

**AGORA GROUP**

Report for  
**3q 2022**

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## TABLE OF CONTENTS

## MANAGEMENT DISCUSSION AND ANALYSIS (MD&amp;A) OF THE GROUP'S RESULTS FOR THE THIRD QUARTER OF 2022

.....	4
I. IMPORTANT EVENTS AND FACTORS WHICH INFLUENCE THE FINANCIALS OF THE GROUP .....	4
II. EXTERNAL AND INTERNAL FACTORS IMPORTANT FOR THE DEVELOPMENT OF THE GROUP .....	7
1. EXTERNAL FACTORS .....	7
1.1. Advertising market [3] .....	7
1.2. Copy sales of dailies [4] .....	8
1.3. Cinema admissions [9] .....	8
2. INTERNAL FACTORS .....	9
2.1. Revenue .....	9
2.2. Operating cost .....	12
3. PROSPECTS .....	15
3.1. REVENUES .....	15
3.1.1 Advertising market [3] .....	15
3.1.2. Ticket sales .....	16
3.1.3 Copy sales .....	16
3.2 Operating costs .....	16
3.2.1 Costs of external services .....	16
3.2.2 Staff costs .....	17
3.2.3 Promotion and marketing costs .....	17
3.2.4 Cost of materials and energy .....	17
3.3 Financial standing .....	17
III. FINANCIAL RESULTS .....	18
1. THE AGORA GROUP .....	18
2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP .....	18
2.1. Financial results presented according to major segments of the Agora Group for the first three quarters of 2022 [1] .....	20
2.2. Finance cost, net .....	20
3. BALANCE SHEET OF THE AGORA GROUP .....	21
3.1. Non-current assets .....	21
3.2. Current assets .....	21
3.3. Non-current liabilities and provisions .....	21
3.4. Current liabilities and provisions .....	22
4. CASH FLOW STATEMENT OF THE AGORA GROUP .....	23
4.1. Operating activities .....	23
4.2. Investment activities .....	23
4.3. Financing activities .....	23
5. SELECTED FINANCIAL RATIOS [5] .....	24
IV. OPERATING REVIEW - MAJOR SEGMENTS OF THE AGORA GROUP .....	25
IV.A. MOVIES AND BOOKS [1] .....	25
1. REVENUE .....	27
2. COST .....	28
3. NEW INITIATIVES .....	29
IV.B. PRESS [1] .....	31
1. REVENUE .....	32
1.1. Revenue from copy sales .....	32
1.2. Advertising sales .....	32
1.3. Digital revenue .....	32

2. COST .....	32
3. NEW INITIATIVES .....	33
IV.C. OUTDOOR .....	34
1. REVENUE [7] .....	34
2. COST .....	35
3. NEW INITIATIVES .....	36
IV.D. INTERNET [1], [6] .....	37
1. REVENUE .....	38
2. COST .....	38
3. IMPORTANT INFORMATION ON INTERNET ACTIVITIES .....	38
4. NEW INITIATIVES .....	39
IV.E. RADIO .....	40
1. REVENUE [3] .....	41
2. COST .....	41
3. AUDIENCE SHARES [8] .....	42
4. NEW INITIATIVES .....	42
NOTES .....	43
V. ADDITIONAL INFORMATION .....	46
1. IMPORTANT EVENTS .....	46
2. Changes in ownership of shares or other rights to shares (options) by Management Board members in the third quarter of 2022 and until the date of publication of the report .....	52
3. Changes in ownership of shares or other rights to shares (options) by Supervisory Board Members in the third quarter of 2022 and until the date of publication of the report .....	52
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 .....	52
5. Other information .....	53
<b>CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS .....</b>	<b>54</b>

# AGORA GROUP

## MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) OF THE GROUP'S RESULTS FOR THE THIRD QUARTER OF 2022

REVENUE PLN 782.1 MILLION

EBITDA PLN 84.0 MILLION

NET LOSS PLN 75.2 MILLION

OPERATING CASH FLOW PLN 14.9 MILLION

Unless indicated otherwise, all data presented herein represent the period of January – September 2022, while comparisons refer to the same period of 2021. All data sources are presented in part IV of this MD&A.

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

- In the first three quarters of 2022, the Agora Group ("Group") earned revenues amounting to PLN 782.1 million, i.e. higher by 27.3% year on year. This is mainly due to the return of cinemas to full-scale operations and the lifting of restrictions introduced by the government in earlier periods as part of the fight against the pandemic. As a result, the revenues of the Movies and Books segment increased by 87.9% to PLN 320.3 million in the first three quarters of 2022, and by 5.4% to PLN 110.8 million in the third quarter of 2022 alone. The most significant increase in revenues in this area, compared to the corresponding periods of 2021, was observed in cinema activity. The revenues of the segment from tickets sold in the Helios cinemas in the first three quarters of 2022 amounted to PLN 134.3 million, and in the third quarter of 2022 alone – to PLN 47.9 million, which represents an increase of 113.5% and 4.1%, respectively, compared to the corresponding periods of 2021. The revenues from the sales in cinema bars increased by 133.0% and amounted to PLN 72.7 million in the first three quarters of 2022, and in the third quarter of 2022 alone they amounted to PLN 27.3 million and were higher by 5.4% than in the third quarter of 2021. The revenues from sales of cinema advertisements also increased – in the first three quarters of 2022, they amounted to PLN 18.9 million and in the third quarter of 2022 – to PLN 7.9 million. The lifting of the restrictions on cinema operations also had a positive impact on the film activity of the Movies and Books segment. In the first three quarters of 2022, the proceeds from this segment increased by 221.5% to PLN 25.4 million, partly thanks to the five new films hitting the big screens. The film revenues were also influenced by revenues from production for Netflix. Moreover, films that had a cinema release on earlier dates were also sold in various distribution channels. In the third quarter of 2022 alone, the segment's revenues went down by 4.0% to PLN 4.8 million. However, the segment's revenues from food activities increased. They were higher both in the first three quarters of 2022 – by 37.9% and amounted to PLN 28.0 million, and in the third quarter of 2022 – by 21.7% and amounted to PLN 10.1 million. This was fuelled, on the one hand, by the lifting of sanitary restrictions and, on the other, by the greater number of premises being developed under the Pasibus brand. By contrast, the revenues from the operations of the Agora's Publishing House were lower. Those revenues shrank by 9.1% to PLN 33.1 million in the first three quarters of 2022, and by 11.0% to PLN 10.5 million in the third quarter of 2022. It is worth noting that the revenues in the period from January to September were strongly influenced by the high sales of the book *Czuła przewodniczka. Kobięca droga do siebie (Kind Companion. A Woman's Road to Herself)*. The second segment in terms of growth in proceeds was the Outdoor segment. Revenues from this business increased by 36.6% to PLN 115.8 million in the first three quarters of 2022, including a 4.9% increase to PLN 38.8 million in the third quarter of 2022. This was driven by the rapid

recovery of the outdoor advertising market and the huge popularity of advertising campaigns using panels such as citylight, digital and city transport. Another segment with rising proceeds was the Press. The revenues generated by that area of business increased by 5.0% to PLN 155.6 million in the first three quarters of 2022, and by 5.2% to PLN 55.0 million in the third quarter of 2022. In both periods under review, the increase in proceeds was mainly driven by increased proceeds from the sale of printing services and the sale of digital subscriptions. The revenues of the Radio segment in the first three quarters of 2022 increased by 10.6% to PLN 75.9 million, and the revenues from the third quarter alone were slightly lower than the year before. The increase in revenue in the first three quarters of 2022 is due to higher sales brokerage revenues for Helios cinema network and sales of air time in radio stations belonging to the Agora Radio Group. The only operating segment of the Group in which revenues were lower than in the previous year - both in the third quarter and in the first three quarters of 2022 - was the Internet. In these two periods, this was mainly due to lower proceeds from sales of online advertisements at Yieldbird.

- In the first three quarters of 2022, the operating costs of the Agora Group were higher by 20.1% and amounted to PLN 816.5 million. In the third quarter of 2022 alone, the Group's operating expenses increased by 4.7% to PLN 267.1. In both periods under review, they increased in all segments except the Internet. The area where the operating costs increased most in the first three quarters was the Movies and Books segment. This was mainly impacted by the return of cinemas to restriction-less operation, which translated into a rapid return of audiences to cinema screening rooms. In the period from January to September 2022, the operating costs in the Movies and Books segment increased by 49.7% to PLN 313.9 million. This period was marked by higher operating expenses of all categories in this business, except for the operating costs of the Agora's Publishing House, as well as the costs of depreciation and amortisation. In the third quarter of 2022, the operating costs of the Movies and Books segment increased by 2.4% to PLN 97.2 million. During that period, all categories of costs were higher, except for advertising and representation costs, which remained at the level from the previous year. In the third quarter of 2022, the redemption of a portion of a loan from the Polish Development Fund (PFR) in Helios in the amount of PLN 14.1 million had a positive impact on the level of net operating expenses. In the third quarter of the previous year, the company recorded a similar redemption in the amount of PLN 3.1 million. It is also worth noting that the comparability of the figures for the year 2022 and 2021 was affected by the different duration and severity of the sanitary restrictions in place. The second segment in terms of the value of the increase in operating costs in the first three quarters of 2022 was the Press. Operating expenses of this business increased by 18.9% to PLN 160.0 million in the period from January to September 2022 and by 22.5% to PLN 57.7 million in the third quarter of 2022. Both periods under review were marked by an increase in all categories of operating costs. The increase in expenditure on materials, energy, goods and printing services, as well as salaries and benefits for employees had a decisive impact on the level of expenditure for the first three quarters. In the period from January to September 2022, the operating costs of the Outdoor segment increased by 13.7% to PLN 109.9 million, and by 5.3% to PLN 35.5 million in the third quarter of 2022. All categories of operating expenditure of this activity increased during both periods concerned. In the first three quarters of 2022, the operating expenses of the Radio segment were higher by 14.6% and amounted to PLN 74.4 million, while in the third quarter of 2022, they were higher by 6.0% and amounted to PLN 24.8 million. In both periods in the Radio segment, all categories of costs increased, except for advertising and representation, which remained stable in the period from January to September, and in the third quarter alone was lower than in the third quarter of 2021. The major impact on the increase in expenses in this business area was a result of higher costs of external services and staff costs. In the Internet segment, the operating costs decreased by 12.2% to PLN 115.6 million in the period from January to September 2022 and by 16.4% to PLN 36.8 million in the third quarter of 2022. This was mainly attributable to lower costs of external services recorded in both periods under review. The decrease was a result of lower costs of lease of advertising space and lower inflows from the sale of advertising on that space.
- The level of operating costs of the Agora Group was significantly affected by one-off events. In 2022, net operating expenses were positively impacted by the cancellation of a portion of a loan from the Polish Development Fund (PFR) in Helios S.A. in the amount of PLN 14.1 million, as well as by the reversal of a write-down of fixed assets of Helios S.A. in the amount of PLN 1.7 million, and the write-down itself took place in the fourth quarter of 2021. The level of costs in 2022 was adversely affected by additional payment of an inflation allowance in the amount of PLN 3.1 million and write-down of fixed assets in the amount of PLN 0.5 million made mainly in Helios S.A. All these events had a cumulative positive impact on the Group's costs in the amount

of PLN 12.2 million in the first three quarters of 2022, and PLN 11.0 million in the third quarter of 2022. In 2021, the number of one-off events was smaller. These included: the revaluation write-downs of fixed assets in the amount of PLN 2.4 million, the write-off for receivables of one of the counterparties in the amount of PLN 1.4 million and 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 support from the Anti-Crisis Shield in the total amount of PLN 10.5 million (including redemption of a portion of a preferential loan from the Polish Development Fund (PFR) in the amount of PLN 3.1 million in the Movies and Books segment). The above-mentioned events had a positive impact on the Group's operating costs. In total, it amounted to PLN 7.8 million from January to September 2021; in the third quarter of 2021 alone it amounted to PLN 1.7 million.

- ▶ In the first three quarters of 2022, the Group recorded EBITDA profit of PLN 84.0 million, which represents a significant year on year improvement. In the third quarter of 2022, the Group's EBITDA profit amounted to PLN 40.3 million. At the same time, in the period from January to September, the Group significantly reduced its loss at the EBIT level to PLN 34.4 million. In the third quarter alone, the Group's EBIT profit was PLN 0.1 million and was lower than in the third quarter of the previous year. In both periods under review, the Group recorded a net loss of PLN 75.2 million in the first three quarters of 2022, and PLN 24.5 million in the third quarter of 2022. Whereas the net loss attributable to equity holders of the parent company was PLN 71.3 million in the period from January to September 2022, and PLN 23.5 million in the period from July to September 2022. Negative foreign currency losses on valuation of lease liabilities under IFRS 16, which amounted to PLN 30.8 million in first three quarters of 2022 and PLN 21.3 million in the third quarter alone, had significant impact on Group net loss.
- ▶ Without the effect of IFRS 16, the Agora Group recorded EBITDA profit of PLN 16.9 million in the first three quarters of 2022, and PLN 17.0 million in the third quarter of 2022. According to this presentation, the EBIT loss amounted to PLN 51.0 million in the period from January to September 2022, and PLN 6.0 million in the period from July to September 2022.
- ▶ As at 30 September 2022, the Group's cash and short-term financial assets amounted to PLN 71.3 million, which comprised PLN 70.1 million in cash and cash equivalents (cash in hand and at bank and bank deposits) and PLN 1.2 million in loans granted.
- ▶ As at the end of September 2022, the Group's loans and leases amounted to PLN 836.0 million (including lease liabilities under IFRS 16 of PLN 679.5 million). The Group's net debt in this approach amounted to PLN 765.9 million, while excluding the impact of IFRS 16, the Group's net debt as at 30 September 2022 amounted to PLN 86.4 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 2022, total advertising spending in Poland amounted to ca. PLN 2.45 billion and increased by 4.0% yoy.

**Tab. 1**

	3Q 2020	4Q 2020	1Q 2021	2Q 2021	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022
% change yoy in ad market value	(2.5%)	(1.0%)	4.0%	44.0%	13.0%	11.5%	7.0%	4.5%	4.0%

In the third quarter of 2022, advertisers increased their advertising spend in all market segments except television. Internet advertising expenditure grew the most in terms of value. The second medium with a significant increase in advertising spending was outdoor. The increased activity of advertisers was also visible in the press advertising market, in cinemas and radio stations. Advertisers decreased, but very slightly (down about 1.0%), their spending on TV advertising.

It is also worth noting that the value of ad spend in the period July - September 2022 was higher by over 14.5% 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 on television. Spending on radio and outdoor advertising was at similar levels. In other segments of the advertising market, in press and in cinemas, 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
4.0%	(1.0%)	7.0%	3.5%	15.5%	1.5%	4.0%	65.5%

The share of particular media segment in total advertising expenditure, in the third quarter of 2022, is presented in the table below:

**Tab. 3**

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100.0%	38.5%	45.0%	6.0%	5.5%	2.5%	1.5%	1.0%

In the period January - September 2022, the value of total advertising expenditure in Poland amounted to approximately PLN 7.66 billion and increased by 5.0% yoy. During this time, advertisers increased their advertising expenditure in all market segments except television.

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 2022 was higher by 11.0%. This increase is due mainly to the increase in online advertising spending. A decrease in the value of advertising spending in the analyzed periods was

evident in press and cinema segments. In the case of advertising expenditures in television and radio stations and outdoor, advertising expenditures were at levels similar to those of 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
5.0%	(1.5%)	8.0%	1.5%	34.5%	4.5%	7.5%	212.5%

The share of particular media segment in total advertising expenditure, in the first three quarters of 2022, is presented in the table below:

Tab. 5

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100%	40.0%	44.5%	6.0%	5.0%	2.5%	1.0%	1.0%

## 1.2. Copy sales of dailies [4]

In the third quarter of 2021, the total sales of dailies (controlled by the PBC) decreased by 12.2% yoy and in the first three quarters of 2022 by 11.7% yoy. In both periods under discussion the largest decrease was observed in regional dailies.

## 1.3. Cinema admissions [9]

In the third quarter of 2022, the number of tickets sold in Polish cinemas amounted to 11.3 million and was higher by 10.8% compared to the corresponding period 2021. However, it is worth remembering that cinemas in 2021 were closed by administrative decision until May 20, 2021, and thereafter operated with a limit on the sale of seats in the hall. As a result, the number of tickets sold in Polish cinemas amounted to more than 10.2 million tickets in the third quarter of 2021, and a total of nearly 14.3 million in the three quarters of 2021. On the other hand, the total number of cinema tickets sold in Poland in the three quarters of 2022 was 30.7 million, an increase of 114.7%.



## 2. INTERNAL FACTORS

### 2.1. Revenue

Tab. 6

<i>in million PLN</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<b>% change yoy</b>
<b>Total sales (1)</b>	<b>267.2</b>	<b>266.4</b>	<b>0.3%</b>
<i>Advertising revenue</i>	119.9	125.5	(4.5%)
<i>Ticket sales</i>	47.9	46.0	4.1%
<i>Copy sales</i>	32.1	34.4	(6.7%)
<i>Concession sales in cinemas</i>	27.3	25.9	5.4%
<i>Gastronomic sales</i>	10.1	8.4	20.2%
<i>Revenues from film activities</i>	4.5	4.0	12.5%
<i>Other</i>	25.4	22.2	14.4%

<i>in million PLN</i>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<b>% change yoy</b>
<b>Total sales (1)</b>	<b>782.1</b>	<b>614.2</b>	<b>27.3%</b>
<i>Advertising revenue</i>	354.1	334.5	5.9%
<i>Ticket sales</i>	134.3	62.9	113.5%
<i>Copy sales</i>	98.3	103.3	(4.8%)
<i>Concession sales in cinemas</i>	72.7	31.2	133.0%
<i>Gastronomic sales</i>	28.0	20.3	37.9%
<i>Revenues from film activities</i>	23.2	6.4	262.5%
<i>Other</i>	71.5	55.6	28.6%

(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;

In the third quarter of 2022, the **total revenues of the Agora Group** amounted to PLN 267.2 million and were higher by 0.3% as compared to the revenues recorded in the third quarter of 2021. The main reason for this increase was the growth in revenues from film activity, concession sales in cinemas and gastronomic sales. Revenues from other sales within the Group, including sales of printing services, also increased. The increase in the above revenue categories was offset by lower advertising revenues and lower revenues from publishing sales.

In the third quarter of 2021, Agora Group's **revenues on the sale of advertising services** decreased by 4.5% year on year and amounted to PLN 119.9 million. The highest decrease in revenues from the sale of advertising services took place in the Internet segment, where they decreased by 21.4% up to PLN 36.8 million. This was due mainly to lower revenues generated by Yieldbird company. In the Radio segment, revenues from radio advertising sales were 7.3% lower at PLN 20.3 million. This was mainly the result of lower barter revenues from the sale of airtime at stations owned by the Agora Radio Group, as well as lower revenues from intermediation services in the sale of airtime at stations of other broadcasters. On the other hand, the value of advertising expenditure in cinemas increased by 41.1% to PLN 7.9 million in the period under review, which was mainly due to the absence of restrictions on cinema operations and an increase in attendance. An increase in advertising revenues - by 4.0% to PLN 36.7 million - also

took place in the Outdoor segment, while Press advertising revenues were on the same level as last year, at PLN 16.1 million. **Digital and online revenues** accounted for 40.6% of Agora Group's total advertising revenues. This category includes revenue from advertising in the digital editions of Gazeta Wyborcza and TOK FM, as well as revenue from advertising and ads on online services.

In the third quarter of 2022, the **revenue from copy sales** amounted to PLN 32.1 million and decreased by 6.7% year on year. The main reason for the decline was the 11.0% lower revenue of Agora Publishing House, which shrank to PLN 10.5 million. However, Gazeta Wyborcza's sales revenues decreased by 1.2% to PLN 24.7 million, with digital subscription revenues increasing by 4.8%. **The share of digital revenues in total revenues from sales** of Agora Group publications amounted to 43.3% and increased by 9.6pp compared to the third quarter of 2021. In addition, it is worth noting that the Agora Group offers other content in digital form, such as podcasts, in addition to sales of publications. Digital content sales including sales of publications and other content are growing rapidly. The share of these revenues in July-September 2022 was 44.6%, growing by 4.9pp compared to the same period in 2021.

In the third quarter of 2022, the largest impact on the growth of the Agora Group's total revenues came from increased sales in the cinema business. **Revenues from ticket sales** to cinemas of the Helios network increased by 4.1% to PLN 47.9 million, and **revenues from cinema concession sales** increased by 5.4% to PLN 27.3 million. In the period under review, more than 2.4 million tickets were sold in Helios cinemas - a level similar to the third quarter of 2021.

In the third quarter of 2022, **revenues from catering business** increased by 20.2% and amounted to PLN 10.1 million. Revenues from Step Inside were higher due to the growing number of locations and the lack of restrictions on operations. This company currently operates 12 restaurants under the Pasibus brand. As of September 2021, there were 10.

In the third quarter of 2022, **revenue from film business** increased by 12.5% and accounted for PLN 4.5 million. In September 2022, NEXT FILM launched its own production, a biographical film about Father Jan Kaczowski - *Johnny*, directed by Daniel Jaroszek. Meanwhile, during the same period last year, NEXT FILM launched three titles in cinemas. Various distribution channels also sold productions that had a release in cinemas on earlier dates in the third quarter of 2022.

**The revenue from other sales** amounted to PLN 25.4 million, 14.4% higher than in the third quarter of 2021. This was primarily driven by higher revenues from printing activities and sales of other products and services in the Press segment - related to the organization of music festivals, as well as the Administration's revenues from space rental and canteen sales. Revenues were also higher in the Outdoor segment, mainly due to an increase in the value of barter settlements with fitness clubs where Video OOH panels are located, due to an increase in rental rates.

In the first three quarters of 2022, the Agora Group earned **total revenues** amounting to PLN 782.1 million, i.e. higher by 27.3% year on year. This is mainly due to the return of cinemas to full-scale operations and a significantly lower scale of restrictions on their operations in 2022 compared to the same period in 2021. This projected a significant increase in cinema and film revenues.

In the first three quarters of 2022, the Group's **advertising sales revenues** increased by 5.9% compared to the same period in 2021, amounting to PLN 354.1 million. Their largest increase - by 36.0% to PLN 110.0 million - occurred in the Outdoor segment. This is mainly the result of higher revenues from campaigns carried out on citylight, digital and city transport panels. The value of cinema advertising revenues increased by 158.9% to PLN 18.9 million compared to the same period in 2021. This was affected by the resumption of cinema activity and a lower scale of restrictions than in the corresponding period of 2021. Higher by 1.2% were revenues from radio advertising sales in the Radio segment, which accounted for PLN 61.0 million. Lower by 17.7% were revenues from the sale of advertising services in the Internet segment. For the first three quarters of 2022 they accounted for PLN 115.0 million. The decrease in this revenue category is mainly due to a decrease in advertising revenues at Yieldbird. In contrast, advertising revenues generated by the Gazeta.pl division were higher than in the same period of the previous year, mainly due to an increase in advertising revenues in the first quarter of 2022. The slight decrease - by 1.3% to PLN 44.8 million - in advertising revenues in the Press segment was mainly due to lower revenues from the sale of advertising services in the paper edition of Gazeta Wyborcza, with higher revenues from advertising on Gazeta's websites. It is worth noting that **the share of digital and online revenues in the Agora Group's total advertising revenues** in period from January to September 2022 amounted to 42.0% and decreased compared to

the same period in 2021, mainly due to a significant increase in advertising revenues from campaigns carried out on outdoor advertising panels and in cinemas, with lower revenues recorded by Yieldbird.

In the period from January to September 2022 the **revenues from tickets sold in Helios cinemas** increased by 113.5% and amounted to PLN 134.3 million. The increase was due to the resumption of cinema operations, a significantly lower scale of restrictions than in the corresponding period of 2021, and an increase in cinema attendance. In the period under review, 7.0 million tickets were purchased in Helios cinemas, 112.1% more than in the first three quarters of 2021. At the same time, the number of cinema tickets sold in Poland amounted to more than 30.7 million, up 114.7% [9].

The **revenues from cinema concession sales** increased by 133.0% to PLN 72.7 million, primarily due to the lifting of the administrative closure of cinemas and a smaller scale of restrictions than in the same period of 2021.

In the first three quarters of 2022, the **copy sales revenues** amounted to PLN 98.3 million and decreased by 4.8% compared to the same period of 2021. This was due to lower revenues from the sale of books published by Agora Publishing House than a year earlier, as well as lower revenues recorded in the Press segment. This was mainly due to lower revenues from the sale of the paper edition of the newspaper, with higher revenues from subscriptions to Wyborcza.pl content. The **share of digital revenues in total revenues from copy sales** amounted to 41.6% and increased by 10.2pp compared to the first three quarters of 2021. In addition, it is worth noting that the Group offers other content in digital form, including podcasts, in addition to sales of publications. Digital content sales, which include copy sales and other publications, are growing rapidly. The share of these revenues in the period from January to September 2022 amounted to 42.4% and increased by 5.2pp compared to the same period in 2021.

In the period from January to September 2022, the **revenues from the catering business** were higher by 37.9% and amounted to PLN 28.0 million. This was possible owing to the development of Step Inside, which runs restaurants under the Pasibus brand and removal of restrictions on the food business.

Between January and September 2022 the **revenues from the Group's film business** increased by 262.5% to PLN 23.2 million. This is a result of the resumption of cinema operations and a significantly lower scale of restrictions on their operations compared to the same period in 2021. In the period from January to September 2022, NEXT FILM launched five Polish productions in cinemas. Revenues from film business were also affected by production revenues for the Netflix platform. In addition, films that had a release in cinemas on earlier dates were also made available in various distribution channels.

In the first nine months of 2022, the **revenues from other sales** amounted to PLN 71.5 million and were higher by 28.6% than the revenue recorded in the corresponding period of 2021. This was mainly due to an increase in revenues from printing operations and the sale of other products and services, as well as goods and materials in the Press segment, an increase in other revenues in the Outdoor segment, the resumption of cinema operations and higher revenues for Agora Publishing House.

## 2.2. Operating cost

Tab. 7

<i>in million PLN</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<b>% change yoy</b>
<b>Operating cost net (1), including:</b>	<b>(267.1)</b>	<b>(255.2)</b>	<b>4.7%</b>
<i>External services</i>	(95.2)	(93.7)	1.6%
<i>Staff cost</i>	(89.5)	(75.7)	18.2%
<i>Raw materials, energy and consumables</i>	(36.4)	(28.3)	28.6%
<i>D&amp;A</i>	(40.2)	(38.6)	4.1%
<i>Promotion and marketing</i>	(13.3)	(13.3)	-
<i>PFR loans redemption (2)</i>	14.1	3.1	354.8%

<i>in million PLN</i>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<b>% change yoy</b>
<b>Operating cost net (1), including:</b>	<b>(816.5)</b>	<b>(680.1)</b>	<b>20.1%</b>
<i>External services</i>	(276.8)	(227.4)	21.7%
<i>Staff cost</i>	(271.3)	(224.4)	20.9%
<i>Raw materials, energy and consumables</i>	(102.2)	(66.4)	53.9%
<i>D&amp;A</i>	(119.6)	(119.9)	(0.3%)
<i>Promotion and marketing</i>	(39.1)	(30.6)	27.8%
<i>PFR loans redemption (2)</i>	14.1	3.1	354.8%
<i>Impairment losses (3)</i>	1.2	(2.4)	-

- (1) the amount of the cost excluding impact of International Financial Reporting Standard no. 16 Leases amounted to PLN 833.1 million in the first three quarters of 2022 and PLN 273.2 million in the third quarter of 2022 (in the first three quarters of 2021: PLN 664.5 million and PLN 253.3 million in the third quarter of 2021);
- (2) the amount relates to redemption of preferential loans granted to Helios S.A. in 2022 and 2021 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies. Additional information is described in note 3 to the condensed interim consolidated financial statements;
- (3) the amount in 2022 includes mainly the reversal of impairment loss on property, plant and equipment in Helios S.A. in the second quarter of 2022 and impairment loss on right-of-use assets in Helios S.A. in the first quarter of 2022, the amount in 2021 includes impairment losses on fixed assets of the companies Agora S.A. and AMS Group.

In the third quarter of 2022, the **net operating costs** of the Agora Group went up by 4.7% to PLN 267.1 million. They were higher in all operating segments of the Group except the Internet segment. The highest increase in operating expenses – by 22.5% to PLN 57.7 million – was visible in the Press segment. The operating costs reported in the Movies and Books segment grew by 2.4% to PLN 97.2 million. Another area where the operating costs were significantly increased (by 5.3% to PLN 35.5 million) was the Outdoor segment. Operating costs in the Radio segment increased by 6.0% to PLN 24.8 million, and in the Internet segment they were lower by 16.4% and amounted to PLN 36.8 million. In the third quarter of 2022, net operating costs were positively impacted by the redemption of part of the PFR loan in Helios S.A. in the amount of PLN 14.1 million, and negatively impacted by the one-time payment of an inflation allowance in the amount of PLN 3.1 million granted to some of the Group's employees and associates. In the third quarter of 2021, costs were positively impacted by the cancellation of a portion of the preferential PFR loan in the amount of PLN 3.1 million in the Film and Books segment, and negatively impacted by a write-down of receivables from one of the Press segment's counterparties in the amount of PLN 1.4 million.

**Costs of external services**, which were higher by 1.6% than in the corresponding period of 2021 and amounted to PLN 95.2 million, were the largest expense item. This cost item increased in majority of operating segments of the Group. The largest increase – by 15.6% to PLN 35.6 million – was observed in the Movies and Books segment (excluding Agora Publishing House). This was due to the cinema business, including higher film copy purchase costs, higher film production costs and higher catering business costs recorded as a result of Step Inside's growth. In the Press segment the increase in expenses on services was mainly related to the cost of organizing concerts and higher expenditures for computer services. The increase in expenditure on external services in the Outdoor segment was attributable to a higher costs of advertising campaigns and higher costs of system maintenance. The costs of external services were also higher in the Radio segment. They increased by 4.4% and amounted in PLN 9.4 million as a result of higher costs related to the provision of sales brokerage services for the Helios cinema network which was correlated with higher revenues from that activity. The Radio segment also had higher costs for marketing services and rent and lease fees, with lower costs for buying airtime on stations owned by other broadcasters in connection with its advertising brokerage service. The Internet segment noticed the decrease in expenses on services by 37.1% to PLN 16.6 million and was related to lower revenues from Yieldbird company activity.

**Staff costs** stood at PLN 89.5 million and increased by 18.2% as compared to the costs recorded in the third quarter of 2021. This category of operating expenses also increased the most among all expense categories during the period under review. Expenditures for salaries and employee benefits were higher in all of the Group's operating segments and its supporting divisions. The largest increases took place in the Movies and Books, Press and Internet segments. In the third quarter of 2022, some of the Group's employees and associates were paid a one-time inflation allowance totalling PLN 3.1 million, while a provision for the cost of the Management Incentive Plan was waived.

**Full-time employment** in the Group as at the end of September 2022 amounted to 2,360 full-time equivalents (FTEs) and increased by 57 FTEs as compared to the end of September 2021. Employment growth occurred in all of the Group's business areas, with the largest increases in the Radio, Internet and Outdoor segments.

The increase in the **costs of materials and energy consumption as well as the value of goods and materials sold** by 28.6% to PLN 36.4 million recorded as compared to the third quarter of 2021, was mainly related to higher expenses in Movies and Books, and Press segments. In the first of these, the increase in costs was mainly related to price increases, higher cinema concession sales in Helios cinemas and higher revenues from catering operations. The dynamics of this cost category in the Press segment was most influenced by the increase in market prices of paper.

**The costs of depreciation and amortisation** increased by 4.1% up to PLN 40.2 million. Their increase was recorded in all operating segments of the Agora Group excluding Internet segment. Its largest increase took place in the Movies and Books segment, mainly in Helios cinema network. In the third quarter of 2022, depreciation and amortization in the catering business also increased - influenced by the higher number of locations developed under the Pasibus brand, while D&A cost in the film business was lower.

**Promotion and marketing costs** of the Group constituted PLN 13.3 million and remained at the level of expenses recorded in the third quarter of 2021. They increased in the Outdoor Advertising segment due to higher patronage and sponsorship costs, and decreased in Radio as a result of lower promotional spending on Radio Złote Przeboje, with higher promotional spending on Radio Pogoda.

In the third quarter of 2022 the Group's net operating costs, reported without the effect of IFRS 16, reached PLN 273.2 million and were 7.9% higher yoy.

In the first three quarters of 2022, the Group's **net operating costs** increased by 20.1% up to PLN 816.5 million. They were higher in majority of operating segments of the Group. The highest increase in operating expenses – by 49.7% to PLN 313.9 million – was visible in the Movies and Books segment and was mainly related to lifting restrictions on cinema and restaurant operations. The operating costs increased also in the Press segment – by 18.9% to PLN 160.0 million. This is mainly the result of higher costs for materials, energy, goods and printing services, as well as salaries and benefits for employees. In the Outdoor segment increased all of the operating cost categories. As a result, the expenditures of this business line increased by 13.7% to PLN 109.9 million. This was primarily affected by the increase in the cost of salaries and benefits for employees, campaign implementation costs and system maintenance. The increase in operating expenses in the Radio segment was, in turn, related to higher income from the sales of agency service provided to the Helios cinema network and an increase in salaries and benefits for employees. Operating expenses, on the other hand, were lower in the Internet segment, down 12.2% at PLN 115.6

million. This was mainly due to a decrease in third-party service costs, particularly at Yieldbird due to a decrease in expenditures on leasing advertising space.

In the first three quarters of 2022, the **costs of external services** increased by 21.7% to PLN 276.8 million. The largest drop in this cost item was observed in the Movies and Books segment due to the return to full scale of cinema, film and catering activity. This expenditures were also significantly higher in the Outdoor segment, mainly due to higher campaign implementation and system maintenance costs. This category also increased in the Radio segment, in connection with sales of agency services for the Helios cinema network and the sale of airtime on other broadcasters' stations. The costs of marketing services and rent and lease payments also increased in this area. Third-party service costs also increased in the Press segment - expenditures for third-party services increased due to the organization of concerts and an increase in the cost of computer services. This category of operating expenses was lower in the Internet segment. This was mainly due to a decrease in revenue from the sale of advertising services at Yieldbird. On the other hand, an increase in third-party service costs took place in the Gazeta.pl division and the HRlink group.

In the first three quarters of 2022, **staff costs** increased by 20.9% to PLN 271.3 million. They were higher in all business segments of the Agora Group and its supporting divisions. Their largest increase compared to the first three quarters of 2021 took place in the Movies and Books segment and was primarily related to the return to regular operations without restrictions and limits in cinemas and catering, which required, among other things, the replenishment of teams at individual locations. The Movies and Books segment's salaries and benefits costs were also increased by a portion of costs related to film productions, including the production of *Jeszcze przed świętami* movie. Another segment that noticed an increase in this category of spending was the Press segment, where this was mainly determined by an increase in full-time employment and permanent salaries. In the Internet segment, the increase in this cost item was driven by higher full-time employment and fixed wages. In Outdoor segment, the main reason for the increase in spending on salaries and benefits was the increase in fixed salaries and the variable component of salaries due to higher achievement of sales targets. At the Radio, in addition to higher fixed salaries resulting from the hiring of new employees and the payment of an inflation allowance to some employees, the vacation reserve and expenses for courses, training and conferences were also higher.

**The costs of materials and energy consumed and the value of goods and materials sold** increased in the first three quarters of 2022 by 53.9% to PLN 102.2 million. This was primarily due to an increase in this cost item in the Movies and Books and Press segments. In the first of these, it was related to the lifting of restrictions and a return to full operations, particularly in cinemas and catering businesses, conducted without restrictions, and in the second, it was mainly related to the increase in paper prices. This expense item also increased in the Group's other business areas excluding the Internet segment.

**The costs of depreciation and amortisation** decreased by 0.3% down to PLN 119.6 million. Their decrease was mainly due to the reduction of this category of expenses in the Internet and Press segments. However, this cost position increased in the Outdoor and the Radio segments.

In the period in question, **promotion and marketing costs** increased by 27.8% up to PLN 39.1 million. They were higher in all operating segments of the Group, except for the Radio segment, where they remained at last year's level. The largest increase of this category was noticed in the Movies and Books and Internet segments.

In the first three quarters of 2022, the Group's net operating costs presented without the effect of IFRS 16 amounted to PLN 833.1 million, showing a growth by 25.4% yoy.



### 3. PROSPECTS

According to available macroeconomic forecasts, the fourth quarter of 2022 and the next quarters of 2023 will bring a slowdown in economic growth, continually high inflation, as well as high prices for energy raw materials, food, goods and services. The development of the economic situation in the country in the next quarters will also be characterised by high uncertainty due, but not limited to, the further course of the armed conflict in Ukraine and its geopolitical consequences.

The above factors will affect both the revenue potential of the Agora Group and the increase in operating costs.

At the same time, the work on the strategic perspective for the entire Agora Group is underway. As part of this process, the Company's Management Board also takes into account new factors, such as the dynamically changing economic environment, abruptly growing inflation, economic downturn and high market uncertainty.

At the same time, work is underway on the ESG strategy for 2023-2027 for the entire Group. The intention of the Management Board is for the growth of the organization to proceed in a responsible manner, and thus the non-financial/ESG area is also developed. These issues concern the impact of Agora's operations on the environment and climate, society, workplace and ethical management of the company.

#### 3.1. REVENUES

##### 3.1.1 Advertising market [3]

The advertising market in Poland grew by 4.0% in the third quarter of 2022, and advertisers spent around PLN 2.45 billion on promoting their products and services at that time. In the first half of 2022, advertising spending increased by 5.5% to over PLN 5.2 billion, and in the first nine months of 2022 advertising spending increased by over 5.0%.

Despite this, after analysing the available data and observing market trends, the company decided to maintain its estimates of the dynamics of advertising spending in Poland in 2022 at an unchanged level of approximately 3.0–6.0%. Due to the high uncertainty about the magnitude of the possible economic downturn in the country in the coming periods, Agora expects that the value of the advertising market will increase throughout the year rather close to the lower end of the indicated range.

In the case of outdoor advertising, Agora decided to increase its expectations as to the entire annual rate of restoration of the value of advertising expenditures in this medium due to the significantly faster than estimated dynamics of its restoration in the first half of 2022 and in the third quarter of 2022. The previous estimates assumed an increase in expenditure on campaigns carried out on outdoor advertising panels between 20.0% and 25.0%. At present, the company estimates that in 2022 it can reach the level between 25.0% and 30.0%. This increase will be additionally supported by sports events taking place in the fourth quarter of 2022, which traditionally lead to greater activity of the advertisers on outdoor advertising panels.

The current data on the estimates of the dynamics of changes in the value of advertising expenditure in individual media are presented in the table below:

**Tab. 8**

Total advertising expenditure	Television	Internet	Radio	Outdoor	Press	Cinema
3.0%-6.0%	(1.0%)-2.0%	5.0%-8.0%	1.0%-4.0%	25.0%-30.0%	(1.0%)-2.0%	80.0%-90.0%

At the same time, it is worth noting that due to many uncertainties and abrupt changes in the market environment caused by macroeconomic and geopolitical factors, as well as government decisions, it is difficult to make long-term assumptions, therefore the above estimates may be biased, and their accuracy can be much smaller than in periods of higher predictability.

### 3.1.2. Ticket sales

The most significant factors affecting attendance in Polish cinemas include: the repertoire, the weather conditions, the affluence of the Polish society and distance to the cinema. Based on the available information, the number of tickets sold in Polish cinemas in the first three quarters of 2022 amounted to more than 30.7 million, which means an increase by 114.7% compared to the respective period of 2021 [9]. This difference in the number of tickets sold is primarily due to fewer restrictions on cinema operations related to countering the spread of COVID-19 than in the preceding year. It is worth noting that a noticeable negative impact on the dynamics of the reconstruction of cinema activities after the COVID-19 pandemic was caused by Russia's military invasion on Ukraine.

Considering the repertoire for the rest of this year and assuming no new sanitary restrictions, the Company believes that attendance for the whole of 2022 will be at a level of approximately 80% of the one recorded in 2019. At the same time, it should be noted that the deterioration of household finances may negatively impact cinema attendance and concession sales in the last quarter of 2022.

### 3.1.3 Copy sales

In the fourth quarter of 2022, negative trends relating to copy sales of dailies in their print versions will continue. Agora is developing sales of access to Wyborcza.pl content in the form of digital subscriptions. As of the end of September 2022, the number of paid digital subscriptions of Gazeta Wyborcza amounted to nearly 293.9 thousand and increased by 12.0% year on year. In the company's opinion, these actions, among other factors, will stabilise the financial results of the Press segment in the long term. Between January and September 2022, revenues from copy sales in the Press segment were lower by 0.4% than in the corresponding period of 2021. This was mainly due to lower sales of the paper edition of Gazeta Wyborcza, with the increase in sales of Wyborcza.pl subscriptions. In the company's opinion, the trend of revenue growth from the sale of Wyborcza.pl subscriptions will continue in the next quarter of 2022.

The level of revenue of Agora's Publishing House in the period from January to September 2022 was lower by 9.1% than in the corresponding period of 2021 and was due to the market-wide trend of declining sales of paper books. The events in Ukraine, the unrelenting problem with paper availability, the extreme rise in raw material prices and the rising inflation are the main reasons for this decrease. Agora's Publishing House continues its digital development on streaming platforms and development of books in the form of audiobooks and e-books. For the fourth quarter of 2022, Agora's Publishing House has planned publication of the first biography of Bono and *Na Północ. Jak pokochałem Arktykę (Go North. How I Fell in Love with the Arctic)* – the first in a new series of books by Adam Wajrak. Moreover, on 12 October this year, a family autobiography by Jarosław Kurski *Dziady i dybuki (Forefathers' Eve and Dibbuki)* was published, and already in the first week of its market presence it hit the bestsellers list.

## 3.2 Operating costs

Agora Group's total operating costs in 2022 will be higher than those recorded in 2021. This will be primarily influenced by the removal of restrictions that were in place in 2021 and early 2022. The decisive influence on the increase in the Group's operating costs will be attributable to higher costs of external services, staff costs, as well as marketing and promotion.

### 3.2.1 Costs of external services

The costs of external services in the next quarter of 2022 will largely depend on the costs of film copy purchase related directly to the cinema attendance and the level of revenue from ticket sales, the EUR/PLN exchange rate, as well as the cost of space leasing in advertising and the number of campaigns carried out. This cost item will be further influenced by: cinemas and restaurants opened in the earlier months of 2022, as well as by other development projects. The decrease in this cost item will be affected by the change in the Yieldbird's business model.



### 3.2.2 Staff costs

According to the company's estimates, in 2022 staff costs will be higher than in 2021. Additionally, in the third quarter of 2022, some employees of the Agora Group were paid one-off inflation allowances. Their cost amounted to about 3.1 million in the third quarter of 2022. The Company also decided to increase the minimum wage mostly for editorial and administrative posts in the second quarter of 2022.

For the above reasons, this cost category will be higher in each of the Group's operating segments and its supporting divisions. Its largest increase compared to 2021 will occur in the Movies and Books segment, mainly due to the return of the Helios cinema network to full operations after the lifting of sanitary restrictions and the need to re-hire full teams to operate the cinemas. In 2021, the cinemas of the Helios network were closed for 140 days. In 2022, the cinemas were not closed, but until the end of February, they operated under the ticket sales limit of 30.0% of available seats in the screening room. Vaccinated persons were not included in the limit. As of 1 March 2022, the cinema ticket sales limits were lifted.

### 3.2.3 Promotion and marketing costs

In the fourth quarter of 2022, the Agora Group plans further promotional activities in most of its businesses, in order to rebuild their market position. The dynamics of changes in individual media, the number of launched development projects, as well as market activities of the Group's competitors will affect the level of expenses incurred in this respect. Considering these factors, the company estimates that the promotion and marketing costs will be higher in most of the Group's businesses in 2022. Their largest increase will occur in the Movies and Books segment – due to the lifting of restrictions in the film and cinema business. This cost category will also increase significantly in the Internet and the Radio segments.

### 3.2.4 Cost of materials and energy

In the first three quarters of 2022, the Group's costs of material and energy consumption increased by 53.9% year on year, due, but not limited to, the significant market increase in electricity and paper prices. Higher energy consumption costs, which increased by 53.8% compared to the nine months of 2021, made the largest impact on this cost item. Another factor that impacted the increase in this expense category were higher outlays for production materials (mainly in the printing business and the Outdoor segment) and other materials (mainly in the cinema business). In next quarter of the 2022, the Group's printing activity will impact this cost item, especially the cost of production materials, the volume of production and the EUR/PLN exchange rate. This cost category will also increase in the Movies and Books segment (due to the return of cinemas and catering activity to full operations), as well as the Outdoor segment.

For several years, the Agora Group has been operating a purchasing group which contracts energy on the exchange for Agora S.A. (including the printing business) and the Agora Radio Group. As a result, energy has been secured for these areas for the whole of 2023, making them independent of further price fluctuations in the market. Moreover, the energy performance modification project for the building at Czerska 8/10 Street in Warsaw, which began in 2018, reduced energy consumption by approximately 30.0%. As part of the project, elements of the building's infrastructure were replaced with energy-efficient ones, and photovoltaic panels were installed on the roof of the headquarters and on the printing house premises.

Businesses where fluctuations in energy costs could affect results in 2022 are the cinema business and the Outdoor segment.

## 3.3 Financial standing

Considering the funding available to the Agora Group, the condition of individual businesses and the actions taken to counteract the negative consequences of the economic crisis, in the opinion of the Company's Management Board, it is reasonable to assume that Agora and the Agora Group will continue as a going concern, despite the uncertainty related mainly to the consequences of the Russia's attack on Ukraine, the outcome of the domestic epidemiological situation and the rising inflation and interest rates. At the end of September 2022, free cash at the Agora Group amounted to PLN 70.1 million.

### III. FINANCIAL RESULTS

#### 1. THE AGORA GROUP

The condensed interim consolidated financial statements of the Agora Group for the third quarter of 2022 includes: Agora S.A. and 21 subsidiaries, which operate principally in the internet, cinema, radio, gastronomy and outdoor segments. Additionally, as at 30 September 2022 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 EUR are presented in note 18 to the condensed interim consolidated financial statements.

#### 2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP

Tab. 9

<i>in PLN million</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<b>% change yoy</b>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<b>% change yoy</b>
<b>Total sales (1)</b>	<b>267.2</b>	<b>266.4</b>	<b>0.3%</b>	<b>782.1</b>	<b>614.2</b>	<b>27.3%</b>
Advertising revenue	119.9	125.5	(4.5%)	354.1	334.5	5.9%
Ticket sales	47.9	46.0	4.1%	134.3	62.9	113.5%
Copy sales	32.1	34.4	(6.7%)	98.3	103.3	(4.8%)
Concession sales in cinemas	27.3	25.9	5.4%	72.7	31.2	133.0%
Gastronomic sales	10.1	8.4	20.2%	28.0	20.3	37.9%
Revenues from film activities	4.5	4.0	12.5%	23.2	6.4	262.5%
Other	25.4	22.2	14.4%	71.5	55.6	28.6%
<b>Operating cost net, including:</b>	<b>(267.1)</b>	<b>(255.2)</b>	<b>4.7%</b>	<b>(816.5)</b>	<b>(680.1)</b>	<b>20.1%</b>
External services	(95.2)	(93.7)	1.6%	(276.8)	(227.4)	21.7%
Staff cost	(89.5)	(75.7)	18.2%	(271.3)	(224.4)	20.9%
Raw materials, energy and consumables	(36.4)	(28.3)	28.6%	(102.2)	(66.4)	53.9%
D&A	(40.2)	(38.6)	4.1%	(119.6)	(119.9)	(0.3%)
Promotion and marketing	(13.3)	(13.3)	-	(39.1)	(30.6)	27.8%
PFR loans redemption (2)	14.1	3.1	354.8%	14.1	3.1	354.8%
Impairment losses (3)	-	-	-	1.2	(2.4)	-
<b>Operating result – EBIT</b>	<b>0.1</b>	<b>11.2</b>	<b>(99.1%)</b>	<b>(34.4)</b>	<b>(65.9)</b>	<b>47.8%</b>
Operating result - EBIT excl. IFRS 16 (4)	(6.0)	13.1	-	(51.0)	(50.3)	(1.4%)
<b>Finance cost, net, incl.:</b>	<b>(29.7)</b>	<b>(18.1)</b>	<b>(64.1%)</b>	<b>(48.2)</b>	<b>(17.1)</b>	<b>(181.9%)</b>
Income from short-term investment	0.5	-	-	1.6	-	-
Costs related to bank loans and leasing including interest costs related to IFRS 16	(9.9)	(4.6)	115.2%	(26.3)	(14.9)	76.5%
Foreign exchange losses including interest costs related to IFRS 16	(6.2)	(3.5)	77.1%	(17.4)	(10.5)	65.7%
Revaluation of put options (5)	(20.7)	(13.3)	(55.6%)	(30.0)	(2.5)	(1,100.0%)
	(21.3)	(13.6)	(56.6%)	(30.8)	(2.5)	(1,132.0%)
	-	-	-	6.0	-	-
<b>Share of results of equity accounted investees</b>	<b>1.4</b>	<b>2.1</b>	<b>(33.3%)</b>	<b>5.5</b>	<b>6.3</b>	<b>(12.7%)</b>
<b>Loss before income tax</b>	<b>(28.2)</b>	<b>(4.8)</b>	<b>(487.5%)</b>	<b>(77.1)</b>	<b>(76.7)</b>	<b>(0.5%)</b>
Income tax	3.7	3.3	12.1%	1.9	5.9	(67.8%)

<i>in PLN million</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<b>% change yoy</b>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<b>% change yoy</b>
<b>Net loss for the period</b>	<b>(24.5)</b>	<b>(1.5)</b>	<b>(1,533.3%)</b>	<b>(75.2)</b>	<b>(70.8)</b>	<b>(6.2%)</b>
<b>Attributable to:</b>						
Equity holders of the parent	(23.5)	(1.2)	(1,858.3%)	(71.3)	(66.7)	(6.9%)
Non - controlling interest	(1.0)	(0.3)	(233.3%)	(3.9)	(4.1)	4.9%
EBIT margin (EBIT/Sales)	0.0%	4.2%	(4.2pp)	(4.4%)	(10.7%)	6.3pp
EBIT margin excl. IFRS 16 (4)	(2.2%)	4.9%	(7.1pp)	(6.5%)	(8.2%)	1.7pp
<b>EBITDA (6)</b>	<b>40.3</b>	<b>49.8</b>	<b>(19.1%)</b>	<b>84.0</b>	<b>56.4</b>	<b>48.9%</b>
EBITDA margin (EBITDA/Sales)	15.1%	18.7%	(3.6pp)	10.7%	9.2%	1.5pp
EBITDA excl. IFRS 16 (4)	17.0	36.9	(53.9%)	16.9	23.9	(29.3%)
EBITDA margin excl. IFRS 16 (4)	6.4%	13.9%	(7.5pp)	2.2%	3.9%	(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) the amount relates to redemption of preferential loans granted to Helios S.A. in 2022 and 2021 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies. Additional information is described in note 3 to the condensed interim consolidated financial statements;
- (3) the amount in 2022 includes mainly the reversal of impairment loss on property, plant and equipment in Helios S.A. in the second quarter of 2022 and impairment loss on right-of-use assets in Helios S.A. in the first quarter of 2022, the amount in 2021 includes impairment losses on fixed assets of the companies Agora S.A. and AMS Group.
- (4) the amount of the operating result – EBIT, EBITDA and net loss excluding impact of International Financial Reporting Standard no. 16 Leases;
- (5) relates to revaluation of put option liabilities granted to non-controlling shareholders of Helios S.A., Video OOH Sp. z o.o. (formerly Piano Group Sp. z o.o.) and HRLink Sp. z o.o.;
- (6) 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 2022 [1]

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

Tab. 10

<i>in PLN million</i>	<b>Movies and Books</b>	<b>Press</b>	<b>Outdoor</b>	<b>Internet</b>	<b>Radio</b>	<b>Reconciling positions (2)</b>	<b>Total (consoli- dated) 1-3Q 2022</b>
<b>Total sales (1)</b>	<b>320.3</b>	<b>155.6</b>	<b>115.8</b>	<b>127.5</b>	<b>75.9</b>	<b>(13.0)</b>	<b>782.1</b>
% share	41.0%	19.9%	14.8%	16.3%	9.7%	(1.7%)	100.0%
<b>Operating cost net (1)</b>	<b>(313.9)</b>	<b>(160.0)</b>	<b>(109.9)</b>	<b>(115.6)</b>	<b>(74.4)</b>	<b>(42.7)</b>	<b>(816.5)</b>
<b>Operating cost net excl. IFRS 16 (1)</b>	<b>(327.6)</b>	<b>(160.0)</b>	<b>(111.6)</b>	<b>(115.6)</b>	<b>(75.0)</b>	<b>(43.3)</b>	<b>(833.1)</b>
<b>EBIT</b>	<b>6.4</b>	<b>(4.4)</b>	<b>5.9</b>	<b>11.9</b>	<b>1.5</b>	<b>(55.7)</b>	<b>(34.4)</b>
<b>EBIT excl. IFRS 16</b>	<b>(7.3)</b>	<b>(4.4)</b>	<b>4.2</b>	<b>11.9</b>	<b>0.9</b>	<b>(56.3)</b>	<b>(51.0)</b>
Finance cost, net							(48.2)
Share of results of equity accounted investees			(0.1)	(1.5)	7.1		5.5
Income tax							1.9
<b>Net loss for the period</b>							<b>(75.2)</b>
<b>Attributable to:</b>							
Equity holders of the parent							(71.3)
Non-controlling interest							(3.9)
<b>EBITDA</b>	<b>66.4</b>	<b>0.8</b>	<b>34.4</b>	<b>18.6</b>	<b>7.1</b>	<b>(43.3)</b>	<b>84.0</b>
<b>EBITDA excl. IFRS 16</b>	<b>17.8</b>	<b>0.8</b>	<b>20.2</b>	<b>18.6</b>	<b>4.3</b>	<b>(44.8)</b>	<b>16.9</b>
CAPEX	(8.3)	(3.0)	(11.1)	(6.1)	(4.1)	(4.2)	(36.8)

(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.e.: other revenues and costs of Agora's supporting divisions (centralized IT, administrative, finance and HR functions, etc., excluding costs of office space and parking lots in the Company's headquarters, use of computers and development and maintenance activities of IT and Big Data departments, which are allocated to segments), the Management Board 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 2022 were influenced mainly by negative foreign exchange differences related to lease liabilities recognised under IFRS 16 and cost of commissions and interests related to bank loans and lease liabilities, which were partially offset by gains on put option revaluation and interest on bank deposits.

## 3. BALANCE SHEET OF THE AGORA GROUP

Tab. 11

<i>in PLN million</i>	30/09/2022	30/06/2022	% change to 30/06/2022	31/12/2021	% change to 31/12/2021
<b>Non-current assets</b>	<b>1,531.7</b>	<b>1,569.0</b>	<b>(2.4%)</b>	<b>1,587.4</b>	<b>(3.5%)</b>
<i>share in balance sheet total</i>	<i>84.0%</i>	<i>84.8%</i>	<i>(0.8pp)</i>	<i>82.6%</i>	<i>1.4 pp</i>
<b>Current assets</b>	<b>290.9</b>	<b>280.4</b>	<b>3.7%</b>	<b>333.9</b>	<b>(12.9%)</b>
<i>share in balance sheet total</i>	<i>16.0%</i>	<i>15.2%</i>	<i>0.8pp</i>	<i>17.4%</i>	<i>(1.4 pp)</i>
<b>TOTAL ASSETS</b>	<b>1,822.6</b>	<b>1,849.4</b>	<b>(1.4%)</b>	<b>1,921.3</b>	<b>(5.1%)</b>
<b>Equity holders of the parent</b>	<b>703.1</b>	<b>726.6</b>	<b>(3.2%)</b>	<b>774.4</b>	<b>(9.2%)</b>
<i>share in balance sheet total</i>	<i>38.6%</i>	<i>39.3%</i>	<i>(0.7pp)</i>	<i>40.3%</i>	<i>(1.7 pp)</i>
<b>Non-controlling interest</b>	<b>0.6</b>	<b>1.6</b>	<b>(62.5%)</b>	<b>5.9</b>	<b>(89.8%)</b>
<i>share in balance sheet total</i>	<i>-</i>	<i>0.1%</i>	<i>(0.1pp)</i>	<i>0.3%</i>	<i>(0.3pp)</i>
<b>Non-current liabilities and provisions</b>	<b>713.1</b>	<b>696.4</b>	<b>2.4%</b>	<b>694.3</b>	<b>2.7%</b>
<i>share in balance sheet total</i>	<i>39.1%</i>	<i>37.6%</i>	<i>1.5pp</i>	<i>36.2%</i>	<i>2.9 pp</i>
<b>Current liabilities and provisions</b>	<b>405.8</b>	<b>424.8</b>	<b>(4.5%)</b>	<b>446.7</b>	<b>(9.2%)</b>
<i>share in balance sheet total</i>	<i>22.3%</i>	<i>23.0%</i>	<i>(0.7pp)</i>	<i>23.2%</i>	<i>(0.9 pp)</i>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>1,822.6</b>	<b>1,849.4</b>	<b>(1.4%)</b>	<b>1,921.3</b>	<b>(5.1%)</b>

## 3.1. Non-current assets

The decrease in non-current assets, versus 30 June 2022 and 31 December 2021 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. The value of investments accounted for using the equity method also decreased as a result of the receipt of dividend from associated company Eurozet Sp. z o.o.

## 3.2. Current assets

The decrease in current assets, versus 31 December 2021, stems mainly from the decrease in cash and cash equivalents. The decrease was, to some extent, offset by increase in inventory, trade receivables and prepayments and increase in income tax receivable.

The increase in current assets, versus 30 June 2022, stems mainly from the increase in trade receivables and prepayments and increase in inventory which were, to some extent, offset by the decrease in cash and cash equivalents.

## 3.3. Non-current liabilities and provisions

The increase in non-current liabilities and provisions compared to 31 December 2021, stems mainly from the increase in long-term borrowing and loan liabilities in connection with signing of the annexes extending the repayment of the bank loans by the subsidiary Helios S.A. The above change was, to some extent, offset by the decrease in put option liabilities, other long-term liabilities and contract liabilities.

The increase in non-current liabilities and provisions compared to 30 June 2022, stems mainly from the increase in long-term bank loan liabilities and long-term lease liabilities which were, to some extent, offset by the decrease in

borrowings due to partial redemption of loan from the Polish Development Fund in the subsidiary Helios S.A and the decrease in other long-term liabilities.

### 3.4. Current liabilities and provisions

The decrease in current liabilities and provisions, versus 31 December 2021, stems mainly from the decrease in tax liabilities, accruals, liabilities arising from purchase of fixed assets and short-term bank loans liabilities. The above changes were, to some extent, offset by the increase in deferred income and lease liabilities.

The decrease in the balance of short-term liabilities and provisions, versus 30 June 2022, stems mainly from the decrease in borrowings and bank loan liabilities, trade liabilities, accruals and liabilities arising from purchase of fixed assets which was partially offset by the increase in deferred income, provision for rebates and lease liabilities.

## 4. CASH FLOW STATEMENT OF THE AGORA GROUP

Tab. 12

<i>in PLN million</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<i>% change yoy</i>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<i>% change yoy</i>
Net cash from operating activities	11.7	19.0	(38.4%)	14.9	57.9	(74.3%)
Net cash from investment activities	7.7	(8.9)	-	(27.4)	(22.3)	(22.9%)
Net cash from financing activities	(23.6)	(33.1)	28.7%	(52.3)	(74.1)	29.4%
<b>Total movement of cash and cash equivalents</b>	<b>(4.2)</b>	<b>(23.0)</b>	<b>81.7%</b>	<b>(64.8)</b>	<b>(38.5)</b>	<b>(68.3%)</b>
<b>Cash and cash equivalents at the end of period</b>	<b>70.1</b>	<b>99.9</b>	<b>(29.8%)</b>	<b>70.1</b>	<b>99.9</b>	<b>(29.8%)</b>

As at 30 September 2022, the Group had PLN 71.3 million in cash and cash equivalents and short-term financial assets which include cash and cash equivalents in the amount of PLN 70.1 million (cash on hand and bank deposits) and granted loans in the amount of PLN 1.2 million.

In the first three quarters of 2022, 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 2022, were lower comparing to the level recorded in the comparative period of the prior year mainly due to changes in Group's working capital, of which mainly higher repayment of liabilities compared to the same period of the previous year.

## 4.2. Investment activities

Negative net cash flows from investing activities, in the first three quarters of 2022, result mainly from expenditures for the purchase of property, plant and equipment and intangible assets. These outflows were partly offset by inflows from dividend and 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 2022, stems mainly from repayments of loan and lease liabilities. These outflows were partly offset by inflows from bank loans and Polish Development Fund (PFR) loan.

## 5. SELECTED FINANCIAL RATIOS [5]

Tab.13

	3Q 2022	3Q 2021	% change yoy	1-3Q 2022	1-3Q 2021	% change yoy
<b>Profitability ratios</b>						
Net profit margin	(8.8%)	(0.4%)	(8.4pp)	(9.1%)	(10.9%)	1.8pp
Gross profit margin	25.8%	32.2%	(6.4pp)	26.4%	24.8%	1.6pp
Return on equity	(13.0%)	(0.6%)	(12.5pp)	(12.9%)	(11.3%)	(1.6pp)
<b>Efficiency ratios</b>						
Inventory turnover	13 days	9 days	44.4%	12 days	10 days	20.0%
Debtors days	40 days	41 days	(2.4%)	45 days	57 days	(21.1%)
Creditors days	25 days	28 days	(10.7%)	28 days	34 days	(17.6%)
<b>Liquidity ratio (1)</b>						
Current ratio	0.9	0.8	12.5%	0.9	0.8	12.5%
<b>Financing ratios (1)</b>						
Gearing ratio	6.9%	4.8%	2.1pp	6.9%	4.8%	2.1pp
Interest cover	(1.9)	17.1	-	(7.0)	(18.0)	61.1%
Free cash flow interest cover	(7.7)	(10.3)	25.2%	(14.1)	(3.9)	(261.5%)

1) liquidity and financing ratios presented excluding the impact of debt resulting from implementation of IFRS 16 Leases.

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., Helios Media Sp. z o.o. (since 1<sup>st</sup> September 2022 r.) NEXT FILM Sp. z o.o., Next Script Sp. z o.o. and Step Inside Sp. z o.o. which form the Helios group, and Agora's Publishing House.

Tab. 14

<i>in PLN million</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<i>% change yoy</i>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<i>% change yoy</i>
<b>Total sales, including :</b>	<b>110.8</b>	<b>105.1</b>	<b>5.4%</b>	<b>320.3</b>	<b>170.5</b>	<b>87.9%</b>
Tickets sales	47.9	46.0	4.1%	134.3	62.9	113.5%
Concession sales	27.3	25.9	5.4%	72.7	31.2	133.0%
Advertising revenue (1)	7.9	5.6	41.1%	18.9	7.3	158.9%
Gastronomic sales (2)	10.1	8.3	21.7%	28.0	20.3	37.9%
Revenues from film activities (1),(3),(7)	4.8	5.0	(4.0%)	25.4	7.9	221.5%
Revenues from Publishing House	10.5	11.8	(11.0%)	33.1	36.4	(9.1%)
<b>Total operating cost, including (6),(7):</b>	<b>(97.2)</b>	<b>(94.9)</b>	<b>2.4%</b>	<b>(313.9)</b>	<b>(209.7)</b>	<b>49.7%</b>
<b>Total operating cost without IFRS 16 (6),(7)</b>	<b>(102.3)</b>	<b>(92.5)</b>	<b>10.6%</b>	<b>(327.6)</b>	<b>(192.0)</b>	<b>70.6%</b>
External services (4),(7)	(35.6)	(30.8)	15.6%	(106.6)	(50.8)	109.8%
Staff cost (4)	(20.4)	(17.1)	19.3%	(61.5)	(39.5)	55.7%
Raw materials, energy and consumables (4)	(17.6)	(12.8)	37.5%	(48.0)	(22.5)	113.3%
D&A (4)	(20.2)	(19.0)	6.3%	(60.6)	(60.6)	-
Promotion and marketing (1), (4)	(4.6)	(4.6)	-	(13.6)	(7.1)	91.5%
Costs related to Publishing House (5), (6)	(10.7)	(10.4)	2.9%	(32.4)	(33.5)	(3.3%)
Impairment losses (8)	-	-	-	1.1	-	-
PFR loans redemption (9)	14.1	3.1	354.8%	14.1	3.1	354.8%
<b>EBIT</b>	<b>13.6</b>	<b>10.2</b>	<b>33.3%</b>	<b>6.4</b>	<b>(39.2)</b>	<b>-</b>
<i>EBIT margin</i>	12.3%	9.7%	2.6pp	2.0%	(23.0%)	25.0pp
<b>EBIT without IFRS 16</b>	<b>8.5</b>	<b>12.6</b>	<b>(32.5%)</b>	<b>(7.3)</b>	<b>(21.5)</b>	<b>66.0%</b>
<i>EBIT margin without IFRS 16</i>	7.7%	12.0%	(4.3pp)	(2.3%)	(12.6%)	10.3pp
<b>EBITDA (5), (10)</b>	<b>34.0</b>	<b>29.4</b>	<b>15.6%</b>	<b>66.4</b>	<b>21.9</b>	<b>203.2%</b>
<i>EBITDA margin</i>	30.7%	28.0%	2.7pp	20.7%	12.8%	7.9pp
<b>EBITDA without IFRS 16 (5), (10)</b>	<b>17.1</b>	<b>22.3</b>	<b>(23.3%)</b>	<b>17.8</b>	<b>6.6</b>	<b>169.7%</b>
<i>EBITDA margin without IFRS 16</i>	15.4%	21.2%	(5.8pp)	5.6%	3.9%	1.7pp

(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 sales in restaurants of Step Inside Sp. z o.o.;

(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 2022 amounted to PLN 0.5 million, and in the third quarter of 2022 to PLN 0.2 million (in the comparable period of 2021 it amounted to PLN 0.5 million and PLN 0.2 million, respectively);

- (6) *the data include allocated costs of office, warehouse and parking space occupied by the Agora Publishing House, costs of computer use, development and maintenance activities of the technology department in Agora and costs of Big Data department;*
- (7) *mutual transactions 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 in the period from January to September of 2022 include the reversal of the write-down of Helios S.A.'s fixed assets in the amount of PLN 1.7 million made in 2021 and the write-down of Helios S.A.'s fixed assets in the amount of PLN 0.6 million;*
- (9) *the stated amount relates to the cancellation of a portion of the preferential loans granted to Helios S.A. in 2022 and 2021 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies;*
- (10) *the EBITDA index is defined as EBIT increased by depreciation and impairment losses on fixed assets.*

The Movies and Books segment recorded an improvement of the results at the EBIT and EBITDA levels both in the third quarter and in the period from January to September 2022. This was due to the recovery of cinema and catering activities after the COVID-19 pandemic. However, it is worth noting that the dynamics of improvement of the segment's results was negatively affected by the military invasion on Ukraine and the deteriorating macroeconomic situation, including rising inflation.

The Movies and Books segment recorded a profit in the third quarter of 2022, both at the EBIT and EBITDA levels. The profit at the EBIT level amounted to PLN 13.6 million, and at the EBITDA level – to PLN 34.0 million. The segment's operating results in this period were positively affected by the redemption of a portion of a loan from the Polish Development Fund (PFR) to Helios S.A. in the amount of PLN 14.1 million. It is worth remembering that in the third quarter of 2021, the activities of cinemas and restaurants were subject to restrictions due to the COVID-19 pandemic. There were limits on ticket sales – up to 75.0% of cinema seats, and limits of seats in restaurants – also up to 75.0%; however, the vaccinated persons were not included in the limits. In addition, redemption of a portion of a loan from the Polish Development Fund (PFR) in the amount of PLN 3.1 million had an impact on the results recorded in the third quarter of 2021.

In the period from January to September 2022, the Movies and Books segment recorded a profit at the EBIT level of PLN 6.4 million, and a profit at the EBITDA level of PLN 66.4 million. The segment's operating results in this period were positively affected by the redemption of portion of the loan from the Polish Development Fund (PFR) in the amount of PLN 14.1 million.

The improvement in the results of the Movies and Books segment in the period from January to September 2022 was influenced by fewer restrictions on cinemas and restaurants related to countering the spread of COVID-19 than in the previous year. Until the end of February 2022, a cinema ticket sales limit of 30.0% of available seats in the cinema auditorium was in place; vaccinated persons were not included in the limit. As of 1 March 2022, the cinema ticket sales limits were lifted. In 2021, cinemas were closed until 20 May due to an administrative ban on their operations. Since 21 May 2021, cinemas could sell tickets with the limit of 50.0% of seats available in the cinema room, with no possibility to sell snacks and beverages in cinema bars. Thanks to subsequent restrictions being lifted, on 13 June 2021, sales in Helios cinema bars were resumed and the ticket sales limit was increased to 75.0% of seats in the room. The operation of restaurants was also subject to restrictions. The 30.0% limit on available seats in restaurants was in force, similarly to cinema ticket sales, until the end of February 2022, with the vaccinated persons not being included in the limit. In the period from January to September 2021, operation of restaurants was subject to higher restrictions. In May 2021, restrictions on restaurant operations were gradually lifted. However, until the end of May 2021, the Helios group's operation in this area involved mainly take-away and delivery sales. Since 26 June 2021, the limit of seats in restaurants has been increased to 75.0%.

The operating result of the segment at the EBIT level in the period from January to September 2022 was also positively affected by the reversal of the write-down of fixed assets relating to the operations of Helios S.A. in the amount of PLN 1.7 million (it was charged to the segment's results in the fourth quarter of 2021), and negatively affected by a write-down of fixed assets in Helios S.A. in the amount of PLN 0.6 million in the first quarter of 2022. The write-down was connected with the fixed assets under lease taken over from Foodio Concepts Sp. z o.o. in connection with filing a bankruptcy petition by this entity. It is worth noting that in the period from January to

September 2021, the segment's results were positively influenced by additional financing from the Guaranteed Employee Benefits Fund and the redemption of Social Security Institution (ZUS) contributions, as well as the redemption of a portion of the loan from the Polish Development Fund (PFR) in the total amount of PLN 10.5 million.

In the third quarter of 2022, EBIT profit amounted to PLN 8.5 million, and EBITDA profit – to PLN 17.1 million, without the effect of IFRS 16. In the period from January to September 2022, the loss at the EBIT level decreased to PLN 7.3 million, and profit at the EBITDA level increased to PLN 17.8 million.

## 1. REVENUE

Revenues from the Movies and Books segment in the third quarter of 2022 increased compared to the third quarter of 2021 by 5.4% to PLN 110.8 million. The increase in proceeds was mainly due to higher cinema revenue. In the third quarter of 2022, 2.4 million tickets were sold in Helios cinemas. The revenues from ticket sales increased by 4.1% and amounted to PLN 47.9 million, while revenues from concession sales increased by 5.4% to PLN 27.3 million. In the third quarter of 2022, online ticket sales accounted for 40.7% of total proceeds from ticket sales in cinemas. The revenues from the sale of advertisements in cinemas, which amounted to PLN 7.9 million, was also higher compared to the third quarter of 2021.

The revenues of the Movies and Books segment from film activities, which in the third quarter of 2022 amounted to PLN 4.8 million, decreased. In September 2022, NEXT FILM introduced its own production to cinemas – a biographical film about priest Jan Kaczowski entitled *Johnny* and directed by Daniel Jaroszek. In the same period last year, NEXT FILM introduced three new titles into cinemas – an animated film for children *Elfinki (The Elfkins)*, a comedy-drama *Czarna Owca (Black Sheep)*, and a comedy *Teściowie (In-Laws)*. In the third quarter of 2022, productions which had premiered in cinema at earlier dates were also made available via various distribution channels.

In the third quarter of 2022, revenues from restaurant business went up by 21.7%, amounting to PLN 10.1 million. This was due to an increase in Step Inside revenues recorded as a result of less severe COVID-19-related restrictions on restaurant operations and thanks to a larger number of establishments.

The revenues of Agora's Publishing House decreased in the third quarter of 2022 by 11.0% and amounted to PLN 10.5 million. In that period, the Agora's Publishing House sold about 0.2 million books as well as music and film publications. The following publications were among the best-selling ones: the book *Czuła przewodniczka. Kobięca droga do siebie (Kind Companion. A Woman's Road to Herself)* by Natalia de Barbaro, *What Happened to You?* – a guidebook by Bruce D. Perry and Oprah Winfrey, and *Jak się starzeć bez godności (How to Grow Old Without Dignity)* by Magdalena Grzebałkowska and Ewa Winnicka. The best-selling music album remained *Mogło być nic (It Could Have Been Nothing)* by the band Kwiat Jabłoni. The comparability of data was affected by high sales of the book *Czuła przewodniczka (Kind Companion)* in the third quarter of 2021.

In the third quarter of 2022, the revenues from digital sales of Agora's Publishing House (sales of own publications and publications of other publishers) were higher than in the previous year and amounted to PLN 5.1 million.

In the period from January to September 2022, the revenues of the Movies and Books segment increased by 87.9% and amounted to PLN 320.3 million. The increase in proceeds was mainly due to higher cinema revenue. In the period from January to September 2022, 7.0 million tickets were sold in Helios cinemas, which translated into higher ticket sales and concession sales in cinemas, respectively amounting to PLN 134.3 million and PLN 72.7 million. The revenues from advertising sales in the Helios cinemas also increased and stood at PLN 18.9 million. In the period from January to September 2022, online ticket sales accounted for 43.5% of total proceeds from ticket sales in cinemas.

It is worth noting that in the same period last year, cinemas in Poland were closed by an administrative decision until 20 May 2021, and then their activities were subject to restrictions in connection with the COVID-19 pandemic, while in 2022 the limit of cinema ticket sales in the amount of 30.0% of available cinema seats was in force until the end of February.

Between January and September 2022, the segment's revenues from film activities increased to PLN 25.4 million and were significantly higher than those generated in the corresponding period of 2021. NEXT FILM introduced five Polish productions into cinemas: *Koniec świata czyli Kogel Mogel 4 (The End of the World or Kogel Mogel 4)* – the most recent part of the comedy hit series directed by Anna Wierzbicka, *8 rzeczy, których nie wiecie o facetach (8 Things You Don't Know about Guys)* – a continuation of the 2016 comedy hit directed by Sylwester Jakimow, *Za duży na*

*bajki (Too Old for Fairy Tales)* – a family film directed by Kristoffer Rus, *Fucking Bornholm* – a comedy drama directed by Anna Kazejak, and own production entitled *Johnny* – a biographical film about priest Jan Kaczkowski. The film revenues were also influenced by production for Netflix. Moreover, productions that had a cinema release on earlier dates were also made available in various distribution channels.

In the period from January to September 2022, the revenues from restaurant activities increased by 37.9% to PLN 28.0 million. This was due to the lighter restrictions on restaurant operations due to the COVID-19 pandemic, compared to the previous year, and to a higher number of restaurants.

The revenues of Agora's Publishing House decreased in the period from January to September 2022 by 9.1% and amounted to PLN 33.1 million. In that period, Agora's Publishing House sold approximately 0.7 million books as well as film and music publications. The most frequently purchased publications included, i.a., the book *Czuła przewodniczka. Kobięca droga do siebie (Kind Companion. A Woman's Road to Herself)* by Natalia de Barbaro, *Ostatni śnieg (The Last Snow)* by Rafał Pacześ, *Wybór (Choice)* by Anne Applebaum and Donald Tusk, and *No i pogadali. Szkło kontaktowe, gdy gasną kamery (And So They Talked. Szkło kontaktowe when the Lights Go Out)* by Tomasz Jachimek. The best-selling music album was *Mogło być nic (It Could Have Been Nothing)* by the band Kwiat Jabłoni. It is worth noting that the revenues in the period from January to September 2021 were strongly influenced by the high sales of the book *Czuła przewodniczka (Kind Companion)*.

During the period from January to September 2022, the revenues of Agora's Publishing House from digital sales (sales of own publications and publications of other publishers) increased by 8.5% as compared to the previous year and stood at PLN 14.1 million.

## 2. COST

The operating costs of the Movies and Books segment increased in the third quarter of 2022 by 2.4% to PLN 97.2 million. The level of these expenditures was affected by the redemption of a portion of a loan from the Polish Development Fund (PFR) in the amount of PLN 14.1 million.

The largest expense category was external services, which increased in the third quarter of 2022 to PLN 35.6 million. This was related to cinema activities, including higher costs of the purchase of film copies, higher film production costs and higher costs of restaurant operations related to the growth of Step Inside.

The staff costs increased by 19.3% to PLN 20.4 million. This was due to higher remuneration costs in the cinema business – increase in full-time salaries in Helios. Staff costs were also higher in the film business as a result of increased film production costs, and in the restaurant business due to the growth of Step Inside. It is worth noting that a one-off payment of the inflation allowance influenced the level of this cost category.

An increase in the costs of materials and energy consumption as well as the value of goods and materials sold to PLN 17.6 million resulted from the increase in prices, higher concession sales in cinemas and higher proceeds from the restaurant business.

The segment's promotion and marketing costs remained at the same level as in the third quarter of 2021.

Operating costs of Agora's Publishing House, which reached PLN 10.7 million, went up slightly by 2.9%. This was linked to an increase in remuneration costs.

The depreciation and amortisation expenses of the segment (excluding the Agora's Publishing House) increased by 6.3% and amounted to PLN 20.2 million. This was affected by the modification of the rental agreements in Helios made in September 2021, which concerned the previous periods of 2021. This contributed mainly to the lower depreciation and amortisation cost in the third quarter of 2021. In the period under review, depreciation and amortisation in the restaurant business also increased, which was impacted by a larger number of restaurants developed under the Pasibus brand, while depreciation and amortisation in the film business was lower.

In the period from January to September 2022, the operating costs of the Movies and Books segment increased by 49.7% to PLN 313.9 million. Their increase, compared to 2021, was mainly due to the closure of cinemas by administrative decision until 20 May 2021, and the limitation of their activities at a later date due to the introduced ticket sales limits. Only from 13 June 2021 it was possible to pursue sales in cinema bars.

The level of operating costs of this business in the period from January to September 2022 was affected by the redemption of a portion of a loan from the Polish Development Fund (PFR) in the amount of PLN 14.1 million, the

reversal in the second quarter of 2022 of the write-down of fixed assets of Helios S.A. which was made in the fourth quarter of 2021 in the amount of PLN 1.7 million, and the write-down of fixed assets of Helios S.A. in the first quarter of 2022 in the amount of PLN 0.6 million. The write-down was related to the filing of an application for bankruptcy of Foodio Concepts Sp. z o.o. Helios provided Foodio Concepts with equipment for conducting business activities, which it did not use for other purposes. Helios sold its shares in Foodio Concepts in June 2020.

The costs of external services in the period from January to September 2022 increased to PLN 106.6 million. The costs of film copy purchases increased due to higher cinema attendance. The costs of external services resulting from expenditure related to the return of cinemas to operation after lifting the COVID-19 restrictions and the costs of remuneration paid to film producers due to higher revenues from film distribution were also higher. The level of costs of external services was also influenced by the costs related to film productions, including the film *Jeszcze przed świętami* (Even Before Christmas) for Netflix, and the costs of restaurant operations recorded as a result of lifting the restrictions related to COVID-19 and the development of Step Inside.

The staff costs increased by 55.7% to PLN 61.5 million. This was mainly due to the fact that since 1 March 2022 the restrictions related to COVID-19 were no longer in force in the cinema and foodservice industries, while between January and September 2021 the activities of cinemas and restaurants were subject to restrictions. Moreover, full-time salaries in Helios were higher. The staff costs were also increased by part of the costs related to film production, including the production of the film *Jeszcze przed świętami* (Even Before Christmas). The staff costs in the restaurant business were also higher due to the development of Step Inside. The one-off payment of the inflation allowance also influenced the level of this cost category. In the period from January to September 2022, despite restrictions on the cinema and restaurant business still in force until the end of February 2022, cinemas and restaurants were already operating. In the period from January to September 2021, Helios cinemas were closed until 20 May, and afterwards their activity was subject to restrictions, while by the end of May 2021, the foodservice activities were carried out primarily in delivery and take-out modes, and then the limits of seats in restaurants were in force.

The increase in the costs of materials and energy consumption and value of goods and materials sold up to PLN 48.0 million was due to the re-launch of concession sales in cinemas after its closure due to the COVID-19 pandemic, higher proceeds from the restaurant operations and an increase in the purchase prices of products.

Promotion and marketing costs of the segment have also increased. Between January and September 2022, they increased to PLN 13.6 million, which was mainly due to higher advertising costs in cinemas, including advertising settled in barter, and higher promotional costs in the area of film distribution due to the introduction of more new films into cinemas.

In the first three quarters of 2022, the operating costs of the Agora's Publishing House decreased by 3.3% to PLN 32.4 million. This was due to the decrease in costs of manufacturing due, inter alia, to lower sales of products.

The depreciation and amortisation expenses of the segment (excluding the Agora's Publishing House), which amounted to PLN 60.6 million, did not change.

### 3. NEW INITIATIVES

In the third quarter of 2022, Helios cinemas throughout Poland presented their viewers with subsequent film screenings – the repertoire contained many Polish and foreign productions, targeting both families and adult viewers. The network also continued to organise popular special projects screenings, enriching its offer with a new cycle Helios ANIME. In July and August, Helios conducted a nationwide campaign to promote the network's new mobile application. As part of the *Kino na wakacje, taniej przez aplikację* (Cinema for Holidays, Cheaper in the App) holiday campaign, tickets for any movie selected were available at very attractive prices.

NEXT FILM, a Helios group company distributing and producing films, in the third quarter of 2022 introduced the film *Johnny* directed by Daniel Jaroszek into cinemas. This is the company's second own production. The film conquered cinemas and after the first weekend it attracted over 100 thousand viewers and more than 800 thousand viewers as at the end of October. Even before the premiere, *Johnny* won as many as four prizes in the Main Competition of the 47th Polish Film Festival in Gdynia. The most important one is the audience award. Piotr Trojan (actor in a leading role), Marta Stalmierska (professional acting debut, also for the film *Apokawixa*) and Dawid Ogrodnik (Golden Kangaroo – award of Australian film distributors) were also awarded.

The book published by Agora's Publishing House – *Johnny. Powieść o księdzu Janie Kaczkowskim (Johnny. A Novel about Priest Jan Kaczkowski)*, which complements the story told in the film, was also a success. Maciej Kraszewski, the film screenwriter, is its author. Agora Music also released a vinyl record with the soundtrack from the film *Johnny*.

Moreover, in the last week of September, Agora's Publishing House launched the first biography of the Polish rock legend Jan Borysewicz. *Mniej obcy (A Little Less Strange)* is an interview with the leader of the Lady Pank band, which already after the first week from its premiere hit the best-sellers list of the largest sales outlets and on-line stores. In addition, in the third quarter of 2022, the Agora's Publishing House has prepared two books in Ukrainian: a book for children *Kocia Szajka (Cats' Gang)* by Agata Romaniuk and the best-selling *Czuła przewodniczka (Kind Companion)* by Natalia de Barbaro.



## IV.B. PRESS [1]

The Press segment includes consolidated pro-forma data on *Gazeta Wyborcza* daily, the Magazines division and the Print division.

Tab. 15

<i>in PLN million</i>	3Q 2022	3Q 2021	% change yoy	1-3Q 2022	1-3Q 2021	% change yoy
<b>Total sales, including:</b>	<b>55.0</b>	<b>52.3</b>	<b>5.2%</b>	<b>155.6</b>	<b>148.2</b>	<b>5.0%</b>
Copy sales	26.0	26.5	(1.9%)	77.8	78.1	(0.4%)
incl. <i>Gazeta Wyborcza</i>	24.7	25.0	(1.2%)	74.0	74.3	(0.4%)
Advertising revenue (1), (2)	16.1	16.1	-	44.8	45.4	(1.3%)
incl. <i>Gazeta Wyborcza</i> (4)	14.8	14.9	(0.7%)	40.9	41.2	(0.7%)
<b>Total operating cost, including (5):</b>	<b>(57.7)</b>	<b>(47.1)</b>	<b>22.5%</b>	<b>(160.0)</b>	<b>(134.6)</b>	<b>18.9%</b>
<b>Total operating cost without IFRS 16 (5):</b>	<b>(57.7)</b>	<b>(47.1)</b>	<b>22.5%</b>	<b>(160.0)</b>	<b>(134.6)</b>	<b>18.9%</b>
Raw materials, energy, consumables and printing services	(12.9)	(9.6)	34.4%	(36.9)	(28.6)	29.0%
Staff cost	(25.1)	(21.8)	15.1%	(75.6)	(68.8)	9.9%
D&A	(1.9)	(1.8)	5.6%	(5.2)	(5.6)	(7.1%)
Promotion and marketing (1), (3)	(3.3)	(3.3)	-	(9.7)	(8.7)	11.5%
<b>EBIT</b>	<b>(2.7)</b>	<b>5.2</b>	<b>-</b>	<b>(4.4)</b>	<b>13.6</b>	<b>-</b>
EBIT margin	(4.9%)	9.9%	(14.8pp)	(2.8%)	9.2%	(12.0pp)
<b>EBIT without IFRS16</b>	<b>(2.7)</b>	<b>5.2</b>	<b>-</b>	<b>(4.4)</b>	<b>13.6</b>	<b>-</b>
EBIT margin without IFRS16	(4.9%)	9.9%	(14.8pp)	(2.8%)	9.2%	(12.0pp)
<b>EBITDA</b>	<b>(0.8)</b>	<b>7.0</b>	<b>-</b>	<b>0.8</b>	<b>19.2</b>	<b>(95.8%)</b>
EBITDA margin	(1.5%)	13.4%	(14.9pp)	0.5%	13.0%	(12.5pp)
<b>EBITDA without IFRS16</b>	<b>(0.8)</b>	<b>7.0</b>	<b>-</b>	<b>0.8</b>	<b>19.2</b>	<b>(95.8%)</b>
EBITDA margin without IFRS16	(1.5%)	13.4%	(14.9pp)	0.5%	13.0%	(12.5pp)

- (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 websites;
- (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 and parking space occupied by the Press segment, computer costs, development and maintenance activities expenditures and costs of the Big Data department in Agora.

Both in the third quarter of 2022 and in the period from January to September 2022, the Press segment recorded a lower operating result compared to the corresponding period of 2021. The operating loss at the EBIT level amounted to PLN 2.7 million and PLN 4.4 million, respectively, and at the EBITDA level, the segment recorded a loss of PLN 0.8 million and a profit of PLN 0.8 million. In both of these periods, this was mainly affected by the increase in operating costs.

Implementation of the IFRS 16 standard 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 2022, the total revenue of the Press segment increased by 5.2% year on year and amounted to PLN 55.0 million. In the period from January to September 2022, the Press segment's total revenue was higher by 5.0% than the one recorded in the first three quarters of 2021 and stood at PLN 155.6 million. In both periods under review, the increase in revenues was mainly driven by increased revenues from the sale of printing services and the sale of digital subscriptions.

### 1.1. Revenue from copy sales

In the third quarter of 2022, the proceeds of the Press segment from copy sales decreased by 1.9% year on year and amounted to PLN 26.0 million. During the period from January to September 2022, they were lower by 0.4% year on year and reached PLN 77.8 million.

Both in the third quarter and in the period between January and September 2022, *Gazeta Wyborcza* maintained its leading position in sales among the opinion-forming dailies. In the third quarter of 2022, the average total copy sales of *Gazeta Wyborcza* amounted to 46.3 thousand copies and decreased by 14.3% year on year. In the same period, the proceeds from content sales of *Gazeta Wyborcza* decreased only by 1.2%, mainly due to the increasing revenue from sales of digital subscriptions for the daily. In the period from January to September 2022, the average total sales of *Gazeta Wyborcza* editions amounted to 48.7 thousand copies and decreased by 15.1% as compared to corresponding period of 2021.

At the same time, the proceeds from the sale of the content of *Gazeta Wyborcza* amounted to PLN 74.0 million and decreased by 0.4% as compared to the first three quarters of 2021.

### 1.2. Advertising sales

In the third quarter of 2022, advertising sales in the Press segment remained at a similar level year on year and amounted to PLN 16.1 million. In the period from January to September 2022, they decreased by 1.3% year on year and amounted to PLN 44.8 million. In both periods being discussed, this was mainly due to lower proceeds from sales of advertising services in the paper edition of *Gazeta Wyborcza*, with higher proceeds from advertising at *Wyborcza* websites and those recorded in connection with the organisation of more festivals than in the previous year.

In the third quarter of 2022, the net revenue of *Gazeta Wyborcza* from its entire advertising activity amounted to PLN 14.8 million, showing a decrease by 0.7% year on year. In the period from January to September 2022, the net revenue of *Gazeta Wyborcza* from its entire advertising activity amounted to PLN 40.9 million and was lower by 0.7% year on year.

### 1.3. Digital revenue

In the third quarter of 2022, the daily's digital revenue (from the sale of digital subscriptions and digital advertising) already stood at nearly PLN 17.2 million, which accounted for 39.8% of its total revenue. Between January and September 2022, the daily's digital revenue (from the sale of digital subscriptions and digital advertising) already amounted to nearly PLN 50.4 million, i.e. 42.0% of its total revenue.

The number of active paid digital subscriptions of *Gazeta Wyborcza* reached over 293.9 thousand at the end of September, which means an increase by 12.0% year on year.

## 2. COST

In the third quarter of 2022, the Press segment's operating costs increased by 22.5% to PLN 57.7 million, and in the period from January to September 2022 – by 18.9% to PLN 160.0 million.

The factor that largely contributed to increasing the segment's operating costs, both in the third quarter and in the first nine months of 2022, were the higher costs of materials, energy, goods and printing services. They amounted to PLN 12.9 million and PLN 36.9 million, respectively, and were higher by 34.4% and 29.0% year on year. The dynamics of this expenditure category were mainly influenced by the increase in the prices of paper on the market.



Both in the third quarter and in the period from January to September 2022, staff costs increased by 15.1% and 9.9% year on year, respectively. The dynamics of these expenditures was mainly influenced by the salary increases and an increase in employment in the Press segment.

In the third quarter of 2022, the promotion and marketing costs of the segment remained at the same level as in the corresponding period of 2021, and in the period from January to September 2022, these expenditures increased by 11.5% to PLN 9.7 million. The increase in this category of expenditure was mainly related to the intensive promotion of *Gazeta Wyborcza* periodicals.

The depreciation and amortisation costs of the segment increased in the third quarter of 2022 by 5.6% to PLN 1.9 million year on year, mainly due to the implementation of projects supporting the development of Wyborcza.pl website. Between January and September 2022, they amounted to PLN 5.2 million, which represents a decrease of 7.1% in costs in this category.

### 3. NEW INITIATIVES

In the third quarter of 2022, *Gazeta Wyborcza* introduced an update of its mobile app, allowing readers to comment on articles prepared by the daily team and discuss current events with other Internet users. This feature is only available to Wyborcza.pl subscribers.

In July, under the heading *Odblokuj potencjał pracownika (Unlock the Employee's Potential)*, Wyborcza launched a new product – subscription of Wyborcza.pl content in the form of an employee benefit. Employers interested in this solution will be given a 90-day, free trial access to the content of the website for their teams. The offer of a digital subscription in the form of an employee benefit covers not only unlimited access to Wyborcza.pl articles, including psychological support, wellbeing and professional development materials, but also webinars with experts and personal development podcasts posiadam (#I don't have) project. This year, the topic of the campaign is the functioning of subscription-based businesses. In addition, the Wyborcza team has established cooperation with another partner – this time with Storytel. Thanks

In August 2022, the Wysokieobcasy.pl and Wyborcza.biz websites started the second edition of the #Nie to this, since August 2022, two subscriptions – Premium Wyborcza.pl package and Unlimited Storytel package are available at an attractive, competitive price.

Also in August, there were three festivals co-organised by Wyborcza: Białystok New Pop Festival, RE: Rzeszów Festival and Olsztyn Green Festival. In the latter, the most *green* festival in Poland, 30 thousand people listened to concerts of top Polish musicians, including Ralph Kamiński, the Fisz Emade Tworzywo band and Kult, as well as to talks with artists and scientists on environmental protection; they also participated in numerous ecological workshops.

Additionally, in September, the Wyborcza team completed a three-month *Facebook accelerator* project, where it worked on improving the retention of digital subscribers. It is one of the projects that Wyborcza runs as part of grants and cooperation with Meta and Google. They are aimed at developing the digital and subscription business in Poland.

## IV.C. OUTDOOR

The Outdoor segment contains consolidated pro-forma data of the following companies: AMS S.A., AMS Serwis Sp. z o.o., Optimizers Sp. z o.o. and Video OOH Sp. z o.o. (on July, 22 2022, a change of the name Piano Group Sp. z o.o. to Video OOH Sp. z o.o. was registered).

Tab. 16

<i>in PLN million</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<i>% change yoy</i>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<i>% change yoy</i>
<b>Total sales, including:</b>	<b>38.8</b>	<b>37.0</b>	<b>4.9%</b>	<b>115.8</b>	<b>84.8</b>	<b>36.6%</b>
Advertising revenue (1)	36.7	35.3	4.0%	110.0	80.9	36.0%
<b>Total operating cost, including:</b>	<b>(35.5)</b>	<b>(33.7)</b>	<b>5.3%</b>	<b>(109.9)</b>	<b>(96.7)</b>	<b>13.7%</b>
<b>Total operating cost without IFRS 16</b>	<b>(36.2)</b>	<b>(34.0)</b>	<b>6.5%</b>	<b>(111.6)</b>	<b>(97.9)</b>	<b>14.0%</b>
Maintenance cost (1)	(10.1)	(9.7)	4.1%	(31.0)	(27.3)	13.6%
Execution of campaigns (1)	(5.4)	(5.1)	5.9%	(16.4)	(12.6)	30.2%
Staff cost	(7.6)	(6.3)	20.6%	(22.2)	(18.2)	22.0%
Promotion and marketing	(1.0)	(0.8)	25.0%	(2.8)	(1.8)	55.6%
D&A	(9.6)	(9.4)	2.1%	(28.6)	(28.1)	1.8%
Impairment losses (2)	0.1	-	-	0.1	(1.5)	-
<b>EBIT</b>	<b>3.3</b>	<b>3.3</b>	<b>-</b>	<b>5.9</b>	<b>(11.9)</b>	<b>-</b>
EBIT margin	8.5%	8.9%	(0.4pp)	5.1%	(14.0%)	19.1pp
<b>EBIT without IFRS 16</b>	<b>2.6</b>	<b>3.0</b>	<b>(13.3%)</b>	<b>4.2</b>	<b>(13.1)</b>	<b>-</b>
EBIT margin without IFRS 16	6.7%	8.1%	(1.4pp)	3.6%	(15.4%)	19.0pp
<b>EBITDA (2)</b>	<b>12.8</b>	<b>12.7</b>	<b>0.8%</b>	<b>34.4</b>	<b>17.7</b>	<b>94.4%</b>
EBITDA margin	33.0%	34.3%	(1.3pp)	29.7%	20.9%	8.8pp
<b>EBITDA without IFRS 16 (2)</b>	<b>7.8</b>	<b>8.2</b>	<b>(4.9%)</b>	<b>20.2</b>	<b>4.5</b>	<b>348.9%</b>
EBITDA margin without IFRS 16	20.1%	22.2%	(2.1pp)	17.4%	5.3%	12.1pp
Number of advertising spaces (3)	23 603	23 947	(1.4%)	23 603	23 947	(1.4%)

(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 buses, trams and Cityinfo.

The increase in revenues of the Outdoor segment by 4.9% to PLN 38.8 million and the control of operating costs translated in the third quarter of 2022 into positive operating results in this area. The EBIT result amounted to PLN 3.3 million, EBITDA increased to PLN 12.8 million and the EBITDA margin amounted to PLN 33.0%.

From January to September 2022, due to a significant increase in revenues, the Outdoor segment significantly improved its operating results. The segment's result at EBIT level increased to PLN 5.9 million, the segment's EBITDA increased by 94.4% to PLN 34.4 million, and the EBITDA margin increased by 8.8 pp to 29.7%.

The profit at the EBITDA level presented without the impact of IFRS 16 amounted to PLN 7.8 million in the third quarter of 2022 and PLN 20.2 million in the period from January to September 2022. Moreover, the profit at the EBIT level presented without the impact of IFRS 16 amounted to PLN 2.6 million in the third quarter of 2022 and PLN 4.2 million in the period from January to September 2022.

## 1. REVENUE [7]

Both in the third quarter and in the first nine months of 2022, the AMS Group's revenues from advertising sales were higher year on year. The revenues increased by 4.0% and 36.0%, respectively. The positive dynamics of the Outdoor segment's revenues were mainly impacted by expenditure on campaigns carried out on citylight, digital and

city transport media. The return to high revenue growth on citylight media marks a reversal of an unfavourable trend caused by the effects of the pandemic.

According to the IGRZ (Outdoor Chamber) report, in the third quarter of 2022, outdoor advertising spending in Poland increased by almost 15.5% yoy, and in the period from January to September 2022, this spending was higher by nearly 34.5% yoy.

The estimated share of the AMS Group in the outdoor advertising expenditure amounted to almost 27.0% in the third quarter of 2022, and to over 27.5% in the period between January and September 2022 [7].

## 2. COST

In the third quarter of 2022, the operating costs of the Outdoor segment went up by 5.3% to PLN 35.5 million.

The increase in the costs of maintenance of the system by 4.1% to PLN 10.1 million was mainly due to higher operating and development costs of the system of digital indoor media, higher operating costs of the MoveTV channel at fitness clubs, as well as an increase in the costs of repairs and ongoing maintenance of the advertising media.

The execution of campaigns costs increased by 5.9% to PLN 5.4 million, mainly as a result of higher campaign implementation costs on public transport vehicles and higher costs of exchanging exposures on traditional carriers, resulting from higher revenues.

Staff costs increased by 20.6% to PLN 7.6 million in the third quarter of 2022 – this is a result of an increase in fixed salaries and the amount of the variable component of remuneration due to the achievement of higher sales targets.

Higher promotion and marketing costs in the third quarter of 2022 were mainly due to increased patronage and sponsorship costs.

The increase in depreciation and amortisation in the segment followed from classifying in accordance with IFRS 16 the rental agreements with a higher total value than agreements classified in the third quarter of 2021.

The segment's operating costs presented without the effect of IFRS 16 were higher in the third quarter of 2022 by 6.5% yoy and stood at PLN 36.2 million.

During the period from January to September 2022, the operating costs of the Outdoor segment decreased by 13.7% yoy and amounted to PLN 109.9 million.

The largest increase was in the 'execution of campaigns costs' item due to the higher number of campaigns. In the first three quarters of 2022, this category of operating expenditure was higher by 30.2% and amounted to PLN 16.4 million. The costs for the replacement, distribution and printing of posters and vinyls, as well as for the implementation of the campaign on public transport were higher.

In the discussed period, the costs of maintenance of the system increased by 13.6% to PLN 31.0 million, mainly as a result of higher costs of functioning of the MoveTV channel in fitness clubs, increased costs of repairs and ongoing maintenance of advertising media, as well as development of the system of digital media in shopping centres.

Higher staff costs in the period from January to September 2022 resulted from an increase in fixed salaries and an increase in the variable component of remuneration as a result of higher achievement of the assumed sales targets.

The increase in promotion and marketing costs by 55.6% to PLN 2.8 million was mainly due to higher patronage costs, settled in the form of barter.

Depreciation and amortisation costs in the segment increased as a result of classifying in accordance with IFRS 16 the rental agreements with a higher total value than agreements classified in the period from January to September 2021.

The segment operating costs presented without the effect of the IFRS 16 standard in the period from January to September 2022 were 14.0% higher than in the corresponding period of 2021 and amounted to PLN 111.6 million.

### 3. NEW INITIATIVES

In the third quarter of 2022, AMS focused primarily on strengthening its digital offer and pro-environmental solutions.

Taking advantage of the possibilities of the digital offer, the company implemented further content campaigns - including for a brand from the FMCG segment during the 44th Warsaw Marathon, to reach both runners and fans with sports content. Additionally, this campaign used the DOOH CPM settlement model, hitherto reserved for online campaigns.

The content on DOOH media also supported its CSR activities. In August 2022, AMS Digital Citylight media counted down the time to "W Hour". The campaign was enriched by information and archival photos in the historical series Cityinfo – Feel the History and a specially prepared quiz. In addition, together with the Alivia Oncofoundation, AMS carried out educational content on breast cancer prevention through 3 channels of the DOOH system (Digital Indoor, MOVE TV and Digital Citylight), implementing 3.2 million broadcasts on more than 1.8 thousand screens.

In the third quarter, the company expanded its advertising media system in Gdańsk and Sopot – cities with strict resolutions concerning landscape management. In Sopot, a system of more than 40 advertising columns with Citylight surfaces was created and in Gdansk almost 30 backlight media in the format 9 and 18 m<sup>2</sup> were installed.

In addition, as a result of the successful arbitration proceedings, the Consortium consisting of AMS and Ströer Poland extended until May 11, 2024 the term of the Concession Agreement for the construction and operation of bus shelters in the Capital City of Warsaw.

In the third quarter of 2022, the Company continued to implement initiatives in the scope of the ECO offer. Under the signed agreement, Katowice will gain more than 20 new ECO shelters. Currently, the system of ECO shelters has 59 stops in 7 cities throughout Poland: 37 in Warsaw, 8 in Poznan, 8 in Crakow, 1 in Lublin, 1 in Szczecin, 2 in Sosnowiec and 2 in Katowice.

The pro-environmental activities of AMS have once again gained market recognition – the jury of the Polish Climate Congress awarded AMS with the title of the Energy Transformation Leader given at the World Urban Forum in Katowice.

## 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., Yieldbird Sp. z o.o. and the HRLink Group (as of January 28, 2021, which includes HRLink Sp. z o.o. and Goldenline Sp. z o.o.).

Tab. 17

<i>in PLN million</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<i>% change yoy</i>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<i>% change yoy</i>
<b>Total sales, including</b>	<b>40.7</b>	<b>51.6</b>	<b>(21.1%)</b>	<b>127.5</b>	<b>152.7</b>	<b>(16.5%)</b>
Display ad sales (1)	36.8	46.8	(21.4%)	115.0	139.8	(17.7%)
<b>Total operating cost, including (1),(2)</b>	<b>(36.8)</b>	<b>(44.0)</b>	<b>(16.4%)</b>	<b>(115.6)</b>	<b>(131.6)</b>	<b>(12.2%)</b>
<b>Total operating cost without IFRS 16 (1),(2)</b>	<b>(36.8)</b>	<b>(44.0)</b>	<b>(16.4%)</b>	<b>(115.6)</b>	<b>(131.6)</b>	<b>(12.2%)</b>
External services	(16.6)	(26.4)	(37.1%)	(56.1)	(79.4)	(29.3%)
Staff cost	(13.7)	(11.7)	17.1%	(40.2)	(35.6)	12.9%
D&A	(2.1)	(2.4)	(12.5%)	(6.7)	(7.2)	(6.9%)
Promotion and marketing (1)	(2.7)	(2.7)	-	(8.6)	(6.8)	26.5%
<b>EBIT</b>	<b>3.9</b>	<b>7.6</b>	<b>(48.7%)</b>	<b>11.9</b>	<b>21.1</b>	<b>(43.6%)</b>
EBIT margin	9.6%	14.7%	(5.1pp)	9.3%	13.8%	(4.5pp)
<b>EBIT without IFRS 16</b>	<b>3.9</b>	<b>7.6</b>	<b>(48.7%)</b>	<b>11.9</b>	<b>21.1</b>	<b>(43.6%)</b>
EBIT margin without IFRS 16	9.6%	14.7%	(5.1pp)	9.3%	13.8%	(4.5pp)
<b>EBITDA</b>	<b>6.0</b>	<b>10.0</b>	<b>(40.0%)</b>	<b>18.6</b>	<b>28.3</b>	<b>(34.3%)</b>
EBITDA margin	14.7%	19.4%	(4.7pp)	14.6%	18.5%	(3.9pp)
<b>EBITDA without IFRS 16</b>	<b>6.0</b>	<b>10.0</b>	<b>(40.0%)</b>	<b>18.6</b>	<b>28.3</b>	<b>(34.3%)</b>
EBITDA margin without IFRS 16	14.7%	19.4%	(4.7pp)	14.6%	18.5%	(3.9pp)

- (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., Yieldbird Sp. z o.o., HRLink group (since January 28, 2021 comprising HRLink Sp. z o.o. and Goldenline Sp. z o.o.);
- (2) the data include the allocated costs of office, warehouse and parking space, occupied by the Internet segment, costs of computers and development and maintenance activities of the technology department in Agora S.A. and the costs of Big Data department.

The Internet segment ended the third quarter of 2022 with a lower result than in the corresponding period of 2021, both at the EBIT and EBITDA levels. These ratios amounted to PLN 3.9 million and PLN 6.0 million, respectively [1]. This result was driven by lower segment revenues from the sale of online advertising than in the previous year.

Between January and September 2022, the Internet segment achieved operating profit at the EBIT level of PLN 11.9 million, while the segment's result at the EBITDA level decreased by 34.3% to PLN 18.6 million. The main reason for this state of affairs were the segment's lower revenues from the sale of online advertising compared to the previous year.

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 2022, total revenue of the Internet segment decreased by 21.1% yoy and amounted to PLN 40.7 million. Internet advertising sales revenue decreased by 21.4% compared to the third quarter of 2021 and accounted for PLN 36.8 million. The decline in advertising revenues was primarily driven lower online advertising sales generated by Yieldbird, mainly due to a change in the customer portfolio, and a focus on working with higher margin contractors.

In the period from January to September 2022, total revenue of the Internet segment decreased by 16.5% to PLN 127.5 million, mainly due to lower sales of online advertising recorded by Yieldbird. On the other hand, advertising sales revenue generated by the Gazeta.pl division was higher year on year, mainly due to an increase in revenue from the sale of advertising services in the first quarter of 2022.

## 2. COST

Operating costs for the Internet segment were lower both in the third quarter of 2022 – by 16.4% yoy and amounted to PLN 36.8 million, and in the period from January to September 2022 – by 12.2% yoy and amounted to PLN 115.6 million. This was primarily driven by a reduction in costs of external services, down by 37.1% yoy to PLN 16.6 million from July to September 2022, and down by 29.3% yoy to PLN 56.1 million from January to September 2022. These costs were lower primarily in Yieldbird, reflecting a decrease in the cost of leasing advertising space and lower revenue from the sale of advertising services. On the other hand, the increase in costs of external services in the period from January to September took place in the Gazeta.pl division and the HRLink Group.

The staff costs increased by 17.1% yoy to PLN 13.7 million in the third quarter of 2022, and by 12.9% to PLN 40.2 million in the period from January to September 2022. This is the result of higher employment and an increase in fixed salaries across the entire segment.

In turn, depreciation and amortisation costs were lower. They decreased by 12.5% to PLN 2.1 million in the third quarter of 2022 and by 6.9% to PLN 6.7 million in the period from January to September 2022. They decreased in Gazeta.pl division, and depreciation and amortisation in Yieldbird and HRLink group was higher. Promotion and marketing costs in the third quarter of 2022 remained at the same level as in the previous year, while they increased 26.5% yoy to PLN 8.6 million between January and September 2022. This was mainly due to higher expenditure in Gazeta.pl.

## 3. IMPORTANT INFORMATION ON INTERNET ACTIVITIES

In September 2022, the total reach of the Agora Group's websites among Polish Internet users amounted to 60.2% and the number of users reached 17.9 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 653 million, with the average viewing time of 53 minutes per user [6].

In September 2022, 17.2 million Internet users viewed the Agora Group's websites on mobile devices. The number of mobile page views amounted to 439 million, and the share of mobile page views on the websites of the Agora Group stood at 83% 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 2022, the Agora Group is the leader in the 'Parenthood' category (eDziecko.pl). The Agora Group ranks second in the 'Fashion and beauty' category (Avanti24.pl), and third in the following categories: 'Multi-themed websites for women' (Kobieta.Gazeta.pl, Buzz.Gazeta.pl, Wysokieobsacy.pl) and 'Gossip, celebrity life' (Plotek.pl). Agora Group's websites also hold high positions in thematic categories: 'Information and journalism – general' (fourth place; particularly Wyborcza.pl, Wiadomosci.Gazeta.pl, tokfm.pl), 'Local and regional information' (fourth place, local services of Wyborcza.pl, Metrowarszawa.pl), 'Sport' (Sport.pl), 'Automotive' (fifth place, Moto.pl), 'Travel and tourism' (sixth place, Podroze.Gazeta.pl), 'Cuisine, cooking' (sixth place, Haps.pl, Ugotuj.to, Magazyn-kuchnia.pl), 'Business, finance, law' (sixth place, Next.Gazeta.pl and Wyborcza.biz) [6].

#### 4. NEW INITIATIVES

In the third quarter of 2022, a change in the editorial structure of Gazeta.pl was announced. There are currently four divisions headed by four deputy editors-in-chief. The change aims to ensure that the offer is even better adapted to the expectations of readers, while at the same time developing an innovative and socially committed medium. New Trends department was also created in the new structure, whose team will supervise the creation of content going beyond standard journalistic formats, experimentation with new language and cooperation with content authors.

In order to meet the expectations of advertisers, the Gazeta.pl team tests the possibility of using different identifiers in promotional campaigns. In preparation for the market change consisting in the loss of 3rd party cookies, and in response to the growing trend of consumer privacy online, Gazeta.pl, Justtag Group, Equativ and Adform conducted in the third quarter of 2022 the first comprehensive campaign based on 1st party cookies. Importantly, when designing advertising campaigns on its surfaces, the portal relies on its own data, i.e. 1st party cookies, which will not be blocked but will soon become a very important element of broadcast. The advertising portfolio of Gazeta.pl included also the ad spaces of tokfm.pl, giving customers a chance to reach 2.1 million unique users.

The third quarter of 2022 is also the new autumn schedule of Gazeta.pl. Video programs with the highest popularity among Internet users returned to the portal, including *Studio Biznes (Business Studio)* and *Poranna rozmowa (Morning Talk)* with the new leading economic journalist Karolina Hytrek-Prosiecka, as well as *Sport.pl Live*. One of the most recent proposals of Gazeta.pl is *Rozmowy na lepsze jutro (Talks for a Better Tomorrow)* – a format in which suggestions can be found on how to find ourselves in the reality surrounding us. Gazeta.pl editors also create video content dedicated to younger audiences, which are more likely to be viewed by, among others, TikTok and YouTube users. One of the formats dedicated to these channels is, for example, a popular cycle *Czy wiesz, że... (Do you know that...)* in which the host introduces the viewers to interesting facts from the world of sport and show business.

Between January and September 2022, intensive work related to the development of HRlink was ongoing, with particular emphasis on system optimisation and improvement of quality and performance. Goldenline, on the other hand, has implemented a new layout of advertisements with a modern look. The number of information on the position presented to a potential candidate has also changed.

In the third quarter of 2022, the Yieldbird team continued to work hard to develop scalable marketing and sales processes using modern marketing automation tools. The project of the Yieldbird product management platform has entered the advanced stage of development. The platform – in accordance with the assumptions – is to allow for changing product settings, monitoring the results or testing and implementation of new products. The most significant changes and successes in the last quarter were related to the PriceGenius product which allows the editors to optimise profits from programming ads by creating an optimal pricing strategy based on advanced mathematical models. This product enjoys considerable market interest and Yieldbird has launched processes to further improve the product's performance. The changes include, inter alia, the construction of an additional Machine Learning model which, when forecasting the optimum price, takes into account additional, hitherto unused metrics, such as the size and type of advertising slot, as well as the geographical location of users. Moreover, improvements are being made to the way technologies operate in practice that will affect the speed and reliability of the system.



## IV.E. RADIO

The Radio segment contains consolidated pro-forma data of Agora's Radio Department, all local radio stations and the super-regional Radio TOK FM station belonging to the Agora Group. These include: 24 Golden Hits (Złote Przeboje) local radio stations, 4 local radio stations under the brand Rock Radio, 8 local stations broadcasting under the brand Radio Pogoda and a super-regional news radio TOK FM broadcasting in 23 metropolitan areas.

Tab. 18

<i>in PLN million</i>	<b>3Q 2022</b>	<b>3Q 2021</b>	<i>% change yoy</i>	<b>1-3Q 2022</b>	<b>1-3Q 2021</b>	<i>% change yoy</i>
<b>Total sales, including :</b>	<b>25.6</b>	<b>25.7</b>	<b>(0.4%)</b>	<b>75.9</b>	<b>68.6</b>	<b>10.6%</b>
Radio advertising revenue (1), (2)	20.3	21.9	(7.3%)	61.0	60.3	1.2%
<b>Total operating cost, including: (2)</b>	<b>(24.8)</b>	<b>(23.4)</b>	<b>6.0%</b>	<b>(74.4)</b>	<b>(64.9)</b>	<b>14.6%</b>
<b>Total operating cost without IFRS 16 (2)</b>	<b>(24.9)</b>	<b>(23.5)</b>	<b>6.0%</b>	<b>(75.0)</b>	<b>(65.2)</b>	<b>15.0%</b>
External services	(9.4)	(9.0)	4.4%	(27.9)	(22.5)	24.0%
Staff cost	(9.3)	(8.0)	16.3%	(28.9)	(25.3)	14.2%
D&A	(1.9)	(1.8)	5.6%	(5.6)	(5.5)	1.8%
Promotion and marketing (2)	(2.7)	(3.2)	(15.6%)	(7.5)	(7.5)	-
<b>EBIT</b>	<b>0.8</b>	<b>2.3</b>	<b>(65.2%)</b>	<b>1.5</b>	<b>3.7</b>	<b>(59.5%)</b>
EBIT margin	3.1%	8.9%	(5.8pp)	2.0%	5.4%	(3.4pp)
<b>EBIT without IFRS 16</b>	<b>0.7</b>	<b>2.2</b>	<b>(68.2%)</b>	<b>0.9</b>	<b>3.4</b>	<b>(73.5%)</b>
EBIT margin without IFRS 16	2.7%	8.6%	(5.9pp)	1.2%	5.0%	(3.8pp)
<b>EBITDA</b>	<b>2.7</b>	<b>4.1</b>	<b>(34.1%)</b>	<b>7.1</b>	<b>9.2</b>	<b>(22.8%)</b>
EBITDA margin	10.5%	16.0%	(5.5pp)	9.4%	13.4%	(4.0pp)
<b>EBITDA without IFRS 16</b>	<b>1.8</b>	<b>3.3</b>	<b>(45.5%)</b>	<b>4.3</b>	<b>6.7</b>	<b>(35.8%)</b>
EBITDA margin without IFRS 16	7.0%	12.8%	(5.8pp)	5.7%	9.8%	(4.1pp)

(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 2022, the operating results of the Radio segment, both at the EBIT and EBITDA levels, were lower year on year and amounted to PLN 0.8 million and PLN 2.7 million, respectively.

Between January and September 2022, the segment's operating result at the EBIT level was lower year on year, and reached PLN 1.5 million. During that period, the segment's EBITDA decreased year on year, amounting to PLN 7.1 million.

In the third quarter of 2022, the segment's operating result at the EBIT level, presented without the effect of IFRS 16, amounted to PLN 0.7 million, and at the EBITDA level – to PLN 1.8 million. Between January and September 2022, the operating profit of the Radio segment at the EBIT level, without the effect of IFRS 16, amounted to PLN 0.9 million, and at the EBITDA level – to PLN 4.3 million.



## 1. REVENUE [3]

In the third quarter of 2022, the Radio segment's revenue decreased by 0.4% yoy and amounted to PLN 25.6 million. In the period from January to September 2022, the total revenue of the Radio segment recorded an increase by 10.6% yoy and stood at PLN 75.9 million. The third quarter of 2022 saw a decrease in the barter revenue from the sale of airtime in the radio stations of the Agora's Radio Group and the proceeds from brokerage services for the sale of airtime in third-party radio stations.

It is worth noting that in the third quarter of 2022 market spending on radio advertising increased by 3.5% compared to the corresponding period of 2021, while in the period from January to September it increased by 1.5% compared to the first three quarters of 2021.

In the third quarter of 2022, the segment's online revenue was higher by 33.3%, and in the period from January to September – by 19.1%. In both periods, revenue from online advertising services and from the sale of the Premium TOK FM subscriptions increased. The number of premium TOK FM subscriptions at the end of the third quarter of 2022 increased to 28.6 thousand, i.e. by 14.4% compared to the situation in the same period of the previous year.

In both periods under review, the proceeds from sales brokerage services for Helios cinema network were also higher.

## 2. COST

In the third quarter of 2022, the operating costs of the Radio segment increased by 6.0% yoy and amounted to PLN 24.8 million. In the period from January to September 2022, it went up by 14.6% and amounted to PLN 74.4 million.

In the third quarter of 2022, the costs of external services increased by 4.4% yoy to PLN 9.4 million and they were higher by 24.0% and amounted to PLN 27.9 million in the period from January to September 2022. The increase in costs in both periods under review was mainly driven by higher costs related to the provision of sales of agency services to the Helios cinema network. In the previous year, until May, the cinemas remained closed by virtue of an administrative decision. The promotion and marketing costs services as well as rent and lease payments were also higher. At the same time, in both periods under review, a decrease was recorded in the cost of airtime purchase in third-party radio stations in connection with the advertising sales brokerage services provided.

The third-party services item includes, in addition to the agency costs in the sale in Helios cinemas and in the sale of advertising in stations of other broadcasters, among others: costs of production services, as well as operator fees.

The staff costs increased by 16.3%, to PLN 9.3 million in the third quarter of 2022 and by 14.2%, to PLN 28.9 million in the period from January to September 2022. In both periods, fixed salaries costs were higher, mainly due to the payment of the inflation allowance and higher employment. Between January and September, expenses for courses, training courses and conferences also increased.

In the third quarter of 2022, advertising and promotion costs were lower by 15.6% and amounted to PLN 2.7 million, while in the period from January to September they remained at the level of the first three quarters of 2021. In both periods in question, the expenditures on promotion of Golden Hits (Złote Przeboje) were lower. In the third quarter of 2022, the expenditures on promotion of Radio Pogoda, and in the period from January to September – on promotion in sales and promotion of Radio TOK FM, increased.

The Radio segment's operating costs presented without the impact of the IFRS 16 standard amounted to PLN 24.9 million in the third quarter of 2022 and were by 6.0% higher than in the corresponding periods of 2021. In the period from January to September 2022, the operating costs as presented above represented PLN 75.0 million and increased by 15.0% as compared to the corresponding months of 2021.

### 3. AUDIENCE SHARES [8]

Tab. 19

% share in listening	3Q 2022	change in pp yoy	1-3Q 2022	change in pp yoy
Group's music radio stations (Rock Radio, Złote Przeboje and Radio Pogoda)	3.8%	0.1pp	3.8%	(0.2pp)
News talk radio station TOK FM	3.5%	0.9pp	3.2%	0.5pp

It is worth noting that the Agora Group's radio stations do not have nationwide coverage. The Agora Radio Group's music stations 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 a population over 100 thousand, it already ranks third, outrivalling much larger groups, such as TIME and Polish Radio, and in cities with a population over 500 thousand it ranks second, outrivalling the Eurozet group and only slightly yielding to the RMF Group. TOK FM news radio broadcasts primarily in cities with the population of over 200 thousand, where it holds the second position among the most popular radio stations in Poland, outrivalling the nation-wide Radio Zet. At the same time, the TOK FM station was promoted to fourth place in the ranking of national and supra-regional radio stations. It is also worth noting that Radio TOK FM in the period from April to September is the No. 1 station in Warsaw with the listening share of 14.2% yoy.

### 4. NEW INITIATIVES

TOK FM radio and Agora Radio Group music stations introduced autumn schedules and new proposals for their customers in the third quarter of 2022. Klub Pogodnych Ludzi (Cheerful People Club) returned to Radio Pogoda. Numerous attractions, dedicated games and the opportunity to participate in the daily activities of the station are prepared for the club members on the air, in the social media and on the station's website.

New programmes appeared on Radio TOK FM: *BOS – Bodnar o Społeczeństwie (Bodnar on Society)*, conducted by Adam Bodnar, and *Jest temat (We Must Talk)* conducted by Agata Szczęśniak.

Additionally, in September 2022, another podcast in the library of the TOK FM platform had its premiere. *English BIZ* is an exceptional proposal for all those interested in the exploration of English language communication in the world of business, politics and the economy.

Apart from that, in mid-September 2022, Rock Radio presented a new image of its music frame.

## 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 data on expenditure on dailies and magazines in the first and the second quarter of 2021.*

*Unless explicitly stated otherwise, press and radio advertising market data referred to herein are based on Agora's estimates on advertising spendings in press and radio 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 from the Polish Readership Survey (PBC). The term "sales" as used in this commentary means "total issue sales" from declarations made by publishers to the Polish Readership Survey. 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:*

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

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

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

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

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

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

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

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

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

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

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

[6] Real users, page views and spent time on the basis of Mediapanel. Data 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 Agora Group's websites are audited by Gemius SA.

Since October 2020- a new methodology of research has been introduced. Mediapanel's cross-media survey replaced an earlier survey called Gemius/PBI and thus the results are not comparable to earlier periods. The data includes the information about PC and mobile platforms and present the traffic through www as well as through mobile applications (Gazeta.pl LIVE, Sport.PL LIVE, Moje Dziecko, Moja Ciaza, Tuba.fm, Aplikacja Gazeta Wyborcza, Clou). Total data are also presented.

[7] Source: report prepared by Izba Gospodarcza Reklamy Zewnętrznej (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 (all places, all days and all quarter) in whole population and in the age group of 15+, from July to September (sample for 2021: 20,926; sample for 2022: 20,896; from January to September (sample for 2021: 62,781; sample for 2022: 62,836.

[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 and based on the results of the UIP distributor's films obtained in the multiplex networks. 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

- Delivery of the Appeal of the President of the Office of Competition and Consumer Protection against the Judgment of the Court of the first instance amending in its entirety the decision of the President of the Office of Competition and Consumer Protection of January 7, 2021 prohibiting the concentration – taking control over Eurozet sp. z o.o.**

In the current report of November 15, 2022 the Management Board of Agora S.A. with reference to the current reports Nos. 4/2021 of February 8, 2021, 15/2022 of May 12, 2022 and 28/2022 of July 28, 2022, informed that the Company was informed of the delivery to Agora's proxy, of the appeal of the President of the Office of Competition and Consumer Protection against the judgment of the Warsaw District Court – Court for Competition and Consumer Protection of May 12, 2022 (case No. XVII AmA 61/21) ("Judgement") amending in its entirety the decision of the President of the Office of Competition and Consumer Protection dated January 7, 2021 ("Decision"), prohibiting the concentration – taking control over Eurozet sp. z o.o. by the Company ("Transaction"). The Judgement amended the Decision so that an unconditional consent for the Transaction was granted.

The Company analyzed the content of the appeal. In the appeal, the President of the Office of Competition and Consumer Protection demands amendment of the appealed Judgement through dismissal of the Company's appeal in its entirety, alternatively, revocation of the appealed Judgement in its entirety and referring the case back for rehearing to the Warsaw District Court – Court for Competition and Consumer Protection.

The Company finds the Judgement correct and does not agree with the position presented in the appeal. Consequently, in accordance with the former regulatory filing, the Company plans to respond to the appeal.

In the current report of July 28, 2022 the Management Board of Agora S.A. with reference to the current report 4/2021 of 8 February 2021 and of 15/2022 of 12 May 2022, informed that on 28 July 2022 on the basis of information obtained at the registry of the District Court in Warsaw - Court of Competition and Consumer Protection ("Court"), the Company learned that on 26 July 2022, the President of the Office of Competition and Consumer Protection ("President of UOKiK") appealed against the judgment of the Court of 12 May 2022 amending in its entirety the decision of the President of the Office of Competition and Consumer Protection of 7 January 2021, prohibiting Agora taking control over Eurozet Sp. z o.o. ("Decision").

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

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

The President of UOKiK appealed against the above judgment. As at the date of publication of this current report, the Company has not been formally served with the appeal of the President of UOKiK. After the formal delivery of the document, about which Agora will inform separately, the Company plans to respond to the appeal of the President of UOKiK.

- Completion of negotiations and signing of Annex No. 5 to the agreement of Eurozet shareholders**

In the current report of August 19, 2022 the Management Board of Agora S.A. with reference to the current report No. 3/2019 of 20 February 2019 on the completion of negotiations and conclusion of the contract for the sale of shares in Eurozet sp. z o.o. with its seat in Warsaw ("Eurozet") and the agreement of shareholders of Eurozet concluded on 20 February 2019 ("Partnership Agreement"), as well as current reports: No. 1/2022 of 1 February 2022 on the commencement of negotiations on amendments to the Shareholders Agreement, and No. 2/2022 of 16 February 2022, No. 16/2022 of 19 May 2022, No. 26/2022 of 29 June 2022 and No. 29/2022 of 29 July 2022 on signing with the majority shareholder of Eurozet, i.e. with SFS Ventures s.r.o. with its seat in Prague (Czech Republic) ("SFS Ventures") of the annexes to the Shareholders' Agreement amending it with regard to extending the period of exercising Agora's right to acquire all remaining Eurozet shares belonging to SFS Ventures ("Call Option"), informed

that on 19 August 2022 the Company completed negotiations on the amendment of the Shareholders' Agreement conducted so far with SFS Ventures.

As a result of the completed negotiations, Agora concluded with SFS Ventures Annex No. 5 to the Shareholders' Agreement ("Annex No. 5"). In particular, the Annex no. 5 changed the date of exercising the Call Option. Under the Annex No. 5, Agora is entitled (but not obliged) to exercise the Call Option in the period that commenced 12 months after 20 February 2019, i.e. the date of purchase of 40% of Eurozet shares by Agora S.A. and 60% of Eurozet shares by SFS Ventures, and ending on 31 July 2025.

At the same time, provisions were added to the Shareholders' Agreement regarding the possibility of shortening the period of exercising the Call Option in the event of a significant deterioration of the aggregate net debt ratio to the adjusted aggregate EBITDA ratio, in each case calculated jointly for the consolidated data of Agora Group and Eurozet Group, in accordance with the calculation mechanism specified in detail in the Shareholders' Agreement.

Changes were also made to the method of considering some of the financial ratios achieved by SFS Ventures, which affect the determination of the purchase price of Eurozet shares covered by the Call Option by Agora.

The other provisions of the contract have not been materially changed.

**In the current report of July 29, 2022** the Management Board of Agora S.A. with reference to current report no. 1/2019 of 25 January 2019, no. 3/2019 of 20 February 2019, and referring to current reports no. 26/2019 of 17 September 2019, no. 27/2019 of 18 September 2019, as well as no. 1/2022 of 1 February 2022, no. 2/2022 of 16 February 2022, no. 16/2022 of 19 May 2022 and no. 26/2022 of 29 June 2022, hereby informed that the Company signed today with the majority shareholder of Eurozet Sp. z o. o. with its seat in Warsaw ("Eurozet"), i.e. with SFS Ventures s.r.o. based in Prague (Czech Republic) ("SFS Ventures") Annex No. 4 to the shareholders' agreement concluded on 20 February 2019 regarding the extension until 19 August 2022 of the deadline for Agora to execute the Call Option.

During this time, the partners will continue negotiations on the amendment to the shareholders' agreement, in particular with regard to the date of exercising Agora's right to acquire all remaining shares of Eurozet belonging to SFS Ventures, about which the Company informed in the current report no. 1/2022 of 1 February 2022, no. 2/2022 of 16 February 2022, no. 16/2022 of 19 May 2022 and no. 26/2022 of 29 June 2022.

On 12 May 2022, in the current report no. 15/2022, the Company informed about the judgment of the District Court in Warsaw - the Court of Competition and Consumer Protection - changing in its entirety the decision of the President of the Office of Competition and Consumer Protection of 7 January 2021, prohibiting Agora from taking control over Eurozet Sp. z o.o. The decision was changed by the court in such a way that it expressed unconditional consent to the takeover of Eurozet sp. z o.o. by Agora. On 28 July 2022, the Company was informed that the President of UOKiK filed an appeal against the judgment of the Court of first instance. After the formal delivery of the appeal, about which Agora will inform separately, the Company plans to respond to the appeal of the President of UOKiK.

### ► Conclusion of agreement with trade unions on reduction of employment at Agora S.A.

**In the current report of November 14, 2022** the Management Board of Agora S.A., in relation to regulatory filing no. 36/2022 dated October 28th, 2022, hereby informed about:

- (i) concluding on November 14th, 2022 an agreement with trade unions operating at the Company (which fulfills the provisions of article 3, Section 1 of the Act of March 13th, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees) and with work council in the Company (which constitutes an agreement in accordance with the Act of April 7th, 2006 on informing and consulting employees) ("Agreement"),
- (ii) adopting by the Management Board of the Company on November 14th, 2022 resolution to execute collective redundancies in the Company, in accordance with the provisions of the Agreement.

The collective redundancies shall be executed from November 17th until December 16th, 2022, and shall affect up to 84 employees.

In accordance with the agreement, the laid-off employees will be provided by the Company with a wider range of supportive measures than required by law. The redundancy payment estimated according to law regulations shall be increased by an additional compensation in the amount depending on the seniority at Agora Group. The laid-off



employees shall be supported by additional protective measures provided by the Company, i.a. help in searching for new job and reskilling, psychological care and basic medical care. The Company, in accordance with requirements of law, shall submit an appropriate set of information, together with the signed Agreement, to a relevant Labor Office.

The estimated amount of provision for collective redundancies which will be charged to the Company and Agora Group's result in 4Q2022, shall amount to approximately PLN 3.6 million. The Company estimates that the restructuring measures shall result in the annual savings and may amount to approximately PLN 6.7 million.

The Company shall provide its estimates of costs and savings related to the process of collective redundancies in the Management Discussion and Analysis for 1Q2023.

**In the current report of October 28, 2022** the Management Board of Agora S.A. informed that on October 28th, 2022, in accordance with the Act of March 13th, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees, resolved to initiate the consultation on group layoffs with the trade unions operating in the Company. Additionally, in accordance with the Act of April 7th, 2006 on informing and consulting employees, the Company's works council shall also be consulted on the group layoff process.

The reason for the planned group layoffs is the Company's aim to increase the effectiveness of processes functioning within the Company and to reduce operating costs. Due to economic and financial factors, i.e. economic crisis caused by the conflict in Ukraine resulting i.a. in the increase of the price of paper and due to adverse prognosis concerning economic growth in the coming quarters, the changes of the organizational structure of the Company are essential.

The intention of the Management Board of Agora SA is to lay off up to 84 employees of the Company (which is ca. 5.9% of employees of the Company) between November 21st and December 20th, 2022.

The Company shall go through these difficult changes in a thought out manner and with care for its employees, offering the dismissed employees a range of protective and supportive initiatives.

On October 28th, 2022 the Management Board of the Company shall request the trade unions operating at the Company and the Company's works council to join in the consultation on collective redundancy process and shall provide the relevant Labor Office with information on the intention to execute group layoffs in the Company.

The Company shall publish a consecutive regulatory filing on collective redundancies after the required by law process of consultation with trade unions and works council operating at the Company is finalized. This regulatory filing shall also include information on the estimated amount of provision related to the restructuring of employment in Agora S.A. which will be fully charged to the result of the Company and of Agora Group in the 4th quarter of 2022. The final data regarding the amount of the provision and the effect of employment restructuring on the financial results of the Company and of Agora Group shall be published in the yearly financial statements of the Company and of Agora Group for 2022.

#### ■ **Intention to extend the period of the Agora Tax Capital Group for 2023**

**In the current report of November 8, 2022** the Management Board of Agora S.A., with reference to the regulatory filings no. 35/2017 of December 21, 2017, 6/2018 of February 16, 2018, 40/2020 of November 13, 2020, 43/2020 of December 11, 2020, 21/2021 of November 10, 2021 and 23/2021 of December 9, 2021 informed that on November 8, 2022, an agreement to extend the period of operation of the Agora Tax Capital Group ("PGK"), was concluded between 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., Yeldbird sp. z o.o. and Plan A sp. z o.o.

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

The agreement to extend the period of operation of the Tax Capital Group, appoints Agora 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 December 31, 2023. 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 7 million in 2023.

## ► Changes in subsidiaries

### ► AMS S.A.

In the current report of September 8, 2022 the Management Board of Agora S.A. with reference to the current report 27/2013 of 18 December 2013, informs that the Consortium consisting of AMS S.A. (AMS) and Ströer Polska Sp. z o.o. (Ströer), acting pursuant to clause 28.2 of the Concession Agreement, signed an annex to the above-mentioned Agreement with the Capital City of Warsaw (Concession Grantor), extending its validity until 11 May 2024. The annex was concluded as a result of arbitration proceedings won by the Consortium, which will share the costs and revenues related to the operation of the bus shelters in the time corresponding to the extension period.

### ► 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 Srodmiemie 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 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.

As at the date of this report, the share valuation procedure in both proceedings is still ongoing.

**In the current report of August 5, 2022** the Management Board of Agora S.A. with reference to the current report 9/2022 of 28 March 2022 and 19/2022 of 3 June 2022, informs that the subsidiary - Helios S.A. received a declaration on the cancellation of a part of the preferential loan granted to Helios S.A. by the Polish Development Fund S.A. effective from 9 August 2022.

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

**In the current report of August 26, 2022** the Management Board of Agora S.A. in reference to regulatory filing No. 35/2020 of 24 September 2020 and 45/2020 of 23 December 2020, informed that on 26 August 2022, it obtained information on the conclusion by the subsidiary Helios S.A. of Annex no. 1 to the revolving loan agreement with Santander Bank Polska S.A. based in Warsaw ("Santander") with a guarantee of repayment of 80.0% of the loan by Bank Gospodarstwa Krajowego ("BGK"). Under the signed Annex no. 1, the loan repayment date, originally on 26 August 2022, was changed to 26 May 2026. Additionally, the loan repayment in the amount of PLN 20.0 million from a one-off payment has been spread into 44 monthly instalments, the repayment of which will start on 26 September 2022. The other provisions of the contract remain unchanged.

**In the current report of September 27, 2022** the Management Board of Agora S.A. in reference to the regulatory filing no. 35/2020 of September 24, 2020, informed that it learned about the change introduced to the overdraft agreement concluded by the subsidiary Helios S.A. with BNP Paribas Bank Polska S.A. based in Warsaw ("BNP Paribas") with a repayment guarantee of 80.0% of the loan by Bank Gospodarstwa Krajowego ("BGK"). Pursuant to the introduced changes, the loan repayment date originally falling on September 24, 2022 was changed to June 24, 2026. Additionally, the loan repayment in the amount of PLN 20.0 million from a one-off payment was spread over 45 monthly instalments, the repayment of which will start from 27 September 2022. The other provisions of the contract remain unchanged.

**In the current report of October 14, 2022** The Management Board of Agora S.A. in reference to current reports no. 35/2020 of 24 September 2020, no. 45/2020 of 23 December 2020 and no. 32/2022 of 26 August 2022 r., informed that on 14 October 2022 it obtained information on the execution by the subsidiary Helios S.A. ("Helios") of an amending agreement (the "Agreement") to the revolving loan agreement of 23 December 2020 with Santander Bank Polska S.A. based in Warsaw ("Santander") with a guarantee of repayment of 80.0% of the loan by Bank Gospodarstwa Krajowego, the conclusion of which was reported by the Company in current report no. 45/2020 of 23 December 2020. Under the executed Agreement, it was agreed that Helios will be able to draw the above mentioned revolving loan up to the amount of PLN 11 million, with the condition that amounts exceeding the amount of credit utilisation as of 14 October 2022 will be disbursed upon granting by the Company of a surety for the liabilities of Helios arising out of the disbursement instruction.

The drawdown of the given revolving loan over the amount of PLN 11 million will require a separate decision of Santander. The other provisions of the revolving loan agreement of 23 December 2020 remain unchanged.

**In the current report of November 14, 2022** the Management Board of Agora S.A. informed that on November 14th, 2022, the Management Board of Helios S.A. ("Company"), subsidiary of Agora S.A., in accordance with the Act of March 13th, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees, resolved to commence the consultation on group layoffs with the representatives of the Company's employees.

The reason for the planned group layoffs is the current economic and financial situation of the Company which has recently been gravely affected by i.a.: lower than the pre-pandemic frequency in Polish cinemas, energy price increase, minimum wage and minimum rate increase, EUR rate increase, other doing business costs increase, and commencement of repayment of loans taken out in connection with tackling Covid-19 effects and doubling of this debt service cost.

The intention of the Management Board of Helios S.A. is to lay off up to 80 employees of the Company (which is ca. 20% of employees of the Company as of November 14th, 2022) between November 22nd and 21st December, 2022.

The Company shall go through these difficult changes in a thought out manner and with care for its employees, offering the dismissed employees a range of protective and supportive initiatives.

On November 14th, 2022 the Management Board of the Company shall request the representatives of the Company's employees to join in the consultation on collective redundancy process and shall provide the relevant Labor Office with information on the intention to execute group layoffs in the Company.

Agora S.A. shall publish a consecutive regulatory filing on collective redundancies after the process of consultation with representatives of the Company's employees is finalized. The final data regarding the amount of the provision and the effect of employment restructuring on the financial results of Agora Group shall be published in the annual financial statements of Agora Group for 2022.

► **Helios Media Sp. z o.o.**

**On September 1, 2022** the company Helios Media Sp. z o.o., whose sole shareholder is Helios S.A., was registered in the National Court Register.

► **Next Script Sp. z o.o.**

**On October 27, 2022** Next Film Sp. z o.o. acquired from Last Moment Production Sp. z o.o. 800 shares in Next Script Sp. z o.o.

**On 14 November 2022** Next Film Sp. z o.o. acquired 800 shares in Next Script Sp. z o.o. from Dariusz Michalczewski, thereby Next Film on 14 November 2022 became the sole shareholder in Next Script Sp. z o.o. holding all 9400 shares of the share capital.

► **Plan G Sp. z o.o.**

**On October 5, 2022** the company Plan G Sp. z o.o., whose sole shareholder is Agora S.A. As, was established. At the publication date of the report, the company has not yet been registered with the National Court Register.

## 2. CHANGES IN OWNERSHIP OF SHARES OR OTHER RIGHTS TO SHARES (OPTIONS) BY MANAGEMENT BOARD MEMBERS IN THE THIRD QUARTER OF 2022 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 20

shares	As of November 17, 2022	decrease	increase	As of August 12, 2022
Bartosz Hojka	2,900	-	-	2,900
Wojciech Bartkowiak	0	-	-	0
Tomasz Grabowski	0	-	-	0
Tomasz Jagiello	0	-	-	0
Anna Krynska - Godlewska	0	-	-	0
Agnieszka Siuzdak – Zyga*	-	-	-	0

\*Agnieszka Siuzdak-Zyga was a Member of the Management Board of the Company until August 31, 2022.

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 2022 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 21

shares	As of November 17, 2022	decrease	increase	As of August 12, 2022
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 11, 2022) 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. 22

	no. of shares	% of share capital	no. of votes	% of voting rights
<b>Agora-Holding Sp. z o.o.</b> <i>(in accordance with last notification of 24th Sept 2015) (1)</i>	5,401,852	11.60	22,528,252	35.36
<b>Powszechne Towarzystwo Emerytalne PZU S.A. (PZU "Zlota Jesien" Open Pension Fund and PZU Voluntary Pension Fund)</b> <i>(in accordance with last notification of 27th Dec 2012)(1)</i>	7,594,611	16.30	7,594,611	11.92
<b>including:</b> PZU "Zlota Jesien" Open Pension Fund <i>(in accordance with last notification of 27th Dec 2012)(1)</i>	7,585,661	16.28	7,585,661	11.91
<b>Media Development Investment Fund, Inc. (MDIF Media Holdings I, LLC)</b> <i>(in accordance with formal notification received on 6th June 2016)(1)</i>	5,350,000	11.49	5,350,000	8.40
<b>Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. (Nationale – Open Pension Fund and Nationale Nederlanden Voluntary Pension Fund)</b> <i>(in accordance with last notification of 9th June 2016)(1)</i>	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 2022, 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 2022 and for 3 and 9 month period  
ended thereon



**CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2022**

	As at 30 September 2022 unaudited	As at 30 June 2022 unaudited	As at 31 December 2021 audited
<b>Assets</b>			
<b>Non-current assets:</b>			
Intangible assets	405,701	406,603	410,192
Property, plant and equipment	355,041	358,929	366,730
Right-of-use assets	589,223	603,648	610,108
Long-term financial assets	2,443	2,683	3,158
Investments in equity accounted investees	124,400	146,999	142,910
Receivables and prepayments	3,820	3,319	6,360
Deferred tax assets	51,075	46,870	47,937
	<b>1,531,703</b>	<b>1,569,051</b>	<b>1,587,395</b>
<b>Current assets:</b>			
Inventories	31,701	27,360	19,994
Accounts receivable and prepayments	186,281	176,680	177,366
Income tax receivable	1,657	1,123	599
Short-term securities and other financial assets	1,194	1,027	1,024
Cash and cash equivalents	70,077	74,207	134,878
	<b>290,910</b>	<b>280,397</b>	<b>333,861</b>
<b>Total assets</b>	<b>1,822,613</b>	<b>1,849,448</b>	<b>1,921,256</b>

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

**CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2022 (CONTINUED)**

	Note	As at 30 September 2022 unaudited	As at 30 June 2022 unaudited	As at 31 December 2021 audited
<b>Equity and liabilities</b>				
<b>Equity attributable to equity holders of the parent:</b>				
Share capital		46,581	46,581	46,581
Share premium		147,192	147,192	147,192
Retained earnings and other reserves		509,330	532,820	580,582
		<b>703,103</b>	<b>726,593</b>	<b>774,355</b>
<b>Non-controlling interest</b>		<b>601</b>	<b>1,569</b>	<b>5,929</b>
<b>Total equity</b>		<b>703,704</b>	<b>728,162</b>	<b>780,284</b>
<b>Non-current liabilities:</b>				
Deferred tax liabilities		5,782	5,905	5,841
Long-term borrowings	3	660,595	642,222	630,182
Other financial liabilities	15	28,345	28,345	34,344
Retirement severance provision		3,514	3,514	3,401
Provisions		-	-	93
Accruals and other liabilities		13,983	15,343	18,312
Contract liabilities		869	1,153	2,126
		<b>713,088</b>	<b>696,482</b>	<b>694,299</b>
<b>Current liabilities:</b>				
Retirement severance provision		160	160	344
Trade and other payables		210,281	208,890	246,531
Income tax liabilities		515	34	642
Short-term borrowings	3	175,431	196,054	176,541
Provisions		1,747	1,635	2,052
Contract liabilities		17,687	18,031	20,563
		<b>405,821</b>	<b>424,804</b>	<b>446,673</b>
<b>Total equity and liabilities</b>		<b>1,822,613</b>	<b>1,849,448</b>	<b>1,921,256</b>

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

**CONSOLIDATED INCOME STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Note	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited
Revenue	4	267,162	782,109	266,459	614,226
Cost of sales		(198,257)	(575,331)	(180,698)	(461,600)
<b>Gross profit</b>		<b>68,905</b>	<b>206,778</b>	<b>85,761</b>	<b>152,626</b>
Selling expenses		(43,484)	(133,281)	(41,993)	(116,913)
Administrative expenses		(41,844)	(126,076)	(35,207)	(111,603)
Other operating income		17,689	23,937	5,830	18,280
Other operating expenses		(1,035)	(4,524)	(1,891)	(7,035)
Impairment losses for receivables - net		(92)	(1,191)	(1,357)	(1,299)
<b>Operating profit/(loss)</b>		<b>139</b>	<b>(34,357)</b>	<b>11,143</b>	<b>(65,944)</b>
Finance income		696	8,236	37	630
Finance costs		(30,481)	(56,513)	(18,066)	(17,697)
Share of results of equity accounted investees		1,401	5,490	2,109	6,313
<b>Loss before income taxes</b>		<b>(28,245)</b>	<b>(77,144)</b>	<b>(4,777)</b>	<b>(76,698)</b>
Income tax		3,786	1,986	3,271	5,932
<b>Net loss for the period</b>		<b>(24,459)</b>	<b>(75,158)</b>	<b>(1,506)</b>	<b>(70,766)</b>
<b>Attributable to:</b>					
Equity holders of the parent		(23,490)	(71,252)	(1,183)	(66,677)
Non-controlling interest		(969)	(3,906)	(323)	(4,089)
		<b>(24,459)</b>	<b>(75,158)</b>	<b>(1,506)</b>	<b>(70,766)</b>
Basic/diluted earnings per share (in PLN)		(0.50)	(1.53)	(0.03)	(1.43)

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited
<b>Net loss for the period</b>	<b>(24,459)</b>	<b>(75,158)</b>	<b>(1,506)</b>	<b>(70,766)</b>
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>(24,459)</b>	<b>(75,158)</b>	<b>(1,506)</b>	<b>(70,766)</b>
<b>Attributable to:</b>				
Shareholders of the parent	(23,490)	(71,252)	(1,183)	(66,677)
Non-controlling interests	(969)	(3,906)	(323)	(4,089)
	<b>(24,459)</b>	<b>(75,158)</b>	<b>(1,506)</b>	<b>(70,766)</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 2022

## Attributable to equity holders of the parent

	Share capital	Share premium	Retained earnings and other reserves	Total	Non-controlling interest	Total equity
<b>Nine months ended 30 September 2022</b>						
<b>As at 31 December 2021 audited</b>	<b>46,581</b>	<b>147,192</b>	<b>580,582</b>	<b>774,355</b>	<b>5,929</b>	<b>780,284</b>
<b>Total comprehensive income for the period</b>						
Net loss for the period	-	-	(71,252)	(71,252)	(3,906)	(75,158)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>(71,252)</b>	<b>(71,252)</b>	<b>(3,906)</b>	<b>(75,158)</b>
<b>Transactions with owners, recorded directly in equity</b>						
<b>Contributions by and distributions to owners</b>						
Dividends of subsidiaries	-	-	-	-	(1,422)	(1,422)
<b>Total contributions by and distributions to owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,422)</b>	<b>(1,422)</b>
<b>Changes in ownership interests in subsidiaries</b>						
<b>Total changes in ownership interests in subsidiaries</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,422)</b>	<b>(1,422)</b>
<b>As at 30 September 2022 unaudited</b>	<b>46,581</b>	<b>147,192</b>	<b>509,330</b>	<b>703,103</b>	<b>601</b>	<b>703,704</b>

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 2022 (CONTINUED)

## Attributable to equity holders of the parent

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

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

**CONSOLIDATED CASH FLOW STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022**

	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited
<b>Cash flows from operating activities</b>				
<b>Loss before income taxes</b>	<b>(28,245)</b>	<b>(77,144)</b>	<b>(4,777)</b>	<b>(76,698)</b>
Adjustments for:				
Share of results of equity accounted investees	(1,401)	(5,490)	(2,109)	(6,313)
Depreciation and amortisation	40,141	119,536	38,689	119,926
Foreign exchange loss	21,297	30,770	13,564	2,497
Interest, net	9,341	25,887	4,655	14,930
(Profit)/loss on investing activities	(15,292)	(17,721)	(2,239)	374
Increase/(decrease) in provisions	112	(469)	(604)	(921)
Increase in inventories	(4,341)	(11,707)	(9)	(3,361)
(Increase)/decrease in receivables	(3,023)	5,293	(19,606)	(2,906)
Increase/(decrease) in payables	(5,502)	(41,437)	(10,368)	5,414
Increase/(decrease) in contract liabilities	(628)	(4,133)	2,508	7,035
Remeasurement of put options	-	(5,999)	-	-
Equity-settled share-based payments	-	-	-	139
<b>Cash generated from operations</b>	<b>12,459</b>	<b>17,386</b>	<b>19,704</b>	<b>60,116</b>
Income taxes paid	(720)	(2,482)	(678)	(2,192)
<b>Net cash from operating activities</b>	<b>11,739</b>	<b>14,904</b>	<b>19,026</b>	<b>57,924</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment and intangibles	2,397	4,928	4,838	22,204
Dividends received	24,000	24,000	-	-
Loan repayment received	71	496	16	45
Interest received	94	271	3	10
Purchase of property, plant and equipment and intangibles	(18,903)	(57,141)	(10,122)	(36,946)
Loans granted	-	-	(3,600)	(3,600)
Other outflows (1)	-	-	-	(4,000)
<b>Net cash used in investing activities</b>	<b>7,659</b>	<b>(27,446)</b>	<b>(8,865)</b>	<b>(22,287)</b>



## CONSOLIDATED CASH FLOW STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022 (CONTINUED)

	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	12,075	81,718	-	26,691
Acquisition of non-controlling interest	-	-	-	(2,404)
Dividends paid to non-controlling shareholders	-	(1,422)	-	(1,654)
Repayment of borrowings	(5,882)	(46,921)	(10,718)	(45,835)
Payment of lease liabilities	(20,640)	(60,119)	(16,869)	(36,612)
Interest paid	(9,081)	(25,515)	(5,501)	(14,246)
<b>Net cash used in financing activities</b>	<b>(23,528)</b>	<b>(52,259)</b>	<b>(33,088)</b>	<b>(74,060)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,130)</b>	<b>(64,801)</b>	<b>(22,927)</b>	<b>(38,423)</b>
Cash and cash equivalents				
At start of period	74,207	134,878	122,859	138,355
At end of period	70,077	70,077	99,932	99,932

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

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

## NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2022 AND FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2022

### 1. GENERAL INFORMATION

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

As at 30 September 2022 the Agora Group comprised: the parent company Agora S.A. and 21 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 2022, with comparative figures presented as at 30 June 2022 and as at 31 December 2021 and for three and nine months ended 30 September 2021.

The condensed interim consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on November 17, 2022.

### 2. STATEMENT OF COMPLIANCE

The condensed interim consolidated financial statements as at 30 September 2022 and for nine months ended 30 September 2022 have not been audited. The Consolidated Financial Statements as at and for twelve months ended 31 December 2021 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 2022 should be read together with the audited consolidated financial statements as at 31 December 2021. In the preparation of these condensed interim consolidated financial statements as at 30 September 2022, the Group has followed the same accounting policies as used in the Consolidated Financial Statements as at 31 December 2021, except for changes described below.

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

- 1) Exemption from IFRS 9 (Amendments to IFRS 4);
- 2) Interest Rate Benchmark Reform – Phase 2 (Amendments 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.

### 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 2022	31 December 2021
Long-term bank loans	48,278	21,907
Long-term loans (1)	3,932	761
Finance lease liabilities	608,385	607,514
<b>Total long-term borrowings</b>	<b>660,595</b>	<b>630,182</b>
<i>including: Lease liabilities resulting from application of IFRS 16</i>	<i>587,890</i>	<i>578,029</i>
Short-term bank loans	69,224	79,274
Short-term loans (1)	1,641	761
Finance lease liabilities	104,566	96,506
<b>Total short-term borrowings</b>	<b>175,431</b>	<b>176,541</b>
<i>including: Lease liabilities resulting from application of IFRS 16</i>	<i>91,638</i>	<i>82,156</i>

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

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

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

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

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

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

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

for current operations and the existing debt as at the date of signing the agreement and the debt available in the cash pool system.

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

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

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

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

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

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

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

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

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

The value of the redemption amounted to PLN 14,070,705.00 and was recognised in Group's other operating income. The remaining part of the loan amounts to PLN 4,842,202 and is payable in 22 quarterly instalments by the end of 2027.

**On August 26, 2022** Helios S.A. concluded Annex no. 1 to the revolving loan agreement with Santander Bank Polska S.A. based in Warsaw ("Santander") with a guarantee of repayment of 80.0% of the loan by Bank Gospodarstwa Krajowego ("BGK"). Under the signed Annex no. 1, the loan repayment date, originally on 26 August 2022, was changed to 26 May 2026. Additionally, the loan repayment in the amount of PLN 20.0 million from a one-off payment has been spread into 44 monthly instalments, the repayment of which will start on 26 September 2022.

**On 27 September, 2022** the Management Board of Agora S.A. learned about the change introduced to the overdraft agreement concluded by the subsidiary Helios S.A. with BNP Paribas Bank Polska S.A. based in Warsaw with a repayment guarantee of 80.0% of the loan by Bank Gospodarstwa Krajowego. Pursuant to the introduced changes, the loan repayment date originally falling on September 24, 2022 was changed to June 24, 2026. Additionally, the loan repayment in the amount of PLN 20.0 million from a one-off payment was spread over 45 monthly instalments, the repayment of which will start from 27 September 2022.

#### 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., 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 within the Agora's Internet department as well as the activities of companies: Plan D Sp. z o.o., Yieldbird Sp. z o.o. and HRLink Group (from January 28, 2021 comprised of HRLink Sp. z o.o. and Goldenline Sp. z o.o.),
- 5) the *Radio* segment includes the Group's activities within local radio stations, super-regional *TOK FM* radio and Agora's Radio Department,

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

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

Operating results of reportable segments do not include:

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

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

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

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

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

Amount of investment in associates and joint ventures accounted for by the equity method 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 2022 and 30 September 2021 relate to Instytut Badan Outdooru IBO Sp. z o.o., ROI Hunter a.s. and Eurozet Sp. z o.o.

Capital expenditure consists of additions based on the invoices booked in the reported period connected to purchases of intangible 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.

## 4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Revenues from external customers	108,981	54,022	38,405	39,627	24,208	265,243	1,919	267,162
Intersegment revenues (2)	1,800	957	382	1,111	1,323	5,573	(5,573)	-
<b>Total revenues</b>	<b>110,781</b>	<b>54,979</b>	<b>38,787</b>	<b>40,738</b>	<b>25,531</b>	<b>270,816</b>	<b>(3,654)</b>	<b>267,162</b>
<b>Total operating cost (1), (2), (3)</b>	<b>(97,186)</b>	<b>(57,769)</b>	<b>(35,480)</b>	<b>(36,893)</b>	<b>(24,699)</b>	<b>(252,027)</b>	<b>(14,996)</b>	<b>(267,023)</b>
<b>Operating profit / (loss) (1)</b>	<b>13,595</b>	<b>(2,790)</b>	<b>3,307</b>	<b>3,845</b>	<b>832</b>	<b>18,789</b>	<b>(18,650)</b>	<b>139</b>
<b>Total operating cost (excl. IFRS 16) (1), (2), (3)</b>	<b>(102,287)</b>	<b>(57,769)</b>	<b>(36,198)</b>	<b>(36,893)</b>	<b>(24,856)</b>	<b>(258,003)</b>	<b>(15,187)</b>	<b>(273,190)</b>
<b>Operating profit / (loss) (excl. IFRS 16) (1)</b>	<b>8,494</b>	<b>(2,790)</b>	<b>2,589</b>	<b>3,845</b>	<b>675</b>	<b>12,813</b>	<b>(18,841)</b>	<b>(6,028)</b>
Net finance income and cost							(29,785)	(29,785)
Share of results of equity accounted investees	-	-	(28)	(718)	2,147	1,401	-	1,401
Income tax expense							3,786	3,786
<b>Net loss</b>								<b>(24,459)</b>

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the Outdoor segment to other segments;

(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space and parking lots in the Company's headquarters, use of computers and development and maintenance activities of IT and Big Data departments, which are allocated to segments), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 22,582 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.



## 4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation	(20,458)	(1,917)	(9,503)	(2,204)	(1,888)	(35,970)	(3,955)	(39,925)
Amortisation recognised on consolidation								
(1)	(129)	-	-	(149)	-	(278)	62	(216)
Impairment losses	(37)	(23)	(181)	(136)	(43)	(420)	26	(394)
Reversals of impairment losses	10	16	262	-	18	306	7	313
including non-current assets	-	-	17	-	-	17	-	17
Capital expenditure	3,063	887	4,722	2,755	1,759	13,186	327	13,513

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

## 4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Revenues from external customers	314,018	152,184	114,422	124,252	71,833	776,709	5,400	782,109
Intersegment revenues (2)	6,249	3,370	1,380	3,296	4,033	18,328	(18,328)	-
<b>Total revenues</b>	<b>320,267</b>	<b>155,554</b>	<b>115,802</b>	<b>127,548</b>	<b>75,866</b>	<b>795,037</b>	<b>(12,928)</b>	<b>782,109</b>
<b>Total operating cost (1), (2), (3)</b>	<b>(313,877)</b>	<b>(159,997)</b>	<b>(109,857)</b>	<b>(115,656)</b>	<b>(74,316)</b>	<b>(773,703)</b>	<b>(42,763)</b>	<b>(816,466)</b>
<b>Operating profit / (loss) (1)</b>	<b>6,390</b>	<b>(4,443)</b>	<b>5,945</b>	<b>11,892</b>	<b>1,550</b>	<b>21,334</b>	<b>(55,691)</b>	<b>(34,357)</b>
<b>Total operating cost (excl. IFRS 16) (1), (2), (3)</b>	<b>(327,540)</b>	<b>(159,997)</b>	<b>(111,647)</b>	<b>(115,656)</b>	<b>(74,948)</b>	<b>(789,788)</b>	<b>(43,355)</b>	<b>(833,143)</b>
<b>Operating profit / (loss) (excl. IFRS 16) (1)</b>	<b>(7,273)</b>	<b>(4,443)</b>	<b>4,155</b>	<b>11,892</b>	<b>918</b>	<b>5,249</b>	<b>(56,283)</b>	<b>(51,034)</b>
Net finance income and cost							(48,277)	(48,277)
Share of results of equity accounted investees	-	-	(137)	(1,461)	7,088	5,490	-	5,490
Income tax							1,986	1,986
<b>Net loss</b>								<b>(75,158)</b>

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

(2) the amounts do not include revenues and total cost of cross-promotion of Agora's different media if such promotion is executed without prior reservation between segments of the Agora Group; the direct variable cost of campaigns carried out on advertising panels is the only cost that is included above; it is allocated from the Outdoor segment to other segments;

(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc., excluding costs of office space and parking lots in the Company's headquarters, use of computers and development and maintenance activities of IT and Big Data departments, which are allocated to segments), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 67,044 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

## 4. SALES AND SEGMENT INFORMATION (CONTINUED)

## Nine months ended 30 September 2022

	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation	(61,174)	(5,206)	(28,478)	(6,730)	(5,577)	(107,165)	(11,725)	(118,890)
Amortisation recognised on consolidation (1)	(388)	-	-	(448)	-	(836)	190	(646)
Impairment losses	(666)	(166)	(1,008)	(222)	(276)	(2,338)	(48)	(2,386)
including non-current assets	(573)	-	-	-	-	(573)	-	(573)
Reversals of impairment losses	1,785	64	325	12	42	2,228	19	2,247
including non-current assets	1,720	-	59	-	-	1,779	-	1,779
Capital expenditure	8,260	2,963	11,134	6,056	4,073	32,486	4,346	36,832

## As at 30 September 2022

	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions (2)	Total Group
Property, plant and equipment and intangible assets	213,746	81,449	230,335	31,623	81,657	638,810	121,932	760,742
Right-of-use assets	476,888	39	62,573	33	21,519	561,052	28,171	589,223
Investments in associates and joint ventures accounted for by the equity method	-	-	76	16,109	108,215	124,400	-	124,400

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

(2) reconciling positions include mainly Company's headquarters (PLN 82,515 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

## 4. SALES AND SEGMENT INFORMATION (CONTINUED)

	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)	-
<b>Total revenues</b>	<b>105,148</b>	<b>52,322</b>	<b>37,045</b>	<b>51,591</b>	<b>25,734</b>	<b>271,840</b>	<b>(5,381)</b>	<b>266,459</b>
<b>Total operating cost (1), (2), (3)</b>	<b>(95,026)</b>	<b>(47,064)</b>	<b>(33,670)</b>	<b>(44,049)</b>	<b>(23,490)</b>	<b>(243,299)</b>	<b>(12,017)</b>	<b>(255,316)</b>
<b>Operating profit / (loss) (1)</b>	<b>10,122</b>	<b>5,258</b>	<b>3,375</b>	<b>7,542</b>	<b>2,244</b>	<b>28,541</b>	<b>(17,398)</b>	<b>11,143</b>
<b>Total operating cost (excl. IFRS 16) (1), (2), (3)</b>	<b>(92,489)</b>	<b>(47,064)</b>	<b>(34,015)</b>	<b>(44,049)</b>	<b>(23,600)</b>	<b>(241,217)</b>	<b>(12,184)</b>	<b>(253,401)</b>
<b>Operating profit / (loss) (excl. IFRS 16) (1)</b>	<b>12,659</b>	<b>5,258</b>	<b>3,030</b>	<b>7,542</b>	<b>2,134</b>	<b>30,623</b>	<b>(17,565)</b>	<b>13,058</b>
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
<b>Net loss</b>								<b>(1,506)</b>

(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.

## 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)
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.

## 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)	-
<b>Total revenues</b>	<b>170,532</b>	<b>148,176</b>	<b>84,840</b>	<b>152,664</b>	<b>68,640</b>	<b>624,852</b>	<b>(10,626)</b>	<b>614,226</b>
<b>Total operating cost (1), (2), (3)</b>	<b>(209,761)</b>	<b>(134,576)</b>	<b>(96,690)</b>	<b>(131,601)</b>	<b>(64,970)</b>	<b>(637,598)</b>	<b>(42,572)</b>	<b>(680,170)</b>
<b>Operating profit / (loss) (1)</b>	<b>(39,229)</b>	<b>13,600</b>	<b>(11,850)</b>	<b>21,063</b>	<b>3,670</b>	<b>(12,746)</b>	<b>(53,198)</b>	<b>(65,944)</b>
<b>Total operating cost (excl. IFRS 16) (1), (2), (3)</b>	<b>(192,011)</b>	<b>(134,576)</b>	<b>(97,906)</b>	<b>(131,601)</b>	<b>(65,288)</b>	<b>(621,382)</b>	<b>(43,142)</b>	<b>(664,524)</b>
<b>Operating profit / (loss) (excl. IFRS 16) (1)</b>	<b>(21,479)</b>	<b>13,600</b>	<b>(13,066)</b>	<b>21,063</b>	<b>3,352</b>	<b>3,470</b>	<b>(53,768)</b>	<b>(50,298)</b>
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
<b>Net loss</b>								<b>(70,766)</b>

(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.

## 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)
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	-	-	-	(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.

## 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 2022

	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	8,372	16,160	36,713	38,667	24,026	123,938	(4,098)	119,840
Ticket sales	47,957	-	-	-	1	47,958	(19)	47,939
Copy sales	6,119	26,022	-	-	-	32,141	-	32,141
Concession sales in cinemas	27,347	-	-	-	-	27,347	(3)	27,344
Printing services	-	8,095	-	-	-	8,095	-	8,095
Gastronomic sales	10,165	-	-	-	-	10,165	-	10,165
Film distribution and production sales	4,536	-	-	-	-	4,536	-	4,536
Other	6,285	4,702	2,074	2,071	1,504	16,636	466	17,102
<b>Total sales by category</b>	<b>110,781</b>	<b>54,979</b>	<b>38,787</b>	<b>40,738</b>	<b>25,531</b>	<b>270,816</b>	<b>(3,654)</b>	<b>267,162</b>

## Nine months ended 30 September 2022

	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	21,017	44,838	109,970	120,756	71,580	368,161	(14,105)	354,056
Ticket sales	134,344	-	-	-	27	134,371	(76)	134,295
Copy sales	20,558	77,830	-	-	-	98,388	(47)	98,341
Concession sales in cinemas	72,750	-	-	-	-	72,750	(8)	72,742
Printing services	-	24,152	-	-	-	24,152	-	24,152
Gastronomic sales	28,030	-	-	-	-	28,030	-	28,030
Film distribution and production sales	23,204	-	-	-	-	23,204	-	23,204
Other	20,364	8,734	5,832	6,792	4,259	45,981	1,308	47,289
<b>Total sales by category</b>	<b>320,267</b>	<b>155,554</b>	<b>115,802</b>	<b>127,548</b>	<b>75,866</b>	<b>795,037</b>	<b>(12,928)</b>	<b>782,109</b>



## 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	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
<b>Total sales by category</b>	<b>105,148</b>	<b>52,322</b>	<b>37,045</b>	<b>51,591</b>	<b>25,734</b>	<b>271,840</b>	<b>(5,381)</b>	<b>266,459</b>

## 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	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
<b>Total sales by category</b>	<b>170,532</b>	<b>148,176</b>	<b>84,840</b>	<b>152,664</b>	<b>68,640</b>	<b>624,852</b>	<b>(10,626)</b>	<b>614,226</b>

## 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 2022, the Group did not recognise the provision for potential bonus depending on the fulfillment of the EBITDA target due to failure to reach the EBITDA entitling to payment of bonus in this component of Incentive Plan.

The value of the potential reward concerning the realization of the Target of Share Price Increase, is estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. 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 2022, the estimated Average Share Price in IQ of Next Year was lower than the Target of Share Price Increase thus the provision for this component of Incentive Plan is not recognised in the balance sheet.

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

	Three months ended 30 September 2022	Nine months ended 30 September 2022	Three months ended 30 September 2021	Nine months ended 30 September 2021
Income statement – (increase)/decrease of staff costs	779	-	(27)	(1,324)
Income statement - deferred income tax	(148)	-	5	252
Liabilities: accruals - as at the end of the period	-	-	4,173	4,173
Deferred tax asset - as at the end of the period	-	-	793	793

**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, Agora Group reclassified the last part of plan connected with third tranche of shares from equity-settled incentive plan to cash-settled incentive plan and recognised liability to pay reward due to realisation of plan measured at fair value of estimated payment as at balance sheet date and accounted for in proportion of agreed vesting period.

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

	Three months ended 30 September 2022	Nine months ended 30 September 2022	Three months ended 30 September 2021	Nine months ended 30 September 2021
<b>Income statement - staff costs</b>	<b>(114)</b>	<b>(342)</b>	<b>(102)</b>	<b>(756)</b>
<i>including recognition of cost of equity-settled plan</i>	-	-	-	(139)
<i>including remeasurement of cash-settled plan</i>	(114)	(342)	(102)	(617)
<b>Equity - non-controlling interest</b>	-	-	-	<b>(976)</b>
<i>including recognition of cost of equity-settled plan</i>	-	-	-	139
<i>including reclassification of equity-settled plan to liabilities</i>	-	-	-	(1,115)
<b>Liability arising from incentive plans</b>	<b>114</b>	<b>2,176</b>	<b>102</b>	<b>1,732</b>
<i>including reclassification of equity-settled plan to liabilities</i>	-	-	-	1,115
<i>including remeasurement of cash-settled plan</i>	-	-	102	617
<i>including the amount of liability as at 31 December 2021</i>	-	1,834	-	-
<i>including remeasurement of liability in 2022</i>	114	342	-	-

## 6. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2022 to September 30, 2022 the following changes in impairment losses were recognised (in brackets the amounts for the third quarter of 2022):

- impairment loss for receivables: decrease by PLN 711 thousand (decrease by PLN 1,559 thousand);
- impairment loss for inventory: decrease by PLN 1,219 thousand (decrease by PLN 720 thousand);
- impairment loss for shares: increase in the amount of PLN 1,026 thousand due to acquisition of shares by conversion of receivables from Garmond Press S.A. (receivables were fully written-off) (increase by PLN 1,026 thousand);
- impairment loss for property, plant and equipment: decrease by PLN 1,863 thousand, including release by PLN 1,779 thousand related mainly to fixed assets of one of the Helios S.A. cinemas in the amount of PLN 1,720 thousand and the use in the amount of PLN 84 thousand (decrease by PLN 84 thousand, including release by PLN 17 thousand and use in the amount of PLN 67 thousand);
- impairment loss for right-of-use assets: increase by PLN 573 thousand (no change).

Additionally in the period from January 1, 2022 to September 30, 2022 the following provisions were changed (in brackets the amounts for the third quarter of 2022):

- provision for penalties, interests and similar: increase by PLN 7 thousand (no changes);
- provision for litigation: increase in the amount of PLN 200 thousand (increase by PLN 200 thousand);
- provision for guarantees: decrease by PLN 264 thousand, including the use in the amount of PLN 285 thousand and set up by PLN 21 thousand (set up by PLN 4 thousand);
- provision for the restructuring of advertising media: use in the amount of PLN 30 thousand (no change);
- provision for restructuring: use by PLN 53 thousand (decrease by PLN 18 thousand);
- provision for severance payments for former members of the Management Board: the use by PLN 260 thousand (decrease by PLN 75 thousand);
- retirement severance provision: decrease by PLN 71 thousand (no change).

## 7. CONTINGENCIES, GUARANTEES AND OTHER COLLATERALS

As at 30 September 2022 contingencies to third parties did not occur.

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

## 8. COURT CASES

As at September 30, 2022, the Group has not entered into significant litigation for claims. Provision for legal claims as at September 30, 2022, amounted to PLN 391 thousand (as at December 31, 2021: PLN 191 thousand).

Additionally, as at September 30, 2022, the companies of the Group were a party of legal disputes in the amount of PLN 2,855 thousand (as at December 31, 2021: PLN 1,743 thousand) in cases when the Management Board estimates the probability of loss for less than 50%. Such disputes are contingent liabilities.

## 9. SEASONALITY

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

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

## 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, 2022 amounted to PLN 4,800 thousand (nine months ended September 30, 2021: PLN 1,983 thousand) whereby this amount includes also one-off bonus payments resulting from realization of Incentive Plan for 2021.

The remuneration paid by Agora S.A. to Supervisory Board members during the nine months period ended September 30, 2022 amounted to PLN 468 thousand (nine months ended September 30, 2021: PLN 468 thousand).

### (b) Other related parties (not consolidated)

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

	Three months ended 30 September 2022	Nine months ended 30 September 2022	Three months ended 30 September 2021	Nine months ended 30 September 2021
<b>Jointly controlled entities</b>				
Purchases	-	-	-	(241)
<b>Associates</b>				
Sales	293	901	174	270
Purchases	(842)	(1,684)	(303)	(498)
Dividends income	24,000	24,000	-	-
<b>Major shareholder</b>				
Sales	8	21	6	19
Other operating income	1	2	103	501
Other operating cost	-	-	(8)	(8)
<b>Management Board of the Company</b>				
Finance income - remeasurment of put options (1)	-	1,916	-	-
<b>Management Boards of group companies</b>				
Finance income - remeasurment of put options (1)	-	3,897	-	-

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

	As at 30 September 2022	As at 30 June 2022	As at 31 December 2021
<b>Jointly controlled entities</b>			
Shares	76	104	213
<b>Associates</b>			
Shares	124,324	146,895	142,697
Trade receivables	49	378	160
Trade liabilities	674	355	288
<b>Major shareholder</b>			
Trade receivables	5	3	3
Other liabilities	8	8	8
<b>Management Board of the Company</b>			
Put option liabilities (1)	23,605	23,605	25,521
<b>Management Boards of group companies</b>			
Receivables	21	20	14
Put option liabilities (1)	4,117	4,117	8,014
Other liabilities	-	-	8

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

## 11. DESCRIPTION OF THE GROUP

The list of companies within the Capital Group and other entities in which the Group holds shares:

	% of shares held (effectively)	
	30 September 2022	31 December 2021
<b>Subsidiaries consolidated</b>		
1 Agora TC Sp. z o.o., Warsaw	100.0%	100.0%
2 AMS S.A., Warsaw	100.0%	100.0%
3 AMS Serwis Sp. z o.o., Warsaw (1)	100.0%	100.0%
4 Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	100.0%
5 Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	100.0%
6 IM 40 Sp. z o.o., Warsaw (2)	72.0%	72.0%
7 Inforadio Sp. z o.o., Warsaw (2)	66.1%	66.1%
8 Helios S.A., Lodz	91.5%	91.5%
9 Next Film Sp. z o.o., Warsaw (3)	91.5%	91.5%
10 Next Script Sp. z o.o., Warsaw (4)	75.9%	75.9%
11 Plan D Sp. z o.o., Warsaw	100.0%	100.0%
12 Optimizers Sp. z o.o., Warsaw (1)	100.0%	100.0%
13 Yeldbird Sp. z o.o., Warsaw	95.8%	95.8%
14 Goldenline Sp. z o.o., Szczecin (5)	79.8%	79.8%
15 Plan A Sp. z o.o., Warsaw	100.0%	100.0%
16 Agora Finanse Sp. z o.o., Warsaw	100.0%	100.0%
17 Step Inside Sp. z o.o., Lodz (3)	82.3%	82.3%
18 HRLink Sp. z o.o., Szczecin	79.8%	79.8%
19 Video OOH Sp. z o.o. (formerly Piano Group Sp. z o.o.), Warsaw (1), (6)	92.0%	92.0%
20 Yeldbird International Ltd, London (7)	95.8%	-
21 Helios Media Sp. z o.o., Lodz (3),(8)	91.5%	-
<b>Joint ventures and associates accounted for the equity method</b>		
21 Instytut Badań Outdooru IBO Sp. z o.o., Warsaw (1)	50.0%	50.0%
22 ROI Hunter a.s., Brno	23.9%	23.9%
23 Eurozet Sp. z o.o., Warsaw	40.0%	40.0%
<b>Companies excluded from consolidation and equity accounting</b>		
24 Polskie Badania Internetu Sp. z o.o., Warsaw	16.7%	16.7%
25 Garmond Press S.A., Cracow (9)	3.5%	-

(1) indirectly through AMS S.A.;

(2) indirectly through GRA Sp. z o.o.;

(3) indirectly through Helios S.A.;

(4) indirectly through Next Film Sp. z o.o.;

(5) indirectly through HRLink Sp. z o.o.;

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

(7) company incorporated on July 27, 2022, indirectly through Yeldbird Sp. z o.o.;

(8) company registered in the National Court Register on September 1, 2022;

(9) acquisition of shares in the company registered in the National Court Register on July 13, 2022.



## 12. CHANGES IN THE COMPOSITION OF THE GROUP

### ► Eurozet Sp. z o.o.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**On August 19, 2022** Agora S.A. ("Agora") completed negotiations on the amendment of the Shareholders' Agreement conducted so far with SFS Ventures. As a result of the completed negotiations, Agora concluded with SFS Ventures Annex No. 5 to the Shareholders' Agreement ("Annex No. 5"). In particular, the Annex no. 5 changed the date of exercising the Call Option. Under the Annex No. 5, Agora is entitled (but not obliged) to exercise the Call Option in the period that commenced 12 months after 20 February 2019, i.e. the date of purchase of 40% of Eurozet shares by Agora S.A. and 60% of Eurozet shares by SFS Ventures, and ending on 31 July 2025.

At the same time, provisions were added to the Shareholders' Agreement regarding the possibility of shortening the period of exercising the Call Option in the event of a significant deterioration of the aggregate net debt ratio to the adjusted aggregate EBITDA ratio, in each case calculated jointly for the consolidated data of Agora Group and Eurozet Group, in accordance with the calculation mechanism specified in detail in the Shareholders' Agreement.

Changes were also made to the method of considering some of the financial ratios achieved by SFS Ventures, which affect the determination of the purchase price of Eurozet shares covered by the Call Option by Agora.

The other provisions of the contract have not been materially changed.

#### ► Plan A Sp. z o.o.

**On June 2, 2022**, the Extraordinary Shareholders Meeting of Plan A Sp. z o.o. adopted a resolution on increasing the share capital of Plan A Sp. z o.o. from PLN 10 thousand to PLN 15 thousand by creating of 100 new equal and indivisible shares with a nominal value of PLN 50.00 each, with a total nominal value of PLN 5,000.00. All newly created shares in the number of 100 were intended for acquisition by the sole shareholder of the Company, i.e. Agora S.A., and were fully covered by a cash contribution in the amount of PLN 50,000.00. The surplus over the nominal value of the shares taken up, i.e. the amount of PLN 45,000.00, was transferred to the company's supplementary capital.

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

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

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

- 40% of the main claim of Agora S.A. towards Garmond Press S.A. is converted into shares in the share capital of Garmond Press S.A.

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

#### ► Yieldbird International Ltd

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

#### ► Helios Media Sp. z o.o.

**On September 1, 2022** the Company Helios Media Sp. z o.o., with Helios S.A. acting as the sole shareholder, has been registered in the National Court Register. Agora S.A. holds 91.5% of shares in Helios S.A.

#### ► 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-Srodmiestec in Lodz, the 20th Department of the National Court Register, appointed an expert for the purpose of the valuation of the shares to be purchased from the Minority Shareholder (318,930 shares) and from other minority shareholders (1,460 shares in total).

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

## (ii) Squeeze-out procedure

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

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

## 13. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY FOR THE CONDENSED 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 2022 (first three quarters of 2021) 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 2022 EURO 1 = PLN 4.6880 (EURO 1 = PLN 4.5585).
- ▀ 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 2022 – EURO 1 = PLN 4.8698, as at 31 December 2021 – EURO 1 = PLN 4.5994.

## 14. PROPERTY, PLANT AND EQUIPMENT

In the period from January 1, 2022 to September 30, 2022, the Group purchased property, plant and equipment in the amount of PLN 27,911 thousand (in the period from January 1, 2021 to September 30, 2021: PLN 15,164 thousand).

As at September 30, 2022, the commitments for the purchase of property, plant and equipment amounted to PLN 16,124 thousand (as at December 31, 2021: PLN 12,227 thousand).

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

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

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

**Level 1:** quoted prices in active markets (unadjusted) for identical assets or liabilities;

**Level 2:** valuation techniques in which inputs that are significant to fair value measurement are observable, directly or indirectly, market data;

**Level 3:** valuation techniques in which inputs that are significant to fair value measurement are not based on observable market data.

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

	As at 30 September 2022	Level 1	Level 2	Level 3
Certificates in investment funds	-	-	-	-
<b>Financial assets measured at fair value</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Put option liabilities	28,345	-	-	28,345
<b>Financial liabilities measured at fair value</b>	<b>28,345</b>	<b>-</b>	<b>-</b>	<b>28,345</b>
	As at 31 December 2021	Level 1	Level 2	Level 3
Certificates in investment funds	1	-	1	-
<b>Financial assets measured at fair value</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>-</b>
Put option liabilities	34,344	-	-	34,344
<b>Financial liabilities measured at fair value</b>	<b>34,344</b>	<b>-</b>	<b>-</b>	<b>34,344</b>

Key assumptions that are most significant to the fair value measurement of financial instruments in Level 3 of the fair value hierarchy include Helios put options parameters, i.e. estimated level of the operating result EBIT and discount rate.

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

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

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

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

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

## 16. OTHER INFORMATION

### ► Strategic options review process

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

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

### ► Changes in the Management Board

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

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

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

### ► Tax control

On February 28, 2019, Agora S.A. ("Company") received a tax control protocol related to the accuracy of VAT settlements for the period of September to December 2017. The Tax Office is questioning the way that the Company applies certain VAT regulations for selected goods and services. Subsequently, the Tax Office opened a tax procedure and on 26 December 2019 the Company received a tax assessment dimensional decision by the tax authority of first instance determining the VAT arrears in the amount of PLN 0.5 million (principal amount). The amount resulting from the decision together plus interests has been paid on 7 January, 2020. Simultaneously, The Company's Management

Board did not agree with the findings of the decision and has filed an appeal on 9 January 2020 to the Director of the Chamber of Tax Administration in Warsaw. On September 20, 2021, the Company received the decision of the Director of the Chamber of Tax Administration in Warsaw, in which the second-instance authority slightly reduced the amount of the Company's tax arrears, but essentially upheld the decision of the first-instance authority. On October 18, 2021, the Company filed a complaint with the Provincial Administrative Court in Warsaw against the decision of the second instance authority. The Provincial Administrative Court in Warsaw, in a judgment of 25 May 2022, overturned the decision of the Director of the Tax Administration Chamber in Warsaw and referred the case for reconsideration. The Company, disagreeing with part of the justification of the judgement, on 22 July 2022 filed a cassation appeal against this judgement and is currently awaiting its consideration by the Supreme Administrative Court. The Management Board of the Company considers the adopted method of evidence to be appropriate and will defend it in further administrative or court proceedings. In the Company's Management Board's opinion, following appeal or legal proceedings, the amount paid shall be refunded.

► **Signing of an annex to the concession agreement for the construction and operation of bus shelters in Warsaw by AMS S.A.**

On September 8, 2022 the Management Board of Agora S.A. informed that the Consortium consisting of AMS S.A. (AMS) and Ströer Polska Sp. z o.o. (Ströer), acting pursuant to clause 28.2 of the Concession Agreement, signed an annex to the above-mentioned Agreement with the Capital City of Warsaw (Concession Grantor), extending its validity until 11 May 2024. The annex was concluded as a result of arbitration proceedings won by the Consortium, which will share the costs and revenues related to the operation of the bus shelters in the time corresponding to the extension period.

► **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

► **Incorporation of Plan G Sp. z o.o.**

**On October 5, 2022** Plan G Sp. z o.o. was incorporated with Agora S.A. acting as the sole shareholder. As at the date of publication of the report, the Company has not yet been registered in the National Court Register.

► **Execution of an amending agreement to the revolving loan agreement with Santander Bank Polska S.A. by the subsidiary - Helios S.A.**

**On October 14, 2022** the Management Board of Agora S.A. with its registered office in Warsaw ("Company") obtained information on the execution by the subsidiary Helios S.A. ("Helios") of an amending agreement (the "Agreement") to the revolving loan agreement of 23 December 2020 with Santander Bank Polska S.A. based in Warsaw ("Santander") with a guarantee of repayment of 80.0% of the loan by Bank Gospodarstwa Krajowego, the conclusion of which was reported by the Company in current report no. 45/2020 of 23 December 2020. Under the executed Agreement, it was agreed that Helios will be able to draw the above mentioned revolving loan up to the amount of PLN 11 million, with the condition that amounts exceeding the amount of credit utilisation as of 14 October 2022 will be disbursed upon granting by the Company of a surety for the liabilities of Helios arising out of the disbursement instruction. The drawdown of the given revolving loan over the amount of PLN 11 million will require a separate decision of Santander.

The other provisions of the revolving loan agreement of 23 December 2020 remain unchanged.



## ► Initiation of consultation procedure on downsizing at Agora S.A.

In the current report of October 28, 2022 the Management Board of Agora S.A. informed that on October 28th, 2022, in accordance with the Act of March 13th, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees, resolved to initiate the consultation on group layoffs with the trade unions operating in the Company. Additionally, in accordance with the Act of April 7th, 2006 on informing and consulting employees, the Company's works council shall also be consulted on the group layoff process.

The reason for the planned group layoffs is the Company's aim to increase the effectiveness of processes functioning within the Company and to reduce operating costs. Due to economic and financial factors, i.e. economic crisis caused by the conflict in Ukraine resulting i.a. in the increase of the price of paper and due to adverse prognosis concerning economic growth in the coming quarters, the changes of the organizational structure of the Company are essential.

The intention of the Management Board of Agora SA is to lay off up to 84 employees of the Company (which is ca. 5.9% of employees of the Company) between November 21st and December 20th, 2022.

The Company shall go through these difficult changes in a thought out manner and with care for its employees, offering the dismissed employees a range of protective and supportive initiatives.

On October 28th, 2022 the Management Board of the Company shall request the trade unions operating at the Company and the Company's works council to join in the consultation on collective redundancy process and shall provide the relevant Labor Office with information on the intention to execute group layoffs in the Company.

## ► Intention to extend the period of the Agora Tax Capital Group for 2023

On November 8, 2022 Management Board of Agora S.A. with its registered office in Warsaw ("Company", "Agora"), informed that an agreement to extend the period of operation of the Agora Tax Capital Group ("PGK"), was concluded between 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 connected with submission of an application for registration of the extension of the operation period of the PGK to the Head of a relevant Tax Office.

The agreement to extend the period of operation of the Tax Capital Group, appoints Agora 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 December 31, 2023. 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 7 million in 2023.

## ► Next Script Sp. z o.o.

On October 27, 2022 Next Film Sp. z o.o. acquired 800 shares in the company Next Script Sp. z o.o. from Last Moment Production Sp. z o.o.

On November 14, 2022 Next Film Sp. z o.o. acquired 800 shares in the company Next Script Sp. z o.o. from Dariusz Michalczewski. Thereby Next Film Sp. z o.o. on November 14, 2022 r. became the sole shareholder in Next Script Sp. z o.o. holding all 9400 shares of the share capital.

The sole shareholder of the company Next Film Sp. z o.o. is Helios S.A., in which Agora S.A. holds 91.5% shares.



### ■ Commencement of consultation procedure on downsizing at Helios S.A.

On November 14, 2022 the Management Board of Helios S.A. ("Company") in accordance with the Act of March 13th, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees, resolved to commence the consultation on group layoffs with the representatives of the Company's employees.

The reason for the planned group layoffs is the current economic and financial situation of the Company which has recently been gravely affected by i.a.: lower than the pre-pandemic frequency in Polish cinemas, energy price increase, minimum wage and minimum rate increase, EUR rate increase, other doing business costs increase, and commencement of repayment of loans taken out in connection with tackling Covid-19 effects and doubling of this debt service cost.

The intention of the Management Board of Helios S.A. is to lay off up to 80 employees of the Company (which is ca. 20% of employees of the Company as of November 14th, 2022) between November 22nd and 21st December, 2022.

The Company shall go through these difficult changes in a thought out manner and with care for its employees, offering the dismissed employees a range of protective and supportive initiatives.

On November 14th, 2022 the Management Board of the Company shall request the representatives of the Company's employees to join in the consultation on collective redundancy process and shall provide the relevant Labor Office with information on the intention to execute group layoffs in the Company.

The final data regarding the amount of the provision and the effect of employment restructuring on the financial results of Agora Group shall be published in the annual financial statements of Agora Group for 2022.

### ■ Conclusion of agreement with trade unions on reduction of employment at Agora S.A.

On November 14<sup>th</sup>, 2022 the Management Board of Agora S.A. ("Company") informed about:

(i) concluding on November 14th, 2022 an agreement with trade unions operating at the Company (which fulfills the provisions of article 3, Section 1 of the Act of March 13th, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees) and with work council in the Company (which constitutes an agreement in accordance with the Act of April 7th, 2006 on informing and consulting employees) ("Agreement"),

(ii) adopting by the Management Board of the Company on November 14th, 2022 resolution to execute collective redundancies in the Company, in accordance with the provisions of the Agreement.

The collective redundancies shall be executed from November 17th until December 16th, 2022, and shall affect up to 84 employees.

In accordance with the agreement, the laid-off employees will be provided by the Company with a wider range of supportive measures than required by law. The redundancy payment estimated according to law regulations shall be increased by an additional compensation in the amount depending on the seniority at Agora Group. The laid-off employees shall be supported by additional protective measures provided by the Company, i.a. help in searching for new job and reskilling, psychological care and basic medical care. The Company, in accordance with requirements of law, shall submit an appropriate set of information, together with the signed Agreement, to a relevant Labor Office.

The estimated amount of provision for collective redundancies which will be charged to the Company and Agora Group's result in 4Q2022, shall amount to approximately PLN 3.6 million. The Company estimates that the restructuring measures shall result in the annual savings and may amount to approximately PLN 6.7 million.

► **Delivery of the Appeal of the President of the Office of Competition and Consumer Protection against the Judgment of the Court of the first instance**

On November 15, 2022 the Management Board of Agora S.A. ("Company") informed that the Company was informed of the delivery to Agora's proxy, of the appeal of the President of the Office of Competition and Consumer Protection against the judgment of the Warsaw District Court – Court for Competition and Consumer Protection of May 12, 2022 (case No. XVII AmA 61/21) ("Judgement") amending in its entirety the decision of the President of the Office of Competition and Consumer Protection dated January 7, 2021 ("Decision"), prohibiting the concentration – taking control over Eurozet sp. z o.o. by the Company ("Transaction"). The Judgement amended the Decision so that an unconditional consent for the Transaction was granted.

The Company analyzed the content of the appeal. In the appeal, the President of the Office of Competition and Consumer Protection demands amendment of the appealed Judgement through dismissal of the Company's appeal in its entirety, alternatively, revocation of the appealed Judgement in its entirety and referring the case back for rehearing to the Warsaw District Court – Court for Competition and Consumer Protection.

The Company finds the Judgement correct and does not agree with the position presented in the appeal. Consequently, in accordance with the former regulatory filing, the Company plans to respond to the appeal.

## 18. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	in PLN thousand			in EUR thousand		
	Nine months ended 30 September 2022 unaudited	As at 31 December 2021 audited	Nine months ended 30 September 2021 unaudited	Nine months ended 30 September 2022 unaudited	As at 31 December 2021 audited	Nine months ended 30 September 2021 unaudited
Revenue	782,109		614,226	166,832		134,743
Operating loss	(34,357)		(65,944)	(7,329)		(14,466)
Loss before income taxes	(77,144)		(76,698)	(16,456)		(16,825)
Net loss for the period attributable to equity holders of the parent	(71,252)		(66,677)	(15,199)		(14,627)
Net cash from operating activities	14,904		57,924	3,179		12,707
Net cash used in investing activities	(27,446)		(22,287)	(5,855)		(4,889)
Net cash used in financing activities	(52,259)		(74,060)	(11,147)		(16,247)
Net decrease in cash and cash equivalents	(64,801)		(38,423)	(13,823)		(8,429)
Total assets	1,822,613	1,921,256		374,269	417,719	
Non-current liabilities	713,088	694,299		146,431	150,954	
Current liabilities	405,821	446,673		83,334	97,115	
Equity attributable to equity holders of the parent	703,103	774,355		144,380	168,360	
Share capital	46,581	46,581		9,565	10,128	
Weighted average number of shares	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831	46,580,831
Basic/diluted earnings per share (in PLN / in EURO)	(1.53)		(1.43)	(0.33)		(0.31)
Book value per share (in PLN / in EURO)	15.09	16.62		3.10	3.61	

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

## Unconsolidated balance sheet as at 30 September 2022

	As at 30 September 2022 unaudited	As at 30 June 2022 unaudited	As at 31 December 2021 audited
<b>Assets</b>			
<b>Non-current assets:</b>			
Intangible assets	39,195	37,634	39,757
Property, plant and equipment	138,935	141,282	145,522
Right-of-use assets	28,132	28,398	25,336
Long term financial assets	624,649	624,649	624,599
Receivables and prepayments	433	478	498
Deferred tax assets	13,216	12,518	11,130
	<b>844,560</b>	<b>844,959</b>	<b>846,842</b>
<b>Current assets:</b>			
Inventories	24,035	18,576	11,425
Accounts receivable and prepayments	72,308	76,707	81,692
Income tax receivable	98	51	64
Short-term securities and other financial assets	3,048	2,085	1,262
Cash and cash equivalents	38,242	44,188	83,563
	<b>137,731</b>	<b>141,607</b>	<b>178,006</b>
<b>Total assets</b>	<b>982,291</b>	<b>986,566</b>	<b>1,024,848</b>

## Unconsolidated balance sheet as at 30 September 2022 (continued)

	As at 30 September 2022 unaudited	As at 30 June 2022 unaudited	As at 31 December 2021 audited
<b>Equity and liabilities</b>			
<b>Equity:</b>			
Share capital	46,581	46,581	46,581
Share premium	147,192	147,192	147,192
Other reserves	122,674	122,674	122,674
Retained earnings	495,051	490,097	484,325
	<b>811,498</b>	<b>806,544</b>	<b>800,772</b>
<b>Non-current liabilities:</b>			
Long-term borrowings	38,690	41,245	37,664
Retirement severance provision	2,285	2,285	2,226
Provisions	-	-	93
Accruals and other liabilities	990	1,009	704
Contract liabilities	70	11	192
	<b>42,035</b>	<b>44,550</b>	<b>40,879</b>
<b>Current liabilities:</b>			
Retirement severance provision	117	117	278
Trade and other payables	87,897	92,323	114,251
Short-term borrowings	12,606	12,592	21,046
Other financial liabilities	19,098	20,886	38,316
Provisions	663	556	683
Contract liabilities	8,377	8,998	8,623
	<b>128,758</b>	<b>135,472</b>	<b>183,197</b>
<b>Total equity and liabilities</b>	<b>982,291</b>	<b>986,566</b>	<b>1,024,848</b>

## Unconsolidated income statement for three and nine months ended 30 September 2022

	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited
Revenue	96,218	278,671	94,763	269,840
Cost of sales	(62,195)	(167,122)	(49,194)	(140,383)
<b>Gross profit</b>	<b>34,023</b>	<b>111,549</b>	<b>45,569</b>	<b>129,457</b>
Selling expenses	(27,960)	(89,554)	(28,048)	(86,323)
Administrative expenses	(25,491)	(75,910)	(22,658)	(70,414)
Other operating income	523	1,780	1,387	4,257
Other operating expenses	(452)	(1,157)	(444)	(2,238)
Impairment losses for receivables - net	(101)	(258)	(1,367)	(1,223)
<b>Operating loss</b>	<b>(19,458)</b>	<b>(53,550)</b>	<b>(5,561)</b>	<b>(26,484)</b>
Finance income	24,710	66,124	20,014	48,630
Finance costs	(1,333)	(4,306)	(651)	(2,458)
<b>Profit before income taxes</b>	<b>3,919</b>	<b>8,268</b>	<b>13,802</b>	<b>19,688</b>
Income tax	1,034	2,457	142	4,795
<b>Net profit for the period</b>	<b>4,953</b>	<b>10,725</b>	<b>13,944</b>	<b>24,483</b>
Basic/diluted earnings per share (in PLN)	0.11	0.23	0.30	0.53

## Unconsolidated statement of comprehensive income for three and nine months ended 30 September 2022

	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited
<b>Net profit for the period</b>	<b>4,953</b>	<b>10,725</b>	<b>13,944</b>	<b>24,483</b>
<b>Other comprehensive income:</b>				
	-	-	-	-
<b>Other comprehensive income/loss for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>4,953</b>	<b>10,725</b>	<b>13,944</b>	<b>24,483</b>

## Unconsolidated statement of changes in equity for three and nine months ended 30 September 2022

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
<b>Nine months ended 30 September 2022</b>					
<b>As at 31 December 2021 audited</b>	<b>46,581</b>	<b>147,192</b>	<b>122,674</b>	<b>484,325</b>	<b>800,772</b>
<b>Total comprehensive income for the period</b>					
Net profit	-	-	-	10,725	10,725
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,725</b>	<b>10,725</b>
<b>Transactions with owners, recorded directly in equity</b>					
<b>Contributions by and distributions to owners</b>					
Other	-	-	-	1	1
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>1</b>
<b>As at 30 September 2022 unaudited</b>	<b>46,581</b>	<b>147,192</b>	<b>122,674</b>	<b>495,051</b>	<b>811,498</b>

  

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

## Unconsolidated cash flow statement for three and nine months ended 30 September 2022

	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited
<b>Cash flows from operating activities</b>				
<b>Profit before income taxes</b>	<b>3,919</b>	<b>8,268</b>	<b>13,802</b>	<b>19,688</b>
Adjustments for:				
Depreciation and amortisation	7,823	22,875	7,788	23,987
Foreign exchange (profit)/loss	22	33	3	(4)
Interest, net	1,196	3,957	495	1,844
(Profit)/loss on investing activities	(5)	(292)	(56)	714
Dividend income	(24,000)	(64,635)	(20,000)	(48,052)
Increase/(decrease) in provisions	107	(215)	(271)	(692)
(Increase)/decrease in inventories	(5,460)	(12,610)	866	(1,701)
(Increase)/decrease in receivables	(690)	8,769	(3,930)	2,502
Decrease in payables	(4,214)	(22,487)	(9,632)	(478)
Increase/(decrease) in contract liabilities	(562)	(368)	(509)	997
<b>Cash generated used in operations</b>	<b>(21,864)</b>	<b>(56,705)</b>	<b>(11,444)</b>	<b>(1,195)</b>
Income taxes inflows/(outflows) (1)	216	539	(246)	(346)
<b>Net cash used in operating activities</b>	<b>(21,648)</b>	<b>(56,166)</b>	<b>(11,690)</b>	<b>(1,541)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment, and intangibles	16	65	103	14,698
Dividends received	29,000	64,635	20,000	48,052
Interest received	26	42	5	9
Outflows from cash pooling	(900)	(1,770)	(671)	(1,150)
Purchase of property, plant and equipment, and intangibles	(6,709)	(17,757)	(4,916)	(13,851)
Acquisition of subsidiaries, associates and jointly controlled entities	-	(50)	-	(2,404)
<b>Net cash from investing activities</b>	<b>21,433</b>	<b>45,165</b>	<b>14,521</b>	<b>45,354</b>



	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited	Three months ended 30 September 2021 unaudited	Nine months ended 30 September 2021 unaudited
<b>Cash flows from financing activities</b>				
Proceeds from borrowings	-	31,838	-	-
Repayment of borrowings	(2,667)	(41,691)	(4,822)	(35,655)
Outflows from cash pooling	(1,727)	(19,232)	(589)	(22,965)
Payment of finance lease liabilities	(224)	(1,469)	(9)	(1,018)
Interest paid	(1,027)	(3,509)	(366)	(2,417)
Other	(86)	(257)	(34)	(334)
<b>Net cash used in financing activities</b>	<b>(5,731)</b>	<b>(34,320)</b>	<b>(5,820)</b>	<b>(62,389)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(5,946)</b>	<b>(45,321)</b>	<b>(2,989)</b>	<b>(18,576)</b>
Cash and cash equivalents				
At start of period	44,188	83,563	57,919	73,506
At end of period	38,242	38,242	54,930	54,930

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, 2022 to September 30, 2022 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 2022):

- impairment loss for receivables: decrease by PLN 1,441 thousand (decrease by PLN 1,464 thousand);
- impairment loss for inventory: decrease by PLN 1,189 thousand (decrease by PLN 701 thousand);
- impairment loss for shares: increase in the amount of PLN 1,026 thousand due to acquisition of shares by conversion of receivables from Garmond Press S.A. (receivables were fully written-off) (increase by PLN 1,026 thousand);
- provision for restructuring cost: used by PLN 53 thousand (used by PLN 18 thousand);
- provision for litigation: increase in the amount of PLN 200 thousand (increase by PLN 200 thousand);
- provision for severance payments for former members of the Management Board: used in the amount of PLN 260 thousand (used in the amount of PLN 75 thousand);
- retirement severance provision: decrease by PLN 102 thousand (no change).

In the period from January 1, 2022 to September 30, 2022, the Company purchased property, plant and equipment in the amount of PLN 5,385 thousand (in the period from January 1, 2021 to September 30, 2021: PLN 3,874 thousand).

As at September 30, 2022 the commitments for the purchase of property, plant and equipment amounted to PLN 226 thousand (as at December 31, 2021: PLN 53 thousand).

As at September 30, 2022 and as at December 31, 2021 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 2022 and 31 December 2021 the Company had no financial instruments measured at fair value.

## Related party transactions

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

	Three months ended 30 September 2022	Nine months ended 30 September 2022	Three months ended 30 September 2021	Nine months ended 30 September 2021
<b>Subsidiaries</b>				
Sales	16,851	50,138	16,919	46,783
Purchases	(5,403)	(17,286)	(4,471)	(14,171)
Other operating income	3	8	55	55
Dividends income	-	40,635	20,000	48,052
Finance income - interests on cash pooling	39	61	7	11
Other finance income	-	4	1	5
Finance cost - credit guarantee	(80)	(245)	(104)	(406)
Finance cost - interests on cash pooling	(211)	(856)	-	-
Income tax -TCG settlements	(336)	(551)	(170)	(9)
<b>Associates</b>				
Sales	2	2	13	29
Purchases	(6)	(6)	(17)	(40)
Dividends income	24,000	24,000	-	-
<b>Major shareholder</b>				
Sales	8	21	6	19
Other operating income	1	2	103	501
Other operating cost	-	-	(8)	(8)

	As at 30 September 2022	As at 30 June 2022	As at 31 December 2021
<b>Subsidiaries</b>			
Shares	468,070	468,070	468,020
Cash pooling receivables	3,048	2,085	1,262
Trade receivables	12,797	12,385	16,044
Other receivables	348	5,191	783
Cash pooling liabilities	19,098	20,886	38,316
Trade liabilities	1,741	2,382	2,652
Other liabilities and accruals	1,866	1,303	1,218
Contract liabilities	-	-	8
<b>Associates</b>			
Shares	156,257	156,257	156,257
Trade receivables	2	-	-
<b>Major shareholder</b>			
Trade receivables	5	3	3
Other liabilities and accruals	8	8	8

**Selected unconsolidated financial data together with translation into EURO**

	in PLN thousand			in EUR thousand		
	Nine months ended 30 September 2022 unaudited	As at 31 December 2021 audited	Nine months ended 30 September 2021 unaudited	Nine months ended 30 September 2022 unaudited	As at 31 December 2021 audited	Nine months ended 30 September 2021 unaudited
Revenue	278,671		269,840	59,443		59,195
Operating loss	(53,550)		(26,484)	(11,423)		(5,810)
Loss before income taxes	8,268		19,688	1,764		4,319
Loss for the period	10,725		24,483	2,288		5,371
Net cash used in operating activities	(56,166)		(1,541)	(11,981)		(338)
Net cash from investing activities	45,165		45,354	9,634		9,949
Net cash used in financing activities	(34,320)		(62,389)	(7,321)		(13,686)
Net decrease in cash and cash equivalents	(45,321)		(18,576)	(9,667)		(4,075)
Total assets	982,291	1,024,848		201,711	222,822	
Non-current liabilities	42,035	40,879		8,632	8,888	
Current liabilities	128,758	183,197		26,440	39,831	
Equity	811,498	800,772		166,639	174,104	
Share capital	46,581	46,581		9,565	10,128	
Weighted average number of shares	46,580,831	46,580,831	-	46,580,831	46,580,831	-
Basic/diluted earnings per share (in PLN / in EUR)	0.23		0.53	0.05		0.12
Book value per share (in PLN / in EUR)	17.42	17.19		3.58	3.74	

Warsaw, November 17, 2022

*Bartosz Hojka - President of the Management Board*

*Signed on the Polish original*

*Tomasz Jagiello - Member of the Management Board*

*Signed on the Polish original*

*Anna Krynska-Godlewska - Member of the Management Board*

*Signed on the Polish original*

*Tomasz Grabowski - Member of the Management Board*

*Signed on the Polish original*

*Wojciech Bartkowiak - Member of the Management Board*

*Signed on the Polish original*

Signatures submitted electronically.