AGORA SA

AGORA GROUP

Condensed semi-annual consolidated financial statements **as at 30 June 2023 and for three and six month period ended thereon**

August 17, 2023

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023

	Note	As at 30 June 2023 unaudited	As at 31 December 2022 audited
Assets			
Non-current assets:			
Intangible assets	12	696,646	365,517
Property, plant and equipment		332,817	356,884
Right-of-use assets	17	622,924	587,338
Long-term financial assets		1,722	2,203
Investments in equity accounted investees	12	14,265	127,446
Receivables and prepayments		9,102	7,415
Deferred tax assets		56,341	49,484
		1,733,817	**1,496,287**
Current assets:			
Inventories		30,208	30,433
Accounts receivable and prepayments		215,806	195,211
Income tax receivable		711	1,120
Short-term securities and other financial assets		965	968
Cash and cash equivalents		82,352	69,054
		330,042	**296,786**
Non-current assets held for sale	14	20,109	-
		350,151	**296,786**
Total assets		**2,083,968**	**1,793,073**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

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

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2023 (CONTINUED)

	Note	As at 30 June 2023 unaudited	As at 31 December 2022 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		519,760	480,350
		713,533	**674,123**
Non-controlling interest		97,318	(99)
Total equity		**810,851**	**674,024**
Non-current liabilities:			
Deferred tax liabilities		49,977	5,630
Long-term borrowings	3	635,194	641,237
Other financial liabilities	15	28,922	37,606
Retirement severance provision		3,855	2,525
Provisions		7,918	7,857
Accruals and other liabilities		9,041	13,167
Contract liabilities		1,896	533
		736,803	**708,555**
Current liabilities:			
Retirement severance provision		186	376
Trade and other payables		306,857	233,240
Income tax liabilities		2,291	1,845
Short-term borrowings	3	203,352	155,519
Other financial liabilities	15	6,196	-
Provisions		1,149	2,218
Contract liabilities		16,283	17,296
		536,314	**410,494**
Total equity and liabilities		**2,083,968**	**1,793,073**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

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

CONSOLIDATED INCOME STATEMENT FOR THREE AND SIX MONTHS ENDED 30 JUNE 2023

	Note	Three months ended 30 June 2023 not reviewed	Six months ended 30 June 2023 unaudited	Three months ended 30 June 2022 not reviewed	Six months ended 30 June 2022 unaudited
Revenue	4	326,880	622,695	261,856	514,947
Cost of sales		(218,541)	(423,850)	(186,137)	(377,074)
Gross profit		**108,339**	**198,845**	**75,719**	**137,873**
Selling expenses		(54,816)	(98,420)	(46,137)	(89,797)
Administrative expenses		(54,727)	(107,149)	(43,239)	(84,232)
Other operating income		3,224	5,738	3,962	6,248
Other operating expenses		(1,216)	(2,251)	(1,809)	(3,489)
Impairment losses for receivables - net		(135)	(1,081)	(279)	(1,099)
Operating profit/(loss)		**669**	**(4,318)**	**(11,783)**	**(34,496)**
Finance income	17	32,559	36,225	7,031	7,540
Finance costs	17	(11,753)	(22,293)	(12,171)	(26,032)
Gain on remeasurement of shares in subsidiary	12	-	47,853	-	-
Share of results of equity accounted investees		(516)	(3,770)	2,914	4,089
Profit/(loss) before income taxes		**20,959**	**53,697**	**(14,009)**	**(48,899)**
Income tax		(8,436)	(6,448)	(3,590)	(1,800)
Net profit/(loss) for the period		**12,523**	**47,249**	**(17,599)**	**(50,699)**
Attributable to:					
Equity holders of the parent		6,958	39,522	(15,958)	(47,762)
Non-controlling interest		5,565	7,727	(1,641)	(2,937)
		12,523	**47,249**	**(17,599)**	**(50,699)**
Basic/diluted earnings per share (in PLN)		0.15	0.85	(0.34)	(1.03)

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THREE AND SIX MONTHS ENDED 30 JUNE 2023

	Three months ended 30 June 2023 not reviewed	Six months ended 30 June 2023 unaudited	Three months ended 30 June 2022 not reviewed	Six months ended 30 June 2022 unaudited
Net profit/(loss) for the period	**12,523**	**47,249**	**(17,599)**	**(50,699)**
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Actuarial losses on defined benefit plans	(11)	(220)	-	-
Other comprehensive income for the period	**(11)**	**(220)**	**-**	**-**
Total comprehensive income for the period	**12,512**	**47,029**	**(17,599)**	**(50,699)**
Attributable to:				
Shareholders of the parent	6,953	39,410	(15,958)	(47,762)
Non-controlling interests	5,559	7,619	(1,641)	(2,937)
	12,512	**47,029**	**(17,599)**	**(50,699)**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2023

	Attributable to equity holders of the parent					
	Share capital*	Share premium	Retained earnings and other reserves*	**Total**	**Non-controlling interest**	**Total equity**
Six months ended 30 June 2023						
As at 31 December 2022 audited	**46,581**	**147,192**	**480,350**	**674,123**	**(99)**	**674,024**
Total comprehensive income for the period						
Net profit for the period	-	-	39,522	39,522	7,727	47,249
Other comprehensive income	-	-	(112)	(112)	(108)	(220)
Total comprehensive income for the period	**-**	**-**	**39,410**	**39,410**	**7,619**	**47,029**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends of subsidiaries	-	-	-	-	(19,970)	(19,970)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(19,970)**	**(19,970)**
Changes in ownership interests in subsidiaries						
Acquisition of a subsidiary (note 12)	-	-	-	-	109,768	109,768
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**109,768**	**109,768**
Total transactions with owners	-	-	-	-	89,798	89,798
As at 30 June 2023 unaudited	**46,581**	**147,192**	**519,760**	**713,533**	**97,318**	**810,851**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

** at the beginning of 90s Polish economy was considered a hyperinflationary economy under IAS 29 "Financial Reporting in Hyperinflationary Economies". Retrospective application of IAS 29 with regard to the Company's equity would result in an increase in the Company's share capital in correspondence with a decrease in retained earnings by the same value of PLN 95,092 thousand. Due to lack of impact on total equity of the Company of the hyperinflationary adjustment and lack of regulations in polish law regarding the recognition of such changes in the equity of commercial companies the Company did not reclassify any amounts in equity due to hyperinflation, as reported in the notes to the financial statements for the years 2005-2016.*

(all amounts in PLN thousands unless otherwise indicated)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR SIX MONTHS ENDED 30 JUNE 2023 (CONTINUED)

	Attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Six months ended 30 June 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	-	-	(47,762)	(47,762)	(2,937)	(50,699)
Total comprehensive income/(loss) for the period	**-**	**-**	**(47,762)**	**(47,762)**	**(2,937)**	**(50,699)**
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends of subsidiaries	-	-	-	-	(1,422)	(1,422)
Total contributions by and distributions to owners	**-**	**-**	**-**	**-**	**(1,422)**	**(1,422)**
Changes in ownership interests in subsidiaries						
Other	-	-	-	-	(1)	(1)
Total changes in ownership interests in subsidiaries	**-**	**-**	**-**	**-**	**(1)**	**(1)**
Total transactions with owners	-	-	-	-	(1,423)	(1,423)
As at 30 June 2022 unaudited	**46,581**	**147,192**	**532,820**	**726,593**	**1,569**	**728,162**

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

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

CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2023

	Note	Six months ended 30 June 2023 unaudited	Six months ended 30 June 2022 unaudited
Cash flows from operating activities			
Profit/(loss) before income taxes		**53,697**	**(48,899)**
Adjustments for:			
Share of results of equity accounted investees		3,770	(4,089)
Depreciation and amortisation		84,791	79,395
Foreign exchange (gain)/loss		(30,521)	9,473
Interest, net		20,863	16,546
Gain on investing activities		(132)	(2,429)
Increase in deferred revenues and accruals		(1,742)	(581)
(Increase)/decrease in inventories		801	(7,366)
Decrease in receivables and prepayments		10,509	8,316
(Decrease)/increase in payables		4,342	(35,935)
Decrease in contract liabilities		(1,604)	(3,505)
Remeasurement of put options	15	(2,488)	(5,999)
Gain on remeasurement of shares in subsidiary	12	(47,853)	-
Cash generated from operations		**94,433**	**4,927**
Income taxes outflows		(4,955)	(1,762)
Net cash from operating activities		**89,478**	**3,165**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment, and intangibles		4,922	2,531
Loan repayment received		517	425
Interest received		266	177
Other inflows (1)		4,000	-
Purchase of property, plant and equipment and intangibles		(32,504)	(38,238)
Acquisition of subsidiaries (net of cash acquired)	12	11,540	-
Net cash used in investing activities		**(11,259)**	**(35,105)**

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

CONSOLIDATED CASH FLOW STATEMENT FOR SIX MONTHS ENDED 30 JUNE 2023 (CONTINUED)

	Six months ended 30 June 2023 unaudited	Six months ended 30 June 2022 unaudited
Cash flows from financing activities		
Proceeds from borrowings	48,482	69,643
Dividends paid to non-controlling shareholders	(30,510)	(1,422)
Loans repayment	(14,870)	(41,039)
Payment of lease liabilities	(46,087)	(39,479)
Interest paid	(21,936)	(16,434)
Net cash used in financing activities	**(64,921)**	**(28,731)**
Net increase/(decrease) in cash and cash equivalents	**13,298**	**(60,671)**
Cash and cash equivalents		
At start of period	69,054	134,878
At end of period	82,352	74,207

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

Accompanying notes are an integral part of these condensed semi-annual consolidated financial statements.

NOTES TO THE CONDENSED SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2023 AND FOR THREE AND SIX MONTH PERIOD ENDED THEREON

1. GENERAL INFORMATION

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

As at 30 June 2023 the Agora Group comprised: the parent company Agora S.A. and 28 subsidiaries. Additionally, the Group held shares in jointly controlled entity: Instytut Badan Outdooru IBO Sp. z o.o. and in associate: ROI Hunter a.s.

The Group operates in all major cities in Poland.

The condensed semi-annual consolidated financial statements were prepared as at and for three and six months ended 30 June 2023, with comparative figures presented as at 31 December 2022 and for three and six months ended 30 June 2022.

The condensed semi-annual consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on August 17, 2023.

2. STATEMENT OF COMPLIANCE

The condensed semi-annual consolidated financial statements as at 30 June 2023 and for three and six months ended 30 June 2023 have not been audited by an independent auditor. The consolidated financial statements as at 31 December 2022 and for twelve months ended 31 December 2022 have been audited by an independent auditor who issued an unmodified opinion.

The condensed semi-annual consolidated 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 2023, items 120, 295), 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 semi-annual consolidated financial statements have been prepared with the assumption that the Company and its Group will continue as a going concern in the foreseeable future. Management analyses the Group's liabilities and projected cash flows on an ongoing basis. Taking into account the Group's own funds, available lines of credit, current financial forecasts and the current condition of individual businesses, in the opinion of the Company's Management Board, the Group's financial position is stable and it is reasonable to assume that Agora and the Agora Group will continue as a going concern in the foreseeable future.

The condensed semi-annual consolidated financial statements as at 30 June 2023 should be read together with the audited consolidated financial statements as at December 31, 2022. In the preparation of these condensed semi-annual consolidated financial statements, the Group has followed the same accounting policies as used in the consolidated financial statements as at December 31, 2022, except for changes described below.

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

The following standards and amendments to existing standards, which were endorsed by the European Union, were effective for the year started with January 1, 2023:

1) IFRS 17 *Insurance Contracts*,

2) Amendments to IAS 8 (definition of accounting estimates),

3) Amendments to IAS 1 (disclosure of accounting policies),

4) Amendments to IAS 12 (deferred tax related to assets and liabilities arising from a single transaction),

5) Package of amendments (Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information).

The application of the above standards and amendments had no impact on the condensed semi-annual 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:

	30 June 2023	31 December 2022
Long-term bank loans	41,318	49,199
Long-term loans (1)	3,210	3,662
Finance lease liabilities	590,666	588,376
Total long-term borrowings	**635,194**	**641,237**
*including: Lease liabilities resulting from application of IFRS 16**	*578,757*	*570,679*
Short-term bank loans	49,053	50,175
Short-term loans (2)	42,082	1,641
Finance lease liabilities	112,217	103,703
Total short-term borrowings	**203,352**	**155,519**
*including: Lease liabilities resulting from application of IFRS 16**	*100,624*	*91,534*

** relates to lease liabilities that would not have been recognised as lease liabilities in the Group's balance sheet if IFRS 16 had not been in force.*

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

(2) relates mainly to loan received from SFS Ventures s.r.o. in relation to the acquisition of shares in Eurozet Sp. z o.o.

On January 27, 2023 the Management Board of Agora S.A. ("Company") obtained information on the conclusion by the subsidiary Helios S.A. of Annex no. 2 ("Annex") to the revolving loan agreement ("Agreement") with Santander Bank Polska S.A. based in Warsaw ("Santander"). The Company, as the guarantor, expressed its consent for conclusion of the Annex on January 27, 2023.

Pursuant to the Annex, collaterals defined by the Agreement were changed in such a way that within the additional collateral of debt repayment under the Agreement, the Company secured repayment of debt under the Agreement by means of a surety in the amount of up to PLN 9 million granted in connection with the revolving loan agreement as of December 23, 2020 with Santander with a guarantee of repayment of 80.0% of the loan by Bank Gospodarstwa Krajowego. The surety is additionally secured by means of a declaration of submission to execution made in the form of a notarial deed.

Other provisions on the collaterals remain unaltered.

The Annex also provides for adjustment of the financial indicators (i.a. DSCR (debt-service coverage ratio) and Net Debt / EBITDA ratio) that the company Helios S.A. is required to maintain, parallel to those indicated in regulatory filing No. 44/2022 of December 23, 2022.

On February 17, 2023 the Management Board of Agora S.A. learned about the change introduced to the overdraft agreement concluded by the subsidiary Helios S.A. with BNP Paribas Bank Polska S.A. based in Warsaw on December 23, 2020 ("Agreement") with a repayment guarantee of 80.0% of the loan by Bank Gospodarstwa Krajowego.

Pursuant to the introduced changes, the amount of the available loan was reduced to the amount of PLN 9 million. Repayment of the loan will be made until December 31, 2025 in accordance with the schedule accepted by the parties to the Agreement. The amendment also includes replacing the existing loan collateral in the form of a deposit with a surety in the amount of PLN 9 million granted by the Company.

The other provisions of the Agreement remain unchanged.

On February 27, 2023 the Management Board of Agora S.A. informed about the amendment that was introduced to the overdraft agreement and a term loan concluded by the Company with Santander Bank Polska S.A. ("**Bank**").

In accordance with the amendment, the term in which the Company cannot pay dividends to shareholders is extended until January 1, 2024. Moreover, until the loan granted to the Company by SFS Ventures s.r.o. with its seat in Prague is fully repaid, the Bank's consent for payment of the dividend will have to be granted.

Other provisions of the agreement remain unchanged.

On February 27, 2023 Agora S.A. concluded with SFS Ventures s.r.o. with its seat in Prague ("SFS Ventures") a loan agreement to finance purchase of 110 shares in the company Eurozet sp. z o.o. ("Eurozet")("Loan Agreement").

In connection with the provisions of the Loan Agreement, SFS Ventures granted the Company a loan in the amount of EUR 9,170,000. The loan was used to finance the purchase of 110 shares of Eurozet form SFS Ventures. The amount of the loan may be increased in future (as a result of the share price adjustment) up to the amount of maximum EUR 11,000,000.

The Company is obligated to repay the loan within 12 months from conclusion of the Loan Agreement, i.e. until February 27, 2024. The Loan Agreement provides for the possibility for early repayment of the loan in whole or in part.

Together with the Loan Agreement, today the Company signed the following loan repayment security documents:

a. registered and civil pledge agreement providing for: (i) establishing in favour of SFS Ventures a civil and registered pledge over 220 shares of Eurozet owned by the Company (and in case of the registered pledge – up to the maximum secured amount of EUR 22,000,000), and assignment of the Company's property rights for dividends and similar payments, attaching all the shares in Eurozet owned by the Company;

b. the Company's statement of submission to execution in favour of SFS Ventures in accordance with Article 777 § 1(5) of the Code of Civil Procedure as to the obligation to repay the principal amount of the loan, together with incidental receivables.

The Company shall not sell the shares subject to the pledges referred to above without the prior consent of the pledgee and shall allocate the proceeds from any sale of the shares in Eurozet first to the repayment of receivables of SFS Ventures under the loan.

SFS Ventures may demand early repayment of the loan in case of event of default stated in the Loan Agreement.

The loan bears interest at a rate of 9.5% per annum. Interest is payable quarterly, on the dates specified in the Loan Agreement. If the loan is not repaid on time, the interest rate is subject to increase by 3 percentage points, i.e. to 12.5% per year.

4. SALES AND SEGMENT INFORMATION

In accordance with IFRS 8 *Operating segments,* in these condensed semi-annual 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 *Radio* segment includes the Group's activities within local radio stations, super-regional *TOK FM* radio, Agora's Radio Department and companies of Eurozet group (from March 1, 2023).

3) the *Digital and Printed 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*,

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

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

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.

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 „EBIT without IFRS 16"is defined as EBIT excluding impact of International Financial Reporting Standard no. 16 Leasing (i.e. EBIT adjusted for leases that would not have been recognised as depreciated right-of-use assets and lease liabilities, but as operating rental payments if IFRS 16 had not been in force).

The Management Board points out that that EBIT is not a measure determined by IFRS and has not a uniform standard of calculation. Accordingly, its calculation and presentation by the Group may differ from that applied by other companies.

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, i.a.: other revenues and costs of Agora's supporting divisions (centralized IT, administrative and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs, intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

Since the first quarter of 2023, there has been a change in the presentation of segments' results. It involves allocating the costs of a part of supporting divisions to business segments. In previous years, these costs were not allocated to business segments to such a significant extent. Allocated costs are visible under external services, as well as depreciation and amortisation, and they also affect the segments' EBIT. This decision is justified by the commencement of the reorganisation process of Agora S.A. and the transfer of organised parts of the enterprise, including the businesses currently operating within the company, to subsidiaries. Cost allocation aims to increase the transparency and comparability of individual segments' data and to help standardise the costs and their presentation. Comparative data have been restated accordingly. The above change neither affects the presentation of the Group's results nor the scope of the reporting segments presented.

Operating depreciation and amortisation includes amortisation of intangible assets, depreciation of right-of-use assets 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 six months ended 30 June 2023 and 30 June 2022 relate to Instytut Badan Outdooru Sp. z o.o., ROI Hunter a.s. and Eurozet Sp. z o.o. (till 28 February 2023).

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.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2023							
	Movies and books	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Total segments**	**Reconciling positions**	**Total Group**
Revenues from external customers	237,943	117,058	100,694	88,298	73,950	617,943	4,752	622,695
Intersegment revenues (2)	2,215	3,069	406	894	1,264	7,848	(7,848)	-
Total revenues	**240,158**	**120,127**	**101,100**	**89,192**	**75,214**	**625,791**	**(3,096)**	**622,695**
Total operating cost (1), (2), (3)	**(230,542)**	**(104,617)**	**(109,240)**	**(78,513)**	**(80,852)**	**(603,764)**	**(23,249)**	**(627,013)**
Operating profit / (loss) (EBIT) (1)	**9,616**	**15,510**	**(8,140)**	**10,679**	**(5,638)**	**22,027**	**(26,345)**	**(4,318)**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(240,648)***	***(105,235)***	***(109,244)***	***(80,134)***	***(80,853)***	***(616,114)***	***(23,651)***	***(639,765)***
Operating profit / (loss) (EBIT excl. IFRS 16) (1)	***(490)***	***14,892***	***(8,144)***	***9,058***	***(5,639)***	***9,677***	***(26,747)***	***(17,070)***
Net finance income and cost							13,932	13,932
Gain on remeasurement of shares in subsidiary							47,853	47,853
Share of results of equity accounted investees	-	(2,549)	-	(44)	(1,177)	(3,770)	-	(3,770)
Income tax							(6,448)	(6,448)
Net profit								**47,249**

(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 and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs (PLN 30,859 thousand), intercompany *eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.*

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2023							
	Movies and books	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Total segments**	**Reconciling positions**	**Total Group**
Operating depreciation and amortisation	(41,601)	(7,442)	(4,409)	(17,182)	(6,020)	(76,654)	(3,467)	(80,121)
Amortisation recognised on consolidation (1)	(259)	(4,176)	-	-	(299)	(4,734)	64	(4,670)
Impairment losses	(290)	(867)	(155)	(1,541)	(288)	(3,141)	(17)	(3,158)
Reversals of impairment losses	23	372	403	956	22	1,776	13	1,789
including non-current assets	*6*	-	-	*11*	-	*17*	-	*17*
Capital expenditure	3,836	2,575	451	7,784	3,366	18,012	3,486	21,498

	As at 30 June 2023							
	Movies and books	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Total segments**	**Reconciling positions (2)**	**Total Group**
Property, plant and equipment and intangible assets	201,768	426,003	33,468	238,707	27,965	927,911	121,661	1,049,572
Right-of-use assets	486,247	33,809	79	75,211	48	595,394	27,530	622,924
Investments in associates and joint ventures accounted for by the equity method	-	-	-	131	14,134	14,265	-	14,265

(1) is not presented in operating result of the Group's segments;
(2) reconciling positions include mainly Company's headquarters (PLN 79,436 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. Reconciling positions also include property, plant and equipment related to property in Tychy of carrying value PLN 18,175 thousand, which as at 30 June 2023 were presented in the balance sheet as non-current assets held for sale as described in note 14.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2022							
	Movies and books	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Total segments**	**Reconciling positions**	**Total Group**
Revenues from external customers	205,037	47,624	98,161	76,017	84,624	511,463	3,484	514,947
Intersegment revenues (2)	4,449	2,710	2,412	998	2,185	12,754	(12,754)	-
Total revenues	**209,486**	**50,334**	**100,573**	**77,015**	**86,809**	**524,217**	**(9,270)**	**514,947**
Total operating cost (1), (2), (3)*	**(219,123)**	**(51,298)**	**(111,853)**	**(76,243)**	**(84,706)**	**(543,223)**	**(6,220)**	**(549,443)**
Operating profit / (loss) (EBIT) (1)	**(9,637)**	**(964)**	**(11,280)**	**772**	**2,103**	**(19,006)**	**(15,490)**	**(34,496)**
Total operating cost (excl. IFRS 16) (1), (2), (3)*	***(227,686)***	***(51,773)***	***(111,853)***	***(77,314)***	***(84,706)***	***(553,332)***	***(6,621)***	***(559,953)***
Operating profit / (loss) (EBIT excl. IFRS 16) (1)	***(18,200)***	***(1,439)***	***(11,280)***	***(299)***	***2,103***	***(29,115)***	***(15,891)***	***(45,006)***
Net finance income and cost							(18,492)	(18,492)
Share of results of equity accounted investees	-	4,941	-	(109)	(743)	4,089	-	4,089
Income tax							(1,800)	(1,800)
Net loss								**(50,699)**

(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 and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs (PLN 22,914 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.*

** due to the change in the allocation of supporting divisions costs to the operating segments, the comparative data has been restated accordingly.*

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Six months ended 30 June 2022							
	Movies and books	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Total segments**	**Reconciling positions**	**Total Group**
Operating depreciation and amortisation*	(41,290)	(4,339)	(5,392)	(19,440)	(5,978)	(76,439)	(2,525)	(78,964)
Amortisation recognised on consolidation (1)	(259)	-	-	-	(299)	(558)	(113)	(671)
Impairment losses	(629)	(234)	(143)	(827)	(95)	(1,928)	(72)	(2,000)
including non-current assets	*(573)*	-	-	-	-	*(573)*	-	*(573)*
Reversals of impairment losses	1,775	24	48	63	19	1,929	13	1,942
including non-current assets	*1,720*	-	-	*42*	-	*1,762*	-	*1,762*
Capital expenditure	5,197	2,314	2,076	6,412	3,301	19,300	4,018	23,318

	As at 30 June 2022							
	Movies and books	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Total segments**	**Reconciling positions (2)**	**Total Group**
Property, plant and equipment and intangible assets	214,699	81,060	82,955	230,941	31,729	641,384	124,148	765,532
Right-of-use assets	489,898	21,661	45	63,548	36	575,188	28,460	603,648
Investments in associates and joint ventures accounted for by the equity method	-	130,069	-	104	16,826	146,999	-	146,999

(1) is not presented in operating result of the Group's segments;
(2) reconciling positions include mainly Company's headquarters (PLN 83,409 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.

** due to the change in the allocation of supporting divisions costs to the operating segments, the comparative data has been restated accordingly.*

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

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

	Six months ended 30 June 2023							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Advertising revenue	16,895	114,733	26,058	84,790	70,156	312,632	(6,528)	306,104
Ticket sales	104,060	-	-	-	-	104,060	(4)	104,056
Copy sales	15,669	-	51,736	-	-	67,405	(41)	67,364
Concession sales in cinemas	59,048	-	-	-	-	59,048	-	59,048
Printing services	-	-	19,082	-	-	19,082	-	19,082
Gastronomic sales	19,845	-	-	-	-	19,845	-	19,845
Film distribution and production sales	8,617	-	-	-	-	8,617	-	8,617
Other	16,024	5,394	4,224	4,402	5,058	35,102	3,477	38,579
Total sales by category	**240,158**	**120,127**	**101,100**	**89,192**	**75,214**	**625,791**	**(3,096)**	**622,695**

	Six months ended 30 June 2022							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Advertising revenue	12,645	47,554	28,678	73,257	82,089	244,223	(10,007)	234,216
Ticket sales	86,386	27	-	-	-	86,413	(56)	86,357
Copy sales	14,439	-	51,809	-	-	66,248	(48)	66,200
Concession sales in cinemas	45,403	-	-	-	-	45,403	(4)	45,399
Printing services	-	-	16,057	-	-	16,057	-	16,057
Gastronomic sales	17,865	-	-	-	-	17,865	-	17,865
Film distribution and production sales	18,668	-	-	-	-	18,668	-	18,668
Other	14,080	2,753	4,029	3,758	4,720	29,340	845	30,185
Total sales by category	**209,486**	**50,334**	**100,573**	**77,015**	**86,809**	**524,217**	**(9,270)**	**514,947**

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

5. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

a) Incentive Plan for the Management Board members

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

(i) the stage of realisation of the target based on the EBITDA of the Agora Group ("the EBITDA target"). The amount of a potential bonus in this component of the Incentive Plan depends on the stage of the EBITDA target fulfillment, which is specified as the EBITDA (i.e. EBIT plus depreciation, amortization and impairment losses on assets) 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 fulfilment 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 fulfilment for the Management Board members are specified in the Supervisory Board resolution.

As at 30 June 2023, the value of the provision for the EBITDA reward was estimated on the basis of the best estimate of the expected value of achieving the EBITDA target in 2023, which was charged to the Income Statement in proportion of the time that elapsed till the balance sheet date.

The value of the potential reward concerning the realization of the Target of Share Price Increase, was estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. This value is charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan. As at 30 June 2023, the estimated Average Share Price in IQ of Next Year was higher than the Target of Share Price Increase thus the provision for this component of Incentive Plan is recognised in the balance sheet.

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

the share price of Agora S.A. as at the current balance sheet date	PLN	8.00
volatility of the share price of Agora S.A. during the last twelve months	%	32.76
the Average Share Price in IQ of Bonus Year	PLN	5.67
risk-free rate	%	6.26-6.78 (at the maturity dates)

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

Total impact of the Incentive Plan on the condensed semi-annual consolidated financial statements of the Agora Group:

	Six months ended 30 June 2023	Six months ended 30 June 2022
Income statement – (increase)/decrease of staff costs	(1,744)	(779)
Income statement - deferred income tax	331	148
Liabilities: accruals - as at the end of the period	1,744	779
Deferred tax asset - as at the end of the period	331	148

6. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

In the period from January 1, 2023 to June 30, 2023 the following changes in impairment losses were recognised:

- impairment loss for receivables: increase by PLN 1,590 thousand,
- impairment loss for inventory: decrease by PLN 580 thousand,
- impairment loss for property, plant and equipment and intangible assets: decrease by PLN 31 thousand (including the use in the amount of PLN 20 thousand and the reversal in the amount of PLN 11 thousand),
- impairment loss for right-of-use assets: decrease by PLN 6 thousand.

Additionally in the period from January 1, 2023 to June 30, 2023 the following provisions were changed:

	Provision for restructuring	Provision for dismantling of advertising panels	Provision for penalties, interests and similar	Provision for the cost of compensation and severances for the former Management Board Members	Provision for legal claims	**Total**
As at 31 December 2022	**887**	**7,857**	**915**	**25**	**391**	**10,075**
Set up of provisions	-	-	-	-	183	183
Acquisition of a subsidiary	-	-	1	-	634	635
Discount change	-	253	-	-	-	253
Provisions used during the period	(881)	(190)	-	(25)	(95)	(1,191)
Unused provisions reversed	(6)	(2)	(656)	-	(224)	(888)
As at 30 June 2023	**-**	**7,918**	**260**	**-**	**889**	**9,067**
Non-current part	**-**	**7,918**	**-**	**-**	**-**	**7,918**
Current part	**-**	**-**	**260**	**-**	**889**	**1,149**

Additionally, retirement severance provision increased by PLN 1,139 thousand, mainly as a result of acquisition of a subsidiary (note 12).

7. CONTINGENCIES

As at 30 June 2023 contingencies to third parties did not occur.

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

8. COURT CASES

As at June 30, 2023, the companies of the Agora Group have not entered into significant litigation for claims pending before court, arbitration authority or public administration authority. Provision for legal claims as at June 30, 2023, amounted to PLN 889 thousand (as at December 31, 2022: PLN 391 thousand).

Additionally, as at June 30, 2023, the companies of the Group are a party of legal disputes in the amount of PLN 4,589 thousand (as at December 31, 2022: PLN 2,900 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 quarters are usually lower than in the second and fourth quarters.

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

10. RELATED PARTY TRANSACTIONS

(a) Management Board and Supervisory Board remuneration

The remuneration paid to Management Board members of Agora S.A. amounted to PLN 1,630 thousand (six months ended June 30, 2022: PLN 3,841 thousand, this amount for 6 months period of 2022 includes also one-off bonus payments, inter alia, the one resulting from realization of Incentive Plan for 2021). The amounts include remuneration paid during the period of holding the post of a Management Board member.

The impact of the Incentive Plan for the Management Board of Agora S.A. on staff costs is described in note 5.

The remuneration paid to Supervisory Board members of Agora S.A. amounted to PLN 312 thousand (six months ended June 30, 2022: PLN 312 thousand).

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

(b) companies related to Agora Group (not consolidated)

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

	Six months ended 30 June 2023	Six months ended 30 June 2022
Associates		
Sales	535	608
Purchases	(149)	(842)
Major shareholder		
Sales	16	13
Other operating income	1	1
Management Board of the Company		
Finance income - remeasurement of put options (1)	1,835	1,916
Management Boards of group companies		
Sales	4	4
Finance cost - loans received	(7)	-
Finance income - remeasurement of put options (1)	653	3,897

	As at 30 June 2023	As at 31 December 2022
Jointly controlled entities		
Shares	131	175
Other liabilities and accruals	-	180
Associates		
Shares	14,135	127,271
Trade receivables	-	137
Trade liabilities	-	265
Major shareholder		
Trade receivables	4	3
Other liabilities	6	6
Management Board of the Company		
Put option liabilities (1)	23,605	31,007
Management Boards of group companies		
Receivables	29	4
Non-current loans received	128	140
Current loans received	12	-
Put option liabilities (1)	5,158	5,811
Other payables	3	3

(1) refers to put options related to shares of Helios S.A. and Video OOH Sp. z o.o.

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

11. DESCRIPTION OF THE GROUP

As at 30 June 2023 the Agora Group included Agora S.A. and 28 subsidiaries. Additionally, the Group held shares in jointly controlled entity Instytut Badań Outdooru IBO Sp. z o.o., as well as in associated company ROI Hunter a.s.

		% of shares held (effectively)	
		30 June 2023	31 December 2022
	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)	91.5%	91.5%
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	100.0%	100.0%
14	GoldenLine Sp. z o.o., Szczecin (5)	79.8%	79.8%
15	Plan A Sp. z o.o., Warsaw	100.0%	100.0%
16	Agora Finanse Sp. z o.o. , Warsaw	100.0%	100.0%
17	Step Inside Sp. z o.o., Lodz (3)	82.3%	82.3%
18	HRlink Sp. z o.o., Szczecin	79.8%	79.8%
19	Video OOH Sp. z o.o., Warsaw (1)	92.0%	92.0%
20	Helios Media Sp. z o.o., Lodz (3)	91.5%	91.5%
21	Plan G Sp. z o.o., Warsaw	100.0%	100.0%
22	Eurozet Sp. z o.o., Warsaw (7)	51.0%	40.0%
23	Eurozet Radio Sp. z o.o., Warsaw (8)	51.0%	-
24	Eurozet Consulting Sp. z o.o., Warsaw (8)	51.0%	-
25	Radio Plus Polska Sp. z o.o., Warsaw (9)	40.8%	-
26	Radio Plus Polska Centrum Sp. z o.o., Warsaw (10)	51.0%	-
27	Radio Plus Polska Zachód Sp. z o.o., Warsaw (11)	32.6%	-
28	Spółka Producencka Plus Polska Sp. z o.o., Warsaw (12)	20.4%	-
29	Yieldbird International Ltd, London (6), (13)	-	100.0%
	Joint ventures and associates accounted for the equity method		
30	Instytut Badań Outdooru IBO Sp. z o.o., Warsaw (1)	50.0%	50.0%
31	ROI Hunter a.s., Brno	23.9%	23.9%
	Companies excluded from consolidation and equity accounting		
32	Polskie Badania Internetu Sp. z o.o., Warsaw	16.7%	16.7%
33	Garmond Press S.A., Cracow	3.5%	3.5%

(1) indirectly through AMS S.A.;
(2) indirectly through GRA Sp. z o.o.;
(3) indirectly through Helios S.A.;
(4) indirectly through Next Film Sp. z o.o.;

(5) indirectly through HRlink Sp. z o.o.;
(6) indirectly through Yieldbird Sp. z o.o.;
(7) acquisition of additional shares on February 27, 2023;
(8) indirectly through Eurozet Sp. z o.o., which holds 100% of the company's shares;
(9) indirectly through Eurozet Radio Sp. z o.o., which holds 80% of the company's shares;
(10) indirectly through Eurozet Radio Sp. z o.o., which holds 100% of the company's shares;
(11) indirectly through Radio Plus Polska Sp. z o.o., which holds 80% of the company's shares;
(12) indirectly through Radio Plus Polska Sp. z o.o., which holds 50% of the company's shares and on the basis of contractual provisions has control over the company;
(13) the company was dissolved in June 2023.

12. CHANGES IN THE COMPOSITION OF THE GROUP

Acquisition of shares in Eurozet Sp. z o.o.

On February 27, 2023 the Management Board of Agora S.A. informed on the following events:

1) on February 27, 2023 the Court of Appeal in Warsaw issued a judgement concerning concentration consisting of Agora taking control over Eurozet sp. z o.o. ("**Judgement**").

In accordance with the Judgement, the Court of Appeal upheld the judgment of the Court of 1st instance expressing unconditional consent to the takeover of Eurozet sp. z o.o. by Agora

The Judgement is final and binding.

2) Agora S.A. completed negotiations with SFS Ventures s.r.o. with its seat in Prague ("SFS Ventures"), the effect of which was conclusion of Annex No. 6 to the Shareholders' Agreement of February 20, 2019 ("Annex")("Agreement").

The Annex amended, in particular:

a. the principles of exercising the right to purchase shares of Eurozet held by SFS Ventures ("Call Option") in such a way that the Company shall be entitled to exercise the Call Option in two phases, i.e. in phase one the Company shall be entitled to purchase from SFS Ventures 110 shares constituting 11% of Eurozet's share capital and 11% of the total number of votes at the Eurozet's shareholders' meeting, the execution of which shall allow the Company to hold a majority stake in Eurozet shares ("Call Option 1"), and in phase two the Company or a third party indicated by the Company shall be entitled to, but not obliged to, purchase all remaining shares in Eurozet held by SFS Ventures ("Call Option 2"). The term to exercise Call Option 2 shall expire on July 31, 2025 (in accordance with provisions of the Agreement). The Annex also introduces changes adapting rules of determining and adjusting the price to the change in exercising the Call Option by the Company, including the minimum price of shares purchased under Call Option 2, determined in accordance with the formula stipulated in the Agreement;

b. Eurozet's corporate governance rules to protect rights of the minority shareholder in the event of exercising Call Option 1 by the Company and holding the majority stake in Eurozet by the Company, including (i) personal rights of the Company and SFS Ventures to appoint members of the company's corporate bodies, according to which Agora, as majority shareholder, shall have the personal right to appoint all members of the Management Board and two members of the Supervisory Board, including the Chairperson, (ii) matters in which the consent of the Supervisory Board granted with a qualified majority is required, including agreements concluded with parties related to the Company, the value of which exceeds amount stated in the Agreement;

c. rules of mutual cooperation and information exchange between the Company and SFS Ventures during the term after exercising Call Option 1 by the Company.

Additionally, the Agreement determines the possibility of reduction of the term to exercise Call Option 2 in the event the Company would not repay the load granted by the Company by SFS Ventures to purchase 110 shares under Call Option 1 in additional term resulting from the loan agreement concluded between the Company and SFS Ventures.

Other provisions of the contract have not been materially changed.

3) Agora S.A., in connection with Judgment of the second instance court regarding the appeal of the Company from the decision of the President of the Office of Competition and Consumer Protection prohibiting the concentration consisting in the takeover by the Company control over Eurozet sp. z o.o. ("Eurozet"), decided to exercise, pursuant to the provisions of the Shareholders' Agreement of February 20, 2019 concluded by the Company with SFS Ventures with its seat in Prague ("SFS Ventures") as amended by annexes, in particular Annex No. 6 of February 27, 2023 ("Agreement"), option to purchase form SFS Ventures 110 shares in the share capital of Eurozet constituting 11% of the share capital and 11% of the total number of votes at the Eurozet's shareholders' meeting ("Call Option 1").

Simultaneously, the Company, in compliance with provisions of the Agreement, submitted to SFS Ventures the Call Option 1 request.

4) Agora S.A. concluded the Share Purchase Agreement with SFS Ventures s.r.o. with its seat in Prague ("SFS Ventures") under which the Company purchased 110 shares in the share capital of Eurozet sp. z o.o. ("Eurozet")("Agreement") constituting 11% of the share capital of Eurozet and 11% of the total number of votes at the Eurozet's shareholders' meeting ("Shares"), in accordance with the Shareholders' Agreement concluded between the Company and SFS Ventures on February 20, 2019 as amended ("Shareholders' Agreement"). Purchase of Shares took place under Call Option 1 described in the Shareholders' Agreement and in accordance with rules stated thereof.

In compliance with the Shareholders' Agreement, the Company gained ownership of Shares in exchange for the initial sale price in the amount of EUR 9,170,000 (what amounts to PLN 43,248 thousand translated at average NBP rate as at acquisition date). The final price shall be determined in accordance with the formula stipulated in the Shareholders' Agreement on the basis of financial statements of Eurozet capital group for four full quarters preceding submission of the Call Option 1 request and adjusted by final amounts of some final economic and financial parameters as described in the Shareholders' Agreement.

The Agreement provides for set-off of mutual accounts receivables: (i) of the Company – payment of the loan agreement concluded by the Company and SFS Ventures on February 27, 2023, and (ii) SFS Ventures – payment of the initial sale price for Shares under the Agreement.

Detailed terms of the Agreement (concerning in particular representations and warranties granted by SFS Ventures in connection with the sale of Shares) do not deviate from market solutions used in contracts for similar transactions.

As a result of the Agreement concluded on February 27, 2023, the Company became owner of 510 shares of Eurozet, constituting 51% of the share capital of Eurozet and 51% of the total number of votes at the Eurozet's shareholders' meeting and the majority shareholder of Eurozet.

The Company (or a third party indicated by the Company) is entitled to purchase remaining 490 shares of Eurozet under Call Option 2 until July 31, 2025.

Business combination accounting

As a result of the above mentioned transaction, the Group has acquired control over the company Eurozet and indirectly over other entities from Eurozet Group. Since the date of acquisition companies are fully consolidated. The Group measures the non-controlling interest in the acquired subsidiary at the non-controlling interest`s proportionate share of the acquiree`s identifiable net assets.

As at the date of publication of these consolidated financial statements the fair value of acquired assets and liabilities and fair value of consideration transferred as at the acquisition date are as follows based on consolidated net assets of Eurozet Group:

	Fair value as at the acquisition date
	PLN thousand
Assets	
Non-current assets:	
Intangible assets (1)	251,752
Property, plant and equipment	11,236
Right-of-use assets	9,918
Investments in equity accounted investees	10
Long-term receivable and prepayments	1,653
Deferred tax assets	8,171
	282,740
Current assets:	
Inventories	577
Accounts receivable and prepayments	36,448
Cash and cash equivalents	54,788
	91,813
	374,553
Liabilities	
Non-current liabilities:	
Deferred tax liabilities (1)	(44,952)
Lease liabilities	(10,263)
Retirement severance provision	(1,009)
Current liabilities	
Retirement severance provision	(9)
Trade and other payables	(87,343)
Income tax liabilities	(127)
Lease liabilities	(4,244)
Provisions	(635)
Contract liabilities	(1,954)
	(150,536)
Identifiable net assets at fair value	**224,017**
Non-controlling interests	(109,768)
Fair value of pre-existing equity interest in the company	(157,264)
Cash consideration transferred	(43,248)
Goodwill as at the acquisition date	**86,263**

(1) according to IFRS 3, the Group measured the acquired assets of Eurozet Sp. z o.o. at their acquisition-date fair value and recognised the increase in intangible assets in total amount of PLN 236,594 thousand. The revalued intangible assets related to the value of customer relations, trademarks, internet domains and radio concessions, deferred tax liability was also recognised on fair value revaluations.

The Eurozet Group goodwill reflects among others skills, experience and knowledge of the team, development potential of cooperation with customers of Eurozet as well as synergies resulting from the inclusion of the group in the Radio segment and expected increase in share of radio and advertising market. No part of the recognised goodwill is expected to be deductible for tax purposes.

According to IFRS 3, when accounting for acquisition, the Group remeasured also its pre-existing 40% equity interest in the company to its fair value as at the acquisition date, which resulted in recognition of profit on remeasurement of previously held interest in the estimated amount of PLN 47,853 thousand (being PLN 157,264 thousand corresponding to fair value of pre-existing equity interest as at the acquisition date less PLN 109,411 thousand related to the carrying amount of the equity-accounted investee at the date of acquisition). The profit on the remeasurement of previously held equity interest was recognised in finance income in the consolidated income statement of Agora Group for the first half of 2023.

The fair value of the acquired trade receivables amounted to PLN 31,837 thousand. The gross contractual amounts of acquired trade receivables was PLN 32,874 thousand, of which PLN 1,037 thousand was expected to be uncollectible.

The acquisition-related costs amounted to PLN 2,828 thousand and are included in administrative expenses in the consolidated income statement of the Agora Group for the first half of 2023.

In the period from the date of acquisition till June 30, 2023, consolidated revenue and net profit of the Eurozet Group included in consolidated revenue and net result of the Agora Group respectively amounted to PLN 70,969 thousand and PLN 10,726 thousand. If the business combination had taken place at the beginning of the year, Agora Group's revenue and net profit for the period ended June 30, 2023 would have respectively amounted to PLN 655,556 thousand and PLN 41,130 thousand.

At 30 June 2023, business combination accounting of the acquisition of Eurozet group is provisional due to the ongoing process of calculating the final sale price based on the formula set out in the Shareholders' Agreement. The change in price may mainly affect the calculated goodwill and the result on the remeasurement of the previously held equity interest in Eurozet.

13. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY FOR THE CONDENSED SEMI – ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF AGORA S.A.

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

14. PROPERTY, PLANT AND EQUIPMENT

In the period from January 1, 2023 to June 30, 2023, the Group purchased property, plant and equipment in the amount of PLN 18,993 thousand (in the period of January 1, 2022 to June 30, 2022: PLN 17,305 thousand) and gained control over the property, plant and equipment of Eurozet group in the amount of PLN 11,236 thousand (note 12).

As at June 30, 2023, the commitments for the purchase of property, plant and equipment amounted to PLN 10,158 thousand (as at December 31,2022: PLN 10,858 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 Gdansk, modernisation of cinemas and the purchase or modernisation of advertising panels.

- **Non-current assets held for sale**

As at 30 June 2023, non-current assets with the carrying amount of PLN 20,109 thousand were presented as held for sale in the consolidated balance sheet of the Group. The above assets included ownership of the buildings and land located at Towarowa Street in Tychy in the carrying amount of PLN 18,175 thousand (presented in note 4 in information about operating segments as the reconciling positions) and the ownership of land in Bialystok in the carrying amount of PLN 1,934 thousand, which are owned by the subsidiary Helios S.A. (presented in note 4 in information about operating segments in Movies and Books segment).

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

As at 30 June 2023 the Group took active steps to sell the above assets. Company's Management Board expects to complete the sale in less than 12 months from the balance sheet date and assesses fair value of assets held for sale less cost to sell to be higher than its carrying amount.

On June 14, 2023 the Company concluded a conditional agreement for the sale of a developed real estate located in Tychy at 4 Towarowa Street, for which the District Court in Tychy, 5th Division of Land Registry keeps a land and mortgage register with the number KA1T/00004100/9, consisting of plot No. 975/16 with an area of 27,774 square meters (respectively "Property" and "Conditional Agreement").The Conditional Agreement is a sale agreement with binding effects, concluded under the condition that Katowicka Specjalna Strefa Ekonomiczna, a joint-stock company with its registered seat at Katowice, a manager of the Katowice Special Economic Zone shall not exercise its pre-emptive right granted under art. 8.2 of the Act on Special Economic Zones of October 20, 1994 ("Condition"). The company concluded the final sale agreement on July 6, 2023 as described in note 18.

On May 19, 2023 the subsidiary Helios S.A. concluded the preliminary agreement of sale of land in Bialystok for the price of PLN 5.9 million and the completion of the transaction is expected in the fourth quarter of 2023.

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 30 June 2023	Level 1	Level 2	Level 3
Put option liabilities*	35,118	-	-	35,118
Financial liabilities measured at fair value	**35,118**	**-**	**-**	**35,118**

** of which the amount of PLN 6,196 thousand is presented as current liabilities in relation to a partial share buyback call received by the Company on July 3, 2023 from non-controlling shareholders of Helios S.A (share buyback in the amount of PLN 2,519 thousand is covered by the call of July 3, 2023, in accordance with the option agreements, it is possible to make share buyback calls up to a total of PLN 6,196 thousand within 12 months from the balance sheet date).*

	As at 31 December 2022	Level 1	Level 2	Level 3
Put option liabilities	37,606	-	-	37,606
Financial liabilities measured at fair value	**37,606**	**-**	**-**	**37,606**

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

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

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

	As at 30 June 2023	As at 31 December 2022
Opening balance	**37,606**	**34,344**
Remeasurement recognised in profit or loss , incl.:	(2,488)	3,262
- finance income (1)	*2,488*	*3,442*
- finance cost (2)	-	*(6,704)*
Closing balance	**35,118**	**37,606**

(1) in 2023 relates to the change in valuation of put options for non-controlling shareholder of Helios S.A.; in 2022 relates to the change in the valuation of put options for non-controlling shareholders of Helios S.A., Video OOH Sp. z o.o. and HRlink Sp. z o.o.;

(2) relates to the change in the valuation of put options for non-controlling shareholders of Helios S.A.

16. NET RESULT DISTRIBUTION FOR THE YEAR 2022

On May 29, 2023 the Management Board of Agora SA adopted resolution on recommendation to the General Meeting of Shareholders to cover the net loss for the fiscal year 2022 in the amount of PLN 3,465 thousand in full from the Company's supplementary capital and no dividend payment from amounts that could be distributed to shareholders. The recommendation of the Company's Management Board received a positive opinion of the Supervisory Board of the Company.

In accordance with the resolution adopted on June 26, 2023 the General Meeting of Shareholders decided to allocate the net profit of Agora S.A. for the financial year 2022 in the amount of PLN 3,465 thousand to Company's reserve capital.

17. OTHER INFORMATION

Extraordinary General Meeting of Agora S.A.

On March 27, 2023, the Management Board of Agora S.A. announced resolutions Nos. 6-12 adopted by the Extraordinary General Meeting of Agora S.A. resumed after adjournment on March 27, 2023 at 12:00 a.m., held at the Company's registered seat in Warsaw at 8/10 Czerska Street. Resolutions adopted concerned the consent to the disposal of an organized part of the enterprise to a subsidiary of the Company dedicated to: (i) operate Agora Publishing House, (ii) maintenance of gazeta.pl web portal, (iii) operations of Gazeta Wyborcza, (iv) running IT services for the Company and companies from the Group, (v) carry out the support in the field of employee, social and social insurance matters for the Company and companies from the Group, (vi) conducting accounting, bookkeeping, finance and taxation activities, as well as management and financial reporting, (vii) the maintenance, use and enjoyment of the Company's real estate. The aforementioned reorganisation will be an intragroup transaction and therefore will have no impact on the Group's consolidated financial statements.

Strategic Directions

On April 26,2023, The Management Board of Agora S.A. passed a resolution on adoption of Agora Group's Strategic Directions for 2023-2026 ("Strategic Directions"). The Management Board consulted principles of the Strategic Directions with the Supervisory Board of the Company. Additional information on the adopted Strategic Directions are presented in part II.3 of this MD&A *("Perspectives")*.

- **Finance income and cost**

The Group's result on financial activities in the first half of 2023 was affected by financial income resulting mainly from foreign exchange gains in the amount of PLN 30,415 thousand and financial cost resulting mainly from the cost of commissions and interest on bank loans, borrowings and lease liabilities.

- **Right-of-use assets**

In the first half of 2023, right-of-use assets increased mainly as a result of modifications to existing leases due to annual indexation of lease contracts, conclusion of new lease agreements (mainly new agreement related to cinema in Koszalin) and consolidation of right-of-use assets of Eurozet group (note 12).

18. POST BALANCE-SHEET EVENTS

On July 6, 2023 in connection with fulfillment of the condition for the sale of Property (described in note 14), i.e. resignation by the Katowice Special Economic Zone from exercising its pre-emptive right, the Company concluded the agreement transferring ownership of the Property for a price of PLN 19.65 million net.

On July 12, 2023 the Company made a partial voluntary early repayment of the loan granted by SFS Ventures s.r.o. (described in note 3). The Company repaid part of the loan principal in the amount of EUR 4,400,000.00 plus accrued interest. The funds for repayment came from the sale of the property in Tychy.

On July 24, 2023, Agora S.A. concluded a share purchase agreement with one of the shareholders of Helios S.A. Under this agreement Agora S.A. purchased 34,000 shares in the share capital of Helios S.A. constituting 0.29% of the share capital of this company.

On August 2, 2023, Agora S.A. concluded share purchase agreements with shareholders of Helios S.A. Under these agreements, Agora S.A. purchased a total of 60,561 shares in the share capital of Helios S.A. constituting 0.52% of the share capital of this company.

After the transactions, Agora S.A. shall own 10,674,113 shares of the share capital of Helios S.A. constituting 92.31% of the share capital of this company. Transactions shall be effective upon entry in the shareholder register of Helios S.A.

Warsaw, August 17, 2023

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

Signatures submitted electronically.