

AGORA GROUP

Report for
1q 2022

May 19, 2022

TABLE OF CONTENTS

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) OF THE GROUP'S RESULTS FOR THE FIRST QUARTER OF 2022.....4

I. IMPORTANT EVENTS AND FACTORS WHICH INFLUENCE THE FINANCIALS OF THE GROUP [1].....	4
II. EXTERNAL AND INTERNAL FACTORS IMPORTANT FOR THE DEVELOPMENT OF THE GROUP	6
1. EXTERNAL FACTORS	6
1.1 Advertising market [3]	6
1.2 Copy sales of dailies [4]	6
1.3. Cinema admissions [9].....	6
2. INTERNAL FACTORS	7
2.1. Revenue	7
2.2. Operating cost	8
3. PROSPECTS.....	9
III. FINANCIAL RESULTS	13
1. THE AGORA GROUP	13
2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP	13
2.1. Financial results presented according to major segments of the Agora Group for the first quarter of 2022 [1]	15
2.2. Finance cost, net.....	15
3. BALANCE SHEET OF THE AGORA GROUP	16
3.1. Non-current assets	16
3.2. Current assets	16
3.3. Non-current liabilities and provisions.....	16
3.4. Current liabilities and provisions	16
4. CASH FLOW STATEMENT OF THE AGORA GROUP	17
4.1. Operating activities.....	17
4.2. Investment activities.....	17
4.3. Financing activities	17
5. SELECTED FINANCIAL RATIOS [5]	18
IV. OPERATING REVIEW - MAJOR SEGMENTS OF THE AGORA GROUP	19
IV.A. MOVIES AND BOOKS [1].....	19
1. Revenue [3].....	20
2. cost	21
3. New initiatives	21
IV.B. PRESS [1].....	23
1. Revenue	24
1.1. Revenue from copy sales	24
1.2. Advertising revenues [3]	24
1.3. Digital revenue.....	24
2. Cost	24
3. New initiatives	24
IV.C. OUTDOOR.....	26
1. Revenue [7].....	26
2. Cost	27
3. New initiatives	27
IV.D. INTERNET [1], [6].....	28
1. Revenue	28
2. Cost	29
3. Important information on internet activities	29
4. New initiatives	29

IV.E. RADIO	31
1. Revenue [3].....	31
2. Cost.....	32
3. Audience shares [8]	32
4. New Initiatives	32
NOTES	33
V. ADDITIONAL INFORMATION	36
1. IMPORTANT EVENTS.....	36
2. Changes in ownership of shares or other rights to shares (options) by Management Board members in the first quarter of 2022 and until the date of publication of the report	42
3. Changes in ownership of shares or other rights to shares (options) by Supervisory Board Members in the first quarter of 2022 and until the date of publication of the report	42
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	42
5. Other information.....	43
Condensed interim consolidated financial statements	45

AGORA GROUP

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

REVENUE PLN 253.1 MILLION
EBITDA PLN 17.6 MILLION
NET LOSS PLN (33.1) MILLION
OPERATING CASH FLOW PLN 2.8 MILLION

Unless indicated otherwise, all data presented herein represent the period of January – March 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 [1]

- ▶ In the first quarter of 2022, **revenues of the Agora Group** (“Group”) amounted to PLN 253.1 million and increased by 73.4% compared to the first quarter of 2021. The level of the Group's revenues in the period under review was primarily determined by the lifting of most restrictions related to the COVID-19 pandemic. This can be seen in particular on the example of the Movies and Books segment – both in cinema and film business – due to the fact that in the first quarter of 2021 the cinemas remained closed. In the first quarter of 2022, cinemas in Poland were already operating, including by the end of February 2022 with a sales limit of 30.0% seats in the cinema hall. As a result, in the first quarter of 2022, the Agora Group recorded PLN 69.7 million from sales of cinema tickets and concession sales, which was impossible in the same period of 2021. NEXT FILM released three new film productions and recorded revenues from the production for Netflix, which resulted in an increase in revenues from film distribution and production to PLN 15.8 million. Revenues from catering business increased by 44.4% to PLN 7.8 million, both thanks to lifting restrictions on catering and an increase in the number of restaurants. The revenues of Agora's Publishing House were slightly lower than in the first quarter of 2021. Another business which recorded a significant increase in revenues was the Outdoor segment. Higher revenues in this business area by 90.0% to PLN 30.4 million resulted mainly from an increase in expenditures for advertising on *premium citylight*, *backlight* and *digital* media. In the Radio segment, revenues increased by 14.6% to PLN 22.8 million, mainly due to higher revenues from the sales brokerage services provided for the Helios cinema network (cinemas were closed in the first quarter of 2021) and air time in other broadcasters' stations. In the Press segment, revenues increased by 1.3%, to PLN 46.9 million. This was mainly due to higher revenues from sales of digital content of *Gazeta Wyborcza* and revenues from printing activities. The drop in revenues in the Internet segment by 6.4% to PLN 43.9 million was mainly due to changes in Yieldbird's sales structure (related to discontinuation of services to lower margin clients), while the revenues recorded by the *Gazeta.pl* website were higher.
- ▶ In the first quarter of 2022, **Agora Group's operating costs** increased by 41.1% and amounted to PLN 275.8 million. They were higher in all operating segments of the Group, except the Internet. In the period from January to March 2022, the largest increase in operating costs by 149.2% to PLN 114.9 million was recorded in the Movies and Books segment and was mainly due to the fact that in the same period of 2021 cinemas could not carry out operating activities as a result of an administrative decision. The increase in operating costs in this area was also affected by the development of food business and its larger scale of operations and decrease in operating restrictions. Another business with an increase in operating costs was the Press segment. The segment's operating expenses went up by 15.0% to PLN 49.0 million. Higher staff costs had the most important impact on their increase, mainly due to the increase in fixed salaries, full-time employment and the costs of civil law contracts. The costs of materials, energy,

goods and printing services were also higher, which resulted, among others, from higher paper prices and higher print volume for external customers than a year before. In the Outdoor segment, operating costs increased by 20.6% to PLN 34.6 million, and an increase was observed in all categories of operating expenses. The costs of maintaining the system increased mainly due to higher barter costs of functioning of the MoveTV channel in fitness clubs and increasing the channel coverage by further locations, as well as due to the development of the digital media system in shopping centres, as well as higher costs of day-to-day maintenance and repair of media. The increase in the campaign implementation costs was mainly due to a greater number of advertising campaigns and higher costs of printing, replacement and distribution of posters, as well as the purchase of advertising space on public transport vehicles. Higher expenditure on staff remuneration and benefits in this segment is due to the increase in fixed wages and their variable component as a result of higher degree of achievement of the assumed sales targets. In the first quarter of 2022, the Radio segment's operating costs increased by 23.1% to PLN 24.0 million. The highest increase was recorded in the costs of external services item. It also resulted from the increase in expenditure for the provision of sales brokerage services for the Helios cinema network. In the same period of 2021, these activities were not carried out in connection with the administrative decision to suspend cinema business due to a pandemic. An increase was also recorded in the costs of air time purchase in third-party radio stations in connection with the advertising sales brokerage services provided, and in the costs of marketing services. The second important factor contributing to the increase in operating costs was higher staff expenditure, mainly due to the increase in fixed salaries and higher costs of courses, training and conferences. The segment with operating costs lower than a year ago was the Internet, mainly due to lower costs of external services, including lease of advertising space in Yieldbird. However, as in the Group as a whole, the staff costs were higher. Representation and advertising expenses also increased.

- ▶ In the first quarter of 2022, the Agora Group recorded a profit at the EBITDA level amounting to PLN 17.6 million against a loss in the corresponding period of 2021 amounting to PLN 8.1 million. At the same time, the Group reduced a loss at the EBIT level by 54.1% to PLN 22.7 million. In the period concerned, the Group recorded a net loss of PLN 33.1 million, with a net loss attributable to shareholders of the parent company amounting to PLN 31.8 million.

The Group's loss at the EBITDA level presented without the effect of the IFRS 16 standard amounted to PLN 4.3 million, while the Group's loss at the EBIT level under this approach amounted to PLN 28.0 million in the first quarter of 2022.

- ▶ As at 31 March 2022, the Group's cash and short-term financial assets amounted to PLN 99.7 million, which comprised PLN 98.7 million in cash and cash equivalents (cash in hand and at bank and bank deposits) and PLN 1 million in short-term financial assets.
- ▶ As at the end of March 2022, the Group's debt due to loans and leases amounted to PLN 817.2 million (including lease liabilities under IFRS 16 that amounted to PLN 668.8 million). The Group's net debt under this approach equalled PLN 718.5 million, while without the effect of IFRS 16, the Group's net debt as at 31 March 2022 stood at PLN 49.7 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 first quarter of 2022, total advertising spending in Poland amounted to almost PLN 2.4 billion and increased by 7.0% yoy. At that time, advertisers increased their expenditure in all of the advertising market segments except for radio.

Tab.1

	I Q 2020	II Q 2020	III Q 2020	IV Q 2020	I Q 2021	II Q 2021	III Q 2021	IV Q 2021	I Q 2022
% change yoy in ad market value	0.0%	(29.0%)	(2.5%)	(1.0%)	4.0%	42.5%	12.0%	11.5%	7.0%

The data relating to the changes in the value of advertising expenditure in particular media segments in the first quarter of 2022 are presented in the table below:

Tab.2

Total advertising expenditure	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
7.0%	0.5%	9.0%	(3.0%)	70.0%	7.0%	9.5%	326,090.0%

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

Tab. 3

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100.0%	40.5%	44.5%	6.0%	4.5%	2.5%	1.0%	1.0%

1.2 Copy sales of dailies [4]

In the first quarter of 2022, the sales of daily newspapers in Poland decreased by 10.3% yoy. The smallest decline took place in the segment of specialized dailies, while the largest decreases were recorded in the segment of local dailies.

1.3. Cinema admissions [9]

According to Helios' estimates, the number of tickets sold in Polish cinemas in the first quarter of 2022 amounted to nearly 10.4 million. When it comes to the comparison with 2021, it is worth remembering that cinemas in Poland were closed by an administrative decision on November 7, 2020. In February 2021, the Polish government made it possible to open cinemas conditionally for two weeks. Only some of the non-chain cinemas took advantage of this option. Large cinema chains have not decided to open their facilities conditionally for two weeks. On March 20, 2021, the Polish government decided to close cinemas again. As a result, in the first quarter of 2021, according to Helios' estimates, 533.2 thousand tickets were sold in Poland.

2. INTERNAL FACTORS

2.1. Revenue

Tab. 4

<i>in million PLN</i>	1Q 2022	1Q 2021	% change yoy
Total sales (1)	253.1	146.0	73.4%
<i>Advertising revenue</i>	104.5	90.6	15.3%
<i>Ticket sales</i>	47.3	-	-
<i>Copy sales</i>	33.0	33.3	(0.9%)
<i>Concession sales in cinemas</i>	22.4	-	-
<i>Gastronomic sales (2)</i>	7.8	5.4	44.4%
<i>Revenues from film activities</i>	15.8	0.5	3,060.0%
<i>Other</i>	22.3	16.2	37.7%

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

(2) *in 2021, the Group amended the presentation of gastronomic sales, these revenues include activities of company Step Inside Sp. z o.o., which in the previous periods were presented in line Other sales, the comparative information has been restated accordingly.*

In the first quarter of 2022, total **revenues of the Agora Group** amounted to PLN 253.1 million and were higher by 73.4% yoy.

In the period from January to March 2022, the Group's **revenues from sales of advertising services** increased by 15.3% yoy and stood at PLN 104.5 million. Revenues from this category accounted for 41.3% of the Group's total revenues. The increase in advertising revenues was mainly related to the reconstruction of the advertising market after the lifting of pandemic restrictions on the activities of many entrepreneurs in Poland. The largest increase in revenues from sales of advertising services was recorded in the Outdoor segment – they increased by 88.7% to PLN 28.5 million. Advertising revenues were also higher in the Movies and Books and the Radio segments. In cinema business, this resulted from the restoration of functioning of cinemas closed in the same period of 2021. In the Radio segment, the increase in radio advertising revenues was related to higher revenues from the services of brokerage in the sale of air time in stations of other broadcasters. However, in the Internet and the Press segments advertising revenues decreased. In the first segment, this was mainly due to Yieldbird's lower revenues and in the Press segment due to the decrease in expenditure for advertising in the traditional daily edition. It is worth noting that the share of digital and Internet revenues in total revenues of the Agora Group from advertising sales amounted to 46.5% and decreased compared to the corresponding period of 2021, mainly due to a significant increase in advertising revenues from campaigns carried out on outdoor media and in cinemas.

In the first quarter of 2022, **revenues from basic activities of the Helios network cinemas** amounted to PLN 69.7 million. Until the end of February 2022, cinemas in Poland could offer for sale 30.0% of seats in cinema halls. It was only in March this year that the remaining restrictions on cinema business were lifted. As a result, almost 2.5 million tickets were sold in the Helios cinema network in the first quarter of 2022. The revenues from this sale reached PLN 47.3 million and the revenues from concession sales in cinemas PLN 22.4 million. Importantly, in the first quarter of 2022, online ticket sales accounted for nearly 46.0% of total revenues from cinema ticket sales. In the same period of 2021, no revenue from cinema business (from sales of cinema tickets and concession sales) was recorded as all Helios facilities remained closed. By force of the government's decision, cinemas in Poland were allowed to resume their operations in the period from 12 February to 20 March 2021. Some small cinemas took advantage of this opportunity. At the time when they were operating the number of tickets sold for film shows in Poland amounted to 533.2 thousand. According to the estimates of Helios, in the first quarter of 2022 nearly 10.4 million tickets were

sold in cinemas in Poland. According to Boxoffice, attendance in Poland exceeded 7.2 million tickets [9]. This number does not take into account the film productions released by the UIP.

Revenues from sales of publications were slightly lower than in the first quarter of 2021 and amounted to 33.0 million. This decrease was mainly due to a decrease in revenues from sales of publications of Agora's Publishing House with increasing revenues from the digital subscription of *Gazeta Wyborcza*. The share of digital revenues in total revenues from sales of publications of the Agora Group amounted to 40.6% and increased by 11.2pp compared to the first quarter of 2021. In addition, it is worth noting that apart from the sale of publications, the Agora Group also offers other content in digital form (e.g. podcasts). Sales of digital content including the sale of publications and other content are growing dynamically. The share of these revenues from sales of content in the period from January to March 2022 amounted to 41.0% and increased by 6.2pp as compared to the corresponding period of 2021.

Revenues from film operations in the first quarter of 2022 amounted to PLN 15.8 million and were significantly higher than in the first quarter of 2021. It is worth remembering that in the same period of 2021, due to the closure of cinemas in Poland, NEXT FILM was unable to release film productions on big screens. On the other hand, in the first quarter of 2022, the company released three Polish productions and received remuneration for the production of the movie for the Netflix platform.

Revenues from food business in the first quarter of 2022 amounted to PLN 7.8 million and were by 44.4% higher than in the first quarter of 2021. The main factors affecting the level of revenues generated by this business were the reduction of restrictions on catering and the extension of the network by new outlets under the Pasibus brand.

The revenues from other sales amounted to PLN 22.3 million and increased by 37.7%. It was mainly caused by the increase in other revenues from the operations of the Movies and Books segment. This is mainly due to an increase in revenues from digital music distribution, as well as revenues from unrealised vouchers for cinema tickets or revenues from internet charges. Revenues from the sales of printing services in the Group amounted were also higher and amounted to PLN 7.6 million showing an increase of 18.8% yoy. This mainly resulted from the increase in the volume of orders for printing services.

2.2. Operating cost

Tab. 5

<i>in million PLN</i>	1Q 2022	1Q 2021	% change yoy
Operating cost net (1), including:	(275.8)	(195.5)	41.1%
<i>External services</i>	(93.7)	(59.5)	57.5%
<i>Staff cost</i>	(90.2)	(72.3)	24.8%
<i>Raw materials, energy and consumables</i>	(32.1)	(18.0)	78.3%
<i>D&A</i>	(39.7)	(41.4)	(4.1%)
<i>Promotion and marketing</i>	(11.8)	(6.6)	78.8%
<i>Impairment losses (2)</i>	(0.6)	-	-

(1) the amount of the cost excluding impact of International Financial Reporting Standard no. 16 Leases amounted to PLN 281.1 million (in the first quarter of 2021: PLN 188.4 million);

(2) the amount includes an impairment loss for right-of-use assets in Helios S.A.

In the first quarter of 2022, **net operating costs of the Agora Group** increased by 41.1% and amounted to PLN 275.8 million.

The increase in **the costs of external services** by 57.5% to PLN 93.7 million was mainly triggered by the return of cinemas to full operations, which caused a significant increase of royalties for film copies and royalties for film

producers incurred in the Group's film business carried out by the company NEXT FILM. This cost item also increased significantly in the Outdoor and Radio segments. In the first segment, the increase was due to a larger number of campaigns carried out and the purchase of advertising space, and in the second to the sales brokerage service provided to Helios, air time in stations of other broadcasters or the costs of marketing services.

In the first quarter of 2022, the **staff costs** increased by 24.8% to PLN 90.2 million. They were higher in all business segments of the Agora Group. The highest increase in this category of expenditure took place in the Movies and Books segment and was related to the restoration of operations of Helios cinemas which were closed throughout the first quarter of 2021 and significantly reduced restrictions on food business. A significant increase in this cost item was visible in the Group's film business and was related to the production of the film *Jeszcze przed świętami (Still before Christmas)* for the Netflix platform. This cost category also increased in the Press, Internet, Radio and Outdoor segments, as well as in support departments. The increase in staff costs was mainly due to an increase in the costs of civil law contracts, fixed salaries in the Group and a higher number of employees.

The number of FTEs in the Agora Group at the end of March 2022 was 2 356 and was by 109 FTE higher compared to the end of March 2021. This increase was influenced to a greatest extent by the increase in the number of FTEs in the Press, cinema business, as well as in the Internet and Outdoor segments. Employment was also higher in most other areas of the Group's operations.

The increase in the **cost of materials and energy consumption and the value of goods and materials sold up** by 78.3% yoy to PLN 32.1 million, was mainly due to the lifting of restrictions on cinema and food businesses and the higher costs of materials for the production, mainly paper.

The Group's **promotion and marketing costs** increased in the first quarter of 2022 by 78.8% to PLN 11.8 million. Their highest increase was recorded in the Movies and Books segment and resulted from promotional activity related to three film productions released by NEXT FILM and higher costs of advertising in cinemas. This item of expenditure grew significantly in the activities of the Internet segment and was also higher in other areas of the Group's operations.

In the first quarter of 2022, the **depreciation and amortisation costs** went down by 4.1% to PLN 39.7 million. This is mainly the result of lower depreciation in cinema business and in the Press segment. In the Outdoor segment this cost category was higher yoy and in Radio and Internet segments it was flat yoy.

3. PROSPECTS

Since 1 March 2022, the Polish government has lifted most restrictions on business operations, in particular the limits of persons able to take advantage of the offer of cinemas and restaurants. As of 16 May this year, the state of epidemic has been replaced by the state of epidemic emergency.

The possible pandemic expansion and further measures that may be introduced to fight against it are unknown and seem to be rather unlikely at present. However, the economic crisis caused by the pandemic is intensifying more and more, as can be seen, inter alia, in high inflation and financing costs. Russia's attack on Ukraine and the lasting armed conflict are a new factor affecting the economic situation in the country. The duration of war and its scale may significantly affect the Company's analyses and estimates, in particular with regard to the value of the advertising market, the number of cinema tickets sold, as well as concession and catering sales. At the same time, in times of so much uncertainty, there is a growing demand for reliable and verified information offered by Agora's media. The impact of the war on the possibility of implementing business plans and accomplishment of financial targets is not yet fully known to the Company. Therefore, the Management Board of Agora has decided to recommend that the Supervisory Board and the General Meeting of Shareholders not pay the dividend for 2021. This decision is mainly due to uncertainty and unpredictability currently related primarily to the condition of the Polish economy and the armed conflict in Ukraine and their impact on the operations and results of the Company and Agora Group. Despite material challenges related to another year of operating in the market environment burdened with the negative effects of the pandemic and the hard to predict effects of Russia's attack on Ukraine, the Management Board of the Company does not see any significant uncertainty arising from these circumstances that would give rise to serious doubts as to the Company's and the Agora Group's going concern. These uncertainty factors may affect the Group's liquidity position. Therefore, the Company's Management Board carefully monitors the inflow of amounts due in order to secure the Group's financial liquidity, while undertaking actions to secure the Group's liquidity in the foreseeable future. However, the effect of these actions depends to a large extent on the condition of the Polish economy. The liquidity risk of the Agora Group may be the scale of revenues generated, in particular if the deteriorating economic situation of the country results in a reduction of expenditures in the Poles'

domestic budgets for culture and entertainment. The Company and its subsidiary Helios S.A. secured additional financing to prevent the occurrence of a liquidity gap in the future.

As at the balance sheet date, Agora S.A. had a working capital loan granted and fully available in the amount of PLN 100 million to finance operating activities, available until 22 September 2022 in the amount of PLN 65 million and until 28 September 2022 in the amount of PLN 35 million. On 14 April 2022 Agora S.A. signed the agreements on overdraft facility and on the loan refinancing the existing debt of the Company with Santander Bank Polska S.A. The necessity to change the entity providing funding to Agora before the expiry of the deadline for the availability of funding in DNB Bank Polska S.A. resulted from the withdrawal of the existing lender of Agora S.A. from its operations in Poland. Agora informed about the details of new loan agreements signed with Santander Bank Polska S.A. in the current report 11/2022 on 14 April 2022. As at the date of publication of the current report, Agora repaid all debts due to loans in DNB Bank Polska S.A. and took the loans at Santander Bank Polska S.A.

On the other hand, Helios Group had working capital loans granted in the amount of PLN 108 million available in tranches until 24 September, 26 August, 23 December 2022. As at the balance sheet date, PLN 39.8 million remained unused. In addition, on 28 March 2022 Helios S.A. signed a preferential loan agreement in the amount of PLN 18.9 million with Polski Fundusz Rozwoju S.A. with its registered office in Warsaw under the government programme "Financial shield of the Polish Development Fund for large companies". The Loan may be used to finance current activities of Helios. As at the balance sheet date, the loan has not yet been disbursed. It is possible to redeem up to 75% of the loan value on the basis of the conditions set out in the agreement. Helios will apply for a remission of the loan. The unremitted portion of the loan is to be repaid in 22 equal quarterly principal instalments starting from 30 September 2022. The loan bears a preferential interest rate.

As at the end of March 2021, the free cash in the Agora Group amounted to PLN 98.7 million.

Both Agora and companies from its capital group took a number of actions aimed at ensuring financial security to the Group and its returning to the path of increased revenues and operating results after the crisis caused by the pandemic. It is worth remembering that between 15 December 2021 and the end of February 2022 Helios cinemas and catering business operated with a limit of 30.0% of seats available for sale, not including vaccinated persons. This is a significantly smaller scale of restrictions than in 2021, when in the first quarter most cinemas remained completely closed and catering outlets could only operate on a take away and home delivery basis. In the Company's opinion, there are currently no indications that the Polish government will plan in 2022 to reintroduce restrictions in order to fight against the spread of pandemic, which will allow the Group to effectively fight for restoration of its performance. The second factor affecting cinema attendance in the first quarter of 2022 in Poland was Russia's attack on Ukraine. In subsequent periods, depending on the available cinema repertoire, effects of the war in Ukraine and what Poles will be able to afford, the Movies and Books segment should generate higher revenues than a year ago and improve its financial results, which will have a positive impact on the results of the entire Agora Group. Nevertheless, the attendance and value of the cinema market in Poland have not yet returned to the record level of 2019. In the first quarter of 2022, the cinema attendance constituted approx. 60.0% of the one in the corresponding period of 2019. In the Company's opinion, in 2022, cinema attendance will be higher than that recorded in 2021, but may not yet reach the 2019 level.

In addition, hitherto regulations related to counteracting the spread of COVID-19 had a negative effect on the catering business developed within the company Step Inside. From 15 December 2021 to the end of February 2022, restaurants could offer 30.0% of the available places in the premises, without including fully vaccinated persons. Since March 2022, the limits on the number of persons in restaurant facilities have been abolished. Step Inside, as part of which Helios, together with its partner, develops the Pasibus brand, has resumed the investment process and plans to open new facilities.

The impact of the pandemic and the economic crisis caused by it will continue to have a significant impact on the functioning of entrepreneurs in Poland in 2022. An additional factor of uncertainty that already affects the business activities of companies is the ongoing war in Ukraine. It additionally aggravates the poor state of the Polish economy, which translates into the condition of native companies and may have an impact on the level of advertising activity. Advertising revenues are one of the main sources of Agora's income, which is why the pace of growth in the value of the advertising market is a key parameter for the Group.

In the first quarter of 2022, the value of expenditure on advertising in Poland increased by 7.0% compared to the corresponding period of 2021. This value was also higher than in the first quarter of 2019. Therefore, based on the available market data, the Company's Management Board estimates that the value of the advertising market in Poland in 2022 will increase by approximately 3.0-6.0% compared to 2021. The value of expenditure on advertising

in cinemas will increase by 65.0-75.0% and on outdoor by 15.0-18.0%. The increase in expenditure will also persist in the Internet – by 5.0-8.0%. Agora estimates that expenditure on radio advertising will increase by 1.0-4.0%. Press and television are the market segments where advertising expenditure may stay at the same level as in 2021. The value of expenditure in these segments may fluctuate between a decrease by 1.0% and an increase by 2.0%. At the same time, due to the fact that it is difficult to predict further developments related to the armed conflict in Ukraine and its economic impact, the above assumptions may be erroneous, and their accuracy may be much lower than in the periods of higher predictability.

The pandemic has changed the habits of some readers of the press and has significantly accelerated digitisation processes on this market, which has also changed the publishers' business model. Copy sales of press titles in traditional form will decrease in the subsequent quarters of 2022 due to not only the market trends but also the Poles quickly getting used to reading digital publications. However, the Agora Group is actively developing the digital subscription of *Gazeta Wyborcza* (over 290 thousand active digital subscriptions at the end March 2022) and sales of books and music publications in digital form or via online bookshops. This results in a steady increase in the share of digital revenues both from sales of publications (40.6% in the first quarter of 2022) and more broadly from sales of content in the Agora Group (41.0% in the first quarter of 2022). Therefore, Agora will continue to invest in digitization processes throughout the Group to make the best use of this trend in building the market position of the organization.

At the same time, like other publishers, Agora faces the challenges related to the issues of traditional press – the high cost of paper and the problems of its availability. This challenge will be faced by Agora in the following quarters of 2022.

The Management Board of Agora estimates that throughout 2022 the revenues of the Agora Group may be higher than in 2021. However, 2022 began with circumstances unfavourable to the development of enterprises. Most businesses still feel negative effects of the pandemic and struggle to make up for the losses caused by its outbreak. On top of it, they now have to cope with the highest inflation in Poland has seen in years, high increases in the prices of materials, energy and services, as well as growing financing costs. The wage pressure on all jobs is also high. These factors will contribute to the increase in the Group's operating costs, in particular the costs of external services and staff costs. For this reason, the Management Board of Agora estimates that in 2022 the Agora Group may record results comparable to those of 2021. The risk related to this assumption is the deteriorating economic situation, reflected in rising commodity and service prices, record high inflation, rising interest rates and energy and fuel costs. The deteriorating condition of the Polish economy is reflected in the weakening value of the Polish currency, which is important for the Group in particular with regard to the PLN/EUR exchange rate. Russia's attack on Ukraine may exacerbate these negative developments and considerably slow down economic growth and increase in inflation and fuel costs. In addition, it is worth noting that the advertising market is correlated with the pace of economic growth, and the above factors cool down expectations as to the dynamics of the advertising market in 2022. After in 2020 and 2021 the investments were limited to those necessary, in 2022 the Management Board of Agora plans to increase investment expenditures twice compared to those incurred in 2021. However, in the event of a deterioration of the market situation entailing the risk of failure to achieve the expected financial results, these expenditures will be limited. In addition, in the event of a further increase in interest rates, the Company's Management Board may be forced to resign from certain investments which, due to the higher cost of capital, will not bring for the Group the required rate of return within a specified period of time.

The Company plans to take advantage of the growth in the advertising market for further improvement of Agora's performance, in particular in the area of online activities. Investment expenditures will therefore focus on improving the quality of advertising space and the efficiency of digital advertising offers. This can be seen both from the results of *Gazeta.pl* and *Yieldbird*, which currently focuses on improving the structure of the customer portfolio and the margin, rather than increasing turnover. Thanks to initiatives taken so far, the share of digital revenues in total advertising sales in the Group amounted to 46.5% in the first quarter of 2022. With subsequent initiatives to improve the effectiveness of the introduced solutions and the market increase in spending on online advertising, the share of digital revenues in total revenues of the Agora Group from advertising sales will accelerate in the following quarters of 2022.

Agora will invest in technology supporting strategic objectives and in acquiring key competences from the market. AMS will focus on investing in state-of-the-art technological tools to further develop and empower the company in the DOOH segment and in the urban furniture segment. In its radio activities, Agora will focus on activities that strengthen the programming offer, which translates into the popularity of individual stations and thus the willingness of advertisers to place campaigns in the Agora Radio Group stations. Such activities have already

provided the Agora radio stations with record-breaking listenership results. In cinema business, in the following quarters of 2022 Helios will focus on maintenance investments and increasing the number of Helios Dream halls in existing facilities, as well as on opening a cinema in Łomża. In 2022, Pasibus, in cooperation with Helios S.A., will expand its network by two new outlets, which should translate into further development of the network and an increase in its scale. It is worth noting that in the first quarter of 2022 the value of revenues from food business amounted to PLN 7.8 million and it will increase in subsequent quarters of this year.

Work on the development strategy for the entire Agora Group for 2023-2027 remains a key project affecting the long-term prospects of the Agora Group. In February 2022, the Management Board of Agora S.A. announced that it proceeded to analyse the growth potential of the Agora Group, its business portfolio and the market environment changed in order to finalise in 2022 its work on the Agora Group's growth strategy for subsequent years.

Taking into account the funding available to the Group, the condition of individual businesses and the actions taken to counteract the negative economic consequences of the pandemic, 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 currently related mainly to the consequences of the Russia's attack on Ukraine.

III. FINANCIAL RESULTS

1. THE AGORA GROUP

The consolidated financial statements of the Agora Group for the first quarter of 2022 include: Agora S.A. and 19 subsidiaries, which operate principally in the internet, cinema, radio, gastronomy and outdoor advertising segments. Additionally, as at 31 March 2022 the Group held shares in jointly controlled entity Instytut Badan 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 selected financial data together with translation into EURO are presented in note 18 and 19 to the condensed interim consolidated financial statements. The changes in the composition of the Group are described in note 12 to the condensed interim consolidated financial statements.

2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP

Tab. 6

<i>in PLN milion</i>	1Q 2022	1Q 2021	% change yoy
Total sales (1)	253.1	146.0	73.4%
<i>Advertising revenue</i>	104.5	90.6	15.3%
<i>Ticket sales</i>	47.3	-	-
<i>Copy sales</i>	33.0	33.3	(0.9%)
<i>Concession sales in cinemas</i>	22.4	-	-
<i>Gastronomic sales (2)</i>	7.8	5.4	44.4%
<i>Revenues from film activities</i>	15.8	0.5	3,060.0%
<i>Other</i>	22.3	16.2	37.7%
Operating cost net, including:	(275.8)	(195.5)	41.1%
<i>External services</i>	(93.7)	(59.5)	57.5%
<i>Staff cost</i>	(90.2)	(72.3)	24.8%
<i>Raw materials, energy and consumables</i>	(32.1)	(18.0)	78.3%
<i>D&A</i>	(39.7)	(41.4)	(4.1%)
<i>Promotion and marketing</i>	(11.8)	(6.6)	78.8%
<i>Impairment losses (3)</i>	(0.6)	-	-
Operating result - EBIT	(22.7)	(49.5)	54.1%
<i>Operating result - EBIT excl. IFRS 16 (4)</i>	(28.0)	(42.4)	34.0%
Finance cost, net, incl.:	(13.4)	(11.2)	(19.6%)
<i>Income from short-term investment</i>	0.4	-	-
<i>Costs related to bank loans and leasing</i>	(7.5)	(5.5)	36.4%
<i>including interest costs related to IFRS 16</i>	(5.4)	(3.5)	54.3%
<i>Foreign exchange losses</i>	(6.3)	(5.6)	(12.5%)
<i>including interest costs related to IFRS 16</i>	(6.3)	(5.8)	(8.6%)
Share of results of equity accounted investees	1.2	2.2	(45.5%)
Loss before income tax	(34.9)	(58.5)	40.3%
Income tax	1.8	(0.9)	-
Loss for the period	(33.1)	(59.4)	44.3%

<i>in PLN million</i>	1Q 2022	1Q 2021	% change yoy
Attributable to:			
Equity holders of the parent	(31.8)	(56.3)	43.5%
Non - controlling interest	(1.3)	(3.1)	58.1%
EBIT margin (EBIT/Sales)	(9.0%)	(33.9%)	24.9pp
EBIT margin excl. IFRS 16 (4)	(11.1%)	(29.0%)	17.9pp
EBITDA (5)	17.6	(8.1)	-
EBITDA margin (EBITDA/Sales)	7.0%	(5.5%)	12.5pp
EBITDA excl. IFRS 16 (4)	(4.3)	(18.4)	76.6%
EBITDA margin excl. IFRS 16 (4)	(1.7%)	(12.6%)	10.9pp

- (1) particular sales positions, apart from revenues from ticket sales, concession sales in cinemas and gastronomic sales, include sales of the Agora's Publishing House and film activities (functioning within the Movies and Books segment), described in details in point IV.A in this report;
- (2) in 2021, the Group amended the presentation of gastronomic sales, these revenues include activities of company Step Inside Sp. z o.o., which in the previous periods were presented in line Other sales, the comparative information has been restated accordingly;
- (3) the amount includes an impairment loss for right-of-use assets in Helios S.A. not related to cinema activities;
- (4) operating result EBIT and EBITDA excluding impact of International Financial Reporting Standard no. 16 Leases;
- (5) 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 quarter 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. 7

<i>in PLN million</i>	Movies and Books	Press	Outdoor	Internet	Radio	Reconciling positions (2)	Total (consolidated) 1Q 2022
Total sales (1)	113.9	46.9	30.4	43.9	22.8	(4.8)	253.1
<i>% share</i>	45.0%	18.5%	12.0%	17.3%	9.0%	(1.8%)	100.0%
Operating cost net (1)	(114.9)	(49.0)	(34.6)	(40.3)	(24.0)	(13.0)	(275.8)
Operating cost net excl. IFRS 16 (1)	(119.4)	(49.0)	(35.1)	(40.3)	(24.2)	(13.1)	(281.1)
EBIT	(1.0)	(2.1)	(4.2)	3.6	(1.2)	(17.8)	(22.7)
EBIT excl. IFRS 16	(5.5)	(2.1)	(4.7)	3.6	(1.4)	(17.9)	(28.0)
Finance cost, net							(13.4)
Share of results of equity accounted investees			(0.1)	(0.3)	1.6		1.2
Income tax							1.8
Net loss for the period							(33.1)
Attributable to:							
Equity holders of the parent							(31.8)
Non-controlling interest							(1.3)
EBITDA	19.8	(0.5)	5.3	5.9	0.6	(13.5)	17.6
EBITDA excl. IFRS 16	4.0	(0.5)	0.8	5.9	(0.3)	(14.2)	(4.3)
CAPEX	(2.3)	(1.3)	(1.8)	(1.5)	(1.5)	(1.0)	(9.4)

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

(2) reconciling positions show data not included in particular segments, i.a.: other revenues and costs of Agora’s supporting divisions (centralized IT, administrative, finance and HR functions, etc., excluding costs of office space 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 activities of the Group for the first quarter of 2022 were influenced mainly by commission and interest expenses related to bank loans and lease liabilities and by foreign exchange losses due to balance sheet valuation of lease liabilities recognized in accordance with IFRS 16.

3. BALANCE SHEET OF THE AGORA GROUP

Tab. 8

<i>in PLN million</i>	31/03/2022	31/12/2021	<i>% change to 31/12/2021</i>
Non-current assets	1,575.4	1,587.4	(0.8%)
<i>share in balance sheet total</i>	<i>84.7%</i>	<i>82.6%</i>	<i>2.1 pp</i>
Current assets	284.2	333.9	(14.9%)
<i>share in balance sheet total</i>	<i>15.3%</i>	<i>17.4%</i>	<i>(2.1 pp)</i>
TOTAL ASSETS	1,859.6	1,921.3	(3.2%)
Equity holders of the parent	742.6	774.4	(4.1%)
<i>share in balance sheet total</i>	<i>39.9%</i>	<i>40.3%</i>	<i>(0.4 pp)</i>
Non-controlling interest	4.6	5.9	(22.0%)
<i>share in balance sheet total</i>	<i>0.2%</i>	<i>0.3%</i>	<i>(0.1pp)</i>
Non-current liabilities and provisions	676.4	694.3	(2.6%)
<i>share in balance sheet total</i>	<i>36.5%</i>	<i>36.2%</i>	<i>0.3 pp</i>
Current liabilities and provisions	436.0	446.7	(2.4%)
<i>share in balance sheet total</i>	<i>23.4%</i>	<i>23.2%</i>	<i>0.2 pp</i>
TOTAL LIABILITIES AND EQUITY	1,859.6	1,921.3	(3.2%)

3.1. Non-current assets

The decrease in non-current assets, versus 31 December 2021 resulted mainly from decrease due to depreciation and amortisation.

3.2. Current assets

The decrease in current assets, versus 31 December 2021, stemmed mainly from the decrease in cash and cash equivalent and trade receivables. The above changes were, to some extent, offset by an increase in other receivables, inventories and short-term prepayments.

3.3. Non-current liabilities and provisions

The decrease in non-current liabilities and provisions compared to 31 December 2021, stemmed mainly from the decrease in loan liabilities and the decrease in other long-term liabilities. The above changes were, to some extent, offset by the increase in lease liabilities due to changes in lease agreements and the valuation of lease liabilities denominated in foreign currencies.

3.4. Current liabilities and provisions

The decrease in current liabilities and provisions, versus 31 December 2021, stemmed mainly from the decrease in tax liabilities, liabilities arising from purchase of fixed assets, accruals, trade and other liabilities. The above changes were, to some extent, compensated by the increase in bank loans liabilities, lease liabilities, special funds and provision for customer rebates.

4. CASH FLOW STATEMENT OF THE AGORA GROUP**Tab. 9**

<i>in PLN million</i>	1Q 2022	1Q 2021	<i>% change yoy</i>
Net cash from operating activities	2.8	14.6	(80.8%)
Net cash from investment activities	(16.8)	(6.2)	(171.0%)
Net cash from financing activities	(22.2)	(2.8)	(692.9%)
Total movement of cash and cash equivalents	(36.2)	5.6	-
Cash and cash equivalents at the end of period	98.7	144.0	(31.5%)

As at 31 March 2022, the Group had PLN 99.7 million in cash and cash equivalents and short-term financial assets which include cash and cash equivalents in the amount of PLN 98.7 million (cash on hand and bank deposits) and short-term financial assets in the amount of PLN 1 million.

In the first quarter 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 Group does not anticipate any liquidity problems. At the same time, consideration should be given to the uncertainty factors accompanying these projections, as further described in Chapter II.3 Prospects of this Management Discussion and Analysis.

4.1. Operating activities

The cash flows from operating activities, in the first quarter of 2022, were lower comparing to the level recorded in the comparative period of the prior year. The comparability of both periods was affected, among others, by changes in Group working capital, including mainly by the higher level of outflows from settlement of liabilities comparing to corresponding period of previous year.

4.2. Investment activities

Negative net cashflows from investing activities, in the first quarter of 2022, resulted mainly from expenditures on the purchase of property, plant and equipment and intangible assets. These outflows were partly offset by proceeds from the sale of property, plant and equipment and intangible assets, as well as by proceeds from loans granted.

4.3. Financing activities

Negative net cashflow from financing activities in the first quarter of 2022 stemmed mainly from repayments of loan and lease liabilities. These outflows were partly offset by inflows from bank loans.

5. SELECTED FINANCIAL RATIOS [5]

Tab.10

	1Q 2022	1Q 2021	% change yoy
Profitability ratios			
Net profit margin	(12.6%)	(38.6%)	26.0pp
Gross profit margin	24.6%	10.4%	14.2pp
Return on equity	(16.8%)	(28.4%)	11.6pp
Efficiency ratios			
Inventory turnover	11 days	11 days	-
Debtors days	44 days	70 days	(37.1%)
Creditors days	27 days	35 days	(22.9%)
Liquidity ratio (1)			
Current ratio	0.8	0.8	-
Financing ratios (1)			
Gearing ratio	3.9%	4.6%	(0.7pp)
Interest cover	(18.2)	(38.9)	53.2%
Free cash flow interest cover	(24.5)	(10.1)	(142.6%)

1) financial ratios excluding impact of IFRS 16.

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

IV. OPERATING REVIEW - MAJOR SEGMENTS OF THE AGORA GROUP

IV.A. MOVIES AND BOOKS [1]

The Movies and Books segment includes the pro-forma consolidated financials of Helios S.A., NEXT FILM Sp. z o.o., Next Script Sp. z.o.o. and Step Inside Sp. z o.o. which form the Helios group, and Agora Publishing House.

Tab. 11

<i>in PLN million</i>	1Q 2022	1Q 2021	% change yoy
Total sales, including :	113.9	18.3	522.4%
Tickets sales	47.3	-	-
Concession sales	22.4	-	-
Advertising revenue (1)	4.7	-	-
Gastronomic sales (2)	7.8	5.4	44.4%
Revenues from film activities (1),(3),(7)	17.5	0.5	3 400.0%
Revenues from Publishing House	11.4	11.5	(0.9%)
Total operating cost, including (6),(7):	(114.9)	(46.1)	149.2%
Total operating cost without IFRS 16 (6),(7)	(119.4)	(38.2)	212.6%
External services (4),(7)	(40.1)	(5.1)	686.3%
Staff cost (4)	(21.0)	(10.5)	100.0%
Raw materials, energy and consumables (4)	(14.6)	(3.5)	317.1%
D&A (4)	(20.0)	(21.4)	(6.5%)
Promotion and marketing (1), (4)	(5.3)	(0.2)	2 550.0%
Costs related to Publishing House (5), (6)	(11.1)	(11.0)	0.9%
Impairment losses (8)	(0.6)	-	-
EBIT	(1.0)	(27.8)	96.4%
<i>EBIT margin</i>	(0.9%)	(151.9%)	151.0pp
EBIT without IFRS 16	(5.5)	(19.9)	72.4%
<i>EBIT margin without IFRS 16</i>	(4.8%)	(108.7%)	103.9pp
EBITDA (5), (9)	19.8	(6.2)	-
<i>EBITDA margin</i>	17.4%	(33.9%)	51.3pp
EBITDA without IFRS 16 (5), (9)	4.0	(10.8)	-
<i>EBITDA margin without IFRS 16</i>	3.5%	(59.0%)	62.5pp

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

(2) the amounts include sales in restaurants operated by 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 Agora Publishing House;

(5) the amounts include D&A cost in Agora Publishing House, which in the first quarter of 2022 amounted to PLN 0.2 million (in the comparable period of 2021 it amounted to PLN 0.2 million);

(6) the data include the allocated costs of office, warehouse and parking space, occupied by the Agora Publishing House, costs of computers and development and maintenance activities of the technology department in Agora S.A. and the costs of BigData 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) *the position Impairment losses include write-down of assets related to the activities of Helios S.A., which in the first quarter of 2022, amounted to PLN 0.6 million;*
- (9) *the EBITDA index is defined as EBIT increased by depreciation and impairment losses on fixed assets, intangible assets and rights to use assets.*

The results of the Movies and Books segment in the first quarter of 2022 were influenced by less restrictive measures related to the COVID-19 pandemic than a year earlier. From December 15, 2021 to the end of February 2022, a cinema ticket sales limit of 30.0% of available seats in the cinema auditorium was in place, the vaccinated persons were not included in the limit. As of March 1, 2022, the cinema ticket sales limits were lifted. In the first quarter of 2021, the cinemas remained closed due to an administrative ban on their operations.

The regulations related to countering the spread of COVID-19 also had an impact on food service operations. 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 first quarter of 2021, sales in restaurant establishments could only be made in the takeaway and delivery formula.

It is worth noting that a noticeable negative impact on the dynamics of the recovery of cinema and food service business after the COVID-19 pandemic was exerted by the Russian armed invasion into Ukraine, which, on the one hand, kept some Poles at home and motivated others to provide assistance to Ukrainian refugees in various forms.

In the first quarter of 2022, the Movies and Books segment reported an EBIT loss of PLN 1.0 million. This was influenced, among others, by the write-off of fixed assets in Helios S.A. in the amount of PLN 0.6 million. It 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. Helios sold its stake in the company in June 2020. The segment recorded a profit at the EBITDA level of PLN 19.8 million. This was due to smaller restrictions than a year earlier in both cinema and food service operations.

In the first quarter of 2022, reported without the effect of IFRS 16, the EBIT loss was PLN 5.5 million and EBITDA profit was PLN 4.0 million.

1. REVENUE [3]

In the first quarter of 2022, the revenue of the Movies and Books segment increased by 522.4% to PLN 113.9 million.

The increase in the revenue recorded compared to the first quarter of 2021 was mainly due to the revenue generated from the cinema business. 2.5 million tickets sold from January to March 2022 translated into higher revenues from ticket sales and cinema concession sales, which amounted to PLN 47.3 million and PLN 22.4 million, respectively. Revenues from cinema advertising sales amounted to PLN 4.7 million. It is worth noting that in the corresponding period of 2021, cinemas across the country were closed by an administrative decision.

In the first quarter of 2022, total revenues of the Movies and Books segment from the film co-production and distribution amounted to PLN 17.5 million and were significantly higher than those obtained in the corresponding period of 2021. In the first quarter of 2022, NEXT FILM introduced three Polish productions to cinemas: the comedy *Koniec świata czyli Kogel Mogel 4 (Eggnog 4)* - the latest part of the cult series directed by Anna Wieczur, a continuation of the 2016 comedy hit - *8 rzeczy, których nie wiecie o facetach (8 Things)*, directed by Sylwester Jakimow, and the family film *Za duży na bajki (Too Old for Fairy Tales)*, directed by Kristoffer Rus. In the discussed period of time revenues from the film production for the Netflix platform had a substantial impact on the level of NEXT FILM revenues. It is worth noting that there were no cinema releases in the first quarter of 2021 due to closure of cinemas because of the COVID-19 pandemic and the segment recorded no cinema distribution revenue. In the first quarter of 2022, productions that had a cinema release on earlier dates were also made available in various distribution channels.

In the first quarter of 2022, revenues from the food service business were higher by 44.4% and amounted to PLN 7.8 million, which was related to the increase in revenues from the Step Inside company. In February 2022, the company opened its 11th restaurant under the Pasibus brand created as part of the strategic cooperation with Helios S.A.

In the first quarter of 2022, revenues of the Agora Publishing House were slightly lower than a year earlier and amounted to PLN 11.4 million. In the discussed period, the Agora Publishing House sold approximately 0.2 million books as well as music and film publications. The most frequently purchased publications included, inter alia, the book *Czuła przewodniczka. Kobięca droga do siebie (Kind Companion. A Woman's Journey Within)* by Natalia de Barbaro, *Wybór (The Choice)* by Anne Applebaum and Donald Tusk and *No i pogadali. "Szkoła kontaktowa" gdy gasną kamery (And So They Talked. "Contact lens" when the cameras go off)* by Tomasz Jachimek. *Mogło być nic (It could have been nothing)* by the band Kwiat Jabłoni continued to be the best-selling album.

In the first quarter of 2022, the Agora Publishing House's revenues from digital sales (sales of own and other publishers' publications) increased by 7.5% compared to the first quarter of 2021 and amounted to PLN 4.3 million.

2. COST

In the first quarter of 2022, operating expenses of the Movies and Books segment were higher by 149.2% compared to the corresponding period in 2021 and amounted to PLN 114.9 million. The increase in the segment's operating expenses was primarily related to the fact that in 2022 cinemas were allowed to operate, albeit with a ticket sales limit in force until the end of February 2022, while in the corresponding period of 2021 the cinemas remained closed by an administrative decision. The level of operating expenses of this business in the first quarter of 2022 was also affected by the write-off of fixed assets of Helios S.A. in the amount of PLN 0.6 million in connection with the filing of a bankruptcy petition of Foodio Concepts Sp. z o.o. Helios lent equipment to Foodio Concepts for its business operations, which it did not use for other purposes. Helios sold its stake in the company in June 2020.

The largest expense category was external services, which increased to PLN 40.1 million. This was mainly due to an increase in film copy purchase costs, higher remuneration costs paid to the film producers due to higher film distribution revenues, costs related to the production of the film *Jeszcze przed świętami (Still Before Christmas)* for Netflix and costs related to the return of cinemas to operations.

The increase in staff cost by 100.0% to PLN 21.0 million was primarily due to the fact that in the first quarter of 2022, cinemas and restaurants could already conduct operational activities, although still limited by the restrictions imposed on the cinema and food service industries. In the first quarter of 2021, the cinemas of the Helios network were closed and the food business was operating in a delivery and takeaway formula. In addition, full-time salaries at Helios were higher in the first quarter of 2022. Staff cost were also increased by part of the costs related to the production of the film *Jeszcze przed świętami (Still Before Christmas)*.

The increase in the costs of materials and energy consumption and value of goods and materials sold up to PLN 14.6 million was due to the reopening of cinemas, the launch of cinema concession sales after its closure due to the COVID-19 pandemic and higher proceeds from the food business.

Additionally, the segment's promotion and marketing expenses increased significantly to PLN 5.3 million. Promotion costs in the film distribution business were higher due to the release of the three new movies to the cinemas, while in the first quarter of 2021, NEXT FILM did not introduce any new titles to the big screens. The cost of advertising in cinemas, including barter-settled advertising, have increased as well.

The operating expenses of the Agora Publishing House slightly increased and amounted to PLN 11.1 million. This was due to higher costs of royalties for authors, as well as representation and advertising costs.

In the first quarter of 2022, depreciation and amortisation expenses of the segment (excluding the Agora's Publishing House) amounted to PLN 20.0 million. Their decrease was related to the cinema activities.

3. NEW INITIATIVES

NEXT FILM, a company from the Helios group involved in the film distribution and production, offered as many as three new titles to cinemagoers in the first quarter of 2022. *Koniec świata czyli Kogel Mogel 4 (Eggnog 4)*, another part of the cult comedy series, directed by Anna Wierzyńska, entered the big screens on January 4 this year. The film took cinemas by storm, achieving the best opening score for a Polish production since the beginning of the pandemic. So far, the comedy has been seen by almost 759 thousand viewers. On January 28, cinemagoers all over Poland could see the premiere of *8 rzeczy, których nie wiecie o facetach (8 Things)*, directed by Sylwester Jakimow. It is a continuation of the story of the characters from the comedy hit *7 rzeczy, których nie wiecie o facetach (7 Things)* from 2016. Meanwhile, on March, 18, a family production had its premiere - the film *Za duży na bajki (Too Old for Fairy Tales)*, directed by Kristoffer Rus.

Apart from attractive book and CD premieres, the Agora Publishing House prepared an interesting audio publication for its audience - on February 11, 2022 a production based on the novel *Biały ląd (The White Land)* by Łukasz Błaszczyk, Paweł Sajewicz and Marek Wełna was released. The audio version of this criminal story featured, among others, Olaf Lubaszenko, Leszek Lichota and Arkadiusz Jakubik. *Biały ląd (The White Land)* is the first superproduction of the Agora Publishing House and the online bookstore with e-books and audiobooks Publio.pl. It can be purchased only at Publio.pl

At the beginning of March 2022, Agora Music organised a special event called **Showcase**, during which the selected artists revealed their musical plans for the coming months. Natalia Kukulska, Patrycja Markowska, Anna Karwan, Lanberry and Zalia, among others, performed on stage, while the band Lady Pank received a platinum record. A series of concerts entitled **SłuchAM powered by Croma**, featuring artists associated with Agora Music, was also announced.

Helios also runs - through its subsidiary Step Inside – activities in the food service industry, developing the Pasibus brand together with its partners. In February 2022, after a break of several months, the iconic Pasibus burger chain reopened its restaurant in Galeria Katowicka. This is the 11th Pasibus restaurant created in cooperation with Helios. In total, there are 25 restaurants of the chain in Poland - already in 13 cities in Poland, including Wrocław, Warsaw, Łódź, Gdynia, Katowice, Olsztyn and Poznań.

IV.B. PRESS [1]

The Press segment includes the pro-forma consolidated financials of *Gazeta Wyborcza*, magazines and other periodicals as well as printing division.

Tab. 12

<i>in PLN million</i>	1Q 2022	1Q 2021	% change yoy
Total sales, including :	46.9	46.3	1.3%
Copy sales	25.6	25.3	1.2%
<i>incl. Gazeta Wyborcza</i>	24.5	24.2	1.2%
Advertising revenue (1), (2)	12.1	13.2	(8.3%)
<i>incl. Gazeta Wyborcza (4)</i>	11.1	11.8	(5.9%)
Total operating cost, including (5) :	(49.0)	(42.6)	15.0%
Total operating cost without IFRS 16 (5) :	(49.0)	(42.6)	15.0%
Raw materials, energy, consumables and printing services	(11.6)	(9.8)	18.4%
Staff cost	(25.2)	(23.0)	9.6%
D&A	(1.6)	(2.0)	(20.0%)
Promotion and marketing (1), (3)	(2.5)	(2.3)	8.7%
EBIT	(2.1)	3.7	-
<i>EBIT margin</i>	<i>(4.5%)</i>	<i>8.0%</i>	<i>(12.5pp)</i>
EBIT without IFRS 16	(2.1)	3.7	-
<i>EBIT margin without IFRS 16</i>	<i>(4.5%)</i>	<i>8.0%</i>	<i>(12.5pp)</i>
EBITDA	(0.5)	5.7	-
<i>EBITDA margin</i>	<i>(1.1%)</i>	<i>12.3%</i>	<i>(13.4pp)</i>
EBITDA without IFRS 16	(0.5)	5.7	-
<i>EBITDA margin without IFRS 16</i>	<i>(1.1%)</i>	<i>12.3%</i>	<i>(13.4pp)</i>

- (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*, *Wysokieobcasy.pl* as well as on the local websites;
- (3) the amounts given include, production costs and promotion of gadgets attached to *Gazeta Wyborcza* and other periodicals;
- (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 include the allocated costs of office, warehouse and parking space, occupied by the Press segment, costs of computers and development and maintenance activities of the technology department in Agora S.A. and the costs of BigData department.

In the first quarter of 2022, the Press segment recorded a lower operating result as compared to the corresponding period of 2021. The loss at the EBIT level amounted to PLN 2.1 million and at the EBITDA level – to PLN 0.5 million.

1. REVENUE

In the first quarter of 2022, the total revenue of the Press segment amounted to PLN 46.9 million and was by 1.3% higher yoy. This increase was primarily driven by higher revenues from digital subscription sales and revenues from the sale of printing services, which increased by 18.8% to nearly PLN 7.6 million. However, the segment's advertising sales in the paper edition of *Gazeta Wyborcza* were lower yoy.

1.1. Revenue from copy sales

In the first quarter of 2022, the Press segment's copy sales increased by 1.2% as compared to the corresponding period of 2021 and amounted to PLN 25.6 million. This was mainly due to revenues from the sale of digital subscriptions to *Gazeta Wyborcza*, which were higher by 24.4% yoy.

In the first quarter of 2022, *Gazeta Wyborcza* maintained its leading position in copy sales among the opinion-forming dailies. During this period, the average total copy sales of *Gazeta Wyborcza* amounted to 51.5 thousand copies and decreased by 14.1% yoy. Proceeds from sales of *Gazeta Wyborcza* content stood at PLN 24.5 million and increased by 1.2% yoy.

1.2. Advertising revenues [3]

In the first quarter of 2022, advertising sales in the Press segment decreased by 8.3% yoy to PLN 12.1 million as compared to the first quarter of 2021. This was mainly due to lower revenues from the sale of advertising services in the paper edition of *Gazeta Wyborcza*.

In the first quarter of 2022, the net advertising revenue of *Gazeta Wyborcza* from all its advertising activities amounted to PLN 11.1 million and were lower by 5.9% yoy.

1.3. Digital revenue

The daily's digital revenues, i.e. from digital subscription sales and digital advertising, grew by nearly 15.4% to almost PLN 15.7 million, which in turn accounted for 43.5% of *Gazeta Wyborcza*'s total revenues.

This is primarily the result of higher revenues from subscriptions to *Wyborcza.pl* content, which grew by 24.4% compared to the first quarter of 2021. It is worth noting that the number of active paid digital subscriptions to *Gazeta Wyborcza* at the end of March 2022 amounted to over 290 thousand, which represents a 12.6% yoy increase.

2. COST

In the first quarter of 2022, operating costs of the Press segment increased by 15.0% yoy to PLN 49.0 million. This was driven by an increase in most operating cost categories.

In January-March 2022, staff costs increased the most - by 9.6% yoy to PLN 25.2 million. The increase in this category of operating costs was influenced by higher fixed salaries including surcharges and higher costs of civil law contracts. The second factor behind the increase in the segment's operating costs was higher cost of materials, energy, goods and printing services. They grew by 18.4% yoy to PLN 11.6 million. The most significant impact on the increase of this cost category had higher prices of production materials, mainly paper.

In the first quarter of 2022, promotion and marketing costs were by 8.7% higher and amounted to PLN 2.5 million. This is a result of larger scale of promotional activities of *Gazeta Wyborcza*.

The depreciation expenses of the segment decreased by 20.0% yoy to PLN 1.6 million. This resulted mainly from the end of the amortization period of *Gazeta Wyborcza*'s development projects launched in the earlier periods.

3. NEW INITIATIVES

In the first quarter of 2022, the *Gazeta Wyborcza* team introduced another payment option for Internet users interested in subscribing to *Wyborcza.pl* content - since mid-March, customers of the next telecommunications network may pay for a digital subscription to *Wyborcza* with their phone bill. The website offers its subscribers a direct billing solution already in all mobile networks. Moreover, *Wyborcza.pl* prepared another attractive package offer for business clients thanks to the cooperation with one of the industry services.

Further attractive materials for the readers appeared on Wyborcza.pl and other websites connected with the brand. In March a new series of podcasts titled *Być rodzicem (Being a parent)* was launched on Wysokieobcasy.pl. Apart from the journalists of *Wysokie Obcasy*, it features experts who discuss motherhood and fatherhood issues and give advice on how to take care of children's happiness, health and safety at every stage of their growth. In turn, on 28 March 2022, Wyborcza.pl and Wyborcza.biz featured the first interview in Poland conducted in Metaverse.

Since mid-March, the website Komunikaty.pl from the Wyborcza.pl group, a website related to *Gazeta Wyborcza's* dual media offer, has been available in a new version. It has a refreshed layout, new logo, mobile version and even simpler ad search engine.

From the very beginning of Russia's invasion in Ukraine the editorial team of *Wyborcza* prepares for its readers the latest news and analyses, among others, in the form of a special report, updated almost 24/7 and available for all Internet users at Wyborcza.pl.

IV.C. OUTDOOR

The Outdoor segment consists of the pro-forma consolidated data of companies: AMS S.A., AMS Serwis Sp. z o.o., Optimizers Sp. z o.o. and Piano Group Sp. z o.o.

Tab. 13

<i>in PLN million</i>	1Q 2022	1Q 2021	% change yoy
Total sales, including:	30.4	16.0	90.0%
Advertising revenue (1)	28.5	15.1	88.7%
Total operating cost, including:	(34.6)	(28.7)	20.6%
Total operating cost without IFRS 16	(35.1)	(29.2)	20.2%
Maintenance cost (1)	(10.4)	(8.4)	23.8%
Execution of campaigns (1)	(4.1)	(3.1)	32.3%
Staff cost	(6.9)	(5.7)	21.1%
Promotion and marketing	(0.5)	(0.3)	66.7%
D&A	(9.5)	(9.4)	1.1%
EBIT	(4.2)	(12.7)	66.9%
<i>EBIT margin</i>	<i>(13.8%)</i>	<i>(79.4%)</i>	<i>65.6pp</i>
EBIT without IFRS 16	(4.7)	(13.2)	64.4%
<i>EBIT margin without IFRS 16</i>	<i>(15.5%)</i>	<i>(82.5%)</i>	<i>67.0pp</i>
EBITDA	5.3	(3.3)	-
<i>EBITDA margin</i>	<i>17.4%</i>	<i>(20.6%)</i>	<i>38.0pp</i>
EBITDA without IFRS 16	0.8	(7.7)	-
<i>EBITDA margin without IFRS 16</i>	<i>2.6%</i>	<i>(48.1%)</i>	<i>50.7pp</i>
Number of advertising spaces (2)	23 768	25 148	(5.5%)

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

(2) excluding advertising panels on buses, trams and Cityinfo.

In the first quarter of 2022, revenues of the Outdoor segment increased by 90.0% yoy to PLN 30.4 million. This translated into a significant improvement in the performance of this business segment yoy.

The Outdoor significantly reduced its operating loss, which amounted to PLN 4.2 million at the end of the first quarter of 2022. The EBITDA profit represented PLN 5.3 million compared to a loss of PLN 3.3 million in the first quarter of 2021. The EBITDA margin increased by 38.0pp to 17.4%.

The segment's result presented without the effect of IFRS 16 also improved. The loss at the EBIT level stood at PLN 4.7 million compared to PLN 13.2 million in the corresponding period of 2021. Profit at the EBITDA level without the effect of IFRS 16 amounted to PLN 0.8 million in the first quarter of 2022.

1. REVENUE [7]

As reported by IGRZ (the Outdoor Advertising Chamber), in the first quarter of 2022 the value of expenditure on outdoor advertising in Poland increased by 70.0% yoy.

The AMS group's revenue from the advertising sales increased by 88.7% yoy. The revenue dynamics of the Outdoor segment was positively influenced by the gradual return to economic and social activity after many months of restrictions introduced to prevent the development of the COVID-19 pandemic. The highest revenue dynamics were noted in the premium citylight, backlight and digital segments. The return to the high dynamics of revenue increases on citylight panels means a change in the unfavorable trend caused by the effects of the pandemic.

The estimated share of AMS group in outdoor advertising expenditure in the first quarter of 2022 amounted to almost 26.0%.

2. COST

The segment's operating costs in the period under review grew by 20.6% yoy to PLN 34.6 million. The increase occurred in all operating cost categories.

The system maintenance costs increased by 23.8% yoy to PLN 10.4 million, mainly as a result of higher barter costs of the MoveTV channel in fitness clubs and the increase in the channel's reach by additional locations. These expenses were also significantly influenced by the development of the digital media system in shopping centres, higher costs of current maintenance and repair of panels, as well as higher costs of panel lighting resulting from increased electricity prices.

In the first quarter of 2022, the staff costs grew by 21.1% yoy to PLN 6.9 million. This was a result of an increase in fixed salaries and the amount of the variable component of remuneration due to higher degree of achievement of the assumed sales targets.

The 32.3% increase in campaign execution costs to PLN 4.1 million in the first quarter of 2022 was mainly related to the execution of a higher number of advertising campaigns. The costs of printing, replacement and distribution of posters, as well as purchase of advertising space on the means of public transport were higher.

Promotion and marketing costs, which were higher by 66.7% yoy, which mainly resulted from a low base due to a significant reduction in expenses during the pandemic period.

In the first quarter of 2022, the segment's operating costs presented without the effect of the IFRS 16 standard were by 20.2% higher yoy and amounted to PLN 35.1 million.

3. NEW INITIATIVES

In the first quarter of 2022 AMS expanded its offer to customers with solutions enabling taking care for the natural environment.

In January 2022, AMS informed about winning a tender for rental of advertising spaces in bus shelters in Tychy. As a result, the group's offer increased in this city to 94 advertising spaces on 44 key bus stops. In March 2022, AMS also won the tender for the placement of advertising poles in Sopot, thanks to which the company will increase its portfolio of panels in the Tri-City.

In February 2022, AMS introduced to its offer EKO Premium Citylight - another solution based on eco values, comprehensively taking into account care for the environment. Apart from a number of solution's features unique for the whole market, the company offers an exceptional added value - for each EKO Premium Citylight panel used in the campaign AMS will plant a tree on behalf of the advertiser. Currently, the AMS EKO offer consists of: the system of EKO bus shelters with green roofs, the biggest in Poland network of EKO solar poles, EKO Busbacks and a set of pro-ecological EKO Backlight solutions.

AMS systematically develops the Digital Out-of-Home offer, both by increasing the number of panels and by implementing research projects with the objective to convince the customers on the effectiveness of this medium. Together with partners, AMS examined the effectiveness of the campaign carried out on digital indoor panels. The analysis shows that the brand campaign awareness increased by 62.0% yoy. The majority of visitors to shopping centers also notice the presence of digital advertising media, and the advertisements broadcast there significantly increase the recognition of the brand and the product. The company plans to introduce to the market data on the range of campaigns carried out in galleries and shopping centers as well as a new model of campaign settlement, initially on Digital Cityscreen and ultimately on all DOOH panels. Settlements in the CPM (cost per mille) model, so far known from online advertising, will be applied to Digital Out-of-Home, which will increase the flexibility of the offer and enable the use of this medium by a wider group of customers.

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. (previously Domiporta Sp. z o.o.), Yieldbird Sp. z o.o. and HRLink group (since January 28, 2021 includes Goldenline Sp. z o.o. and HRLink Sp. z o.o.).

Tab. 14

<i>in PLN million</i>	1Q 2022	1Q 2021	% change yoy
Total sales , including	43.9	46.9	(6.4%)
Display ad sales (1)	39.6	43.4	(8.8%)
Total operating cost, including (1,2)	(40.3)	(42.5)	(5.2%)
Total operating cost without IFRS 16 (1,2)	(40.3)	(42.5)	(5.2%)
External services	(20.6)	(25.8)	(20.2%)
Staff cost	(13.2)	(11.6)	13.8%
D&A	(2.3)	(2.3)	-
Promotion and marketing (1)	(3.0)	(1.8)	66.7%
EBIT	3.6	4.4	(18.2%)
EBIT margin	8.2%	9.4%	(1.2pp)
EBIT without IFRS 16	3.6	4.4	(18.2%)
EBIT margin without IFRS 16	8.2%	9.4%	(1.2pp)
EBITDA	5.9	6.7	(11.9%)
EBITDA margin	13.4%	14.3%	(0.9pp)
EBITDA without IFRS 16	5.9	6.7	(11.9%)
EBITDA margin without IFRS 16	13.4%	14.3%	(0.9pp)

(1) the amounts do not include total revenues and cost of cross-promotion of Agora's different media (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation, as well as exclude the inter-company sales between Agora's Internet Department, Plan D Sp. z o.o. (previously Domiporta Sp. z o.o.), Yieldbird Sp. z o.o., and HRLink Sp. z o.o. (since January 28 2021 includes Goldenline Sp. z o.o. and HRLink 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 BigData department.

The Internet segment ended the first quarter of 2022 with a lower result at the level of both EBIT and EBITDA compared to the corresponding period of 2021. These indicators amounted to PLN 3.6 million and PLN 5.9 million, respectively [1]. 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.

1. REVENUE

In the first quarter of 2022, total revenues of the Internet segment decreased by 6.4% yoy and amounted to PLN 43.9 million. Revenues from the sale of Internet advertising were by 8.8% lower than in the first quarter of 2021 and amounted to PLN 39.6 million. The decline in advertising revenues was primarily driven by lower online advertising sales by Yieldbird, mainly due to a change in the customer portfolio. In contrast, advertising revenues generated by the Gazeta.pl division were higher than in the same period of the previous year. This was due to an improvement in the quality of the portal's advertising space. The segment noted also higher revenues from advertisements and other Internet services - resulting mainly from increased revenues of the HRLink group.

2. COST

In the first quarter of 2022, operating costs of the Internet segment were by 5.2% lower yoy, amounting to PLN 40.3 million. This was primarily driven by a 20.2% yoy decrease to PLN 20.6 million in external costs. They were lower primarily in Yieldbird, which was related to a decrease in the cost of leasing advertising space. On the other hand, the external costs increased in the HRlink group. Staff costs were higher by 13.8% yoy and amounted to PLN 13.2 million. This is a result of higher employment and an increase in fixed salaries in the entire segment. Representation and advertising expenses were higher by 66.7% yoy, mainly due to higher expenses in Gazeta.pl related to e-commerce development.

3. IMPORTANT INFORMATION ON INTERNET ACTIVITIES

In March 2022, the total reach of the Agora Group websites among Polish Internet users stood at 60.6%, and the number of users reached 18.2 million, which gave the Agora Group the ninth place on the market according to the Mediapanel survey (ranking of publisher groups and ungrouped domains). The users made 797.0 million page views and spent an average of 1 hour and 5 minutes on Agora Group's websites.

In March 2022, 17.4 million Internet users viewed the Agora Group websites on mobile devices. The number of page views made via mobile devices amounted to 630.0 million, and the share of mobile page views on the Agora Group websites stood at 79.0% and was the highest among Polish horizontal portals.

The websites of the Agora Group occupy high positions in the thematic rankings. According to Mediapanel's data for March 2022, the Agora Group is the leader in the categories of "Parenthood" (eDziecko.pl website) and "Gossip, life of the stars" (Plotek.pl website). Agora Group ranks third in the following categories: "Local and regional information" (local Wyborcza.pl, Metrowarszawa.pl), "Information and journalism – general" (including Wyborcza.pl, Wiadomości.Gazeta.pl, Tokfm .pl), "Sport" (the website Sport.pl) and "Multi-thematic websites for women" (Kobieta.Gazeta.pl and Wysokieobcasy.pl websites). Agora's websites are also high in the thematic categories: "Fashion and beauty" (fifth place of Avanti24.pl), "Automotive" (fifth place of Moto.pl), "Travel and tourism" (fifth place of Podroze.Gazeta.pl), "Cuisine, cooking" (fifth place, Haps.pl, Ugotuj.to and Magazyn-kuchnia.pl websites), "Business, finance, law" (seventh place, Next.Gazeta.pl and Wyborcza.biz websites).

4. NEW INITIATIVES

In 2022 Gazeta.pl continued its activities related to strengthening its offer for Internet users and advertisers, inter alia, in the area of video formats and sports content. Since January, the portal's homepage and the Kobieta.Gazeta.pl website present a new programme GwiazDom, in which well-known persons invite viewers to their homes. The new premium lifestyle-entertainment format is another video proposal which engages portal users. On the other hand, Sport.pl editorial team prepared a surprise for the fans of ski jumping and esports for the start of Winter Olympic Games - the website combined charity action with great fun in the legendary game - Deluxe Ski Jump 2 (DSJ 2).

The editorial team of Gazeta.pl has been covering events from behind our eastern border since the Russian attack on Ukraine, preparing expert articles, live reports and special editions of video programmes. The portal also publishes materials prepared by the international reporter collective called Outriders, cooperating in partnership with the editorial office.

From March 11, 2022 the website Ukrajina.pl created by Gazeta.pl team in cooperation with the editorial team of All-Ukrainian *Expres* has been operating. Website's users will find there both articles on the current situation in Ukraine, as well as a section with advisory materials for citizens of this country, who fled the war to Poland. All content on the website is published in Ukrainian.

Goldenline and HRlink, which have been forming the HRlink Group since January 2021, developed their B2B and B2C projects in the first quarter of 2022. HRlink carried out further educational activities for clients, based, among others, on webinars and expert publications, such as *the People Trends 2026* report. In order to support ongoing communication with clients, the company implemented the HRlink Inspirations platform. Goldenline also educated its current and potential customers, among others, as part of the Winter Academy of the Employer's Brand, which is a series of online workshops attended by nearly 2,000 people from the HR and employer branding industry from all over Poland. Goldenline also focused on strengthening the job offers segment, working on even better effectiveness of ads and introducing a new product which is a marketing announcement.

In response to the outbreak of war in Ukraine, Goldenline created a constantly updated database of good practices entitled *HR supports Ukraine*. In addition, a special Ukrainian-language section with job advertisements was created

in March, with an option of automatic translation of offers from Polish, in which employers can place as many as 10 advertisements free of charge. On the other hand, HRLink has provided all its clients with the possibility of using a recruitment form in Ukrainian free of charge.

In the first quarter of 2022 Yieldbird continued to work on the company's flagship product, PriceGenius (a tool for automatic rate management in programmatic auctions). The company also conducted tests of new products, including a solution for monetising unsold advertising views (Fill Rate Booster) and a tool that maximises the visibility of advertising views without adversely affecting the User Experience (Viewability Booster).

IV.E. RADIO

The Radio segment includes the pro-forma consolidated financials of Agora's Radio Department, all local radio stations and a super-regional radio TOK FM, which are parts of the Agora Group. These include: 24 Golden Hits (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. 15

<i>in PLN million</i>	1Q 2022	1Q 2021	% change yoy
Total sales, including :	22.8	19.9	14.6%
Radio advertising revenue (1), (2)	18.7	18.1	3.3%
Total operating cost, including: (2)	(24.0)	(19.5)	23.1%
Total operating cost without IFRS 16 (2)	(24.2)	(19.6)	23.5%
External services	(9.3)	(6.5)	43.1%
Staff cost	(9.8)	(8.5)	15.3%
D&A	(1.8)	(1.8)	-
Promotion and marketing (2)	(1.7)	(1.4)	21.4%
EBIT	(1.2)	0.4	-
<i>EBIT margin</i>	<i>(5.3%)</i>	<i>2.0%</i>	<i>(7.3pp)</i>
EBIT without IFRS 16	(1.4)	0.3	-
<i>EBIT margin without IFRS 16</i>	<i>(6.1%)</i>	<i>1.5%</i>	<i>(7.6pp)</i>
EBITDA	0.6	2.2	(72.7%)
<i>EBITDA margin</i>	<i>2.6%</i>	<i>11.1%</i>	<i>(8.5pp)</i>
EBITDA without IFRS 16	(0.3)	1.4	-
<i>EBITDA margin without IFRS 16</i>	<i>(1.3%)</i>	<i>7.0%</i>	<i>(8.3pp)</i>

(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;

(3) the data include the allocated costs of office, warehouse and parking space, occupied by the Radio segment, costs of computers and development and maintenance activities of the technology department in Agora S.A. and the costs of BigData department.

In the first quarter of 2022, the Radio segment reported an EBIT loss of PLN 1.2 million and an EBITDA profit of PLN 0.6 million. These results were lower than those in the corresponding period of 2021, mainly due to the high growth rate of operating costs.

In the first quarter of 2022, the segment's operating loss at the EBIT level excluding the effect of the IFRS 16 standard amounted to PLN 1.4 million, while the loss at the EBITDA level represented PLN 0.3 million.

1. REVENUE [3]

In the first quarter of 2022, the Radio segment's revenues increased by 14.6% yoy and amounted to PLN 22.8 million.

This is mainly due to higher revenues from the provided sales agency service for the cinemas of the Helios network, which in the corresponding period of 2021 remained closed by virtue of an administrative decision. The second factor that contributed to the increase in the segment's revenue was higher revenue from the agency service in the sale of broadcasting time in stations of other broadcasters. Revenues from the sale of broadcasting time at stations owned by the Agora Radio Group were lower.

It is worth noting that market expenditures on radio advertising in Poland decreased by 3.0% yoy.

In the first quarter of 2022, the segment's digital revenues were by 14.3% higher yoy. Both online advertising revenues and revenues from the sale of Premium TOK FM subscriptions increased. The number of Premium TOK FM subscriptions sold increased to 26.2 thousand at the end of the first quarter of 2022.

2. COST

In the first quarter of 2022, operating costs of the Radio segment increased by 23.1% yoy to PLN 24.0 million.

This was influenced, inter alia, by a 43.1% increase in outlays for external services to PLN 9.3 million, in particular costs related to the provision of sales agency services to the Helios cinema chain, which remained closed in the first quarter of 2021. There was also an increase in the cost of purchasing airtime on stations owned by other broadcasters in connection with the provision of advertising agency service. The cost of marketing services was also higher. 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 rents and lease fees, production services, as well as operator fees.

The second factor that had an impact on the increase in the segment's operating costs were staff costs. They increased by 15.3% yoy to PLN 9.8 million. Both full-time salaries and expenses for courses, training and conferences were higher.

Promotion and marketing costs increased by 21.4% and amounted to PLN 1.7 million. This was mainly due to the activity of the sales departments.

The Radio segment's operating costs presented without the effect of IFRS 16 amounted to PLN 24.2 million and were by 23.5% yoy.

3. AUDIENCE SHARES [8]

Tab. 16

% share in listening	IQ 2022	change in pp yoy
Group's music radio stations (Rock Radio, Złote Przeboje and Radio Pogoda)	3.8%	(0.4pp)
News talk radio station TOK FM	3.1%	0.6pp

It is worth noting that Agora's radio stations do not have a national reach. Agora's music radio stations are present mainly in cities with population over 100,000 and although Agora Radio Group is the fifth largest radio group in terms of audience share in Poland, in cities with population over 100,000 it ranks third, ahead of much larger groups such as TIME and Polskie Radio, and in cities with 500+ inhabitants it takes the second position, ahead of Eurozet and only slightly behind RMF. The news radio TOK FM broadcasts mainly in cities with population over 200,000 and is in those cities the second most popular radio station in Poland.

4. NEW INITIATIVES

In the first quarter of 2022, Agora Radio Group's stations prepared new on-air and Internet offers for their listeners. The new programs - *Do zobaczenia (See you)* movie magazine and *Linguistic Program* - appeared in TOK FM radio in February, whereas in Złote Przeboje (Golden Hits) voting in the second edition of TOP 500, i.e. the biggest charts in Poland, was continued. On TOK FM podcast platform, *Folwark* had its premiere in February - another radio documentary series by Michał Janczura, this time about power, politics and local relations.

Since the beginning of the Russian invasion in Ukraine, the TOK FM Radio has devoted a lot of space to this issue on its air - in regular programmes and bands, but also in special programmes, e.g. *How to help and how not to help*. Moreover, the station's journalists prepared special messages and a video as an expression of support for Ukrainian women and men, and engaged themselves in many aid activities, e.g. jointly with Gazeta.pl they supported the publication of a newspaper for Ukrainian women and men fleeing war prepared by the editorial staff of Ukrainian *Express* and *Gazeta Wyborcza*.

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 of property, plant and equipment, intangible assets and right-of-use of assets.

The performance measures „EBIT" and "EBITDA without IFRS 16" are defined as EBIT and EBITDA excluding impact of International Financial Reporting Standard no. 16 Leasing.

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

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

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

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

[3] The data refer to advertising expenditures in six media (press, radio, TV, outdoor, Internet, cinema). In this MD&A, Agora corrected the data on advertising expenditure in TV (in the first quarter of 2021).

Unless explicitly stated otherwise, press and radio advertising market data referred to herein are based on Agora's estimates adjusted for average discount rate and are stated in current prices. Given the discount pressure as well as advertising time and space sell-offs, these figures may not be fully reliable and will be adjusted in the consecutive reporting periods. In case of press, the data include only display advertising, excluding classifieds, inserts and obituaries. The estimates are based on rate card data obtained from the following sources: Kantar Media monitoring, Agora S.A. monitoring.

Presented TV, Internet and cinema figures are based on initial Publicis media house estimates; TV estimates include regular ad broadcast and sponsoring with product placement, exclude teleshopping and other advertising forms. Internet ad spend estimates include display, search engines (Search Engine Marketing), e-mail marketing and video advertising.

Outdoor advertising figures are based on Izba Gospodarcza Reklamy Zewnętrznej estimates in cooperation with Starcom (part of Publicis Media [7]).

The Company would like to stress that one should bear in mind that these advertising market estimations may represent some margin of error due to significant discount pressure on the market and lack of reliable data on the average market discount rates. Once the Company has a more reliable market data in consecutive quarters, it may correct the ad spending estimations in particular media.

[4] Information on the sales dynamics of newspapers and Gazeta Wyborcza is prepared by Agora S.A. based on the data of the Polish Readership Survey (PBC) on "total issue sales" in 2021 and "issue sales" in 2022. Due to changes in the PBC survey indicators, no yoy comparison PBC data is available. 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 yoy dynamics are shown.

[5] Definition of ratios:

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

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

$$\text{Return on equity} = \frac{\text{Net profit / (loss) attributable to equity holders of the parent}}{\frac{\text{(Equity attributable to equity holders of the parent at the beginning of the period} \\ + \text{Equity attributable to equity holders of the parent at the end of the period)}}{2 / (1 \text{ for yearly results and } 4 \text{ for quarterly results)}}$$

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

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

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

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

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

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

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

* 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 to which they are resold to the owners of the real estate in which the cinemas are located.

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

[7] Source: report prepared by Izba Gospodarcza Reklamy Zewnętrznej (IGRZ) in cooperation with Starcom company about situation of OOH advertising in Poland.

[8] Audience market data referred herein are based on RadioTrack surveys, carried out by MillwardBrown SMG/KRC (all places, all days and all quarter) in whole population and in the age group of 15+, from January to March (sample for 2021: 20,834; sample for 2022: 21,033).

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

V. ADDITIONAL INFORMATION

1. IMPORTANT EVENTS

▶ Significant events for the Company's business activities

▶ Conclusion of an overdraft agreement and a term loan refinancing Agora's current debt

In the current report of March 28, 2022 the Management Board of Agora S.A. hereby informed about agreeing on 28 March 2022, on the preliminary material terms of financing ("Termsheet") for Agora S.A. with Santander Bank Polska S.A. ("Bank") and disclosed the delayed confidential information of 26 January 2022 regarding the commencement of the negotiation process to obtain financing for Agora S.A., i.e. an overdraft facility and a loan refinancing Agora S.A.'s current term debt in the total amount of up to PLN 67 million.

The Termsheet defined the rules on which the Bank will provide Agora S.A. financing in the form of a refinancing loan of up to PLN 32 million with a 3-year repayment period and an overdraft facility of PLN 35 million with a 2-year availability period from the date of concluding a binding loan agreement with the Bank (jointly "Loan" and "Loan Agreements").

The Termsheet did not create financial obligations for the Company. The effect of defining the terms of the Termsheet was the negotiation of the content of the Loan Agreements, and making the Loan available to the Company required the fulfilment of conditions precedent, i.a., such as the establishment of appropriate collateral, standard in this type of loan agreement.

The Termsheet stipulated that the clauses in the Loan Agreements regarding the Company's obligations, breaches, grounds for its termination or withdrawal from the Loan Agreements by the Bank, would not differ from the terms commonly used in such agreements. They included, i.a., clauses regarding the possibility of selling non-current assets, selling shares in Agora Group companies, establishing collateral on the Company's assets, the possibility of further incurring debt by the Company, limiting the distribution of profits, changing control over the Company or maintaining certain financial ratios.

Detailed terms of the loan were agreed as part of the process of negotiating the Loan Agreements.

The Company intended to use the funds provided under the Loan for: refinancing the existing term loan and overdraft facility at DNB Bank Polska S.A. and financing of the working capital and the current needs of the Company.

The Company informed about further stages of the process of obtaining financing in accordance with the requirements imposed by law.

Content of the delayed Confidential Information:

Commencement of negotiations on obtaining financing for Agora S.A.

The Management Board of Agora S.A. with its seat in Warsaw ("Agora", "Company") announces the start of negotiations on obtaining financing for Agora S.A. The obtained financing will be used to refinance the existing Credit Limit Agreement at DNB Bank Polska S.A. consisting of the Non-renewable Loan and the Overdraft Loan, about which the Company informed in the current report 6/2017 as amended. Agora will apply for financing in the amount of approximately PLN 67 million.

As at the date of commencement the negotiations, Agora decided to apply for financing to two financial institutions.

The commencement of the negotiations described above does not mean that the negotiations will end in obtaining financing by the Company. Agora will inform about further stages of the process in accordance with the requirements imposed by law.

The decision to start negotiations on obtaining financing is due to the fact that DNB Bank Polska S.A. withdraws from activity in Poland.

The Company will inform in a separate regulatory filing about the possible finalization of negotiations on financing, financing conditions and the signing of relevant documents.

In the current report of April 14, 2022 the Management Board of Agora S.A. informed that on 14 April 2022, the Company 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 Loan can be used for: refinancing the existing term loan at DNB Bank Polska S.A. and 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 Czerna 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 will bear 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.

► Commencement of works on the Agora Group's strategy for 2023 - 2027

In the current report of February 16, 2022 The Management Board of Agora S.A. informed that on 16 February, 2022 it 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, the commencement of which the Company announced in the current report no. 11/2021 of 9 June 2021, 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.

► The Extraordinary General Meeting of Shareholders

In the current report of March 24, 2022 the Management Board of the Company, informed about convening of the Extraordinary General Meeting of Agora S.A. for 21 April 2022, 11 a.m. (hereinafter: "General Meeting").

In the current report of March 24, 2022 draft resolutions to be submitted to the General Meeting were published.

In the current report of March 24, 2022 the Management Board informed that on March 24, 2022, in accordance with the provisions of §30 section 1 of the Company's Articles of Association, a shareholder of the Company - Agora Holding sp.z o.o., a shareholder holding 100% of the preferred series A registered shares - submitted Wojciech Bartkowiak as a candidate for the Management Board of the Company. The candidate's detailed resume has been published on the Company's website.

In the current report of April 21, 2022 the Management Board informed that shareholders who participated in the Extraordinary General Meeting of Agora S.A. on 21 April, 2022 held 43 847 644 votes. As a result, the statutory capital of the Company in the amount of 46 580 831 shares was represented at the General Meeting in 57.36% (26 721 064 shares).

At least 5.0% of the total number of votes during the Annual General Meeting was held by:

- Agora - Holding Sp. z o.o.: 22 528 252 votes, i.e. 51.38% votes during the Extraordinary General Meeting and 35,36% total number of votes.
- Otwarty Fundusz Emerytalny PZU "Złota Jesień": 8 126 434 votes, i.e. 18.53% votes during the Extraordinary General Meeting and 12.76% total number of votes.
- MDIF Media Holdings I, LLC: 5 355 645 votes i.e. 12.21% votes during the Extraordinary General Meeting and 8.41% total number of votes.
- Nationale-Nederlanden Otwarty Fundusz Emerytalny: 4 119 487 votes i.e. 9.40% votes during the Extraordinary General Meeting and 6.47% total number of votes.

In the current report of April 21, 2022 the Management Board published resolutions adopted by the Extraordinary General Meeting.

In the current report of April 21, 2022 the Management Board informed that 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. The Company informed about this event in current report no. 17/2021 on August 5, 2021, in which it also presented information related to this appointment to the Company's Management Board.

► **Changes in subsidiaries**

► **Goldenline Sp. z o.o.**

On April 18, 2022 the Extraordinary General Meeting of Goldenline Sp. z o.o. pursuant to art. 233 of the Commercial Companies Code, adopted a resolution on the continued existence of the company.

► **Eurozet Sp. z o.o.**

In the current report of February 1, 2022 The Management Board of Agora S.A. informed that on January 31, 2022, the Company started negotiations 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”) on the amendment to the provisions of the shareholders' agreement concluded on February 20, 2019 regarding the conditions for the exercise of Agora's right to acquire all remaining shares in Eurozet belonging to SFS Ventures ("Call Option"). The initiated negotiations include, inter alia, the issue of extending the period of exercising the Call Option by Agora, which began after 12 months and ends 36 months from the date of concluding the shareholders' agreement.

The commencement of the negotiations described above does not mean that they will finally end with the change of the terms and conditions of the shareholders' agreement of February 20, 2019 in the scope mentioned above.

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

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

In the current report of May 12, 2022 the Management Board of Agora S.A. with reference to the current report 4/2021 of 8 February 2021, 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.

► Helios S.A.**Call for the repurchase of shares in a subsidiary**

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

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

(i) Sell-out procedure

As part of the sell-out of the Shares, by June 30, 2016, Agora transferred to Helios S.A. PLN 2,938 thousand representing the sell-out price calculated in accordance with Article 418(1) 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. Currently, Agora S.A. holds 91.44% of the shares in Helios S.A.

The shareholders whose shares are subject to the sell out and squeeze out procedures did not agree to the sell-out share price calculated in accordance with Article 418(1) 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 Srodniemie 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, 2020, the appeal of the other minority shareholders having rights under 1,460 shares was dismissed.

(ii) Squeeze-out procedure

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

Currently, the valuation of the shares by the registered auditor nominated by the Court is still in progress.

As at the date of this report, the sell out and squeeze out procedures have not been completed.

In the current report of March 28, 2022 the Management Board of Agora S.A. ("Agora", "the Company") informed that it learned about the signing on 28 March 2022 by Agora's subsidiary - Helios S.A. ("Helios") 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").

Helios may apply for a loan payment until 30 June 2022, after meeting the conditions specified in the Agreement. The deadline for repayment of the loan is 31 December 2027. The loan can be used to finance Helios' day-to-day operations.

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 installments 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 Łódź 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.

On April 25, 2022, Helios applied for the loan to be redeemed.

▶ **Plan A Sp. z o.o.**

On April 6, 2022, the Extraordinary Meeting of Shareholders of Plan A Sp. z o.o. pursuant to art. 233 of the Commercial Companies Code, adopted a resolution on the continued existence of the company.

▶ **Plan D Sp. z o.o.**

On March 23, 2022, the Extraordinary Meeting of Shareholders of Plan D Sp. z o.o. pursuant to art. 233 of the Commercial Companies Code, adopted a resolution on the continued existence of the company.

▶ **Step Inside Sp. z o.o.**

On March 25, 2022, AMS SERWIS Sp. z o.o. and Step Inside sp. z o.o. concluded an agreement whereby Step Inside sp. z o.o. was granted a cash loan of PLN 3,700,000.00 to be repaid within 3 years from the date of conclusion of the loan agreement.

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

Tab. 17

shares	As of May 19, 2022	decrease	increase	As of March 31, 2022
Bartosz Hojka	2,900	-	-	2,900
Wojciech Bartkowiak (1)	0	-	-	-
Tomasz Grabowski	0	-	-	0
Tomasz Jagiello	0	-	-	0
Anna Krynska - Godlewska	0	-	-	0
Agnieszka Siuzdak-Zyga	0	-	-	0

(1) Serves as a Member of the Management Board from 21.04.2022.

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 FIRST QUARTER OF 2022 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 18

shares	As of May 19, 2022	decrease	increase	As of March 31, 2022
Andrzej Szlezak	0	-	-	0
Dariusz Formela	0	-	-	0
Tomasz Karusewicz	0	-	-	0
Tomasz Sielicki	33	-	-	33
Wanda Rapaczynski	882,990	-	-	882,990
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. March 25, 2022) and as of the day of publication of this report (i.e. May 19, 2022), 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. 19

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

Legal Actions concerning liabilities or debts of the issuer or its subsidiaries

In the first quarter of 2022, there were no significant legal actions in court, competent authority for arbitration procedures or public institutions related to liabilities or debts Agora S.A. or its subsidiaries.

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 contingences 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.

Related party transactions

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

Recommendation of the Management Board concerning payment of dividend

On March 24, 2022, the Management Board of Agora S.A. adopted a resolution on the submission of a motion to the Annual General Meeting of Shareholders to withhold the payment of dividend for 2021.

The above departure from the dividend policy announced on 14 February 2005, results from two years of the Company's struggle with the effects of the COVID-19 pandemic, which prevented the implementation of the Agora Group's strategy and forced the Company to make significant savings and discontinue development investments. The negative effects of the pandemic caused by restrictions and limitations in the activities of many enterprises also had a significant impact on the current condition of the Polish economy.

An additional factor increasing the uncertainty about the country's economic situation is difficult to estimate impact of Russian Federation's armed aggression in Ukraine on the Polish economy. It may significantly influence the growth rate of the Polish economy.

In the circumstances of such high uncertainty in the market environment, the Management Board of Agora considered it justified to keep the financial resources in the Company and recommend the General Meeting of Shareholders not to pay dividend for 2021 in order to strengthen the financial position of the Group. Additionally, the Management Board of Agora, after two years of limiting investments only to the essential ones, plans to allocate free funds to the implementation of growth and maintenance projects in the current businesses of the Agora Group.

The above decision received a positive opinion from the Supervisory Board in the form of resolution.

The final decision on the dividend payment will be made by the General Meeting of Shareholders of the Company.

► **Change of the date of the publication of the consolidated and unconsolidated financial report for 2021**

In the current report of March 15, 2022 The Management Board of Agora S.A. with its seat in Warsaw ("Agora", "Company") informed about the change of the date of publication of the consolidated and unconsolidated annual report for the fiscal year 2021, originally scheduled for 18 March 2022 (according to the current report no. 22/2021 as of 9 December 2021). The new publication date was set to 25 March 2022.

The other due dates of publication of periodic reports in 2022 remain unchanged.

AGORA GROUP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as at 31 March 2022 and for 3 month period
ended thereon

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022

	Note	As at 31 March 2022 unaudited	As at 31 December 2021 audited
Assets			
Non-current assets:			
Intangible assets		406,774	410,192
Property, plant and equipment		360,052	366,730
Right-of-use assets		608,886	610,108
Long-term financial assets		2,919	3,158
Investments in equity accounted investees		144,085	142,910
Receivables and prepayments		2,439	6,360
Deferred tax assets		50,251	47,937
		1,575,406	1,587,395
Current assets:			
Inventories		24,749	19,994
Accounts receivable and prepayments		159,130	177,366
Income tax receivable		590	599
Short-term securities and other financial assets		993	1,024
Cash and cash equivalents		98,691	134,878
		284,153	333,861
Total assets		1,859,559	1,921,256

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

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH 2022 (CONTINUED)

	Note	As at 31 March 2022 unaudited	As at 31 December 2021 audited
Equity and liabilities			
Equity attributable to equity holders of the parent:			
Share capital		46,581	46,581
Share premium		147,192	147,192
Retained earnings and other reserves		548,778	580,582
		742,551	774,355
Non-controlling interest		4,632	5,929
Total equity		747,183	780,284
Non-current liabilities:			
Deferred tax liabilities		5,791	5,841
Long-term borrowings	3	614,210	630,182
Other financial liabilities	15	34,344	34,344
Retirement severance provision		3,401	3,401
Provisions		-	93
Accruals and other liabilities		16,849	18,312
Contract liabilities		1,781	2,126
		676,376	694,299
Current liabilities:			
Retirement severance provision		344	344
Trade and other payables		213,818	246,531
Income tax liabilities		82	642
Short-term borrowings	3	202,997	176,541
Provisions		1,962	2,052
Contract liabilities		16,797	20,563
		436,000	446,673
Total equity and liabilities		1,859,559	1,921,256

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

CONSOLIDATED INCOME STATEMENT FOR THREE MONTHS ENDED 31 MARCH 2022

	Note	Three months ended 31 March 2022 unaudited	Three months ended 31 March 2021 unaudited
Revenue	4	253,091	145,952
Cost of sales		(190,937)	(130,713)
Gross profit		62,154	15,239
Selling expenses		(43,660)	(34,737)
Administrative expenses		(40,993)	(38,337)
Other operating income		2,286	9,036
Other operating expenses		(1,680)	(797)
Impairment losses for receivables - net		(820)	85
Operating loss		(22,713)	(49,511)
Finance income		509	30
Finance costs		(13,861)	(11,158)
Share of results of equity accounted investees		1,175	2,159
Loss before income taxes		(34,890)	(58,480)
Income tax		1,790	(940)
Net loss for the period		(33,100)	(59,420)
Attributable to:			
Equity holders of the parent		(31,804)	(56,280)
Non-controlling interest		(1,296)	(3,140)
		(33,100)	(59,420)
Basic/diluted earnings per share (in PLN)		(0.68)	(1.21)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THREE MONTHS ENDED 31 MARCH 2022

	Three months ended 31 March 2022 unaudited	Three months ended 31 March 2021 unaudited
Net loss for the period	(33,100)	(59,420)
Other comprehensive income for the period	-	-
Total comprehensive income for the period	(33,100)	(59,420)
Attributable to:		
Shareholders of the parent	(31,804)	(56,280)
Non-controlling interests	(1,296)	(3,140)
	(33,100)	(59,420)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THREE MONTHS ENDED 31 MARCH 2022

Attributable to equity holders of the parent

	Share capital	Share premium	Retained earnings and other reserves	Total	Non-controlling interest	Total equity
Three months ended 31 March 2022						
As at 31 December 2021 audited	46,581	147,192	580,582	774,355	5,929	780,284
Total comprehensive income for the period						
Net loss for the period	-	-	(31,804)	(31,804)	(1,296)	(33,100)
Total comprehensive income for the period	-	-	(31,804)	(31,804)	(1,296)	(33,100)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Total contributions by and distributions to owners	-	-	-	-	-	-
Changes in ownership interests in subsidiaries						
Other	-	-	-	-	(1)	(1)
Total changes in ownership interests in subsidiaries	-	-	-	-	(1)	(1)
Total transactions with owners	-	-	-	-	(1)	(1)
As at 31 March 2022 unaudited	46,581	147,192	548,778	742,551	4,632	747,183

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THREE MONTHS ENDED 31 MARCH 2022 (CONTINUED)**Attributable to equity holders of the parent**

	Share capital	Share premium	Retained earnings and other reserves	Total	Non-controlling interest	Total equity
Three months ended 31 March 2021						
As at 31 December 2020 audited	46,581	147,192	627,169	820,942	11,381	832,323
Total comprehensive income for the period						
Net loss for the period	-	-	(56,280)	(56,280)	(3,140)	(59,420)
Total comprehensive income for the period	-	-	(56,280)	(56,280)	(3,140)	(59,420)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Equity-settled share-based payments (note 5)	-	-	-	-	70	70
Total contributions by and distributions to owners	-	-	-	-	70	70
Changes in ownership interests in subsidiaries						
Additional contribution of non-controlling shareholders	-	-	(105)	(105)	105	-
Other	-	-	-	-	(1)	(1)
Total changes in ownership interests in subsidiaries	-	-	(105)	(105)	104	(1)
Total transactions with owners	-	-	(105)	(105)	174	69
As at 31 March 2021 unaudited	46,581	147,192	570,784	764,557	8,415	772,972

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

CONSOLIDATED CASH FLOW STATEMENT FOR THREE MONTHS ENDED 31 MARCH 2022

	Note	Three months ended 31 March 2022 unaudited	Three months ended 31 March 2021 unaudited
Cash flows from operating activities			
Loss before income taxes		(34,890)	(58,480)
Adjustments for:			
Share of results of equity accounted investees		(1,175)	(2,159)
Depreciation and amortisation		39,722	41,446
Foreign exchange loss		6,309	5,814
Interest, net		7,426	5,483
(Profit)/loss on investing activities		(240)	551
Decrease in provisions		(183)	(395)
Increase in inventories		(4,755)	(1,422)
Decrease in receivables		23,528	26,848
Decrease in payables		(27,768)	(5,128)
Increase/(decrease) in contract liabilities		(4,109)	2,729
Equity-settled share-based payments	5b	-	70
Cash generated from operations		3,865	15,357
Income taxes paid		(1,090)	(789)
Net cash from operating activities		2,775	14,568
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and intangibles		1,253	15,716
Loan repayment received		242	13
Interest received		83	3
Purchase of property, plant and equipment and intangibles		(18,349)	(17,849)
Other outflows (1)		-	(4,000)
Net cash used in investing activities		(16,771)	(6,117)

CONSOLIDATED CASH FLOW STATEMENT FOR THREE MONTHS ENDED 31 MARCH 2022 (CONTINUED)

	Note	Three months ended 31 March 2022 unaudited	Three months ended 31 March 2021 unaudited
Cash flows from financing activities			
Proceeds from borrowings		11,454	21,660
Repayment of borrowings		(5,897)	(10,143)
Payment of lease liabilities		(20,476)	(10,324)
Interest paid		(7,272)	(4,042)
Net cash used in financing activities		(22,191)	(2,849)
Net increase/(decrease) in cash and cash equivalents		(36,187)	5,602
Cash and cash equivalents			
At start of period		134,878	138,355
At end of period		98,691	143,957

(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 31 MARCH 2022 AND FOR THREE MONTHS ENDED 31 MARCH 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*, periodicals and books) and carries out internet and radio activity. Additionally, the Agora Group ("the Group") is active in the cinema segment through its subsidiary Helios S.A. and in the outdoor segment through its subsidiary AMS S.A. The Group also engages in projects related to production and co-production of movies through the company Next Film Sp.z o.o. and in gastronomy activity through the company Step Inside Sp. z o.o.

As at 31 March 2022 the Agora Group comprised: the parent company Agora S.A. and 19 subsidiaries. Additionally, the Group held shares in jointly controlled entity Instytut Badan Outdooru IBO Sp. z o.o. and in associates: ROI Hunter a.s. and Eurozet Sp. z o.o.

The Group operates in all major cities in Poland.

The condensed interim consolidated financial statements were prepared as at and for three months ended 31 March 2022, with comparative figures presented as at 31 December 2021 and for three months ended 31 March 2021.

The condensed interim consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on May 19, 2022.

2. STATEMENT OF COMPLIANCE

The condensed interim consolidated financial statements as at 31 March 2022 and for three months ended 31 March 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 31 March 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 31 March 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 amendments to existing standards, which were endorsed by the European Union, are effective:

- 1) Package of amendments (Amendments to IFRS 3, IAS 16, IAS 37, Annual Improvements to IFRS 2018-2020).

The application of the above amendments to the standards did not have any impact on the condensed interim consolidated financial statements of the Group.

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:

	31 March 2022	31 December 2021
Long-term bank loans	3,836	21,907
Long-term loans (1)	571	761
Finance lease liabilities	609,803	607,514
Total long-term borrowings	614,210	630,182
<i>including: Lease liabilities resulting from application of IFRS 16</i>	<i>583,489</i>	<i>578,029</i>
Short-term bank loans	103,135	79,274
Short-term loans (1)	761	761
Finance lease liabilities	99,101	96,506
Total short-term borrowings	202,997	176,541
<i>including: Lease liabilities resulting from application of IFRS 16</i>	<i>85,287</i>	<i>82,156</i>

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

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").

Helios may apply for a loan payment until 30 June 2022, after meeting the conditions specified in the Agreement. The deadline for repayment of the loan is 31 December 2027. The loan can be used to finance Helios' day-to-day operations.

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 installments 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 Łódź 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.

On March 28, 2022 Management Board of Agora S.A. agreed on the preliminary material terms of financing ("Termsheet") for Agora S.A. with Santander Bank Polska S.A. ("Bank") and disclosed the delayed confidential information of 26 January 2022 regarding the commencement of the negotiation process to obtain financing for Agora S.A., i.e. an overdraft facility and a loan refinancing Agora S.A.'s current term debt in the total amount of up to PLN 67 million.

The Termsheet defines the rules on which the Bank will provide Agora S.A. financing in the form of a refinancing loan of up to PLN 32 million with a 3-year repayment period and an overdraft facility of PLN 35 million with a 2-year availability period from the date of concluding a binding loan agreement with the Bank (jointly "Loan" and "Loan Agreements").

The Termsheet does not create financial obligations for the Company. The effect of defining the terms of the Termsheet will be the negotiation of the content of the Loan Agreements, and making the Loan available to the

Company will require the fulfilment of conditions precedent, i.a., such as the establishment of appropriate collateral, standard in this type of loan agreement.

The Company intends to use the funds provided under the Loan for: refinancing the existing term loan and overdraft facility at DNB Bank Polska S.A. and financing of the working capital and the current needs of the Company.

On April 14, 2022 Agora S.A. concluded final overdraft agreement and term loan agreement refinancing Agora's current debt with Santander Bank Polska S.A. Additional information concerning the concluded agreements are disclosed in note 17

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. as well as gastronomy activities of Step Inside Sp. z o.o. and Agora's Publishing House,
- 2) the *Press* segment includes the Group's activities related to publishing of the daily *Gazeta Wyborcza* (including digital subscriptions), special editions of *Gazeta Wyborcza* magazines as well as publishing of the periodicals, as well as the printing activities (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., Yeldbird Sp. z o.o., GoldenLine Sp. z o.o. and HRlink Sp. z o.o.,
- 5) the *Radio* segment includes the Group's activities within local radio stations, super-regional *TOK FM* radio and Agora's Radio Department.

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

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

Operating results of reportable segments do not include:

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

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

Reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative, HR functions, etc excluding costs of office space 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 include the amount of acquired shares adjusted by the Group's share of net results of those entities accounted for by the equity method. The financials presented for three months ended 31 March 2022 and 31 March 2021 relate to Instytut Badan Outdooru 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 and fixed assets.

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 31 March 2022							Total Group
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	
Revenues from external customers	111,804	45,616	29,818	42,659	21,578	251,475	1,616	253,091
Intersegment revenues (2)	2,119	1,282	571	1,216	1,264	6,452	(6,452)	-
Total revenues	113,923	46,898	30,389	43,875	22,842	257,927	(4,836)	253,091
Total operating cost (1), (2), (3)	(114,938)	(48,963)	(34,626)	(40,295)	(24,070)	(262,892)	(12,912)	(275,804)
Operating profit / (loss) (1)	(1,015)	(2,065)	(4,237)	3,580	(1,228)	(4,965)	(17,748)	(22,713)
Total operating cost (excl. IFRS 16) (1), (2), (3)	(119,401)	(48,964)	(35,124)	(40,295)	(24,231)	(268,015)	(13,112)	(281,127)
Operating profit / (loss) (excl. IFRS 16) (1)	(5,478)	(2,066)	(4,735)	3,580	(1,389)	(10,088)	(17,948)	(28,036)
Net finance income and cost							(13,352)	(13,352)
Share of results of equity accounted investees	-	-	(83)	(340)	1,598	1,175	-	1,175
Income tax							1,790	1,790
Net loss								(33,100)

(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 21,243 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 31 March 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation	(20,286)	(1,611)	(9,544)	(2,328)	(1,821)	(35,590)	(3,917)	(39,507)
Amortisation recognised on consolidation (1)	(129)	-	-	(149)	-	(278)	63	(215)
Impairment losses	(615)	(108)	(560)	(41)	(213)	(1,537)	(22)	(1,559)
<i>including non-current assets</i>	(573)	-	-	-	-	(573)	-	(573)
Reversals of impairment losses	36	30	17	20	15	118	6	124
<i>including non-current assets</i>	-	-	6	-	-	6	-	6
Capital expenditure	2,344	1,338	1,824	1,474	1,474	8,454	897	9,351
	As at 31 March 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions (2)	Total Group
Property, plant and equipment and intangible assets	213,040	83,874	231,804	32,258	81,378	642,354	124,472	766,826
Right-of-use assets	494,862	50	62,567	40	22,737	580,256	28,630	608,886
Investments in associates and joint ventures accounted for by the equity method	-	-	130	17,230	126,725	144,085	-	144,085

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

(2) reconciling positions include mainly Company's headquarters (PLN 84,481 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 31 March 2021							Total Group
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	
Revenues from external customers	18,234	44,882	15,786	46,265	18,923	144,090	1,862	145,952
Intersegment revenues (2)	81	1,405	183	626	1,027	3,322	(3,322)	-
Total revenues	18,315	46,287	15,969	46,891	19,950	147,412	(1,460)	145,952
Total operating cost (1), (2), (3)	(46,130)	(42,600)	(28,632)	(42,493)	(19,564)	(179,419)	(16,044)	(195,463)
Operating profit / (loss) (1)	(27,815)	3,687	(12,663)	4,398	386	(32,007)	(17,504)	(49,511)
<i>Total operating cost (excl. IFRS 16) (1), (2), (3)</i>	<i>(38,212)</i>	<i>(42,601)</i>	<i>(29,124)</i>	<i>(42,493)</i>	<i>(19,666)</i>	<i>(172,096)</i>	<i>(16,265)</i>	<i>(188,361)</i>
<i>Operating profit / (loss) (excl. IFRS 16) (1)</i>	<i>(19,897)</i>	<i>3,686</i>	<i>(13,155)</i>	<i>4,398</i>	<i>284</i>	<i>(24,684)</i>	<i>(17,725)</i>	<i>(42,409)</i>
Net finance income and cost							(11,128)	(11,128)
Share of results of equity accounted investees	-	-	(62)	606	1,615	2,159	-	2,159
Income tax							(940)	(940)
Net loss								(59,420)

(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), the Management Board, Agora TC Sp. z o.o. and Agora Finanse Sp. z o.o. (PLN 21,240 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 31 March 2021							Total Group
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	
Operating depreciation and amortisation	(21,642)	(1,995)	(9,368)	(2,333)	(1,831)	(37,169)	(4,062)	(41,231)
Amortisation recognised on consolidation (1)	(129)	-	-	(149)	-	(278)	63	(215)
Impairment losses	(78)	(97)	(409)	(30)	(73)	(687)	9	(678)
Reversals of impairment losses	10	134	415	112	85	756	-	756
<i>including non-current assets</i>	-	-	17	-	-	17	-	17
Equity-settled share-based payments	-	-	-	(70)	-	(70)	-	(70)
Capital expenditure	803	869	1,357	2,317	234	5,580	(41)	5,539
	As at 31 March 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions (2)	Total Group
Property, plant and equipment and intangible assets	226,290	86,998	244,998	34,569	80,259	673,114	133,632	806,746
Right-of-use assets	554,607	17	66,545	54	14,585	635,808	25,120	660,928
Investments in associates and joint ventures accounted for by the equity method	-	-	150	18,405	133,153	151,708	-	151,708

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

(2) reconciling positions include mainly Company's headquarter (PLN 88,492 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 31 March 2022							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	6,015	12,089	28,523	41,485	21,523	109,635	(5,087)	104,548
Ticket sales	47,289	-	-	-	2	47,291	(5)	47,286
Copy sales	7,352	25,620	-	-	-	32,972	(13)	32,959
Concession sales in cinemas	22,439	-	-	-	-	22,439	-	22,439
Printing services	-	7,557	-	-	-	7,557	-	7,557
Gastronomic sales	7,819	-	-	-	-	7,819	-	7,819
Film distribution and production sales	15,804	-	-	-	-	15,804	-	15,804
Other	7,205	1,632	1,866	2,390	1,317	14,410	269	14,679
Total sales by category	113,923	46,898	30,389	43,875	22,842	257,927	(4,836)	253,091

	Three months ended 31 March 2021							
	Movies and books	Press	Outdoor	Internet	Radio	Total segments	Reconciling positions	Total Group
Advertising revenue	218	13,198	15,150	44,500	18,917	91,983	(1,338)	90,645
Copy sales	8,074	25,269	-	-	-	33,343	(8)	33,335
Printing services	-	6,441	-	-	-	6,441	-	6,441
Gastronomic sales	5,414	-	-	-	-	5,414	-	5,414
Film distribution and production sales	511	-	-	-	-	511	-	511
Other	4,098	1,379	819	2,391	1,033	9,720	(114)	9,606
Total sales by category	18,315	46,287	15,969	46,891	19,950	147,412	(1,460)	145,952

5. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

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 31 March 2022, the value of the provision for reward from the fulfilment of the EBITDA target includes the provision recognized in the balance sheet at the end of 2021 and calculated on the basis of the fulfilment of the EBITDA target for 2021, and the value of the potential reward on the basis of the best estimate of the expected value of achieving the EBITDA target in 2022, which was recognised in the profit and loss account.

The value of the potential reward concerning the realization of the Target of Share Price Increase, was estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. That value is charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan. As at 31 March 2022 the estimated Average Share Price in IQ of Next Year was below the Target of Share Price Increase and the accrual for this component of the Incentive Plan was not recognised in the balance sheet. As at March 31, 2021 the value of the potential reward concerning the realization of the Target of Share Price Increase includes a provision for the share price element of the Plan for year 2021 that has not been paid at the balance sheet date.

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

	Three months ended 31 March 2022	Three months ended 31 March 2021
Income statement – (increase)/decrease of staff costs	(357)	(298)
Income statement - deferred income tax	68	57
Liabilities: accruals - as at the end of the period	2,929	3,147
Deferred tax asset - as at the end of the period	557	598

b) Incentive plan based on shares of a subsidiary

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

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

	Three months ended 31 March 2022	Three months ended 31 March 2021
Income statement - staff costs	(114)	(70)
<i>including recognition of cost of equity-settled plan</i>	-	(70)
<i>including remeasurement of cash-settled plan</i>	(114)	-
Equity - non-controlling interest	-	70
<i>including recognition of cost of equity-settled plan</i>	-	70
Non-current liability arising from incentive plans	1,948	-
<i>including the amount of liability as at 31 December 2021</i>	1,834	-
<i>including remeasurement of liability in the first quarter of 2022</i>	114	-

6. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2022 to March 31, 2022 the following changes in impairment losses were accounted:

- impairment loss for receivables: increase by PLN 706 thousand,
- impairment loss for inventory: increase by PLN 637 thousand,
- impairment loss for property, plant and equipment and intangible assets: decrease by PLN 24 thousand (the use in the amount of PLN 18 thousand and the reversal in the amount of PLN 6 thousand),
- impairment loss for right-of-use assets: increase by PLN 573 thousand.

Additionally in the period from January 1, 2022 to to March 31, 2022 the following provisions were changed:

- provision for guarantees was used in the amount of PLN 56 thousand,
- provision for costs related to restructuring was used in the amount of PLN 18 thousand,
- provision for severance payments for former members of the Management Board was used in the amount of PLN 110 thousand.

7. CONTINGENCIES, GUARANTEES AND OTHER COLLATERALS

As at 31 March 2022, the Group had no contingencies to third parties.

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

8. COURT CASES

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

Additionally, as at March 31, 2022, the companies of the Group are a party of legal disputes in the amount of PLN 2,164 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.

10. RELATED PARTY TRANSACTIONS**(a) Management Board and Supervisory Board remuneration**

The remuneration paid by Agora S.A. to Management Board members during the three months period ended March 31, 2022 amounted to PLN 745 thousand (three months ended March 31, 2021: PLN 564 thousand).

The remuneration paid by Agora S.A. to Supervisory Board members during the three months period ended March 31, 2022 amounted to PLN 156 thousand (three months ended March 31, 2021: PLN 156 thousand).

(b) Other related parties (not consolidated)

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

	Three months ended 31 March 2022	Three months ended 31 March 2021
Jointly controlled entities		
Purchases	-	(241)
Associates		
Sales	190	22
Purchases	(323)	(72)
Major shareholder		
Sales	7	6
Other operating income	1	239

	As at 31 March 2022	As at 31 December 2021
Jointly controlled entities		
Shares	130	213
Associates		
Shares	143,955	142,697
Trade receivables	156	160
Trade liabilities	254	288
Other liabilities	17	-
Major shareholder		
Trade receivables	2	3
Other liabilities	7	8
Management Board of the Company		
Put option liabilities (1)	25,521	25,521
Management Boards of group companies		
Receivables	19	14
Put option liabilities (1)	8,014	8,014
Other liabilities	13	8

(1) refers to put options related to shares of Helios S.A. and shares in HRLink Sp. z o.o. and Piano Group Sp. z o.o.

11. DESCRIPTION OF THE GROUP

The list of companies within the Group:

	% of shares held (effectively)	
	31 March 2022	31 December 2021
Subsidiaries consolidated		
1 Agora TC Sp. z o.o., Warsaw	100.0%	100.0%
2 AMS S.A., Warsaw	100.0%	100.0%
3 AMS Serwis Sp. z o.o., Warsaw (1)	100.0%	100.0%
4 Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	100.0%
5 Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	100.0%
6 IM 40 Sp. z o.o., Warsaw (2)	72.0%	72.0%
7 Inforadio Sp. z o.o., Warsaw (2)	66.1%	66.1%
8 Helios S.A., Lodz	91.5%	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 Yieldbird 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 Piano Group Sp. z o.o., Warsaw (1)	92.0%	92.0%
Joint ventures and associates accounted for the equity method		
20 Instytut Badań Outdooru IBO Sp. z o.o., Warsaw (1)	50.0%	50.0%
21 ROI Hunter a.s., Brno	23.9%	23.9%
22 Eurozet Sp. z o.o., Warsaw	40.0%	40.0%
Companies excluded from consolidation and equity accounting		
23 Polskie Badania Internetu Sp. z o.o., Warsaw	16.7%	16.7%
(1)	<i>indirectly through AMS S.A.;</i>	
(2)	<i>indirectly through GRA Sp. z o.o.;</i>	
(3)	<i>indirectly through Helios S.A.;</i>	
(4)	<i>indirectly through Next Film Sp. z o.o.;</i>	
(5)	<i>indirectly through HRlink Sp. z o.o.</i>	

12. CHANGES IN THE COMPOSITION OF THE GROUP

► The amendment of the shareholders' agreement of Eurozet Sp. z o.o.

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

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

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

► Call for repurchase of shares in associate Helios S.A.

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

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

i. Sell-out

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

The shareholders whose shares are being purchased under the sell-out procedure did not accept the price calculated in accordance with Art. 418(1) § 6 of the CCC and, based on Art. 418(1) § 7 of the CCC, applied to the registration court to appoint a registered auditor who would determine the price for the shares on behalf of the Court. The final valuation of the Shares that are subject to the sell-out procedures will be determined by the registration court having jurisdiction

over the registered office of Helios S.A. based on the opinion of an expert appointed by the registration court having jurisdiction over the registered office of Helios S.A. A change in such valuation, if any, will result in an adjustment to the price of the shares purchased. As at the date of the publication of this report, the District Court for Lodz-Srodmiescie in Lodz, the 20th Department of the National Court Register, appointed an expert for the purpose of the valuation of the shares to be purchased from the Minority Shareholder (318,930 shares) and from other minority shareholders (1,460 shares in total).

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

(ii) Squeeze-out procedure

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

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

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 quarter of 2022 (first quarter 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 quarter of 2022 EURO 1 = PLN 4.6472 (EURO 1 = PLN 4.5721).
- ▶ balance sheet figures using the average exchange rates published by NBP and ruling as at the balance sheet date. The exchange rate as at 31 March 2022 – EURO 1 = PLN 4.6525, as at 31 December 2021 – EURO 1 = PLN 4.5994 PLN, 31 March 2021 – EURO 1 = PLN 4.6603.

14. PROPERTY, PLANT AND EQUIPMENT

In the period from January 1, 2022 to March 31, 2022, the Group purchased property, plant and equipment in the amount of PLN 5,941 thousand (in the period of January 1, 2021 to March 31, 2021: PLN 2,466 thousand).

As at March 31, 2022, the commitments for the purchase of property, plant and equipment amounted to PLN 13,682 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 the realization of the concession contract for the construction and utilization of bus shelters in Cracow and building new cinemas and investments in IT infrastructure.

15. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

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

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

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

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

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

	As at 31 March 2022	Level 1	Level 2	Level 3
Certificates in investment funds	1	-	1	-
Financial assets measured at fair value	1	-	1	-
Put option liabilities	34,344	-	-	34,344
Financial liabilities measured at fair value	34,344	-	-	34,344
	As at 31 December 2021	Level 1	Level 2	Level 3
Certificates in investment funds	1	-	1	-
Financial assets measured at fair value	1	-	1	-
Put option liabilities	34,344	-	-	34,344
Financial liabilities measured at fair value	34,344	-	-	34,344

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

In the period from January 1, 2022 to March 31, 2022 there were no changes in the value of the financial instruments categorised within Level 3 of the fair value hierarchy and there were no changes in valuation techniques.

16. OTHER INFORMATION

▸ Tax control

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

▸ Recommendation of the Management Board of Agora S.A. to withhold the payment of dividend for 2021

On March 24, 2022 the Management Board of Agora S.A. adopted a resolution on the submission of a motion to the Annual General Meeting of Shareholders to withhold the payment of dividend for 2021.

The above departure from the dividend policy announced on 14 February 2005, results from two years of the Company's struggle with the effects of the COVID-19 pandemic, which prevented the implementation of the Agora Group's strategy and forced the Company to make significant savings and discontinue development investments. The negative effects of the pandemic caused by restrictions and limitations in the activities of many enterprises also had a significant impact on the current condition of the Polish economy.

An additional factor increasing the uncertainty about the country's economic situation is difficult to estimate impact of Russian Federation's armed aggression in Ukraine on the Polish economy. It may significantly influence the growth rate of the Polish economy.

In the circumstances of such high uncertainty in the market environment, the Management Board of Agora considered it justified to keep the financial resources in the Company and recommend the General Meeting of Shareholders not to pay dividend for 2021 in order to strengthen the financial position of the Group. Additionally, the Management Board of Agora, after two years of limiting investments only to the essential ones, plans to allocate free funds to the implementation of growth and maintenance projects in the current businesses of the Agora Group.

The above decision received a positive opinion from the Supervisory Board in the form of resolution.

The final decision on the dividend payment will be made by the General Meeting of Shareholders of the Company.

▸ 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.

▸ 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 as to achievement future tax profits enabling them to be settled.

17. POST BALANCE-SHEET EVENTS

▶ Conclusion of an overdraft agreement and a term loan refinancing Agora's current debt

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 will have 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 Loan can be used for: refinancing the existing term loan at DNB Bank Polska S.A. and 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 will bear 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.

▶ Appointment of a new member of 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.

▶ Judgment of the first instance court regarding the appeal of Agora S.A. from the decision of the President of the Office of Competition and Consumer Protection prohibiting the concentration consisting in the takeover by Agora S.A. control over Eurozet Sp. z o.o.

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 today 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.

18. SELECTED CONSOLIDATED FINANCIAL DATA TOGETHER WITH TRANSLATION INTO EURO

	in PLN thousand			in EUR thousand		
	Three months ended 31 March 2022 unaudited	As at 31 December 2021 audited	Three months ended 31 March 2021 unaudited	Three months ended 31 March 2022 unaudited	As at 31 December 2021 audited	Three months ended 31 March 2021 unaudited
Revenue	253,091		145,952	54,461		31,922
Operating loss	(22,713)		(49,511)	(4,887)		(10,829)
Loss before income taxes	(34,890)		(58,480)	(7,508)		(12,791)
Net loss for the period attributable to equity holders of the parent	(31,804)		(56,280)	(6,844)		(12,309)
Net cash from operating activities	2,775		14,568	597		3,186
Net cash used in investing activities	(16,771)		(6,117)	(3,609)		(1,338)
Net cash used in financing activities	(22,191)		(2,849)	(4,775)		(623)
Net increase / (decrease) in cash and cash equivalents	(36,187)		5,602	(7,787)		1,225
Total assets	1,859,559	1,921,256		399,690	417,719	
Non-current liabilities	676,376	694,299		145,379	150,954	
Current liabilities	436,000	446,673		93,713	97,115	
Equity attributable to equity holders of the parent	742,551	774,355		159,603	168,360	
Share capital	46,581	46,581		10,012	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)	(0.68)		(1.21)	(0.15)		(0.26)
Book value per share (in PLN / in EURO)	15.94	16.62		3.43	3.61	

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

Unconsolidated balance sheet as at 31 March 2022

	As at 31 March 2022 unaudited	As at 31 December 2021 audited
Assets		
Non-current assets:		
Intangible assets	37,921	39,757
Property, plant and equipment	143,180	145,522
Right-of-use assets	28,501	25,336
Long term financial assets	624,599	624,599
Receivables and prepayments	496	498
Deferred tax assets	13,420	11,130
	848,117	846,842
Current assets:		
Inventories	16,447	11,425
Accounts receivable and prepayments	68,644	81,692
Income tax receivable	70	64
Short-term securities and other financial assets	1,092	1,262
Cash and cash equivalents	51,434	83,563
	137,687	178,006
Total assets	985,804	1,024,848

Unconsolidated balance sheet as at 31 March 2022 (continued)

	As at 31 March 2022 unaudited	As at 31 December 2021 audited
Equity and liabilities		
Equity:		
Share capital	46,581	46,581
Share premium	147,192	147,192
Other reserves	122,674	122,674
Retained earnings	467,400	484,325
	783,847	800,772
Non-current liabilities:		
Long-term borrowings	22,666	37,664
Retirement severance provision	2,226	2,226
Provisions	-	93
Accruals and other liabilities	619	704
Contract liabilities	181	192
	25,692	40,879
Current liabilities:		
Retirement severance provision	278	278
Trade and other payables	94,815	114,251
Short-term borrowings	33,702	21,046
Other financial liabilities	37,545	38,316
Provisions	648	683
Contract liabilities	9,277	8,623
	176,265	183,197
Total equity and liabilities	985,804	1,024,848

Unconsolidated income statement for three months ended 31 March 2022

	Three months ended 31 March 2022 unaudited	Three months ended 31 March 2021 unaudited
Revenue	87,017	82,333
Cost of sales	(50,745)	(44,860)
Gross profit	36,272	37,473
Selling expenses	(30,294)	(27,832)
Administrative expenses	(24,478)	(24,302)
Other operating income	456	1,949
Other operating expenses	(235)	(551)
Impairment losses for receivables - net	(110)	79
Operating loss	(18,389)	(13,184)
Finance income	239	12
Finance costs	(1,132)	(1,022)
Loss before income taxes	(19,282)	(14,194)
Income tax	2,357	2,274
Net loss for the period	(16,925)	(11,920)
Basic/diluted earnings per share (in PLN)	(0.36)	(0.26)

Unconsolidated statement of comprehensive income for three months ended 31 March 2022

	Three months ended 31 March 2022 unaudited	Three months ended 31 March 2021 unaudited
Net loss for the period	(16,925)	(11,920)
Other comprehensive income:		
	-	-
Other comprehensive income/loss for the period	-	-
Total comprehensive income for the period	(16,925)	(11,920)

Unconsolidated statement of changes in equity for three months ended 31 March 2022

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Three months ended 31 March 2022					
As at 31 December 2021 audited	46,581	147,192	122,674	484,325	800,772
Total comprehensive income for the period					
Net loss	-	-	-	(16,925)	(16,925)
Total comprehensive income for the period	-	-	-	(16,925)	(16,925)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Total transactions with owners	-	-	-	-	-
As at 31 March 2022 unaudited	46,581	147,192	122,674	467,400	783,847

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Three months ended 31 March 2021					
As at 31 December 2020 audited	46,581	147,192	123,053	456,562	773,388
Total comprehensive income for the period					
Net loss	-	-	-	(11,920)	(11,920)
Total comprehensive income for the period	-	-	-	(11,920)	(11,920)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Other	-	-	-	1	1
Total transactions with owners	-	-	-	1	1
As at 31 March 2021 unaudited	46,581	147,192	123,053	444,643	761,469

Unconsolidated cash flow statement for three months ended 31 March 2022

	Three months ended 31 March 2022 unaudited	Three months ended 31 March 2021 unaudited
Cash flows from operating activities		
Loss before income taxes	(19,282)	(14,194)
Adjustments for:		
Depreciation and amortisation	7,558	8,206
Foreign exchange loss	8	1
Interest, net	929	781
Loss/(profit) on investing activities	1	(95)
Decrease in provisions	(128)	(140)
Increase in inventories	(5,022)	(978)
Decrease in receivables	12,135	5,257
(Decrease)/increase in payables	(16,525)	6,937
Increase in contract liabilities	643	1,088
Cash generated from/(used in) operations	(19,683)	6,863
Income taxes inflows/(outflows) (1)	469	(414)
Net cash from/(used in) operating activities	(19,214)	6,449
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment, and intangibles	2	14,569
Interest received	7	2
Proceeds/(outflows) from cash pooling	167	(730)
Purchase of property, plant and equipment, and intangibles	(5,622)	(5,422)
Net cash from/(used in) investing activities	(5,446)	8,419
Cash flows from financing activities		
Repayment of borrowings	(4,821)	(8,333)
Outflows from cash pooling	(831)	(717)
Payment of finance lease liabilities	(1,030)	(992)
Interest paid	(695)	(1,577)
Other	(92)	(129)
Net cash used in financing activities	(7,469)	(11,748)
Net increase/(decrease) in cash and cash equivalents	(32,129)	3,120
Cash and cash equivalents		
At start of period	83,563	73,506
At end of period	51,434	76,626

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 March 31, 2022 the following impairment losses and provisions were changed in the unconsolidated financial statements of Agora S.A.:

- impairment loss for receivables: increase by PLN 44 thousand;
- impairment loss for inventory: increase by PLN 645 thousand;
- provision for restructuring cost: used in the amount of PLN 18 thousand;
- provision for severance payments for former members of the Management Board: used in the amount of PLN 110 thousand.

In the period from January 1, 2022 to March 31, 2022, the Company purchased property, plant and equipment in the amount of PLN 1,584 thousand (in the period of January 1, 2021 to March 31, 2021: PLN 611 thousand).

As at March 31, 2022 the commitments for the purchase of property, plant and equipment amounted to PLN 285 thousand (as at December 31, 2021: PLN 53 thousand).

As at March 31, 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 March 31, 2022 and as at December 31, 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 those disclosed below:

	Three months ended 31 March 2022	Three months ended 31 March 2021
Subsidiaries		
Sales	16,187	13,446
Purchases	(5,803)	(4,300)
Other operating income	3	-
Finance income - interests on cash pooling	7	3
Other finance income	2	1
Finance cost - credit guarantee	(79)	(170)
Finance cost - interests on cash pooling	(198)	-
Income tax -TCG settlements	(67)	214
Associates		
Sales	-	16
Purchases	-	(17)
Major shareholder		
Sales	6	6
Other operating income	1	239

	As at 31 March 2022	As at 31 December 2021
Subsidiaries		
Shares	468,020	468,020
Cash pooling receivables	1,092	1,262
Trade receivables	12,072	16,044
Other receivables	147	783
Cash pooling liabilities	37,544	38,316
Trade liabilities	2,287	2,652
Other liabilities and accruals	1,233	1,218
Contract liabilities	-	8
Associates		
Shares	156,257	156,257
Major shareholder		
Trade receivables	2	3
Other liabilities and accruals	7	8

Selected unconsolidated financial data together with translation into EURO

	in PLN thousand			in EUR thousand		
	Three months ended 31 March 2022 unaudited	As at 31 December 2021 audited	Three months ended 31 March 2021 unaudited	Three months ended 31 March 2022 unaudited	As at 31 December 2021 audited	Three months ended 31 March 2021 unaudited
Revenue	87,017		82,333	18,725		18,008
Operating loss	(18,389)		(13,184)	(3,957)		(2,884)
Loss before income taxes	(19,282)		(14,194)	(4,149)		(3,104)
Loss for the period	(16,925)		(11,920)	(3,642)		(2,607)
Net cash from/(used in) operating activities	(19,214)		6,449	(4,135)		1,411
Net cash from/(used in) investing activities	(5,446)		8,419	(1,172)		1,841
Net cash used in financing activities	(7,469)		(11,748)	(1,607)		(2,569)
Net increase / (decrease) in cash and cash equivalents	(32,129)		3,120	(6,914)		682
Total assets	985,804	1,024,848		211,887	222,822	
Non-current liabilities	25,692	40,879		5,522	8,888	
Current liabilities	176,265	183,197		37,886	39,831	
Equity	783,847	800,772		168,479	174,104	
Share capital	46,581	46,581		10,012	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 EURO)	(0.36)		(0.26)	(0.08)		(0.06)
Book value per share (in PLN / in EURO)	16.83	17.19		3.62	3.74	

Warsaw, May 19, 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.