

AGORA S.A.

Condensed
interim
unconsolidated
financial statements
as at 30 June 2022
and for three and six
month period ended
thereon

August 11, 2022

UNCONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2022

	As at 30 June 2022 unaudited	As at 31 March 2022 unaudited	As at 31 December 2021 audited
Assets			
Non-current assets:			
Intangible assets	37,634	37,921	39,757
Property, plant and equipment	141,282	143,180	145,522
Right-of-use assets	28,398	28,501	25,336
Long term financial assets	624,649	624,599	624,599
Receivables and prepayments	478	496	498
Deferred tax assets	12,518	13,420	11,130
	844,959	848,117	846,842
Current assets:			
Inventories	18,576	16,447	11,425
Accounts receivable and prepayments	76,707	68,644	81,692
Income tax receivable	51	70	64
Short-term securities and other financial assets	2,085	1,092	1,262
Cash and cash equivalents	44,188	51,434	83,563
	141,607	137,687	178,006
Total assets	986,566	985,804	1,024,848

UNCONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2022 (CONTINUED)

	As at 30 June 2022 unaudited	As at 31 March 2022 unaudited	As at 31 December 2021 audited
Equity and liabilities			
Equity:			
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	490,097	467,400	484,325
	806,544	783,847	800,772
Non-current liabilities:			
Long-term borrowings	41,245	22,666	37,664
Retirement severance provision	2,285	2,226	2,226
Provisions	-	-	93
Accruals and other liabilities	1,009	619	704
Contract liabilities	11	181	192
	44,550	25,692	40,879
Current liabilities:			
Retirement severance provision	117	278	278
Trade and other payables	92,323	94,815	114,251
Short-term borrowings	12,592	33,702	21,046
Other financial liabilities	20,886	37,545	38,316
Provisions	556	648	683
Contract liabilities	8,998	9,277	8,623
	135,472	176,265	183,197
Total equity and liabilities	986,566	985,804	1,024,848

UNCONSOLIDATED INCOME STATEMENT FOR THREE AND SIX MONTHS ENDED 30 JUNE 2022

	Three months ended 30 June 2022 unaudited	Six months ended 30 June 2022 unaudited	Three months ended 30 June 2021 unaudited	Six months ended 30 June 2021 unaudited
Revenue	95,436	182,453	92,744	175,077
Cost of sales	(54,182)	(104,927)	(46,329)	(91,189)
Gross profit	41,254	77,526	46,415	83,888
Selling expenses	(31,300)	(61,594)	(30,443)	(58,275)
Administrative expenses	(25,941)	(50,419)	(23,454)	(47,756)
Other operating income	801	1,257	921	2,870
Other operating expenses	(470)	(705)	(1,243)	(1,794)
Impairment losses for receivables - net	(47)	(157)	65	144
Operating loss	(15,703)	(34,092)	(7,739)	(20,923)
Finance income	41,288	41,484	28,604	28,616
Finance costs	(1,954)	(3,043)	(785)	(1,807)
Profit before income taxes	23,631	4,349	20,080	5,886
Income tax	(934)	1,423	2,379	4,653
Net profit for the period	22,697	5,772	22,459	10,539
Basic/diluted earnings per share (in PLN)	0.49	0.12	0.48	0.23

UNCONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THREE AND SIX MONTHS ENDED 30 JUNE 2022

	Three months ended 30 June 2022 unaudited	Six months ended 30 June 2022 unaudited	Three months ended 30 June 2021 unaudited	Six months ended 30 June 2021 unaudited
Net profit for the period	22,697	5,772	22,459	10,539
Other comprehensive income:				
	-	-	-	-
Other comprehensive income/loss for the period	-	-	-	-
Total comprehensive income for the period	22,697	5,772	22,459	10,539

UNCONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2022

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Six months ended 30 June 2022					
As at 31 December 2021 audited	46,581	147,192	122,674	484,325	800,772
Total comprehensive income for the period					
Net profit	-	-	-	5,772	5,772
Total comprehensive income for the period	-	-	-	5,772	5,772
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Total transactions with owners	-	-	-	-	-
As at 30 June 2022 unaudited	46,581	147,192	122,674	490,097	806,544

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Six months ended 30 June 2021					
As at 31 December 2020 audited	46,581	147,192	123,053	456,562	773,388
Total comprehensive income for the period					
Net profit	-	-	-	10,539	10,539
Total comprehensive income for the period	-	-	-	10,539	10,539
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Total transactions with owners	-	-	-	-	-
As at 30 June 2021 unaudited	46,581	147,192	123,053	467,101	783,927

UNCONSOLIDATED CASH FLOW STATEMENT FOR THREE AND SIX MONTHS ENDED 30 JUNE 2022

	Three months ended 30 June 2022 unaudited	Six months ended 30 June 2022 unaudited	Three months ended 30 June 2021 unaudited	Six months ended 30 June 2021 unaudited
Cash flows from operating activities				
Profit before income taxes	23,631	4,349	20,080	5,886
Adjustments for:				
Depreciation and amortisation	7,494	15,052	7,993	16,199
Foreign exchange (profit)/loss	3	11	(8)	(7)
Interest, net	1,832	2,761	568	1,349
(Profit)/loss on investing activities	(288)	(287)	865	770
Dividend income	(40,635)	(40,635)	(28,052)	(28,052)
Decrease in provisions	(194)	(322)	(281)	(421)
Increase in inventories	(2,128)	(7,150)	(1,589)	(2,567)
(Increase)/decrease in receivables	(2,676)	9,459	1,175	6,432
Increase/(decrease) in payables	(1,748)	(18,273)	2,217	9,154
Increase/(decrease) in contract liabilities	(449)	194	418	1,506
Cash generated from/(used in) operations	(15,158)	(34,841)	3,386	10,249
Income taxes inflows/(outflows) (1)	(146)	323	314	(100)
Net cash from/(used in) operating activities	(15,304)	(34,518)	3,700	10,149
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, and intangibles	47	49	26	14,595
Dividends received	35,635	35,635	28,052	28,052
Interest received	9	16	2	4
Proceeds/(outflows) from cash pooling	(1,037)	(870)	251	(479)
Purchase of property, plant and equipment, and intangibles	(5,426)	(11,048)	(3,513)	(8,935)
Acquisition of subsidiaries, associates and jointly controlled entities	(50)	(50)	(2,404)	(2,404)
Net cash from investing activities	29,178	23,732	22,414	30,833

	Three months ended 30 June 2022 unaudited	Six months ended 30 June 2022 unaudited	Three months ended 30 June 2021 unaudited	Six months ended 30 June 2021 unaudited
Cash flows from financing activities				
Proceeds from borrowings	31,838	31,838	-	-
Repayment of borrowings	(34,203)	(39,024)	(22,500)	(30,833)
Outflows from cash pooling	(16,674)	(17,505)	(21,659)	(22,376)
Payment of finance lease liabilities	(215)	(1,245)	(17)	(1,009)
Interest paid	(1,787)	(2,482)	(474)	(2,051)
Other	(79)	(171)	(171)	(300)
Net cash used in financing activities	(21,120)	(28,589)	(44,821)	(56,569)
Net decrease in cash and cash equivalents	(7,246)	(39,375)	(18,707)	(15,587)
Cash and cash equivalents				
At start of period	51,434	83,563	76,626	73,506
At end of period	44,188	44,188	57,919	57,919

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

ADDITIONAL INFORMATION

1. General information

Agora S.A. with its registered seat in Warsaw, Czerna 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.

Detailed information about the structure and the scope of activity of the Agora Group have been included in the condensed semi-annual consolidated financial statement as at 30 June 2022 and for six month period ended thereon.

Company's advertising revenues are subject to seasonality – revenues earned in the first and third quarter are usually lower than in the second and fourth quarter.

The condensed interim unconsolidated financial statements was prepared as at 30 June 2022 and for three and six months ended 30 June 2022 with comparative figures as at 31 March 2022, 31 December 2021 and as at 30 June 2021 and for three and six months ended 30 June 2021.

The condensed interim unconsolidated financial statements were authorised for issue by the Management Board on 11 August 2022.

2. Changes in provisions and impairment losses for assets

In the period from January 1, 2022 to June 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 second quarter of 2022):

- impairment loss for receivables: increase by PLN 23 thousand (decrease by PLN 21 thousand),
- impairment loss for inventory: decrease by PLN 488 thousand (decrease by PLN 1,133 thousand),
- retirement severance payments for former members of the Management Board: used by PLN 185 thousand (decrease by PLN 75 thousand),
- provision for restructuring cost: used by PLN 35 thousand (used by PLN 18 thousand),
- retirement severance provision: decrease by PLN 102 thousand (decrease by PLN 102 thousand).

3. Other notes

The Management Board of Agora S.A. believes that the notes to Agora Group's condensed semi-annual consolidated financial statements and the notes to Agora S.A. condensed semi-annual unconsolidated financial statements present all other material information required to assess the Company's financial position and financial results in the period from January, 1, 2022 to June, 30, 2022 and therefore the condensed interim unconsolidated financial statements should be read together with the condensed semi-annual consolidated financial statements and condensed semi-annual unconsolidated financial statements, which are included in the semi-annual report.

Accounting policies applied to prepare condensed interim unconsolidated financial statements of Agora S.A. meet the International Accounting Standard 34 "Interim Financial Reporting" and are the same as for the condensed semi-annual unconsolidated financial statements.

Warsaw, August 11, 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

Agnieszka Siuzdak-Zyga - 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.