cost of restructuring (3)	-	-	-	(1.4)	(5.6)	*(75.0%)*
Gain on sale of property (4)	-	-	-	7.1	-	-
Gain on sale of the enterprise (5)	-	-	-	3.6	-	-
Impairment losses (6)	0.2	-	-	(28.7)	-	-
Operating result - EBIT	**(4.3)**	**8.3**	**-**	**(77.2)**	**(0.4)**	***(19,200.0%)***
Operating result - EBIT excl. IFRS 16 (7)	*(2.7)*	*6.2*	-	*(65.9)*	*(5.7)*	*(1,056.1%)*
Finance cost, net, including:	**(11.4)**	**(9.7)**	***17.5%***	**(37.4)**	**(14.6)**	***(156.2%)***
Income from short-term investment	-	0.4	-	0.3	1.6	*(81.3%)*
Costs related to bank loans and leasing	(4.4)	(5.9)	*(25.4%)*	(14.6)	(16.1)	*(9.3%)*
including interest costs related to IFRS 16	(3.5)	(4.1)	(14.6%)	(10.8)	(11.6)	(6.9%)
Foreign exchange (losses) / gains	(6.9)	(10.8)	*(36.1%)*	(26.2)	(6.6)	*297.0%*
including interest costs related to IFRS 16	*(6.9)*	(11.0)	*(37.3%)*	*(26.6)*	*(6.6)*	*303.0%*
Remeasurement of equity interest at the acquisition date (8)	-	7.0	-	-	7.0	-
Revaluation of put options (9)	-	(0.2)	-	2.2	(0.2)	-

in PLN million	**3Q 2020**	**3Q 2019**	***% change yoy***	**1-3Q 2020**	**1-3Q 2019**	***% change yoy***
Share of results of equity accounted investees	**5.2**	**(0.4)**	**-**	**4.8**	**2.4**	***100.0%***
Loss before income tax	**(10.5)**	**(1.8)**	***(483.3%)***	**(109.8)**	**(12.6)**	***(771.4%)***
Income tax	1.5	(1.3)	-	12.6	(0.5)	-
Net loss for the period	**(9.0)**	**(3.1)**	***(190.3%)***	**(97.2)**	**(13.1)**	***(642.0%)***
Net profit/(loss) for the period excl. IFRS 16 (7)	0.8	*7.5*	*(89.3%)*	(57.8)	*(2.6)*	*(2,123.1%)*
Attributable to:						
Equity holders of the parent	(7.1)	(2.9)	*(144.8%)*	(88.4)	(14.2)	*(522.5%)*
Non-controlling interest	(1.9)	(0.2)	*(850.0%)*	(8.8)	1.1	-
EBIT margin (EBIT/Sales)	*(2.2%)*	*2.8%*	*(5.0pp)*	*(12.6%)*	*(0.0%)*	*(12.6pp)*
EBIT margin excl. IFRS 16 (7)	*(1.4%)*	*2.1%*	*(3.5pp)*	*(10.8%)*	*(0.7%)*	*(10.1pp)*
EBITDA (10)	**33.2**	**47.4**	***(30.0%)***	**73.4**	**115.4**	***(36.4%)***
EBITDA margin (EBITDA/Sales)	*17.2%*	*16.2%*	*1.0pp*	*12.0%*	*13.2%*	*(1.2pp)*
EBITDA excl. IFRS 16 (7)	*20.7*	*27.8*	*(25.5%)*	*34.5*	*60.3*	*(42.8%)*
EBITDA margin excl. IFRS 16 (7)	*10.7%*	*9.5%*	*1.2pp*	*5.6%*	*6.9%*	*(1.3pp)*

(1) particular sales positions, apart from ticket and concession sales in cinemas and printing services, include sales of Publishing House division and film activities (functioning within the Movies and Books segment), described in details in point IV.A in this report;

(2) in 2020, the Group changed the presentation of the cost of production of books publishing of Agora Publishing House, comparative data were restated accordingly;

(3) *includes costs of restructuring in Internet segment in the second quarter of 2020 and costs of restructuring (including group lay-offs) in Print segment and in Agora's support divisions in the first quarter of 2019;*

(4) profit from sale of the server building and land located at Daniszewska Street in Warsaw;

(5) profit on the sale of part of enterprise Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.);

(6) *the amount includes impairment losses on fixed assets of the companies Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o. and AMS Group, the impairment losses were mainly related to tangible fixed assets and intangible assets, including goodwill of Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.);*

(7) *the amount of the operating result – EBIT, EBITDA and net loss excluding impact of International Financial Reporting Standard no. 16 Leases;*

(8) the valuation of shares at the acquisition date relates to the acquisition of control over HRlink Sp. z o.o. in the third quarter of 2019;

(9) relates to revaluation of put option liabilities granted to non-controlling shareholders of Piano Group Sp. z o.o. and HRlink Sp. z o.o. Detailed information on revaluation of put option liabilities are presented in note 15 of condensed interim consolidated financial statements;

(10) the performance measure "EBITDA" is defined as EBIT increased by depreciation and amortization and impairment losses of property, plant and equipment, intangible assets and right-of-use assets. Detailed information on definitions of financial ratios are presented in the Notes to part IV of this MD&A.

2.1. Financial results presented according to major segments of the Agora Group for the first three quarters of 2020 [1]

Major products and services, as well as operating revenue and cost of the Agora Group are presented in detail in part IV of this MD&A ("Operating review – major segments of the Agora Group").

Tab. 10

in PLN million	**Movies and Books**	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions (3)**	**Total (consoli-dated) 1-3Q 2020**
Total sales (1)	**205.1**	**143.3**	**78.6**	**136.1**	**60.5**	**(11.5)**	**612.1**
% share	33.5%	23.4%	12.8%	22.2%	9.9%	(1.8%)	100.0%
Operating cost net (1)	**(250.1)**	**(126.6)**	**(99.2)**	**(128.9)**	**(54.9)**	**(29.6)**	**(689.3)**
Operating cost net excl. IFRS 16 (1)	***(238.6)***	***(126.6)***	***(99.0)***	***(128.9)***	***(54.8)***	***(30.1)***	***(678.0)***
EBIT	**(45.0)**	**16.7**	**(20.6)**	**7.2**	**5.6**	**(41.1)**	**(77.2)**
EBIT excl. IFRS 16	***(33.5)***	***16.7***	***(20.4)***	***7.2***	***5.7***	***(41.6)***	***(65.9)***
Finance cost, net							(37.4)
Share of results of equity accounted investees				0.3	4.5		4.8
Income tax							12.6
Net loss for the period							**(97.2)**
Attributable to:							
Equity holders of the parent							(88.4)
Non-controlling interest							(8.8)
EBITDA	**28.1**	**21.4**	**12.8**	**26.4**	**11.0**	**(26.3)**	**73.4**
EBITDA excl. IFRS 16	***3.2***	***21.4***	***2.2***	***26.4***	***9.0***	***(27.7)***	***34.5***
CAPEX (2)	(21.6)	(4.4)	(4.2)	(7.6)	(1.2)	(2.7)	(41.7)

(1) 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;

(2) based on invoices booked in the period, the amount in the Movies and Books segment includes also PLN 7.8 million of property, plant and equipment in finance lease;

(3) reconciling positions show data not included in particular segments, i.a.: other revenues and costs of Agora's supporting divisions (centralized IT, administrative, finance and HR functions, etc., excluding costs of office space in the Company's headquarters, which are allocated to segments), the Management Board 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.

2.2. Finance cost, net

Net financial result of the Group for the first three quarters of 2020 were influenced mainly by negative foreign exchange differences related to lease liabilities recognised under IFRS 16 and cost of commissions and interests related to bank loans and lease liabilities.

3. BALANCE SHEET OF THE AGORA GROUP

Tab. 11

in PLN million	**30/09/2020**	**30/06/2020**	***% change to 30-06-2020***	**31/12/2019**	***% change to 31-12-2019***
Non-current assets	**1,642.0**	**1,623.7**	**1.1%**	**1,664.5**	**(1.4%)**
share in balance sheet total	*83.6%*	*84.6%*	*(1.0pp)*	*83.5%*	*0.1 pp*
Current assets	**321.1**	**294.7**	**9.0%**	**327.9**	**(2.1%)**
share in balance sheet total	*16.4%*	*15.4%*	*1.0pp*	*16.5%*	*(0.1 pp)*
TOTAL ASSETS	**1,963.1**	**1,918.4**	**2.3%**	**1,992.4**	**(1.5%)**
Equity holders of the parent	**849.1**	**856.5**	**(0.9%)**	**931.2**	**(8.8%)**
share in balance sheet total	*43.3%*	*44.7%*	*(1.4pp)*	*46.7%*	*(3.4 pp)*
Non-controlling interest	**15.7**	**17.2**	**(8.7%)**	**20.9**	**(24.9%)**
share in balance sheet total	*0.8%*	*0.9%*	*(0.1pp)*	*1.0%*	*(0.2pp)*
Non-current liabilities and provisions	**691.3**	**652.7**	**5.9%**	**628.3**	**10.0%**
share in balance sheet total	*35.2%*	*34.0%*	*1.2pp*	*31.5%*	*3.7 pp*
Current liabilities and provisions	**407.0**	**392.0**	**3.8%**	**412.0**	**(1.2%)**
share in balance sheet total	*20.7%*	*20.4%*	*0.3pp*	*20.8%*	*(0.1 pp)*
TOTAL LIABILITIES AND EQUITY	**1,963.1**	**1,918.4**	**2.3%**	**1,992.4**	**(1.5%)**

3.1. Non-current assets

The decrease in non-current assets, versus 31 December 2019 results mainly from depreciation and impairment write-offs for tangible fixed assets and intangible assets of Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o. and AMS S.A. and sale of a subsidiary Foodio Concepts Sp. z o.o.

The increase in non-current assets, versus 30 June 2020 results mainly from the extension of the lease term in Helios S.A., which resulted in an increase in the value of the rights-of-use of assets.

3.2. Current assets

The decrease in current assets, versus 31 December 2019, stems mainly from the decrease in trade receivables and short-term financial assets, which was partially offset by an increase in cash and cash equivalents.

The increase in current assets, versus 30 June 2020, stems mainly the from increase in trade receivables and cash and cash equivalents, which was partially offset by a decrease in income tax receivables.

3.3. Non-current liabilities and provisions

The increase in non-current liabilities and provisions compared to 31 December 2019, stems mainly from the increase in long-term liabilities due to changes in lease agreements and the valuation of lease liabilities expressed in foreign currencies. The increase in lease liabilities was partially offset by a decrease in loan liabilities and a decrease in liabilities under the put option.

The increase in non-current liabilities and provisions compared to 30 June 2020, stems mainly from the increase of long-term liabilities in connection with the changes in lease agreements and the valuation of lease liabilities expressed in foreign currencies.

3.4. Current liabilities and provisions

The decrease in current liabilities and provisions, versus 31 December 2019, stems mainly from the decrease in trade liabilities and liabilities arising from the purchase of shares which was partially offset by the increase in tax liabilities, the increase in bank loans and lease liabilities and the increase in provisions for liabilities.

The increase in the balance of short-term liabilities and provisions, versus 30 June 2020, stems mainly from the increase in bank loans and lease liabilities and the increase in tax liabilities, which was partially offset by the decrease in trade liabilities and the decrease in liabilities from contracts with customers.

4. CASH FLOW STATEMENT OF THE AGORA GROUP

Tab. 12

in PLN million	**3Q 2020**	**3Q 2019**	*% change yoy*	**1-3Q 2020**	**1-3Q 2019**	*% change yoy*
Net cash from operating activities	12.0	43.4	*(72.4%)*	127.8	132.2	*(3.3%)*
Net cash from operating activities (excl. IFRS 16)	*1.4*	*24.4*	*(94.3%)*	*95.6*	*77.7*	*23.0%*
Net cash from investment activities	1.8	8.0	*(77.5%)*	(8.8)	(104.2)	*91.6%*
Net cash from financing activities	(7.3)	(56.9)	*87.2%*	(40.3)	(24.5)	*(64.5%)*
Net cash from financing activities (excl. IFRS 16)	*3.3*	*(37.9)*	-	*(8.1)*	*30.0*	-
Total movement of cash and cash equivalents	**6.5**	**(5.5)**	**-**	**78.7**	**3.5**	***2,148.6%***
Cash and cash equivalents at the end of period	**139.8**	**36.4**	***284.1%***	**139.8**	**36.4**	***284.1%***

As at 30 September 2020, the Group had PLN 139.9 million in cash and cash equivalents and short-term financial assets which include cash and cash equivalents in the amount of PLN 139.8 million (cash on hand and bank deposits) and granted loans in the amount of PLN 0.1 million.

In the first three quarters of 2020, Agora S.A. has not been engaged in any currency options or any other derivatives used for speculative purposes.

On 24 April 2020 Agora S.A. signed Annex no. 6 (“Annex no. 6”) to the Credit Limit Agreement ("Agreement") with DNB Bank Polska S.A. ("Bank"). Under signed Annex no. 6, the period of availability of the credit limit of PLN 35.0 million which the Company may use was extended until 29 September 2020 on a similar basis as set out in the Agreement. The Annex suspended some of the Bank’s existing requirements and introduced new ones reflecting the current financial situation of the Company i.a. as regards the Agora Group’s EBITDA in the second quarter of 2020, the cash balance at the end of each month for the period until 30 April 2021 and the need to obtain the Bank's consent for the payment of the dividend in 2020. The company is working with the bank to further extend the availability of the credit limit and increase its amount.

Simultaneously, under Annex no. 6, repayment of installments of Non-renewable Loan 1 and Non-renewable Loan 2 was temporarily suspended for the period up to and including 30 September 2020. The repayment of interest is not covered by the term of the suspension. The Repayment of the capital installments due for the grace period for Non-renewable Loan 1 and Non-renewable Loan 2 shall take place on the date of the final repayment of the Non-renewable Loan 1 and on the date of the final repayment of Non-renewable Loan 2.

As a result, two installments of Non-renewable Loan 1 (each of PLN 2.1 million) were postponed until 1 April 2021 and two installments of Non-renewable Loan 2 (each of PLN 6.3 million) were postponed until 2 January 2023.

Helios S.A. with its registered office in Łódź, also signed, on 29 March 2020, with Santander Bank Polska SA annexes to two investment loan agreements of 8 May 2015 and of 25 June 2015 extending the repayment dates of capital instalments to be paid from 31 March to 30 June 2020, in the total amount of PLN 0.7 million, until 30 September 2020 and in the case of one of the investment loan agreements (concluded on 18 May 2018) annex extending the repayment period of capital instalments to be paid from 31 March to 31 August 2020 in the total amount of PLN 0.5 million until 31 May 2023.

Helios S.A. also received a positive decision from Bank BNP Paribas Polska Spółka Akcyjna ("BNP Paribas") to extend the repayment of capital instalments of five investment loans granted by this bank, whose payment date falls from 31 March to 31 May 2020. According to information obtained from BNP Paribas, a new payment date of PLN 0.65 million (the sum of three capital instalments resulting from three investment loan agreements) will be on 31 December 2020. Three capital instalments of a loan resulting from another agreement with this bank in the total amount of PLN 0.41 million will be payable by 29 October 2021, and three capital instalments due under the last contract with this bank, in the total amount of PLN 0.5 million, will be payable by 29 March 2024.

On September 24, 2020, the Management Board of Agora S.A. informed that on September 24, 2020, the Company concluded an overdraft agreement for PLN 65.0 million ("Overdraft Agreement") and Annex No. 7 to the Credit Limit Agreement of May 25, 2017 ("Annex No. 7") for PLN 35.0 million.

Pursuant to the signed Overdraft Agreement and Annex No. 7, and after meeting the conditions for establishing legal security for the repayment of the loan and meeting other requirements usually applied when granting loans of a comparable amount, the Company will have an available overdraft facility up to a total amount of PLN 100.0 million. ("Credit"). The financing conditions granted under the Overdraft Agreement and Annex 7 are identical. The funds from the credit facility can be used to finance Agora's day-to-day operations, including replacement and development investments, excluding refinancing of other debt.

The funds under the Overdraft Agreement are available till September 22, 2022, and under Annex No. 7 till September 28, 2022.

As at the date of this MD&A report, considering the cash position, the cash pooling system functioning in the Group and available credit facility, as well as taking into account acquiring of additional current financing for the Company and its subsidiary Helios S.A. on September 24, 2020 (described in note 16 of condensed interim consolidated financial statements), the Group does not anticipate any liquidity problems. At the same time, attention should be paid to the uncertainties accompanying these predictions, described in more detail in Chapter II.3 Perspectives of this MD&A

4.1. Operating activities

The cash flows from operating activities, in the first three quarters of 2020, were slightly lower comparing to the level recorded in the comparative period of the prior year.

4.2. Investment activities

Negative net cash flows from investing activities, in the first three quarters of 2020, result mainly from investment expenditure for the purchase of tangible fixed assets and intangible assets and settlement of liabilities due to acquisition of shares in Piano Group Sp. z o.o. The above expenses were partially offset by the net proceeds from the sale of short-term securities and fixed assets and the proceeds from the sale of Plan D Sp. z o.o. enterprise (formerly Domiporta Sp. z o.o.) and inflows from dividend of the associated company Eurozet Sp. z o.o. in the amount of PLN 12.0 million.

4.3. Financing activities

Negative net cash flows from financing activities in the first three quarters of 2020, stem mainly from an expenditure on repayment of loan and lease liabilities and additional purchase of shares in Piano Group Sp. z o.o.

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

5. SELECTED FINANCIAL RATIOS [5]

Tab.13

	3Q 2020	3Q 2019	*% change yoy*	1-3Q 2020	1-3Q 2019	*% change yoy*
Profitability ratios (1)						
Net profit margin	1.0%	2.3%	*(1.3pp)*	(8.6%)	(0.5%)	*(8.1pp)*
Gross profit margin	27.9%	30.2%	*(2.3pp)*	24.7%	29.0%	*(4.3pp)*
Return on equity	0.9%	2.9%	*(2.0pp)*	(7.7%)	(0.6%)	*(7.1pp)*
Efficiency ratios						
Inventory turnover	12 days	11 days	*9.1%*	12 days	13 days	*(7.7%)*
Debtors days	63 days	57 days	*10.5%*	78 days	61 days	*27.9%*
Creditors days	44 days	31 days	*41.9%*	44 days	30 days	*46.7%*
Liquidity ratio (1)						
Current ratio	1.0	1.0	-	1.0	1.0	-
Financing ratios (1)						
Gearing ratio	2.5%	8.9%	*(6.4pp)*	2.5%	8.9%	*(6.4pp)*
Interest cover	(3.0)	3.9	-	(19.1)	(1.4)	*1,264.3%*
Free cash flow interest cover	(5.0)	3.4	-	15.6	4.5	*246.7%*

1) financial ratios excluding impact of IFRS 16.

Definitions of financial ratios *[5]* are presented at the end of part IV of this MD&A *("Operating review – major segments of the Agora Group").*

IV. OPERATING REVIEW - MAJOR SEGMENTS OF THE AGORA GROUP

IV.A. MOVIES AND BOOKS [1]

The Movies and Books segment includes the pro-forma consolidated financials of Helios S.A., NEXT FILM Sp. z o.o., Next Script Sp. z.o.o. and Foodio Concepts Sp. z o.o. (till June 2nd, 2020) and Step Inside Sp. z o.o. which form the Helios group, and Agora's Publishing House.

Tab. 14

in PLN million	3Q 2020	3Q 2019	*% change yoy*	1-3Q 2020	1-3Q 2019	*% change yoy*
Total sales, including :	**47.5**	**122.6**	***(61.3%)***	**205.1**	**364.6**	***(43.7%)***
Tickets sales	16.2	62.9	*(74.2%)*	77.9	179.0	*(56.5%)*
Concession sales	8.1	28.5	*(71.6%)*	33.9	77.3	*(56.1%)*
Advertising revenue (1)	2.2	9.2	*(76.1%)*	8.7	22.5	*(61.3%)*
Revenues from film activities (1),(2),(6)	0.9	5.0	*(82.0%)*	33.5	37.1	*(9.7%)*
Revenues from Publishing House	11.5	9.0	*27.8%*	32.6	32.6	-
Total operating cost, including (5),(6):	**(66.4)**	**(110.4)**	***(39.9%)***	**(250.1)**	**(338.0)**	***(26.0%)***
Total operating cost without IFRS 16 (5),(6)	***(64.5)***	***(112.0)***	***(42.4%)***	***(238.6)***	***(342.1)***	***(30.3%)***
External services (3),(6)	(14.6)	(39.4)	*(62.9%)*	(78.8)	(128.9)	*(38.9%)*
External services without IFRS 16 (3),(6)	*(19.7)*	*(54.0)*	*(63.5%)*	*(100.1)*	*(171.4)*	*(41.6%)*
Staff cost (3)	(11.4)	(17.7)	*(35.6%)*	(35.6)	(51.7)	*(31.1%)*
Raw materials, energy and consumables (3)	(8.5)	(13.4)	*(36.6%)*	(23.8)	(35.5)	*(33.0%)*
D&A (3)	(18.7)	(21.0)	*(11.0%)*	(63.8)	(62.3)	*2.4%*
D&A without IFRS 16 (3)	*(9.0)*	*(8.0)*	*12.5%*	*(27.4)*	*(23.9)*	*14.6%*
Promotion and marketing (1), (3)	(2.5)	(7.8)	*(67.9%)*	(7.8)	(20.7)	*(62.3%)*
Costs related to Publishing House (4), (5)	(10.4)	(8.4)	*23.8%*	(30.5)	(31.2)	*(2.2%)*
Impairment losses (7)	-	-	-	(9.0)	-	-
EBIT	**(18.9)**	**12.2**	**-**	**(45.0)**	**26.6**	**-**
EBIT margin	*(39.8%)*	*10.0%*	*(49.8pp)*	*(21.9%)*	*7.3%*	*(29.2pp)*
EBIT without IFRS 16	***(17.0)***	***10.6***	**-**	***(33.5)***	***22.5***	**-**
EBIT margin without IFRS 16	*(35.8%)*	*8.6%*	*(44.4pp)*	*(16.3%)*	*6.2%*	*(22.5pp)*
EBITDA (4),(8)	**(0.2)**	**33.3**	**-**	**28.1**	**89.2**	***(68.5%)***
EBITDA margin	*(0.4%)*	*27.2%*	*(27.6pp)*	*13.7%*	*24.5%*	*(10.8pp)*
EBITDA without IFRS 16 (4),(8)	***(8.0)***	***18.7***	**-**	***3.2***	***46.7***	***(93.1%)***
EBITDA margin without IFRS 16	*(16.8%)*	*15.3%*	*(32.1pp)*	*1.6%*	*12.8%*	*(11.2pp)*

(1) the amounts do not include revenues and total cost of cross-promotion of Agora's different media (only the direct variable cost of campaigns carried out on advertising panels) if such a promotion was executed without prior reservation;

(2) the amounts comprise mainly the revenues from co-production and distribution of films;

(3) the amounts do not include costs related to Publishing House division;

(4) the amounts include D&A cost in Publishing House division, which in the period from January to September of 2020 amounted to PLN 0.3 million, and in the third quarter of 2020 to PLN 0.0 million (in the comparable period of 2019 it amounted to PLN 0.3 million and PLN 0.1 million, respectively);

(5) the data include allocated costs of office space occupied by the Agora Publishing House;

(6) *mutual revenues within the Helios group have been eliminated from film revenues and costs of external services: between Helios S.A. and NEXT FILM Sp. z o.o*.

(7) write-offs include a write-off of the value of fixed assets related to the activity of Foodio Concepts Sp. z o., which amounted to PLN 9.0 million in the period January-September 2020;

(8) the EBITDA index is defined as EBIT increased by depreciation and impairment losses on fixed assets.

The main factor affecting the results of the Movies and Books segment both in the third quarter and in the period from January to September 2020 were the restrictions in the functioning of cinemas imposed in relation to worldwide COVID-19 pandemic, including Poland, which primarily led to postponing movies premieres dates (lack of current repertoire) and reducing the number of available seats for screenings. In addition, the COVID-19-related regulations introduced in March 2020 had a negative impact on the food business developed within the segment.

In the third quarter of 2020, the Movies and Books segment recorded a loss at the EBIT level of PLN 18.9 million and a loss at the EBITDA level of PLN 0.2 million. The data for the corresponding period (without IFRS 16) were as follows: a loss at the EBIT level of PLN 17.0 million and a loss at the EBITDA level of PLN 8.0 million. The administrative closure of cinemas as of 12th March and restaurants as of 14th March 2020 and the subsequent restrictions on cinema operations had a significant effect on the results of the Movies and Books segment in the period between January and September 2020. During that time, the segment recorded a loss at the EBIT level amounting to PLN 45.0 million. This result was influenced by, e.g., making write-downs on assets related to the activity of Foodio Concepts in the amount of PLN 9.0 million. The profit at the EBITDA level was also lower – by 68.5% – and amounted to PLN 28.1 million. In the first three quarters of 2020 a positive impact on the operating results of the Movies and Books segment had co-financing for jobs from the Guaranteed Employee Benefit Fund amounting to PLN 2.6 million (in the third quarter of 2020 amounting to 0.4 million).

At that time, the segment recorded a loss at the EBIT level of PLN 33.5 million and a profit at the EBITDA level of PLN 3.2 million, on an accounting basis without IFRS 16.

1. REVENUE [3]

In the third quarter of 2020, the revenue of the Movies and Books segment decreased by 61.3% to PLN 47.5 million.

The decrease in the revenue as compared to the third quarter of 2019 resulted mainly from the lower revenue from cinema activity due to the restrictions in cinema operations related to COVID-19 and the limited number of new titles in cinema distribution. The revenue from ticket sales decreased by 74.2% yoy to PLN 16.2 million. This result was affected by the number of tickets sold which was lower by 72.7% yoy and amounted to 0.9 million. The revenue from cinema concession sales decreased by 71.6%, which accounted for PLN 8.1 million. The restrictions in cinema operations also had a negative impact on cinema advertising sales. The resulting revenue was lower by 76.1% yoy and amounted to PLN 2.2 million.

In the third quarter of 2020, the revenue from food business increased by 21.8%, which was linked to the development of the Step Inside operations. Currently, there are already 9 restaurants under the Pasibus brand created within the framework of the strategic cooperation with Helios S.A.

In the third quarter of 2020, the Movies and Books segment's total revenue from film co-production and distribution amounted to PLN 0.9 million, showing a decrease by 82.0% yoy. During the period in question, NEXT FILM released to the big screen a Polish production – *Tarapaty 2* – which is a sequel to the Polish family blockbuster. At the same time, the titles which were released earlier were made available in various distribution channels. In the third quarter of 2019, NEXT FILM released two Polish productions — a crime comedy *Na bank się uda* and a historical drama *Piłsudski*.

In the third quarter of 2020, the revenue of the Agora's Publishing House increased by 27.8% year on year and reached PLN 11.5 million. The increase in the revenue is related, among other factors, to the sale of a book entitled *Nadzieja* as part of a charity campaign in which the Agora's Publishing House was involved and the sale of a licence for the foreign distribution of one of music albums. In the period in question, the Agora's Publishing House sold about 0.3 million books as well as music and film publications. The following publications were among the best-selling ones: the book entitled *Nadzieja*, the book by Agata Kondzińska and Iwona Szpala entitled *Prezes i Spółki.*

Imperium Jarosława Kaczyńskiego, the book by Helene Flood *Psychoterapeutka* and the book by Mariusz Szczygieł *Laska Nebeska*.

In the period from January to September 2020, the revenue of the Movies and Books segment decreased by 43.7% to PLN 205.1 million.

The decline in the segment's revenue, as compared to the period between January and September 2019, was primarily caused by the lack of current repertoire and the administrative closure of cinemas and restaurants in March 2020, as well as the subsequent restrictions on cinema operations. The revenue from ticket sales decreased by 56.5% and amounted to PLN 77.9 million. This result was affected by the number of tickets sold which was lower by 5.4 million than in the previous year. The revenue from cinema concession sales decreased by 56.1%, which accounted for PLN 33.9 million. The restrictions in cinema operations also had a negative impact on cinema advertising sales. The resulting revenue was lower by 61.3% as compared to the period between January and September 2019 and reached PLN 8.7 million.

In the same period, the segment's revenue from food business increased by 55.4% yoy due to the higher number of Pasibus restaurants. This increase in revenue was achieved despite the sale of shares in Foodio Concepts Sp. z o.o.

In the period from January to September 2020, the Movies and Books segment's total revenue from film co-production and distribution amounted to PLN 33.5 million, showing a decrease by 9.7% year on year. This was due to, inter alia, a limited number of new titles in cinema distribution and the restrictions in cinema operations. In the period between January and September 2020, NEXT FILM released to the big screen three Polish productions – *Jak zostałem gangsterem* which was based on a true story, a film adaptation *365 Days* based on a book by Blanka Lipińska and *Tarapaty 2* – a sequel to the Polish family blockbuster. In the period from January to September 2020, NEXT FILM also continued its cooperation with Netflix, thanks to which the platform released to its users subsequent film productions to which a company from the Agora Group holds the distribution rights. It is worth noting that in the period between January and September 2019, NEXT FILM released six Polish productions: an actioner *Underdog,* a sequel to the iconic film series *Kogel Mogel – Miszmasz, czyli Kogel Mogel 3*, a romantic comedy *Całe szczęście*, a drama *Słodki koniec dnia*, a crime comedy *Na bank się uda* and a historical drama *Piłsudski*.

In the period from January to September 2020, the revenue of the Agora's Publishing House amounted to PLN 32.6 million and was at the same level as in the previous year. In the period in question, the Agora's Publishing House sold about 0.8 million books as well as music and film publications. The following publications were among the best-selling ones: the books *Kolejne 365 dni* by Blanka Lipińska, *Nadzieja*, *Szczerze* by Donald Tusk, the biography of Élisabeth Revol entitled *To Live: Fighting for life on the killer mountain*, as well as an album by Michele Morrone entitled *Dark Room.*

2. COST

In the third quarter of 2020, the operating costs of the Movies and Books segment decreased by 39.9% yoy and amounted to PLN 66.4 million.

The decrease in the segment's operating costs was mainly influenced by the restrictions in cinema operations related to the COVID-19 pandemic.

The costs of external services, which accounted for PLN 14.6 million, went down by 62.9% year on year. This was mainly due to lower purchase costs of film copies and lower remuneration costs paid to film producers as a result of a limited number of films in cinema distribution and lower revenue from film distribution.

The reduction in staff costs by 35.6% to PLN 11.4 million is caused by the restrictions in cinema operations on the one hand and by the reduction in working time and remuneration by 20.0% for six months implemented in the Agora Group on the other.

The decrease in the costs of materials and energy consumed and the value of goods and materials sold by 36.6% to PLN 8.5 million is attributable to lower cinema concession sales due to lower cinema attendance during the COVID-19 pandemic.

In addition, promotion and marketing costs of the Movies and Books segment decreased by 67.9% to PLN 2.5 million. This was primarily caused by lower costs of advertising in cinemas, mainly settled in barter, and lower outlays on promotion in the area of film distribution due to a limited number of releases in the third quarter of 2020.

Operating costs of the Agora's Publishing House went up by 23.8% yoy and reached PLN 10.4 million. Their increase was related to higher sales of publications, including the sales of a book entitled *Nadzieja*, the entire income from which will be allocated to support assistance centres for the elderly during and after the pandemic.

The segment's depreciation costs recorded a decrease, amounting to PLN 18.7 million in the third quarter of 2020. Depreciation costs were lower both in cinemas and in the food business.

In the period from January to September 2020, operating costs of the Movies and Books segment decreased by 26.0% yoy and amounted to PLN 250.1 million.

The decrease in the segment's operating costs was mainly influenced by the restrictions in cinema operations related to the COVID-19 pandemic. The cinemas were closed due to the pandemic by the administrative decision from 12 March to 5 June 2020. However, Helios cinemas were opened for viewers only on 3 July 2020, and after the opening, their operations were subject to restrictions as to the maximum number of tickets sold.

The costs of external services, which accounted for PLN 78.8 million, went down by 38.9% year on year. This resulted primarily from lower purchase costs of film copies (due to a lower number of tickets sold) and lower rental costs in cinemas (due to their administrative closure and negotiating lower rents before the opening of cinemas on 3 July 2020). The costs of remuneration paid to film producers and the costs of external services related to food business due to its development recorded an increase.

The decrease in the costs of materials and energy consumed and the value of goods and materials sold by 33.0% to PLN 23.8 million is related to the decrease in revenue from concession sales. The reduction in staff costs by 31.1% to PLN 35.6 million resulted from the administrative closure of cinemas and restaurants in March 2020 on the one hand and from the reduction in remuneration of employees by 20.0% for six months starting from 12 March 2020 on the other.

Promotion and marketing costs of the Movies and Books segment also went down – by 62.3% to PLN 7.8 million. This was primarily caused by lower expenditures on advertising in cinemas, mainly settled in barter, and lower outlays on promotion in the area of film distribution due to a limited number of releases in 2020 and bearing a part of promotion costs in 2019.

Operating costs of the Agora's Publishing House decreased by 2.2%, amounting to PLN 30.5 million, which was related to e.g. lower promotion costs.

The segment's depreciation costs increased and stood at PLN 63.8 million in the period between January and September 2020. This was mainly connected with the development of the food business.

The level of the segment's operating costs in the period from January to September 2020 was also affected by write-downs on assets related to the operations of Foodio Concepts in the amount of PLN 9.0 million.

3. NEW INITIATIVES

The third quarter of 2020 was the time of getting back to business or to a more traditional model of operation for the enterprises from the Movies and Books segment.

On 3 July 2020, after a break resulting from the administrative closure of cinemas throughout Poland and the time necessary to adjust the multiplexes to new sanitary requirements, Helios cinemas resumed their operations. Initially, 42 out of 49 cinemas were opened, and the remaining ones followed. There was an attractive offer waiting for the viewers in each cinema – a new, dynamic price list, private screenings and numerous special projects, including concerts, film marathons and fairytale-style events for the youngest viewers. From the first days after resuming its operations, the network is also committed to ensure that everyone feels comfortable during a visit to their favourite cinema by complying with all the tightened safety rules. Upon the reopening of its cinemas, Helios has implemented an innovative sales solution – a dynamic price list which allows the viewer to save even PLN 5–8 depending on the cinema and on how early he/she decides to purchase the ticket for the selected film. The most attractive prices for tickets are available at least 3 days before the screening. The network's offer still includes *Superwtorek*, i.e. screenings on Tuesdays at the price of PLN 14.90. *Hity za 10 złotych* – screenings of films that were popular among the viewers prior to the closing of cinemas, as well as those which were not released to the big screen due to the pandemic, were an additional proposal. Upon the introduction of new prices to all multiplexes, the network abandoned the division into reduced-price and normal tickets and into 2D and 3D films. In addition, Helios has offered special private screenings to film-fans, during which they could watch a film from the list of titles prepared by the network with a group of friends. The screenings took place in both traditional and state-of-the-art screening rooms – Helios Dream. In July 2020, a new project debuted on the screens of Helios cinemas – *Gold Film Collection* – as part of which the most famous cinema classics worldwide were displayed. The popular and much-loved projects, including Accessible Culture, Women's Cinema and Night Film Marathon, were also reintroduced. The series of broadcast concerts entitled *Wygramy Muzyką* was yet another new addition to the offer. The network also invited the viewers to a play – a Kraków-based stage adaptation of a novel by Jerzy Pilch entitled *Inne Rozkosze*, presented in cooperation with TheMuBa, and to the screenings of the latest film *Break the Silence: The Movie* featuring the famous South Korean musicians.

NEXT FILM, a film distribution and production company from the Helios group, continued to release the productions from its portfolio on VOD platforms, including in cooperation with Netflix. On 25 September 2020, it also returned to cinema distribution with the release of the much-anticipated family film *Tarapaty 2*. This is a story about a holiday adventure and a surprising crime mystery. NEXT FILM also acts as the co-producer of the feature. *Tarapaty 2* opened the Kids Kino festival and was featured in the Main Competition. This is the first Polish production that was selected for this international competition since the beginning of the festival. The film's premiere was accompanied by a book entitled *Klątwa Lucyny, czyli Tarapaty 2* which was written on the basis of the film. The book appeared under the imprint of the Agora's Publishing House. It is worth mentioning that *Tarapaty*, i.e. the first film from 2017 about the adventures of the characters from the production, attracted a record audience. More than 320 thousand viewers watched it, which was the best result among the family cinema productions after 1989. In the third quarter of 2020, the company also started the promotional campaign for *Polot*, a film directed by Michał Wnuk which tells the story of a young enthusiast and his struggle for his dreams. It was released on 23 October. In addition, NEXT FILM announced attractive titles which it will distribute in the coming months. These include the film adaptation of the novel *Chłopi*, another production of BreakThru Films known for its artistic and commercially successful films such as the Oscar-nominated *Twój Vincent* and the Oscar-winning *Piotruś i Wilk*, as well as *Prime Time* – a directorial debut of Jakub Piątek starring Bartosz Bielenia, which is produced by Watchout Studio. In July 2020, the international blockbuster *365 Days*, i.e. the film adaptation of the bestselling novel by Blanka Lipińska, was released on DVD. The feature still tops this year's Boxoffice.pl. It is also one of the most frequently selected productions in the world by Netflix users.

In July 2020, Natalia Kukulska, Igor Herbut, Małgorzata Ostrowska and other musicians joined the *Nadzieja* charity campaign of the Agora's Publishing House which consists publishing a book, the entire income from the sales of which will be allocated to support assistance centres for the elderly during and after the pandemic. In order to increase the number of participants, Polish musicians referred to the iconic song *Over the rainbow* and created a kind of an anthem for the *Nadzieja* campaign – *All Stars – Ponad tęczą*. Krzysztof Herdzin arranged the song and Jacek Cygan wrote the Polish version of the lyrics. The supermarket chain Biedronka, where it was possible to buy the book entitled *Nadzieja* in July, joined the group of donors supporting the charity campaign. The chain donated more than PLN 1 million to support the elderly.

The Agora's Publishing House offered some strong titles to the readers in the third quarter of 2020, including a book entitled *Too Much and Never Enough: How My Family Created the World's Most Dangerous Man* by Mary L. Trump, a clinical psychologist and the niece of the President of the United States, about her famous uncle. The best-selling titles of the publishing house included *365 dni* by Blanka Lipińska and *Prezes i jego spółki. Imperium Jarosława Kaczyńskiego* by Iwona Szpala and Agata Kondzińska. The Agora's Publishing House also announced further hyped book releases, including the Polish editions of *The Vanishing Half* by Brit Bennett, which topped *The New York Times* bestseller list during the first week after its release and was hailed as the most acclaimed release in the first half of 2020, *Twilight of Democracy* – a new book by Anne Applebaum, and *Promised Land* – the first volume of Barack Obama's memoirs from the time of his presidency.

Agora Music established cooperation with the Universal Music Group related to Michele Morrone's *Dark Room* album in the third quarter of 2020. The debut longplay from the Italian actor, known from the film adaptation of the book entitled *365 dni*, turned out to be an international success. It is ranked among the best-selling albums in Poland since its release, and the songs originating from it topped the charts in Europe and Asia. This is the first cooperation of this kind with the international branch of the American record label which provided the album produced in Poland with worldwide reach and sales on foreign markets.

Publio.pl, Agora's online bookstore, operates since September 2020 in a refreshed version. Simpler and more efficient shopping, transparency and greater security – this is the new outlook of the store which offers more than 40 thousand e-books and audiobooks and several hundred e-press titles to the readers. In relation to the launch of the new version of its website, Publio.pl prepared attractive discounts and promotions for the purchase of the publications from its offer for the enthusiasts of digital reading.

The food business conducted within the Helios Group is focused around the Pasibus brand. In the third quarter, the iconic burger network developed not only its offer for customers, but it also opened a new location. At the end of June 2020, Pasibus introduced a test version of the breakfast menu to its offer in 2 restaurants in Wrocław, and in mid-August, it offered new items on the menu, including a new size of burgers with more meat, an entirely vegan burger, and a sweet-flavoured burger. As of 17 July, iconic burgers from Pasibus are available at Centrum Galaxy in Szczecin. The restaurant which was opened there is distinguished by its interior decor referring to the city and the climate of its shipyard. This is already the ninth restaurant created in cooperation with Helios and at the same time, the 26th restaurant under the brand in Poland.

IV.B. PRESS [1]

The Press segment includes the pro-forma consolidated financials of *Gazeta Wyborcza*, Magazines division and printing division.

Tab. 15

in PLN million	**3Q 2020**	**3Q 2019**	***% change yoy***	**1-3Q 2020**	**1-3Q 2019**	***% change yoy***
Total sales, including :	**47.9**	**63.2**	***(24.2%)***	**143.3**	**190.6**	***(24.8%)***
Copy sales	25.9	26.5	*(2.3%)*	77.6	80.8	*(4.0%)*
incl. Gazeta Wyborcza	*24.5*	*23.7*	*3.4%*	*72.8*	72.0	*1.1%*
Advertising revenue (1), (2)	14.0	20.4	*(31.4%)*	39.8	62.2	*(36.0%)*
incl. Gazeta Wyborcza (4)	*12.6*	*17.7*	*(28.8%)*	*35.3*	52.4	*(32.6%)*
Printing services (6)	6.9	*11.2*	*(38.4%)*	*22.3*	36.7	*(39.2%)*
Total operating cost, including :	**(35.3)**	**(63.9)**	***(44.8%)***	**(126.6)**	**(202.6)**	***(37.5%)***
Total operating cost without IFRS 16 :	***(35.3)***	***(63.9)***	***(44.8%)***	***(126.6)***	***(202.6)***	***(37.5%)***
Raw materials, energy, consumables and printing services	(11.1)	(19.9)	*(44.2%)*	(36.2)	(64.2)	*(43.6%)*
Staff cost	(18.9)	(24.9)	*(24.1%)*	(61.9)	(80.7)	*(23.3%)*
D&A	(1.7)	(1.8)	*(5.6%)*	(4.7)	(6.4)	*(26.6%)*
D&A without IFRS16	*(1.7)*	*(1.8)*	*(5.6%)*	*(4.7)*	*(6.4)*	*(26.6%)*
Promotion and marketing (1)(3)	(1.8)	(9.2)	*(80.4%)*	(8.4)	(20.3)	*(58.6%)*
Cost of restructuring (5)	-	-	-	-	(4.9)	-
EBIT	**12.6**	**(0.7)**	**-**	**16.7**	**(12.0)**	**-**
EBIT margin	*26.3%*	*(1.1%)*	*27.4pp*	*11.7%*	*(6.3%)*	*18.0pp*
EBIT without IFRS16	***12.6***	***(0.7)***	-	***16.7***	***(12.0)***	-
EBIT margin without IFRS16	*26.3%*	*(1.1%)*	*27.4pp*	*11.7%*	*(6.3%)*	*18.0pp*
EBITDA	**14.3**	**1.1**	***1200.0%***	**21.4**	**(5.6)**	**-**
EBITDA margin	*29.9%*	*1.7%*	*28.2pp*	*14.9%*	*(2.9%)*	*17.8pp*
EBITDA without IFRS16	***14.3***	***1.1***	***1200.0%***	***21.4***	***(5.6)***	-
EBITDA margin without IFRS16	*29.9%*	*1.7%*	*28.2pp*	*14.9%*	*(2.9%)*	*17.8pp*

(1) the amounts do not include revenues and total cost of cross-promotion of different media between the Agora Group segments (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation;

(2) the data include inflows from the sales of advertising on the websites: Wyborcza.pl, Wyborcza.biz, Wysokie obcasy.pl as well as on the local webistes;

(3) the amounts include, inter alia, costs of producing and promoting gadgets attached to Gazeta Wyborcza *and other publications;*

(4) the data includes advertising revenues in Gazeta Wyborcza's *paper editions as well as advertisements published on Wyborcza.pl, Wyborcza.biz, Wysokieobcasy.pl and local websites;*

(5) the amounts provided include the cost of the provision related to the restructuring of the Printing division in the first quarter of 2019;

(6) from the third quarter of 2019, printing activities are not presented under a separate segment. It is related to the closure of two out of three printing houses in the Agora Group. The printing house in Warsaw, which continues its operations, mainly provides printing services for Gazeta Wyborcza *and has been included in the Press segment structures. The amounts provided include revenues obtained from the provision of services to external clients; the comparative figures for 2019 have been restated accordingly.*

Both in the third quarter of 2020 and in the period from January to September 2020, the Press segment recorded a yoy increase in its operating result. It is worth noting that the comparability of data was affected in the period from

January- to September 2019 by restructuring provisions in the amount of PLN 4.9 million. The segment's result was positively affected by the co-financing of the Guaranteed Employee Benefits Fund in the total amount of PLN 4.9 million in the third quarter of 2020.

In the third quarter and in the period from January to September 2020, the advertising revenue of Press remained under influence of market trends. Copy sales of *Gazeta Wyborcza* (mainly revenue from the sales of digital subscriptions to Wyborcza.pl), lower yoy staff costs as well as marketing and promotion cost positively contributed to the segment's results..

The implementation of IFRS 16 had no significant effect on the recognition of operating costs in the Press segment, nor on the segment's operating results.

1. REVENUE

In the third quarter of 2020, the total revenue of the Press segment decreased by 24.2% yoy and amounted to PLN 47.9 million. In the period from January to September 2020, the Press segment's total revenue was lower by 24.8% yoy and stood at PLN 143.3 million. In both periods, the decrease in revenues was mainly due to negative trends in the press advertising market and a smaller scale of printing activities.

1.1. Revenue from copy sales

In the third quarter of 2020, the proceeds of the Press segment from copy sales decreased by 2.3% yoy and amounted to PLN 25.9 million. In the period from January to September 2020, they were lower by 4.0% yoy, amounting to PLN 77.6 million. This was due to the decline in revenues from the sale of the paper edition of *Gazeta Wyborcza* and magazines.

Both in the third quarter and in the period January -September 2020, *Gazeta Wyborcza* maintained its leading position in sales among the opinion-forming dailies. In the third quarter of 2020, the average total copy sales of *Gazeta Wyborcza* amounted to 64.1 thousand copies and decreased by 21.5% year on year. During this time, proceeds from content sales of *Gazeta Wyborcza* increased by 3.4%, mainly due to the increasing revenue from sales of digital subscriptions for the daily. In the period from January to September 2020, the average total copy sales of *Gazeta Wyborcza* amounted to 69.3 thousand copies and decreased by 19.7% yoy. During that period, proceeds from content sales of *Gazeta Wyborcza* accounted for PLN 72.8 million, and increased by 1.1% yoy.

The number of Wyborcza.pl digital subscriptions had a positive impact on the value of revenues from daily newspaper sales - at the end of September 2020 it amounted to over 240.7 thousand, which means an increase by 20.0% yoy. Revenues from this source increased significantly also.

1.2. Advertising sales

In the third quarter of 2020, advertising revenue in the Press segment decreased by 31.4% yoy to PLN 14.0 million. In the period January-September 2020, it was lower by 36.0% yoy, amounting to PLN 39.8 million. In both analyzed periods, this was mainly due to lower proceeds from the sales of advertising services in the paper edition of *Gazeta Wyborcza* and lower advertising proceeds related to a reduced number of copies of magazines.

In the third quarter of 2020, the net revenue of *Gazeta Wyborcza* from its entire advertising activity amounted to PLN 12.6 million, showing a decrease by 28.8% year on year. In the period from January to September 2020, *Gazeta Wyborcza's* net revenues from its entire advertising activity amounted to PLN 35.3 million and was lower by 32.6% yoy. The main reason for these declines was the reduction by advertisers of spending in the printed press in Poland by 36.0% in the third quarter of 2020 and by over 31.0% in the period January - September 2020.

1.3. Revenue from the sales of printing services

Both in the third quarter and in the period from January to September 2020, the Print division's revenue from the sales of printing services to external customers decreased year on year to PLN 6.9 million and PLN 22.3 million, respectively. The decrease in revenue from printing activity resulted from the shutdown of two out of three of the Agora Group's printing plants in 2019 and from a lower volume of orders for printing services.

2. COST

In the third quarter of 2020, the Press segment's operating costs were reduced by 44.8% to PLN 35.3 million, and in the period from January to September 2020 – by 37.5% to PLN 126.6 million. The comparability of the segment's operating costs in the first nine months of 2020 with the corresponding period in 2019 was significantly affected by the establishment in the period between January and September 2019 of a provision for restructuring in the amount of PLN 4.9 million.

A key factor contributing to the reduction in the segment's operating costs both in the third quarter and in the first nine months of 2020 were lower costs of materials, energy, goods and printing services which resulted from the reduction in printing activities and lower printing volume of the titles published. They decreased by 44.2% to PLN 11.1 million in the third quarter of 2020, and by 43.6% to PLN 36.2 million in the period from January to September 2020.

In the third quarter of 2020, a significant decrease was visible in the promotion and marketing costs – they decreased by 80.4% to PLN 1.8 million, and in the period from January to September 2020, they were reduced by 58.6% to PLN 8.4 million.

Additionally, in the third quarter and in the period from January till September 2020, the staff costs were reduced yoy by 24.1% and 23.3%, respectively. This was mainly due to the reduction of full-time employment incl. the reduction in headcount as part of the collective redundancies process carried out in the first quarter of 2019 with respect to the restructuring of the printing activity. An additional factor contributing to the reduction of the staff costs in the Press segment and in the majority of the Agora Group's businesses was reducing working hours and remuneration by 20.0% from 15 April to 15 October.

3. NEW INITIATIVES

In the third quarter of 2020, the team of *Gazeta Wyborcza* was working to further adjust its offer to the changing needs of readers, users and advertisers.

Since August 2020, *Gazeta Wyborcza* publishes the largest package of magazines on the Polish market at weekends – apart from the news-oriented part of the daily, readers receive a new opinion-forming magazine *Wolna Sobota*, a weekly for women *Wysokie Obcasy*, and a magazine *Ale Historia* which so far has been published every Monday. It's over 100 pages of unique and incredibly diverse content. In addition, the issues include a free code that gives access to Wyborcza.pl during the weekend and to premiere excerpts of books which are released on the market. Moreover, in the news headline of Saturday's *Gazeta Wyborcza* there are also two new sections, which were previously published in the middle of the week: *Wyborcza to Wy* which gives the floor to the readers, and *Prosto z Miasta* [*Straight from the City*] with the content prepared by 20 local editorial teams of the daily. The *Prosto z Miasta* section replaced the local pages of *Gazeta Wyborcza* which were still published on Saturdays in 7 cities: Gdańsk, Katowice, Kraków, Łódź, Poznań, Warsaw and Wrocław. *Ekonomia+*, i.e. a magazine published on Mondays, is also a new addition to the daily's offer. The eight pages contain economy-related analyses, legal advice, interviews with entrepreneurs, as well as guide books explaining changes in the legal regulations and pensions. Both changes to the publishing offer of *Gazeta Wyborcza* were also associated with a price change – on Saturdays by PLN 2.0 and on Mondays by PLN 1.0.

The local editorial teams of *Gazeta Wyborcza* continued the *Supermiasta* campaign. At the end of September, another issue of the magazine was published under the same name, the main theme of which were the cities during the pandemic – how the local governments and residents are coping with the challenges of the last few months. On the same day, *Gazeta Wyborcza* also invited internet users to the premiere of a new online programme *Supermiasta TV* during which representatives of local governments and journalists are talking live. The programme was available at Wyborcza.pl and on the daily's Facebook profiles – the main one and the local editions.

Special editions prepared by the Press segment in the third quarter of 2020 included *Biała Księga wyborów prezydenckich* – a magazine presenting the scale of electoral infringements, and *Psychologia miłości* of *Wysokie Obcasy*, i.e. a set of conversations about relationships, love and sex with the best Polish sexologists and therapists.

As part of the digital content offer development, the team of *Gazeta Wyborcza* and Wyborcza.pl prepared a new website for internet users, which allows them to mention exceptional people and nurture the memory of them, and at the same time, a guide to help them settle the most important affairs during the difficult period of mourning for loved ones. The website is Odeszli.pl, a new online site which operates since 28 July 2020 in the traditional and mobile version. The editorial team plans to develop it in the following months – to enable everyone to create a Memorial Site for their dead loved ones, as well as to expand the editorial part with guidance on a regular basis.

An application thanks to which it is possible to solve extraordinary puzzles has been created specifically for the enthusiasts of crossword puzzles. *Krzyżówki Gazety Wyborczej* are available for free in AppStore and Google Play – for iOS and Android devices. During the summer holidays, the daily's team promoted the latest version of the application which offers classic, thematic and non-standard crossword puzzles that are already known to the readers of *Gazeta Wyborcza*.

In the third quarter of 2020*, Gazeta Wyborcza* extended its advertising offer. As of 20 July, the customers of Wyborcza.pl choosing to advertise on the daily's websites can apply a new solution – Content Categories. It enables the effective display of promotional content within the thematic categories which are tailored to the content of articles on the websites of Wyborcza.pl. Content Categories currently includes 25 thematic categories that are identical to Google's taxonomy, which has a positive impact on the effectiveness of the campaign. The CTR of test campaigns displayed on the basis of Content Categories was significantly higher than the rates of existing advertising activities. This solution complies with the Brand Safety policy implemented on the websites of Wyborcza.pl. Thanks to the separation of the Sensitive Subjects category, it allows for the exclusion of sensitive-content articles from the advertising campaign.

IV.C. OUTDOOR

The Outdoor segment consists of the pro-forma consolidated data of companies constituting the AMS group: AMS S.A., AMS Serwis Sp. z o.o. (formerly Adpol Sp. z o.o.), Optimizers Sp. z o.o. (since June, 30 2019) and Piano Group Sp. z o.o. (since July 1, 2019), which is a 100% shareholder of Benefit Multimedia Sp. z o.o. SKA and sole shareholder of Benefit Multimedia Sp. z o.o. which is the sole general partner of Benefit Multimedia Sp. z o.o. SKA.

Tab. 16

in PLN million	**3Q 2020**	**3Q 2019**	*% change yoy*	**1-3Q 2020**	**1-3Q 2019**	*% change yoy*
Total sales, including:	**33.4**	**42.1**	***(20.7%)***	**78.6**	**128.7**	***(38.9%)***
Advertising revenue (1)	32.5	41.5	*(21.7%)*	76.0	126.9	*(40.1%)*
Total operating cost, including:	**(31.4)**	**(36.7)**	***(14.4%)***	**(99.2)**	**(110.2)**	***(10.0%)***
Total operating cost without IFRS 16	*(31.3)*	*(37.1)*	*(15.6%)*	*(99.0)*	*(110.7)*	*(10.6%)*
Maintenance cost (1)	(8.2)	(10.9)	*(24.8%)*	(26.7)	(34.4)	*(22.4%)*
Maintenance cost without IFRS 16 (1)	*(11.6)*	*(14.4)*	*(19.4%)*	*(37.2)*	*(42.7)*	*(12.9%)*
Execution of campaigns (1)	(4.6)	(6.4)	*(28.1%)*	(11.2)	(19.1)	*(41.4%)*
Staff cost	(4.7)	(5.9)	*(20.3%)*	(14.8)	(17.8)	*(16.9%)*
Promotion and marketing	(1.1)	(1.5)	*(26.7%)*	(3.0)	(4.3)	*(30.2%)*
D&A	(8.7)	(8.0)	*8.8%*	(26.9)	(22.3)	*20.6%*
D&A without IFRS 16	*(5.1)*	*(4.9)*	*4.1%*	*(16.1)*	*(14.5)*	*11.0%*
Impairment losses (2)	0.2	-	-	(6.5)	-	-
EBIT	**2.0**	**5.4**	***(63.0%)***	**(20.6)**	**18.5**	**-**
EBIT margin	*6.0%*	*12.8%*	*(6.8pp)*	*(26.2%)*	*14.4%*	*(40.6pp)*
EBIT without IFRS 16	***2.1***	***5.0***	***(58.0%)***	***(20.4)***	***18.0***	**-**
EBIT margin without IFRS 16	*6.3%*	*11.9%*	*(5.6pp)*	*(26.0%)*	*14.0%*	*(40.0pp)*
EBITDA (2)	**10.5**	**13.4**	***(21.6%)***	**12.8**	**40.8**	***(68.6%)***
EBITDA margin	*31.4%*	*31.8%*	*(0.4pp)*	*16.3%*	*31.7%*	*(15.4pp)*
EBITDA without IFRS 16 (2)	***7.0***	***9.9***	***(29.3%)***	***2.2***	***32.5***	***(93.2%)***
EBITDA margin without IFRS 16	*21.0%*	*23.5%*	*(2.5pp)*	*2.8%*	*25.3%*	*(22.5pp)*
Number of advertising spaces (3)	22 509	23 581	*(4.5%)*	22 509	23 581	*(4.5%)*

(1) the amounts do not include revenues, direct and variable cost of cross-promotion of Agora's other media on AMS panels if such promotion was executed without prior reservation;

(2) the amounts include reversals of impairment losses on non-current assets included in the calculation of the EBITDA index;

(3) excluding advertising panels on busses and trams as well as ATMs, CityInfo and MoveTV panels.

In the third quarter of 2020, as a result of the fall in revenue by 20.7% year on year – primarily due to the outbreak of the COVID-19 pandemic – the operating results of the Outdoor Advertising segment were significantly lower than in the corresponding period of 2019. The segment's operating EBIT result declined to PLN 2.0 million, while the EBITDA result decreased to PLN 10.5 million.

In the period from January to September 2020, due to the decline in revenue caused by the COVID-19 pandemic and a write-down on assets of PLN 6.5 million, the Outdoor Advertising segment recorded an operating loss at the EBIT level of PLN 20.6 million. The segment's result at the EBITDA level decreased to PLN 12.8 million, and the EBITDA margin was 16.3%.

The result of the segment was positively affected by co-financing from the Guaranteed Employee Benefits Fund in the total amount of PLN 1.1 million (including PLN 0.5 million in the third quarter of 2020).

In the third quarter of 2020, the segment's results presented without the effect of IFRS 16 were also lower than in 2019. The segment's operating result at the EBIT level amounted to PLN 2.1 million and at the EBITDA level – to PLN 7.0 million. In this approach, in the period between January and September 2020, the segment's loss at the EBIT level amounted to PLN 20.4 million, while the profit at the EBITDA level was PLN 2.2 million.

1. REVENUE [8]

Both in the third quarter and in the period from January to September 2020, the AMS Group's revenue from advertising sales were lower than in the corresponding periods of 2019 - decreases by 21.7% and 40.1%, respectively. The COVID-19 pandemic had a negative impact on the revenue dynamics of the Outdoor Advertising segment. Due to the restrictions introduced in the second quarter of 2020, which were aimed at stopping the spread of the pandemic, the possibility for certain enterprises (e.g. shopping centres, cultural institutions, gyms, or hotels, etc.) to conduct their business activity was suspended, which contributed to the withholding of promotional activities by advertisers. The enterprises which could operate significantly reduced their advertising activity due to high uncertainty concerning further development of the situation and the economic slowdown caused by the pandemic. An additional factor negatively affecting the level of the AMS Group's revenue was the reduction in the number of patronage campaigns and the proceeds from poster printing services, which are a derivative of the sales in the classical advertising segment, as well as the lack of advertising orders from State Treasury companies. According to the IGRZ (Outdoor Advertising Chamber) report, in the third quarter of 2020, outdoor advertising spending in Poland decreased by over 26.5% % year on year, and in the period from January to September 2020, this spending was lower by nearly 38.5% year on year.

The estimated share of the AMS Group in the outdoor advertising expenditure amounted to almost 32.0% in the third quarter of 2020, and to over 30.5% in the period between January and September 2020 *[8]*.

2. COST

In the third quarter of 2020, the operating costs of the Outdoor Advertising segment declined by 14.4% to PLN 31.4 million. In the period from January to September 2020, the AMS Group reduced its operating costs by 10.0% to PLN 99.2 million despite the write-down on some media in the amount of PLN 6.5 million which, due to the situation in the outdoor advertising market anticipated in the medium term, will not be used to the extent enabling the attainment of their current book value.

In both periods, costs were reduced in all items, except for depreciation whose increase results from the application of IFRS 16. According to this standard, the specified long-term lease agreements have ceased to be included in the costs of system maintenance. At the same time, the AMS balance sheet recognised assets (rights to use space) equal to the discounted amount of future payments under lease agreements. The redemption of this right is included in the segment's depreciation costs. In addition, accelerated depreciation of selected media, completion of successive stages of concession contracts for the construction of bus/tram shelters, modernisation of a part of them and purchase of the media system affected the increase in depreciation. The number of digital media which was higher than in the previous year and the expansion of the Urban Information System also contributed to the increase in depreciation.

The campaign execution costs decreased by 28.1% to PLN 4.6 million in the third quarter of 2020 and by 41.4% to PLN 11.2 million in the period between January and September 2020, mainly as a result of a smaller number of advertising campaigns. The costs of printing, exchange and distribution of posters and vinyls and the purchase of advertising space on public transport were mainly reduced. A decrease in promotion and marketing costs in the third quarter of 2020 by 26.7% to PLN 1.1 million was triggered by lower total costs of patronage and commercial campaigns, where the patronage part is settled in the form of barter and charged to promotion and marketing costs. In the period between January and September 2020, marketing and promotion expenditures decreased by 30.2% year on year due to lower costs of patronage and commercial campaigns and amounted to PLN 3.0 million.

The costs of system maintenance were reduced by 24.8% to PLN 8.2 million in the third quarter of 2020 and by 22.4% to PLN 26.7 million in the period from January to September 2020 as a result of the implementation of savings programmes in terms of rent costs as well as ongoing maintenance and renovation of advertising media.

The decrease in staff costs by 20.3% in the third quarter of 2020 to PLN 4.7 million and by 16.9% to PLN 14.8 million in the period between January and September 2020 was due to the temporary reduction in the working time and remuneration of all employees of the Outdoor Advertising segment and lower variable remuneration resulting from lower revenue. Another element contributing to the decrease in these costs were also lower provisions for incentive schemes implemented in the Group.

Both in the third quarter of 2020 and in the period from January to September 2020, the segment's operating costs presented on an accounting basis without the impact of IFRS 16 were lower yoy and amounted to, respectively, PLN 31.3 million and PLN 99.0 million.

3. NEW INITIATIVES

In the third quarter of 2020, AMS introduced innovative, pro-environmental solutions to its offer, as well as offered new products targeted at local companies and cultural institutions.

In July 2020, thanks to the green initiative of AMS, in cooperation with the MTP Group, the first Polish green roof system was created on bus/tram shelters in Poznań. The system is based on a stonecrop carpet which allows, among others, to store water at the time of rainfall and reduce dust levels in the air, and is also bee-friendly. AMS has successfully implemented similar solutions on the pilot shelters in Warsaw and Kraków. The green project of AMS, *Zielone Przystanki*, in Kraków was awarded with Silver in the Innovation 2019 competition. In August 2020, AMS introduced the system of eco-shelters to its offer. Their creation is aimed at increasing the number of green sites needed in the process of air purification in cities.

From July 2020, cultural institutions can take advantage of the special *offer #AMS wspiera kulturę*. The product was developed to support cultural institutions such as theaters, museums, cinemas, publishing houses and operas, particularly affected by the COVID-19 pandemic. Clients use the specially developed #AMSwspierakultura layout to take advantage of the offer dedicated to the Culture industry and present themselves on AMS - classic and digital media.

Since mid-September 2020, a new image-building campaign of AMS – *#AMSpoSąsiedzku,* which is intended for local entrepreneurs, could be seen in the streets of 8 largest Polish cities. On outdoor advertising panels, AMS employees were telling their neighbours about their passions and interests and encouraged them to take advantage of the *#AMSpoSąsiedzku* offer. The campaign provided an opportunity to get acquainted with entrepreneurs and to propose to them a comprehensive offer of an advertising campaign aimed at the local community.

IV.D. INTERNET [1], [6]

The Internet segment includes the pro-forma consolidated financials of Agora's Internet Department (Gazeta.pl), Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Yieldbird Sp. z o.o., GoldenLine Sp. z o.o. and Optimizers Sp.z o.o. (till June 30, 2019) as well as HRlink Sp. z o.o. (formerly Online Technologies HR Sp. z o.o.) (since September 1, 2019).

Tab. 17

in PLN million	**3Q 2020**	**3Q 2019**	***% change yoy***	**1-3Q 2020**	**1-3Q 2019**	***% change yoy***
Total sales , including	**45.1**	**48.2**	***(6.4%)***	**136.1**	**134.3**	***1.3%***
Display ad sales (1)	41.4	42.9	*(3.5%)*	122.6	119.2	*2.9%*
Total operating cost, including (2)	**(36.0)**	**(44.6)**	***(19.3%)***	**(128.9)**	**(124.4)**	***3.6%***
Total operating cost without IFRS 16 (2)	***(36.0)***	***(44.6)***	***(19.3%)***	***(128.9)***	***(124.4)***	***3.6%***
External services	(23.0)	(26.3)	*(12.5%)*	(74.3)	(70.5)	*5.4%*
External services without IFRS 16	*(23.0)*	*(26.3)*	*(12.5%)*	*(74.3)*	*(70.5)*	*5.4%*
Staff cost	(8.9)	(12.6)	*(29.4%)*	(32.4)	(37.8)	*(14.3%)*
D&A	(2.2)	(2.0)	*10.0%*	(6.5)	(5.1)	*27.5%*
D&A without IFRS 16	*(2.2)*	*(2.0)*	*10.0%*	*(6.5)*	*(5.1)*	*27.5%*
Promotion and marketing (1)	(2.6)	(2.3)	*13.0%*	(5.8)	(6.7)	*(13.4%)*
Cost of group lay-offs	-	-	-	(1.4)	-	-
Impairment losses	-	-	-	(12.7)	-	-
EBIT	**9.1**	**3.6**	***152.8%***	**7.2**	**9.9**	***(27.3%)***
EBIT margin	*20.2%*	*7.5%*	*12.7pp*	*5.3%*	*7.4%*	*(2.1pp)*
EBIT without IFRS 16	***9.1***	***3.6***	***152.8%***	***7.2***	***9.9***	***(27.3%)***
EBIT margin without IFRS 16	*20.2%*	*7.5%*	*12.7pp*	*5.3%*	*7.4%*	*(2.1pp)*
EBITDA	**11.3**	**5.6**	***101.8%***	**26.4**	**15.0**	***76.0%***
EBITDA margin	*25.1%*	*11.6%*	*13.5pp*	*19.4%*	*11.2%*	*8.2pp*
EBITDA without IFRS 16	***11.3***	***5.6***	***101.8%***	***26.4***	***15.0***	***76.0%***
EBITDA margin without IFRS 16	*25.1%*	*11.6%*	*13.5pp*	*19.4%*	*11.2%*	*8.2pp*

(1) the amounts do not include total revenues and cost of cross-promotion of Agora's different media (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation, as well as exclude the inter-company sales between Agora's Internet Department, Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Yieldbird Sp. z o.o., GoldenLine Sp. z o.o., Optimizers Sp. z o.o. and HRlink Sp. z o.o.;

(2) the data include the allocated costs of office space occupied by the Agora's Internet Department;

(3) the given amounts include impairment losses on the assets of Plan D Sp. z o.o. (formerly Domiporta Sp.z o.o.);

(4) the given amounts include the costs related to the voluntary departure program at Goldenline Sp. z o. o. and group lay-offs in Plan D Sp. z o.o. (formerly Domiporta Sp. z o. o.).

In the third quarter of 2020, the result of the Internet segment, both at the EBIT and EBITDA levels, was significantly higher yoy and stood at PLN 9.1 million and PLN 11.3 million, respectively *[1].*

In the period from January to September 2020, due to a write-down on the assets of Plan D amounting to PLN 12.7 million, the operating result of the Internet segment at the EBIT level was lower by 27.3% than in the third quarter of 2019 and amounted to PLN 7.2 million. If the negative impact of this write-off was eliminated, the segment's operating result at the EBIT level would be 101.0% higher yoy and would amount to PLN 19.9 million. The segment's result at the EBITDA level increased by 76.0% to PLN 26.4 million.

The result of the segment was positively influenced by co-financing from the Guaranteed Employee Benefits Fund in the total amount of PLN 1.8 million (including PLN 1.6 million in the third quarter of 2020).

The implementation of IFRS 16 had no significant effect on the recognition of operating costs in the Internet segment or on the segment's operating results.

1. REVENUE

In the third quarter of 2020, the total revenue recorded by the Internet segment decreased by 6.4% year on year and amounted to PLN 45.1 million. Lower revenue from advertising sales generated by Yieldbird and lower revenue from property portals, in relation to the disposal of a part of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) were the main factors responsible for the decrease in the segment's proceeds in the third quarter of 2020. In the period from January to September 2020, the total revenue of the Internet segment increased by 1.3% yoy to PLN 136.1 million as a result of higher online advertising sales by Yieldbird.

2. COST

In the third quarter of 2020, the Internet segment's operating costs went down by 19.3% yoy to PLN 36.0 million, and in the period from January to September 2020, they increased by 3.6% yoy and reached PLN 128.9 million. The increase in operating costs in the first three quarters of 2020 was significantly influenced by higher expenditure on external services related mainly to the lease costs of advertising spaces, mainly in Yieldbird, higher depreciation costs and by a write-down on the assets of Plan D Sp. z o.o. in the amount of PLN 12.7 million and the cost of restructuring GoldenLine and Plan D (formerly Domiporta Sp. z o.o.).

In the third quarter of 2020, the costs of external services declined by 12.5% to PLN 23.0 million. This was primarily attributable to lower lease costs of advertising space in Yieldbird and lower costs in GoldenLine and Plan D in relation to the downsizing of their activities. In the period between January and September 2020, the costs of external services recorded an increase by 5.4% to PLN 74.3 million. The increase in expenditure on external services was affected to the greatest extent by higher lease costs of advertising space in Yieldbird and higher costs of services in HRlink Sp. z o.o. However, the increase in this cost category was offset by higher revenue from the sale of advertisements in Yieldbird and higher revenue in HRlink Sp. z o.o. (since 1 September 2019, Agora is the majority shareholder in HRlink Sp. z o.o.).

In the third quarter of 2020, staff costs decreased by 29.4% and stood at PLN 8.9 million, whereas in the period from January to September 2020, they were reduced by 14.3% to PLN 32.4 million. That was mainly the effect of the reduced number of full-time employees in the Gazeta.pl division and in Yieldbird. In addition, on 15 April 2020, the temporary reduction in working time and remuneration costs in the Agora Group entered into force, resulting in the temporary decrease in remuneration under employment contracts, contracts of mandate and other contracts for services by 20.0% for six months. This decision was aimed at reducing the negative impact of the COVID-19 pandemic on financial results of Agora and its subsidiaries. On April 23, 2020, consultations with trade unions regarding collective redundancies at GoldenLine were also completed. In April 2020, a voluntary departure program was launched, to which 26 employees joined. The cost of implementing this programme in the second quarter of 2020 amounted to PLN 0.9 million. In the period from April to September 2020, the programme of group redundancies was also carried out in Plan D – the costs of this process amounted to PLN 0.5 million.

Both in the third quarter and in the period between January and September 2020, depreciation costs increased by 10.0% and 27.5%, respectively, and accounted for PLN 2.2 million and PLN 6.5 million. The increase in the aforementioned costs was mostly driven by investments made to modernize technological infrastructure of the Gazeta.pl service, which allowed to develop advertising products and improve the website visibility in search results of the most popular search engines.

In the third quarter of 2020, promotion and marketing costs increased by 13.0% year on year and amounted to PLN 2.6 million. Their increase results from higher advertising expenditure in Gazeta.pl. However, expenditure on marketing and promotion in Plan D (formerly Domiporta Sp. z o.o.) and GoldenLine recorded a decrease during this period. In the period from January to September 2020, expenditure on marketing and promotion decreased by 13.4% to PLN 5.8 million and it was associated with lower outlays on promotion on Gazeta.pl website and in GoldenLine and Plan D (formerly Domiporta Sp. z o.o.).

3. IMPORTANT INFORMATION ON INTERNET ACTIVITIES

In September 2020, the overall reach of the Gazeta.pl group websites among Polish Internet users stood at 53.1%, and the number of users reached 14.7 million, which made the Gazeta.pl group the tenth market player according to a survey by Gemius PBI. The total number of page views of the Gazeta.pl group websites reached 467 million, with the average viewing time of 53 minutes per user *[6]*.

In September 2020, 11.7 million Internet users viewed the websites of the Gazeta.pl group on mobile devices. The number of mobile page views amounted to 341 million, and the share of mobile page views on the websites of the Gazeta.pl group stood at 73% and was the highest among Polish horizontal portals *[6]*.

The websites of the Gazeta.pl group are ranked among top thematic market players. In accordance with the data from Gemius PBI for September 2020, the Gazeta.pl group holds the second position in the *Children and family* category (*edziecko.pl*) and is ranked third in the following categories: *Local and regional news* (e.g. local services of *wyborcza.pl* and *metrowarszawa.pl*) *Sports* (*sport.pl*) and *Gossip, celebrity life* (*plotek.pl*). The websites of the Gazeta.pl group are also highly ranked in the following thematic categories: *Information and journalism – general* (fourth place – *wyborcza.pl*, *wiadomosci.gazeta.pl*, *tokfm.pl*), *Fashion and beauty* (fourth place – *avanti24.pl*), *Websites for women* (fifth place, *kobieta.gazeta.pl* and *wysokieobcasy.pl*), *Automotive* (sixth place, *moto.pl*), *Business, finance, law* (seventh place, *next.gazeta.pl*), and *Cuisine and cooking* (tenth place, *haps.pl, ugotuj.to, magazyn-kuchnia.pl*).

4. NEW INITIATIVES

In the third quarter of 2020, the team of Gazeta.pl carried out further activities for recipients and advertisers, focusing in particular on the development of content devoted to, inter alia, business, automotive and sports - also in the video version and projects in the field of content-to-commerce.Moto.pl, which introduced a new section dedicated to the automotive business in July 2020, was also developing its offer for the readers. This is one of the three most important thematic categories on the website, apart from technology and ecology. The users will find information from the automotive sector and interviews with interesting individuals and experts in this category. A new series from Moto.pl entitled *Wiedza elektryzująca*, which shows facts and myths about electric cars and their exploitation, had its online debut in August. In July 2020, *F1 Sport*, i.e. a programme concerning Formula 1 racing, returned to the video offer of Gazeta.pl. Commentaries and news known to the viewers from the first season, as

Gazeta.pl also puts more emphasis on new video formats available in the interactive player by using its options, such as virtual showroom, trendy selection, or Click2Shop. Thanks to them, users can check a selected set of clothes without leaving home or see a new car model without visiting a showroom. These formats, introduced at the end of June 2020, are attractive tools in the Gazeta.pl offer, which provide advertisers with new opportunities for an accessible and precise presentation of their product or service. Thanks to their use, both the user's involvement and the time of contact with the advertising message increase, as well as the purchase intentions.

The portal also conducted further pro-environmental activities. In the summer, a unique campaign organised by the portal took place under the slogan *#Wakacje2050*. Dry river bed of the Vistula, the Baltic Sea brimming with blue-green algae, burning Biebrza National Park, and against this background – greetings from the holidays. Gazeta.pl used this contrasting combination and real photos from recent years to alert the public in the summer as to how our future holidays might look like, if we do not take action to stop the climate crisis. The campaign was accompanied by interviews with experts acting in support of rivers and water management, and global climate change. While on 18 September 2020, the homepage of Gazeta.pl was covered in bees and bumblebees. The portal took part, already for the 6th time, in the campaign *Adoptuj Pszczołę* organised by the Greenpeace Polska Foundation, thanks to which thousands of people support these beneficial insects for 8 years now. Starting from September, the morning programme *Poranna Rozmowa Gazeta.pl* becomes a *Zielony Poranek* on each Friday. Each episode of the programme is entirely dedicated to the issues related to climate change and ecology. In this way, Gazeta.pl – as the first portal in Poland – has fully dedicated one of its morning journalistic formats exclusively to the issues related to environmental protection. In fulfilment of the editorial team's *Deklaracja Gazeta.pl na nowe czasy*, the team of Gazeta.pl carried out further prosocial projects, e.g. with the Goethe-Institute in Warsaw – *Oto Niemcy*, which consisted of a series of features about daily life and current issues across the western border, a collection for the victims of the explosion in Beirut, presentation of a broader context of the events observed by the Belorussian correspondents of Outriders after the widely contested presidential election in Belarus. In addition, at the end of

August, the team of Gazeta.pl made widely available a document entitled *How to write about LGBT+. A media guide* which is a set of guidelines for journalists, but can be used by everyone.

Gazeta.pl's range of pro-ecological initiatives is very wide and also includes activities for advertisers. In September, *Reklama dla klimatu* campaign was launched, the aim of which is to promote ecological attitudes of entrepreneurs. On the Gazeta.pl home page, campaigns of companies that take action for the environment are presented for a symbolic zloty.

The internet companies operating in the Internet segment have been developing their existing activities.

The HRlink team continued its #HRwspiera campaign under the slogan *Nie żegnajmy, mówmy do zobaczenia*. In July 2020, it published a comprehensive set of guidelines and solutions for outplacement in the form of an e-book. This is the company's proposal for entrepreneurs, prepared by experts on the basis of experience and webinars taking place since April 2020.

IV.E. RADIO

The Radio segment includes the pro-forma consolidated financials of Agora's Radio Department, all local radio stations and a super-regional radio TOK FM, which are parts of the Agora Group. These include: 24 Golden Hits (Zlote Przeboje) local radio stations, 4 local radio stations under the brand Rock Radio, 8 local stations broadcasting under the brand Radio Pogoda and a super-regional news radio TOK FM broadcasting in 23 metropolitan areas.

Tab. 18

in PLN million	**3Q 2020**	**3Q 2020**	***% change yoy***	**1-3Q 2020**	**1-3Q 2019**	***% change yoy***
Total sales, including :	**22.1**	**25.6**	***(13.7%)***	**60.5**	**75.6**	***(20.0%)***
Radio advertising revenue (1), (2)	19.6	21.2	*(7.5%)*	51.7	61.6	*(16.1%)*
Total operating cost, including: (2)	**(16.9)**	**(23.0)**	***(26.5%)***	**(54.9)**	**(68.3)**	***(19.6%)***
Total operating cost without IFRS 16 (2)	***(17.0)***	***(23.1)***	***(26.4%)***	***(54.8)***	***(68.5)***	***(20.0%)***
External services	(7.3)	(8.7)	*(16.1%)*	(20.2)	(25.0)	*(19.2%)*
External services without IFRS 16	*(8.1)*	*(9.5)*	*(14.7%)*	*(22.5)*	*(27.2)*	*(17.3%)*
Staff cost	(6.6)	(8.1)	*(18.5%)*	(21.4)	(25.2)	*(15.1%)*
D&A	(1.8)	(1.8)	-	(5.4)	(5.3)	*1.9%*
D&A without IFRS 16	*(1.1)*	*(1.1)*	-	*(3.3)*	*(3.2)*	*3.1%*
Promotion and marketing (2)	(1.5)	(2.8)	*(46.4%)*	(5.1)	(8.1)	*(37.0%)*
EBIT	**5.2**	**2.6**	***100.0%***	**5.6**	**7.3**	***(23.3%)***
EBIT margin	*23.5%*	*10.2%*	*13.3pp*	*9.3%*	*9.7%*	*(0.4pp)*
EBIT without IFRS 16	***5.1***	***2.5***	***104.0%***	***5.7***	***7.1***	***(19.7%)***
EBIT margin without IFRS 16	*23.1%*	*9.8%*	*13.3pp*	*9.4%*	*9.4%*	-
EBITDA	**7.0**	**4.4**	***59.1%***	**11.0**	**12.6**	***(12.7%)***
EBITDA margin	*31.7%*	*17.2%*	*14.5pp*	*18.2%*	*16.7%*	*1.5pp*
EBITDA without IFRS 16	***6.2***	***3.6***	***72.2%***	***9.0***	***10.3***	***(12.6%)***
EBITDA margin without IFRS 16	*28.1%*	*14.1%*	*14.0pp*	*14.9%*	*13.6%*	*1.3pp*

(1) advertising revenues include revenues from brokerage services of proprietary and third-party air time;

(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media (only the direct variable cost of campaigns carried out on advertising panels) if such a promotion was executed without prior reservation.

In the third quarter of 2020, the operating profits of the Radio segment, both at the EBIT and EBITDA levels, were significantly higher yoy and amounted to PLN 5.2 million and PLN 7.0 million, respectively.
Despite the fall in revenue, the results were affected by the reduction in the costs of external services, staff costs and promotion and marketing expenses.

In the period from January to September 2020, the segment's EBIT recorded a decrease yoy and reached PLN 5.6 million. In the same period, the segment's EBITDA dropped yoy, amounting to PLN 11.0 million.

The result of the segment was positively influenced by co-financing from the Guaranteed Employee Benefits Fund in the total amount of PLN 1.6 million (including PLN 1.4 million in the third quarter of 2020).

In the third quarter of 2020, the segment's operating profit at the EBIT and EBITDA levels, presented without the effect of IFRS 16, amounted to PLN 5.1 million and PLN 6.2 million, respectively. In the period between January and September 2020, the segment's operating result at the EBIT level, presented without IFRS 16, amounted to PLN 5.7 million, and at the EBITDA level – to PLN 9.0 million.

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

1. REVENUE [3]

In the third quarter of 2020, the Radio segment's revenue decreased by 13.7% yoy and amounted to PLN 22.1 million. In the period from January to September 2020, the total revenue of the Radio segment recorded a decrease by 20.0% yoy and stood at PLN 60.5 million. In both periods, the decline in revenue was caused by the COVID-19 pandemic, which resulted in the reduction in proceeds from airtime sales in the radio stations owned by the Agora Radio Group and from the sales brokerage services provided to Helios cinemas. However, the proceeds from sales brokerage services of third-party airtime recorded an increase.

It is worth mentioning that in the third quarter of 2020, the total radio advertising expenditure decreased by 5.5% yoy. In the period between January and September 2020, this drop stood at 14.5% yoy.

Both in the third quarter of 2020 and in the period from January to September 2020, the proceeds from the segment's Internet activities recorded an increase.

2. COST

In the third quarter of 2020, the operating costs of the Radio segment were reduced by 26.5% yoy and amounted to PLN 16.9 million. In the period from January to September 2020, these costs decreased by 19.6%, amounting to PLN 54.9 million.

In the third quarter of 2020, the costs of external services declined by 16.1% to PLN 7.3 million, mainly as a result of lower costs related to the sales brokerage services for the Helios cinema network. Moreover, the costs of marketing research were reduced. However, an increase was recorded in the cost of airtime purchase in third-party radio stations in connection with the advertising sales brokerage services provided. Apart from the costs related to sales brokerage for Helios cinemas and advertising sales brokerage in third-party radio stations, the external services item also includes rental and lease fees, costs of production services, as well as operator fees.

In the period between January and September 2020, the costs of external services decreased by 19.2%, to PLN 20.2 million. The largest drop in this cost item was recorded in the second quarter of 2020. With respect to the administrative closure of cinemas as of 12 March 2020, the costs related to sales brokerage services provided to Helios cinemas decreased. On the other hand, an increase was recorded in the costs of purchase of third-party airtime in connection with advertising sales brokerage services. Due to the temporary reduction in working time and remuneration by 20.0% for the period of six months, staff costs showed a decrease both in the third quarter of 2020 and in the period between January and September 2020, and amounted to PLN 6.6 million and PLN 21.4 million, respectively.

The expenditure on promotion and marketing declined by 46.4% to PLN 1.5 million in the third quarter of 2020. This decrease amounted to 37.0% and accounted for PLN 5.1 million in the period from January to September 2020.

The operating costs of the Radio segment presented without the effect of IFRS 16 stood at PLN 17.0 million in the third quarter of 2020 and at PLN 54.8 million in the period between January and September 2020. The expenses on external services presented in this approach decreased by 14.7% to PLN 8.1 million in the third quarter of 2020 by 17.3% to PLN 22.5 million in the period from January to September 2020. The depreciation costs in the third quarter of 2020 remained at the level from 2019 and recorded a slight increase in the period between January and September 2020.

3. AUDIENCE SHARES [9]

Tab. 19

% share in listening	**3Q 2020**	**change in pp yoy**	**1-3Q 2020**	**change in pp yoy**
Group's music radio stations (Rock Radio, Zlote Przeboje and Radio Pogoda)	4.8%	0.5pp	4.4%	0.0pp
News talk radio station TOK FM	2.4%	0.5pp	2.4%	0.4pp

4. NEW INITIATIVES

In the third quarter of 2020, Radio TOK FM recorded not only excellent listening ratings, but also outstanding sales results of Premium TOK FM accesses. At the end of September 2020, the station had already 24,800 subscribers.

The station has been developing its podcast library intended for internet users. Since September 2020, listeners interested in professional development, labour market and HR can listen to new podcasts dedicated to these issues, prepared by Radio TOK FM. New episodes of the *Dobra praca* series, whose partner is OLX, are available at tokfm.pl and in the TOK FM mobile application. On 30 September, a podcast titled *Na prawo patrz!* from the creators of the Inicjatywa Wolne Sądy, created in cooperation with Radio TOK FM, debuted in the internet. New episodes of the series are available in the TOK FM application and at tokfm.pl every Wednesday. TOK FM also became the distribution partner of *Śledztwo Pisma* for the second time. As soon as at the end of September, listeners could tune in to the first episode of the reporter's podcast at tokfm.pl and in the TOK FM application.

In the advertising area, the team of Doradztwo Mediowe from Agora Radio Group expanded its offer, which for years included creating multi-media campaigns for clients, including promotion on Radio Złote Przeboje, Rock Radio, Radio Pogoda, Radio TOK FM, in Helios cinema network and on the Internet, together with Gazeta.pl. Since autumn 2020, the company has been operating in a changed structure - in the newly designated five key regions of Poland, experienced advisers and managers work directly with advertisers. Thanks to this change, the team of Doradztwo Mediowe has constant and direct contact with clients operating throughout the country, and thus the ability to adapt the advertising offer to individual needs, regardless of the scope and budget of the campaign. The offer of Doradztwo Mediowe also includes more and more digital marketing solutions - in display, video and audio formats, i.e. digital sound, as well as non-standard solutions, e.g. partnerships of unique radio broadcasts or dedicated podcasts.

NOTES

[1] The performance measure 'EBIT' represents net operating profit/(loss) defined as net profit/(loss) in accordance with IFRS before finance income and costs, share of results of equity accounted investees and income taxes.

The performance measure 'EBITD' is defined as EBIT increased by depreciation and amortization and impairment losses of property, plant and equipment, intangible assets and right-of-use assets.

The 'EBIT and EBITDA without IFRS 16' are defined as EBIT and EBIT excluding the effect of International Financial Reporting Standard 16 leasing.

In the Management Board opinion, EBITDA constitutes a useful supplementary financial indicator in assessing the performance of the Group and its operating segments. It should be taken into account, that EBIT and EBITDA are not measures determined by IFRS and have not a uniform standard of calculation. Accordingly, their calculation and presentation by the Group may differ from that applied by other companies.

EBIT and EBITDA of Press, Internet, Movies and Books as well as Print segments are calculated on the basis of cost directly attributable to the appropriate operating segment of the Agora Group and excludes allocations of all Company's overheads (such as: cost of Agora's Management Board and a majority of cost of the Company`s supporting divisions), which are included in reconciling positions.

Moreover, EBIT of particular operating segments does not include depreciation and amortisation recognised on consolidation as described in note 4 to the condensed interim consolidated financial statements.

[2] the data on ticket sales in the cinemas comprising Helios group come from the accounting data of Helios reported in accordance with full calendar periods.

[3] The data relate to advertisements and listings in six media (press, radio, television, outdoor advertising, internet, cinema). In this report, Agora corrected data on expenditure on online advertising in the first and third quarter of 2019 and in the second quarter of 2020.
Unless explicitly stated otherwise, press and radio advertising market data referred to herein are based on Agora's estimates adjusted for average discount rate and are stated in current prices. Given the discount pressure as well as advertising time and space sell-offs, these figures may not be fully reliable and will be adjusted in the consecutive reporting periods.

Data for advertising expenditure in press relate only to display advertisements, excluding inserts, classified ads and obituaries. As a basis for estimates rate card data from monitoring of Kantar Media were used.

Expenses for advertising on television, cinema and the Internet are based on estimates of the Publicis Media; TV market estimates include amounts related to broadcasting regular advertising and sponsorship indications along with product placement, but they do not include amounts related to teleshopping or other forms of promotion.

[4] The data on the number of copies sold (total paid circulation) of daily newspapers is derived from the National Circulation Audit Office (ZKDP). The term "copy sales" used in this MD&A is consistent with the sales declarations of publishers to the National Circulation Audit Office.

[5] Definition of ratios:

Net profit margin = $\dfrac{\text{Net profit /(loss) attributable to equity holders of the parent}}{\text{Revenue}}$

Gross profit margin = $\dfrac{\text{Gross profit / (loss) on sales}}{\text{Revenue}}$

Return on equity = Net profit / (loss) attributable to equity holders of the parent / [(Equity attributable to equity holders of the parent at the beginning of the period + Equity attributable to equity holders of the parent at the end of the period) /2/(1.33 for three quarters and 4 for quarterly results)]

Debtors days = [(Trade receivables gross at the beginning of the period + Trade receivables gross at the end of the period) / 2] / [Revenue / no. of days]

Creditors days = [(Trade creditors at the beginning and the end of the period + accruals for uninvoiced costs at the beginning and the end of the period) / 2] / [(Cost of sales + selling expenses + administrative expenses) / no. of days]

Inventory turnover = [(Inventories at the beginning of the period + Inventories at the end of the period) / 2] / [Cost of sales / no. of days]

Current ratio I = $\dfrac{\text{Current assets}}{\text{Current liabilities}}$

Gearing ratio = [Current and non-current liabilities from loans and leases– cash and cash equivalents – highly liquid short-term monetary assets] / [Total equity and liabilities]

Interest cover = $\dfrac{\text{Operating profit / (loss)}}{\text{Interest charge}}$

Free cash flow interest cover = $\dfrac{\text{Free cash flow *}}{\text{Interest charge}}$

** Free cash flow = Net cash from operating activities + Purchase of property plant and equipment and intangibles excluding investment expenditure incurred for the equipment of cinemas to the extent that they are resold to the owners of real estate where cinemas are located.*

[6] Real users, page views and spent time on the basis of Gemius PBI, cover Internet users age 7 years and above, connecting to Internet from the territory of Poland and include only Internet domains registered on Agora S.A. in Gemius SA's Registry of Service Providers. Real users data of the Gazeta.pl group services are audited by Gemius SA.

Since May 2016 a new methodology of Gemius PBI research has been introduced. According to the new methodology the data is presented jointly for PCs and mobile platforms, and the reach of websites is reported accordingly. The way of weighing data and the definitions of indices also changed.

The data for mobile platforms present the traffic through www as well as - since December 2016 - through mobile applications (Gazeta.pl LIVE, Sport.PL LIVE, Moje Dziecko, Moja Ciaza, Tuba.fm, Aplikacja Gazeta Wyborcza, Clou).

[7] Average paid circulation of monthlies is based on the Agora's own data.

[8] Source: report prepared by Izba Gospodarcza Reklamy Zewnetrznej (IGRZ) in cooperation with Starlink company.

[9] Audience market data referred herein are based on Radio Track surveys, carried out by Kantar Millward Brown SMG/KRC (all places, all days and all quarter) in whole population and in the age group of 15+, from July to September (sample for 2019: 21,034; sample for 2020: 2, 098; from January to September (sample for 2019: 63,027; sample for 2020: 63,109.

[10] The data on cinema ticket sales are estimates of Helios group prepared on the basis of data received from Boxoffice.pl (based on reports submitted by distributors of film copies). Cinema ticket sales are reported for periods, which do not cover a calendar month, quarter or year. The number of tickets sold in the given period is calculated from the first Friday of a given month, quarter or year until the first Thursday of the next reporting month, quarter or year.

V. ADDITIONAL INFORMATION

1. IMPORTANT EVENTS

Significant events for the Company's business activities

Information on the financing of the Agora Group

In the current report of September 24, 2020, the Management Board of Agora S.A. informed that on September 24, 2020, the Company concluded an overdraft agreement for PLN 65.0 million ("Overdraft Agreement") and Annex No. 7 to the Credit Limit Agreement of May 25, 2017 ("Annex No. 7").

The company informed about the conclusion of the Credit Limit Agreement in the current report 6/2017 of May 25, 2017 and about changes thereto in reports no. 13/2018 of May 18, 2018, and no. 8/2019 of March 29, 2019, no. 24/2019 of August 29, 2019, no. 28/2019 of December 23, 2019, no. 12/2020 of March 29, 2020 and no. 17/2020 of April 24, 2020.

At the same time, the Management Board of the Company informed that the process of concluding the Overdraft Agreement and Annex No. 7 was considered a process extended in time. In the course of this process, the Company identified an intermediate stage which itself met the criteria for being classified as confidential. Providing confidential information about the occurrence of an intermediate stage in the process of concluding the Overdraft Agreement and Annex No. 7 was delayed until the conclusion of the Overdraft Agreement and Annex No. 7 pursuant to Art. 17 sec. 1 and 4 of the Regulation of the European Parliament and of the Council No. 596/2014 of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6 / EC of the European Parliament and of the Council and Commission Directive 2003/124 / EC, 2003/125 / EC and 2004/72 / EC ("MAR Regulation") and Art. 4 of the Commission Implementing Regulation (EU) 2016/1055 of June, 29 2016 laying down implementing technical standards with regard to the technical conditions for proper disclosure of inside information to the public and delaying the disclosure of inside information to the public in accordance with the Regulation of the European Parliament and of the Council (EU) No. 596/2014 ("Executive Regulation") due to the protection of the legitimate interests of the Issuer, i.e. the risk of a negative impact of providing information on the possibility of concluding the Credit Agreement and Annex No. 7. The intermediate stage referred to above was agreeing on the content of the letter of intent with DNB Bank Polska SA on indicative financing conditions for Agora S.A. with a guarantee of repayment of 80% of the loan value by Bank Gospodarstwa Krajowego ("BGK") on July 29, 2020 and an amendment to the Credit Limit Agreement of May 25, 2017.

Pursuant to the signed Overdraft Agreement and Annex No. 7, and after meeting the conditions for establishing legal security for the repayment of the loan and meeting other requirements usually applied when granting loans of a comparable amount, the Company will have an available overdraft facility up to a total amount of PLN 100.0 million. ("Credit"). The financing conditions granted under the Overdraft Agreement and Annex 7 are identical.

The funds from the credit facility can be used to finance Agora's day-to-day operations, including replacement and development investments, excluding refinancing of other debt.

The funds under the Overdraft Agreement are available till September 22, 2022, and under Annex No. 7 till September 28, 2022.

The collaterals for the financing granted were typical for these agreements and, in accordance with the provisions of the Overdraft Agreement and Annex No. 7 include i.a. a declaration of voluntary submission to enforcement by the Company, a contractual mortgage established for the benefit of the Bank on real estate located in Warsaw at 8/10 Czerska Street, on the real estate of which the Company has the right of perpetual usufruct and the ownership of the building located thereon, transfer of rights under the insurance policy on the above real estate, pledge on shares / stocks of subsidiaries and a guarantee of Bank Gospodarstwa Krajowego under the PLG FGP portfolio guarantee line secured with a blank bill of exchange covering 80% of the overdraft facility amount.

The margin on overdraft facilities was set at a constant level not deviating from the market standards and reflects the financial position of the Company as well as collaterals provided to the Banks, while the margin on non-revolving loans granted under the agreement of May 25, 2017 will depend on the Company's debt ratio in relation to EBITDA topped up by received dividends.

The amount of the fee under BGK's guarantee was in line with the standard values adopted by BGK and reflects the assessment of Agora's financial standing. In addition, during the financing period, the Company is required to maintain at an agreed level the financial ratios relating to investment expenditure, turnover of receivables, receivables write-offs, impairment losses on property, plant and equipment, investments and intangible assets, as well as EBITDA increased by received dividends. In addition, the Company is obliged, inter alia, to obtain the Bank's consent to pay dividends, implement the share buyback program, make acquisitions, sell shares in subsidiaries or incur additional financial liabilities by the Company and its selected subsidiaries. Nor can it encumber its fixed assets.

The value of the financing granted may be reduced if the Company does not receive the forecasted dividends and at the same time fails to achieve the forecasted EBITDA result increased by the dividends received. The Bank may also decide not to pay the funds under the Overdraft in the event of a change in control over the Company.

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

Content of delayed confidential information was published on the Company’s website.

On October 15, 2020, agreements were concluded between Agora S.A. and DNB Bank Polska S.A. based in Warsaw:

1. a registered and financial pledge agreement on the shares of Agora S.A. in the subsidiary Yieldbird sp.z o.o. with its registered office in Warsaw (number of pledged shares: 891 shares, all belonging to Agora S.A., with a nominal value of PLN 50.00 each)
2. agreement for a registered and financial pledge on the shares of Agora S.A. in a subsidiary AMS S.A. in Warsaw (number of pledged shares: 200,025 series A preference shares, numbers 000001-200025, 2,299,975 series B ordinary shares, numbers 0000001-2299975, 1,000,000 series C ordinary shares, numbers 0000001-1000000, 716,867 shares ordinary series D shares, numbers 000001-716867, 681,818 series E ordinary shares, numbers 000001-681818, the total number of pledged shares is 4,898,685 shares. All AMS SA shares mentioned in the preceding sentence belong to Agora SA and their nominal value is 2.00 PLN each)

The above contracts secure the following claims:

1. Credit Limit Agreement, as amended, No. 1661/001/2017 of May 25, 2017 (maximum amount and currency of the Bank's debt capital: PLN 135,000,000.00);
2. Overdraft Agreement No. 1735/119/2020 of September 24, 2020, as amended, the maximum amount and currency of the Bank's debt capital: PLN 65,000,000.00).

The intention to extend the period of operation of the tax capital group

In the current report of November 13, 2020 the Management Board of Agora S.A. with its registered office in Warsaw ("Company", "Agora"), with reference to the regulatory filings no. 35/2017 of 21 December 2017 and 6/2018 of 16 February 2018 adopted a resolution on the intention to extend the period of operation of the tax capital group ("PGK"), which will include Agora and the following subsidiaries: Grupa Radiowa Agory Sp. z o.o., Agora TC Sp. z o.o., Plan D Sp. z o.o., Helios S.A., AMS S.A., Yieldbird Sp. z o.o. and Plan D Sp. z o.o., and on signing an agreement to extend the period of operation of the PGK.

The extension of the PGK operation period is planned until 31 December 2021. It was associated with a number of formal requirements, including collecting a number of corporate approvals and submitting an application for registration of the extension of the operation period of the tax capital group by the Head of a relevant Tax Office.

In the agreement to establish a tax capital group, Agora was indicated as a company representing PGK in the scope of obligations under the Corporate Income Tax Act and the provisions of the Tax Ordinance. The agreement on extending the period of operation of the PGK was concluded for the period until 31 December 2021.

The company estimates that the extension of the operating period of the tax capital group may result in a reduction of the group's tax liability by approx. PLN 5 million in 2021.

- **The agreed plan of merger of Agora S.A. and Agora-Poligrafia Sp. z o.o**

On July 14, 2020, the Extraordinary General Meeting of Agora - Poligrafia Sp. z o.o. adopted a resolution to merge Agora - Poligrafia Sp.z o.o. with Agora S.A. by transferring all the assets of the Acquired Company to the Acquiring Company, and consented to the merger on the terms specified in the agreed merger plan. On 13 August 2020 in the District Court for the Capital City of Warsaw in Warsaw, a resolution was submitted on the merger of the Acquired Company with the Acquiring Company in order to enter a note of such a resolution into the Register of Entrepreneurs of the National Court Register. On the same day, the merging companies applied for registration of the merger on October 1, 2020.

In the current report of October 1, 2020, the Management Board of Agora S.A. with its registered seat in Warsaw with reference to regulatory filings no. 06/2020 of 12 February 2020, 09/2020 of 28 February 2020 and 29/2020 of 25 June 2020, informed that on 1 October 2020, the District Court for Capital City of Warsaw in Warsaw, registered the merger of Agora with Agora-Poligrafia Sp. z o.o. ("Agora-Poligrafia") pursuant to Art. 492 § 1 point 1 of the Commercial Companies Code, by transferring all assets of Agora-Poligrafia to Agora. The Company remained the sole shareholder of Agora-Poligrafia and thus the merger was carried out in a simplified manner pursuant to Art. 516 § 6 of the Commercial Companies Code, without increasing Agora's share capital and without changing its statute.

Basing on Art. 494 § 1 of the Commercial Companies Code, Agora entered into all the rights and obligations of Agora-Poligrafia on 1 October 2020 ("The date of the merger"), and in accordance with art. 493 § 1 and 2 of the Commercial Companies Code, Agora-Poligrafia was dissolved on the date of the merger without liquidation proceedings and removed from the Register of Entrepreneurs of the National Court Register.

- **Receipt by the Company of funds from the Guaranteed Employee Benefits Fund**

In the current report of July 14, 2020, The Management Board of Agora S.A. with its registered office in Warsaw, with reference to the report 13/2020 of 6 April 2020 and 14/2020 of 20 April 2020, informed about receiving the first tranche of employee remuneration subsidy from the Voivodship Labor Office in Warsaw from the Guaranteed Employee Benefits Fund in the amount of PLN 2.79 million.

The funds received correspond to one third of the total amount requested by the Company (i.e. PLN 8.37 million).

Agora Group companies jointly applied for funding in the amount of PLN 13.9 million.

Receiving of the subsidy is connected with the obligation to submit documents necessary for its settlement within 30 days from the day of obtaining the last tranche of payment, and the final amount of the financing may change as a result of settlement. As at the publication date of this report, it amounted to PLN 13.5 million.

- **Dates of publication of periodic reports in 2020**

In the current report of August 5, 2020, the Management Board of Agora S.A. informed that the consolidated quarterly report of the Agora Group for the second quarter and first half of 2020 will be made public on September 25, 2020. Originally, the Company planned to publish this report on August 14, 2020, which was reported in the current report No. 02/2020 of January 29, 2020.

In the current report of August 14, 2020, the Management Board of Agora S.A. announced the preliminary consolidated operating results of the Agora Group for:

2Q2020:

1. Initial consolidated revenues: **PLN 129.5 million**
2. Initial consolidated operating loss at the EBIT level: **PLN 53.4 million**
3. Initial consolidated operating loss at the EBIT level, excluding one-off events: **PLN 48.5 million**
4. Initial consolidated loss at the EBITDA level: **PLN 4.4 million**
5. Initial consolidated net loss: **PLN 41.1 million**
6. Initial consolidated operating loss at the EBIT level without the impact of IFRS 16: **PLN 44.8 million**
7. Initial consolidated loss at the EBITDA level without the impact of IFRS 16: **PLN 13.4 million**
8. Preliminary consolidated net loss without the impact of IFRS 16: **PLN 38.1 million**

1H2020:

1. Initial consolidated revenues: **PLN 419.1 million**
2. Initial consolidated operating loss at the EBIT level: **PLN 72.9 million**
3. Initial consolidated operating loss at the EBIT level, excluding one-off events: **PLN 53.3 million**
4. Initial consolidated profit at the EBITDA level: **PLN 40.2 million**
5. Initial consolidated net loss: **PLN 88.2 million**
6. Initial consolidated operating loss at the EBIT level without the impact of IFRS 16: **PLN 63.2 million**
7. Initial consolidated profit at the EBITDA level without the impact of IFRS 16: **PLN 13.8 million**
8. Preliminary consolidated net loss without the impact of IFRS 16: **PLN 58.6 million**

At the same time, the Company informed that:

- the outbreak of the COVID-19 pandemic and the restrictions introduced to prevent its further spread had a huge impact on the level of the Group's revenues and its financial results. They had a significant impact on the level of all categories of the Group's revenues. Their most significant impact was visible in revenues from cinema operations, from the sale of advertising services, as well as revenues from food service activities and the sale of publications.

- one-off events include:

- profit from the sale of real estate - server room building and land at Daniszewska Street in Warsaw (PLN 0.4 million in the 2Q2020, PLN 7.1 million in the 1H2020),
- impairment losses on non-current assets in the amount of PLN 7.5 million in the 2Q2020 and PLN 28.9 million in the 1H2020, including mainly the costs of write-off of assets of Plan D Sp. z o.o. (earlier Domiporta Sp. z o.o.) and Foodio Concepts Sp. z o.o. in the 1Q2020 and the value of fixed assets in AMS in the amount of PLN 6.7 million in the 2Q2020,
- restructuring costs in the 2Q2020 in the amount of PLN 1.4 million, including group layoffs at Plan D Sp. z o.o. (earlier Domiporta Sp. z o.o.) and the voluntary redundancy program at Goldenline,
- profit on the sale of Plan D Sp. z o.o. (earlier Domiporta Sp. z o.o.) enterprise in the amount of PLN 3.6 million in the 2Q 2020

The presented values were preliminary and were subject to change. Their final values will be published in the periodic report for the 1H2020 on 25 September 2020.

Resignation of the Member of the Management Board of Agora SA

In the current report of August 5, 2020, the Management Board of Agora S.A. informed with reference to report no. 21/2020 of 30 April 2020 on the intention to resign by Mr. Grzegorz Kania from his position as a Member of the Management Board of the Company, that on 28 September 2020, the Company received a resignation from Mr. Grzegorz Kania from the position of a Member of the Management Board and his participation in the Management Board of Agora S.A. with an instant effect.

Duties of the financial director within the Management Board of Agora S.A. were taken over by Ms Anna Kryńska Godlewska.

Registration of changes to the Statutes of Agora

In the current report of October 5, 2020, the Management Board of Agora S.A. with its registered seat in Warsaw ("Company", "Agora") informed that it has learned about the registration by the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, on 1 October, 2020, changes to the Statutes of Agora, made pursuant to resolution no. 22 of the Ordinary General Meeting of the Company, adopted on 25 June, 2020, with the following wording:

"Resolution No. 22

Pursuant to Art. 430 § 1 of the Commercial Companies Code, the General Meeting resolves to amend the Company's Statutes as follows:

"§ 19 section 2 point i)" expressing consent for the Company to exercise voting rights in a specific manner at shareholders' meetings or general meetings of subsidiaries of the Company within the meaning of the Act on Public Offering and implementing acts issued on its basis in the event of voting on resolutions concerning remuneration or benefits referred to in point g) of this section, "

shall read as follows:

"§ 19 section 2 point i)" expressing consent for the Company to exercise voting rights in a specific manner at shareholders' meetings or general meetings of subsidiaries of the Company within the meaning of the Act on Public Offering and implementing acts issued on its basis in the event of voting on resolutions concerning remuneration or benefits referred to in point f) of this section. "

The amended content of the Company's Statutes is valid since 1 October, 2020 and has been published on the Company's website..

Changes in subsidiaries

Agora – Poligrafia Sp. z o.o.

On July 14, 2020, the Extraordinary General Meeting of Agora - Poligrafia Sp. z o.o. adopted a resolution to merge Agora - Poligrafia sp.z o.o. ("Acquired Company") with Agora S.A. ("Acquiring Company") by transferring all assets of the Acquired Company to the Acquiring Company and consented to the merger on the terms and conditions set out in the agreed merger plan. Resolutions of the shareholders meeting of Agora-Poligrafia Sp.z o.o. is a consequence of prior agreement with Agora S.A. merger plan. The process of merging the companies is described in item 1 "Important events" of this part of the report.

Eurozet Sp. z o.o.

In the current report of November 10, 2020, the Management Board of Agora S.A. with its registered office in Warsaw ("Agora", "Company"), with reference to the regulatory filings: no. 1/2019 of 25 January 2019, no. 3/2019 of 20 February 2019 and no. 27/2019 of 18 September 2019, informed that on 10 November 2020, as part of the next stage of the procedure, the Company received a letter from the President of the Office of Competition and Consumer Protection ("UOKiK") presenting the reservations of the President of UOKiK regarding the concentration control proceedings instigated upon Agora's request in connection with takeover of Eurozet Sp. z o.o. by Agora S.A.

In the letter in question, the President of UOKiK presented doubts concerning certain markets on which both the Company and Eurozet Sp. z o.o. operate, indicating that the planned concentration, due to the potential change in the market structure, may lead to disturbances in the functioning of competition.

The objections raised do not prejudge the final decision of the President of UOKiK. In case of doubts, the President of UOKiK, in accordance with the procedure, allows the entrepreneur to refer to them in the course of the ongoing proceedings.

According to Art. 96a paragraph 4 of the Competition Protection Act, Agora will address the reservations referred to in Art. 96a paragraph 3 of this Act, within the period prescribed by law. The Company will provide the data and arguments answering the reservations of the President of UOKiK.

Goldenline Sp. z o.o.

On September 16, 2020, the Extraordinary General Meeting of Goldenline Sp. z o.o. adopted a resolution to increase the company's share capital from PLN 400,000 PLN. up to PLN 3,221 thousand by creating 2,821 new shares with a nominal value of PLN 1,000 each. The newly created shares were acquired by the sole shareholder of the company, i.e. Agora S.A. in exchange for a cash contribution of PLN 2,821 thousand.

Hash.fm Sp. z o.o.

On August 5, 2020 Agora S.A. concluded an agreement for the sale of 1 share in Hash.fm Sp. z o.o. with a nominal value of PLN 50.00 (fifty zlotys) to a third party. Currently Agora S.A. does not have any share in Hash.fm Sp. z o.o.

Helios S.A.

Call for the repurchase of shares in a subsidiary

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 on its agenda passing a resolution on mandatory sell-out of the Shares ("the Call").

As a result of: (i) the Call, (ii) further 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 Article 418 of the CCC) are being finalized at Helios S.A., aimed at the acquisition by two shareholders of Helios S.A., including Agora S.A., the Shares held by the Minority Shareholder and other minority shareholders.

(i) Sell-out procedure

As part of the sell out of the Shares, by June 30, 2016, Agora transferred to Helios S.A. PLN 2,938 thousand representing the sell out price calculated in accordance with Article 418(1) para. 6 of the CCC. As at December 31, 2016, the Agora Group recognized on its balance sheet an obligation to purchase the Shares from minority shareholders of Helios S.A. totalling PLN 3,185 thousand. This included PLN 2,938 thousand already transferred by Agora S.A. to Helios S.A. (with the corresponding entry in the Group's equity under retained earnings/(accumulated losses) and the net profit or loss for the current year) and the total amount transferred by another shareholder of Helios S.A. under the sell out procedure. As part of the sell out procedure, on June 2, 2017, PLN 3,171 was transferred by Helios S.A. to the Minority Shareholder for 318,930 shares sold out. Also on June 2, 2017, a total of PLN 14 thousand was transferred to other minority shareholders for the sell out of 1,460 shares in total. As a result of these transactions, the Group fulfilled its obligation to buy shares recognized on the Group's balance sheet. As a result, Agora S.A. increased its shareholding in Helios S.A. from 10,277,800 to 10,573,352 shares, i.e. by 295,552 shares. Currently, Agora S.A. holds 91.44% of the shares in Helios S.A.

The shareholders whose shares are subject to the sell out and squeeze out procedures did not agree to the sell out share price calculated in accordance with Article 418(1) para. 6 of the CCC, and based on Article 418(1) para. 7 of the CCC submitted a motion to the registration court to appoint a registered auditor to determine the price of the shares being sold. The final price of the Shares being subject to the sell out and squeeze out procedures will be determined by the registration court competent for the registered office of Helios S.A. on the basis of an opinion of the registered auditor appointed by the registration court competent for the registered office of Helios S.A., A change in the valuation will result in an adjustment of the price of the shares being sold. The District Court for Lodz Srodmiescie in Lodz, the 20th Department of the National Court Register, appointed a registered auditor to value shares under this procedure, both for the sell out of the Minority Shareholder's shares with regard to 318,930 shares, and for other minority shareholders with regard to 1,460 shares in total.

The Minority Shareholder and other minority shareholders referred to in the preceding sentence which had rights under 1,460 shares appealed from the Court's decision appointing the registered auditor. By a valid decision of the Regional Court in Lodz, the 13th Business Appeal Department of February 20, 2019, the appeal of the other minority shareholders having rights under 1,460 shares was dismissed.

(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 this report, the sell out and squeeze out procedures have not been completed.

In the current report of September 24, 2020 the Management Board of Agora S.A. informed that on September 24, 2020 it acquired information that its subsidiary company Helios S.A. concluded overdraft credit agreement with BNP Paribas Bank Polska S.A. with its registered office in Warsaw ("BNP";) and discloses delayed information on (i) agreement on preliminary conditions for financing Helios S.A. and (ii) conclusion of revolving loan agreement with Santander Bank Polska S.A. based in Warsaw ("Santander") (jointly "Banks") on August 31,2020 with a repayment guarantee of 80% of the loan by Bank Gospodarstwa Krajowego ("BGK").

The total value of the above loans with a BGK guarantee is PLN 40.0 million, i.e. PLN 20.0 million from each of the Banks.
At the same time, the Banks declared their readiness to return to talks on the second tranche of financing - for another PLN 40.0 million - after assessing the financial results of Helios S.A. for the third quarter of 2020 and the economic situation in Poland.

At the same time, the Management Board of the Company informs that the process of obtaining financing for Helios S.A. was considered to be a long-term process. In the course of this process, the Company identified an intermediate stage which itself met the criteria for being classified as confidential. Providing confidential information on the occurrence of the intermediate stage in the process of obtaining the above financing was delayed until the conclusion of agreements with the Banks for an overdraft (BNP) and a revolving loan (Santander) pursuant to Art. 17 sec. 1 and 4 of the Regulation of the European Parliament and of the Council No. 596/2014 of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directive 2003/124/EC, 2003/125/EC and 2004/72/EC ("MAR Regulation") and Art. 4 of the Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to technical conditions for the proper disclosure of inside information to the public and delaying the disclosure of inside information to the public in accordance with the Regulation of the European Parliament and of the Council (EU) No. 596/2014 ("Implementing Regulation") due to the protection of the legally justified interests of the Issuer, i.e. the risk of a negative impact of providing information on the possibility of concluding the above agreements with the Banks.

The intermediate stage referred to above was agreeing the preliminary financing conditions for Helios S.A. with a guarantee of repayment of 80% of the loan value by Bank Gospodarstwa Krajowego ("BGK") on August 11, 2020 and conclusion of revolving loan agreement with Santander Bank Polska S.A. on August 31,2020.

Pursuant to the agreements signed with the Banks for an overdraft and revolving loan and after meeting the conditions for establishing collaterals for the repayment of both loans and meeting other requirements usually applied when granting loans of a comparable amount, Helios will have a credit ("Credit") up to the amount of PLN 40.0 million.

The obtained funds may be used to finance the current business activities of Helios S.A., including replacement and development expenditure, excluding refinancing of other debt.

The financing under the loan agreement with BNP in the amount of PLN 20.0 million will be available for 24 months from the date of signing the agreement.

Collaterals for the funding granted by BNP include, inter alia, a cash deposit and a guarantee of Bank Gospodarstwa Krajowego as part of the PLG FGP portfolio guarantee line, secured with a promissory note, covering 80% of the loan amount.

During the financing period, Helios is obliged to transfer the servicing of current accounts to BNP and maintain at the level agreed with BNP both the amount of sales revenues flowing to the BNP current account and the amount of the agreed maximum debt. In the event of failure to meet any of these conditions, the Bank has the right to increase the loan margin by 1/4 retroactively. The increased margin will apply from the first to the last day of the calendar quarter in which the turnover obligation is not met by Helios. Helios is also obliged to maintain the EBITDA result at the level agreed with BNP. Additionally, Helios, without prior consent of BNP, may not pay dividends, nor encumber or consent to the encumbrance of its assets.

In the case of the agreement signed with Santander on August 31, 2020, the condition for the release of the credit in the amount of PLN 20.0 million was the submission of a promissory note by the company, entry of the loan and BGK guarantee in the register of liquidity guarantees, and a declaration of submission to enforcement. The condition precedent for the release of financing is confirmation of signing and meeting the conditions for receiving financing from BNP. The loan can be used until August 25, 2022, and the repayment date is August 26, 2022.

During the financing period, Helios is obliged to ensure Santander the ability to monitor the company's financial liquidity, as well as ensure the inflow of cash to the account maintained by Santander at the agreed level. Helios is obliged to maintain the level of EBITDA and capital expenditure at the agreed level, and may not dispose of and encumber the company's fixed assets, incur financial liabilities other than the agreed ones, and pay dividends.

In the event that Helios breaches the financing conditions, the amount of the loan margin may change.

At the same time, during the financing period, the method of exercising control over Helios and Agora S.A. should not change.

Both loans bear WIBOR rate for one-month deposits in PLN increased by the margin of the Banks. The BGK guarantee fee is in line with the standard values adopted by BGK and reflects the assessment of Helios S.A.'s financial standing. The Agreement does not contain other provisions on contractual penalties.

Content of delayed confidential information regarding preliminary conditions for financing of Helios S.A. and content of delayed confidential information regarding conclusion by Helios S.A. revolving loan agreement with Santander Bank Polska S.A. were published on the Company's website.

On October 9, 2020, a subsidiary of Agora S.A. - AMS Serwis sp.z o.o. signed with BNP Paribas Bank Polska S.A. with its registered office in Warsaw Agreement for the acquisition of an amount as security (deposit) for the amount of PLN 4 million. The funds are collateral for the loan granted by BNP Paribas Bank Polska S.A. the company Helios S.A. The deposit has been submitted and will be kept until December 23, 2022.

- **Piano Group Sp. z o.o.**

On October 2, 2020, announced the merger plan between the companies: Piano Group sp.z o.o., Benefit Multimedia sp.z o.o. and Benefit Multimedia sp.z o.o. sp. k.a.

The planned merger will be attended by: Piano Group sp. z o.o. with its registered seat in Warsaw (hereinafter: the Acquiring Company) and Benefit Multimedia sp. z o.o. with its registered seat in Warsaw (hereinafter: the Acquired Company 1) and Benefit Multimedia sp. z o.o. sp. k-a with its registered seat in Warsaw (hereinafter: the Acquired Company 2). All companies participating in the merger belong to the same capital group.

The Acquiring Company is the only shareholder of the Acquired Company 1 and the only shareholder of the Acquired Company 2; The Acquired Company 1 is, in turn, the only general partner of the Acquired Company 2.

Due to the capital ties between the companies participating in the merger, the merger will be effected by the Acquiring Company taking over all assets of the Acquired Company 1 and all assets of the Acquired Company 2 (merger by acquisition pursuant to Art. 492 § 1 point 1 of the Commercial Companies Code); without increasing the share capital of the Acquiring Company.

The merger will take place on the date of the merger, i.e. on the date of registration of the merger by the court competent for the Acquiring Company. This entry will result in the legal dissolution of the Acquired Company 1 and the Acquired Company 2 without conducting liquidation proceedings and deleting these companies from the register of entrepreneurs.

As a result of the merger, the Acquiring Company, pursuant to Art. 494 of the Commercial Companies Code, it will assume all rights and obligations of both acquired companies.

- **Yieldbird Sp. z o.o.**

On September 21, 2020, the Extraordinary General Meeting of Yieldbird Sp. z o.o. adopted a resolution to increase the company's share capital from the amount of PLN 47,550.00 to the amount of PLN 48,350.00, i.e. by PLN 800.00 by creating 16 new, equal and indivisible shares with a nominal value of PLN 50.00 each. The newly created shares were acquired by two natural persons. Each took up 8 shares in return for a cash contribution of PLN 400. As at the date of publication of this report, the above change has not been registered by the District Court for the capital city of Warsaw in Warsaw.

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

2. CHANGES IN OWNERSHIP OF SHARES OR OTHER RIGHTS TO SHARES (OPTIONS) BY MANAGEMENT BOARD MEMBERS IN THE THIRD QUARTER OF 2020 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 19

a. shares	As of November 17, 2020	*decrease*	*increase*	As of September 24, 2020
Bartosz Hojka	2,900	-	-	2,900
Tomasz Jagiello	0	-	-	0
Anna Krynska - Godlewska	0	-	-	0
Agnieszka Sadowska	0	-	-	0

In the described periods, the members of the Management Board did not have any other rights to shares (e.g. options).

The members of the Management Board participated in the incentive plan described in the note 5 to the condensed interim consolidated financial statements.

3. CHANGES IN OWNERSHIP OF SHARES OR OTHER RIGHTS TO SHARES (OPTIONS) BY SUPERVISORY BOARD MEMBERS IN THE THIRD QUARTER OF 2020 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 20

a. shares	As of November 17, 2020	*decrease*	*increase*	As of September 24, 2020
Andrzej Szlezak	0	-	-	0
Dariusz Formela	0	-	-	0
Tomasz Karusewicz	0	-	-	0
Wanda Rapaczynski	882,990	-	-	882,990
Tomasz Sielicki	33	-	-	33
Maciej Wisniewski	0	-	-	0

In the described periods, the members of the Supervisory Board did not have any other rights to shares (e.g. options).

4. SHAREHOLDERS ENTITLED TO EXERCISE OVER 5% OF TOTAL VOTING RIGHTS AT THE GENERAL MEETING OF AGORA S.A., EITHER DIRECTLY OR THROUGH AFFILIATES AS OF THE DATE OF PUBLICATION OF THE QUARTERLY REPORT

The shareholders' structure is updated on the basis of the official notifications from shareholders entitled to over 5% of the total voting rights at the General Meeting of the Company.

According to the formal notifications received from the Company's shareholders, particularly on the basis of art. 69 of Act on Public Offer and the Conditions of Introducing Financial Instruments to the Organized Trading System and on Public Companies dated July 29, 2005, the shareholders' structure actual as of the day of publication of former report (i.e. September 24, 2020) and as of the day of publication of this report, has not significantly changed.

According to the abovementioned notifications, the following shareholders were entitled to exercise over 5% of the total voting rights at the General Meeting of the Company as of the date of submission of this report:

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

Tab. 21

	no. of shares	% of share capital	no. of votes	% of voting rights
Agora-Holding Sp. z o.o. *(in accordance with last notification of 24th Sept 2015) (1)*	5,401,852	11.60	22,528,252	35.36
Powszechne Towarzystwo Emerytalne PZU S.A. (PZU "Zlota Jesien" Open Pension Fund and PZU Voluntary Pension Fund) *(in accordance with last notification of 27th Dec 2012)(1)*	7,594,611	16.30	7,594,611	11.92
including: PZU "Zlota Jesien" Open Pension Fund *(in accordance with last notification of 27th Dec 2012)(1)*	7,585,661	16.28	7,585,661	11.91
Media Development Investment Fund, Inc. (MDIF Media Holdings I, LLC) *(in accordance with formal notification received on 6th June 2016)(1)*	5,350,000	11.49	5,350,000	8.40
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. (Nationale – Open Pension Fund and Nationale Nederlanden Voluntary Pension Fund) *(in accordance with last notification of 9th June 2016)(1)*	4,493,055	9.65	4,493,055	7.05

(1) number of shares according to a notification from a shareholder — as at 23rd Aug 2018; share in votes and share capital of Agora SA were calculated by the Company after the registration of the decrease of the share capital of the Company.

5. OTHER INFORMATION

- **The Management Board's statement of the possible realization of forecasts**

The Management Board did not publish any forecasts of financial results and because of that this report does not present any Management Board's statement of the possible forecast execution.

- **Changes in contingencies and court cases**

Any changes in contingencies since the date of closing of the last financial year and information about court cases were described in notes 7 and 8 to the condensed interim consolidated financial statements.

- **Legal actions concerning liabilities or receivables of the Issuer or its subsidiaries**

In the third quarter of 2020, there were no significant legal actions in court, competent authority for arbitration procedures or public institutions related to liabilities or receivables Agora S.A. or its subsidiaries.

- **Related party transactions**

Transactions with related parties with the Group are of routine nature and were described in note 10 to the condensed interim consolidated financial statements.

AGORA GROUP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as at 30 September 2020 and for 3 and 9 month period ended thereon

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

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2020

	Note	As at 30 September 2020 unaudited	As at 30 June 2020 unaudited	As at 31 December 2019 audited
Assets				
Non-current assets:				
Intangible assets		421,313	424,667	441,047
Property, plant and equipment		420,809	426,674	458,559
Right-of-use assets	16	616,115	586,219	590,351
Long-term financial assets		538	555	783
Investments in equity accounted investees		146,960	153,677	154,127
Receivables and prepayments		4,093	1,264	2,530
Deferred tax assets		32,124	30,676	17,144
		1,641,952	**1,623,732**	**1,664,541**
Current assets:				
Inventories		18,076	18,172	21,308
Accounts receivable and prepayments		162,131	140,878	230,095
Income tax receivable		1,089	2,245	1,436
Short-term securities and other financial assets		77	140	9,656
Cash and cash equivalents		139,791	133,265	61,065
		321,164	**294,700**	**323,560**
Non-current assets held for sale	14	-	-	4,344
		321,164	**294,700**	**327,904**
Total assets		**1,963,116**	**1,918,432**	**1,992,445**

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

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

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2020 (CONTINUED)

	Note	As at 30 September 2020 unaudited	As at 30 June 2020 unaudited	As at 31 December 2019 audited
Equity and liabilities				
Equity attributable to equity holders of the parent:				
Share capital		46,581	46,581	46,581
Share premium		147,192	147,192	147,192
Retained earnings and other reserves		655,370	662,687	737,470
		849,143	**856,460**	**931,243**
Non-controlling interest		**15,668**	**17,259**	**20,932**
Total equity		**864,811**	**873,719**	**952,175**
Non-current liabilities:				
Deferred tax liabilities		6,106	6,159	6,514
Long-term borrowings	3	631,608	592,693	558,666
Other financial liabilities	15	43,638	43,638	53,354
Retirement severance provision		3,482	3,482	3,316
Provisions		404	484	829
Accruals and other liabilities		5,923	6,149	5,500
Contract liabilities		156	136	98
		691,317	**652,741**	**628,277**
Current liabilities:				
Retirement severance provision		79	79	277
Trade and other payables		243,033	236,145	264,126
Income tax liabilities		1,686	2,352	889
Short-term borrowings	3	141,952	132,227	127,730
Other financial liabilities	15	-	-	1,760
Provisions		5,453	4,647	3,361
Contract liabilities		14,785	16,522	13,850
		406,988	**391,972**	**411,993**
Total equity and liabilities		**1,963,116**	**1,918,432**	**1,992,445**

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

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

CONSOLIDATED INCOME STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2020

	Note	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited	Three months ended 30 September 2019 unaudited	Nine months ended 30 September 2019 unaudited
Revenue	4	192,981	612,103	293,258	871,482
Cost of sales		(143,858)	(475,938)	(202,692)	(613,841)
Gross profit		**49,123**	**136,165**	**90,566**	**257,641**
Selling expenses		(34,736)	(112,911)	(51,493)	(149,851)
Administrative expenses		(30,820)	(97,175)	(32,756)	(108,256)
Other operating income		15,175	34,945	2,907	6,909
Other operating expenses		(3,094)	(37,009)	(1,213)	(4,434)
Impairment losses for receivables - net		(3)	(1,236)	248	(2,449)
Operating profit/(loss)		**(4,355)**	**(77,221)**	**8,259**	**(440)**
Finance income		130	4,137	7,471	8,889
Finance costs		(11,591)	(41,585)	(17,269)	(23,511)
Share of results of equity accounted investees		5,283	4,842	(312)	2,439
Loss before income taxes		**(10,533)**	**(109,827)**	**(1,851)**	**(12,623)**
Income tax		1,554	12,652	(1,266)	(475)
Net loss for the period		**(8,979)**	**(97,175)**	**(3,117)**	**(13,098)**
Attributable to:					
Equity holders of the parent		(7,063)	(88,379)	(2,901)	(14,169)
Non-controlling interest		(1,916)	(8,796)	(216)	1,071
		(8,979)	**(97,175)**	**(3,117)**	**(13,098)**
Basic/diluted earnings per share (in PLN)		(0.15)	(1.90)	(0.06)	(0.30)

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2020

	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited	Three months ended 30 September 2019 unaudited	Nine months ended 30 September 2019 unaudited
Net loss for the period	**(8,979)**	**(97,175)**	**(3,117)**	**(13,098)**
Other comprehensive income for the period	**-**	**-**	**-**	**-**
Total comprehensive income for the period	**(8,979)**	**(97,175)**	**(3,117)**	**(13,098)**
Attributable to:				
Shareholders of the parent	(7,063)	(88,379)	(2,901)	(14,169)
Non-controlling interests	(1,916)	(8,796)	(216)	1,071
	(8,979)	**(97,175)**	**(3,117)**	**(13,098)**

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2020

	Attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Nine months ended 30 September 2020						
As at 31 December 2019 audited	**46,581**	**147,192**	**737,470**	**931,243**	**20,932**	**952,175**
Total comprehensive income for the period						
Net loss for the period	-	-	(88,379)	(88,379)	(8,796)	(97,175)
Total comprehensive income for the period	**-**	**-**	**(88,379)**	**(88,379)**	**(8,796)**	**(97,175)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payments (note 5)	-	-	-	-	395	395
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**395**	**395**
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	-	-	(1,051)	(1,051)	(879)	(1,930)
Expiration of put option liability (note 15)	-	-	9,248	9,248	-	9,248
Additional contribution of non-controlling shareholders	-	-	(1,918)	(1,918)	1,935	17
Acquisition of a subsidiary (note 12)	-	-	-	-	2,081	2,081
Total changes in ownership interests in subsidiaries	**-**	**-**	**6,279**	**6,279**	**3,137**	**9,416**
Total transactions with owners	**-**	**-**	**6,279**	**6,279**	**3,532**	**9,811**
As at 30 September 2020 unaudited	**46,581**	**147,192**	**655,370**	**849,143**	**15,668**	**864,811**

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2020 (CONTINUED)

	Attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Nine months ended 30 September 2019						
As at 31 December 2018 audited	**46,581**	**147,192**	**781,237**	**975,010**	**21,149**	**996,159**
Total comprehensive income for the period						
Net loss for the period	-	-	(14,169)	(14,169)	1,071	(13,098)
Total comprehensive income for the period	**-**	**-**	**(14,169)**	**(14,169)**	**1,071**	**(13,098)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payments (note 5)	-	-	-	-	1,072	1,072
Dividends declared	-	-	(23,290)	(23,290)	-	(23,290)
Dividends of subsidiaries	-	-	-	-	(4,422)	(4,422)
Total contributions by and distributions to owners	**-**	**-**	**(23,290)**	**(23,290)**	**(3,350)**	**(26,640)**
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests	-	-	(7,007)	(7,007)	(1,101)	(8,108)
Acquisition of subsidiary	-	-	-	-	1,683	1,683
Recognition of put option granted to non-controlling interests	-	-	(11,480)	(11,480)	-	(11,480)
Additional contribution of non-controlling shareholder	-	-	(885)	(885)	886	1
Total changes in ownership interests in subsidiaries	**-**	**-**	**(19,372)**	**(19,372)**	**1,468**	**(17,904)**
Total transactions with owners	**-**	**-**	**(42,662)**	**(42,662)**	**(1,882)**	**(44,544)**
As at 30 September 2019 unaudited	**46,581**	**147,192**	**724,406**	**918,179**	**20,338**	**938,517**

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

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

CONSOLIDATED CASH FLOW STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2020

	Note	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited	Three months ended 30 September 2019 unaudited	Nine months ended 30 September 2019 unaudited
Cash flows from operating activities					
Loss before income taxes		**(10,533)**	**(109,827)**	**(1,851)**	**(12,623)**
Adjustments for:					
Share of results of equity accounted investees		(5,283)	(4,842)	312	(2,439)
Depreciation of property, plant and equipment		12,877	39,100	12,581	38,312
Amortization of intangible assets		7,743	23,586	6,494	20,405
Depreciation of right-of-use assets		17,164	59,256	20,052	57,100
Foreign exchange loss		6,924	26,696	11,062	6,633
Interest, net		4,659	14,805	5,657	15,510
(Profit) / loss on investing activities		(2,944)	12,870	(680)	(1,558)
(Decrease) / increase in provisions		727	1,648	(164)	(160)
Decrease in inventories		95	3,231	3,092	12,761
Decrease/(increase) in receivables		(22,392)	65,027	5,107	20,492
(Decrease)/increase in payables		4,124	(1,096)	(10,703)	(8,435)
(Decrease) / increase in contract liabilities		(1,717)	1,005	(961)	(2,212)
Remeasurement of put options	15	-	(2,228)	153	153
Gain on remeasurement of shares in subsidiary		-	-	(7,019)	(7,019)
Equity-settled share-based payments		70	395	264	1,072
Other adjustments		-	-	380	660
Cash generated from operations		**11,514**	**129,626**	**43,776**	**138,652**
Income taxes paid/(received)		544	(1,790)	(382)	(6,471)
Net cash from operating activities		**12,058**	**127,836**	**43,394**	**132,181**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment and intangibles		1,609	17,548	4,090	32,183
Disposal of subsidiaries (net of cash disposed of), associates and jointly controlled entities		80	3,377	-	-
Loan repayment received		63	188	160	172
Interest received		4	20	53	131
Disposal of short-term securities		-	24,282	32,166	121,188
Other inflows (1)		-	2,800	-	-
Purchase of property, plant and equipment and intangibles		(12,018)	(46,852)	(23,739)	(82,074)
Acquisition of subsidiary (net of cash acquired), associates and jointly controlled entities	12	-	(7,180)	(12,043)	(157,239)
Acquisition of short-term securities		-	(15,000)	-	(25,000)
Loans granted		-	-	-	(830)
Net cash used in investing activities		**1,738**	**(8,817)**	**7,909**	**(104,247)**

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

	Note	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited	Three months ended 30 September 2019 unaudited	Nine months ended 30 September 2019 unaudited
Cash flows from financing activities					
Proceeds from borrowings		5,502	6,303	8,873	99,759
Other inflows		1	17	-	-
Acquisition of non-controlling interest		-	(1,868)	(8,108)	(8,108)
Dividends paid to equity holders of the parent		-	-	(23,290)	(23,290)
Dividends paid to non-controlling shareholders		-	-	(34)	(3,936)
Repayment of borrowings		(778)	(5,030)	(10,015)	(19,407)
Payment of lease liabilities		(5,239)	(25,648)	(18,219)	(53,280)
Interest paid		(6,756)	(14,067)	(5,753)	(15,391)
Other		-	-	(347)	(852)
Net cash used in financing activities		**(7,270)**	**(40,293)**	**(56,893)**	**(24,505)**
Net increase in cash and cash equivalents		**6,526**	**78,726**	**(5,590)**	**3,429**
Cash and cash equivalents					
At start of period		133,265	61,065	42,022	33,003
At end of period		139,791	139,791	36,432	36,432

(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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2020 AND FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2020

1. GENERAL INFORMATION

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

As at 30 September 2020 the Agora Group comprised: the parent company Agora S.A. and 22 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 condensed interim consolidated financial statements were prepared as at and for three and nine months ended 30 September 2020, with comparative figures presented as at 30 June 2020 and as at 31 December 2019 and for three and nine months ended 30 September 2019.

The condensed interim consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on November 16, 2020.

2. STATEMENT OF COMPLIANCE

The condensed interim consolidated financial statements as at 30 September 2020 and for nine months ended 30 September 2020 have not been audited. The Consolidated Financial Statements as at and for twelve months ended 31 December 2019 have been audited by an independent auditor who issued an unqualified opinion.

The Condensed Interim Financial Statements have been prepared under International Accounting Standard 34 "Interim Financial Reporting", according to art. 55 point 5 and art. 45 point 1a-1c of Accounting Act (Official Journal from 2019, item 351 with subsequent amendments), regulations issued based on that Act and the Decree of Minister of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2018, item 757).

The condensed interim consolidated financial statements as at 30 September 2020 should be read together with the audited consolidated financial statements as at 31 December 2019. In the preparation of these condensed interim consolidated financial statements as at 30 September 2020, the Group has followed the same accounting policies as used in the Consolidated Financial Statements as at 31 December 2019, except for changes described below.

For the Group's financial statements for the year started with January 1, 2020 the following new standards and amendments to existing standards, which were endorsed by the European Union, are effective:

1) Amendments to IAS 1 *Presentation of Financial Statements*;
2) Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors;*
3) Amendments to IFRS 9 *Financial Instruments*;
4) Amendments to IAS 39 *Financial Instruments*;
5) Amendments to IFRS 7 *Financial Instruments: Disclosures;*
6) Amendments to IFRS 3 *Business Combinations;*
7) Amendments to IFRS 16 *Leases – Covid 19-Related Rent Concessions*.

The application of the abovementioned amendments had no significant impact on the condensed interim consolidated financial statements.

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

3. LONG-TERM AND SHORT-TERM BORROWINGS

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

Interest bearing loans and borrowings and short-term borrowings

	30 September 2020	31 December 2019
Long term bank loans	59,343	71,085
Finance lease liabilities	572,265	487,581
Total long term borrowings	**631,608**	**558,666**
including: Lease liabilities resulting from application of IFRS 16	*524,415*	*436,764*
Short term bank loans	48,580	35,687
Finance lease liabilities	93,372	92,043
Total short term borrowings	**141,952**	**127,730**
including: Lease liabilities resulting from application of IFRS 16	*73,779*	*77,160*

Additional information regarding the financing of Agora Group, including annexes to the loan agreements signed, is provided in Note 16.

4. SALES AND SEGMENT INFORMATION

In accordance with IFRS 8 *Operating segments,* in these condensed interim consolidated financial statements information on operating segments are presented on the basis of components of the Group that management monitors in making decisions about operating matters. Operating segments are 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.

Starting from the third quarter of 2019 the printing activity is not presented as a separate Print segment. It is due to discontinuing the activity of two out of three printing plants in Agora Group and significant downsizing of printing activity resulting from the decrease in market demand for printing in coldset technology. The printing plant in Warsaw, which continues its activity, offers the printing services mainly for *Gazeta Wyborcza* and was included into the Press segment.

Starting from the third quarter 2019 the Group activities are divided into five major reportable operating segments as follows:

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

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

4) the *Internet* segment includes the following Group's activities: the Internet and multi-media products and services within the Agora's Internet department as well as the activities of companies: Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o., on June 9, 2020, Domiporta enterprise was sold, see note 12), Yieldbird Sp. z o.o., GoldenLine Sp. z o.o. and HRlink Sp. z o.o. (since September 1, 2019),

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.

Data within each reportable segment are consolidated pro-forma. 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.

Operating results of reportable segments do not include:

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

b) amortisation recognised on consolidation (described below).

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

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

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

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

Amount of investment in associates and joint ventures accounted for by the equity method includes 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 nine months ended 30 September 2020 and 30 September 2019 relate to HRlink Sp. z o.o. (till 1 September 2019), Instytut Badan Outdooru IBO Sp. z o.o., Hash.fm Sp. z o.o. (till 27 February 2020), ROI Hunter a.s. and Eurozet Sp. z o.o. (from 1 March 2019).

Capital expenditure consists of additions based on the invoices booked in the reported period connected to purchases of intangible assets and property, plant and equipment. In case of Movies and Books segment capital expenditure do not include outlays related to the cinema fit-out works to the extent in which those outlays are reimbursed by the owners of the premises, in which those cinemas are located.

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

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2020						
	Movies and books	Press	Outdoor	Internet	Radio	Reconciling positions	Total
Revenues from external customers	46,640	46,613	33,032	44,464	21,252	980	192,981
Intersegment revenues (2)	822	1,343	297	635	887	(3,984)	-
Total revenues	**47,462**	**47,956**	**33,329**	**45,099**	**22,139**	**(3,004)**	**192,981**
Total operating cost (1), (2), (3)	**(66,339)**	**(35,318)**	**(31,390)**	**(35,966)**	**(16,926)**	**(11,397)**	**(197,336)**
Operating profit / (loss) (1)	**(18,877)**	**12,638**	**1,939**	**9,133**	**5,213**	**(14,401)**	**(4,355)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	**(64,473)**	**(35,318)**	**(31,314)**	**(35,966)**	**(16,992)**	**(11,577)**	**(195,640)**
Operating profit / (loss) (excl. IFRS 16) (1)	***(17,011)***	***12,638***	***2,015***	***9,133***	***5,147***	***(14,581)***	***(2,659)***
Net finance income and cost						(11,461)	(11,461)
Share of results of equity accounted investees	-	-	(20)	153	5,150	-	5,283
Income tax expense						1,554	1,554
Net loss							**(8,979)**

(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 17,325 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2020						
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions**	**Total**
Operating depreciation and amortisation	(18,680)	(1,650)	(8,758)	(2,173)	(1,816)	(4,491)	(37,568)
Operating depreciation and amortisation (excl. IFRS 16)	*(9,081)*	*(1,639)*	*(5,247)*	*(2,173)*	*(1,093)*	*(4,382)*	*(23,615)*
Amortisation recognised on consolidation (1)	(129)	-	-	(149)	-	62	(216)
Impairment losses	(354)	(128)	(336)	(61)	(87)	238	(728)
Reversals of impairment losses	-	223	400	98	65	-	786
including non-current assets	-	-	189	-	-	-	189
Equity-settled share-based payments	-	-	-	(70)	-	-	(70)
Capital expenditure (2)	2,577	800	1,353	1,961	160	205	7,056

(1) is not presented in operating result of the Group's segments;
(2) based on invoices posted during the period.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2020						
	Movies and books	Press	Outdoor	Internet	Radio	Reconciling positions	Total
Revenues from external customers	201,760	138,485	77,808	134,260	57,330	2,460	612,103
Intersegment revenues (2)	3,323	4,828	764	1,830	3,198	(13,943)	-
Total revenues	**205,083**	**143,313**	**78,572**	**136,090**	**60,528**	**(11,483)**	**612,103**
Total operating cost (1), (2), (3)	**(250,078)**	**(126,606)**	**(99,203)**	**(128,879)**	**(54,927)**	**(29,631)**	**(689,324)**
Operating profit / (loss) (1)	**(44,995)**	**16,707**	**(20,631)**	**7,211**	**5,601**	**(41,114)**	**(77,221)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	**(238,628)**	**(126,608)**	**(99,012)**	**(128,879)**	**(54,786)**	**(30,046)**	**(677,959)**
Operating profit / (loss) (excl. IFRS 16) (1)	***(33,545)***	***16,705***	***(20,440)***	***7,211***	***5,742***	***(41,529)***	***(65,856)***
Net finance income and cost						(37,448)	(37,448)
Share of results of equity accounted investees	-	-	(48)	306	4,584	-	4,842
Income tax						12,652	12,652
Net loss							**(97,175)**

(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 49,786 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2020						
	Movies and books (3)	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions**	**Total**
Operating depreciation and amortisation	(64,097)	(4,700)	(26,896)	(6,493)	(5,410)	(13,432)	(121,028)
Operating depreciation and amortisation (excl. IFRS 16)	*(27,789)*	*(4,665)*	*(16,159)*	*(6,493)*	*(3,263)*	*(13,323)*	*(71,692)*
Amortisation recognised on consolidation (1)	(388)	-	-	(715)	-	189	(914)
Impairment losses	(11,527)	(371)	(7,523)	(13,023)	(585)	1,423	(31,606)
including non-current assets	*(8,996)*	-	*(6,696)*	*(12,660)*	-	*(536)*	*(28,888)*
Reversals of impairment losses	40	371	625	257	184	-	1,477
including non-current assets	-	-	*187*	-	-	-	*187*
Equity-settled share-based payments	-	-	-	(395)	-	-	(395)
Cost of restructuring (2)	-	-	-	(1,429)	-	-	(1,429)
Capital expenditure (3)	21,599	4,445	4,213	7,620	1,156	2,618	41,651

	As at 30 September 2020						
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions (4)**	**Total**
Property, plant and equipment and intangible assets	229,105	88,641	265,515	34,392	80,902	143,567	842,122
Right-of-use assets	516,565	30	59,129	62	11,880	28,449	616,115
Investments in associates and joint ventures accounted for by the equity method	-	-	23	17,417	129,520	-	146,960

(1) is not presented in operating result of the Group's segments;
(2) cost of restructuring (including group lay-offs) in Print segment and IT in the second quarter of 2020.
(3) based on invoices booked in the period, Movies and books data include also finance lease of property, plant and equipment in the amount of PLN 7,751 thousand;
(4) reconciling positions include mainly Company's headquarter (PLN 90,936 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2019						
	Movies and books	Press	Outdoor	Internet	Radio	Reconciling positions	Total
Revenues from external customers	118,094	60,515	41,485	47,573	24,318	1,273	293,258
Intersegment revenues (2)	4,453	2,640	562	703	1,319	(9,677)	-
Total revenues	**122,547**	**63,155**	**42,047**	**48,276**	**25,637**	**(8,404)**	**293,258**
Total operating cost (1), (2), (3)	**(110,408)**	**(63,912)**	**(36,733)**	**(44,672)**	**(23,087)**	**(6,187)**	**(284,999)**
Operating profit / (loss) (1)	**12,139**	**(757)**	**5,314**	**3,604**	**2,550**	**(14,591)**	**8,259**
Total operating cost (excl. IFRS 16) (1), (2), (3)	**(111,964)**	**(63,922)**	**(37,039)**	**(44,672)**	**(23,133)**	**(6,373)**	**(287,103)**
Operating profit / (loss) (excl. IFRS 16) (1)	***10,583***	***(767)***	***5,008***	***3,604***	***2,504***	***(14,777)***	***6,155***
Net finance income and cost						(9,798)	(9,798)
Share of results of equity accounted investees (3)	-	-	-	(783)	471	-	(312)
Income tax expense						(1,266)	(1,266)
Net loss							**(3,117)**

(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 17,634 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2019						
	Movies and books (2)	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions**	**Total**
Operating depreciation and amortisation	(21,164)	(1,794)	(8,083)	(1,945)	(1,761)	(3,731)	(38,478)
Operating depreciation and amortisation (excl. IFRS 16)	*(8,114)*	*(1,787)*	*(4,840)*	*(1,945)*	*(1,066)*	*(3,885)*	*(21,637)*
Amortisation recognised on consolidation (1)	(129)	-	-	(582)	-	63	(648)
Impairment losses	(16)	-	(153)	(140)	(123)	230	(202)
Reversals of impairment losses	106	211	122	56	23	(229)	289
including non-current assets	-	-	41	-	-	-	41
Equity-settled share-based payments	(102)	-	-	(163)	-	-	(265)
Capital expenditure (2)	16,480	3,190	4,148	1,656	588	1,816	27,878

(1) is not presented in operating result of the Group's segments;
(2)based on invoices booked in the period, Movies and books data include also finance lease of property, plant and equipment in the amount of PLN 8,778 thousand;

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2019						
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions**	**Total**
Revenues from external customers	353,519	183,223	126,156	132,305	72,168	4,111	871,482
Intersegment revenues (2)	11,041	7,380	2,538	2,024	3,461	(26,444)	-
Total revenues	**364,560**	**190,603**	**128,694**	**134,329**	**75,629**	**(22,333)**	**871,482**
Total operating cost (1), (2), (3)	**(338,006)**	**(202,575)**	**(110,243)**	**(124,438)**	**(68,374)**	**(28,286)**	**(871,922)**
Operating profit / (loss) (1)	**26,554**	**(11,972)**	**18,451**	**9,891**	**7,255**	**(50,619)**	**(440)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	**(342,095)**	**(202,605)**	**(110,710)**	**(124,438)**	**(68,517)**	**(28,807)**	**(877,172)**
Operating profit / (loss) (excl. IFRS 16) (1)	***22,465***	***(12,002)***	***17,984***	***9,891***	***7,112***	***(51,140)***	***(5,690)***
Net finance income and cost						(14,622)	(14,622)
Share of results of equity accounted investees	-	-	-	(2,125)	4,564	-	2,439
Income tax						(475)	(475)
Net loss							**(13,098)**

(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 60,148 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2019						
	Movies and books (3)	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions**	**Total**
Operating depreciation and amortisation	(62,608)	(6,442)	(22,360)	(5,097)	(5,252)	(12,114)	(113,873)
Operating depreciation and amortisation (excl. IFRS 16)	*(24,220)*	*(6,420)*	*(14,507)*	*(5,097)*	*(3,201)*	*(12,574)*	*(66,019)*
Amortisation recognised on consolidation (1)	(388)	-	-	(1,746)	-	190	(1,944)
Impairment losses	(483)	(1,012)	(944)	(738)	(422)	(320)	(3,919)
including non-current assets	-	-	*(37)*	-	-	-	*(37)*
Reversals of impairment losses	196	438	242	145	172	-	1,193
including non-current assets	-	-	*69*	-	-	-	*69*
Equity-settled share-based payments	(306)	-	-	(767)	-	-	(1,073)
Cost of restructuring (2)	-	(4,923)	-	-	-	(710)	(5,633)
Capital expenditure (3)	47,066	7,889	8,196	8,415	962	6,066	78,594

	As at 30 September 2019						
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions (4)**	**Total**
Property, plant and equipment and intangible assets	233,771	84,493	265,634	52,355	82,615	172,645	891,513
Right-of-use assets	472,386	92	56,734	-	11,392	30,393	570,997
Investments in associates and joint ventures accounted for by the equity method	-	-	-	17,814	134,543	-	152,357

(1) is not presented in operating result of the Group's segments;
(2) cost of restructuring (including group lay-offs) in Print segment and IT in the first quarter of 2019.
(3) based on invoices booked in the period, Movies and books data include also finance lease of property, plant and equipment in the amount of PLN 23,049 thousand;
(4) reconciling positions include mainly Company's headquarter (PLN 95,665 thousand), buildings of printing plant, which discontinued its activity and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

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

	Three months ended 30 September 2020						
	Movies and books	Press	Outdoor	Internet	Radio	Reconciling positions	Total
Advertising revenue	2,415	14,001	32,525	42,895	21,089	(2,995)	109,930
Ticket sales	16,265	-	-	-	44	(38)	16,271
Copy sales	7,026	25,921	-	-	-	(6)	32,941
Concession sales in cinemas	8,162	-	-	-	-	-	8,162
Printing services	-	6,830	-	-	-	-	6,830
Film distribution and production sales	660	-	-	-	-	-	660
Other	12,934	1,204	804	2,204	1,006	35	18,187
Total sales by category	**47,462**	**47,956**	**33,329**	**45,099**	**22,139**	**(3,004)**	**192,981**

	Nine months ended 30 September 2020						
	Movies and books	Press	Outdoor	Internet	Radio	Reconciling positions	Total
Advertising revenue	9,397	39,781	76,015	128,802	57,252	(10,348)	300,899
Ticket sales	77,941	-	-	-	55	(71)	77,925
Copy sales	20,369	77,599	-	101	-	(486)	97,583
Concession sales in cinemas	33,946	-	-	-	-	-	33,946
Printing services	-	22,276	-	-	-	-	22,276
Film distribution and production sales	32,082	-	-	-	-	-	32,082
Other	31,348	3,657	2,557	7,187	3,221	(578)	47,392
Total sales by category	**205,083**	**143,313**	**78,572**	**136,090**	**60,528**	**(11,483)**	**612,103**

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

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

	Three months ended 30 September 2019						
	Movies and books	Press	Outdoor	Internet	Radio	Reconciling positions	Total
Advertising revenue	9,892	20,460	41,463	45,539	24,477	(7,762)	134,069
Ticket sales	62,979	-	-	-	43	(73)	62,949
Copy sales	5,981	26,489	-	-	-	(1,049)	31,421
Concession sales in cinemas	28,495	-	-	-	-	-	28,495
Printing services	-	11,182	-	-	-	-	11,182
Film distribution and production sales	4,345	-	-	-	-	(2)	4,343
Other	10,855	5,024	584	2,737	1,117	482	20,799
Total sales by category	**122,547**	**63,155**	**42,047**	**48,276**	**25,637**	**(8,404)**	**293,258**

	Nine months ended 30 September 2019						
	Movies and books	Press	Outdoor	Internet	Radio	Reconciling positions	Total
Advertising revenue	25,035	62,246	126,851	126,594	71,770	(20,708)	391,788
Ticket sales	179,047	-	-	-	232	(281)	178,998
Copy sales	23,178	80,832	-	55	-	(2,771)	101,294
Concession sales in cinemas	77,299	-	-	-	-	(26)	77,273
Printing services	-	36,720	-	-	-	-	36,720
Film distribution and production sales	35,077	-	-	-	-	(2)	35,075
Other	24,924	10,805	1,843	7,680	3,627	1,455	50,334
Total sales by category	**364,560**	**190,603**	**128,694**	**134,329**	**75,629**	**(22,333)**	**871,482**

5. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

a) Incentive Plan for the Management Board members

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

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

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

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

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

As at 30 September 2020, the value of potential reward from the fulfillment of the EBITDA target has been calculated on the basis of the best estimate of the expected fulfillment value of the EBITDA target for 2020 and was charged to the income statement in proportion of the time that elapsed till the balance sheet date.

The value of the potential reward concerning the realization of the Target of Share Price Increase, was estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. That value is charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan. As at 30 September 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. On the basis of a Resolution of the Supervisory Board in the third quarter of 2020, the Group recognized the provision for the share 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.

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

Total impact of the Incentive Plan on the condensed interim consolidated financial statements of the Agora Group:

	Three months ended 30 September 2020	Nine months ended 30 September 2020	Three months ended 30 September 2019	Nine months ended 30 September 2019
Income statement – increase/(decrease) of staff costs	(1,898)	(1,898)	546	(735)
Income statement - deferred income tax*	361	361	(104)	140
Liabilities: accruals - as at the end of the period	3,392	3,392	454	1,281
Deferred tax asset - as at the end of the period	644	644	86	243

* the total amount of the cost presented in the third quarter of 2020 includes the costs of the component EBITDA of Incentive Plan for 2020 and the part of the cost of the exchange rate component for 2019.

b) Equity - settled incentive plans based on shares in subsidiaries

The eligible employees of subsidiaries Yieldbird Sp. z o.o. participate in an equity-settled incentive programs. On the basis of the plan, the eligible employees received or have rights to receive shares in these companies. The fair value of the shares determined at the grant date is recognised in staff costs over the vesting period with a corresponding increase in equity. The detailed information about measurement and settlement conditions of the incentive plan were described in the consolidated financial statements of the Agora Group for year 2019.

The impact of the incentive plans based on shares in subsidiaries on the condensed interim consolidated financial statements of the Agora Group is presented in the table below:

	Three months ended 30 September 2020	Nine months ended 30 September 2020	Three months ended 30 September 2019	Nine months ended 30 September 2019
Income statement – staff costs	(70)	(395)	(264)	(1,072)
Equity - non-controlling interests	70	395	264	1,072

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

6. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2020 to September 30, 2020 the following changes in impairment losses were recognised (in brackets the amounts for the third quarter of 2020):

- impairment loss for receivables: decrease by PLN 1,555 thousand (decrease by PLN 1,245 thousand),
- impairment loss for inventory: increase by PLN 305 thousand (increase by PLN 209 thousand),
- impairment loss for tangible assets and intangible assets: decrease by PLN 574 thousand (including set-up by PLN 26,846 thousand, use in the amount of PLN 27,233 thousand, release by PLN 187 thousand)*, (decrease by PLN 693 thousand, including use in the amount of PLN 504 thousand and release by PLN 189 thousand),
- impairment loss on the right-of-use assets: increase by PLN 2,042 thousand (includes rights-of-use of assets associated with the activity of Foodio Concepts Sp. z o.o.) (no changes),
- loan write-offs: decrease by PLN 600 thousand (decrease by PLN 650 thousand),
- write-offs for interest on loans: decrease by PLN 8 thousand (no changes).

* the creation of impairment loss concerns mainly the assets of companies Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o. and AMS S.A. (additional information in note 16); the use of write-downs was related to the liquidation of the assets of the printing activity, which were subject to write-downs.

Additionally in the period from January 1, 2020 to Septembers 30, 2020 the following provisions were changed (in brackets the amounts for the third quarter of 2020):

- provision for penalties, interests and similar: increase by PLN 484 thousand (increase by PLN 624 thousand),
- provision for the restructuring of advertising media: increase by PLN 669 thousand (decrease by PLN 60 thousand),
- provision for onerous contracts: decrease by PLN 174 thousand (decrease by PLN 58 thousand),
- retirement severance provision: decrease by PLN 32 thousand (no changes),
- provision for restructuring: decrease by PLN 396 thousand including: set-up in the amount of PLN 1,429 thousand and the use in the amount of PLN 1,825 thousand (decrease by PLN 80 thousand including the use in the amount of PLN 80 thousand),
- provision for severance payments for former members of the Management Board: increase by PLN 300 thousand (increase by PLN 300 thousand),
- other provisions: increase by PLN 783 thousand (no changes).

7. CONTINGENCIES, GUARANTEES AND OTHER COLLATERALS

As at 30 September 2020, the Group had contingencies, guarantees and other collaterals arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, other than those noted below:

Benefiting party	Debtor	Valid till	Amount As at 30 September 2020	Amount As at 31 December 2019	Scope of collateral
Guarantees provided by Agora S.A.					
Bank Pekao S.A.	Agora's employees	30 Oct 2020 - 16 Jun 2021	54	89	loans for the purchase of photographic equipment
Guarantees provided by AMS Serwis Sp. z o.o.					
mBank S.A.	AMS S.A.	02 Mar 2021 - 02 May 2023	27,000	24,200	bank guarantees related to the contract for the construction of bus shelters in Warsaw

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Benefiting party	Debtor	Valid till	Amount		Scope of collateral
			As at 30 September 2020	As at 31 December 2019	
Guarantees provided by GRA Sp. z o.o.					
DNB Polska SA	Agora S.A.	01 Apr 2024 - 23 Sep 2025	278,125	-	loan agreements
Bills of exchange issued by AMS S.A. and AMS Serwis Sp. z o.o.					
Gmina Miasto Szczecin	AMS S.A.	indefinite period	90	90	rent agreements on advertising panels
Zarzad Drog Miejskich Warszawa	AMS Serwis Sp. z o.o.	1 Jan 2022	200	200	contract for construction and exploitation of MSI panels
Bills of exchange issued by Agora S.A.					
Bank Gospodarstwa Krajowego	Agora S.A.	23 Dec 2022 - 29 Dec 2022	80,000	-	loan agreements

Additionally, Helios S.A. issued blank promissory notes as collaterals for bank loan agreements and finance lease agreements and guarantees on rent agreements.

Moreover, Yieldbird Sp. z o.o. issued blank promissory notes as collaterals for co-financing of the project realized under the operational program "Inteligentny Rozwój".

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

8. COURT CASES

As at September 30, 2020, the Group has not entered into significant litigation for claims. Provision for legal claims as at September 30, 2020, amounted to PLN 40 thousand (as at December 31, 2019: PLN 90 thousand).

Additionally, as at September 30, 2020, the companies of the Group are a party of legal disputes in the amount of PLN 1,735 thousand (as at December 31, 2019: PLN 1,844 thousand) in cases when the Management Board estimates the probability of loss for less than 50%. Such disputes are contingent liabilities.

9. SEASONALITY

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

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

10. RELATED PARTY TRANSACTIONS

(a) Management Board and Supervisory Board remuneration

The remuneration paid by Agora S.A. to Management Board members during the nine months period ended September 30, 2020 amounted to PLN 1,817 thousand (nine months ended September 30, 2019: PLN 4,055 thousand).

The remuneration paid by Agora S.A. to Supervisory Board members during the nine months period ended September 30, 2020 amounted to PLN 410 thousand (nine months ended September 30, 2019: PLN 390 thousand).

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

(b) Other related parties (not consolidated)

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

	Three months ended 30 September 2020	Nine months ended 30 September 2020	Three months ended 30 September 2019	Nine months ended 30 September 2019
Jointly controlled entities				
Sales	-	-	-	15
Purchases of goods and services	-	(51)	(200)	(206)
Associates				
Sales	-	25	8	100
Purchases of goods and services	(21)	(89)	(228)	(314)
Interest on loans granted	-	5	7	17
Other operating income	-	-	-	2
Major shareholder				
Sales	7	18	5	17
Other operating income	280	629	471	1,104

	As at 30 September 2020	As at 30 June 2020	As at 31 December 2019
Jointly controlled entities			
Shares	23	43	71
Associates			
Shares	146,937	153,634	154,056
Non-current loans granted	-	-	200
Trade receivables	1	-	112
Trade liabilities	4	6	57
Major shareholder			
Trade receivables	5	9	4
Other liabilities	726	1,005	276
Management Board of the Company			
Receivables	21	-	1
Put option liabilities (1)	31,473	31,473	31,473
Management Boards of group companies			
Receivables	7	10	38
Put option liabilities (1)	11,067	11,067	13,244
Other liabilities and accruals	6	6	26

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

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

11. DESCRIPTION OF THE GROUP

The list of companies within the Group:

		% of shares held (effectively)	
		30 September 2020	31 December 2019
	Subsidiaries consolidated		
1	Agora Poligrafia Sp. z o.o., Warsaw (14)	100.0%	100.0%
2	Agora TC Sp. z o.o., Warsaw	100.0%	100.0%
3	AMS S.A., Warsaw	100.0%	100.0%
4	AMS Serwis Sp. z o.o.(formerly Adpol Sp. z o.o.), Warsaw (1), (6)	100.0%	100.0%
5	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	100.0%
6	Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	100.0%
7	IM 40 Sp. z o.o., Warsaw (2)	72.0%	72.0%
8	Inforadio Sp. z o.o., Warsaw (2)	66.1%	66.1%
9	Helios S.A. , Lodz	91.4%	91.4%
10	Next Film Sp. z o.o., Warsaw (3)	91.4%	91.4%
11	Next Script Sp. z o.o., Warsaw (4)	75.9%	75.9%
12	Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Warsaw (12)	100.0%	100.0%
13	Optimizers Sp. z o.o., Warsaw	100.0%	100.0%
14	Yieldbird Sp. z o.o., Warsaw (13)	92.1%	93.7%
15	GoldenLine Sp. z o.o., Warsaw (7)	100.0%	92.7%
16	Plan A Sp. z o.o., Warsaw	100.0%	100.0%
17	Agora Finanse Sp. z o.o. , Warsaw	100.0%	100.0%
18	Foodio Concepts Sp. z o.o., Lodz (3), (9)	-	82.3%
19	Step Inside Sp. z o.o., Lodz (3), (8)	82.3%	91.4%
20	HRlink Sp. z o.o., Szczecin	79.8%	79.8%
21	Piano Group Sp. z o.o., Warsaw (1), (11)	92.0%	60.0%
22	Benefit Multimedia Sp. z o.o., Warsaw (5), (11)	92.0%	60.0%
23	Benefit Multimedia Sp. z o.o. S.K.A., Warsaw (5), (11)	92.0%	60.0%
	Joint ventures and associates accounted for the equity method		
24	Instytut Badań Outdooru IBO Sp. z o.o., Warsaw (1)	50.0%	50.0%
25	ROI Hunter a.s., Brno	23.9%	23.9%
26	Eurozet Sp. z o.o., Warsaw	40.0%	40.0%
	Companies excluded from consolidation and equity accounting		
27	Polskie Badania Internetu Sp. z o.o., Warsaw	16.7%	16.7%
28	Hash.fm Sp. z o.o., Warsaw (10)	-	49.5%

(1) indirectly through AMS S.A.;
(2) indirectly through GRA Sp. z o.o.;
(3) indirectly through Helios S.A.;
(4) indirectly through Next Film Sp. z o.o.;
(5) indirectly through Piano Group 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) disposal of shares in the company Foodio Concepts Sp. z o.o. on June 2, 2020.
(10) disposal of shares in the company Hash.fm Sp. z o.o. on February 27, 2020 and August 5, 2020;
(11) acquisition of additional shares in Piano Group Sp. z o.o. on June 23, 2020;

(12) *change of the company`s business name from Domiporta Sp. z o.o. to Plan D Sp. z o.o. on July 17, 2020;*
(13) *the accession of minority shareholders to the company Yieldbird Sp. z o.o. on September 21, 2020;*
(14) *merger with Agora S.A. on October 1, 2020.*

12. CHANGES IN THE COMPOSITION OF THE GROUP

- **Changes in Goldenline sp. z o.o.**

On January 20, 2020, Agora S.A. concluded an agreement with headquartered in Cyprus, G.C. Geek Code Ltd. The object of the agreement was to buy 22 shares in the share capital of Goldenline Sp. z o.o. with a nominal value of PLN 22,0 thousand for an amount of PLN 10,0 thousand. Agora S.A. holds 300 shares in Goldenline Sp. z o.o. representing 100 of its share capital and giving rights to 300 votes representing 100% of the voting rights at the shareholders' meeting of Goldenline Sp. z o.o.

On April 23, 2020, the Extraordinary General Meeting of Goldenline Sp. z o.o. adopted a resolution to increase the company's share capital from PLN 300,000 up to the amount of PLN 400,000 by creating 100 new shares with a nominal value of PLN 1000 each and with a total nominal value of PLN 100,000. The newly created shares were offered for subscription by the sole shareholder of this company, i.e. Agora S.A. in exchange for a cash contribution of PLN 1 325 thousand. As a result of the above transaction, Agora S.A. held 400 shares in Goldenline Sp. z o.o. representing 100% of the capital share of this company and giving rights to 400 votes representing 100% of the votes at the shareholders meeting of Goldenline Sp. z o.o

On September 16, 2020, the Extraordinary General Meeting of Goldenline Sp. z o.o. adopted a resolution to increase the company's share capital from PLN 400,000 PLN. up to PLN 3,221 thousand by creating 2,821 new shares with a nominal value of PLN 1,000 each. The newly created shares were acquired by the sole shareholder of the company, i.e. Agora S.A. in exchange for a cash contribution of PLN 2,821 thousand.

- **Changes in Step Inside Sp. z o.o.**

On January 31, 2020, subsidiaries of Agora S.A.: Helios S.A. and Step Inside sp. z o.o. concluded an agreement ("Investment Agreement") with the part of shareholders ("Shareholders") of Food for Nations sp. z o.o. sp. k. and FFN.

The object of the Investment Agreement is to define the principles of cooperation and joint conduct a joint venture established based on Step Inside. The Step Inside's objective is to open, run and develop restaurants under the commercial brand Pasibus, with planned location mainly on the commerce streets and in shopping galleries.

While entering the Investment Agreement, Shareholders obtained 10% of the share capital of Step Inside (and entitling to exercise 10% of the total number of votes at the shareholders meeting), while Helios provided founds of PLN 5,0 million to Step Inside. The Investment agreement provides for the possibility of increasing the participation of individual investors to total share of 40%, provided that Step Inside meets its established financial targets.

Earlier Helios S.A. on the basis of a cooperation agreement with FFN dated February 28, 2019 provided founds of PLN 10.0 million to Step Inside, as communicated by Agora in the report 4/2019 dated February 28, 2019.

The Investment agreement defines, inter-alia, detailed parameters for investor capital involvement and mutual rights and obligations of the parties.

- **Merger plan for Agora S.A. and Agora Poligrafia Sp. z o.o.**

On February 12, 2020, Agora S.A. ("Agora") has agreed with Agora Poligrafia Sp. z o.o. ("Agora-Poligrafia") the content of the merger plan ("the Merger Plan").

In accordance with The Merger Plan, the connecting entities are Agora ("Acquiring Company") and Agora-Poligrafia ("Acquired Company"). The merger will take place in accordance with Article 492(1) (1) of Commercial Companies Code

("CCC"), i.e. by transferring all the assets of the Acquired Company to the Acquiring Company. In view of the fact that Agora is the sole member of Agora-Printing, the merger will be carried out in a simplified procedure under Article 516(6) of the CCC, without any increase in the share capital of Agora, or without any change in the articles of association of the Company.

In accordance with Article 516(5) of the CCC, Agora and Agora-Poligrafia shall not draw up management reports justifying the merger and shall not subject the Merger Plan to an audit by the auditor in respect of its correctness and reliability.

Together with current report, Agora made public the contents of the Merger Plan drawn up on the basis of Articles 499 and n. of the CCC. In accordance with Article 500(21) of the CCC, the Merger plan is available on Agora's website (agora.pl) and on Agora-Poligrafia's website (agorapoligrafia.pl).

On June 25, 2020, the Ordinary General Meeting of Agora S.A. adopted a resolution to merge Agora S.A. and Agora Poligrafia Sp. z o.o. by transferring all assets of Agora-Poligrafia Sp. z o.o. for Agora S.A. and agreed to the Merger Plan.

The decision to merge companies was justified by the need to consolidate assets in the Acquiring company. Until July 2019, the Acquired Company operated i.a. in the field of printing services, employing staff specialized in printing activities. Currently, the Acquired Company manages only its fixed assets and provides lease services of land exclusively related to this property, mainly to The Acquiring Company and related companies. At the end of February 2020, the company's last employment contract was terminated at the company's acquired plant and its property management was taken over by Agora.

Therefore, the merger is a natural consequence of the changes described above. Its purpose is to simplify the organizational structures of the Acquiring company's capital group, which will improve management and eliminate some unnecessary processes, and as a result it will reduce the costs of managing the Acquired company's assets.

On July 14, 2020, The Extraordinary Shareholders Meeting of Agora Poligrafia Sp. z o.o. adopted a resolution to merge Agora Poligrafia Sp. z o.o. ("Acquired Company") with Agora S.A. ("Acquiring Company") by transferring all assets of the Acquired Company to the Acquiring Company and consented to the merger on the terms and conditions set out in the agreed merger plan.

- **Sale of shares of an associate Hash.fm Sp. z o.o.**

On February 27, 2020, Agora S.A. concluded a sales agreement of 4,499 shares in associated company Hash.fm Sp.o.o with a nominal value of PLN 50.00 (fifty zlotys) each and with a total nominal value of PLN 224,950.00 (two hundred twenty four thousand nine hundred and fifty zlotys) to the other partner of this company for the amount of PLN 155 thousand. Currently Agora S.A. holds 1 share of Hash.fm Sp. z o.o. representing 0.01% of the share capital of this company and giving rights to 1 vote representing 0.01% of the vote at the shareholders meeting of Hash.fm Sp. z o.o.

On August 5, 2020 Agora S.A. concluded an agreement for the sale of 1 share in Hash.fm Sp. z o.o. with a nominal value of PLN 50.00 (fifty zlotys) to a third party. Currently Agora S.A. does not have any share in Hash.fm Sp. z o.o.

Profit from disposal of shares of the company amounted to PLN 225,6 thousand and was recognized in the Group's financial income.

- **Sale of shares in subsidiary Foodio Concepts Sp. z o.o.**

On June 2, 2020, The Management Board of Agora S.A. with reference to the report no. 19/2020 of 30 April 2020 regarding the submission of a bankruptcy petition by a subsidiary and the commencement of negotiations regarding the sale of its shares, informs about acquiring today information on the conclusion of negotiations and execution of share sales agreement by the subsidiary of Helios SA for the sale of all shares in Foodio Concepts Sp. z o.o. with its registered office in Łódź, which is part of the Helios group ("Foodio Concepts") to the company 5m Square Sp. z o.o. based in Warsaw, which is an external investor interested in continuing the food business of Foodio Concepts.

At the same time, Helios S.A. on June 2, 2020 terminated the investment agreement concluded on 6 March 2018 with Piotr Grajewski and Piotr Komór on a joint investment in Foodio Concepts, of which the Company informed in its current report no. 10/2018 of 6 March 2018.

Information on the net liabilities sold and the company's gain on disposal is presented in the table below:

	PLN thousand
	Carrying value as at disposal date
Assets	
Right-of-use assets	(6,896)
Deferred tax assets	(207)
Accounts receivable and prepayments	(645)
Cash and cash equivalents	(298)
	(8,046)
Liabilities	
Long-term borrowings	6,108
Deferred revenues and accruals	128
Trade and other payables	2,913
Short-term borrowings	1,999
Deferred revenues and accruals	2
	11,150
Net liabilities disposed of	**3,104**
Cash consideration received	-
Non-controlling interests	(2,081)
Gain on disposal of subsidiary*	**1,023**
Provision resulting from sureties granted to Foodio Concepts	(833)
Total impact of the disposal of Foodio Concepts for Agora Group	**190**

* *included in other operating income of the Agora Group*

After the sale of shares in Foodio Concepts, subsidiary Helios S.A. recognized a provision to cover possible future liabilities resulting from sureties granted to Foodio Concepts regarding rent guarantees. The amount of the provision as at June 30, 2020 was PLN 833 thousand. As a result, the total impact of the disposal of Foodio Concepts for the Agora Group in the second quarter was PLN 190 thousand.

Sell of Domiporta enterprise

On April 30, 2020, Management Board of Agora S.A. announced that its subsidiary Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.) with its registered office in Warsaw ("Domiporta") started negotiations on the sale of the enterprise to Mieszkanie.pl, whose partners are Piotr Przybysz and Sławomir Gąsiorowski – Members of the Management Board of Domiporta. The subject of negotiations is the sale of an organized set of tangible and intangible assets intended for conducting business activity under the name of Plan D sp. z o.o. (formerly Domiporta Sp. z o.o.) within the meaning of art. 551 of the Civil Code, such as trademarks, rights to internet domains, software, databases, rights from contracts with customers, suppliers and other contractors, employees, bank accounts.

At the same time, the Management Board of Agora informed that due to the negative impact of the COVID-19 pandemic on Domiporta's financial results and the achievable selling price of Domiporta, it has been decided to revaluate its shares in Domiporta. As a result, Agora wrote down the value of shares in Domiporta in the amount of PLN 59,531thousand and Agora Group wrote down the value of assets related to Domiporta's activity in the amount of PLN 12,660 thousand. The recognized write-offs were charged to Agora S.A.'s unit result, respectively and consolidated results of the Agora Group in the first quarter of 2020.

As a consequence of announced information, an entity not personally or capital related to the company came forward to Domiporta, interested in the purchase of an organized set of tangible and intangible assets described above, and as a result on May 20, 2020 the Management Board of Agora S.A. announced that Domiporta also started negotiations with this entity, which ended with the signing of a contract for the sale of the enterprise on June 9, 2020.

On June 9, 2020, The Management Board of Agora S.A. informed that on June 9, 2020 Agora S.A. has received information on the conclusion of negotiations and execution by the subsidiary Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.) the sale contract of Domiporta Sp. z o.o. enterprise within the meaning of art. 55^1 of the Civil Code constituting an organized set of tangible and intangible assets intended for conducting business activities of Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), in particular, among others running an online classifieds website called Domiporta.pl, enabling the placement and viewing of real estate listings, available on the internet domain www.domiporta.pl, ("the Enterprise") for the company Auto Centrum Sp. z o.o. based in Krosno. The transfer of ownership of the Enterprise took place on the day of conclusion of the contract of sale of the Enterprise.

Information on the net liabilities sold and the gain on sales of the Enterprise is presented in the table below:

	PLN thousand
	Carrying value as at disposal date
Assets	
Long-term accounts receivable and prepayments	(14)
Short-term accounts receivable and prepayments	(645)
Cash and cash equivalents	(5)
	(664)
Liabilities	
Retirement severance provision	13
Trade and other payables	679
Contract liabilities	10
	702
Net assets disposed of	**38**
Cash consideration received	3,595
Gain on sale of the enterprise*	**3,633**

* *included in other operating income of the Agora Group*

Changes in Piano Group

On June 23, 2020, The Management Board of Agora S.A. in relation to current report no. 21/2019, no. 22/2019 and no. 3/2020 informed that on June 23, 2020, a subsidiary company - AMS S.A. ("AMS") concluded with three natural persons (two sellers and a guarantor) ("Seller") an agreement based on which AMS and the Seller agreed the final purchase price for the majority stake of 60.0% shares in Piano Group Sp. z o. o. acquired by AMS under a share purchase agreement of 15 July 2019. Additionally, pursuant to the above agreement, the parties changed the option to buy shares in the shareholders' agreement of 15 July 2019 in such a way that AMS acquired shares in Piano Group Sp. z o.o., representing a total of 32.0% of the share capital of Piano Group Sp. z o.o. and entitling to 32.0% of votes at the company's shareholders' meeting earlier than originally planned. The date of acquiring these shares in the agreement of 15 July 2019 was set after the approval of the financial statements of Piano Group Sp. z o.o. for 2021. At the same time, all other shares of Piano Group Sp. z o.o. were covered by the option to purchase (call option) and at the same time the option to sell (put option) to AMS after the approval of the financial statements of Piano Group Sp. z o.o. for the financial year 2023.

The total purchase price of 60.0% of shares in Piano Group Sp. z o.o. amounted to PLN 13.7 million, of which an advance of PLN 6.5 million was paid by AMS on the day of signing the contract from 15 July 2019.

Under the agreement concluded today, the total price for the acquisition of 92.0% of shares in Piano Group Sp. z o.o. amounted to PLN 15.6 million, which includes the advance payment made on 15 July 2019 in the amount of PLN 6.5 million.

The Piano Group is a 100% shareholder of Benefit Multimedia Sp. z o.o. SKA and the sole shareholder of Benefit Multimedia Sp. z o.o. being the sole general partner of Benefit Multimedia Sp. z o.o. SKA. Benefit Multimedia Sp. z o.o. SKA operates in the field of providing services on the DOOH (digital out-of-home) market in the field of indoor advertising, broadcasting and selling advertising content, installing screens and using video / TV infrastructure to broadcast video content.

The acquisition of the shares is a long-term investment of the Agora Group and is in line with the strategy announced by Agora in June 2018. The transaction will strengthen the position of the Company's capital group on the DOOH market.

As a result of the above transaction, the Agora Group recognized financial income in the amount of PLN 1,180 thousand as a result of decrease in liability for the acquisition of shares in Piano Group Sp. z o.o. recognized at the end of 2019 and settle this liability by executing payment in the amount of PLN 7,180 thousand.

In addition, the Group revalued the liability under the put option granted to non-controlling shareholders of Piano Group Sp. z o.o., the carrying amount of which as at June 30, 2020 was PLN 941 thousand and as at September 30, 2020 remained unchanged.

Changes in Yieldbird Sp. z o.o.

On September 21, 2020, the Extraordinary General Meeting of Yieldbird Sp. z o.o. adopted a resolution to increase the company's share capital from the amount of PLN 47,550.00 to the amount of PLN 48,350.00, i.e. by PLN 800.00 by creating 16 new, equal and indivisible shares with a nominal value of PLN 50.00 each. The newly created shares were acquired by two natural persons. Each took up 8 shares in return for a cash contribution of PLN 400. As at the date of publication of this report, the above change has not been registered by the District Court for the capital city of Warsaw in Warsaw.

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

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

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

(ii) Squeeze-out procedure

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

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

13. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY FOR THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS OF AGORA S.A. AND THE TRANSLATION METHOD OF FINANCIAL DATA

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

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

- income statement and cash flow statement figures for first three quarters of 2020 (first three quarters of 2019) using the arithmetic average of exchange rates published by NBP and ruling on the last day of each month of the quarter. For the first three quarters of 2020 EURO 1 = PLN 4.4420 (EURO 1 = PLN 4.3086).
- balance sheet figures using the average exchange rates published by NBP and ruling as at the balance sheet date. The exchange rate as at 30 September 2020 – EURO 1 = PLN 4.5268, 30 June 2020 – EURO 1 = PLN 4.4660, as at 31 December 2019 – EURO 1 =PLN 4.2585 PLN.

14. PROPERTY, PLANT AND EQUIPMENT

In the period from January 1, 2020 to September 30, 2020, the Group purchased property, plant and equipment in the amount of PLN 26,411 thousand (in the period from January 1, 2019 to September 30, 2019: PLN 65,444 thousand).

As at September 30, 2020, the commitments for the purchase of property, plant and equipment amounted to PLN 23,370 thousand (as at December 31,2019: PLN 18,469 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.

- **Sale of the property**

On February 6, 2020, The Management Board of Agora S.A. announced that on February 5, 2020 the Company concluded an contract for sale of property rights of plot of land no. 133, precinct: 4-07-05 with an area of 0.4623 ha, constituting property for which District Court for the Capital City of Warsaw - Mokotów in Warsaw, IX Land Registry Department keeps Land Register KW No. WA3M/00516612/1 (formerly: KW No. WA3M/00171401/8) and building and structures planted on the above plot of land ("the Property").

Decision on sale of the Property stems from the fact The Company did not used effectively the entire area of the Property on the operating activity.

At the same time, the Company's Management Board announces, that the process of conclusion of the contract for sale the Property is considered to be extended in time. During the process the Company identified milestones, in itself meeting the criteria for classification as confidential information. Disclosure of the confidential information about milestones in sale process was postponed until the time up to the conclusion of the contract on a basis of Article 17(1) and (4) of Regulation (EU) No 596/2014 Of The European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC ("MAR regulation") and Article 4 of Commission Implementing Regulation (EU) 2016/1055 of 29 June 2016 laying down implementing technical standards with regard to the technical means for appropriate public disclosure of inside information and for delaying the public disclosure of inside information in accordance with Regulation (EU) No 596/2014 of the European Parliament and of the Council ("Implementing Regulation") for the protection of the Issuer's legitimate interests, i.e. the risk of a negative impact of the information on the possibility of conclusion of the Agreement. One of the milestones referred to above was conclusion of a preliminary sales agreement on December 9, 2019 accompanied by conclusion of contract for sale of certain property rights.

The total amount of income generated from the disposal of all assets in the process amounted to PLN 11.0 million, and the profit on disposal amounted to PLN 6.7 million and was included in the other operating income of the Group.

As at 31 December 2019, the property was presented in the balance sheet as assets held-for-sale.

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

Additionally, on June 19, 2020 Agora S.A. sold an undeveloped plot of land at Daniszewska street in Warsaw, obtaining a sale price of PLN 0.7 million and a profit on the transaction of PLN 0.4 million.

15. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE AND OTHER FINANCIAL LIABILITIES

The Group applies the following hierarchy for disclosing information about fair value of financial instruments – by valuation technique:

Level 1: quoted prices in active markets (unadjusted) for identical assets or liabilities;
Level 2: valuation techniques in which inputs that are significant to fair value measurement are observable, directly or indirectly, market data;
Level 3: valuation techniques in which inputs that are significant to fair value measurement are not based on observable market data.

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

	As at 30 September 2020	Level 1	Level 2	Level 3
Certificates in investment funds	1	-	1	-
Financial assets measured at fair value	**1**	**-**	**1**	**-**
Put option liabilities	43,638	-	-	43,638
Financial liabilities measured at fair value	**43,638**	**-**	**-**	**43,638**

	As at 31 December 2019	Level 1	Level 2	Level 3
Certificates in investment funds	9,582	-	9,582	-
Financial assets measured at fair value	**9,582**	**-**	**9,582**	**-**
Put option liabilities	55,114	-	-	55,114
Financial liabilities measured at fair value	**55,114**	**-**	**-**	**55,114**

Key assumptions that are most significant to the fair value measurement of financial instruments in Level 3 of the fair value hierarchy include: estimated level of the operating result EBIT during the period specified in put option conditions and discount rate.

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

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

	As at 30 September 2020	As at 31 December 2019
Opening balance	**55,114**	**34,844**
Additions resulting from initial recognition	-	15,983
Expiration of put option recognised in equity (1)	(9,248)	-
Remeasurement recognised in profit or loss , incl.:	(2,228)	4,287
- finance income (2)	*2,228*	*-*
- finance cost	*-*	*(4,287)*
Closing balance	**43,638**	**55,114**

(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 Piano Group Sp. z o.o. and HRlink Sp. z o.o.

16. OTHER INFORMATION

Impact of the COVID-19 pandemic on the Agora Group

The COVID-19 pandemic and the measures of the government administration undertaken to limit the further spread of the virus will have a significant negative impact on the financial performance of Agora and its subsidiaries in the entire 2020. Despite the challenges related to operating in the market environment burdened with the negative effects of the pandemic, the Management Board of the Company does not recognise any threat to the continuation of the Company's and the Agora Group's operations.

According to the Company's Management Board, the largest negative impact of the pandemic on the advertising activity of the Agora Group was visible already in the second quarter of 2020. Therefore, according to Agora's predictions, the rate of decline in the Group's revenue in this area should slow down. The operations of the Agora Group's cinemas and restaurants still depend on the decisions and measures taken by the government to which the Agora Group is able to adapt efficiently. In order to comply with the restrictions, Helios cinemas allowed for the purchase of 25.0% of seats in cinema screening rooms in the third quarter. The complete re-closure of cultural facilities, including cinemas, between 9 and at least 29 November 2020, will negatively affect the Helios network results in 2020. On 23 October 2020, restaurants were closed once again. They are only allowed to sell takeouts. This may affect the level of revenue generated by the Group's food business activity developed under the Pasibus brand. In addition, the restrictions on the operations of gyms and fitness clubs introduced in the same period will have a negative impact on the level of revenue and the result generated by Move TV developed in the Outdoor segment. Thanks to the development of digital sales channels, the pandemic does not have a significant effect on the level of revenue from the sales of digital content generated in the Group.

Both Agora and all the companies of the Group have taken a number of measures aimed at minimising the losses caused by the COVID-19 pandemic. The Management Board of Agora has implemented numerous saving measures to ensure financial security for the Group. Most of the cost categories and investment expenditures were reduced which contributed to a decrease in the amount of operating expenses in the Group in the first three quarters of 2020 by PLN 182.6 million, despite the one-off events. The Company's Management Board also recommended to the shareholders that the 2019 dividend should not be paid, leaving the profits earned with the Company.
Agora's Management Board decided to reduce the remuneration of the Agora Group's employees by 20.0% in the period from 15 April until 15 October 2020. Larger reductions applied to the Company's Management and Supervisory Board. According to Agora's estimates, savings from the reduction of staff costs will amount to approx. PLN 30.0 million. Remuneration in the Helios Group companies was reduced on 12 March 2020.

Agora also decided to optimise the portfolio of its investment projects, focusing – during this difficult time – on ensuring the safety of the Group's key assets. As a result, Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.) and Foodio Concepts Sp. z o.o. were sold, while the scale of operation of GoldenLine Sp. z o.o. was limited.
The Company's Management Board carefully monitors the flow of receivables in order to secure the Group's financial liquidity, undertaking actions to secure the Group's liquidity in the foreseeable future. However, the effect of these actions depends to a large extent on the pace of economic recovery following the corona crisis. The scale of the revenue generated, in particular in the event that the outbreak of the second wave of the pandemic leads to another closure of certain economy sectors, may pose a significant risk to the liquidity of the Agora Group.

Agora and its subsidiary Helios S.A. secured additional financing of the liquidity gap expected in the first half of 2021 in the total amount of PLN 140.0 million.
From March 12 to July 3 this year. Helios cinemas were closed due to the outbreak of the pandemic. After reopening, they operated under a tightened sanitary regime, which involved, inter alia, with a limit on the number of tickets sold, as well as with a limited film repertoire due to the global situation on the cinema market. The number of tickets sold in Polish cinemas in the first three quarters of 2020 decreased by 63.5% compared to the corresponding period of 2019 and amounted to nearly 15.8 million.

The cinemas were closed again by an administrative decision from November 7 to 29, 2020. Currently - due to the development of the pandemic - it is not known whether decisions will be made to close this sector of the economy for a longer period of time. The company estimates that if the cinemas are closed in the fourth quarter of 2020, the decrease in attendance in Poland will amount to approximately 70.0% in 2020. In the Company's opinion (provided that the pandemic ends in the foreseeable future), the return to pre-pandemic attendance will be possible in 2022

In the third quarter of 2020, the value of the advertising market in Poland amounted to approximately PLN 2.1 billion and was lower by 3.0% than in the corresponding period of 2019. This was a significant improvement in the market situation compared to the second quarter of 2020, in which the value of advertising expenditure in Poland decreased by almost 29.0%. In the period of January - September 2020, the value of the advertising market in Poland reached almost PLN 6.1 million and was lower by 12.0% than in the corresponding period of 2019. The current wave of the COVID-19 pandemic and the related activities of the government administration, undertaken to limit the further spread of the virus, may have a negative impact on the condition of the advertising market in Poland, but the scale of declines observed in the second quarter of 2020 should not repeat.
Due to the inability to estimate the impact of the introduction of further restrictions on the advertising market, the Company decided not to verify its estimates of the change in the value of advertising expenditure in Poland presented in the Management Board's Commentary to the financial statements for the first half of 2020. According to the Company's published estimates, based on the forecast of GDP in Poland and data on the advertising market, in 2020 advertisers will reduce spending on promoting their goods and services by approximately 8.0% - 12.0% compared to 2019.

In the opinion of the Company, throughout 2020, the dynamics of advertising expenditure on individual media may differ from those presented by Agora after the first half of 2020. In the third quarter of 2020, advertisers quite quickly returned to advertising in electronic media (internet, TV and radio). The recovery of the value of advertising expenditure in the press and in outdoor advertising was slower. Substantial drops were visible in the cinema advertising expenditure due to the introduced limits on the number of tickets sold, which had a negative impact on the attendance level.

In the Company's opinion, in the fourth quarter of 2020, measures introduced to limit the further spread of the virus may primarily affect the outdoor advertising segment due to restrictions in the movement of the population and less exposure to the advertising messages. They will also affect advertising expenditure in the press to a lesser but noticeable extent. As in the previous quarters, the least negative impact of the pandemic on the value of advertising expenditure will be noticeable by electronic media (internet, TV and radio), although here the value of advertising expenditure may also decrease. Due to the administrative closure of cinemas from 7 November 2020, no advertising campaigns will be carried out in this segment.

At the same time, due to the fact that it is difficult to predict the further development of the pandemic situation and its economic impact, the above assumptions may be biased and their accuracy is much lower than in periods of greater predictability.

The development of the COVID-19 pandemic and further measures to be implemented by the Polish government to fight the pandemic are unknown to the Company. Their duration and scale may significantly affect the Company's analyses and estimates, in particular with regard to the value of the advertising market, the number of tickets sold in cinemas, and concession sales, as well as the revenue from copy sales. The described uncertainty factors may also have a significant impact on the increase of the liquidity gap and the ability to obtain the necessary additional financing, which may force the Company to seek other methods of securing financial liquidity of the Agora Group. Right now, it is difficult to predict which methods will be most adequate to the future development of the COVID-19 pandemic and the future administrative decisions and measures.

Taking into account all these issues, the Agora's Management Board estimates that, as a result of the current pandemic, the Agora Group's revenue may significantly decrease in the entire 2020, with the Group reporting an operational loss at the EBIT level. Businesses that will be most affected by the consequences of the pandemic are Cinema, Food Business and Outdoor. In reference to the current report 10/2020 of 23 March 2020, in the opinion of the Management Board of the Company actions introduced from 9 November 2020, in order to stop the spread of the pandemic do not provide grounds for changing the assessment of the Group's situation in 2020. The uncertainty factors and conditions of the Group's operations described in the report have not changed significantly, and their consequences are no longer a surprise to stakeholders and therefore their occurrence does not constitute confidential information.

Write downs of fixed assets

On 30 April 2020, the Management Board of Agora S.A. informed that on 30 April 2020 its subsidiary Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.) with its registered office in Warsaw ("Domiporta") started negotiations on the sale of the enterprise to Mieszkanie.pl, whose partners are Piotr Przybysz and Sławomir Gąsiorowski – members of the management board of Domiporta. The subject of negotiations is the sale of an organized set of tangible and intangible assets intended for conducting business activity under the name Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.) within the meaning of art. 551 of the Civil Code, such as trademarks, rights to internet domains, software, databases, rights from contracts with customers, suppliers and other contractors, employees, bank accounts.

At the same time, the Management Board of Agora informs that due to the negative impact of the COVID-19 pandemic on Domiporta's financial results and the achievable selling price of Domiporta, it has been decided to revaluate assets in Domiporta. As a result, Agora Group wrote-off the value of assets related to Domiporta's activity in the amount of PLN 12.7 million (twelve million seven hundred thousand zlotys). The recognized write-offs were charged to other operating expenses of the Agora Group in the first quarter of 2020.

As a result of the published information, an entity not related personally or by capital to the company, interested in the acquisition of the above-mentioned organized group of tangible and intangible assets, approached Domiporta, as a result of which, on May 20, 2020, the Management Board of Agora S.A. informed that Domiporta had additionally started negotiations with the same entity, which ended with the signing of an agreement for the sale of the enterprise on June 9, 2020 (the settlement of the sale is presented in Note 12).

On 30 April 2020, the Management Board of Agora S.A., with reference to the report No. 10/2020 of March 23, 2020 on the negative impact of a pandemic on the results of the Agora Group, announces that today the Management Board of an indirect subsidiary of Agora S.A. - Foodio Concepts Sp. z o.o. with its registered office in Łódź, which is a part of the Helios group ("**Foodio Concepts**"), adopted a resolution to file a petition for bankruptcy of Foodio Concepts. The financial situation of the company has deteriorated significantly due to the outbreak of a pandemic, which prevented the company from conducting business activities and taking any corrective actions, therefore, after analyzing the company's economic prospects, the Management Board of Foodio Concepts adopted a resolution on filing for bankruptcy.

At the same time, negotiations were opened on the sale of the company's shares.

Following the resolution of 30 April 2020, the management of the company applied for bankruptcy of Foodio Concepts, which included liquidation of the company's assets to the District Court for Łódź-Śródmieście in Łódź, the Economic Department for Bankruptcy and Restructuring.

When deciding on filing for bankruptcy of Foodio Concepts, the company's management acted with the well-being of Foodio Concepts and its creditors in mind, as well as the need to secure their interests due to the insolvency of Foodio Concepts.

At the same time, the Management Board of Agora informs about becoming aware that its subsidiary Helios S.A. has started today the negotiations with a potential buyer regarding the sale of all shares of Foodio Concepts belonging to Helios S.A. The potential buyer was an investor from outside of the food-service industry. The purchase price remained insignificant.

In connection with the filed petition for bankruptcy, the Agora Group made write-offs of assets related to Foodio Concepts in the amount of approximately PLN 9,079 thousand (including non-current assets in the amount of PLN 8,735 thousand and inventory in the amount of PLN 344 thousand), which charged the consolidated result of the Agora Group in the first quarter of 2020.

On June 2, 2020, the Management Board of Agora S.A. announced that it had received information on the conclusion of negotiations and the conclusion by the subsidiary Helios S.A. sale agreement for all shares in Foodio Concepts Sp. z o.o. for the benefit of 5m Square Sp. z o.o. with its seat in Warsaw (settlement of disposal is presented in note 12).

In addition, in the second quarter of 2020, due to significant declines in the value of outdoor advertising expenses caused by the COVID-19 pandemic, the Management Board decided to review the portfolio of panels in the outdoor segment and write off the value of some of them, which due to the expected growth in the medium term outdoor advertising market, they cannot be used to the extent that it would allow them to recover their book value. The value of this impairment loss in the AMS group amounted to PLN 6,698 thousand.

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. According to the Company's estimates, savings due to the reduction of salaries and benefits for employees and regular associates will amount to approximately PLN 30.0 million.

Voluntary leave program in Goldenline Sp. z o.o.

On April 23, 2020, the Management Board of Agora S.A., with reference to the report no. 13/2020 of 6 April 2020 on commencing consultation with the inter-enterprise commission of NSZZ "Solidarność "Agora SA and Inforadio Sp. z o.o. regarding i.a. agreeing on the conditions of group layoffs in Goldenline Sp. z o.o. with its registered office in Warsaw ("Goldenline"), informs about termination of these consultations due to the termination of employment with majority of Goldenline’s employees under the voluntary leave program.

As a part of the voluntary leave program, the employment relationship ended with 26 employees, representing nearly 80% of the Goldenline staff. The cost of implementing the voluntary leave program will amount to PLN 0.9 million and will affect Agora Group’s financial results in the second quarter of 2020.

Application of IFRS 16 Leases

The Group notes that since 2019 it has applied IFRS 16 Leases, which has significantly affected the balance sheet and result items of the Agora Group. Detailed information on the impact of IFRS 16 on consolidated financial statements is included in the consolidated financial statements of the Group for 2019.

As at 30 June 2020, as a result of implementation of IFRS 16, the Group recognised additional assets as right-of-use assets in the amount of PLN 616,115 thousand (including the net carrying value of property, plant and equipment in the amount of PLN 73,594 thousand relating to assets in the finance lease and rights of perpetual usufruct of land, which were reclassified to right-of-use assets balance sheet line and PLN 1,926 thousand of the value of the prepaid administrative decisions for the seizure of the road). The Group recognised also additional lease liabilities in the amount of PLN 598,194 thousand.

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

As a result of implementation of the new standard, in the Group there was an increase in depreciation and interest expenses as well as a decrease in the cost of external services due to rental costs. Additionally, the Group recognizes exchange differences on translation of lease liabilities, and its financial result depends on the evolution of the EUR/PLN rate. The above changes had in total a negative impact on the Group's net result. The implementation of IFRS 16 also has an impact on the presented level of operating and financial cashflows of the Group due to the transfer of rental payments under lease agreements recognised in accordance with IFRS 16 from operating activities to financing activities.

The Group notes that the change in the structure of the balance sheet and profit and loss resulting from the application of IFRS 16 has also a significant impact on commonly used financial ratios such as: debt ratio, liquidity ratio and interest cover ratio.

The selected items of the condensed interim financial statements reflecting the impact of applying the new standard as at 30 September 2020:

	As at 30 September 2020 (excl. IFRS 16)	Application of IFRS 16	As at 30 September 2020 (as reported)
Non-current assets:			
Property, plant and equipment	494,403	(73,594)	420,809
Right-of-use assets	-	616,115	616,115
Receivables and prepayments	5,090	(997)	4,093
Deferred tax assets	22,083	10,041	32,124
	1,090,387	**551,565**	**1,641,952**
Current assets:			
Accounts receivable and prepayments	163,060	(929)	162,131
	322,093	**(929)**	**321,164**
Total assets	**1,412,480**	**550,636**	**1,963,116**

	As at 30 September 2020 (excl. IFRS 16)	Application of IFRS 16	As at 30 September 2020 (as reported)
Eqiuty	**907,615**	**(42,804)**	**864,811**
Non-current liabilities:			
Long-term borrowings	107,193	524,415	631,608
including: lease liabilities	*47,850*	*524,415*	*572,265*
Accruals and other liabilities	7,768	(1,845)	5,923
	168,747	**522,570**	**691,317**
Current liabilities:			
Trade and other payables	245,942	(2,909)	243,033
Short-term borrowings	68,173	73,779	141,952
including: lease liabilities	*19,593*	*73,779*	*93,372*
	336,118	**70,870**	**406,988**
			-
Total equity and liabilities	**1,412,480**	**550,636**	**1,963,116**

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

	Nine months ended September 30, 2020 (excl. IFRS 16)	Application of IFRS 16	Nine months ended September 30, 2020 (as reported)
Revenue	612,103	-	612,103
Operating cost net, incl.:	(677,960)	(11,364)	(689,324)
D&A	*(71,691)*	*(50,250)*	*(121,941)*
External services	*(276,183)*	*34,849*	*(241,334)*
Taxes and fees	*(7,269)*	*728*	*(6,541)*
Other operating income/other operating expenses	415	3,309	3,724
Operating loss	**(65,857)**	**(11,364)**	**(77,221)**
Finance income, incl.:	4,137	-	4,137
Finance costs, incl.:	(4,148)	(37,437)	(41,585)
Interest	*(3,686)*	*(10,815)*	*(14,501)*
F/x losses	*469*	*(26,622)*	*(26,153)*
Share of results of equity accounted investees	4,842	-	4,842
Loss before income taxes	**(61,026)**	**(48,801)**	**(109,827)**
Income tax	3,233	9,419	12,652
Net loss for the period	**(57,793)**	**(39,382)**	**(97,175)**

	Nine months ended September 30, 2020 (excl. IFRS 16)	Application of IFRS 16	Nine months ended September 30, 2020 (as reported)
Net cash from operating activities	95,598	32,238	127,836
Net cash used in investing activities	(8,817)	-	(8,817)
Net cash used in financing activities	(8,055)	(32,238)	(40,293)
Net cash	**78,726**	**-**	**78,726**
Cash and cash equivalents	**139,791**	**-**	**139,791**

Information on the financing of the Agora Group

On 29 March 2020, the Management Board of Agora S.A., with reference to the report 6/2019 of 11 March 2019 on the commencement of negotiations with a consortium of banks in order to obtain a loan, among others, for financing or refinancing acquisition expenses and investment projects of the Agora Group, in line with the business strategy for 2018-2022, as well as to finance working capital and general corporate goals, informs that due to the pandemic of the coronavirus, these negotiations are suspended until the end of it.

The both parties declare the willingness to resume talks after the pandemic ends and are currently focusing, within bilateral relations, on providing financing to the Company and the Helios group (Helios SA and its subsidiaries) until the end of the fight against the effects of the pandemic.

As part of these talks and with reference to regulatory filings no. 6/2017 of 25 May 2017, no. 13/2018 of 18 May 2018, no. 8/2019 of 29 March 2019, no. 24/2019 of 29 August 2019 and no. 28/2019 of 23 December 2019 regarding the Credit Limit Agreement ("Agreement") with the bank DNB Bank Polska Spółka Akcyjna ("Bank"), Agora informs about signing today the Arrangement to the above Agreement, extending the date of repayment of capital instalments of credit line made available under the Agreement, which are to be repaid on 1 April 2020 in the amount of PLN 8.3 million, by 4 May 2020. The Company also began talks to further prolong the repayment of capital instalments under the above Agreement.

Agora also informs that its subsidiary Helios S.A. with its registered office in Łódź, today also signed with Santander Bank Polska SA annexes to two investment loan agreements of 8 May 2015 and of 25 June 2015 extending the repayment dates of capital instalments to be paid from 31 March to 30 June 2020, in the total amount of PLN 0.7 million, until 30 September 2020 and in the case of one of the investment loan agreements (concluded on 18 May 2018) annex extending the repayment period of capital instalments to be paid from 31 March to 31 August 2020 in the total amount of PLN 0.5 million until 31 May 2023.

Helios S.A. also received a positive decision from Bank BNP Paribas Polska Spółka Akcyjna (“BNP Paribas”) to extend the repayment of capital instalments of five investment loans granted by this bank, whose payment date falls from 31 March to 31 May 2020. According to information obtained from BNP Paribas, a new payment date of PLN 0.65 million (the sum of three capital instalments resulting from three investment loan agreements) will be on 31 December 2020. Three capital instalments of a loan resulting from another agreement with this bank in the total amount of PLN 0.41 million will be payable by 29 October 2021, and three capital instalments due under the last contract with this bank, in the total amount of PLN 0.5 million, will be payable by 29 March 2024.

On 24 April 2020 Annex No. 6 to the above Agreement ("Annex No. 6") was signed. Pursuant to the signed Annex No. 6, the period of availability of the credit limit in the amount of 35,000,000.00 PLN (thirty-five million zlotys), which the Company may use, is extended until September 29, 2020 on the same principles as in the Agreement on which the company announced in current reports of May 25, 2017, May 18, 2018, March 29, 2019, August 29, 2019 and No. 28/2019 of December 23, 2019. Annex suspended some of the previous requirements of the Bank and introduced new ones reflecting the current financial situation of the Company, among others announced new requirements as to the Agora Group's result at the EBITDA level in the second quarter of 2020, the amount of cash balance at the end of each month in the loan period to April, 30 2021, and the need to obtain the Bank's consent for dividend payment in 2020.

At the same time, pursuant to Annex No. 6, the repayments of capital instalments for Non-Renewable Credit 1 and Non-Renewable Credit 2 were temporarily suspended for the period up to and including September 30, 2020. The grace period does not include repayment of interest. The repayment of principal instalments due for the grace period for Non-Renewable Credit 1 and Non-Renewable Credit 2 will be made on the day of final repayment of Non-Renewable Credit 1 and on the day of final repayment of Non-Renewable Credit 2.

As a result, two instalments of Non-Renewable Credit 1 (each in the amount of 2.1 million PLN) were postponed until April 1, 2021, and two instalments of Non-Renewable Credit 2 (each in the amount of 6.3 million PLN) were postponed until January 2, 2023.

The Credit Limit bears interest at WIBOR for one-month deposits in PLN increased by the Bank's margin. In the event of a failure to pay part or all of the Bank's receivables by the deadline specified in the Agreement, Bank will charge the Company with interest in the amount of the base rate plus penalty interest. In addition, there are no provisions regarding contractual penalties in Annex No. 6.

Moreover, in June 2020, the subsidiaries: AMS S.A. and Helios S.A. concluded agreements with the banks financing them to suspend some of the banks' existing requirements to maintain financial ratios in order to reflect the current financial situation of these companies caused by the influence of the Covid-19 epidemic.

On September 24, 2020, the Management Board of Agora S.A. informed that on September 24, 2020, the Company concluded an overdraft agreement for PLN 65.0 million ("Overdraft Agreement") and Annex No. 7 to the Credit Limit Agreement of May 25, 2017 ("Annex No. 7").

Pursuant to the signed Overdraft Agreement and Annex No. 7, and after meeting the conditions for establishing legal security for the repayment of the loan and meeting other requirements usually applied when granting loans of a comparable amount, the Company will have an available overdraft facility up to a total amount of PLN 100.0 million. ("Credit"). The financing conditions granted under the Overdraft Agreement and Annex 7 are identical. The funds from the credit facility can be used to finance Agora's day-to-day operations, including replacement and development investments, excluding refinancing of other debt.

The funds under the Overdraft Agreement are available till September 22, 2022, and under Annex No. 7 till September 28, 2022.

The collaterals for the financing granted were typical for these agreements and, in accordance with the provisions of the Overdraft Agreement and Annex No. 7 include i.a. a declaration of voluntary submission to enforcement by the Company, a contractual mortgage established for the benefit of the Bank on real estate located in Warsaw at 8/10 Czerska Street, on the real estate of which the Company has the right of perpetual usufruct and the ownership of the building located thereon, transfer of rights under the insurance policy on the above real estate, pledge on shares / stocks of subsidiaries and a guarantee of Bank Gospodarstwa Krajowego under the PLG FGP portfolio guarantee line secured with a blank bill of exchange covering 80% of the overdraft facility amount.

The margin on overdraft facilities was set at a constant level not deviating from the market standards and reflects the financial position of the Company as well as collaterals provided to the Banks, while the margin on non-revolving loans granted under the agreement of May 25, 2017 will depend on the Company's debt ratio in relation to EBITDA topped up by received dividends.

The amount of the fee under BGK's guarantee was in line with the standard values adopted by BGK and reflects the assessment of Agora's financial standing. In addition, during the financing period, the Company is required to maintain at an agreed level the financial ratios relating to investment expenditure, turnover of receivables, receivables write-offs, impairment losses on property, plant and equipment, investments and intangible assets, as well as EBITDA increased by received dividends.

In addition, the Company is obliged, inter alia, to obtain the Bank's consent to pay dividends, implement the share buyback program, make acquisitions, sell shares in subsidiaries or incur additional financial liabilities by the Company and its selected subsidiaries. Nor can it encumber its fixed assets.

The value of the financing granted may be reduced if the Company does not receive the forecasted dividends and at the same time fails to achieve the forecasted EBITDA result increased by the dividends received. The Bank may also decide not to pay the funds under the Overdraft in the event of a change in control over the Company.

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

On September 24, 2020 the Management Board of Agora S.A. informed that on September 24, 2020 it acquired information that its subsidiary company Helios S.A. concluded overdraft credit agreement with BNP Paribas Bank Polska S.A. with its registered office in Warsaw ("BNP";) and discloses delayed information on (i) agreement on preliminary conditions for financing Helios S.A. and (ii) conclusion of revolving loan agreement with Santander Bank Polska S.A. based in Warsaw ("Santander") (jointly "Banks") on August 31, 2020 with a repayment guarantee of 80% of the loan by Bank Gospodarstwa Krajowego ("BGK").

The total value of the above loans with a BGK guarantee is PLN 40.0 million, i.e. PLN 20.0 million from each of the Banks. The credit repayment period is 24 months, from the date of signing the agreement.

At the same time, the Banks declared their readiness to return to talks on the second tranche of financing - for another PLN 40.0 million - after assessing the financial results of Helios S.A. for the third quarter of 2020 and the economic situation in Poland.

Pursuant to the agreements signed with the Banks for an overdraft and revolving loan and after meeting the conditions for establishing collaterals for the repayment of both loans and meeting other requirements usually applied when granting loans of a comparable amount, Helios will have a credit ("Credit") up to the amount of PLN 40.0 million.

The obtained funds may be used to finance the current business activities of Helios S.A., including replacement and development expenditure, excluding refinancing of other debt.

The financing under the loan agreement with BNP in the amount of PLN 20.0 million will be available for 24 months from the date of signing the agreement.

Collaterals for the funding granted by BNP include, inter alia, a cash deposit and a guarantee of Bank Gospodarstwa Krajowego as part of the PLG FGP portfolio guarantee line, secured with a promissory note, covering 80% of the loan amount.

During the financing period, Helios is obliged to transfer the servicing of current accounts to BNP and maintain at the level agreed with BNP both the amount of sales revenues flowing to the BNP current account and the amount of the agreed maximum debt. In the event of failure to meet any of these conditions, the Bank has the right to increase the loan margin by 1/4 retroactively. The increased margin will apply from the first to the last day of the calendar quarter in which the turnover obligation is not met by Helios. Helios is also obliged to maintain the EBITDA result at the level agreed with BNP. Additionally, Helios, without prior consent of BNP, may not pay dividends, nor encumber or consent to the encumbrance of its assets.

In the case of the agreement signed with Santander on August 31, 2020, the condition for the release of the credit in the amount of PLN 20.0 million was the submission of a promissory note by the company, entry of the loan and BGK guarantee in the register of liquidity guarantees, and a declaration of submission to enforcement. The condition precedent for the release of financing is confirmation of signing and meeting the conditions for receiving financing from BNP. The loan can be used until August 25, 2022, and the repayment date is August 26, 2022.

During the financing period, Helios is obliged to ensure Santander the ability to monitor the company's financial liquidity, as well as ensure the inflow of cash to the account maintained by Santander at the agreed level. Helios is obliged to maintain the level of EBITDA and capital expenditure at the agreed level, and may not dispose of and encumber the company's fixed assets, incur financial liabilities other than the agreed ones, and pay dividends. In the event that Helios breaches the financing conditions, the amount of the loan margin may change.

At the same time, during the financing period, the method of exercising control over Helios should not change, nor should the rights of Agora Holding Sp. z o.o. as a shareholder of Agora S.A. change.

Both loans bear WIBOR rate for one-month deposits in PLN increased by the margin of the Banks. The BGK guarantee fee is in line with the standard values adopted by BGK and reflects the assessment of Helios S.A.'s financial standing. The Agreement does not contain other provisions on contractual penalties.

Tax control

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

Inflow of funds from the Guaranteed Employee Benefits Fund

On July 14, 2020, The Management Board of Agora S.A. informed about receiving the first tranche of employee remuneration subsidy from the Voivodship Labor Office in Warsaw from the Guaranteed Employee Benefits Fund in the amount of PLN 2.79 million.

The funds received correspond to one third of the total amount requested by the Company (i.e. PLN 8.37 million).

Agora Group companies jointly applied for funding in the amount of PLN 13.9 million.

Receiving of the subsidy is connected with the obligation to submit documents necessary for its settlement within 30 days from the day of obtaining the last tranche of payment, and the final amount of the financing may change as a result of settlement.

The total amount of co-financing from the Guaranteed Employee Benefits Fund received by the Group in the period of nine months ended 30 September 2020 amounted to PLN 13.5 million (including Agora S.A. PLN 8.4 million) and was recognized in the other operating income of the Group.

17. POST BALANCE-SHEET EVENTS

Registration of the merger of Agora Poligrafia Sp. z o.o. with Agora S.A.

On October 1, 2020, the District Court for Capital City of Warsaw in Warsaw, registered the merger of Agora with Agora Poligrafia Sp. z o.o. ("Agora-Poligrafia") pursuant to Art. 492 § 1 point 1 of the Commercial Companies Code, by transferring all assets of Agora-Poligrafia to Agora. The Company remained the sole shareholder of Agora-Poligrafia and thus the merger was carried out in a simplified manner pursuant to Art. 516 § 6 of the Commercial Companies Code, without increasing Agora's share capital and without changing its statute.

Basing on Art. 494 § 1 of the Commercial Companies Code, Agora entered into all the rights and obligations of Agora-Poligrafia on 1 October 2020 ("The date of the merger"), and in accordance with art. 493 § 1 and 2 of the Commercial Companies Code, Agora-Poligrafia was dissolved on the date of the merger without liquidation proceedings and removed from the Register of Entrepreneurs of the National Court Register.

Announcement of the merger plan of Piano Group companies

On October 2, 2020, announced the merger plan between the companies: Piano Group sp. z o.o., Benefit Multimedia sp. z o.o. and Benefit Multimedia sp. z o.o. sp. k. a.

The planned merger will be attended by: Piano Group sp. z o.o. with its registered seat in Warsaw (hereinafter: the Acquiring Company) and Benefit Multimedia sp. z o.o. with its registered seat in Warsaw (hereinafter: the Acquired Company 1) and Benefit Multimedia sp. z o.o. sp. k-a with its registered seat in Warsaw (hereinafter: the Acquired Company 2). All companies participating in the merger belong to the same capital group.

The Acquiring Company is the only shareholder of the Acquired Company 1 and the only shareholder of the Acquired Company 2; The Acquired Company 1 is, in turn, the only general partner of the Acquired Company 2.

Due to the capital ties between the companies participating in the merger, the merger will be effected by the Acquiring Company taking over all assets of the Acquired Company 1 and all assets of the Acquired Company 2 (merger by acquisition pursuant to Art. 492 § 1 point 1 of the Commercial Companies Code); without increasing the share capital of the Acquiring Company.

The merger will take place on the date of the merger, i.e. on the date of registration of the merger by the court competent for the Acquiring Company. This entry will result in the legal dissolution of the Acquired Company 1 and the

Acquired Company 2 without conducting liquidation proceedings and deleting these companies from the register of entrepreneurs.

As a result of the merger, the Acquiring Company, pursuant to Art. 494 of the Commercial Companies Code, it will assume all rights and obligations of both acquired companies.

Signature of contract of the deposit between AMS Serwis sp. z o.o. and BNP Paribas Bank Polska S.A.

On October 9, 2020, a subsidiary of Agora S.A. - AMS Serwis sp. z o.o. signed with BNP Paribas Bank Polska S.A. with its registered office in Warsaw Agreement for the acquisition of an amount as security (deposit) for the amount of PLN 4 million. The funds are collateral for the loan granted by BNP Paribas Bank Polska S.A. the company Helios S.A. The deposit has been submitted and will be kept until December 23, 2022.

Signature of pledge agreements between Agora S.A. based in Warsaw and DNB Bank Polska S.A

On October 15, 2020, agreements were concluded between Agora S.A. and DNB Bank Polska S.A. based in Warsaw:

1. a registered and financial pledge agreement on the shares of Agora S.A. in the subsidiary Yieldbird sp.z o.o. with its registered office in Warsaw (number of pledged shares: 891 shares, all belonging to Agora S.A., with a nominal value of PLN 50.00 each)
2. agreement for a registered and financial pledge on the shares of Agora S.A. in a subsidiary AMS S.A. in Warsaw (number of pledged shares: 200,025 series A preference shares, numbers 000001-200025, 2,299,975 series B ordinary shares, numbers 0000001-2299975, 1,000,000 series C ordinary shares, numbers 0000001-1000000, 716,867 shares ordinary series D shares, numbers 000001-716867, 681,818 series E ordinary shares, numbers 000001-681818, the total number of pledged shares is 4,898,685 shares. All AMS SA shares mentioned in the preceding sentence belong to Agora SA and their nominal value is 2.00 PLN each)

The above contracts secure the following claims:

1. Credit Limit Agreement, as amended, No. 1661/001/2017 of May 25, 2017 (maximum amount and currency of the Bank's debt capital: PLN 135,000,000.00);
2. Overdraft Agreement No. 1735/119/2020 of September 24, 2020, as amended, the maximum amount and currency of the Bank's debt capital: PLN 65,000,000.00).

Conclusion of an agreement to extend the period of operation for 2021 of the Agora Tax Capital Group ("PGK").

In the current report of November 13, 2020 the Management Board of Agora S.A. with its registered office in Warsaw ("Company", "Agora"), with reference to the regulatory filings no. 35/2017 of 21 December 2017 and 6/2018 of 16 February 2018 adopted a resolution on the intention to extend the period of operation of the tax capital group ("PGK"), which will include Agora and the following subsidiaries: Grupa Radiowa Agory Sp. z o.o., Agora TC Sp. z o.o., Plan D Sp. z o.o., Helios S.A., AMS S.A., Yieldbird Sp. z o.o. and Plan D Sp. z o.o., and on signing an agreement to extend the period of operation of the PGK.

The extension of the PGK operation period is planned until 31 December 2021. It was associated with a number of formal requirements, including collecting a number of corporate approvals and submitting an application for registration of the extension of the operation period of the tax capital group by the Head of a relevant Tax Office.

In the agreement to establish a tax capital group, Agora was indicated as a company representing PGK in the scope of obligations under the Corporate Income Tax Act and the provisions of the Tax Ordinance. The agreement on extending the period of operation of the PGK was concluded for the period until 31 December 2021.

The company estimates that the extension of the operating period of the tax capital group may result in a reduction of the group's tax liability by approx. PLN 5 million in 2021.

18. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	in PLN thousand			in EUR thousand		
	Nine months ended 30 September 2020 unaudited	As at 31 December 2019 audited	Nine months ended 30 September 2019 unaudited	Nine months ended 30 September 2020 unaudited	As at 31 December 2019 audited	Nine months ended 30 September 2019 unaudited
Revenue	612,103		871,482	137,799		202,266
Operating loss	(77,221)		(440)	(17,384)		(102)
Loss before income taxes	(109,827)		(12,623)	(24,725)		(2,930)
Net loss for the period attributable to equity holders of the parent	(88,379)		(14,169)	(19,896)		(3,289)
Net cash from operating activities	127,836		132,181	28,779		30,678
Net cash used in investing activities	(8,817)		(104,247)	(1,985)		(24,195)
Net cash used in financing activities	(40,293)		(24,505)	(9,071)		(5,687)
Net increase / (decrease) in cash and cash equivalents	78,726		3,429	17,723		796
Total assets	1,963,116	1,992,445		433,665	467,875	
Non-current liabilities	691,317	628,277		152,716	147,535	
Current liabilities	406,988	411,993		89,906	96,746	
Equity attributable to equity holders of the parent	849,143	931,243		187,581	218,679	
Share capital	46,581	46,581		10,290	10,938	
Weighted average number of shares	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831
Basic/diluted earnings per share (in PLN / in EURO)	(1.90)		(0.30)	(0.43)		(0.07)
Book value per share (in PLN / in EURO)	18.23	19.99	-	4.03	4.69	-

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

19. CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS OF AGORA S.A.

Unconsolidated balance sheet as at 30 September 2020

	As at 30 September 2020 unaudited	As at 30 June 2020 unaudited	As at 31 December 2019 audited
Assets			
Non-current assets:			
Intangible assets	45,505	46,559	44,855
Property, plant and equipment	150,054	153,706	158,641
Right-of-use assets	28,523	28,873	29,601
Long term financial assets	636,761	636,761	693,391
Receivables and prepayments	1,056	407	409
Deferred tax assets	5,097	4,606	3,173
	866,996	**870,912**	**930,070**
Current assets:			
Inventories	11,340	11,632	13,712
Accounts receivable and prepayments	74,778	68,194	94,341
Income tax receivable	742	1,560	768
Short-term securities and other financial assets	9,604	14,812	13,270
Cash and cash equivalents	86,464	46,285	13,174
	182,928	**142,483**	**135,265**
Non-current assets held for sale	-	-	4,344
	182,928	**142,483**	**139,609**
Total assets	**1,049,924**	**1,013,395**	**1,069,679**

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

Unconsolidated balance sheet as at 30 September 2020 (continued)

	As at 30 September 2020 unaudited	As at 30 June 2020 unaudited	As at 31 December 2019 audited
Equity and liabilities			
Equity:			
Share capital	46,581	46,581	46,581
Share premium	147,192	147,192	147,192
Other reserves	121,302	121,302	121,302
Retained earnings	453,241	431,759	506,381
	768,316	**746,834**	**821,456**
Non-current liabilities:			
Long-term borrowings	71,244	77,461	82,534
Retirement severance provision	2,350	2,350	2,219
Provisions	364	443	829
Accruals and other liabilities	1,828	1,395	439
Contract liabilities	156	136	98
	75,942	**81,785**	**86,119**
Current liabilities:			
Retirement severance provision	59	59	195
Trade and other payables	98,520	107,598	97,719
Short-term borrowings	38,382	32,112	29,289
Other financial liabilities	59,889	35,294	29,273
Provisions	3,169	2,860	1,374
Contract liabilities	5,647	6,853	4,254
	205,666	**184,776**	**162,104**
Total equity and liabilities	**1,049,924**	**1,013,395**	**1,069,679**

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

Unconsolidated income statement for three and nine months ended 30 September 2020

	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited	Three months ended 30 September 2019 unaudited	Nine months ended 30 September 2019 unaudited
Revenue	82,897	240,896	94,379	290,041
Cost of sales	(41,051)	(130,647)	(57,116)	(182,422)
Gross profit	**41,846**	**110,249**	**37,263**	**107,619**
Selling expenses	(24,500)	(75,545)	(32,346)	(94,175)
Administrative expenses	(20,331)	(60,725)	(18,955)	(63,803)
Other operating income	9,338	17,594	1,553	3,602
Other operating expenses	(1,941)	(3,941)	(341)	(1,506)
Impairment losses for receivables - net	143	(254)	315	(1,344)
Operating profit/(Loss)	**4,555**	**(12,622)**	**(12,511)**	**(49,607)**
Finance income	20,626	20,912	7,439	81,266
Finance costs	(3,665)	(63,201)	(1,404)	(3,415)
Profit/(Loss) before income taxes	**21,516**	**(54,911)**	**(6,476)**	**28,244**
Income tax	(34)	1,770	559	4,166
Net Profit/(Loss) for the period	**21,482**	**(53,141)**	**(5,917)**	**32,410**
Basic/diluted earnings per share (in PLN)	0.46	(1.14)	(0.13)	0.70

Unconsolidated statement of comprehensive income for three and nine months ended 30 September 2020

	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited	Three months ended 30 September 2019 unaudited	Nine months ended 30 September 2019 unaudited
Net Profit/(Loss) for the period	**21,482**	**(53,141)**	**(5,917)**	**32,410**
Other comprehensive income/loss for the period	-	-	-	-
Total comprehensive income for the period	**21,482**	**(53,141)**	**(5,917)**	**32,410**

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

Unconsolidated statement of changes in equity for three and nine months ended 30 September 2020

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Nine months ended 30 September 2020					
As at 31 December 2019 audited	**46,581**	**147,192**	**121,302**	**506,381**	**821,456**
Total comprehensive income for the period					
Net loss	-	-	-	(53,141)	(53,141)
Total comprehensive income for the period	**-**	**-**	**-**	**(53,141)**	**(53,141)**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Other	-	-	-	1	1
Total transactions with owners	**-**	**-**	**-**	**1**	**1**
As at 30 September 2020 unaudited	**46,581**	**147,192**	**121,302**	**453,241**	**768,316**

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Nine months ended 30 September 2019					
As at 31 December 2018 audited	**46,581**	**147,192**	**121,382**	**509,557**	**824,712**
Total comprehensive income for the period					
Net profit	-	-	-	32,410	32,410
Total comprehensive income for the period	**-**	**-**	**-**	**32,410**	**32,410**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends declared	-	-	-	(23,290)	(23,290)
Total transactions with owners	**-**	**-**	**-**	**(23,290)**	**(23,290)**
As at 30 September 2019 unaudited	**46,581**	**147,192**	**121,382**	**518,677**	**833,832**

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

Unconsolidated cash flow statement for three and nine months ended 30 September 2020

	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited	Three months ended 30 September 2019 unaudited	Nine months ended 30 September 2019 unaudited
Cash flows from operating activities				
Profit/(loss) before income taxes	**21,516**	**(54,911)**	**(6,476)**	**28,244**
Adjustments for:				
Depreciation of property, plant and equipment	3,958	11,886	4,058	12,625
Amortization of intangible assets	3,279	9,244	1,765	5,829
Depreciation of right-of-use assets	350	1,097	515	1,543
Foreign exchange loss	5	39	36	21
Interest, net	748	2,410	870	1,984
(Profit) / loss on investing activities	2,727	53,235	(248)	(532)
Dividend income	(20,537)	(20,537)	(7,222)	(80,372)
(Decrease) / increase in provisions	230	1,325	(77)	(198)
Decrease in inventories	293	2,372	3,367	8,667
Decrease in receivables	1,883	26,434	1,429	16,786
(Decrease) / increase in payables	(8,441)	4,709	(7,893)	(15,364)
(Decrease) / increase in contract liabilities	(1,186)	1,450	(611)	(1,880)
Other adjustments	-	-	355	550
Cash generated from operations	**4,825**	**38,753**	**(10,132)**	**(22,097)**
Income taxes inflows (1)	663	2,199	1,169	7,074
Net cash from operating activities	**5,488**	**40,952**	**(8,963)**	**(15,023)**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, and intangibles	104	10,683	232	568
Disposal of subsidiaries, associates and jointly controlled entities	81	85	45	45
Dividends received	12,537	12,537	11,445	78,082
Repayment of loans granted	50	150	600	600
Interest received	40	170	143	822
Proceeds from cash pooling	5,148	3,654	16,251	80,611
Loans granted	-	-	(600)	(1,400)
Purchase of property, plant and equipment, and intangibles	(3,192)	(15,433)	(6,764)	(22,534)
Acquisition of subsidiaries, associates and jointly controlled entities	(2,821)	(4,156)	(15,977)	(161,376)
Net cash used in investing activities	**11,947**	**7,690**	**5,375**	**(24,582)**

	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited	Three months ended 30 September 2019 unaudited	Nine months ended 30 September 2019 unaudited
Cash flows from financing activities				
Proceeds from borrowings	-	-	8,844	83,844
Repayment of borrowings	-	(2,083)	(2,084)	(7,030)
Proceeds /(outflows) from cash pooling	24,596	30,628	1,801	(9,980)
Dividends paid	-	-	(23,290)	(23,290)
Payment of finance lease liabilities	(254)	(756)	(177)	(1,510)
Interest paid	(1,598)	(3,121)	(1,056)	(2,506)
Other	-	(20)	(322)	(743)
Net cash used in financing activities	**22,744**	**24,648**	**(16,284)**	**38,785**
Net increase in cash and cash equivalents	**40,179**	**73,290**	**(19,872)**	**(820)**
Cash and cash equivalents				
At start of period	46,285	13,174	26,093	7,041
At end of period	86,464	86,464	6,221	6,221

1) *the amount includes settlements with the companies participating in the Tax Capital Group.*

Additional information to unconsolidated financial statements of Agora S.A.

In the period from January 1, 2020 to September 30, 2020 the following impairment losses and provisions were changed in the unconsolidated financial statements of Agora S.A. (in brackets the amounts for the third quarter of 2020):

- impairment loss for receivables: decrease by PLN 1,392 thousand (decrease by PLN 1,119 thousand),
- impairment loss for inventory: increase by PLN 218 thousand (increase by PLN 320 thousand),
- impairment loss for tangible assets and intangible assets: use in the amount of PLN 15,048 thousand - related to the liquidation of the assets of the printing activity, which were subject to write-downs (no change),
- loan write-offs: decrease by PLN 600 thousand (decrease by PLN 650 thousand),
- write-offs for interest on loans: decrease by 8 PLN thousand (decrease by PLN 13 thousand),
- shares write-offs: increase by PLN 59,638 thousand, including set-up by PLN 60,487 thousand* and use in the amount of PLN 849 thousand (increase by PLN 2,821 thousand, including set-up by PLN 2,821 thousand),
- provision for restructuring: use in the amount of PLN 271 thousand (use by PLN 71 thousand),
- provision for severance payments for former members of the Management Board: increase by PLN 300 thousand (increase by PLN 300 thousand),
- retirement severance provision: decrease by PLN 5 thousand (no change),
- other provisions: increase by PLN 1,300 thousand (no change).

* The creation of write-offs for shares was included in the financial costs of the Company and concerns mainly shares in Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.) in the amount of PLN 56,331 thousand PLN in connection with the sale of the company's enterprise within the meaning of Art. 55[1] of the Civil Code, constituting an organized set of tangible and intangible assets intended for business activity of Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.) and write-offs for shares in Goldenline Sp. z o.o. in the amount of PLN 4,156 thousand. The use of the allowance for shares applies to the company Hash.fm Sp. z o.o. in connection with the sale of shares in this company by Agora S.A.

In the period from January 1, 2020 to September 30, 2020, the Company purchased property, plant and equipment in the amount of PLN 4,672 thousand (in the period from January 1, 2019 to September 30, 2019: PLN 11,389 thousand).

As at September 30, 2020 the commitments for the purchase of property, plant and equipment amounted to PLN 83 thousand (as at December 31,2019: did not occur).

As at September 30,2020 and as at December 31,2019 other short - term financial liabilities include liabilities of Agora S.A. to subsidiaries (resulting from settlements related to the cash pooling system, which functions within Agora Group).

As at 30 September 2020 and 31 December 2019 the Company had no financial instruments measured at fair value.

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

Related party transactions

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

	Three months ended 30 September 2020	Nine months ended 30 September 2020	Three months ended 30 September 2019	Nine months ended 30 September 2019
Subsidiaries				
Sales	11,698	36,091	14,098	43,210
Purchases of goods and services	(4,301)	(13,176)	(6,513)	(23,219)
Other operating income	-	1	-	-
Dividends income	8,537	8,537	-	73,150
Other finance income	32	152	102	676
Loss on sale of financial assets	-	-	-	45
Finance costs	-	(71)	(63)	(274)
Jointly controlled entities				
Sales	-	-	-	5
Purchases of goods and services	-	-	-	(6)
Associates				
Sales	-	14	8	94
Purchases of goods and services	-	-	-	(7)
Other operating income	-	-	-	2
Interest on loans granted	-	5	7	17
Dividends income	12,000	12,000	7,222	7,222
Major shareholder				
Sales	6	17	5	16
Other operating income	280	629	471	1,104

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

	As at 30 September 2020	As at 30 June 2020	As at 31 December 2019
Subsidiaries			
Shares	480,182	480,182	536,512
Cash pooling receivables	9,604	14,762	13,270
Trade receivables	8,544	8,604	7,718
Other receivables	8,393	385	2,069
Cash pooling liabilities	59,889	35,294	29,273
Trade liabilities	3,504	4,925	1,218
Other liabilities and accruals	2,208	1,837	3,199
Contract liabilities	-	-	7
Associates			
Shares	156,257	156,257	156,357
Non-Current loans granted	-	-	200
Trade receivables	1	-	100
Major shareholder			
Trade receivables	5	9	3
Other liabilities and accruals	726	1,005	276
Management Board of the Company			
Receivables	21	-	1

Selected unconsolidated financial data together with translation into EURO

	in PLN thousand			in EUR thousand		
	Nine months ended 30 September 2020 unaudited	As at 31 December 2019 audited	Nine months ended 30 September 2019 unaudited	Nine months ended 30 September 2020 unaudited	As at 31 December 2019 audited	Nine months ended 30 September 2019 unaudited
Revenue	240,896		290,041	54,231		67,317
Operating loss	(12,622)		(49,607)	(2,842)		(11,513)
Profit/(loss) before income taxes	(54,911)		28,244	(12,362)		6,555
Net profit/(loss) for the period	(53,141)		32,410	(11,963)		7,522
Net cash from operating activities	40,952		(15,023)	9,219		(3,487)
Net cash used in investing activities	7,690		(24,582)	1,731		(5,705)
Net cash used in financing activities	24,648		38,785	5,549		9,002
Net increase / (decrease) in cash and cash equivalents	73,290		(820)	16,499		(190)
Total assets	1,049,924	1,069,679		231,935	251,187	
Non-current liabilities	75,942	86,119		16,776	20,223	
Current liabilities	205,666	162,104		45,433	38,066	
Equity	768,316	821,456		169,726	192,898	
Share capital	46,581	46,581		10,290	10,938	
Weighted average number of shares	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831
Basic/diluted earnings per share (in PLN / in EURO)	(1.14)		0.70	(0.26)		0.16
Book value per share (in PLN / in EURO)	16.49	17.64		3.64	4.14	

Warsaw, November 16, 2020

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

Signatures submitted electronically.