AGORA SA

AGORA GROUP

Report for

3q 2021

November 18, 2021

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AGORA GROUP

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) OF THE GROUP'S RESULTS FOR THE THIRD QUARTER OF 2021

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Unless indicated otherwise, all data presented herein represent the period of January – September 2021, while comparisons refer to the same period of 2020. 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

- The outbreak of the COVID-19 pandemic had a negative impact on the Agora Group's performance both in 2020 and in 2021. In order to prevent the negative effects of the pandemic, the Management Board of Agora S.A. took a number of actions, which have been described in detail in the previous reports of the Management Board, in particular for 2020.
- In the first three quarters of 2021, the Agora Group's revenue amounted to PLN 614.2 million, showing an increase by 0.3% yoy. Such results were significantly contributed by the increase in the Group's revenues by 38.0% up to PLN 266.4 million recorded in the third quarter of 2021 alone. The only segment that experienced a decline in revenues at that time was the Movies and Books segment due to the administrative closure of cinemas until 20 May 2021. As a result, revenue in this segment declined by 16.9% and amounted to PLN 170.5 million. The segment recorded a decline in revenues from film activity, which decreased by 76.4% to PLN 7.9 million. Revenues from ticket sales and cinema concession sales, as well as from the sale of advertising services in cinemas also decreased. The revenues from the catering activities were higher by 43.0% yoy and accounted for PLN 20.3 million. The revenues from Agora's Publishing House increased by 11.7% to PLN 36.4 million. ,At the same time, in the third quarter of 2021, the revenues from the Movies and Books segment amounting to PLN 105.1 million, i.e. being higher by 121.3%, contributed the most to the increase of the total revenues of the Agora Group. This is mainly due to the cinema activity which was dynamically recovering after the pandemic. The revenues from ticket sales increased by 178.4% up to PLN 45.1 million, from cinema concession sales – by 219.8% up to PLN 25.9 million, and from the sale of advertising in cinemas – by 154.5% up to PLN 5.6 million. The Movies and Books segment also recorded higher revenues from film activities owing to a higher number of film productions launched in cinemas. The catering business, which was being developed within the segment, recorded revenues higher by 25.8%, and amounting to PLN 8.3 million. The revenues from Agora's Publishing House also increased, reaching PLN 11.8 million. In the period from January to September 2021, other operating segments of the Group recorded an increase in revenues which offset the decline in revenues from cinema

business. The highest increase in revenues was recorded in the Internet segment – by 12.2% up to PLN 152.7 million. This is primarily due to higher revenues from the sale of advertisements generated by the Gazeta.pl division and Yieldbird company, as well as due to higher revenues of the HRlink group. In the third quarter of 2021 alone, the revenues from the Internet segment increased by 14.4% up to PLN 51.6 million, also due to higher revenues of Gazeta.pl division and Yieldbird company. High revenues growth – by 13.4% up to PLN 68.6 million, was recorded in the Radio segment. This is mainly due to higher revenues from the sale of airtime in own stations and in stations of other broadcasters. For the same reasons in the third quarter of 2021, revenues in the Radio segment were higher by 16.3% and amounted to PLN 25.7 million. A significant increase in revenues was also recorded in the Outdoor segment. They were higher by 7.9% and by 10.8%, respectively, and amounted to PLN 84.8 million in the first three quarters of 2021, out of which PLN 37.0 million in the third quarter of 2021. They were mainly due to the campaigns carried out on Premium, Digital and CityTransport carriers. In the Press segment in the first three quarters of 2021, the revenues increased by 3.4% up to PLN 148.2 million, and in the third quarter of 2021 alone, they increased by 9.2% and amounted to PLN 52.3 million. In both these periods, this was mainly due to higher advertising revenues in *Gazeta Wyborcza*.

- A significant impact on the level of the Agora Group's operating costs - both in the third quarter and in the period from January to September 2020 - had a number of cost-saving measures taken by the Company (including a reduction of remuneration by 20.0% for six months), and resulting from legal provisions (suspension of payments for rents of cinemas in shopping malls), the impact of the pandemic on selected forms of activity (including costs related to the implementation of advertising campaigns) or non-operational events. Their detailed description can be found in the Management Board's commentary to the financial statements for the nine months of 2020 and in the notes to the tables presenting the Group's financial results in this Management Board Commentary. Their total positive impact on the level of operating costs of the Agora Group in the third quarter of 2020 is PLN 23.4 million, and in the first three quarters of 2020 - PLN 21.2 million. As a result, in the first three quarters of 2020, the Group's operating expenses were 20.9% lower yoy and amounted to PLN 689.3 million. In 2021, the number of one-off events was significantly smaller. Among them there were mainly: impairment losses on non-current assets in the amount of PLN 2.4 million, a write-off for receivables of one of the contractors in the amount of PLN 1.4 million and the recovery of VAT on the canceled receivables of one of the contractors in the amount of PLN 1.1 million in Agora S.A., as well as support within anti-crisis shield in the total amount PLN 10.5 million (including the cancellation of the preferential part of the PFR loan in the amount of PLN 3.1 million in the Movies and Books segment). The above events had a positive impact on the level of the Group's operating costs. In total, it amounted to PLN 7.8 million from January to September 2021, of which in the third quarter of 2021 alone it was PLN 1.7 million.

- The comparability of different categories of the operating costs in all segments of the Agora Group as compared to the corresponding period of 2020 was affected by the conditions related to the possibility of conducting business activity by individual businesses of the Group and savings measures implemented by the Company's Management Board in 2020. In first three quarters of 2021, the Group's operating costs decreased by 1.3% compared to the corresponding period of 2020, and amounted to PLN 680.1 million. Whereas, in the third quarter of 2021 alone, the Agora Group's operating costs increased by 29.3% and amounted to PLN 255.2 million. In the period from January to September 2021, the operating costs recorded the sharpest decrease (by 16.2% down to PLN 209.7 million) in the Movies and Books segment. This was mainly due to the fact that until 20 May 2021, the cinemas were closed due to the administrative decision. In the discussed period, most categories of the operating costs decreased in this segment. Expenses for external services and costs of materials, energy, the value of goods and materials sold decreased most. Costs of depreciation and amortisation were also significantly lower. However, as in other business segments, the staff costs were higher due to reduced working time and salary levels for six months in 2020. Additionally, Agora's Publishing House and Step Inside recorded a significant increase of costs due to the higher scale of operations. On the other hand, in the third quarter of 2021 alone, the operating costs increased the most in the Movies and Books segment – by 42.9% up to PLN 94.9 million. This was mainly due to the return of viewers to the cinemas owing to the increasingly richer film offer and the lifting of restrictions on the operations of cinemas. The categories of expenses that increased most in the third quarter of 2021 were the costs of external services, staff costs, as well as materials, energy, and value of goods and materials sold. It is also worth noting that the dynamics of operating costs of the Movies and Books segment, as compared to the corresponding period of 2020, was influenced by asset write-downs associated with Foodio Concepts Sp. z o.o. The next segment of the Group, in which the operating costs were reduced, was the Outdoor segment – in this area in the first three quarters of

2021 the expenses dropped by 2.5% and amounted to PLN 96.7 million. The dynamics of the operating costs of the segment was significantly affected by lower value of asset write-downs in the AMS group than in the corresponding period of 2020. The promotion and marketing costs were also lower. Whereas, in the third quarter of 2021 alone, the segment's operating costs were higher by 7.3% and amounted to PLN 33.7 million. During this time, all categories of operating costs increased, apart from promotion and marketing costs. In other segments, operating costs were higher than in the first three quarters of 2020. They increased most significantly in the Radio segment – by 18.2% up to PLN 64.9 million. In this area, all categories of expenses were higher, although the staff costs, promotion and marketing costs as well as costs of external services increased most. In the third quarter of 2021 alone, the operating costs in the Radio segment increased by 38.5% up to PLN 23.4 million, which was influenced by an increase in most categories of expenses. Operating costs in the Press segment were higher by 6.3% and amounted to PLN 134.6 million. This is the result of an increase in almost all categories of operating costs, including in particular staff costs. Moreover, operating costs in the Press segment in the period from January to September 2021 were negatively impacted by a PLN 1.4 million write-down on outstanding liabilities of one of the business partners. The category that was reduced was expenditure on materials, energy, goods and printing services, mainly due to the lower print volume of *Gazeta Wyborcza* and a change in the scope of services provided to one of the large external customers. In the third quarter of 2021 alone, the operating costs in the Press segment increased by 33.4% and amounted to PLN 47.1 million. This was due to the higher staff costs, promotion and marketing costs as well as costs of external services. In the Internet segment, operating costs increased by 2.1% up to PLN 131.6 million from January to September 2021, which resulted from an increase in all categories of operating expenses. It is worth remembering that in the corresponding period of 2020 the operating costs of the segment were charged with the costs of one-off events: restructuring of the activity of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.), including asset write-downs of PLN 12.7 million and sale of an organised part of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.; profit on the sale of the enterprise – PLN 3.6 million). Moreover, the business 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. In the third quarter of 2021 alone, operating costs of the Internet segment increased by 22.2% and amounted to PLN 44.0 million. The increase in all categories of operating costs contributed to this fact; the highest increase was recorded in the area of expenditures for external services and staff costs. In the first three quarters of 2021, the Group's operating costs without the effect of IFRS 16 decreased by 2.0% and amounted to PLN 664.5 million, and in the third quarter of 2021 alone, they went up by 29.4% to PLN 253.3 million.

- In the third quarter of 2021, the Agora Group recorded EBIDTA profit of PLN 49.8 million which was higher by 50.0% as compared to the one recorded in the third quarter of 2020. In the first three quarters of 2021, the Group's EBITDA amounted to PLN 56.4 million and was lower than in the corresponding period of 2020. EBIT profit in the third quarter of 2021 amounted to PLN 11.2 million, and the EBIT loss recorded from January to September 2021 amounted to PLN 65.9 million. The Group recorded a net loss of PLN 1.5 million in the third quarter of 2021, and PLN 70.8 million in the first three quarters of 2021. The net loss attributable to the shareholders of the parent company amounted to PLN 1.2 million in the third quarter of 2021, and to PLN 66.7 million in the first nine months of 2020. It is worth noting that a subsidy from the Guaranteed Employee Benefit Fund amounting to a total of PLN 14.2 million had a positive impact on the Group's operating result in the first three quarters of 2020. Exchange 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. In the corresponding period of 2021, the total impact of one-off events on the Group's result was positive and amounted to PLN 7.8 million.
- The data presented without the impact of IFRS 16 shows that in the first three quarters of 2021, the Group recorded an EBITDA profit of PLN 23.9 million, and in the third quarter of 2021 alone – of PLN 36.9 million. Under this approach, the Group recorded an EBIT loss of PLN 50.3 million in the first nine months of 2021 and an EBIT profit in the period July - September 2021 of PLN 13.1 million. In the first three quarters of 2021, the Group recorded a net loss of PLN 47.6 million. However, in the third quarter of 2021, the Group's net profit presented without IFRS 16 amounted to PLN 13.9 million.
- As at 30 September 2021, the Group's cash and short-term financial assets amounted to PLN 100.7 million, which comprised PLN 99.9 million in cash and cash equivalents (cash in hand and at bank and bank deposits) and PLN 0.8 million in loans granted.

- As at the end of September 2021, the Group's loans and leases amounted to PLN 841.9 million (including lease liabilities under IFRS 16 of PLN 677.8 million). The Group's net debt in this approach amounted to PLN 742.0 million, while excluding the impact of IFRS 16, the Group's net debt as at 30 September 2021 amounted to PLN 64.2 million.

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 2021, total advertising spending in Poland amounted to ca. PLN 2.3 billion and increased by 12.5% yoy.

Tab. 1

	3Q 2019	4Q 2019	1Q 2020	2Q 2020	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021
% change yoy in ad market value	6.0%	3.5%	0.0%	(29.0%)	(2.5%)	(2.0%)	1.5%	41.5%	**12.5%**

In the third quarter of 2021, advertisers increased their advertising spend in all market segments. Internet advertising expenditure grew the most in terms of value. The second medium with a significant increase in advertising spending was television. The increased activity of advertisers was also visible in the outdoor advertising market and in cinemas. Advertisers increased their advertising spending also in press publishers.

It is also worth noting that the value of ad spend in the period July - September 2021 was higher by over 9.5% compared to the third quarter of 2019, i.e. in the period before the outbreak of the pandemic. This is mainly the effect of an increase in advertising spending on the Internet and, to a lesser extent, on television. In other segments of the advertising market, these expenses were still lower than in the corresponding period of 2019.

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
12.5%	3.5%	21.0%	4.0%	16.0%	12.0%	8.0%	299.5%

The share of particular media segment in total advertising expenditure, in the third quarter of 2021, is presented in the table below:

Tab. 3

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100.0%	39.5%	44.5%	6.5%	5.0%	2.5%	1.5%	0.5%

In the period January - September 2021, the value of total advertising expenditure in Poland amounted to approximately PLN 7.1 billion and increased by 17.5% yoy. During this time, advertisers increased their advertising expenditure in all market segments except press and cinema.

At the same time, it is worth noting that compared to the period January - September 2019, the value of advertising expenditure in Poland in the first three quarters of 2021 was higher by almost 4.0%. This increase is due solely to the increase in online advertising spending at the expense of other segments of the advertising market. The greatest decrease in the value of advertising expenditure in the analyzed periods was visible in the press and in outdoor advertising. Their significant drop was also still visible in cinemas. In the case of advertising expenditure in radio stations and TV stations, the loss was relatively small compared to the first three quarters of 2019.

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
17.5%	15.5%	23.0%	13.5%)	19.0%	(5.0%)	(3.5%)	(19.0%)

The share of particular media segment in total advertising expenditure, in the first three quarters of 2021, is presented in the table below:

Tab. 5

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100%	41.5%	44.0%	16.5%	4.0%	2.5%	1.0%	0.5%

1.2. Copy sales of dailies [4]

In the third quarter of 2021, the total paid circulation of dailies (verified by the National Circulation Audit Office (ZKDP)) decreased by 10.6% yoy and in the first three quarters of 2021 by 11.7% yoy. In both periods under discussion the largest decrease was observed in regional dailies.

1.3. Cinema admissions [9]

The outbreak of the COVID-19 pandemic had an impact on attendance in Polish cinemas in January - September 2021. On May 21, 2021, the administrative closure of cinema facilities was lifted. In the first nine months of 2021, the number of tickets sold in Polish cinemas amounted to 10.8 million (this number does not include film productions distributed by UIP due to the lack of information from this distributor) and was lower by 31.8% compared to the corresponding period 2020. In the third quarter of 2021, cinema operations were subject to restrictions related to the limitation of the number of tickets sold throughout Poland pursuant to an administrative decision, however, they were significantly less severe than in the corresponding period of 2020. As a result, the number of tickets sold in Polish cinemas in the third quarter of 2021 grew by 123.1% compared to the third quarter of 2020 and amounted to over 7.7 million.

It is worth remembering that in both discussed periods the number of tickets sold is underestimated, as it does not include film productions distributed by UIP due to the lack of information from this distributor and the data are not fully comparable yoy.

2. INTERNAL FACTORS

2.1. Revenue

Tab. 6

in million PLN	**3Q 2021**	**% share**	**3Q 2020**	**% share**	***% change yoy***
Total sales (1)	**266.4**	***100.0%***	**193.0**	***100.0%***	***38.0%***
Advertising revenue	125.5	*47.1%*	109.9	*56.9%*	*14.2%*
Ticket sales	46.0	*17.3%*	16.2	*8.4%*	*184.0%*
Copy sales	34.4	*12.9%*	33.0	*17.1%*	*4.2%*
Concession sales in cinemas	25.9	*9.7%*	8.1	*4.2%*	*219.8%*
Gastronomic sales (2)	8.4	*3.2%*	6.6	*3.4%*	*27.3%*
Revenues from film activities	4.0	*1.5%*	0.7	*0.4%*	*471.4%*
Other (3)	22.2	*8.3%*	18.5	*9.6%*	*20.0%*

in million PLN	**1-3Q 2021**	**% share**	**1-3Q 2020**	**% share**	***% change yoy***
Total sales (1)	**614.2**	***100.0%***	**612.1**	***100.0%***	***0.3%***
Advertising revenue	334.5	*54.5%*	300.9	*49.2%*	*11.2%*
Ticket sales	62.9	*10.2%*	77.9	*12.7%*	*(19.3%)*
Copy sales	103.3	*16.8%*	97.6	*15.9%*	*5.8%*
Concession sales in cinemas	31.2	*5.1%*	33.9	*5.5%*	*(8.0%)*
Gastronomic sales (2)	20.3	*3.3%*	14.2	*2.3%*	*43.0%*
Revenues from film activities	6.4	*1.0%*	32.1	*5.2%*	*(80.1%)*
Other (3)	55.6	*9.1%*	55.5	*9.2%*	*0.2%*

(1) particular sales positions, apart from revenues from ticket sales, concession sales in cinemas and gastronomic sales, 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;

(2) in 2021, the Group amended the presentation of gastronomic sales, these revenues include activities of companies Step Inside Sp. z o.o. and Foodio Concepts Sp. z o.o. (till 2 June, 2020), in the previous periods presented in line Other sales, the comparative information has been restated accordingly;

(3) in 2021, the Group amended the presentation of revenues from sale of printing services, these revenues are presented in line Other sales, the comparative information has been restated accordingly.

In the third quarter of 2021, the **total revenues of the Agora Group** amounted to PLN 266.4 million and were higher by 38.0% as compared to the revenues recorded in the third quarter of 2020. The main reason for this increase was the increase in revenues from cinema operations due to the gradual lifting of administrative restrictions on the functioning of cinemas and return of the largest cinematic productions to the big screen. The proceeds from other activities within the Group also increased.

In the third quarter of 2021, Agora Group's **revenues on the sale of advertising services** increased by 14.2% year on year and amounted to PLN 125.5 million. They increased in all operating segments of the Group. The highest increase in revenues from the sale of advertising services took place in the Internet segment, where they increased by 13.0% up to PLN 46.8 million. This was due mainly to higher revenues generated by the Gazeta.pl division and Yieldbird company. Another segment in which the advertising proceeds increased was the Movies and Books segment. Due to the resumption of cinema activity and the return of viewers to the Helios multiplex cinemas, the revenues from cinema advertising increased by 154.5% to PLN 5.6 million. The advertising revenues in the Outdoor segment increased by 8.6% up to PLN 35.3 million, mainly due to higher revenues recorded thanks to the campaigns displayed on Premium, Digital and CityTransport carriers. In the Radio segment, the increase in revenues from radio advertising amounted to 11.7% as compared to the third quarter of 2020 – it accounted for PLN 21.9 million. In particular, this was due to the increase of the revenues from the sale of advertising time at stations belonging to Agora Radio Group, as well as from the agency services in the sale of airtime in third-party radio stations. In the Press segment, revenues from the sale of advertising increased by 15.0% as compared to the third quarter of 2020, amounting to PLN 16.1 million. This is mainly due to the increase in the revenues from advertising in the paper issue of *Gazeta Wyborcza* and Wyborcza.pl on-line services.

In the third quarter of 2021, the **revenue from tickets sold in Helios cinemas** increased by 184.0% and amounted to PLN 46.0 million. In the period in question, over 2.4 million tickets were purchased at Helios cinemas, i.e. by 159.1% more than in the third quarter of 2020. According to the data from Boxoffice.pl, the number of tickets sold in Polish cinemas reached more than 7.7 million in the third quarter of 2021 and increased by 123.1% *[10]*. It is worth noting, however, that this number is underestimated, as it does not take into account the film productions distributed by UIP due to the lack of information from this distributor – the data is not fully comparable year on year.
In the period between July and September 2021, the **revenue from copy sales** amounted to PLN 34.4 million, showing an increase by 4.2% year on year. This increase was mostly driven by higher revenues from the sale of publications of the Agora's Publishing House and the Press segment, including mainly content subscription in Wyborcza.pl.

Revenue from cinema concession sales increased by 219.8% up to PLN 25.9 million. This was due to the higher attendance at cinema screenings resulting from gradual lifting of restrictions on the number of tickets sold and the return of large film productions to cinemas.

In the third quarter of 2021, **revenues from catering business** increased by 27.3% and amounted to PLN 8.4 million. Despite the restrictions on the catering business imposed in connection with the COVID-19 pandemic in 2021 and 2020, the proceeds from the operations of Step Inside were higher. Currently, this company runs 10 restaurants under the Pasibus brand, established as part of strategic cooperation with Helios S.A.

Revenue from film business stood at PLN 4.0 million and was significantly higher as compared to 2020. This was due to, inter alia, a larger number of new titles in cinema distribution. In the third quarter of 2021, NEXT FILM introduced an animated production for children *Elfkins* [Polish: *Elfinki*], a comedy-drama *Czarna Owca* [*Black Sheep*] and a comedy *Teściowie* [*In-Laws*]. In the corresponding period of 2020, NEXT FILM introduced only one production to the cinemas – the family movie *Tarapaty 2* [*Trouble 2*] which was screened in facilities subject to strict sanitary standards.

The revenue from other sales amounted to PLN 22.2 million and increased by 20.0% as compared to the third quarter of 2020. The increase in this value was mainly due to higher revenues from this category in the Movies and Books segment, generated in particular due to an increase in revenues- from internet fees and sublease of space in Helios cinemas. In the Press segment, the increase in revenues from other sales was primarily related to higher revenues from music festivals. Such revenues were also higher in the Outdoor segment, mainly due to the increase in the value of barter transactions with fitness clubs where Piano Group carriers are located: on the one hand due to an increase in rent rates, and on the other hand due to a higher number of clubs where advertising carriers are located. The increase of this income position also occurred in the Radio and Internet segments.

In the first three quarters of 2021, Agora Group's **advertising revenues** increased by 11.2%, as compared to the corresponding period in 2020, and amounted to PLN 334.5 million. They increased in all operating segments of the Group, except for the Movies and Books segment. The highest increase in revenues from the sale of advertising services took place in the Internet segment, where they increased by 14.0% up to PLN 139.8 million. This was due mainly to higher revenues generated by the Gazeta.pl division and Yieldbird company. Another segment in which the advertising revenues increased was the Radio segment. The increase in revenues from radio advertising amounted to 16.6% as compared to the corresponding period in 2020 – it amounted to PLN 60.3 million. In particular, this was due to the increase of the revenues from the sale of advertising time at stations belonging to Agora Radio Group, as well as from the agency services in the sale of airtime in third-party radio stations. In the Press segment, revenues from the sale of advertising were higher by 14.1% as compared to the first three quarters of 2020, and amounted to PLN 54.4 million. This is mainly due to the increase in the revenues from advertising in the paper issue of *Gazeta Wyborcza* and Wyborcza.pl on-line services. The advertising revenues in the Outdoor segment increased by 6.4% up to PLN 80.9 million, mainly due to higher revenues recorded thanks to the campaigns displayed on Premium, Digital and CityTransport carriers.

In the period from January to September 2021, the **revenues from tickets sold in Helios cinemas** decreased by 19.3% and amounted to PLN 62.9 million. In the period under analysis, over 3.3 million tickets were purchased at Helios cinemas, i.e. 22.1% less than in the corresponding period of 2020. The main reasons behind this decrease were administrative closure of cinemas and restrictions in their operations introduced due to the outbreak of the COVID-19 pandemic. In the corresponding period, the number of cinema tickets sold in Poland amounted to almost 10.8 million, showing a decrease by 31.8% *[10]*. It is worth noting that the number of tickets sold is underestimated, as it does not take into account the film productions distributed by UIP due to the lack of information from this distributor – the data is not fully comparable year on year.

In the first three quarters of 2021, **the copy sales revenues** amounted to PLN 103.3 million and increased by 5.8% year on year. This was mainly influenced by the increase of revenues from the sale of books published by the Agora's Publishing House and higher revenues from the sale of copy in the Press segment, mainly from the sale of content subscriptions in Wyborcza.pl.

The **revenues from cinema concession sales** decreased by 8.0% down to PLN 31.2 million, mainly due to significantly lower cinema attendance year on year, resulting from the administrative closure of cinemas until 20 May 2021 and the restrictions on their operations after their re-opening.

In the period from January to September 2021, the **revenues from the catering business** were higher by 43.0% and amounted to PLN 20.3 million. This was possible owing to the development of Step Inside, which runs restaurants under the Pasibus brand, despite restrictions on the food business in 2021 and 2020 related to the COVID-19 pandemic and the sale of Foodio Concepts in the second quarter of 2020.

Between January and December 2021, the **revenues from the Group's film business** stood at PLN 6.4 million and were lower by 80.1% than in the corresponding period of 2020. In the discussed period, NEXT FILM launched four films on large screens, while in the corresponding period in 2020, there were three of them but they were more popular.

In the first nine months of 2021, the **revenues from other sales** amounted to PLN 55.6 million and were higher by 0.2% than the revenue recorded in the corresponding period of 2020. This was mainly due to an increase in this category of revenues in the Outdoor, Internet and Radio segments.

2.2. Operating cost

Tab. 7

in million PLN	**3Q 2021**	**% share**	**3Q 2020**	**% share**	***% change yoy***
Operating cost net, including:	**(255.2)**	***100.0%***	**(197.3)**	***100.0%***	***29.3%***
Operating cost net excl. IFRS 16 (1), including:	(253.3)	*100.0%*	(195.7)	*100.0%*	*29.4%*
External services	(93.7)	*36.7%*	(68.9)	*34.9%*	*36.0%*
External services excl. IFRS 16 (1)	*(107.5)*	*42.4%*	*(78.4)*	*40.1%*	*37.1%*
Staff cost	(75.7)	*29.7%*	(61.4)	*31.1%*	*23.3%*
Raw materials, energy and consumables	(28.3)	*11.1%*	(22.8)	*11.6%*	*24.1%*
D&A	(38.6)	*15.1%*	(37.7)	*19.1%*	*2.4%*
D&A excl. IFRS 16 (1)	*(23.8)*	*9.4%*	*(23.6)*	*12.1%*	*0.8%*
Promotion and marketing	(13.3)	*5.2%*	(9.3)	*4.7%*	*43.0%*
Impairment losses (3)	-	-	0.2	*(0.1%)*	-

in million PLN	**1-3Q 2021**	**% share**	**1-3Q 2020**	**% share**	***% change yoy***
Operating cost net, including:	**(680.1)**	***100.0%***	**(689.3)**	***100.0%***	***(1.3%)***
Operating cost net excl. IFRS 16 (1), including:	(664.5)	*100.0%*	(678.0)	*100.0%*	*(2.0%)*
External services	(227.4)	*33.4%*	(241.3)	*35.0%*	*(5.8%)*
External services excl. IFRS 16 (1)	*(261.1)*	*39.3%*	*(276.2)*	*40.7%*	*(5.5%)*
Staff cost	(224.4)	*33.0%*	(196.2)	*28.5%*	*14.4%*
Raw materials, energy and consumables	(66.4)	*9.8%*	(72.0)	*10.4%*	*(7.8%)*
D&A	(119.9)	*17.6%*	(121.9)	*17.7%*	*(1.6%)*
D&A excl. IFRS 16 (1)	*(71.8)*	*10.8%*	*(71.7)*	*10.6%*	*0.1%*
Promotion and marketing	(30.6)	*4.5%*	(28.5)	*4.1%*	*7.4%*
Cost of restructuring (2)	-	-	(1.4)	*0.2%*	-
Impairment losses (3)	(2.4)	*0.4%*	(28.7)	*4.2%*	*(91.6%)*

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

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

(3) the amount includes impairment losses on fixed assets of the companies Agora S.A. (real estate after a closed printing facility in Tychy) and AMS Group in the second quarter of 2021 and companies Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o. and AMS Group in 2020, the impairment losses were mainly related to tangible fixed assets and intangible assets, including goodwill of Domiporta Sp. z o.o. in 2020.

In the third quarter of 2021, the **net operating costs** of the Agora Group went up by 29.3% to PLN 255.2 million. They were higher in all operating segments of the Group, mainly due to the larger scale of their operations due to the lower scale of restrictions related to the COVID-19 pandemic, and the return of salaries to the standard amounts in the entire Group after they were decreased for six months in 2020. The highest increase in operating expenses – by 42.9% to PLN 94.9 million – was visible in the Movies and Books segment. The operating costs reported in the Press segment grew by 33.4% to PLN 47.1 million. Another area where the operating costs were significantly increased (by 22.2% to PLN 44.0 million) was the Internet segment. Operating costs in the Radio segment increased by 38.5% to PLN 23.4 million, and in the Outdoor segment they were higher by 7.3% and amounted to PLN 33.7 million.

Costs of external services, which were higher by 36.0% than in the corresponding period of 2020 and amounted to PLN 93.7 million, were the largest expense item. This cost item increased in all operating segments of the Group. The largest increase was observed in the Movies and Books segment, mainly due to higher costs of purchasing film copies and higher fees for film producers. In the Internet segment, the increase in expenses on services was related to higher expenditure on lease of advertising space, mainly by Yieldbird, higher sales brokerage costs in the HRlink group and other costs of external services in the Gazeta.pl division. A significant increase in this cost category was also visible in the Press segment and resulted from the number of orders for printing services which was higher than in the previous year. The costs of external services were also higher in the Radio segment as a result of higher costs related to the provision of sales brokerage services for the Helios cinema network and higher proceeds from the provision of airtime purchase in third-party radio stations. The increase in expenditure on external services in the Outdoor segment was attributable to a higher number of advertising campaigns and higher costs of rent for the lease of advertising media space.

Staff costs stood at PLN 75.7 million and increased by 23.3% as compared to the costs recorded in the third quarter of 2020. This was mainly due to the Group decreasing salaries and working time by 20.0% for six months until 15 October 2020. Additionally, the level of remuneration was also affected by the increase in the costs of civil law contracts in the Agora Group.

Full-time employment in the Group as at the end of September 2021 amounted to 2,303 full-time equivalents (FTEs) and decreased by 29 FTEs as compared to the end of September 2020 (after eliminating the effect of decreasing the working time). This reduction resulted from a lower level of employment in the Press, Radio and Outdoor segments. The highest increase in employment was recorded in the Internet, and Movies and Books segments.

The increase in the **costs of materials and energy consumption as well as the value of goods and materials sold**, recorded as compared to the third quarter of 2020, was mainly related to higher revenues from the cinema concession sales in Helios cinemas, operations of the Agora's Publishing House and operation of a network of restaurants under the Pasibus brand.

The costs of depreciation and amortisation increased by 2.4% up to PLN 38.6 million. Their increase was recorded in all operating segments of the Agora Group.

Promotion and marketing costs of the Group constituted PLN 13.3 million and were higher by 43.0% than those recorded in the third quarter of 2020. Their increase was observed in all operating segments of the Group, except for the Outdoor segment.

In the third quarter of 2021, the Group's net operating costs, reported without the effect of IFRS 16, reached PLN 253.3 million and were 29.4% higher yoy.

In the first three quarters of 2021, the Group's **net operating costs** decreased by 1.3% down to PLN 680.1 million. They were lower in the Movies and Books and Outdoor segments, while in other segments they increased as compared to the corresponding period in 2020.

It is worth noting that their year-on-year comparability was affected by a number of events. In 2020 these included mainly impairment write-downs on fixed assets of Plan D Sp. z o.o. (formerly known as Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o., Agora S.A. (closed building of the printing house) and 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 in the first three quarters of 2020 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 was PLN 19.4 million. Significant factors affecting the reduction of the Group's operating expenses at that time included administrative prohibition on 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 2021, the level of operating costs of the Agora Group was influenced by the following: write-offs for receivables of one of the counterparties in the Press segment in the amount of PLN 1.4 million, the recovery of VAT on the redeemed receivables of one of the counterparties in the amount of PLN 1.1 million in Agora S.A., as well as the financing from the Guaranteed Employee Benefits Fund and redemption of a part of the Social Benefits Fund (ZUS) contributions in the total amount of PLN 10.5 million and redemption of a part of a preferential loan from the Polish Development Fund (PFR) in the Movies and Books segment in the amount of PLN 3.1 million. The above-mentioned events had a positive impact on the Group's operating costs. In total, it amounted to PLN 7.8 million.

In the first three quarters of 2021, the **costs of external services** decreased by 5.8% to PLN 227.4 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 until 20 May 2021. This was related to lower costs of fees paid to film producers due to lower film distribution proceeds, lower costs of purchasing film copies due to the closure of cinemas and restrictions on their operations introduced in 2021. In other operating segments, costs in this category increased. The highest increase was recorded in the Internet segment and was mainly related to higher costs of lease of advertising space by Yieldbird. This category of costs also increased in the Radio, Press and Outdoor segments.

In the first three quarters of 2021, **staff costs** increased by 14.4% to PLN 224.4 million. This is mainly the effect of a 20.0% reduction in salaries implemented in the Group for six months in 2020. The largest increase in expenditures in this category was recorded in the Press and Movies and Books segments. Increased staff costs were also visible in the Radio, Outdoor and Internet segments, as well as in supporting divisions.

The costs of materials and energy consumed and the value of goods and materials sold decreased in the first three quarters of 2021 by 7.8% to PLN 66.4 million. This resulted primarily from their significant reduction in the Press segment, due to smaller scale of printing operations. This expenditure was also lower in the Outdoor segment, while it increased in the Radio segment.

The costs of depreciation and amortisation decreased by 1.6% down to PLN 119.9 million. Their decrease was mainly due to the reduction of this category of expenses in the Movies and Books segment – by 5.0% to PLN 60.6 million. In other operating segments, the costs of depreciation and amortisation were higher than in the corresponding period of 2020. Their greatest increase was in the Outdoor segment, which was mainly due to the greater number of contracts whose recognition in the books is influenced by IFRS 16. In the Press segment, the increase in depreciation and amortisation is a result of implementation of projects supporting the development of Wyborcza.pl service. However, the increase in this category of costs on the Internet is mainly the result of investments in the optimisation of programming space, the development of advertising products and the improvement of the portal's visibility in the results of the most popular search engines.

In the period in question, **promotion and marketing costs** increased by 7.4% up to PLN 30.6 million. They were higher in all operating segments of the Group, except for the Outdoor segment.

In the first three quarters of 2021, the Group’s net operating costs presented without the effect of IFRS 16 amounted to PLN 664.5 million, showing a decline by 2.0% yoy.

3. PROSPECTS

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

The company and its subsidiary Helios S.A. secured the financing. As at the balance sheet date, Agora S.A. was granted and fully available working capital loan in the amount of PLN 100.0 million to finance operating activities. Whereas Helios S.A. was granted working capital loans in the amount of PLN 108.0 million, of which unused funds available as at the balance sheet date amounted to PLN 44.9 million. On June 8, 2021, Helios S.A. signed an agreement for a preferential loan in the amount of approximately PLN 5.0 million. On September 24, 2021, a part of this loan in the amount of PLN 3.1 million was written off. In addition, in the first three quarters of 2021, companies in the Movies and Books segment received joint support under the so-called anti-crisis shield in the amount of PLN 10.5 million. A risk to the Agora Group's liquidity may be the scale of its revenues, in particular in the event of a recurrence of the pandemic, which will result in the suspension of operations in certain sectors of the economy. Both Agora and all companies from its capital group have taken a number of measures aimed at minimizing losses caused by the COVID-19 pandemic and ensuring the Group's financial security. At present, the risk of re-closing cultural facilities in a worsening pandemic situation seems to be low and in the opinion of the Management Board of the Company there is no threat to the financial liquidity of the Group in the foreseeable future.

In the opinion of the Company’s Management Board, due to the extension of the closure of cultural facilities until 20 May 2021, the greatest negative impact of the pandemic on the Group’s operations was visible in the first half of 2021. In the third quarter of 2021, due to the lifting of some of the restrictions and a diversified repertoire, the Movies and Books segment reported significantly higher revenues than in the previous year, and generated both EBIT and EBITDA profit. The only risk to this activity is the uncertainty as to the possible restrictions in the cinema business in the last quarter of 2021, though this risk does not seem to be big. At the same time, an interesting repertoire planned for the months from October to December 2021 allows to assume that the rate of recovery of the cinema market may still accelerate.

The third quarter of 2021 saw a clear recovery in the value of the advertising market in Poland. According to the Company's estimates, from January to September 2021, advertisers spent significantly more on promoting their goods and services than in the corresponding period of 2020, and even in 2019, i.e. before the outbreak of the pandemic. This was mainly due to the increase in online advertising expenditure.

The good situation in the advertising market and the dynamic recovery of its value meant that the Company decided to raise its expectations regarding the growth of the advertising market value in the entire 2021 compared to the one published in the previous report. According to the Company's latest estimates, advertisers will increase their spending on promoting their goods and services by approximately 13-16% compared to 2020. The reconstruction of the advertising market value began already in the first quarter of 2021, and in the following quarter it accelerated significantly thanks to the unfreezing of other sectors of the economy. In the opinion of the Company, the only market segment in which the value of advertising spending will shrink throughout 2021 will be traditional press. This decline will be significantly lower than previously estimated and may amount to 2-5% compared to 2020. In cinemas - due to the fast recovery of attendance after the opening of cultural facilities - the growth dynamics will be higher than expected and will amount to 17-20%. The dynamic increase in the value of expenses will take place in the outdoor advertising segment and in the Internet - it may reach 16-19%. On radio, advertising spending will increase by 9-12%, and on TV by 8-11%.

Of course, the above estimates and expectations carry the risk of a further escalation of the pandemic, although the inflationary pressure and the rising costs of doing business in Poland seem to be a greater threat at present. Due to the above factors, the described estimates of the advertising market recovery are subject to the risk of non-implementation.

Thanks to the significant improvement in two areas, i.e. in cinema and advertising markets, the pace of the Agora Group's revenue recovery allowed to end the period from January to September 2021 with higher revenues than those generated in the corresponding period of 2020. The last quarter of the year is expected to strengthen this trend, provided that the scale of restrictions related to the prevention of another wave of the pandemic in the last months of 2021 will not be similar to that of last year and the economic situation will not slow down advertising and consumer spending, including for entertainment. Based on the observation of the current rate of return of viewers in Poland to the cinema after of the opening of multiplex cinemas on 21 May 2021, it can be assumed that the turnout in Poland should move closer to that in 2020 and return to pre-pandemic levels in mid-2022.

The segment of the advertising market which was most affected by the pandemic is outdoor advertising, which is sensitive to the number of contacts between the public and the promotional message. A reduction in advertising expenditures in this area will have a significant impact on the results of the Agora Group. AMS is the leader of the outdoor advertising market in Poland with modern media in the most popular locations. The lifting of restrictions on the movement of people, an increase in the number of contacts with the advertising message and the subsequent stages of “defrosting” the Polish economy made the company record an increase in revenues not only in the third quarter of 2021 alone, but also managed to achieve an increase in revenues in the period from January to September 2021. Due to the structural changes in the advertising market, it will take about 3-4 years for this market to return to its value before the outbreak of the pandemic.

The effects of the pandemic and the limited advertising expenditure significantly affected the radio business of the Agora Group. Agora Radio Group does not have a nationwide license to broadcast a radio program, and therefore, it often experiences more difficulties in competing for significantly limited advertising budgets than large broadcasters. However, the elimination of business restrictions has already had a positive impact on the segment's revenues, mainly due to the increased activity of local entrepreneurs. Agora's radio activities recorded higher revenues in both the third quarter and the first three quarters of 2021. It is worth noting that already in the third quarter of 2021 the level of revenues of the Radio segment was higher than in the third quarter of 2019.

The outbreak of the pandemic also significantly affected the digitalisation processes in the press market. It accelerated the digitalisation of press titles which, in the Company's opinion, will continue not only in 2021, but also in subsequent years. As a result, the offer of traditional press will continue to shrink, and the digital offer will come even more to the foreground. Agora is the leader in the Polish market in digital subscriptions to newspapers. The number of active subscriptions of Wyborcza.pl is consistently growing – as at the end of September 2021 it amounted to over 262.6 thousand. The share and level of digital journal inflows is continuously increasing.

The company expects a further increase in revenues in the Internet segment - both thanks to a significant improvement in the quality of advertising space of the Gazeta.pl portal and the growing influence of Yieldbird and HRlink. In the opinion of Agora's Management Board, development initiatives undertaken by individual Internet projects of the Group significantly improved the quality of digital advertising space and the security of the advertising message, which is so important from the point of view of customers. This translates into a growing share of digital revenues in the Group's total advertising revenue (49.1% in the first three quarters of 2021). Thanks to the initiatives taken, the revenues in the Internet segment were higher not only than those recorded in the corresponding period of 2020, but also those from the third quarter of 2019. The company is planning further initiatives to improve the effectiveness of the implemented solutions in order to even better use the increase in spending on internet advertising and increase the share of digital revenues in the total advertising revenues in the Agora Group in subsequent periods.

The Agora Group develops catering activities as part of Step Inside Sp. z o.o., which manages the Pasibus brand restaurants. The revenues from operations of that company are systematically increasing – in the third quarter of 2021 they amounted to PLN 8.4 million, and in the period from January to September 2021 it amounted to as much as PLN 20.3 million. The dynamic increase in revenues in this business area was linked to the lifting of further restrictions, in particular the opening of shopping malls and the permission of restaurants to serve food on site.

The sale of titles in traditional form will continue to decrease due to not only the market trends but also the Poles quickly getting used to reading digital publications. However, the Agora Group is actively developing the digital subscription of *Gazeta Wyborcza* and the sale of books and music in digital form or via online bookshops. This results in a steady increase in the share of digital revenues both from the sale of publications (31.4% in the first three quarters of 2021) and more broadly from the sale of content in the Agora Group (37.2% in the first three quarters of 2021). The Company's Management Board estimates that by investing in projects supporting digital growth in the Group, this trend will further accelerate in subsequent periods. It is worth noting that the value of revenues from the sale of the Agora Group's publications was higher not only than in the third quarter of 2020, but also from the period July - September 2019, despite significant drops in the sales of the printed press.

Apart from the uncertainty related to the development of the COVID-19 pandemic, a significant risk factor for the operations of the Agora Group is the growing inflationary pressure. Additionally, the government's actions aimed at counteracting rising inflation give rise to serious concern as, in the opinion of economists, they may lead to a wage-inflation spiral. The rising prices of electricity, gas and fuels are still a big risk. The financial situation of entrepreneurs, both in the long and short term, is also influenced by the NBP policy related to the level of interest rates in Poland. In addition, the Agora Group, like other entrepreneurs, faces enormous wage pressure, which may translate into a significant increase in the Group's operating costs and a slowdown in the improvement of its financial results. Another factor of uncertainty is also the possible consequences of changes introduced as part of the Polish Order from 2022. The weakening value of the Polish currency, in particular against the EUR, is also of significant importance for the level of operating costs of the Group.

Taking all these issues into account, the Management Board of Agora estimates that throughout 2021, the revenues of the Agora Group will increase as compared to 2020, and the Group will improve its financial results. The EBIT operating loss will keep decreasing, and the Group will increase the EBITDA profit.

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

III. FINANCIAL RESULTS

1. THE AGORA GROUP

The condensed interim consolidated financial statements of the Agora Group for the third quarter of 2021 includes: Agora S.A. and 19 subsidiaries, which operate principally in the internet, cinema, radio, gastronomy and outdoor segments. Additionally, as at 30 September 2021 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. 8

in PLN milion	**3Q 2021**	**3Q 2020**	***% change yoy***	**1-3Q 2021**	**1-3Q 2020**	***% change yoy***
Total sales (1)	**266.4**	**193.0**	***38.0%***	**614.2**	**612.1**	***0.3%***
Advertising revenue	125.5	109.9	*14.2%*	334.5	300.9	*11.2%*
Ticket sales	46.0	16.2	*184.0%*	62.9	77.9	*(19.3%)*
Copy sales	34.4	33.0	*4.2%*	103.3	97.6	*5.8%*
Concession sales in cinemas	25.9	8.1	*219.8%*	31.2	33.9	*(8.0%)*
Gastronomic sales (2)	8.4	6.6	*27.3%*	20.3	14.2	*43.0%*
Revenues from film activities	4.0	0.7	*471.4%*	6.4	32.1	*(80.1%)*
Other (3)	22.2	18.5	*20.0%*	55.6	55.5	*0.2%*
Operating cost net, including:	**(255.2)**	**(197.3)**	***29.3%***	**(680.1)**	**(689.3)**	***(1.3%)***
External services	(93.7)	(68.9)	*36.0%*	(227.4)	(241.3)	*(5.8%)*
Staff cost	(75.7)	(61.4)	*23.3%*	(224.4)	(196.2)	*14.4%*
Raw materials, energy and consumables	(28.3)	(22.8)	*24.1%*	(66.4)	(72.0)	*(7.8%)*
D&A	(38.6)	(37.7)	*2.4%*	(119.9)	(121.9)	*(1.6%)*
Promotion and marketing	(13.3)	(9.3)	*43.0%*	(30.6)	(28.5)	*7.4%*
Cost of restructuring (4)	-	-	-	-	(1.4)	-
Gain on sale of property (5)	-	-	-	-	7.1	-
Gain on sale of the enterprise (6)	-	-	-	-	3.6	-
Impairment losses (7)	-	0.2	-	(2.4)	(28.7)	*(91.6%)*
Operating result – EBIT	**11.2**	**(4.3)**	**-**	**(65.9)**	**(77.2)**	***14.6%***
Operating result - EBIT excl. IFRS 16 (8)	*13.1*	*(2.7)*	-	*(50.3)*	*(65.9)*	*23.7%*
Finance cost, net, incl.:	**(18.1)**	**(11.4)**	***(58.8%)***	**(17.1)**	**(37.4)**	***54.3%***
Income from short-term investment	-	-	-	-	0.3	-
Costs related to bank loans and leasing	(4.6)	(4.4)	*4.5%*	(14.9)	(14.6)	*2.1%*
including interest costs related to IFRS 16	*(3.5)*	*(3.5)*	-	*(10.5)*	*(10.8)*	*(2.8%)*
Foreign exchange (losses) / gains	(13.3)	(6.9)	*(92.8%)*	(2.5)	(26.2)	*90.5%*
including interest costs related to IFRS 16	*(13.6)*	*(6.9)*	*(97.1%)*	*(2.5)*	*(26.6)*	*90.6%*
Revaluation of put options (9)	-	-	-	-	2.2	-
Share of results of equity accounted investees	**2.1**	**5.2**	***(59.6%)***	**6.3**	**4.8**	***31.3%***

in PLN milion	3Q 2021	3Q 2020	*% change yoy*	1-3Q 2021	1-3Q 2020	*% change yoy*
Loss before income tax	**(4.8)**	**(10.5)**	***54.3%***	**(76.7)**	**(109.8)**	***30.1%***
Income tax	3.3	1.5	*120.0%*	5.9	12.6	*(53.2%)*
Net loss for the period	**(1.5)**	**(9.0)**	***83.3%***	**(70.8)**	**(97.2)**	***27.2%***
Net profit/(loss) for the period excl. IFRS 16 (8)	13.9	*0.8*	*1,637.5%*	(47.6)	*(57.8)*	*17.6%*
Attributable to:						
Equity holders of the parent	(1.2)	(7.1)	*83.1%*	(66.7)	(88.4)	*24.5%*
Non - controlling interest	(0.3)	(1.9)	*84.2%*	(4.1)	(8.8)	*53.4%*
EBIT margin (EBIT/Sales)	*4.2%*	*(2.2%)*	*6.4pp*	*(10.7%)*	*(12.6%)*	*1.9pp*
EBIT margin excl. IFRS 16 (8)	*4.9%*	*(1.4%)*	*6.3pp*	*(8.2%)*	*(10.8%)*	*2.6pp*
EBITDA (10)	**49.8**	**33.2**	***50.0%***	**56.4**	**73.4**	***(23.2%)***
EBITDA margin (EBITDA/Sales)	*18.7%*	*17.2%*	*1.5pp*	*9.2%*	*12.0%*	*(2.8pp)*
EBITDA excl. IFRS 16 (8)	*36.9*	*20.7*	*78.3%*	*23.9*	*34.5*	*(30.7%)*
EBITDA margin excl. IFRS 16 (8)	*13.9%*	*10.7%*	*3.2pp*	*3.9%*	*5.6%*	*(1.7pp)*

(1) particular sales positions, apart from revenues from ticket sales, concession sales in cinemas and gastronomic sales, 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;

(2) in 2021, the Group amended the presentation of gastronomic sales, these revenues include activities of companies Step Inside Sp. z o.o. and Foodio Concepts Sp. z o.o. (till 2 June, 2020), in the previous periods presented in line Other sales, the comparative information has been restated accordingly;

(3) in 2021, the Group amended the presentation of revenues from sale of printing services, these revenues are presented in line Other sales, the comparative information has been restated accordingly;

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

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

(6) gain on sale of part of enterprise Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.);

(7) the amount includes impairment losses on fixed assets of the companies Agora S.A and AMS S.A. in the second quarter of 2021 and companies Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Foodio Concepts Sp. z o.o. and AMS S.A. in 2020, the impairment losses were mainly related to tangible fixed assets and intangible assets, including goodwill of Domiporta Sp. z o.o. in 2020;

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

(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.;

(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 2021 [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. 9

in PLN million	**Movies and Books**	**Press**	**Outdoor**	**Internet**	**Radio**	**Reconciling positions (2)**	**Total (consoli-dated) 1-3Q 2021**
Total sales (1)	**170.5**	**148.2**	**84.8**	**152.7**	**68.6**	**(10.6)**	**614.2**
% share	27.8%	24.1%	13.8%	24.9%	11.2%	(1.8%)	100.0%
Operating cost net (1)	**(209.7)**	**(134.6)**	**(96.7)**	**(131.6)**	**(64.9)**	**(42.6)**	**(680.1)**
Operating cost net excl. IFRS 16 (1)	***(192.0)***	***(134.6)***	***(97.9)***	***(131.6)***	***(65.2)***	***(43.2)***	***(664.5)***
EBIT	**(39.2)**	**13.6**	**(11.9)**	**21.1**	**3.7**	**(53.2)**	**(65.9)**
EBIT excl. IFRS 16	***(21.5)***	***13.6***	***(13.1)***	***21.1***	***3.4***	***(53.8)***	***(50.3)***
Finance cost, net							(17.1)
Share of results of equity accounted investees			(0.1)	-	6.4		6.3
Income tax							5.9
Net loss for the period							**(70.8)**
Attributable to:							
Equity holders of the parent							(66.7)
Non-controlling interest							(4.1)
EBITDA	**21.9**	**19.2**	**17.7**	**28.3**	**9.2**	**(39.9)**	**56.4**
EBITDA excl. IFRS 16	***6.6***	***19.2***	***4.5***	***28.3***	***6.7***	***(41.4)***	***23.9***
CAPEX	(5.2)	(2.8)	(4.8)	(6.7)	(1.9)	(1.7)	(23.1)

(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) 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, use of computers and development activities of IT department, 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 2021 were influenced mainly by cost of commissions and interests related to bank loans and lease liabilities and negative foreign exchange differences related to lease liabilities recognised under IFRS 16.

3. BALANCE SHEET OF THE AGORA GROUP

Tab. 10

in PLN million	30-09-2021	30-06-2021	*% change to 30-06-2021*	31-12-2020	*% change to 31-12-2020*
Non-current assets	**1,625.8**	**1,649.3**	**(1.4%)**	**1,683.6**	**(3.4%)**
share in balance sheet total	*84.8%*	*84.9%*	*(0.1pp)*	*83.4%*	*1.4 pp*
Current assets	**290.5**	**293.0**	**(0.9%)**	**334.7**	**(13.2%)**
share in balance sheet total	*15.2%*	*15.1%*	*0.1pp*	*16.6%*	*(1.4 pp)*
TOTAL ASSETS	**1,916.3**	**1,942.3**	**(1.3%)**	**2,018.3**	**(5.1%)**
Equity holders of the parent	**752.6**	**753.8**	**(0.2%)**	**820.9**	**(8.3%)**
share in balance sheet total	*39.3%*	*38.8%*	*0.5pp*	*40.7%*	*(1.4 pp)*
Non-controlling interest	**3.9**	**4.2**	**(7.1%)**	**11.4**	**(65.8%)**
share in balance sheet total	*0.2%*	*0.2%*	-	*0.6%*	*(0.4pp)*
Non-current liabilities and provisions	**729.2**	**740.8**	**(1.6%)**	**739.8**	**(1.4%)**
share in balance sheet total	*38.1%*	*38.1%*	-	*36.7%*	*1.4 pp*
Current liabilities and provisions	**430.6**	**443.5**	**(2.9%)**	**446.2**	**(3.5%)**
share in balance sheet total	*22.4%*	*22.9%*	*(0.5pp)*	*22.0%*	*0.4 pp*
TOTAL LIABILITIES AND EQUITY	**1,916.3**	**1,942.3**	**(1.3%)**	**2,018.3**	**(5.1%)**

3.1. Non-current assets

The decrease in non-current assets, versus 30 June 2021 and 31 December 2020 results mainly from depreciation of property, plant and equipment and rights-of-use of assets and amortisation of intangible assets which were, to some extent, offset by new expenditure for the purchase of property, plant and equipment and intangible assets and modification of lease agreements resulting from extension of lease period.

3.2. Current assets

The decrease in current assets, versus 31 December 2020, stems mainly from the decrease in cash and cash equivalents and sale of non-current assets classified as held for sale. The decrease was, to some extent, offset by increase in trade receivables and prepayments and increase in inventory.

The decrease in current assets, versus 30 June 2021, stems mainly from the decrease in cash and cash equivalents, which was partially offset by an increase in trade receivables and prepayments.

3.3. Non-current liabilities and provisions

The decrease in non-current liabilities and provisions compared to 31 December 2020, stems mainly from the decrease in long-term loan liabilities and long-term lease liabilities. This change was, to some extent, offset by an increase of long-term liabilities due to fees payable to ZAPA (Związek Autorów i Producentów Audiowizualnych) on the basis of the settlement between Stowarzyszenie Filmowców Polskich and Helios S.A. and the increase in long-term contract liabilities.

The decrease in non-current liabilities and provisions compared to 30 June 2021, stems mainly from the decrease in long-term bank loan liabilities and long-term lease liabilities and the decrease in borrowings due to partial cancellation of loan from the Polish Development Fund.

3.4. Current liabilities and provisions

The decrease in current liabilities and provisions, versus 31 December 2020, stems mainly from the decrease in accruals (including partly as a result of reclassification of provision for fees payable to ZAPA to long-term liabilities) and liabilities arising from purchase of fixed assets. The above changes were, to some extent, offset by the increase in trade liabilities, liabilities from contracts with customers, lease liabilities and the increase in provision for rebates.

The decrease in the balance of short-term liabilities and provisions, versus 30 June 2021, stems mainly from the decrease in tax liabilities and bank loans liabilities, which was partially offset by the increase in liabilities from contracts with customers, lease liabilities and the increase in provision for rebates.

4. CASH FLOW STATEMENT OF THE AGORA GROUP

Tab. 11

in PLN million	**3Q 2021**	**3Q 2020**	*% change yoy*	**1-3Q 2021**	**1-3Q 2020**	*% change yoy*
Net cash from operating activities	19.0	12.0	*58.3%*	57.9	127.8	*(54.7%)*
Net cash from operating activities (excl. IFRS 16)	*2.2*	*1.4*	*57.1%*	*25.0*	*95.6*	*(73.8%)*
Net cash from investment activities	(8.9)	1.8	-	(22.3)	(8.8)	*(153.4%)*
Net cash from financing activities	(33.1)	(7.3)	*(353.4%)*	(74.1)	(40.3)	*(83.9%)*
Net cash from financing activities (excl. IFRS 16)	*(16.3)*	*3.3*	-	*(41.2)*	*(8.1)*	*(408.6%)*
Total movement of cash and cash equivalents	**(23.0)**	**6.5**	**-**	**(38.5)**	**78.7**	**-**
Cash and cash equivalents at the end of period	**99.9**	**139.8**	***(28.5%)***	**99.9**	**139.8**	***(28.5%)***

As at 30 September 2021, the Group had PLN 100.7 million in cash and cash equivalents and short-term financial assets which include cash and cash equivalents in the amount of PLN 99.9 million (cash on hand and bank deposits) and granted loans in the amount of PLN 0.8 million.

In the first three quarters of 2021, Agora S.A. has not been engaged in any currency options or any other derivatives used for speculative purposes.

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, the Agora 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 2021, were lower comparing to the level recorded in the comparative period of the prior year mainly due to restrictions on the conduct of the Group's operating activities caused by the COVID-19 epidemic.

4.2. Investment activities

Negative net cash flows from investing activities, in the first three quarters of 2021, result mainly from expenditures for the purchase of property, plant and equipment and intangible assets, outflows due to the transfer of security deposit to the bank and due to the long-term loan granted. These outflows were partly offset by proceeds from the sale of property, plant and equipment and intangible assets.

4.3. Financing activities

Negative net cash flows from financing activities in the first three quarters of 2021, stem mainly from repayments of loan and lease liabilities. These outflows were partly offset by inflows from bank loans and PFR loan.

5. SELECTED FINANCIAL RATIOS [5]

Tab.12

	3Q 2021	3Q 2020	*% change yoy*	1-3Q 2021	1-3Q 2020	*% change yoy*
Profitability ratios (1)						
Net profit margin	4.8%	1.0%	*3.8pp*	(7.4%)	(8.6%)	*1.2pp*
Gross profit margin	32.7%	27.9%	*4.8pp*	27.3%	24.7%	*2.6pp*
Return on equity	6.3%	0.9%	*5.4pp*	(7.1%)	(7.7%)	*0.6pp*
Efficiency ratios						
Inventory turnover	9 days	12 days	*(25.0%)*	10 days	12 days	*(16.7%)*
Debtors days	41 days	63 days	*(34.9%)*	57 days	78 days	*(26.9%)*
Creditors days	29 days	44 days	*(34.1%)*	35 days	44 days	*(20.5%)*
Liquidity ratio (1)						
Current ratio	0.8	1.0	*(20.0%)*	0.8	1.0	*(20.0%)*
Financing ratios (1)						
Gearing ratio	4.8%	2.5%	*2.3pp*	4.8%	2.5%	*2.3pp*
Interest cover	17.1	(3.0)	-	(18.0)	(19.1)	*5.8%*
Free cash flow interest cover	(10.3)	(5.0)	*(106.0%)*	(3.9)	15.6	-

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. 13

in PLN million	**3Q 2021**	**3Q 2020**	***% change yoy***	**1-3Q 2021**	**1-3Q 2020**	***% change yoy***
Total sales, including :	**105.1**	**47.5**	***121.3%***	**170.5**	**205.1**	***(16.9%)***
Tickets sales	46.0	16.2	*184.0%*	62.9	77.9	*(19.3%)*
Concession sales	25.9	8.1	*219.8%*	31.2	33.9	*(8.0%)*
Advertising revenue (1)	5.6	2.2	*154.5%*	7.3	8.7	*(16.1%)*
Gastronomic sales (2)	8.3	6.6	*25.8%*	20.3	14.2	*43.0%*
Revenues from film activities (1),(3),(7)	5.0	0.9	*455.6%*	7.9	33.5	*(76.4%)*
Revenues from Publishing House	11.8	11.5	*2.6%*	36.4	32.6	*11.7%*
Total operating cost, including (6),(7):	**(94.9)**	**(66.4)**	***42.9%***	**(209.7)**	**(250.1)**	***(16.2%)***
Total operating cost without IFRS 16 (6),(7)	***(92.5)***	***(64.5)***	***43.4%***	***(192.0)***	***(238.6)***	***(19.5%)***
External services (4),(7)	(30.8)	(14.6)	*111.0%*	(50.8)	(78.8)	*(35.5%)*
External services without IFRS 16 (4),(7)	*(39.2)*	*(19.7)*	*99.0%*	*(68.3)*	*(100.1)*	*(31.8%)*
Staff cost (4)	(17.1)	(11.4)	*50.0%*	(39.5)	(35.6)	*11.0%*
Raw materials, energy and consumables (4)	(12.8)	(8.5)	*50.6%*	(22.5)	(23.8)	*(5.5%)*
D&A (4)	(19.0)	(18.7)	*1.6%*	(60.6)	(63.8)	*(5.0%)*
D&A without IFRS 16 (4)	*(9.5)*	*(9.0)*	*5.6%*	*(27.6)*	*(27.4)*	*0.7%*
Promotion and marketing (1), (4)	(4.6)	(2.5)	*84.0%*	(7.1)	(7.8)	*(9.0%)*
Costs related to Publishing House (5), (6)	(10.4)	(10.4)	-	(33.5)	(30.5)	*9.8%*
Impairment losses (8)	-	-	-	-	(9.0)	-
Impairment losses without IFRS 16 (8)	-	-	-	-	*(9.0)*	-
EBIT	**10.2**	**(18.9)**	**-**	**(39.2)**	**(45.0)**	***12.9%***
EBIT margin	*9.7%*	*(39.8%)*	*49.5pp*	*(23.0%)*	*(21.9%)*	*(1.1pp)*
EBIT without IFRS 16	***12.6***	***(17.0)***	**-**	***(21.5)***	***(33.5)***	***35.8%***
EBIT margin without IFRS 16	*12.0%*	*(35.8%)*	*47.8pp*	*(12.6%)*	*(16.3%)*	*3.7pp*
EBITDA (5), (9)	**29.4**	**(0.2)**	**-**	**21.9**	**28.1**	***(22.1%)***
EBITDA margin	*28.0%*	*(0.4%)*	*28.4pp*	*12.8%*	*13.7%*	*(0.9pp)*
EBITDA without IFRS 16 (5), (9)	***22.3***	***(8.0)***	**-**	***6.6***	***3.2***	***106.3%***
EBITDA margin without IFRS 16	*21.2%*	*(16.8%)*	*38.0pp*	*3.9%*	*1.6%*	*2.3pp*

(1) the amounts do not include revenues and total cost of cross-promotion of Agora Group'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 include sale in restaurants of Step Inside Sp. z o.o. and Foodio Concepts Sp. z o.o. (till 2 June 2020), which were presented in Other sales, comparative data has been restated accordingly;

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

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

(5) *the amounts include D&A cost in Publishing House division, which in the period from January to September of 2021 amounted to PLN 0.5 million, and in the third quarter of 2021 to PLN 0.2 million (in the comparable period of 2020 it amounted to PLN 0.3 million and PLN 0.0 million, respectively);*

(6) *the data include allocated costs of office space occupied by the Agora Publishing House, costs of computer use and development activities of the technology department in Agora;*

(7) *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.*

(8) *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;*

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

Both in the third quarter and in the period from January to September 2021, the results of the Movies and Books segment were affected by restrictions related to the COVID-19 pandemic. Helios cinemas remained closed until 20 May this year. They reopened on 21 May 2021, with a sales limit of 50.0% of seats available in the room and lack of possibility to sell snacks and beverages in cinema bars. Thanks to further restrictions being lifted, on 13 June 2021, sales in Helios cinema bars were resumed and the ticket sales limit was increased as of 26 June 2021 to 75.0% of seats in the room. This limit does not include vaccinated customers.

In addition, regulations related to counteracting the spread of COVID-19 had a negative effect on the food business developed within the segment. In May 2021, restrictions on restaurant operations were gradually lifted. However, until the end of May this year, the Helios group's activities in this area involved mainly take-away sales and delivery.

It should be noted that in 2020, cinemas remained closed from 12 March to 3 July, while restaurants have been closed since 14 March 2020, serving food exclusively for take-away and delivery. Pasibus restaurants resumed their activity gradually, starting from 18 May 2020, by also serving food on-site and offering their customers 50.0% of seats in every restaurant, in line with the applicable restrictions. Since 26 June this year, the limit of seats in restaurants has been increased to 75.0%.

In the third quarter of 2021, the Movies and Books segment recorded a profit at the EBIT level of PLN 10.2 million and a profit at the EBITDA level of PLN 29.4 million. Apart from the dynamic restoration of the cinema market, the result of the segment was positively influenced by the amortisation of a part of the loan from the Polish Development Fund (PFR) in the amount of PLN 3.1 million.

In the third quarter of 2021, without the effect of IFRS 16, EBIT profit amounted to PLN 12.6 million and EBITDA profit – to PLN 22.3 million.

In the period from January to September 2021, the Movies and Books segment recorded a loss at the EBIT level of PLN 39.2 million and a profit at the EBITDA level of PLN 21.9 million. Without the effect of IFRS 16, EBIT loss amounted to PLN 21.5 million and EBITDA profit amounted to PLN 6.6 million. The segment's result was positively affected by additional financing from the Guaranteed Employee Benefits Fund, amortisation of a part of ZUS contributions and PFR loan in the total amount of PLN 10.5 million.

1. REVENUE [3]

In the third quarter of 2021, the revenue of the Movies and Books segment increased by 121.3% and amounted to PLN 105.1 million.

The increase in proceeds recorded in this segment as compared to the third quarter of 2020 was mainly due to revenue generated by cinema operations. The revenue from ticket sales and bar sales in cinemas amounted to PLN 46.0 million and PLN 25.9 million, respectively, while revenue from sales of advertising in cinemas stood at PLN 5.6 million. This result was affected by the number of tickets sold which was higher by 159.1% yoy and amounted to 2.4 million. It is worth noting that in the corresponding period of 2020, cinema operations were subject to stricter restrictions related to COVID-19, and the number of new titles in cinema distribution was lower.

In the third quarter of 2021, the Movies and Books segment's total revenue from film co-production and distribution amounted to PLN 5.0 million, showing a considerable increase yoy. The increase in this revenue category resulted from the introduction of more new titles into cinemas by NEXT FILM. In the third quarter of 2021, the following features were released: an animated production for children *Elfinki (The Elfkins)*, a comedy-drama *Czarna Owca (Black Sheep)* directed by Aleksander Pietrzak and a Kuba Michalczuk-directed comedy *Teściowie (In-laws)*. In the corresponding period of 2020, the company released only one title – a Polish production *Tarapaty 2 (Triple Trouble)*. In the third quarter of 2021, productions which had premiered in cinema at earlier dates were also made available via various distribution channels.

In the third quarter of 2021, also revenue from food business recorded an increase of 25.8% and amounted to PLN 8.3 million, which was related to an increase in revenue from Step Inside operations. During the period in question, this company ran 10 restaurants under the Pasibus brand, established as part of strategic cooperation with Helios S.A.

In the third quarter of 2021, revenue of Agora's Publishing House increased by 2.6% year on year and amounted to PLN 11.8 million. In the period in question, Agora's Publishing House sold about 0.3 million books as well as music and film publications. The following books were among the best-selling ones: *Czuła przewodniczka. Kobieca droga do siebie* by Natalia de Barbaro – a handbook which has been enjoying record popularity since the first days after its release; *Gomora. Władza, strach i pieniądze w polskim Kościele* by Stanisław Obirek and Artur Nowak; and *Polki na Montparnassie* by Sylwia Zientek. The album *Mogło być nic* by Kwiat Jabłoni maintained its leading position among the best-selling albums.

In the third quarter of 2021, the revenue of Agora's Publishing House from digital sales (sales of own publications and publications of other publishers) increased by 9.8% year on year and stood at PLN 4.5 million.

In the period from January to September 2021, the revenue of the Movies and Books segment decreased by 16.9% to PLN 170.5 million.

The decrease in the proceeds from this segment year on year resulted mainly from the lower revenue generated from cinema operations. This was due to the restrictions in the operation of cinemas introduced in connection with the COVID-19 pandemic. In 2020, Helios cinemas remained closed from 12 March to 3 July. In 2021, the cinemas were reopened on 21 May, after they had been closed again in November 2020, and their operations were subject to a strict sanitary regime, which translated into a lower number of tickets sold to Helios cinemas, as compared to the previous year, that amounted to 3.3 million in the period between January and September 2021. As a result, the revenue from ticket sales and bar sales in cinemas was lower, amounting to PLN 62.9 million and PLN 31.2 million, respectively, while revenue from sales of advertising in cinemas stood at PLN 7.3 million.

In the first three quarters of 2021, the Movies and Books segment's total revenue from film co-production and distribution amounted to PLN 7.9 million, showing a decrease by 76.4% year on year. In 2020, NEXT FILM released three Polish productions: *Jak zostałem gangsterem (How I Became a Gangster. True Story)* which was based on a true story and the film adaptation of a book by Blanka Lipińska – *365 dni (365 days)*, both of which turned out to be very successful, as well as a sequel to the Polish family blockbuster *Tarapaty 2 (Triple Trouble)*. In addition, *Jak zostałem gangsterem* and *365 dni* were made available to Netflix users. During the period from January to September 2021, NEXT FILM released four titles to the big screen – a criminal comedy *W jak morderstwo (In for a Murder)* directed by Piotr Mularuk, an animated feature for children *Elfinki (The Elfkins)*, Aleksander Pietrzak's comedy-drama *Czarna Owca (Black Sheep)* and a comedy *Teściowie (In-laws)* directed by Kuba Michalczuk. At the same time, the titles which were released earlier were made available via various distribution channels.

In the period from January to September 2021, revenue from food business went up by 43.0%, amounting to PLN 20.3 million. This was possible owing to the development of Step Inside, which runs restaurants under the Pasibus brand, despite restrictions on the food business in 2021 and 2020 related to the COVID-19 pandemic and the sale of Foodio Concepts in the second quarter of 2020.

Between January and September 2021, the revenue of Agora's Publishing House was 11.7% higher year on year and amounted to PLN 36.4 million. The increase in proceeds resulted from higher book sales, among other factors. In the period in question, 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 *Czuła przewodniczka. Kobieca droga do siebie* by Natalia de Barbaro, *A Promised Land* by Barack Obama, Beata Kozidrak's autobiography entitled *Beata*, *Twilight of Democracy* by Anne Applebaum and the album *Mogło być nic* by Kwiat Jabłoni.

During the period from January to September 2021, the revenue of Agora's Publishing House from digital sales (sales of own publications and publications of other publishers) increased by 8.3% year on year and stood at PLN 13.0 million.

2. COST

In the third quarter of 2021, the operating costs of the Movies and Books segment increased by 42.9% yoy and amounted to PLN 94.9 million. The increase in the segment's operating costs was mainly due to the reopening of cinemas in May 2021 and fewer restrictions on their operations than in the third quarter of 2020.

The costs of external services, which accounted for PLN 30.8 million, went up by 111.0% year on year. This resulted primarily from higher purchase costs of film copies and higher remuneration costs paid to film producers due to higher proceeds from film distribution.

An increase in staff costs by 50.0% to PLN 17.1 million was associated with the reopening of cinemas and an increase in the scale of Step Inside operations. Additionally, in 2020, the Agora Group introduced a 20.0% reduction in staff costs for six months. For the Helios group companies, this already took place on 12 March 2020.

An increase in the costs of materials and energy consumption as well as the value of goods and materials sold by 50.6% to PLN 12.8 million resulted from the increase in bar sales in cinemas following the lockdown in connection with the COVID-19 pandemic and from higher proceeds from food business.

Additionally, the promotion and marketing costs of the segment increased significantly, to PLN 4.6 million. This increase followed from higher promotional expenditure in film distribution driven by a larger number of film releases than in 2020. In the third quarter of 2021, NEXT FILM released three new film productions, while in the corresponding period of 2020, only one feature was released.

The operating costs of Agora's Publishing House remained stable and stood at PLN 10.4 million.

The segment's depreciation costs (excluding Agora's Publishing House) were slightly higher (by 1.6%), amounting to PLN 19.0 million in the third quarter of 2021. Their increase was related to the film business and the development of Step Inside operations.

In the period from January to September 2021, the operating costs of the Movies and Books segment decreased by 16.2% yoy and amounted to PLN 209.7 million. The decrease in operating costs of the segment was mainly due to the lockdown of cinemas until 20 May 2021. The food business during that period only operated based on take-away and delivery formula. In May 2021, restrictions on food business were gradually lifted. In 2020, in connection with the COVID-19 pandemic, Helios cinemas remained closed from 12 March to 3 July, and restaurants – from 14 March to 15 May.

Between January and September 2021, the costs of external services, which accounted for PLN 50.8 million, went down by 35.5%. This was mainly due to lower remuneration costs paid to film producers as a result of lower revenue from film distribution. Costs of purchase of film copies were also lower due to the lockdown of cinemas and restrictions on their operations introduced in 2021. The costs of rent payments in cinemas and external services in the food business increased due to the development of Step Inside and provision of food delivery services.

An increase in staff costs by 11.0% to PLN 39.5 million was associated with, i.a. the increase in the scale of Step Inside operations. It should also be noted that in 2020, working time and staff costs in the Agora Group were reduced by 20.0% for six months. For the Helios group companies, this already took place on 12 March 2020.

The costs of materials and energy consumption and the value of goods and materials sold decreased by 5.5% to PLN 22.5 million. The decrease was related to lower bar sales in cinemas due to the lockdown of cinemas and restrictions on their operations during the COVID-19 pandemic. The costs of food business increased as a result of its larger scale than in the previous year.

The decrease in promotion and marketing costs of the Movies and Books segment by 9.0% to PLN 7.1 million resulted from lower advertising costs in cinemas. The expenditure on promotion in film distribution was higher which was related to the increased number of film releases.

Operating costs of Agora's Publishing House went up by 9.8% yoy and reached PLN 33.5 million. Their increase resulted from higher manufacturing and distribution costs of publications due to higher sales of books. An increase was also recorded in the costs related to digital music distribution as a result of higher sales and staff costs, due to their reduction by 20.0% in 2020 for six months.

The segment's depreciation costs (excluding Agora's Publishing House) were lower, amounting to PLN 60.6 million in the period from January to September 2021. Their decrease occurred in cinemas, the film business and the food business.

3. NEW INITIATIVES

In the third quarter of 2021, the cinemas of the Helios network invited viewers to screenings, offering them - in accordance with legal rules - the possibility of occupying 75% of the seats in a given room. The cinema activities resumed in May this year and month after month, more and more fans of various movies appeared at the screenings, especially family ones and a series of super productions.

In July 2021, the Helios cinema network was expanded by the 52nd multiplex. The inhabitants of Opole and the surrounding towns can now watch the best films in the second Helios cinema in the city. The facility located in Karolinka Shopping Center consists of six comfortable, air-conditioned screening rooms equipped with 900 chairs and modern technological solutions for the reception of image and sound. Two rooms were created in the Helios Dream concept.

In all Helios cinemas, in the third quarter of 2021, viewers could watch not only films from the current repertoire, but also attend special and cyclical projects. The network proposed, inter alia, special cinema screenings for children, another Night Movie Marathons and a concert of a violin virtuoso. Additionally, the Kultura Dostępna project, appreciated by enthusiasts of Polish film art, has returned to the screens. Helios cinema viewers could also take part in special competitions with attractive prizes – in summer and autumn.

NEXT FILM, a company from the Helios group dealing with cinema production and distribution, in the last quarter launched three features, two of which were Polish productions. On 9 July, an animated production for children Elfinki *(The Elfkins)* was released. The first Polish production, which premiered on 13 August, was *Czarna Owca (Black Sheep)* directed by Aleksander Pietrzak - a moving comedy-drama about a modern family, in which each of the characters has to unexpectedly re-organize their lives. Whereas, on 10 September this year, *Teściowie* (*In-laws*) - a comedy with Maja Ostaszewska, Marcin Dorociński, Izabela Kuna and Adam Woronowicz in the main roles hit the big screens. This is a story about what happens after canceled wedding, when would-be in-laws get on the nerves. NEXT FLM was not only the distributor, but also the co-producer of the title.

The Agora Publishing House has prepared new interesting premieres for literature lovers. Among them were: two biographies: *Angela Merkel* and Pulitzer Prize awarded *Susan Sontag*; the story of the most dangerous agent of the Second World War *Virginia Hall – Kobieta bez znaczenia*; or a report on the backstage of the Catholic Church in Poland - *Gomorra. Pieniądze, władza i strach w polskim Kościele*. The Agora Publishing House also offered new crime fiction, non-fiction and philosophy publications, all in the form of e-books, audiobooks and paper editions. In turn, with music fans in mind, there were launched, among others, *Obecny. Tribute to Andrzej Zaucha* - a re-edition of Kuba Badach's popular album from 2009 with the same title and an EP *Jednogłośna* by Natalia Kukulska. It is also worth noting that, invariably from the moment of its publication, the book *Czuła przewodniczka* offered by the Agora Publishing House remains on the list of bestsellers in Poland.

In addition, the Agora Publishing House continued its charity activities. As part of the unique action *Wszystkie kolory świata (All the colors of the world*), initiated together with the authors of children's literature, by the end of July 2021, over PLN 240 thou. were collected. The funds from the sale of the special book support the toll-free 116 111 - a helpline for children and youth run by the Dajemy Dzieciom Siłę Foundation. On 29 September 2021, another special book *O, choroba* was released as part of the Agora Publishing House campaign in cooperation with the ISKIERKA Foundation. The income from its sale will support children with cancer and their families.

IV.B. PRESS [1]

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

Tab. 14

in PLN million	**3Q 2021**	**3Q 2020**	***% change yoy***	**1-3Q 2021**	**1-3Q 2020**	***% change yoy***
Total sales, including :	**52.3**	**47.9**	***9.2%***	**148.2**	**143.3**	***3.4%***
Copy sales	26.5	25.9	*2.3%*	78.1	77.6	*0.6%*
incl. Gazeta Wyborcza	*25.0*	24.5	*2.0%*	*74.3*	72.8	*2.1%*
Advertising revenue (1), (2)	16.1	14.0	*15.0%*	45.4	39.8	*14.1%*
incl. Gazeta Wyborcza (4)	*14.9*	12.6	*18.3%*	*41.2*	35.3	*16.7%*
Total operating cost, including (5):	**(47.1)**	**(35.3)**	***33.4%***	**(134.6)**	**(126.6)**	***6.3%***
Total operating cost without IFRS 16 (5) :	***(47.1)***	***(35.3)***	***33.4%***	***(134.6)***	***(126.6)***	***6.3%***
Raw materials, energy, consumables and printing services	(9.6)	(11.1)	*(13.5%)*	(28.6)	(36.2)	*(21.0%)*
Staff cost	(21.8)	(18.9)	*15.3%*	(68.8)	(61.9)	*11.1%*
D&A	(1.8)	*(1.7)*	*5.9%*	(5.6)	*(4.7)*	*19.1%*
D&A without IFRS16	(1.8)	*(1.7)*	*5.9%*	(5.6)	*(4.7)*	*19.1%*
Promotion and marketing (1), (3)	(3.3)	*(1.8)*	*83,3%*	(8.7)	*(8.4)*	*3.6%*
EBIT	**5.2**	**12.6**	***(58.7%)***	**13.6**	**16.7**	***(18.6%)***
EBIT margin	*9.9%*	*26.3%*	*(16.4pkt %)*	*9.2%*	*11.7%*	*(2.5pkt %)*
EBIT without IFRS16	***5.2***	***12.6***	***(58.7%)***	***13.6***	***16.7***	***(18.6%)***
EBIT margin without IFRS16	*9.9%*	*26.3*	*(16.4pkt %)*	*9.2%*	*11.7%*	*(2.5pkt %)*
EBITDA	**7.0**	**14.3**	***(51.0%)***	**19.2**	**21.4**	***(10.3%)***
EBITDA margin	*13.4%*	*29.9%*	*(16.5pkt %)*	*13.0%*	*14.9%*	*(1.9pkt %)*
EBITDA without IFRS16	***7.0***	***14.3***	***(51.0%)***	***19.2***	***21.4***	***(10.3%)***
EBITDA margin without IFRS16	*13.4%*	*29.9%*	*(16.5pkt %)*	*13.0%*	*14.9%*	*(1.9pkt %)*

(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 data includes the allocated costs of office space occupied by the Press segment, computer costs and development activities of the technology department in Agora.*

Both in the third quarter of 2021 and in the period from January to September 2021, the Press segment recorded a year on year decrease in its operating result. Operating profit at the EBIT level amounted to PLN 5.2 million and 13.6 million, respectively, while at the EBITDA level, it stood at PLN 7.0 million and PLN 19.2 million. This was due to a number of austerity measures undertaken in 2020, including a reduction in working time and remuneration by 20% between 15 April and 15 October 2020. In 2021, both the working time and remuneration were not subject to reductions, and thus, they were higher than in the corresponding period of 2020. In addition, it is also worth noting that the segment's result in the third quarter of 2020 was positively influenced by additional financing from the Guaranteed Employee Benefits Fund in the total amount of PLN 4.9 million.

In the first three quarters of 2021, the level of the Press segment's operating costs was positively influenced by the recovery of VAT on the redeemed receivables of one of the contractors in the amount of PLN 1.1 million. However, their level was negatively affected by the write-off for unpaid receivables from one of the contractors in the amount of PLN 1.4 million.

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

1. REVENUE

In the third quarter of 2021, the total revenue of the Press segment increased by 9.2% yoy and amounted to PLN 52.3 million. In the period from January to September 2021, the Press segment's total revenue was higher by 3.4% than this recorded in the first three quarters of 2020 and stood at PLN 148.2 million. In both periods, the increase in revenue was mainly driven by an increase in revenue from advertising sales in *Gazeta Wyborcza*.

1.1. Revenue from copy sales

In the third quarter of 2021, the proceeds of the Press segment from copy sales increased by 2.3% yoy and amounted to PLN 26.5 million. During the period from January to September 2021, they were higher by 0.6% yoy and reached PLN 78.1 million.

Both in the third quarter and in the period between January and September 2021, *Gazeta Wyborcza* maintained its leading position in sales among the opinion-forming dailies. In the third quarter of 2021, the average total copy sales of *Gazeta Wyborcza* amounted to 54.0 thousand copies and decreased by 15.8% yoy.During that period, the proceeds from content sales of *Gazeta Wyborcza* increased by 2.0%, primarily due to the increasing revenue from the sale of digital subscription of the daily. In the period from January to September 2021, the average total copy sales of *Gazeta Wyborcza* amounted to 57.4 thousand copies and decreased by 17.2% yoy. During that period, the proceeds from content sales of *Gazeta Wyborcza* accounted for PLN 74.3 million, showing an increase of 2.1% yoy.

1.2. Advertising sales

In the third quarter of 2021, advertising revenue in the Press segment went up by 15.0% yoy to PLN 16.1 million. In the period from January to September 2021, it was higher by 14.1% yoy, amounting to PLN 45.4 million. In both periods, this was mainly reflected in higher revenue from the sales of advertising services in the paper edition of *Gazeta Wyborcza* and on the *Gazeta Wyborcza* websites.

In the third quarter of 2021, the net revenue of *Gazeta Wyborcza* from its entire advertising activity amounted to PLN 14.9 million, showing an increase by 18.3% year on year. In the period between January and September 2021, the net revenue of *Gazeta Wyborcza* from its entire advertising activity amounted to PLN 41.2 million and was higher by 16.7% yoy. The dynamics of advertising revenues in the segment was higher than the market revenues in both analyzed periods.

1.3. Digital revenue

The daily's digital revenue (from the sale of digital subscriptions and digital advertising) have already reached nearly PLN 16.5 million, which accounted for 39.5% of its total revenue. Between January and September 2021, the daily's digital revenue (from the sale of digital subscriptions and digital advertising) already amounted to nearly PLN 46.5 million, i.e. 39.8% of its total revenue.

This resulted mainly from higher revenue from content subscriptions of Wyborcza.pl, which increased by 24.7% as compared to the third quarter of 2020. It is worth noting that the number of active paid digital subscriptions of *Gazeta Wyborcza* reached over 262.6 thousand at the end of September, which means an increase by 9.0% yoy.

2. COST

In the third quarter of 2021, the Press segment's operating costs increased by 33.4% to PLN 47.1 million, and in the period from January to September 2021 – by 6.3% to PLN 134.6 million.

Higher staff costs were the factor which contributed to a decision on the increase in the operating costs of the segment both in the third quarter and in the first nine months of 2021. They amounted to PLN 21.8 million and PLN

68.8 million, respectively, and were higher by 15.3% and 11.1% year on year. The dynamics of staff costs was affected by the reduction in working time and employee remuneration and benefits by 20.0% for six months, introduced from 15 April to 15 October 2020.

In the third quarter of 2021, a significant increase was visible in the promotion and marketing costs – they increased by 83.3% to PLN 3.3 million, and in the period between January and September 2021, they went up by 3.6% to PLN 8.7 million. This is mainly the effect of higher expenses on the promotion of *Gazeta Wyborcza*.

The segment's depreciation costs increased both in the third quarter of 2021 and in the period from January to September 2021 by 5.9% and 19.1%, respectively, primarily due to the implementation of projects supporting the development of the Wyborcza.pl website.

The costs of materials, energy, goods and printing services were lower both in the third quarter and in the period from January to September 2021, mainly due to a lower volume of orders for *Gazeta Wyborcza* printing and the switch of one of large external customers to printing on customer-provided paper.

Operating costs of the Press segment in the period from January to September 2021 were negatively impacted by a PLN 1.4 million write-down on outstanding liabilities of one of the business partners.

3. NEW INITIATIVES

In the third quarter of 2021, *Gazeta Wyborcza*'s team focused on strengthening the subscription offer and expanding the content for readers. The publications available on the traditional and digital pages of the daily are already created by over 30 editorial offices operating throughout the country.

In July 2021, *Gazeta Wyborcza* launched a website dedicated to Rybnik and the surrounding area. This is another place in Poland where Wyborcza.pl journalists are present, supported by the editors of *Gazeta Wyborcza Katowice*. Rybnik.wyborcza.pl is the 31st local website in the Wyborcza.pl portfolio. Earlier this year, local Wyborcza.pl services were launched in other cities - from April, *Wyborcza* provides local information to the inhabitants of Wałbrzych, from May – of Zakopane, and from June – of Koszalin.

In July 2021, *Gazeta Wyborcza* inaugurated action *Poniedziałek z klimatem (Monday with the climate)*, in which, every Monday, on the home page of the Wyborcza.pl, special articles on ecology written by journalists from the Climate and Environment desk appear. At the end of September, *Wyborcza*'s journalists in the action *JAKA SZKOŁA*? (WHAT SCHOOL?) have attempted to answer the following questions: what awaits children, parents and teachers in the coming school year, how schools are preparing for the fourth wave of the pandemic and what education will look like after COVID-19. The team of the daily once again supported Belarusians, symbolically showing solidarity with our neighbours in reference to the anniversary of the revolution in Belarus. It also fought for help for the imprisoned journalist of *Wyborcza*, Andrzej Poczobut, who was awarded the Medal Wolności Słowa (Medal of Freedom of Speach) in August this year in Poland by the Grand Press Foundation. *Wyborcza* also launched the *Czuły dotyk* campaign promoting breast cancer prevention, including publications and meetings in cities all over Poland. Additionally, in response to the events taking place on the Polish border, on 27 August 2021, *Gazeta Wyborcza* launched a special digital subscription offer, from which the entire revenue - slightly over PLN 100 thou. - was divided among 15 social organizations involved in helping refugees staying in Usnarz Górny, including Amnesty International Poland and the Helsinki Foundation for Human Rights. The funds will be allocated, inter alia, to provide medical and sanitary assistance to migrants who camp on the Polish-Belarusian border.

From September, *Wysokie Obcasy* (*High Heels*), the Saturday magazine of *Gazeta Wyborcza*, has a new graphic design, prepared by the renowned designer Jacek Utko. The refreshed layout of the *Gazeta Wyborcza*'s weekly was accompanied by change of a logotype, also on Wysokieobcasy.pl. Moreover, in *Wysokie Obcasy*, apart from traditional, characteristic, extensive interviews and reportages, premiere formats and original columns appeared, including *Zachwyt tygodnia*, as well as a poem of the week and drawings by famous Polish authoresses, which comment on events taking place in Poland and around the world. Earlier, in July, *Wysokie Obcasy* launched *Herstorie Wysokich Obcasów* (*Wysokie Obcasy's* Herstories) podcast series, in which journalists present the portraits of extraordinary women – those who have the courage to follow their own path and fight for their rights. The aim of the project is to emphasize the influence of women on social changes, as well as the development of science and culture, which is often unmentioned in historical studies and schoolbooks.

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., Optimizers Sp. z o.o. and Piano Group Sp. z o.o.

Tab. 15

in PLN million	**3Q 2021**	**3Q 2020**	***% change yoy***	**1-3Q 2021**	**1-3Q 2020**	***% change yoy***
Total sales, including:	**37.0**	**33.4**	***10.8%***	**84.8**	**78.6**	***7.9%***
Advertising revenue (1)	35.3	32.5	*8.6%*	80.9	76.0	*6.4%*
Total operating cost, including:	**(33.7)**	**(31.4)**	***7.3%***	**(96.7)**	**(99.2)**	***(2.5%)***
Total operating cost without IFRS 16	***(34.0)***	***(31.3)***	***8.6%***	***(97.9)***	***(99.0)***	***(1.1%)***
Maintenance cost (1)	(9.7)	(8.2)	*18.3%*	(27.3)	(26.7)	*2.2%*
Maintenance cost without IFRS 16 (1)	*(14.1)*	*(11.6)*	*21.6%*	*(40.3)*	*(37.2)*	*8.3%*
Execution of campaigns (1)	(5.1)	(4.6)	*10.9%*	(12.6)	(11.2)	*12.5%*
Staff cost	(6.3)	(4.7)	*34.0%*	(18.2)	(14.8)	*23.0%*
Promotion and marketing	(0.8)	(1.1)	*(27.3%)*	(1.8)	(3.0)	*(40.0%)*
D&A	(9.4)	(8.7)	*8.0%*	(28.1)	(26.9)	*4.5%*
D&A without IFRS 16	*(5.2)*	*(5.1)*	*2.0%*	*(16.1)*	*(16.1)*	-
Impairment losses (2)	-	0.2	-	(1.5)	(6.5)	*(76.9%)*
EBIT	**3.3**	**2.0**	***65.0%***	**(11.9)**	**(20.6)**	***42.2%***
EBIT margin	*8.9%*	*6.0%*	*2.9pp*	*(14.0%)*	*(26.2%)*	*12.2pp*
EBIT without IFRS 16	***3.0***	***2.1***	***42.9%***	***(13.1)***	***(20.4)***	***35.8%***
EBIT margin without IFRS 16	*8.1%*	*6.3%*	*1.8pp*	*(15.4%)*	*(26.0%)*	*10.6pp*
EBITDA (2)	**12.7**	**10.5**	***21.0%***	**17.7**	**12.8**	***38.3%***
EBITDA margin	*34.3%*	*31.4%*	*2.9pp*	*20.9%*	*16.3%*	*4.6pp*
EBITDA without IFRS 16 (2)	***8.2***	***7.0***	***17.1%***	***4.5***	***2.2***	***104.5%***
EBITDA margin without IFRS 16	*22.2%*	*21.0%*	*1.2pp*	*5.3%*	*2.8%*	*2.5pp*
Number of advertising spaces (3)	20,186	2,509	*(10.3%)*	20,186	22,509	*(10.3%)*

(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 2021, an increase in the Outdoor segment's revenue by 10.8% yoy to PLN 37.0 million translated into a significant improvement yoy in the segment's performance. The segment's EBIT operating result increased by 65.0% and reached PLN 3.3 million. The segment also improved the result at the EBITDA level (which increased to PLN 12.7 million), and the EBITDA margin was 34.3%.

Due to a low level of revenue in the first quarter, caused by the COVID-19 pandemic and a write-down on assets of PLN 1.5 million created in the second quarter of 2021, in the period from January to September 2021, the Outdoor segment recorded an operating loss at the EBIT level of PLN 11.9 million. However, it is worth noting that owing to higher revenue as compared to the previous year, throughout the period from January to September 2021, the operating loss at the EBIT level was lower by 42.2% year on year, and the segment's EBITDA result increased by 38.3% to PLN 17.7 million, while the EBITDA margin amounted to 20.9%.

EBITDA profit presented without the effect of IFRS 16 amounted to PLN 8.2 million in the third quarter of 2021 and to PLN 4.5 million in the period from January to September 2021. EBIT profit presented without the effect of IFRS 16 amounted to PLN 3.0 million in the third quarter of 2021, and in the period from January to September 2021, the segment recorded a loss of PLN 13.1 million under this approach.

1. REVENUE [7]

Both in the third quarter and in the first nine months of 2021, the AMS Group's revenue from advertising sales were higher yoy. The revenue increased by 8.6% and 6.4%, respectively. The dynamics of revenue of the Outdoor segment was positively influenced by the gradual return to economic and social activity after many months of restrictions imposed in order to prevent the development and minimise the effects of the COVID-19 pandemic.

According to the IGRZ (Outdoor Advertising Chamber) report, in the third quarter of 2021, outdoor advertising spending in Poland increased by more than 16.0% year on year, and in the period from January to September 2021, this spending was higher by more than 19.0% year on year.

The estimated share of the AMS Group in the outdoor advertising expenditure amounted to almost 30.0% in the third quarter of 2021, and to almost 27.5% in the period from January to September 2021 *[7]*.

2. COST

In the third quarter of 2021, the operating costs of the Outdoor segment went up by 7.3% to PLN 33.7 million.

The increase in the costs of system maintenance by 18.3% to PLN 9.7 million is mainly the result of higher operating costs of the MoveTV channel due to an increase in unit rates in barter settlements with fitness clubs and an extension in the channel range to other clubs, as well as due to the development of the digital media system in shopping centres. The increase in the costs of repairs and ongoing maintenance of advertising media also had a significant impact on the amount of these expenditures.

The campaign costs increased by 10.9% to PLN 5.1 million as a result of higher revenue. The costs of public transport campaigns and non-standard campaigns have increased due to their larger number.

Higher staff costs in the third quarter of 2021 resulted primarily from the reduction in working time and employee remuneration by 20.0% for six months in the previous year. In addition, variable remuneration was higher yoy as a result of increased revenue and higher provisions for incentive schemes implemented in the Group.

Lower promotion and marketing costs in the third quarter of 2021 resulted from a high base which was charged with the costs of an online promotional campaign in the third quarter of 2020.

The increase in depreciation in the segment follows from classifying to IFRS 16 rental agreements with a higher total value than agreements classified in the third quarter of 2020.

The segment's operating costs presented without the effect of IFRS 16 were higher by 8.6% year on year and stood at PLN 34.0 million in the third quarter of 2021.

During the period from January to September 2021, operating costs of the Outdoor segment decreased by 2.5% yoy and amounted to PLN 96.7 million. The main factor which contributed to the reduction of the segment's costs was a lower amount of the write-down on part of advertising media which, due to the anticipated development of the outdoor advertising market in the mid-term, could not be used to the extent necessary to obtain the return of their current book value.

During that period, the costs of system maintenance increased by 2.2% and amounted to PLN 27.3 million, mainly as a result of higher operating costs of the MoveTV channel due to an increase in unit rates in barter settlements with fitness clubs and an extension in the range of the MoveTV channel to other clubs, as well as due to the development of the digital media system in shopping centres.

The year on year increase in campaign costs in the period from January to September 2021 by 12.5% was primarily the result of higher costs of public transport campaigns due to their larger number and the end of the temporary reduction in the rates for lease of advertising space on buses.

Lower promotion and marketing costs are the result of a high base which was charged with the costs of online promotional campaigns in the period from January to September 2020.

Higher staff costs in the period from January to September 2021 resulted from the reduction in working time and employee remuneration by 20% for six months in the previous year. Additionally, in the first three quarters of 2021, the value of provisions for incentive schemes implemented in the Group was higher than in the previous year.

Depreciation costs in the segment increased as a result of classifying to IFRS 16 rental agreements with a higher total value than agreements classified in the period from January to September 2020.

The segment's operating costs presented without the effect of IFRS 16 were lower year on year and stood at PLN 97.9 million in the first three quarters of 2021.

3. NEW INITIATIVES

In the third quarter of 2021, the AMS team focused primarily on strengthening the company's digital offer and pro-environmental solutions.

In July 2021- thanks to a special eco-initiative including cleaning of metropolitan Jeziorko Czerniakowskie Reserve - AMS promoted the launch of the Digital Indoor system in Warsaw, which took place in the Sadyba Best Mall shopping centre. Earlier - in June, under the signed contracts, AMS became the exclusive operator of indoor digital panels in Klépierre shopping centres. As a result, the company's Digital OOH offer has been expanded to include Warsaw, Poznan, Lublin, Ruda Slaska, Rybnik and Sosnowiec. Thereby, AMS strengthened its leading position, on the market tendering customers the largest offer of Digital Indoor panels in a standardized 65" format.

In August 2021, with the consent of the Public Transport Authority in Warsaw, AMS introduced digital citylights at stops of Warsaw Public Transport. In the first stage of the pilot program, they appeared in 15 locations. Thanks to this solution, passengers have access to detailed information about journeys in an interactive form and useful content through the Cityinfo original information channel.

In addition, in the third quarter of 2021, AMS implemented, in partnership with L'Oreal, the largest project of the ECO stops network in Poland. The system of 20 EKO shelters allowed for the creation of a new urban green space with an area of almost one and a half volleyball courts. Within 3.5 years, it will contribute to reducing CO2 emissions in Warsaw by half a ton, and it will also allow to store up to 2,000 bottles of water during one-off rainfall. AMS consistently implements the strategy of co-creating smart cities and, from 2018, introduces urban furniture arranged in the space to combine advertising solutions with the spirit of ecology. The company is a pioneer in applying this approach in Poland.

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. and HRlink Sp. z o.o. (from January 28, 2021, which includes HRlink Sp. z o. o. and Goldenline Sp. z o.o.).

Tab. 16

in PLN million	**3Q 2021**	**3Q 2020**	***% change yoy***	**1-3Q 2021**	**1-3Q 2020**	***% change yoy***
Total sales , including	**51.6**	**45.1**	***14.4%***	**152.7**	**136.1**	***12.2%***
Display ad sales (1)	46.8	41.4	*13.0%*	139.8	122.6	*14.0%*
Total operating cost, including (2)	**(44.0)**	**(36.0)**	***22.2%***	**(131.6)**	**(128.9)**	***2.1%***
Total operating cost without IFRS 16 (2)	***(44.0)***	***(36.0)***	***22.2%***	***(131.6)***	***(128.9)***	***2.1%***
External services	(26.4)	(23.0)	*14.8%*	(79.4)	(74.3)	*6.9%*
External services without IFRS 16	*(26.4)*	*(23.0)*	*14.8%*	*(79.4)*	*(74.3)*	*6.9%*
Staff cost	(11.7)	(8.9)	*31.5%*	(35.6)	(32.4)	*9.9%*
D&A	(2.4)	(2.2)	*9.1%*	(7.2)	(6.5)	*10.8%*
D&A without IFRS 16	*(2.4)*	*(2.2)*	*9.1%*	*(7.2)*	*(6.5)*	*10.8%*
Promotion and marketing (1)	(2.7)	(2.6)	*3.8%*	(6.8)	(5.8)	*17.2%*
Cost of group lay-offs (3)	-	-	-	-	(1.4)	-
Impairment losses (4)	-	-	-	-	*(12.7)*	-
EBIT	**7.6**	**9.1**	***(16.5%)***	**21.1**	**7.2**	***193.1%***
EBIT margin	*14.7%*	*20.2%*	*(5.5pp)*	*13.8%*	*5.3%*	*8.5pp*
EBIT without IFRS 16	***7.6***	***9.1***	***(16.5%)***	***21.1***	***7.2***	***193.1%***
EBIT margin without IFRS 16	*14.7%*	*20.2%*	*(5.5pp)*	*13.8%*	*5.3%*	*8.5pp*
EBITDA	**10.0**	**11.3**	***(11.5%)***	**28.3**	**26.4**	***7.2%***
EBITDA margin	*19.4%*	*25.1%*	*(5.7pp)*	*18.5%*	*19.4%*	*(0.9pp)*
EBITDA without IFRS 16	***10.0***	***11.3***	***(11.5%)***	***28.3***	***26.4***	***7.2%***
EBITDA margin without IFRS 16	*19.4%*	*25.1%*	*(5.7pp)*	*18.5%*	*19.4%*	*(0.9pp)*

(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., HRlink group (since January 28, 2021 comprising HRlink Sp. z o.o. nad GoldenLine Sp. z o.o);

(2) the data includes the allocated costs of office space occupied by the Internet segment, computer costs and development activities of the technology department in Agora.

(3) 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.);

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

The Internet segment ended the third quarter of 2021 with a lower result yoy, both at the EBIT and EBITDA level. These ratios amounted to PLN 7.6 million and PLN 10.0 million, respectively *[1]*.

Between January and September 2021, the Internet segment achieved operating profit at the EBIT level of PLN 21.1 million, while the segment's result at the EBITDA level increased by 7.2% to PLN 28.3 million. The comparability of the data with respect to 2020 was affected by the costs related to the voluntary redundancy programme in Goldenline companies and group redundancies in Plan D (formerly Domiporta), and a write-down on the assets of Plan D, weighing down the segment's result in the first 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 2021, the total revenue recorded by the Internet segment increased by 14.4% year on year and amounted to PLN 51.6 million. The main factor responsible for this increase was higher proceeds from advertising sales generated by the Gazeta.pl division and Yieldbird. The revenue recorded by the HRlink group also increased.

Between January and September 2021, the total revenue of the Internet segment increased by 12.2% to PLN 152.7 million as a result of higher sales of online advertising by the Gazeta.pl division and Yieldbird, as well as higher revenue generated by the HRlink group.

2. COST

In the third quarter of 2021, operating costs of the Internet segment increased by 22.2% and amounted to PLN 44.0 million. The increase during this period was primarily due to higher expenditure on external services, mainly related to the costs of lease of advertising space, higher staff costs as well as higher depreciation. In the period from January to September 2021, operating costs increased by 2.1% and amounted to PLN 131.6 million. The comparability of operating costs in this period was significantly affected by a write-down on the assets of Plan D (formerly Domiporta Sp. z o.o.) in the first quarter of 2020, amounting to PLN 12.7 million.

In the third quarter of 2021, the costs of external services increased by 14.8% and amounted to PLN 26.4 million. This was due to higher costs of lease of advertising space in Yieldbird, sales brokerage costs in the HRlink group and costs of other external services in Gazeta.pl. During the period from January to September 2021, costs of external services increased by 6.9% to PLN 79.4 million. The increase in expenditure on external services was mostly driven by higher lease costs of advertising space in Yieldbird. In the third quarter of 2021, staff costs increased by 31.5%, whereas in the period from January to September 2021, they increased by 9.9%. This was mainly due to the temporary reduction of working time and remuneration costs of employment contracts, contracts of mandate and other service provision contracts by 20.0% for six months in 2020 as a result of the agreement concluded in this respect by the Management Board of Agora S.A. with the social side on 15 April 2020. This decision was aimed at reducing the negative impact of the COVID-19 pandemic on financial results of Agora and its subsidiaries. On 23 April 2020, consultations with trade unions on group redundancies in GoldenLine were also completed, which allowed for the launch of a voluntary redundancy programme in April 2020, joined by 26 employees. The cost of implementing this programme in the second quarter of 2020 amounted to PLN 0.9 million. In the period from April to June 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 2021, depreciation costs increased by 9.1% and 10.8%, respectively, and accounted for PLN 2.4 million and PLN 7.2 million. The increase in the aforementioned cost category was mostly driven by investments made to modernise technological infrastructure of the Gazeta.pl website, 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 2021, promotion and marketing costs increased by 3.8% year on year and amounted to PLN 2.7 million. Their increase resulted from higher barter expenses on advertising of Gazeta.pl. In the period between January and September 2021, expenditure on promotion and marketing increased by 17.2% to PLN 6.8 million and was also related to higher expenditure on Gazeta.pl advertising. During that period, expenditure in Plan D (formerly Domiporta Sp. z o.o.) was significantly lower as a result of disposal of a part of the enterprise.

3. IMPORTANT INFORMATION ON INTERNET ACTIVITIES

In September 2021, the total reach of the Agora Group's websites among Polish internet users amounted to 60.1% and the number of users reached 17.5 million, which made the Agora Group the ninth player in the market according to the Mediapanel survey (ranking of publisher groups and ungrouped domains). The total number of page views of the Agora Group's websites reached 594 million, with the average viewing time of 49 minutes per user *[6]*.

In September 2021, 16.6 million internet users viewed the Agora Group's websites on mobile devices. The number of mobile page views amounted to 468 million, and the share of mobile page views on the websites of the Agora Group stood at 79% and was the highest among Polish horizontal portals *[6]*.

The websites of the Agora Group are ranked among the top thematic market players. According to the Mediapanel's data for September 2021, the Agora Group is the leader in the "Parenthood" category (eDziecko.pl). The Agora Group ranked third in the following categories: "Information and journalism – general" (Wyborcza.pl, Wiadomosci.gazeta.pl, Tokfm.pl), "Local and regional news" (local websites Wyborcza.pl, Metrowarszawa.pl), "Sports" (Sport.pl), "Automotive" (Moto.pl) and "Gossip, celebrity life" (Plotek.pl). The websites of the Agora Group also rank high in the following thematic categories: "Business, finance, law" (fifth place, Next.gazeta.pl and Wyborcza.biz), "Travel and tourism" (fifth place, Podroze.gazeta.pl), "Fashion and beauty" (sixth place, Avanti24.pl), "Cuisine, cooking" (seventh place, Haps.pl, Ugotuj.to, Magazyn-kuchnia.pl) *[6]*.

4. NEW INITIATIVES

In the third quarter of 2021, Gazeta.pl developed its offer for both Internet users and customers. The most important novelties were introduced in September - including the portal's fall video schedule. Among the 13 programs published on the Gazeta.pl home page there are both well-known and highly watched programs, including *Studio Biznes* and *Poranna Rozmowa* (*Morning Talk*), as well as unique interactive formats. The schedule covers also entertainment and sports topics. The focus of the Gazeta.pl team on entertainment is also confirmed by the September premiere of a new module on the portal – *Centrum Zarządzania Rozrywką (Entertainment Management Centre*). As part of it, every Friday at 16:00 on the home page, the editorial team, led by Kultura.Gazeta.pl, provides readers with reviews, recommendations, interviews and announcements of films, concerts, performances and books.

In the third quarter of 2021, the Gazeta.pl team implemented optimization measures to improve the quality of traffic on mobile devices. As a result, the Gazeta.pl portal scored 64 points out of 100 possible, according to Google PageSpeed Insights, outclassing the competition (the highest ranked portal competitor achieved 41 points). Additionally, on selected Gazeta.pl article pages, a new advertising net was implemented, based on a number of algorithms that allow to influence the quality of the product and dynamically control the supply of space in order to obtain better quality of traffic.

Gazeta.pl team also carried out further projects in the field of corporate social responsibility. On the occasion of the European Volleyball Championships, Sport.pl organized a pro-social campaign *Stroje za asy* (*Outfits for aces*), during which the editorial office decided to fund three sets of match uniforms for each service ace performed by Polish volleyball players. A year after the explosion in the port warehouse in Beirut, the Gazeta.pl and the Polish Center for International Aid (PCPM) also returned with a support campaign for the residents of Lebanon. On the anniversary of the event, a collection for the victims of families was launched at pcpm.org.pl/liban. Gazeta.pl also carried out further projects covering ecology and the climate crisis. They included a joint action of the portal and the Fundacja Pracownia Zmiany created by Miasto Jest Nasze – *Odbetonowani (Unconcreted*), aiming to prepare a vision of transformation of public spaces in Polish cities. Thanks to the editorial cooperation with the University of Adam Mickiewicz in Poznań, a journalist of the portal, together with researchers from the university, went to the Norwegian island of Spitsbergen to report on the destructive impact of global warming on the environment.

In September 2021, the *Reklama dla Klimatu* (*Advertising for Climate*) campaign returned to Gazeta.pl in a changed formula - advertisers will pay a minimum of PLN 1,000 to show their project on Gazeta.pl home pages. All proceeds from the campaign will support the activities of Fundacja Dziedzictwo Przyrodnicze (the Natural Heritage Foundation).

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. 17

in PLN million	**3Q 2021**	**3Q 2020**	***% change yoy***	**1-3Q 2021**	**1-3Q 2020**	***% change yoy***
Total sales, including :	**25.7**	**22.1**	***16.3%***	**68.6**	**60.5**	***13.4%***
Radio advertising revenue (1), (2)	21.9	19.6	*11.7%*	60.3	51.7	*16.6%*
Total operating cost, including: (2)	**(23.4)**	**(16.9)**	***38.5%***	**(64.9)**	**(54.9)**	***18.2%***
Total operating cost without IFRS 16 (2)	***(23.5)***	***(17.0)***	***38.2%***	***(65.2)***	***(54.8)***	***19.0%***
External services	(9.0)	(7.3)	*23.3%*	(22.5)	(20.2)	*11.4%*
External services without IFRS 16	*(9.8)*	*(8.1)*	*21.0%*	*(24.9)*	*(22.5)*	*10.7%*
Staff cost	(8.0)	(6.6)	*21.2%*	(25.3)	(21.4)	*18.2%*
D&A	(1.8)	(1.8)	-	(5.5)	(5.4)	*1.9%*
D&A without IFRS 16	*(1.1)*	*(1.1)*	-	*(3.3)*	*(3.3)*	-
Promotion and marketing (2)	(3.2)	(1.5)	*113.3%*	(7.5)	(5.1)	*47.1%*
EBIT	**2.3**	**5.2**	***(55.8%)***	**3.7**	**5.6**	***(33.9%)***
EBIT margin	*8.9%*	*23.5%*	*(14.6pp)*	*5.4%*	*9.3%*	*(3.9pp)*
EBIT without IFRS 16	***2.2***	***5.1***	***(56.9%)***	***3.4***	***5.7***	***(40.4%)***
EBIT margin without IFRS 16	*8.6%*	*23.1%*	*(14.5pp)*	*5.0%*	*9.4%*	*(4.4pp)*
EBITDA	**4.1**	**7.0**	***(41.4%)***	**9.2**	**11.0**	***(16.4%)***
EBITDA margin	*16.0%*	*31.7%*	*(15.7pp)*	*13.4%*	*18.2%*	*(4.8pp)*
EBITDA without IFRS 16	***3.3***	***6.2***	***(46.8%)***	***6.7***	***9.0***	***(25.6%)***
EBITDA margin without IFRS 16	*12.8%*	*28.1%*	*(15.3pp)*	*9.8%*	*14.9%*	*(5.1pp)*

(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 2021, the operating results of the Radio segment, both at the EBIT and EBITDA levels, were lower yoy and amounted to PLN 2.3 million and PLN 4.1 million, respectively.

In the period from January to September 2021, the segment's EBIT was lower than in the corresponding period of 2020 and amounted PLN 3.7 million. During that period, the segment's EBITDA decreased yoy, amounting to PLN 9.2 million.

Despite the increase in revenue, this deviation was driven by the reduction in expenses in 2020 related to the COVID-19 pandemic and additional financing received from the Guaranteed Employee Benefits Fund in 2020.

In the third quarter of 2021, the segment's operating result at the EBIT level, presented without the effect of IFRS 16, amounted to PLN 2.2 million, and at the EBITDA level – to PLN 3.3 million. In the period from January to September 2021, the operating profit of the Radio segment at the EBIT level, without the effect of IFRS 16, amounted to PLN 3.4 million, and at the EBITDA level – to PLN 6.7 million.

1. REVENUE [3]

In the third quarter of 2021, the Radio segment's revenue increased by 16.3% yoy and amounted to PLN 25.7 million. In the period from January to September 2021, the total revenue of the Radio segment recorded an increase by 13.4% yoy and stood at PLN 68.6 million.

Both periods saw an increase in the revenue from airtime sales in the radio stations of the Agora Radio Group and the proceeds from brokerage services for the sale of airtime in third-party radio stations.

It is worth mentioning that in the third quarter of 2021, the total radio advertising expenditure increased by 4.0% yoy. In the period between January and September, this increase stood at 13.5% as compared to the first three quarters of 2020.

In the third quarter of 2021, the segment's online revenue was higher by 25.0%, and in the period from January to September – by 38.2%. In both periods, revenue from online advertising services as well as from the sale of the Premium TOK FM subscriptions increased. The number of the Premium TOK FM subscriptions at the end of the third quarter of 2021 increased to 25.0 thousand.

In the third quarter of 2021, the proceeds from sales brokerage services for Helios cinemas were also higher. In the period from January to September 2021, this revenue was lower yoy due to the lack of revenue in this area until May 2021. Helios cinemas could only resume their operations on 21 May 2021 because of the COVID-19 pandemic.

2. COST

In the third quarter of 2021, the operating costs of the Radio segment increased by 38.5% yoy and amounted to PLN 23.4 million. In the period from January to September 2021, the segment's operating costs increased by 18.2% and amounted to PLN 64.9 million.

In the third quarter of 2021, costs of external services increased by 23.3% to PLN 9.0 million while in the period January-September 2021 and they were higher by 11.4% and amounted to PLN 22.5 million. The increase in expenditure in both periods was mainly due to higher costs of airtime purchase in third-party radio stations in connection with the advertising sales brokerage services provided. In the third quarter of 2021, the costs related to the sales brokerage services for Helios cinemas were also higher. These costs were lower in the period between January and September 2021 in connection with the administrative decision to suspend cinema operations until 20 May 2021.
The year on year increase in the costs of external services in both periods was also due to the reduction in spending in 2020 that took place in relation to the COVID-19 pandemic.
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 costs and lease fees, costs of production services as well as operator fees.

The staff costs increased by 21.2%, to PLN 8.0 million in the third quarter of 2021 and by 18.2%, to PLN 25.3 million in the period from January to September 2021. A factor which contributed to the increase in this cost category in both periods was the decision to temporarily reduce remuneration and working time by 20.0% in the Agora Group from 15 April 2020 for a period of six months.

In the third quarter of 2021, promotion and marketing costs increased by 113.3% and amounted to PLN 3.2 million, while in the period from January to September – they increased by 47.1% to PLN 7.5 million. This was primarily due to the reduction of promotion and marketing in 2020.

In the third quarter of 2021, operating costs of the Radio segment presented without the effect of IFRS 16 amounted to PLN 23.5 million and were higher by 38.2% yoy. In the period from January to September 2021, operating costs under this approach amounted to PLN 65.2 million and were higher by 19.0% yoy. The cost of external services presented in this way increased by 21.0% to PLN 9.8 million in the third quarter of 2021 and this increase was 10.7% to the amount of PLN 24.9 million in the first nine months of 2021. D&A costs remained at the same level both in the third quarter and in the period from January to September 2021.

3. AUDIENCE SHARES [8]

Tab. 18

% share in listening	3Q 2021	change in pp yoy	1-3Q 2021	change in pp yoy
Group's music radio stations (Rock Radio, Zlote Przeboje and Radio Pogoda)	3.7%	(1.1pp)	4.0%	(0.4pp)
News talk radio station TOK FM	2.6%	0.2pp	2.7%	0.3pp

It is worth noting that radio stations of the Agora Group do not have national coverage. Music stations of the Agora Radio Group are present mainly in cities with more than 100 thousand inhabitants, and although on a national scale, the Agora Radio Group ranks fifth in terms of audience share, in cities with the population of over 100 thousand, it already ranks fourth, ahead of Polish Radio, and in cities with more than 200 thousand inhabitants – it ranks third following the RMF Group and Eurozet. TOK FM news radio broadcasts primarily in cities with the population of over 200 thousand, where it holds the third position among the most popular radio stations in Poland, only behind RMF FM and Radio ZET.

4. NEW INITIATIVES

In the third quarter of 2021, Radio TOK FM and the Agora Radio Group music stations prepared new offer for its audiences.

TOK FM team created special summer programms, including *W drodze* (*On the road)* and *Od kuchni* (*From the Kitchen)*, broadcasted as part of the *TOK360* radio band from Monday to Friday in July and August. Whereas, in September, another interesting podcast series premiered on tokfm.pl and in the TOK FM application. These were the seventh edition of the *Dobra praca* (*Good Work*) podcast, prepared by the editorial team in cooperation with OLX, as well as a unique podcast by Magdalena Rigamonti reminding about the 20th anniversary of the attack on the WTC. Six interviews under the *WTC.Rykoszet (WTC.Ricochet)* brand, devoted to the events of 11 September 2001 and their consequences, are available only for TOK FM Premium subscribers.

After the summer break, Agora's music stations announced some changes to the air and introduced fall schedules.

In July 2021, the report *Listener of podcasts in Poland* was published by Tandem Media, a radio and cinema broker from the Agora Radio Group. The report includes the results of a study carried out with Publicis Groupe in November 2020, which provided a lot of important information about the users of podcast offer in Poland. The report confirmed that its reach in the country is growing - in 2020 it amounted to 31%, which means that almost one in three Internet users, almost 9 million people, listen to podcasts. A podcast listener is a mature, conscious and urban consumer who willingly shares content from audio on demand programs with others and accepts related advertisements. The publication of another report on Polish podcast listeners shows the deep involvement of Tandem Media's team in the development of the podcast market in Poland. The broker is also expanding its portfolio for clients - currently it not only helps advertisers reach the audience of the Agora Radio Group's podcasts, but also - under the Podcast Custom Shop - allows brands to produce their own online broadcasts and mediates in the purchase of advertising campaigns from independent podcasters.

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 'EBITDA' is defined as EBIT increased by depreciation and amortization and impairment losses on property, plant and equipment, intangible assets and right-of-use assets.

The 'EBIT and EBITDA without IFRS 16' are defined as EBIT and EBITDA 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 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 TV advertising in the third quarter of 2020 and in the second quarter of 2021.
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] Data on "sales" for paid dailies is presented according to the information provided by the Press Control and Distribution Association (ZKDP). The term "sales" as used in this commentary means "total issue sales" from declarations made by publishers to the National Circulation Audit Office (ZKDP). All average measures (grouping more than one title) are calculated according to the principle of Total Sales / Number of Issues for the title that has the most issues during the period. On the basis of the calculated average, the year-on-year dynamics are shown.

[5] Definition of ratios:

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

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

Return on equity = $\dfrac{\textit{Net profit / (loss) attributable to equity holders of the parent}}{\textit{(Equity attributable to equity holders of the parent at the beginning of the period + Equity attributable to equity holders of the parent at the end of the period) /2/(1.33 for three quarters and 4 for quarterly results)}}$

Debtors days = $\dfrac{\textit{(Trade receivables gross at the beginning of the period + Trade receivables gross at the end of the period) / 2}}{\textit{Revenue / no. of days}}$

Creditors days = $\dfrac{\textit{(Trade creditors at the beginning and the end of the period + accruals for uninvoiced costs at the beginning and the end of the period) / 2}}{\textit{(Cost of sales + selling expenses + administrative expenses) / no. of days}}$

Inventory turnover = $\dfrac{\textit{(Inventories at the beginning of the period + Inventories at the end of the period) / 2}}{\textit{Cost of sales / no. of days}}$

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

Gearing ratio = $\dfrac{\textit{Current and non-current liabilities from loans and leases– cash and cash equivalents – highly liquid short-term monetary assets}}{\textit{Total equity and liabilities}}$

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

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

** 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] Source: report prepared by Izba Gospodarcza Reklamy Zewnetrznej (IGRZ) in cooperation with Publicis Media company.

[8] 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 2020: 21,098; sample for 2021: 20,926; from January to September (sample for 2020: 63,109; sample for 2021: 62,781.

[9] 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

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

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

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

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

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

It was agreed that the date of Ms Agnieszka Sadowska's resignation from her position will be agreed, taking into account the necessity to transfer her duties to other members of the management board.

In the current report of August 5, 2021, the Management Board of Agora S.A. informed that pursuant to the provisions of par. 28 sec. 3 of the Company's Articles of Association, on August 5, 2021, he appointed Ms Agnieszka Siuzdak-Zyga to his group by way of co-option.

In the current report of October 20, 2021, the Management Board of Agora S.A. informed that on October 20, 2021, the Company received from Ms Agnieszka Sadowska resignation from the position of a member of the Management Board and participation in the Management Board of Agora S.A. with immediate effect.

- **Intention to extend the period of the Agora Tax Capital Group for 2022**

In the current report of November 10, 2021, the Management Board of Agora S.A., with reference to the regulatory filings no. 35/2017 of 21 December 2017, 6/2018 of 16 February 2018, 40/2020 of 13 November 2020 and 43/2020 of 11 December 2020 informed that on 10 November 2021 was signed an agreement to extend the period of operation of the Agora Tax Capital Group ("PGK"), which includes 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 A Sp. z o.o.

The extension of the PGK operation period is associated with submission of an application for registration of the extension of the operation period of the Tax Capital Group to the Head of a relevant Tax Office.

In the agreement to extend the period of operation of the 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 period of PGK operation is to be extended until 31 December 2022. 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 8.5 million in 2022.

Changes in subsidiaries

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 translation only 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 sellout 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) par. 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. Thus, Agora S.A. held 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) par. 6 of the CCC, and based on Article 418(1) par. 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 and September 19, 2019, the appeal of the other minority shareholders having rights under 1,460 shares was dismissed.

(ii) Squeeze-out procedurę

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 21, 2021 the Management Board of Agora S.A., with reference to the current report no. 46/2020 of 31 December 2020, informed that on 21 September 2021 the Company completed negotiations with key managers of the subsidiary Helios S.A. who are also minority shareholders of Helios S.A. ("Managers") regarding the change of the terms of call and put options relating to their shares in Helios S.A., and signed relevant annexes with them.

The scope of the agreed changes included, among others:

- postponement of the possibility to call the Company by the Managers to purchase the shares of Helios S.A. held by them (put option) in such a way that:
- by 31 December 2022, the put option will cover, subject to certain exceptions, a maximum 7,5% of the Managers' shares;
- by 30 June 2024 the put option will cover, subject to certain exceptions, a maximum 20,0% of the Managers' shares, and
- postponement of the Company's right to call upon Managers to sell the shares of Helios S.A. held by them (call option), so that the call option can be exercised, subject to certain exceptions, from 1 July 2025 at the earliest.

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

At the same time, the Company was granted Drag Along Right.

Agora S.A. owned, as at September 21, 2021, 91.4% of shares in Helios S.A. The remaining shares belonged to the Managers.

In the current report of September 22, 2021, the Management Board of Agora S.A. with reference to the report no. 12/2021 published on 9 June, 2021, informed that the Company learned about the cancellation of a part of the preferential loan granted to Helios S.A. by the Polish Development Fund S.A. with effect from 24 September 2021.

The redemption value is PLN 3,129,000.00. The remaining part of the loan amounts to PLN 1,902,000.00 and will be payable in 10 equal quarterly instalments.

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

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

On October 29, 2021, Agora S.A. concluded a promised share sale agreement with one of the Minority Shareholders of Helios S.A. as part of the implementation of the Tender Offer received. Thus, now Agora S.A. owns 91.49% of the share capital of Helios S.A. and 91.49% of votes at the General Meeting of Helios S.A.

2. CHANGES IN OWNERSHIP OF SHARES OR OTHER RIGHTS TO SHARES (OPTIONS) BY MANAGEMENT BOARD MEMBERS IN THE THIRD QUARTER OF 2021 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 19

shares	As of November 19, 2021	*decrease*	*increase*	As of August 13, 2021
Bartosz Hojka	2,900	-	-	2,900
Tomasz Grabowski	0	-	-	0
Tomasz Jagiello	0	-	-	0
Anna Krynska - Godlewska	0	-	-	0
Agnieszka Sadowska	-	-	-	0
Agnieszka Siuzdak – Zyga	0	-	-	0

**Agnieszka Sadowska was a Member of the Management Board of the Company until October 20, 2021.*

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 2021 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 20

shares	As of November 19, 2021	*decrease*	*increase*	As of August 13, 2021
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. August 13, 2021) 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:

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 2021, 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 2021 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 2021

	Note	As at 30 September 2021 unaudited	As at 30 June 2021 unaudited	As at 31 December 2020 audited
Assets				
Non-current assets:				
Intangible assets		409,123	413,859	422,900
Property, plant and equipment		368,036	379,976	401,157
Right-of-use assets		629,992	645,231	659,372
Long-term financial assets		3,398	489	522
Investments in equity accounted investees		155,861	153,753	149,549
Receivables and prepayments		10,411	10,654	8,416
Deferred tax assets		48,975	45,268	41,682
		1,625,796	**1,649,230**	**1,683,598**
Current assets:				
Inventories		18,596	18,587	15,235
Accounts receivable and prepayments		169,829	150,216	165,374
Income tax receivable		1,403	1,284	1,159
Short-term securities and other financial assets		766	78	77
Cash and cash equivalents		99,932	122,859	138,355
		290,526	**293,024**	**320,200**
Non-current assets held for sale	14	-	-	14,500
		290,526	**293,024**	**334,700**
Total assets		**1,916,322**	**1,942,254**	**2,018,298**

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 2021 (CONTINUED)

	Note	As at 30 September 2021 unaudited	As at 30 June 2021 unaudited	As at 31 December 2020 audited
Equity and liabilities				
Equity attributable to equity holders of the parent:				
Share capital		46,581	46,581	46,581
Share premium		147,192	147,192	147,192
Retained earnings and other reserves		558,848	560,031	627,169
		752,621	**753,804**	**820,942**
Non-controlling interest		**3,901**	**4,224**	**11,381**
Total equity		**756,522**	**758,028**	**832,323**
Non-current liabilities:				
Deferred tax liabilities		5,978	5,947	6,132
Long-term borrowings	3	658,808	668,514	687,292
Other financial liabilities	15	34,348	34,548	34,548
Retirement severance provision		2,945	2,945	2,855
Provisions		93	49	286
Accruals and other liabilities		23,127	24,771	7,164
Contract liabilities		3,880	4,036	1,507
		729,179	**740,810**	**739,784**
Current liabilities:				
Retirement severance provision		145	145	242
Trade and other payables		223,358	233,352	244,770
Income tax liabilities		298	479	919
Short-term borrowings	3	183,109	187,945	180,691
Other financial liabilities	15	200	-	-
Provisions		2,666	3,315	3,388
Contract liabilities		20,845	18,180	16,181
		430,621	**443,416**	**446,191**
Total equity and liabilities		**1,916,322**	**1,942,254**	**2,018,298**

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 2021

	Note	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited
Revenue	4	266,459	614,226	192,981	612,103
Cost of sales		(180,698)	(461,600)	(143,858)	(475,938)
Gross profit		**85,761**	**152,626**	**49,123**	**136,165**
Selling expenses		(41,993)	(116,913)	(34,736)	(112,911)
Administrative expenses		(35,207)	(111,603)	(30,820)	(97,175)
Other operating income		5,830	18,280	15,175	34,945
Other operating expenses		(1,891)	(7,035)	(3,094)	(37,009)
Impairment losses for receivables - net		(1,357)	(1,299)	(3)	(1,236)
Operating profit/(loss)		**11,143**	**(65,944)**	**(4,355)**	**(77,221)**
Finance income		37	630	130	4,137
Finance costs		(18,066)	(17,697)	(11,591)	(41,585)
Share of results of equity accounted investees		2,109	6,313	5,283	4,842
Loss before income taxes		**(4,777)**	**(76,698)**	**(10,533)**	**(109,827)**
Income tax		3,271	5,932	1,554	12,652
Net loss for the period		**(1,506)**	**(70,766)**	**(8,979)**	**(97,175)**
Attributable to:					
Equity holders of the parent		(1,183)	(66,677)	(7,063)	(88,379)
Non-controlling interest		(323)	(4,089)	(1,916)	(8,796)
		(1,506)	**(70,766)**	**(8,979)**	**(97,175)**
Basic/diluted earnings per share (in PLN)		(0.03)	(1.43)	(0.15)	(1.90)

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 2021

	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited
Net loss for the period	**(1,506)**	**(70,766)**	**(8,979)**	**(97,175)**
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	**(1,506)**	**(70,766)**	**(8,979)**	**(97,175)**
Attributable to:				
Shareholders of the parent	(1,183)	(66,677)	(7,063)	(88,379)
Non-controlling interests	(323)	(4,089)	(1,916)	(8,796)
	(1,506)	**(70,766)**	**(8,979)**	**(97,175)**

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 NINE MONTHS ENDED 30 SEPTEMBER 2021

	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 2021						
As at 31 December 2020 audited	**46,581**	**147,192**	**627,169**	**820,942**	**11,381**	**832,323**
Total comprehensive income for the period						
Net loss for the period	-	-	(66,677)	(66,677)	(4,089)	(70,766)
Total comprehensive income for the period	**-**	**-**	**(66,677)**	**(66,677)**	**(4,089)**	**(70,766)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payments (note 5b)	-	-	-	-	(976)	(976)
Dividends of subsidiaries	-	-	-	-	(1,654)	(1,654)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(2,630)**	**(2,630)**
Changes in ownership interests in subsidiaries						
Acquisition of non-controlling interests (note 12)	-	-	(1,539)	(1,539)	(865)	(2,404)
Additional contribution of non-controlling shareholders	-	-	(105)	(105)	105	-
Other	-	-	-	-	(1)	(1)
Total changes in ownership interests in subsidiaries	**-**	**-**	**(1,644)**	**(1,644)**	**(761)**	**(2,405)**
Total transactions with owners	**-**	**-**	**(1,644)**	**(1,644)**	**(3,391)**	**(5,035)**
As at 30 September 2021 unaudited	**46,581**	**147,192**	**558,848**	**752,621**	**3,901**	**756,522**

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 NINE MONTHS ENDED 30 SEPTEMBER 2021 (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 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 5b)	-	-	-	-	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	-	-	9,248	9,248	-	9,248
Additional contribution of non-controlling shareholder	-	-	(1,918)	(1,918)	1,935	17
Sale of a subsidiary	-	-	-	-	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 CASH FLOW STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2021

	Note	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited
Cash flows from operating activities					
Loss before income taxes		**(4,777)**	**(76,698)**	**(10,533)**	**(109,827)**
Adjustments for:					
Share of results of equity accounted investees		(2,109)	(6,313)	(5,283)	(4,842)
Depreciation and amortisation		38,689	119,926	37,784	121,942
Foreign exchange loss		13,564	2,497	6,924	26,696
Interest, net		4,655	14,930	4,659	14,805
(Profit)/loss on investing activities		(2,239)	374	(2,944)	12,870
Increase/(decrease) in provisions		(604)	(921)	727	1,648
(Increase)/decrease in inventories		(9)	(3,361)	95	3,231
(Increase)/decrease in receivables		(19,606)	(2,906)	(22,392)	65,027
Increase/(decrease) in payables		(10,368)	5,414	4,124	(1,096)
Increase/(decrease) in contract liabilities		2,508	7,035	(1,717)	1,005
Remeasurement of put options		-	-	-	(2,228)
Equity-settled share-based payments	5b	-	139	70	395
Cash generated from operations		**19,704**	**60,116**	**11,514**	**129,626**
Income taxes received/(paid)		(678)	(2,192)	544	(1,790)
Net cash from operating activities		**19,026**	**57,924**	**12,058**	**127,836**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment and intangibles		4,838	22,204	1,609	17,548
Disposal of subsidiaries (net of cash disposed), associates and jointly controlled entities		-	-	80	3,377
Dividends received		-	-	12,000	12,000
Loan repayment received		16	45	63	188
Interest received		3	10	4	20
Disposal of short-term securities		-	-	-	24,282
Other inflows (1)		-	-	-	2,800
Purchase of property, plant and equipment and intangibles		(10,122)	(36,946)	(12,018)	(46,852)
Acquisition of subsidiary (net of cash acquired), associates and jointly controlled entities		-	-	-	(7,180)
Acquisition of short-term securities		-	-	-	(15,000)
Loans granted		(3,600)	(3,600)	-	-
Other outflows (2)		-	(4,000)	-	-
Net cash from/(used in) investing activities		**(8,865)**	**(22,287)**	**1,738**	**(8,817)**

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

CONSOLIDATED CASH FLOW STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2021 (CONTINUED)

	Note	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited
Cash flows from financing activities					
Proceeds from borrowings		-	26,691	5,502	6,303
Other inflows		-	-	1	17
Acquisition of non-controlling interest	12	-	(2,404)	-	(1,868)
Dividends paid to non-controlling shareholders		-	(1,654)	-	-
Repayment of borrowings		(10,718)	(45,835)	(778)	(5,030)
Payment of lease liabilities		(16,869)	(36,612)	(5,239)	(25,648)
Interest paid		(5,501)	(14,246)	(6,756)	(14,067)
Net cash used in financing activities		**(33,088)**	**(74,060)**	**(7,270)**	**(40,293)**
Net increase/(decrease) in cash and cash equivalents		**(22,927)**	**(38,423)**	**6,526**	**78,726**
Cash and cash equivalents					
At start of period		122,859	138,355	133,265	61,065
At end of period		99,932	99,932	139,791	139,791

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

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2021 AND FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2021

1. GENERAL INFORMATION

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

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

The Group operates in all major cities in Poland.

The condensed interim consolidated financial statements were prepared as at and for three and nine months ended 30 September 2021, with comparative figures presented as at 30 June 2021 ands as at 31 December 2020 and for three and nine months ended 30 September 2020.

The condensed interim consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on November 18, 2021.

2. STATEMENT OF COMPLIANCE

The condensed interim consolidated financial statements as at 30 September 2021 and for nine months ended 30 September 2021 have not been audited. The Consolidated Financial Statements as at and for twelve months ended 31 December 2020 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 2021, item 217 with subsequent amendments), regulations issued based on that Act and the Decree of Minister of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2018, item 757).

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

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

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

The application of the abovementioned amendments had no 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:

	30 September 2021	31 December 2020
Long-term bank loans	27,461	51,647
Long-term loans (1)	951	-
Finance lease liabilities	630,396	635,645
Total long-term borrowings	**658,808**	**687,292**
including: Lease liabilities resulting from application of IFRS 16	*597,270*	*591,947*
Short-term bank loans	86,508	86,370
Short-term loans (1)	761	-
Finance lease liabilities	95,840	94,321
Total short-term borrowings	**183,109**	**180,691**
including: Lease liabilities resulting from application of IFRS 16	*80,576*	*75,677*

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

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

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

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

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

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

The redemption value is PLN 3,129,000.00 and was presented in Group's other operating income. The remaining part of the loan amounts to PLN 1,902,000.00 and is repaid in 10 equal quarterly instalments.

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, about which separate financial information is available, that is evaluated regularly by the chief operating decision maker in the process of decision making regarding allocation of resources and assessing the performance of the Group.

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

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

1) the *Movies and Books* segment includes the Group's activities within the cinema management of Helios S.A., film distribution and production activities of Next Film Sp. z o.o. and Next Script Sp. z o.o. and the gastronomy activities of Step Inside Sp. z o.o. and Foodio Concepts Sp. z o.o. (till June 2, 2020), as well as the activities of Agora`s Publishing House,

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

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

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

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

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

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

Operating results of reportable segments do not include:

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

b) amortisation recognised on consolidation (described below).

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

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

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

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

Amount of investment in associates and joint ventures accounted for by the equity method 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 2021 and 30 September 2020 relate to 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.

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.

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 2021							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions**	**Total Group**
Revenues from external customers	103,098	50,913	36,513	50,385	24,364	265,273	1,186	266,459
Intersegment revenues (2)	2,050	1,409	532	1,206	1,370	6,567	(6,567)	-
Total revenues	**105,148**	**52,322**	**37,045**	**51,591**	**25,734**	**271,840**	**(5,381)**	**266,459**
Total operating cost (1), (2), (3)	**(95,026)**	**(47,064)**	**(33,670)**	**(44,049)**	**(23,490)**	**(243,299)**	**(12,017)**	**(255,316)**
Operating profit / (loss) (1)	**10,122**	**5,258**	**3,375**	**7,542**	**2,244**	**28,541**	**(17,398)**	**11,143**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(92,489)***	***(47,064)***	***(34,015)***	***(44,049)***	***(23,600)***	***(241,217)***	***(12,184)***	***(253,401)***
Operating profit / (loss) (excl. IFRS 16) (1)	***12,659***	***5,258***	***3,030***	***7,542***	***2,134***	***30,623***	***(17,565)***	***13,058***
Net finance income and cost							(18,029)	(18,029)
Share of results of equity accounted investees	-	-	(19)	(115)	2,243	2,109	-	2,109
Income tax expense							3,271	3,271
Net loss								**(1,506)**

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;
(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the Outdoor segment to other segments;
(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company`s headquarters, use of computers and development activities of IT department, which are allocated to segments), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 20,341 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 2021							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions**	**Total Group**
Operating depreciation and amortisation	(19,294)	(1,718)	(9,358)	(2,410)	(1,819)	(34,599)	(3,874)	(38,473)
Operating depreciation and amortisation (excl. IFRS 16)	*(9,552)*	*(1,716)*	*(5,287)*	*(2,410)*	*(1,087)*	*(20,052)*	*(3,779)*	*(23,831)*
Amortisation recognised on consolidation (1)	(129)	-	-	(149)	-	(278)	62	(216)
Impairment losses	(16)	(1,402)	(37)	(28)	(366)	(1,849)	328	(1,521)
Reversals of impairment losses	12	64	86	-	22	184	-	184
including non-current assets	-	-	*27*	-	-	*27*	-	*27*
Capital expenditure	823	465	2,071	2,260	990	6,609	1,604	8,213

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

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Revenues from external customers	167,662	143,989	83,634	149,742	65,021	610,048	4,178	614,226
Intersegment revenues (2)	2,870	4,187	1,206	2,922	3,619	14,804	(14,804)	-
Total revenues	**170,532**	**148,176**	**84,840**	**152,664**	**68,640**	**624,852**	**(10,626)**	**614,226**
Total operating cost (1), (2), (3)	**(209,761)**	**(134,576)**	**(96,690)**	**(131,601)**	**(64,970)**	**(637,598)**	**(42,572)**	**(680,170)**
Operating profit / (loss) (1)	**(39,229)**	**13,600**	**(11,850)**	**21,063**	**3,670**	**(12,746)**	**(53,198)**	**(65,944)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(192,011)***	***(134,576)***	***(97,906)***	***(131,601)***	***(65,288)***	***(621,382)***	***(43,142)***	***(664,524)***
Operating profit / (loss) (excl. IFRS 16) (1)	***(21,479)***	***13,600***	***(13,066)***	***21,063***	***3,352***	***3,470***	***(53,768)***	***(50,298)***
Net finance income and cost							(17,067)	(17,067)
Share of results of equity accounted investees	-	-	(146)	50	6,409	6,313	-	6,313
Income tax							5,932	5,932
Net loss								**(70,766)**

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;
(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the Outdoor segment to other segments;
(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space in the Company`s headquarters, use of computers and development activities of IT department, which are allocated to segments), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 62,733 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 2021							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions**	**Total Group**
Operating depreciation and amortisation	(61,150)	(5,568)	(28,062)	(7,206)	(5,471)	(107,457)	(11,822)	(119,279)
Operating depreciation and amortisation (excl. IFRS 16)	*(28,031)*	*(5,563)*	*(16,102)*	*(7,206)*	*(3,316)*	*(60,218)*	*(11,558)*	*(71,776)*
Amortisation recognised on consolidation (1)	(388)	-	-	(448)	-	(836)	189	(647)
Impairment losses	(105)	(1,544)	(2,242)	(75)	(538)	(4,504)	(480)	(4,984)
including non-current assets	-	-	*(1,643)*	-	-	*(1,643)*	*(883)*	*(2,526)*
Reversals of impairment losses	81	274	597	133	138	1,223	1	1,224
including non-current assets	-	-	*132*	-	-	*132*	-	*132*
Equity-settled share-based payments (note 5b)	-	-	-	(139)	-	(139)	-	(139)
Capital expenditure	5,244	2,831	4,776	6,703	1,858	21,412	1,684	23,096

	As at 30 September 2021							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions (2)**	**Total Group**
Property, plant and equipment and intangible assets	214,163	85,410	237,193	33,766	79,690	650,222	126,937	777,159
Right-of-use assets	528,035	13	63,917	47	13,342	605,354	24,638	629,992
Investments in associates and joint ventures accounted for by the equity method	-	-	65	17,849	137,947	155,861	-	155,861

(1) is not presented in operating result of the Group's segments;
(2) reconciling positions include mainly Company's headquarters (PLN 86,162 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2020							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Revenues from external customers	46,640	46,613	33,032	44,464	21,252	192,001	980	192,981
Intersegment revenues (2)	822	1,343	297	635	887	3,984	(3,984)	-
Total revenues	**47,462**	**47,956**	**33,329**	**45,099**	**22,139**	**195,985**	**(3,004)**	**192,981**
Total operating cost (1), (2), (3)	**(66,339)**	**(35,318)**	**(31,390)**	**(35,966)**	**(16,926)**	**(185,939)**	**(11,397)**	**(197,336)**
Operating profit / (loss) (1)	**(18,877)**	**12,638**	**1,939**	**9,133**	**5,213**	**10,046**	**(14,401)**	**(4,355)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(64,473)***	***(35,318)***	***(31,314)***	***(35,966)***	***(16,992)***	***(184,063)***	***(11,577)***	***(195,640)***
Operating profit / (loss) (excl. IFRS 16) (1)	***(17,011)***	***12,638***	***2,015***	***9,133***	***5,147***	***11,922***	***(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	-	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**	**Total segments**	**Reconciling positions**	**Total Group**
Operating depreciation and amortisation	(18,680)	(1,650)	(8,758)	(2,173)	(1,816)	(33,077)	(4,491)	(37,568)
Operating depreciation and amortisation (excl. IFRS 16)	*(9,081)*	*(1,639)*	*(5,247)*	*(2,173)*	*(1,093)*	*(19,233)*	*(4,382)*	*(23,615)*
Amortisation recognised on consolidation (1)	(129)	-	-	(149)	-	(278)	62	(216)
Impairment losses	(354)	(128)	(336)	(61)	(87)	(966)	238	(728)
Reversals of impairment losses	-	223	400	98	65	786	-	786
including non-current assets	-	-	*189*	-	-	*189*	-	*189*
Equity-settled share-based payments	-	-	-	(70)	-	(70)	-	(70)
Capital expenditure	2,577	800	1,353	1,961	160	6,851	205	7,056

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

(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	Total segments	Reconciling positions	Total Group
Revenues from external customers	201,760	138,485	77,808	134,260	57,330	609,643	2,460	612,103
Intersegment revenues (2)	3,323	4,828	764	1,830	3,198	13,943	(13,943)	-
Total revenues	**205,083**	**143,313**	**78,572**	**136,090**	**60,528**	**623,586**	**(11,483)**	**612,103**
Total operating cost (1), (2), (3)	**(250,078)**	**(126,606)**	**(99,203)**	**(128,879)**	**(54,927)**	**(659,693)**	**(29,631)**	**(689,324)**
Operating profit / (loss) (1)	**(44,995)**	**16,707**	**(20,631)**	**7,211**	**5,601**	**(36,107)**	**(41,114)**	**(77,221)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(238,628)***	***(126,608)***	***(99,012)***	***(128,879)***	***(54,786)***	***(647,913)***	***(30,046)***	***(677,959)***
Operating profit / (loss) (excl. IFRS 16) (1)	***(33,545)***	***16,705***	***(20,440)***	***7,211***	***5,742***	***(24,327)***	***(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	-	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	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions**	**Total Group**
Operating depreciation and amortisation	(64,097)	(4,700)	(26,896)	(6,493)	(5,410)	(107,596)	(13,432)	(121,028)
Operating depreciation and amortisation (excl. IFRS 16)	*(27,789)*	*(4,665)*	*(16,159)*	*(6,493)*	*(3,263)*	*(58,369)*	*(13,323)*	*(71,692)*
Amortisation recognised on consolidation (1)	(388)	-	-	(715)	-	(1,103)	189	(914)
Impairment losses	(11,527)	(371)	(7,523)	(13,023)	(585)	(33,029)	1,423	(31,606)
including non-current assets	*(8,996)*	-	*(6,696)*	*(12,660)*	-	*(28,352)*	*(536)*	*(28,888)*
Reversals of impairment losses	40	371	625	257	184	1,477	-	1,477
including non-current assets	-	-	*187*	-	-	*187*	-	*187*
Equity-settled share-based payments	-	-	-	(395)	-	(395)	-	(395)
Cost of restructuring (2)	-	-	-	(1,429)	-	(1,429)	-	(1,429)
Capital expenditure	21,599	4,445	4,213	7,620	1,156	39,033	2,618	41,651

	As at 30 September 2020							
	Movies and books	**Press**	**Outdoor**	**Internet**	**Radio**	**Total segments**	**Reconciling positions (3)**	**Total Group**
Property, plant and equipment and intangible assets	229,105	88,641	265,515	34,392	80,902	698,555	143,567	842,122
Right-of-use assets	516,565	30	59,129	62	11,880	587,666	28,449	616,115
Investments in associates and joint ventures accounted for by the equity method	-	-	23	17,417	129,520	146,960	-	146,960

(1) is not presented in operating result of the Group’s segments;
(2) relates to restructuring costs in the Internet segment in the second quarter of 2020;
(3) reconciling positions include mainly Company’s headquarters (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)

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

	Three months ended 30 September 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	6,702	16,077	35,272	48,685	24,021	130,757	(5,345)	125,412
Ticket sales	45,915	-	-	-	-	45,915	(8)	45,907
Copy sales	7,943	26,511	-	-	-	34,454	(8)	34,446
Concession sales in cinemas	25,922	-	-	-	-	25,922	-	25,922
Printing services	-	6,897	-	-	-	6,897	-	6,897
Gastronomic sales (1)	8,323	-	-	-	-	8,323	-	8,323
Film distribution and production sales	4,029	-	-	-	-	4,029	-	4,029
Other	6,314	2,837	1,773	2,906	1,713	15,543	(20)	15,523
Total sales by category	**105,148**	**52,322**	**37,045**	**51,591**	**25,734**	**271,840**	**(5,381)**	**266,459**

	Nine months ended 30 September 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	9,172	45,421	80,878	144,635	64,586	344,692	(10,234)	334,458
Ticket sales	62,864	-	-	-	-	62,864	(12)	62,852
Copy sales	25,258	78,092	-	1	-	103,351	(46)	103,305
Concession sales in cinemas	31,179	-	-	-	-	31,179	-	31,179
Printing services	-	19,106	-	-	-	19,106	-	19,106
Gastronomic sales (1)	20,276	-	-	-	-	20,276	(17)	20,259
Film distribution and production sales	6,387	-	-	-	-	6,387	-	6,387
Other	15,396	5,557	3,962	8,028	4,054	36,997	(317)	36,680
Total sales by category	**170,532**	**148,176**	**84,840**	**152,664**	**68,640**	**624,852**	**(10,626)**	**614,226**

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

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

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	Total segments	Reconciling positions	Total Group
Advertising revenue	2,415	14,001	32,525	42,895	21,089	112,925	(2,995)	109,930
Ticket sales	16,265	-	-	-	44	16,309	(38)	16,271
Copy sales	7,026	25,921	-	-	-	32,947	(6)	32,941
Concession sales in cinemas	8,162	-	-	-	-	8,162	-	8,162
Printing services	-	6,830	-	-	-	6,830	-	6,830
Gastronomic sales (1)	6,617	-	-	-	-	6,617	-	6,617
Film distribution and production sales	660	-	-	-	-	660	-	660
Other	6,317	1,204	804	2,204	1,006	11,535	35	11,570
Total sales by category	**47,462**	**47,956**	**33,329**	**45,099**	**22,139**	**195,985**	**(3,004)**	**192,981**

	Nine months ended 30 September 2020							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	9,397	39,781	76,015	128,802	57,252	311,247	(10,348)	300,899
Ticket sales	77,941	-	-	-	55	77,996	(71)	77,925
Copy sales	20,369	77,599	-	101	-	98,069	(486)	97,583
Concession sales in cinemas	33,946	-	-	-	-	33,946	-	33,946
Printing services	-	22,276	-	-	-	22,276	-	22,276
Gastronomic sales (1)	14,223	-	-	-	-	14,223	-	14,223
Film distribution and production sales	32,082	-	-	-	-	32,082	-	32,082
Other	17,125	3,657	2,557	7,187	3,221	33,747	(578)	33,169
Total sales by category	**205,083**	**143,313**	**78,572**	**136,090**	**60,528**	**623,586**	**(11,483)**	**612,103**

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

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

5. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

a) Incentive Plan for the Management Board members

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

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

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

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

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

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

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

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

the share price of Agora S.A. as at the current balance sheet date	PLN	8.14
volatility of the share price of Agora S.A. during the last twelve months	%	48.98
the Average Share Price in IQ of Bonus Year	PLN	6.62

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

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

	Three months ended 30 September 2021	Nine months ended 30 September 2021	Three months ended 30 September 2020	Nine months ended 30 September 2020
Income statement – (increase)/decrease of staff costs*	(27)	(1,324)	(1,898)	(1,898)
Income statement - deferred income tax	5	252	361	361
Liabilities: accruals - as at the end of the period	4,173	4,173	3,392	3,392
Deferred tax asset - as at the end of the period	793	793	644	644

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

b) Incentive plan based on shares in subsidiary

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

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

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

	Three months ended 30 September 2021	Nine months ended 30 September 2021	Three months ended 30 September 2020	Nine months ended 30 September 2020
Income statement - staff costs	**(102)**	**(756)**	**(70)**	**(395)**
including recognition of cost of equity-settled plan	-	*(139)*	*(70)*	*(395)*
including remeasurement of cash-settled plan	*(102)*	*(617)*	-	-
Equity - non-controlling interest	**-**	**(976)**	**70**	**395**
including recognition of cost of equity-settled plan	-	*139*	*70*	*395*
including reclassification of equity-settled plan to liabilities	-	*(1,115)*	-	-
Non-current liability arising from incentive plans	**102**	**1,732**	**-**	**-**
including reclassification of equity-settled plan to liabilities	-	*1,115*	-	-
including remeasurement of cash-settled plan	*102*	*617*	-	-

6. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2021 to September 30, 2021 the following changes in impairment losses were recognised (in brackets the amounts for the third quarter of 2021):

- impairment loss for receivables: increase by PLN 758 thousand (increase by PLN 1,305 thousand),
- impairment loss for inventory: increase by PLN 1,003 thousand (increase by PLN 773 thousand),
- impairment loss for tangible assets and intangible assets: decrease by PLN 2,581 thousand, including set-up by PLN 2,526 thousand related to advertising panels in Outdoor segment in the amount of PLN 1,643 thousand and Agora S.A. property located in Tychy in the amount of PLN 883 thousand, use in the amount of PLN 4,975 thousand mainly connected with the disposal of printing activity assets, release by PLN 132 thousand), (decrease by PLN 296 thousand, including use in the amount of PLN 269 thousand and release by PLN 27 thousand).

Additionally in the period from January 1, 2021 to September 30, 2021 the following provisions were changed (in brackets the amounts for the third quarter of 2021):

- provision for penalties, interests and similar: increase by PLN 10 thousand (no changes),
- provision for the restructuring of advertising media: decrease by PLN 155 thousand, including set up by PLN 538 thousand, use in the amount of PLN 557 thousand and release by PLN 136 thousand (decrease by PLN 314 thousand, including use in the amount of PLN 272 thousand and release by PLN 42 thousand),
- retirement severance provision: decrease by PLN 6 thousand (no changes),
- provision for restructuring: decrease by PLN 601 thousand including: set-up in the amount of PLN 400 thousand and release in the amount of PLN 201 thousand (decrease by PLN 275 thousand including the use in the amount of PLN 156 thousand and release in amount of PLN 119 thousand),
- provision for severance payments for former members of the Management Board: the use by PLN 225 thousand (the use by PLN 75 thousand),
- other provisions: increase by PLN 57 thousand (increase by PLN 60 thousand).

7. CONTINGENCIES, GUARANTEES AND OTHER COLLATERALS

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

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

8. COURT CASES

As at September 30, 2021, the Group has not entered into significant litigation for claims. Provision for legal claims as at September 30, 2021, amounted to PLN 137 thousand (as at December 31, 2020: PLN 80 thousand).

Additionally, as at September 30, 2021, the companies of the Group were a party of legal disputes in the amount of PLN 1,937 thousand (as at December 31, 2020: PLN 2,565 thousand) in cases when the Management Board estimates the probability of loss for less than 50%. Such disputes are contingent liabilities.

9. SEASONALITY

Advertising revenues are subject to seasonality – revenues earned in the first and third 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.

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

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, 2021 amounted to PLN 1,983 thousand (nine months ended September 30, 2020: PLN 1,817 thousand).

The remuneration paid by Agora S.A. to Supervisory Board members during the nine months period ended September 30, 2021 amounted to PLN 468 thousand (nine months ended September 30, 2020: PLN 410 thousand).

(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 2021	Nine months ended 30 September 2021	Three months ended 30 September 2020	Nine months ended 30 September 2020
Jointly controlled entities				
Purchases	-	(241)	-	(51)
Associates				
Sales	174	270	-	25
Purchases	(303)	(498)	(21)	(89)
Interest on loans granted	-	-	-	5
Major shareholder				
Sales	6	19	7	18
Other operating income	103	501	280	629
Other operating cost	(8)	(8)	-	-

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

	As at 30 September 2021	As at 30 June 2021	As at 31 December 2020
Jointly controlled entities			
Shares	65	84	211
Associates			
Shares	155,796	153,669	149,338
Trade receivables	79	62	-
Trade liabilities	87	52	37
Other liabilities	44	-	-
Major shareholder			
Trade receivables	2	2	1
Other liabilities	17	29	210
Management Board of the Company			
Put option liabilities (1)	23,856	23,856	23,856
Management Boards of group companies			
Receivables	6	41	8
Put option liabilities (1)	9,723	9,723	9,723
Other liabilities	12	13	8

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

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

11. DESCRIPTION OF THE GROUP

The list of companies within the Group:

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

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

12. CHANGES IN THE COMPOSITION OF THE GROUP

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

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

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

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

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

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

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

i. Sell-out

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

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

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

(ii) Squeeze-out procedure

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

As at the date of publication of these 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 2021 (first three quarters of 2020) 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 2021 EURO 1 = PLN 4.5585 (EURO 1 = PLN 4.4420).
- 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 2021 – EURO 1 = PLN 4.6329, 30 June 2021 – EURO 1 = PLN 4.5208, as at 31 December 2020 – EURO 1 =PLN 4.6148 PLN.

14. PROPERTY, PLANT AND EQUIPMENT

In the period from January 1, 2021 to September 30, 2021, the Group purchased property, plant and equipment in the amount of PLN 15,164 thousand (in the period from January 1, 2020 to September 30, 2020: PLN 26,411 thousand).

As at September 30, 2021, the commitments for the purchase of property, plant and equipment amounted to PLN 10,661 thousand (as at December 31,2020: PLN 13,779 thousand).

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

Sale of the property

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

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

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

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

15. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE 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.

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

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

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

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

Key assumptions that are most significant to the fair value measurement of financial instruments in Level 3 of the fair value hierarchy include Helios put options parameters, i.e. estimated level of the operating result EBIT and discount rate.
In the period from January 1, 2021 to September 30, 2021 there were no changes in the value of the financial instruments categorised within Level 3 of the fair value hierarchy and there were no changes in valuation techniques.

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

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

The scope of the agreed changes includes, among others:

- postponement of the possibility to call the Company by the Managers to purchase the shares of Helios S.A. held by them (put option) in such a way that:
- by 31 December 2022, the put option will cover, subject to certain exceptions, a maximum 7,5% of the Managers' shares;
- by 30 June 2024, the put option will cover, subject to certain exceptions, a maximum 20,0% of the Managers' shares, and
- postponement of the Company's right to call upon Managers to sell the shares of Helios S.A. held by them (call option), so that the call option can be exercised, subject to certain exceptions, from 1 July 2025 at the earliest.

In addition, the price for ca. 58% of the shares acquired under the put option from Managers until 30 June 2025, will be determined based on the results of Helios S.A. for the 2018 and 2019 financial years. In the remaining scope and from 1

July 2025 - for all shares - the basis for calculating the share price under the put and call options will be the result of Helios S.A. for the last two financial years.

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

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

Under this Tender Offer, the Minority Shareholders of Helios S.A. called Agora S.A. to conclude a promised share sale agreement with one of the Minority Shareholders of Helios S.A. 6,200 (say: six thousand two hundred) shares for the total amount of PLN 200,260 (say: two hundred thousand two hundred and sixty zlotys), which as at September 30, 2021 is presented as Group's short-term liability.

16. OTHER INFORMATION

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

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

The company and its subsidiary Helios S.A. secured the financing. As at the balance sheet date, Agora S.A. was granted and fully available working capital loan in the amount of PLN 100.0 million to finance operating activities. Whereas Helios S.A. was granted working capital loans in the amount of PLN 108.0 million, of which unused funds available as at the balance sheet date amounted to PLN 44.9 million. On June 8, 2021, Helios S.A. signed an agreement for a preferential loan in the amount of approximately PLN 5.0 million. On September 24, 2021, a part of this loan in the amount of PLN 3.1 million was written off. In addition, in the first three quarters of 2021, companies in the Movies and Books segment received joint support under the so-called anti-crisis shield in the amount of PLN 10.5 million. A risk to the Agora Group's liquidity may be the scale of its revenues, in particular in the event of a recurrence of the pandemic, which will result in the suspension of operations in certain sectors of the economy. Both Agora and all companies from its capital group have taken a number of measures aimed at minimizing losses caused by the COVID-19 pandemic and ensuring the Group's financial security. At present, the risk of re-closing cultural facilities in a worsening pandemic situation seems to be low and in the opinion of the Management Board of the Company there is no threat to the financial liquidity of the Group in the foreseeable future.

In the opinion of the Company's Management Board, due to the extension of the closure of cultural facilities until 20 May 2021, the greatest negative impact of the pandemic on the Group's operations was visible in the first half of 2021. In the third quarter of 2021, due to the lifting of some of the restrictions and a diversified repertoire, the Movies and Books segment reported significantly higher revenues than in the previous year, and generated both EBIT and EBITDA profit. The only risk to this activity is the uncertainty as to the possible restrictions in the cinema business in the last quarter of 2021, though this risk does not seem to be big. At the same time, an interesting repertoire planned for the months from October to December 2021 allows to assume that the rate of recovery of the cinema market may still accelerate.

The third quarter of 2021 saw a clear recovery in the value of the advertising market in Poland. According to the Company's estimates, from January to September 2021, advertisers spent significantly more on promoting their goods and services than in the corresponding period of 2020, and even in 2019, i.e. before the outbreak of the pandemic. This was mainly due to the increase in online advertising expenditure.

The good situation in the advertising market and the dynamic recovery of its value meant that the Company decided to raise its expectations regarding the growth of the advertising market value in the entire 2021 compared to the one published in the previous report. According to the Company's latest estimates, advertisers will increase their spending on promoting their goods and services by approximately 13-16% compared to 2020. The reconstruction of the advertising market value began already in the first quarter of 2021, and in the following quarter it accelerated significantly thanks to the unfreezing of other sectors of the economy. In the opinion of the Company, the only market segment in which the value of advertising spending will shrink throughout 2021 will be traditional press. This decline will be significantly lower than previously estimated and may amount to 2-5% compared to 2020. In cinemas - due to the fast recovery of attendance after the opening of cultural facilities - the growth dynamics will be higher than expected and will amount to 17-20%. The dynamic increase in the value of expenses will take place in the outdoor advertising segment and in the Internet - it may reach 16-19%. On radio, advertising spending will increase by 9-12%, and on TV by 8-11%.

Of course, the above estimates and expectations carry the risk of a further escalation of the pandemic, although the inflationary pressure and the rising costs of doing business in Poland seem to be a greater threat at present. Due to the above factors, the described estimates of the advertising market recovery are subject to the risk of non-implementation.

Thanks to the significant improvement in two areas, i.e. in cinema and advertising markets, the pace of the Agora Group's revenue recovery allowed to end the period from January to September 2021 with higher revenues than those generated in the corresponding period of 2020. The last quarter of the year is expected to strengthen this trend, provided that the scale of restrictions related to the prevention of another wave of the pandemic in the last months of 2021 will not be similar to that of last year and the economic situation will not slow down advertising and consumer spending, including for entertainment. Based on the observation of the current rate of return of viewers in Poland to the cinema after of the opening of multiplex cinemas on 21 May 2021, it can be assumed that the turnout in Poland should move closer to that in 2020 and return to pre-pandemic levels in mid-2022.

The segment of the advertising market which was most affected by the pandemic is outdoor advertising, which is sensitive to the number of contacts between the public and the promotional message. A reduction in advertising expenditures in this area will have a significant impact on the results of the Agora Group. AMS is the leader of the outdoor advertising market in Poland with modern media in the most popular locations. The lifting of restrictions on the movement of people, an increase in the number of contacts with the advertising message and the subsequent stages of “defrosting” the Polish economy made the company record an increase in revenues not only in the third quarter of 2021 alone, but also managed to achieve an increase in revenues in the period from January to September 2021. Due to the structural changes in the advertising market, it will take about 3-4 years for this market to return to its value before the outbreak of the pandemic.

The effects of the pandemic and the limited advertising expenditure significantly affected the radio business of the Agora Group. Agora Radio Group does not have a nationwide license to broadcast a radio program, and therefore, it often experiences more difficulties in competing for significantly limited advertising budgets than large broadcasters. However, the elimination of business restrictions has already had a positive impact on the segment's revenues, mainly due to the increased activity of local entrepreneurs. Agora's radio activities recorded higher revenues in both the third quarter and the first three quarters of 2021. It is worth noting that already in the third quarter of 2021 the level of revenues of the Radio segment was higher than in the third quarter of 2019.

The outbreak of the pandemic also significantly affected the digitalisation processes in the press market. It accelerated the digitalisation of press titles which, in the Company's opinion, will continue not only in 2021, but also in subsequent years. As a result, the offer of traditional press will continue to shrink, and the digital offer will come even more to the foreground. Agora is the leader in the Polish market in digital subscriptions to newspapers. The number of active subscriptions of Wyborcza.pl is consistently growing – as at the end of September 2021 it amounted to over 262.6 thousand. The share and level of digital journal inflows is continuously increasing.

The company expects a further increase in revenues in the Internet segment - both thanks to a significant improvement in the quality of advertising space of the Gazeta.pl portal and the growing influence of Yieldbird and HRlink. In the opinion of Agora's Management Board, development initiatives undertaken by individual Internet projects of the Group significantly improved the quality of digital advertising space and the security of the advertising message, which is so important from the point of view of customers. This translates into a growing share of digital revenues in the Group's total advertising revenue (49.1% in the first three quarters of 2021). Thanks to the initiatives taken, the revenues in the Internet segment were higher not only than those recorded in the corresponding period of 2020, but also those from the third quarter of 2019. The company is planning further initiatives to improve the effectiveness of the implemented solutions in order to even better use the increase in spending on internet advertising and increase the share of digital revenues in the total advertising revenues in the Agora Group in subsequent periods.

The Agora Group develops catering activities as part of Step Inside Sp. z o.o., which manages the Pasibus brand restaurants. The revenues from operations of that company are systematically increasing – in the third quarter of 2021 they amounted to PLN 8.4 million, and in the period from January to September 2021 it amounted to as much as PLN 20.3 million. The dynamic increase in revenues in this business area was linked to the lifting of further restrictions, in particular the opening of shopping malls and the permission of restaurants to serve food on site.

The sale of titles in traditional form will continue to decrease due to not only the market trends but also the Poles quickly getting used to reading digital publications. However, the Agora Group is actively developing the digital subscription of *Gazeta Wyborcza* and the sale of books and music in digital form or via online bookshops. This results in a steady increase in the share of digital revenues both from the sale of publications (31.4% in the first three quarters of 2021) and more broadly from the sale of content in the Agora Group (37.2% in the first three quarters of 2021). The Company's Management Board estimates that by investing in projects supporting digital growth in the Group, this trend will further accelerate in subsequent periods. It is worth noting that the value of revenues from the sale of the Agora Group's publications was higher not only than in the third quarter of 2020, but also from the period July - September 2019, despite significant drops in the sales of the printed press.

Apart from the uncertainty related to the development of the COVID-19 pandemic, an important risk factor for the operations of the Agora Group is the growing inflationary pressure, which is becoming one of the greatest challenges for the Polish economy. In addition, entrepreneurs are concerned about the way in which the Polish government fights inflation, ie through increases in wages, pensions and other income, which, as predicted by economists, may lead to a wage-inflation spiral. The rising prices of electricity, gas and fuels are still a big risk. The financial situation of entrepreneurs, both in the long and short term, is also influenced by the NBP policy related to the level of interest rates in Poland. In addition, the Agora Group, like other entrepreneurs, faces enormous wage pressure, which may translate into a significant increase in the Group's operating costs and a slowdown in the improvement of its financial results. Additionally, the consequences of changes introduced as part of the Polish Order from 2022 are a significant factor of uncertainty. The weakening value of the Polish currency, in particular against EUR, is also of significant importance for the level of operating costs of the Group.

Taking all these issues into account, the Management Board of Agora estimates that throughout 2021, the revenues of the Agora Group will increase as compared to 2020, and the Group will improve its financial results. The EBIT operating loss will keep decreasing, and the Group will increase the EBITDA profit.

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

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

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

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

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

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

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

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

- **Tax control**

On February 28, 2019, Agora S.A. ("Company") received a tax control protocol related to the accuracy of VAT settlements for the period of September to December 2017. The Tax Office is questioning the way that the Company applies certain VAT regulations for selected goods and services. Subsequently, the Tax Office opened a tax procedure and on 26 December 2019 the Company received a tax assessment dimensional decision by the tax authority of first instance determining the VAT arrears in the amount of PLN 0.5 million (principal amount). The amount resulting from the decision together plus interests has been paid on 7 January, 2020. Simultaneously, The Company's Management Board did not agree with the findings of the decision and has filed an appeal on 9 January 2020 to the Director of the Chamber of Tax Administration in Warsaw. On September 20, 2021, the Company received the decision of the Director of the Chamber of Tax Administration in Warsaw, in which the second-instance authority slightly reduced the amount of the Company's tax arrears, but essentially upheld the decision of the first-instance authority. On October 18, 2021, the Company filed a complaint with the Provincial Administrative Court in Warsaw against the decision of the second instance authority. The Management Board of the Company considers the adopted method of evidence to be appropriate and will defend it in further administrative or court proceedings. In the Company's Management Board opinion, following appeal or legal proceedings, the amount paid shall be refunded.

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

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

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

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

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

On May 18, 2021 the Management Board of Agora S.A. informed that pursuant to the provisions of § 28 section 3 of the Company's Articles of Association, the Management Board appointed on May 18, 2021, by co-opting, Mr. Tomasz Grabowski with effect on June 1, 2021.

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

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

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

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

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

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

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

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

- **Other information**

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

17. POST BALANCE-SHEET EVENTS

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

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

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

- **Resignation of a member of the Management Board of Agora S.A.**

On October 20, 2021, Agora S.A. received from Ms Agnieszka Sadowska resignation from the position of a member of the Management Board and participation in the Management Board of Agora S.A. with immediate effect.

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

On October 29, 2021, Agora S.A. concluded a promised share sale agreement with one of the Minority Shareholders of Helios S.A. as part of the implementation of the Tender Offer received on September 30, 2021 on the basis of managerial options agreements concluded (additional information on these agreements is included in note 15). Thus, now Agora S.A. owns 91.49% of the share capital of Helios S.A. and 91.49% of votes at the General Meeting of Helios S.A.

- **Intention to extend the period of the Agora Tax Capital Group for 2022**

On November 10, 2021, the Management Board of Agora S.A informed that on 10 November 2021 was signed an agreement to extend the period of operation of the Agora Tax Capital Group ("PGK"), which includes 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 A Sp. z o.o.

The extension of the PGK operation period is associated with submission of an application for registration of the extension of the operation period of the Tax Capital Group to the Head of a relevant Tax Office.

In the agreement to extend the period of operation of the 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 period of PGK operation is to be extended until 31 December 2022. 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 8.5 million in 2022.

18. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	in PLN thousand			in EUR thousand		
	Nine months ended 30 September 2021 unaudited	As at 31 December 2020 audited	Nine months ended 30 September 2020 unaudited	Nine months ended 30 September 2021 unaudited	As at 31 December 2020 audited	Nine months ended 30 September 2020 unaudited
Revenue	614,226		612,103	134,743		137,799
Operating loss	(65,944)		(77,221)	(14,466)		(17,384)
Loss before income taxes	(76,698)		(109,827)	(16,825)		(24,725)
Net loss for the period attributable to equity holders of the parent	(66,677)		(88,379)	(14,627)		(19,896)
Net cash from operating activities	57,924		127,836	12,707		28,779
Net cash used in investing activities	(22,287)		(8,817)	(4,889)		(1,985)
Net cash used in financing activities	(74,060)		(40,293)	(16,247)		(9,071)
Net increase / (decrease) in cash and cash equivalents	(38,423)		78,726	(8,429)		17,723
Total assets	1,916,322	2,018,298		413,633	437,353	
Non-current liabilities	729,179	739,784		157,391	160,307	
Current liabilities	430,621	446,191		92,948	96,687	
Equity attributable to equity holders of the parent	752,621	820,942		162,451	177,893	
Share capital	46,581	46,581		10,054	10,094	
Weighted average number of shares	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831
Basic/diluted earnings per share (in PLN / in EURO)	(1.43)		(1.90)	(0.31)		(0.43)
Book value per share (in PLN / in EURO)	16.16	17.62		3.49	3.82	

(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 2021

	As at 30 September 2021 unaudited	As at 30 June 2021 unaudited	As at 31 December 2020 audited
Assets			
Non-current assets:			
Intangible assets	41,957	42,827	46,295
Property, plant and equipment	146,908	148,938	155,959
Right-of-use assets	24,714	24,826	26,662
Long term financial assets	624,397	624,397	621,992
Receivables and prepayments	577	702	915
Deferred tax assets	12,962	12,991	8,369
	851,515	**854,681**	**860,192**
Current assets:			
Inventories	11,308	12,175	9,607
Accounts receivable and prepayments	80,681	76,759	83,189
Income tax receivable	753	748	733
Short-term securities and other financial assets	1,415	743	263
Cash and cash equivalents	54,930	57,919	73,506
	149,087	**148,344**	**167,298**
Non-current assets held for sale	-	-	14,500
	149,087	**148,344**	**181,798**
Total assets	**1,000,602**	**1,003,025**	**1,041,990**

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

Unconsolidated balance sheet as at 30 September 2021 (continued)

	As at 30 September 2021 unaudited	As at 30 June 2021 unaudited	As at 31 December 2020 audited
Equity and liabilities			
Equity:			
Share capital	46,581	46,581	46,581
Share premium	147,192	147,192	147,192
Other reserves	123,053	123,053	123,053
Retained earnings	481,045	467,101	456,562
	797,871	**783,927**	**773,388**
Non-current liabilities:			
Long-term borrowings	41,757	46,303	64,989
Retirement severance provision	1,799	1,799	1,756
Provisions	93	49	286
Accruals and other liabilities	1,186	1,302	1,705
Contract liabilities	267	262	177
	45,102	**49,715**	**68,913**
Current liabilities:			
Retirement severance provision	113	113	159
Trade and other payables	102,904	113,154	106,886
Short-term borrowings	20,800	20,885	36,279
Other financial liabilities	25,775	26,365	48,741
Provisions	654	970	1,150
Contract liabilities	7,383	7,896	6,474
	157,629	**169,383**	**199,689**
Total equity and liabilities	**1,000,602**	**1,003,025**	**1,041,990**

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

Unconsolidated income statement for three and nine months ended 30 September 2021

	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited
Revenue	94,763	269,840	82,897	240,896
Cost of sales	(49,194)	(140,383)	(41,051)	(130,647)
Gross profit	**45,569**	**129,457**	**41,846**	**110,249**
Selling expenses	(28,048)	(86,323)	(24,500)	(75,545)
Administrative expenses	(22,658)	(70,414)	(20,331)	(60,725)
Other operating income	1,387	4,257	9,338	17,594
Other operating expenses	(444)	(2,238)	(1,941)	(3,941)
Impairment losses for receivables - net	(1,367)	(1,223)	143	(254)
Operating Profit/(Loss)	**(5,561)**	**(26,484)**	**4,555**	**(12,622)**
Finance income	20,014	48,630	20,626	20,912
Finance costs	(651)	(2,458)	(3,665)	(63,201)
Proft/(Loss) before income taxes	**13,802**	**19,688**	**21,516**	**(54,911)**
Income tax	142	4,795	(34)	1,770
Net profit/(Loss) for the period	**13,944**	**24,483**	**21,482**	**(53,141)**
Basic/diluted earnings per share (in PLN)	0.30	0.53	0.46	(1.14)

Unconsolidated statement of comprehensive income for three and nine months ended 30 September 2021

	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited
Net profit/(Loss) for the period	**13,944**	**24,483**	**21,482**	**(53,141)**
Other comprehensive income/loss for the period	-	-	-	-
Total comprehensive income for the period	**13,944**	**24,483**	**21,482**	**(53,141)**

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

Unconsolidated statement of changes in equity for three and nine months ended 30 September 2021

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Nine months ended 30 September 2021					
As at 31 December 2020 audited	**46,581**	**147,192**	**123,053**	**456,562**	**773,388**
Total comprehensive income for the period					
Net profit	-	-	-	24,483	24,483
Total comprehensive income for the period	**-**	**-**	**-**	**24,483**	**24,483**
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Total transactions with owners	**-**	**-**	**-**	**-**	**-**
As at 30 September 2021 unaudited	**46,581**	**147,192**	**123,053**	**481,045**	**797,871**

	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**

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

Unconsolidated cash flow statement for three and nine months ended 30 September 2021

	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited
Cash flows from operating activities				
Profit/(loss) before income taxes	**13,802**	**19,688**	**21,516**	**(54,911)**
Adjustments for:				
Depreciation and amortisation	7,788	23,987	7,587	22,227
Foreign exchange (profit)/loss	3	(4)	5	39
Interest, net	495	1,844	748	2,410
(Profit) / loss on investing activities	(56)	714	2,727	53,235
Dividend income	(20,000)	(48,052)	(20,537)	(20,537)
(Decrease)/increase in provisions	(271)	(692)	230	1,325
(Increase)/decrease in inventories	866	(1,701)	293	2,372
(Increase)/decrease in receivables	(3,930)	2,502	1,883	26,434
(Decrease)/increase in payables	(9,632)	(478)	(8,441)	4,709
(Decrease)/increase in contract liabilities	(509)	997	(1,186)	1,450
Cash generated from/(used in) operations	**(11,444)**	**(1,195)**	**4,825**	**38,753**
Income taxes inflows/(outflows) (1)	(246)	(346)	663	2,199
Net cash from/(used in) operating activities	**(11,690)**	**(1,541)**	**5,488**	**40,952**
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, and intangibles	103	14,698	104	10,683
Disposal of subsidiaries, associates and jointly controlled entities	-	-	81	85
Dividends received	20,000	48,052	12,537	12,537
Repayment of loans granted	-	-	50	150
Interest received	5	9	40	170
Proceeds/(outflows) from cash pooling	(671)	(1,150)	5,148	3,654
Purchase of property, plant and equipment, and intangibles	(4,916)	(13,851)	(3,192)	(15,433)
Acquisition of subsidiaries, associates and jointly controlled entities	-	(2,404)	(2,821)	(4,156)
Net cash from investing activities	**14,521**	**45,354**	**11,947**	**7,690**

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

	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited	Three months ended 30 September 2020 unaudited	Nine months ended 30 September 2020 unaudited
Cash flows from financing activities				
Repayment of borrowings	(4,822)	(35,655)	-	(2,083)
Proceeds/(outflows) from cash pooling	(589)	(22,965)	24,596	30,628
Payment of finance lease liabilities	(9)	(1,018)	(254)	(756)
Interest paid	(366)	(2,417)	(1,598)	(3,121)
Other	(34)	(334)	-	(20)
Net cash from/(used in) financing activities	**(5,820)**	**(62,389)**	**22,744**	**24,648**
Net increase/(decrease) in cash and cash equivalents	**(2,989)**	**(18,576)**	**40,179**	**73,290**
Cash and cash equivalents				
At start of period	57,919	73,506	46,285	13,174
At end of period	54,930	54,930	86,464	86,464

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, 2021 to September 30, 2021 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 2021):

- impairment loss for receivables: increase by PLN 889 thousand (increase by PLN 1,348 thousand),
- impairment loss for inventory: increase by PLN 965 thousand (increase by PLN 830 thousand),
- impairment loss for tangible assets and intangible assets: decrease by PLN 3,567 thousand, including the use in the amount of PLN 4,450 thousand mainly related to sale of the assets of the printing activity and set-up by PLN 883 thousand related to the property in Tychy (no changes);
- provision for litigation: increase in the amount of PLN 97 thousand (increase by PLN 60 thousand);
- impairment loss for shares: used in the amount of PLN 24,500 thousand due to the sale of shares of Goldenline Sp. z o.o. to HRlink Sp. z o.o., (shares in Goldenline Sp. z o.o. were fully written-off) (no changes);
- provision for restructuring cost: decrease by PLN 561 thousand, including release by PLN 160 thousand and the use by PLN 401 thousand (decrease by PLN 257 thousand, including release by PLN 101 thousand and the use by PLN 156 thousand);
- provision for severance payments for former members of the Management Board: used in the amount of PLN 225 thousand (used in the amount of PLN 75 thousand);
- retirement severance provision: decrease by PLN 4 thousand (no change).

In the period from January 1, 2021 to September 30, 2021, the Company purchased property, plant and equipment in the amount of PLN 3,874 thousand (in the period from January 1, 2020 to September 30, 2020: PLN 4,672 thousand).

As at September 30, 2021 the commitments for the purchase of property, plant and equipment amounted to PLN 121 thousand (as at December 31, 2020: PLN 69 thousand).

As at September 30,2021 and as at December 31,2020 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 2021 and 31 December 2020 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 2021	Nine months ended 30 September 2021	Three months ended 30 September 2020	Nine months ended 30 September 2020
Subsidiaries				
Sales	16,919	46,783	11,698	36,091
Purchases	(4,471)	(14,171)	(4,301)	(13,176)
Other operating income	55	55	-	1
Dividends income	20,000	48,052	8,537	8,537
Finance income - interests on cash pooling	7	11	32	152
Other finance income	1	5	-	-
Finance cost - credit guarantee	(104)	(406)	-	-
Finance cost - interests on cash pooling	-	-	-	(71)
Income tax -TCG settlements	(170)	(9)	524	191
Associates				
Sales	13	29	-	14
Purchases	(17)	(40)	-	-
Interest on loans granted	-	-	-	5
Dividends income	-	-	12,000	12,000
Major shareholder				
Sales	6	19	6	17
Other operating income	103	501	280	629
Other operating cost	(8)	(8)	-	-

	As at 30 September 2021	As at 30 June 2021	As at 31 December 2020
Subsidiaries			
Shares	467,818	467,818	465,414
Cash pooling receivables	1,415	743	263
Trade receivables	13,012	12,014	5,505
Other receivables	8,309	8,201	8,158
Cash pooling liabilities	25,776	26,365	48,741
Trade liabilities	1,874	2,772	2,764
Other liabilities and accruals	1,955	1,937	1,542
Associates			
Shares	156,257	156,257	156,257
Trade receivables	1	-	-
Major shareholder			
Trade receivables	2	2	-
Other liabilities and accruals	17	29	210

Selected unconsolidated financial data together with translation into EURO

	in PLN thousand			in EUR thousand		
	Nine months ended 30 September 2021 unaudited	As at 31 December 2020 audited	Nine months ended 30 September 2020 unaudited	Nine months ended 30 September 2021 unaudited	As at 31 December 2020 audited	Nine months ended 30 September 2020 unaudited
Revenue	269,840		240,896	59,195		54,231
Operating loss	(26,484)		(12,622)	(5,810)		(2,842)
Profit/(loss) before income taxes	19,688		(54,911)	4,319		(12,362)
Profit/(loss) for the period	24,483		(53,141)	5,371		(11,963)
Net cash from/(used in) operating activities	(1,541)		40,952	(338)		9,219
Net cash from investing activities	45,354		7,690	9,949		1,731
Net cash from/(used in) financing activities	(62,389)		24,648	(13,686)		5,549
Net increase / (decrease) in cash and cash equivalents	(18,576)		73,290	(4,075)		16,499
Total assets	1,000,602	1,041,990		215,977	225,793	
Non-current liabilities	45,102	68,913		9,735	14,933	
Current liabilities	157,629	199,689		34,024	43,271	
Equity	797,871	773,388		172,218	167,589	
Share capital	46,581	46,581		10,054	10,094	
Weighted average number of shares	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831
Basic/diluted earnings per share (in PLN / in EURO)	0.53		(1.14)	0.12		(0.26)
Book value per share (in PLN / in EURO)	17.13	16.60		3.70	3.60	

Warsaw, November 18, 2021

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

Signatures submitted electronically.