AGORA GROUP

Consolidated financial statements

as at 31 December 2023 and for the year ended thereon

March 19, 2024

CONTENTS

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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	31 December 2023	31 December 2022
Assets			
Non-current assets:			
Intangible assets	3	697,748	365,517
Property, plant and equipment	4	321,831	356,884
Right-of-use assets	5	581,772	587,338
Long-term financial assets	6	1,246	2,203
Investments in equity accounted investees	7	13,764	127,446
Receivables and prepayments	8	9,759	7,415
Deferred tax assets	16	54,187	49,484
		1,680,307	**1,496,287**
Current assets:			
Inventories	9	34,559	30,433
Trade and other receivables	10	238,287	195,211
Income tax receivable		873	1,120
Short-term securities and other financial assets	11	982	968
Cash and cash equivalents	12	90,400	69,054
		365,101	**296,786**
Total assets		**2,045,408**	**1,793,073**

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

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

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023 (CONTINUED)

	Note	31 December 2023	31 December 2022
Equity and liabilities			
Equity attributable to equity holders of the parent:			
Share capital	13	46,581	46,581
Share premium		147,192	147,192
Retained earnings and other reserves	14	544,715	480,350
		738,488	**674,123**
Non-controlling interest		**109,077**	**(99)**
Total equity		**847,565**	**674,024**
Non-current liabilities:			
Deferred tax liabilities	16	48,270	5,630
Long-term borrowings	15	563,256	641,237
Other financial liabilities	17	7,133	37,606
Retirement severance provision	18	5,274	2,525
Provisions	19	1,539	7,857
Accruals and other liabilities	20	10,232	13,167
Contract liabilities	21	638	533
		636,342	**708,555**
Current liabilities:			
Retirement severance provision	18	349	376
Trade and other payables	20	333,193	233,240
Income tax liabilities		5,022	1,845
Short-term borrowings	15	170,391	155,519
Other financial liabilities	17	18,480	-
Provisions	19	9,686	2,218
Contract liabilities	21	24,380	17,296
		561,501	**410,494**
Total equity and liabilities		**2,045,408**	**1,793,073**

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

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
Revenue	22	1,424,311	1,113,119
Cost of sales	23	(927,866)	(783,672)
Gross profit		**496,445**	**329,447**
Selling expenses	23	(221,008)	(189,417)
Administrative expenses	23	(221,672)	(175,407)
Other operating income	24	14,230	27,294
Other operating expenses	25	(20,373)	(54,251)
Impairment losses for receivables - net	25	(3,065)	(2,488)
Operating profit/(loss)		**44,557**	**(64,822)**
Finance income	29	54,171	6,528
Finance cost	30	(45,911)	(53,897)
Gain on remeasurement of shares in subsidiary	33	53,072	-
Share of results of equity accounted investees		(4,272)	8,536
Profit/(loss) before income taxes		**101,617**	**(103,655)**
Income tax expense	31	(16,617)	(2,008)
Net profit/(loss) for the period		**85,000**	**(105,663)**
Attributable to:			
Equity holders of the parent		65,367	(102,658)
Non-controlling interest		19,633	(3,005)
		85,000	**(105,663)**
Basic earnings per share (in PLN)	32	**1.40**	**(2.20)**
Diluted earnings per share (in PLN)	32	**1.40**	**(2.20)**

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
Net loss for the period	**85,000**	**(105,663)**
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	(1,395)	1,148
Income tax effect	163	(218)
	(1,232)	930
Other comprehensive income/(loss) for the period	**(1,232)**	**930**
Total comprehensive income for the period	**83,768**	**(104,733)**
Attributable to:		
Shareholders of the parent	64,410	(101,714)
Non-controlling interests	19,358	(3,019)
	83,768	**(104,733)**

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Equity attributable to equity holders of the parent					
	Share capital*	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Twelve months ended 31 December 2023						
As at 31 December 2022	**46,581**	**147,192**	**480,350**	**674,123**	**(99)**	**674,024**
Total comprehensive income for the period						
Net profit for the period	-	-	65,367	65,367	19,633	85,000
Other comprehensive income	-	-	(957)	(957)	(275)	(1,232)
Total comprehensive income for the period	**-**	**-**	**64,410**	**64,410**	**19,358**	**83,768**
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 non-controlling interests (note 33)	-	-	(44)	(44)	19	(25)
Acquisition of a subsidiary (note 33)	-	-	-	-	109,768	109,768
Other	-	-	(1)	(1)	1	-
Total changes in ownership interests in subsidiaries	**-**	**-**	**(45)**	**(45)**	**109,788**	**109,743**
Total transactions with owners	-	-	(45)	(45)	89,818	89,773
As at 31 December 2023	**46,581**	**147,192**	**544,715**	**738,488**	**109,077**	**847,565**

** 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.*

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

(all amounts in PLN thousands unless otherwise indicated)

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Equity attributable to equity holders of the parent					
	Share capital	Share premium	Retained earnings and other reserves	**Total**	**Non-controlling interest**	**Total equity**
Twelve months ended 31 December 2022						
As at 31 December 2021	**46,581**	**147,192**	**580,582**	**774,355**	**5,929**	**780,284**
Total comprehensive income for the period						
Net loss for the period	-	-	(102,658)	(102,658)	(3,005)	(105,663)
Other comprehensive income	-	-	944	944	(14)	930
Total comprehensive income for the period	**-**	**-**	**(101,714)**	**(101,714)**	**(3,019)**	**(104,733)**
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						
Acquisition of non-controlling interests	-	-	1,482	1,482	(1,587)	(105)
Total changes in ownership interests in subsidiaries	**-**	**-**	**1,482**	**1,482**	**(1,587)**	**(105)**
Total transactions with owners	-	-	1,482	1,482	(3,009)	(1,527)
As at 31 December 2022	**46,581**	**147,192**	**480,350**	**674,123**	**(99)**	**674,024**

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
Cash flows from operating activities			
Profit/(loss) before income taxes		**101,617**	**(103,655)**
Adjustments for:			
Share of results of equity accounted investees		4,272	(8,536)
Depreciation and amortisation	23	172,126	158,137
Foreign exchange (gain) /loss		(40,866)	10,796
Interest, net		43,485	36,333
(Gain)/loss on investing activities		3,823	22,191
Increase in inventories		(3,549)	(10,439)
Increase in receivables		(11,509)	(10,467)
Increase/(decrease) in payables		41,261	(20,752)
Increase in provisions		5,142	8,234
Increase/(decrease) in contract liabilities		5,236	(4,860)
Remeasurement of put options	35	(9,474)	3,262
(Gain) on remeasurement of shares in subsidiary	33	(53,072)	-
Cash generated from operations		**258,492**	**80,244**
Income taxes paid		(11,856)	(3,427)
Net cash from operating activities		**246,636**	**76,817**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment and intangibles		25,872	12,561
Dividends received	39	-	24,000
Loan repayment received		996	962
Interest received		449	354
Other inflows (1)		4,000	-
Purchase of property, plant and equipment and intangibles		(60,879)	(76,486)
Acquisition of subsidiaries net of cash acquired	33	10,105	-
Loans granted		(25)	-
Net cash used in investing activities		**(19,482)**	**(38,609)**

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

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023 (CONTINUED)

	Note	2023	2022
Cash flows from financing activities			
Proceeds from borrowings	35.5	79,553	81,895
Acquisition of non-controlling interest	33	(2,544)	(2,318)
Dividends paid to non-controlling shareholders (2)		(50,292)	(1,422)
Repayment of borrowings	35.5	(97,419)	(65,697)
Payment of lease liabilities	35.5	(90,855)	(80,874)
Interest paid	35.5	(44,251)	(35,616)
Net cash used in financing activities		**(205,808)**	**(104,032)**
Net increase in cash and cash equivalents		**21,346**	**(65,824)**
Cash and cash equivalents			
At start of period		69,054	134,878
At end of period		90,400	69,054

(1) Other inflows relate to return of 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.

(2) In 2023 the amount includes mainly dividend payment to non-controlling shareholders of the company Eurozet Sp. z o.o.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023 AND FOR THE YEAR ENDED THEREON

1. GENERAL INFORMATION

(a) Core business activity

Agora S.A. with its registered seat in Warsaw, Czerska 8/10 street ("the Company", "parent entity") 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. and in radio segment through its subsidiary Eurozet Sp z o.o. 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 gastronomic activity through the company Step Inside Sp. z o.o.

As at 31 December 2023 the Agora Group ("the Group") comprised: the parent company Agora S.A. and 31 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 carries out activity in all major cities of Poland.

There was no change in name of reporting entity from the end of the preceding reporting period.

(b) Registered Office

Czerska 8/10 Street
00-732 Warsaw, Poland

(c) Registration of the Company in the National Court Register

Seat of the court:	Regional Court in Warsaw, XIII Commercial Department
Registration number:	KRS 0000059944

(d) Tax Office and Provincial Statistical Office registration of the Company

NIP:	526-030-56-44
REGON:	011559486

(e) Management Board

During the period reported in the consolidated financial statements, the Management Board of the Company comprised the following members:

Bartosz Hojka	President	for the whole year
Tomasz Jagiello	Member	for the whole year
Anna Krynska-Godlewska	Member	for the whole year
Tomasz Grabowski	Member	for the whole year
Wojciech Bartkowiak	Member	for the whole year

(f) Supervisory Board

The Supervisory Board of the Company comprised the following members:

Andrzej Szlezak	Chairman	for the whole year
Tomasz Sielicki	Member	for the whole year
Wanda Rapaczynski	Member	for the whole year
Dariusz Formela	Member	for the whole year
Maciej Wisniewski	Member	for the whole year
Tomasz Karusewicz	Member	for the whole year

(g) Information about the financial statements

The consolidated financial statements were authorised for issue by the Management Board on March 19, 2024.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) applicable to financial reporting, adopted by the European Union.

Information about standards and interpretations, which were published and become effective after the balance sheet date, including those awaiting endorsement by the European Union, is presented in point (aa).

(b) Basis of preparation

The consolidated financial statements are presented in PLN thousands. Polish zloty is functional currency of parent company and its subsidiaries, associates and joint-ventures, except of associate ROI Hunter a.s. which functional currency is Czech crown. All amounts (unless otherwise indicated) are recalculated and rounded to nearest thousand. The consolidated financial statements are prepared on the historical cost basis except that financial instruments are stated at their fair value.

The consolidated financial statements of the Group were prepared with the assumption that the Company and its Group would continue their business activities in the foreseeable future.

As at 31 December 2023, there was an excess of current liabilities over current assets, which amounted to PLN 196.4 million. In comparison this excess amounted to PLN 113.7 million as at 31 December 2022. It should be noted that the key influence on such a ratio of short-term liabilities to current assets is the item Short-term borrowings, whose value amounted to PLN 170.4 million. Of this amount, PLN 101.8 million accounted for lease liabilities resulting from the application of IFRS 16, i.e. liabilities relating to future rental payments payable within one year from the balance sheet date, which are covered from current operations and income generated by the companies. The largest portion of these liabilities arises from rental payments for cinemas in the company Helios in the amount of PLN 62.9 million, where, according to management, the balance sheet structure is typical of an industry where a significant proportion of sales are made on a cash basis.

The excess of current liabilities over current assets excluding the impact of IFRS 16 amounted to PLN 94.9 million. This excess is mainly generated by used working capital loans included under loans and leases payable. In terms of short-term debt Agora S.A. is in advanced talks with lending banks which, in the opinion of the Management Board, should end favourably for the Company.

Taking into account the Group's own funds, available credit facilities and the current condition of individual businesses, in the opinion of the Company's Management Board, the financial position of the Group is stable and it is reasonable to assume that Agora and the Agora Group will continue as a going concern.

In the preparation of these consolidated financial statements, the Group has followed the same accounting policies as used in the Consolidated Financial Statements as at 31 December 2022, except for the changes described below.

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),

6) Amendments to IAS 12 (International Tax Reform—Pillar Two Model Rules).

The application of the above amendments had no impact on the consolidated financial statements.

(c) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities, which are controlled by the Group. Control exists when the Group due to its involvement in an investee is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the investee. The Group has power over an investee when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. the activities that significantly affect the investee's returns.

The acquisition method is applied to account for the acquisition of subsidiaries by the Group. The consideration transferred for the acquisition of a business represents the fair value of the assets transferred, the liabilities incurred to the previous owners of the acquired entity and the equity interests issued by the Group. Identifiable assets and liabilities and contingent liabilities acquired in a business combination are measured on initial recognition at their fair values as of the acquisition date. The Group recognizes as of the acquisition date any non-controlling interest in the acquired entity at the value of its proportionate interest (corresponding to the non-controlling interest) in the identifiable recognized net assets of the acquired entity. The excess of the acquisition price and non-controlling interest over the fair value of the net assets acquired represents goodwill. Transaction costs are recognized in profit or loss as incurred.

The financial statements of subsidiaries are included in the consolidated financial statements from the date when control commences until the date that control ceases to exist. Contingent consideration is initially recognised at the acquisition date fair value. Subsequent changes in the value of the contingent payment liability are recognised through the income statement. Changes in a parent`s ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(ii) Joint ventures and associates

An associate is that entity in which the Group has significant influence, but neighter control nor joint control. Joint venture is an entity which is jointly controlled by the Group and other shareholders on the basis of a statute, company's act or other agreement. The consolidated financial statements include the Group's share of the total recognised gains and losses of associates and joint ventures from the date that significant influence or joint control commences until the date that significant influence or joint control ceases to exist. The investments in associates and joint ventures are accounted for using the equity method. An interest in a joint venture or associate is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the joint venture or associate. When the Group's share of losses exceeds the carrying amount of the investment, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate or joint venture. The Group presents its share of the net assets of equity accounted investees below operating profit/(loss) in the income statement and the proceeds from dividends received are presented as investing activities in the cash flow statement.

(iii) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised gains and losses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains or losses arising from transactions with associates and joint ventures are eliminated to the extent of the Group's interest in the entity against the investment in the associate and the joint venture.

(iv) Put options granted to non-controlling interests

When an agreement signed by the Group with non-controlling shareholders grants a conditional put option for the shares, which they possess and the put option granted meets the definition of a financial liability under *IAS 32 Financial Instruments: Presentation* and at the same time, the non-controlling shareholders holding put options have retained their rights to the economic benefits associated with the underlying shares, the Group recognises the financial liability in the consolidated balance sheet (line item: other financial liabilities) equal to the estimated, discounted redemption amount of the put option and decreases other reserves (line item in the consolidated balance sheet: Retained earnings and other reserves). Subsequent changes in the value of the liability are recognised through the income statement.

(d) Property, plant and equipment

Items of property, plant and equipment are stated at historical cost or cost incurred for their manufacture, development or modernization, less accumulated depreciation and impairment losses, if any (see accounting policy from point v).

The cost of property, plant and equipment comprises costs incurred in their purchase or development and modernisation and includes capitalised borrowing costs.

Depreciation is calculated on the straight line basis over the estimated useful life of each asset. Estimated useful life of property, plant and equipment, by significant class of asset, is usually as follows:

Buildings	2 - 40 years
Plant and machinery	2 - 20 years
Motor vehicles	3 - 10 years
Other equipment	1 - 20 years

Repairs and renewals are charged to the income statement when the expenditure is incurred.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

(e) Intangible assets

Goodwill arising on an acquisition of an entity is initially recognized at an amount representing the excess of the consideration transferred over the acquirer's share of the net fair value of the acquired entity's identifiable assets, liabilities and contingent liabilities. Goodwill is stated at cost less impairment losses, if any (see accounting policy point v). Goodwill is tested annually for impairment or more often if there are indications of impairment.

In respect of associates and joint-ventures accounted for the equity method, the carrying amount of goodwill is included in the carrying amount of the investment in the associate and the joint-venture and is subject to impairment testing only if there are indications of impairment of the investment in an associate or jointly controlled entity.

Intangible assets are stated at purchase price or cost incurred for generating assets less accumulated amortisation and impairment losses, if any (see accounting policy point v).
Intangibles (including mainly acquired concessions, licences and software) are depreciated using the straight line method over the estimated useful life of each asset.

Estimated useful lives of intangible assets are usually as follows:

Concessions	2 - 25 years
Trademarks	25 years
Licences, software and others	2 - 15 years
Internally generated intangible assets	2 - 5 years

Acquired rights related to film co-production are amortized using the diminishing balance method in proportion to the life cycle of the film co-production, the economic benefits of which are realized for the most part in the first year after the film distribution begins in theatres.

Acquired magazine titles have indefinite useful lives and thus are not amortised. The rationale for establishing such a useful life was the market position of the published magazines and the absence of legal and market restrictions on their period of publication, including the possibility of realizing economic benefits through the Internet domains associated with these magazines. These rights are reviewed for impairment on an annual basis, or more frequently if events or changes have occurred that indicate an impairment of their carrying value. Their market position and lack of legal and market barriers for their publishing determined such qualification. Instead they are tested annually for impairment or more often if there are indications of impairment (see accounting policy from point v).

Expenses related to intangible assets that do not result in an improvement or extension of their useful life are recognized as expenses when incurred.

Internally generated intangible assets comprise expenditure related to developing computer software and internet applications, including costs of employee benefits, which can be directly allocated to the development phase of an internal project and meeting the other capitalization criteria under IAS 38. During the development phase and after its completion the internally generated intangible assets are assessed whether there are indications of impairment according to the accounting policy described in point v. In assessing whether the capitalization criteria are met, the Group considers:

- the technical feasibility to complete the software so that it will be available for use;
- the intention to complete the software and use or sell it;
- the ability to use or sell the software;
- the manner in which the software will produce probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and use or sell the software; and
- the ability to reliably determine the expenditures incurred during development that are attributable to the software

(f) Right-of-use assets and lease liabilities

Lease contract is a contract or part of a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of the lease agreement, the lessee recognizes existing operating leases in balance sheet as a new asset – the right-of-use the underlying asset – and a new liability – the obligation to make lease payments. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

At the commencement date, a lessee shall measure the right-of-use asset at cost, comprising:

a) the amount of the initial measurement of the lease liability;

b) any lease payments made at or before the commencement date, less any lease incentives received;

c) any initial direct costs incurred by the lessee;

d) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The lessee incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

After the commencement date, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any remeasurement of the lease liability to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

The Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

a) fixed payments, less any lease incentives receivable;

b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

c) amounts expected to be payable by the lessee under residual value guarantees;

d) the exercise price of a purchase option if the lessee is reasonably certain to exercise that option;

e) payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

a) increasing the carrying amount to reflect interest on the lease liability;

b) reducing the carrying amount to reflect the lease payments made; and

c) remeasuring the carrying amount to reflect any reassessment or lease modifications, or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability.

Variable lease payments not included in the measurement of the lease liability shall be recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

To either short-term leases or leases for which the underlying asset is of low value, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Lease term is the non-cancellable period for which a lessee has the right to use an underlying asset, together with both: periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

When estimating the lease term for contracts concluded for an indefinite period, the Group takes into account the contract enforcement period, which is usually the period of notice and uses the exemption for short-term contracts, if the contract enforcement period is no longer than 12 months.

Lessee's incremental borrowing rate is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

When estimating the discount rate, the Group takes into account the estimated interest margin that the Group would have to incur in order to finance the subject of the agreement on the financial market, considering the duration of the contract and the contract currency.

The application of IFRS 16 requires the Group to make analyses and estimates relating, inter alia, to the determination of the scope of contracts subject to IFRS 16, the determination of the lease term and the determination of the interest rate used to discount future cash flows. The estimates and assumptions adopted may be reviewed on the basis of changes in market and operational factors taken into account in their performance, new information and market practice regarding the application of the Standard.

In 2023 the provision for the dismantling of advertising panels in Outdoor segment, which relates to future costs associated with removing the media panel and restoring the site on which it is located to its pre-installation condition, is taken into account in the item of right-of-use assets. At the end of 2022 the value of this provision increased the value of property, plant and equipment. In the case of short-term contracts, the dismantling provision is also short-term in nature and is then recognized directly in the income statement in other operating expenses.

The provision for the dismantling of advertising panels is recognised on the basis of estimates of possible dismantling costs depending on the type of panel and on the basis of forecasts of the possible dismantling period, which may range from 2 to 10 years. In 2023 the Group updated its estimate of the expected period of dismantling of advertising panels and included in this estimate the applicable periods of the leases. The Group points that in reality, it is possible to keep an advertising panel on site longer than the originally estimated dismantling period. In such a situation, the created provision is kept on the balance sheet until the given advertising panel type is actually dismantled.

Most of agreements under which companies operating in Outdoor segment obtain the right to install an advertising panel at a given location contain an obligation to remove the panel and restore the site to its pre-installation condition. These agreements are concluded for a finite or indefinite period of time with a specified notice period, usually shorter than the useful life of the advertising panel in question. The need to incur expenses to dismantle the advertising panel is the result of future decisions made by the parties at the end of the contract period in the event that the parties to the leases decide to renew them for a further period, AMS S.A. shall not incur dismantling cost in the period given.

In connection with the changing market and legal environment for outdoor advertising activities (including an increase in the number of municipalities enacting local regulations for the placement of advertising panels under the so-called Landscape Act), AMS Group analysed the impact of these factors on potential dismantling liabilities. As a result of the analysis the AMS group assumed that the dismantling of some advertising panels (or their replacement with other types of advertising panels) is possible in the foreseeable future and decided to recognise a provision for future panel dismantling costs. In accordance with IFRS 16, the discounted value of the long-term provision for future dismantling of the component of right-of-use asset is recognised as an increase in the value of right-of-use assets and then depreciated over the estimated period from initial recognition to the expected date of dismantling.

The provision for the dismantling of advertising panels is an estimate that is a subject to revision at the balance sheet date for changes in the assumed cost of dismantling, the assumed date of dismantling and the assumed discount rate, which is based on the yield on government bonds at the end of the reporting period with maturities closest to the dates of planned dismantling. In accordance with IFRIC 1, a change in the value of the provision due to changes in the above estimates adjusts the value of depreciable right-of-use assets. In contrast, the increase in the value of the provision that reflects the passage of time (the so-called unwinding of the discount) is recognised in finance costs.

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and demand deposits up to 3 months.

(h) Derivative financial instruments

Derivative financial instruments are recognized initially and subsequently measured at fair value. The Group does not apply hedge accounting and any gain or loss relating to the change in the fair value of the derivative financial instrument is recognized in the income statement.

Upon signing an agreement that includes derivative financial instruments embedded, the Group assesses whether the economic characteristics of the embedded derivative instrument are closely related to the economic characteristics of the financial instrument (“host contract”) and whether the agreement that embodies both the embedded derivative instrument and the host contract is currently measured at fair value with changes in fair value reported in earnings, and whether a separate instrument with the same terms as the embedded instrument would meet the definition of a derivative instrument. Derivatives embedded in foreign currency non-financial instrument contracts are not separated from the host contracts if these contracts are in currencies which are commonly used in the economic environment in which transactions take place. If the embedded derivative instrument is determined not to be closely related to the host contract and the embedded derivative instrument would qualify as a derivative instrument, the embedded derivative instrument is separated from the host contract and valued at fair value with changes recorded in the income statement.

(i) Financial assets measured at amortized cost

A financial asset is classified to those measured at amortized cost if the following two conditions are met:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

The Group`s category financial assets measured at amortized cost includes cash and cash equivalents, loans granted, trade receivables and other receivables.

The Group recognises a loss allowance for expected credit losses on financial assets that are classified to financial assets measured at amortized cost. If the credit risk on a financial instrument has increased significantly since initial recognition, the Group measures the loss allowance for expected credit losses for that financial instrument at an amount equal to the lifetime expected credit losses. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for expected credit losses for that financial instrument at an amount equal to 12-month expected credit losses. Trade receivables of the Group do not contain a significant financing component and the loss allowance for them is measured at an amount equal to lifetime expected credit losses.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Group estimates the expected credit losses related to trade receivables by applying an individual loss assessment in case of bankruptcy of the counterparty, its bad financial condition or a court case with the counterparty (individual credit losses) and a collective loss assessment for the remaining portfolio of receivables based on expected default rates determined for specific ranges of overdue receivables determined on the basis of historical payment statistics (collective credit losses). The Group regularly reviews its method and assumptions used for estimating expected credit losses to reduce any differences between estimates and actual credit loss experience.

Changes in impairment losses are recognized in the profit and loss respectively in other operating expenses (in case of trade receivables) or financial costs (in case of loans granted and other financial assets).

Interest income is recognised in the period to which it relates using the effective interest rate method.

(j) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those that the Group principally holds for the purpose of short-term profit taking. Subsequent to initial recognition (at which date available-for-sale financial assets are stated at cost), all available-for-sale financial assets are measured at fair value. Financial gains or losses on financial assets are recognised in net profit or loss for the period (finance income or cost).

The Group`s category financial assets measured at fair value through profit or loss includes short- term investments in securities, including certificates in investment funds.

(k) Derecognition of financial instruments

Financial assets are derecognised, when the contractual rights to the cash flows from the financial asset have expired or the Group has transferred the contractual rights to the cash flows to a third party and simultaneously transferred substantially all the risks and rewards of ownership of the asset.

The financial liabilities are removed from the balance sheet, when the obligation specified in the contract is discharged, cancelled or has expired.

(l) Foreign currency transactions

Presentation currency for consolidated financial statements is Polish zloty. Functional currency for Agora S.A., its subsidiaries and associates is Polish zloty Polish zloty, except of associate ROI Hunter a.s. which functional currency is Czech crown.

Foreign currency transactions are translated at the foreign exchange rates prevailing at the date of the transactions using:

- the purchase or selling rate of the bank whose services are used by the Group entity – in case of foreign currency sales or purchase transactions, as well as of the debt or liability payment transactions,
- the average rate specified for a given currency by the National Bank of Poland as on the preceding date before that date – in case of other transactions.

Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised as financial income or expense in the consolidated income statement. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to PLN at the foreign exchange rate set by the National Bank of Poland ruling for that date.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimate of the selling price in the ordinary course of business, less VAT, discounts and the costs of completion and selling expenses. Inventories comprise goods for resale, materials, finished goods and work in progress, including production cost of own movies and publishing activity.

Cost is determined at actual prices for printing paper, at weighted average cost for inks and other production materials and by the first-in, first-out (FIFO) method for other materials, goods for resale and finished goods.

The cost of inventory related to own film production is determined separately for each production and, at the time of commencement of film distribution, is recognized in cost of sales in proportion to the established life cycle of the film based on the realization of film rights in subsequent distribution channels.

(n) Equity

(i) Share capital

The share capital of the parent company is also the share capital of the Group and is presented at the nominal value of registered stock, in accordance with the parent company's statute and commercial registration.

(ii) Treasury shares purchased for their redemption

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a change in equity. Repurchased shares are classified as treasury shares and presented as a deduction from total equity.

Share premium

The share premium is a capital reserve arising on the Group's initial public offering ("IPO") during 1999 and is presented net of the IPO costs, decreased by the tax shield on the costs.

(iii) Retained earnings and other reserves

Retained earnings represent accumulated net profits / losses, including reserve capital accumulated from prior year's profits. Other reserves include also:

- the recognition of share-based payments transactions in accordance with IFRS 2 in relation to the incentive plans based on Agora S.A.'s shares, which ended in the first half of 2013,

- the initial recognition of put options granted to the non-controlling shareholders,

- actuarial gains and losses on defined benefit plans recognised in accordance with the policy described in point (q),

- changes in ownership interests in subsidiaries, i.e. the effects of disposals or acquisitions of non-controlling interests accounted for in the Group's equity in accordance with IFRS 10.

(o) Income taxes and deferred income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly to equity or other comprehensive income, in which case it is recognised in equity or in other comprehensive income.

Current tax expense is calculated according to tax regulations, including mutual settlements of benefits between companies included in the Tax Capital Group described in note 16.

Deferred income tax is provided for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and for tax losses carried forward, except for:

(i) the initial recognition of assets or liabilities that in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit (tax loss) and

(ii) differences relating to investments in subsidiaries and associates to the extent the parent are able to control the timing of the reversal of the temporary differences and it is probable that the temporary difference will not reverse in the foreseeable future.

The principal temporary differences arise on depreciation of property, plant and equipment and various transactions not considered to be taxable or tax-deductible until settlement. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. At each balance sheet date deferred tax assets are verified and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Group set off for the presentation proposes deferred income tax assets against deferred income tax liabilities at the companies' level.

(p) Provisions

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be measured with sufficient reliability. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the value of money over time and, where appropriate, the risks specific to the liability.

A provision for restructuring is recognised when the Group has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Accounting policies concerning the provision for dismantling of advertising panels are described in point (f).

(q) Retirement severance provision

The Group makes contributions to the Government's retirement defined benefit scheme. The state plan is funded on a pay-as-you-go basis, i.e. the Group is obliged to pay the contributions as they fall due and if the Group ceases to employ members of the state plan, it will have no obligation to pay any additional benefits. The state plan is defined contribution plan. The expense for the contributions is charged to the income statement in the period to which they relate.

Employees of the Group are entitled to retirement severance payment which is paid out on the non-recurrent basis at the moment of retiring. The amount of payment is defined in the labour law. The Group does not exclude assets that might serve in the future as a source of settling liabilities resulting from retirement payments. The Group creates provision for future liabilities in order to allocate costs to the periods they relate to. The Group's obligation in respect of retirement severance provision is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The amount of the liability is calculated by actuary and is based on forecasted individual's entitlements method. Changes in the value of the liability are recognized in profit or loss, except for actuarial gains and losses, which are recognized in other comprehensive income.

(r) Interest-bearing borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective yield method.

(s) Grants related to property, plant and equipment or intangible assets

Grants received for the financing of acquisition or construction of property, plant and equipment or intangible assets are recognised, when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching thereto. The grants are initially recognised at fair value as deferred income and credited to the income statement as other operating income on a systematic basis over the useful life of the respective assets.

(t) Trade payables and other liabilites

Trade payables and other financial liabilities are stated at amortised cost.

(u) Revenue recognition

The Group recognises revenue when (or as) it transfers control of promised goods or services to a customer at the amount of the transaction price to which it expects to be entitled with respect to any variable amounts such as rebates granted and sales with a right of return. Depending on whether certain criteria are met, revenue is recognised over time, in a manner that depicts the entity's performance or at a point in time, when control of the goods or services is transferred to the customer.

Revenue is disaggregated into the following main categories based on the nature of transferred goods and services:

- Advertising revenue - revenue is recognised in the period in which the service is provided to the customer i.e. during the advertising campaign period. The level of fulfilment of the obligation to provide the service is measured in proportion to the duration of the service provided.
- Sales of cinema tickets - revenue is recognised in the period in which the film screening service is provided, in case of tickets pre-sale and cinema vouchers revenue is recognised when the ticket is used by the customer or when the right to use the ticket expires.
- Copy sales - revenue is recognised at a point in time when the good is transferred to the customer in case of paper and digital book editions, while in case of paid access to digital subscription revenue is recognised during the period while the content is available.
- Bar sales in cinemas and gastronomic sales – revenue is recognised when the good or product is transferred to the customer.
- Printing services - revenue is recognised in the period in which the service is provided to the customer.
- Film distribution and production sales - revenue is recognised during the period of film distribution in cinemas and depends on inflows from sales of cinema tickets, and in case of the sale of film licences to VOD platform owners and to television revenue is recognised at a point in time when the customer acquires the right to use the licences. For film productions commissioned and exclusive to a specific customer, revenue is recognised over time according to the degree of fulfilment of the performance obligation measured in proportion to the advancement of the production work.

Revenue from advertising services, film distribution in cinemas and from selling a digital access to internet services of *Gazeta Wyborcza* represent revenue recognised over time, because advertising campaigns, film distribution and access to digital subscription represent services performed throughout the specified time agreed in contracts with customers. Revenue from other goods and services of the Group usually represent revenue recognised at a point in time, when control of the goods or services is transferred to the customer, which is at the moment, when the service is completed or goods are delivered to a customer.

Advance consideration received for goods and services (prepayments for the sale of film licenses, for subscriptions, for advertisements and advertising campaigns), which were not transferred to customers at the balance sheet date and will be realized in future accounting periods are presented in the balance sheet in the line item "*Contract liabilities*".

Sale with a right of return

In the area of press sales (*Gazeta Wyborcza* and periodicals) and copy sales, the Group sells its goods with the right to return goods during the period agreed with the customers. The Group recognises the refund liability (returns liability) in the amount of consideration which, in line with expectations, will be refundable by adjusting the amount of revenue recognised. The returns liability is estimated using the expected value method based on past experience and on-going monitoring of sales of individual press and book titles. Due to the nature of goods which can be returned and taking into account the decrease in their value, the Group does not recognise a returns asset.

Customer rebates

In accordance with its trade policy, the Group provides its clients purchasing advertising services with commercial rebates, including annual rebates dependent on turnover, which can be determined by amount or as a percentage of turnover. The Group estimates the value of the refund liability (rebates liability) based on the terms of signed agreements and the forecasted turnover of individual clients. The final value of customer rebates is known after the end of a financial year and may differ from the estimates recognised during the year. Recognised discounts and changes in the estimate of the discount amount adjust revenue.

(v) Impairment losses on non-financial assets

The carrying amount of the Group's assets, other than inventories (see accounting policy m), and deferred tax assets (see accounting policy o) for which other procedures should be applied, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated (the higher of net selling price and value in use). The value in use is assumed to be a present value of discounted future economic benefits which will be generated by the assets.

An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in the income statement.

At each balance sheet date the Group reviews recognised impairment losses whether there is any indication showing that some of the recognised impairment losses should be reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversal on an impairment loss is recognised in the income statement.

An impairment loss for goodwill is not reversed.

(w) Borrowing costs

Interest and other costs of borrowing are recorded in the income statement using effective interest rate in the period to which they relate, unless directly related to investments in qualifying assets, which require a substantial period of time to get ready for its intended use or sale, in which case they are capitalised.

(x) Share-based payments

Within the Agora Group there are incentive plans carried out, which are accounted for in accordance with IFRS 2 *Share-based payments.* In the Incentive Plan for Management Board members of the Company described in note 28 one of the components (based on share price appreciation) is accounted for as a cash-settled share-based payment in accordance with IFRS 2. In this plan, members of the Management Board of the Company are entitled to a cash-settled reward based on the realization of the Target of Share Price Rise. The value of the provision for the cost of the reward concerning the realization of the Target of Share Price Rise, is estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. The value is charged to the staff costs in Income Statement in proportion to the vesting period with a corresponding figure recognised within accruals. The changes in the value of this accrual are included in staff costs.

(y) Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the resolution of the Company's shareholders.

(z) Related parties

For the purposes of these consolidated financial statements, related parties comprise significant shareholders, subsidiaries, associates, joint ventures and members of the Management and Supervisory Boards of the parent and group entities and their immediate family, and entities under their control.

(aa) New accounting standards and interpretations of International Financial Reporting Interpretations Committee (IFRIC)

The Group did not early apply new standards and interpretations, which were published and endorsed by the European Union or which will be endorsed in the nearest future and which become effective after the balance sheet date.

Standards and interpretations endorsed by the European Union:

1) Amendments to IFRS 16 *Leases*: *lease liability in sale and leaseback* (effective for annual periods beginning on 1 January 2024).

The amendments clarify how a seller-lessee measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

Standards and interpretations awaiting on endorsement by the European Union:

1) Amendments to IAS 1 *Presentation of Financial Statements* (effective for annual periods beginning on 1 January 2024)

The amendments clarify the criteria for classifying a liability as non-current depending on rights at end of the reporting period and the conditions with which an entity must comply within twelve months after the reporting period.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

2) Amendments to IAS 7 *Statement of Cash Flows* and to IFRS 7 *Financial Instruments: Disclosures* (effective for annual periods beginning on 1 January 2024)

The amendments are intended to enhance the transparency and usefulness of the information provided by entities about supplier finance arrangements.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

3) Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* (effective for annual periods beginning on 1 January 2025)

The amendments clarify the recognition of transactions in currencies that lack exchangeability.

The Group does not expect that the amendments will have impact on the consolidated financial statements.

4) Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* **-** *Sales or contributions of assets between an investor and its associate/joint venture* (effective for annual periods beginning on or after 1 January 2016, although The European Commission deferred the endorsement of changes indefinitely)

The amendments remove the acknowledged inconsistency between the requirements of IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture concerning the recognition of profit or loss on the loss of control of subsidiary and require a full gain or loss to be recognised when the assets transferred meet the definition of a business under IFRS 3 *Business Combinations.*

The amendments will have no impact on the consolidated financial statements.

(all amounts in PLN thousands unless otherwise indicated)

3. INTANGIBLE ASSETS

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Cost as at 1 January 2023	**45,715**	**404,174**	**273,414**	**51,271**	**67,506**	**842,080**
Additions	-	92,917	65,005	207,629	8,764	374,315
Acquisitions	-	-	19,646	995	-	20,641
Internal development	-	-	-	-	8,764	8,764
Acquisitions through business combinations (note 33)	-	92,917	45,359	206,634	-	344,910
Disposals	-	-	(30,505)	(2,282)	(2,101)	(34,888)
Liquidation	-	-	(30,505)	(2,282)	(2,101)	(34,888)
Cost as at 31 December 2023	**45,715**	**497,091**	**307,914**	**256,618**	**74,169**	**1,181,507**

(all amounts in PLN thousands unless otherwise indicated)

3. INTANGIBLE ASSETS – CONT.

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Amortisation and impairment losses as at 1 January 2023	**36,440**	**129,745**	**216,740**	**47,478**	**46,160**	**476,563**
Amortisation charge for the period	-	-	14,137	10,474	10,205	34,816
Impairment losses (note 40)	-	7,016	-	234	-	7,250
Liquidation	-	-	(30,487)	(2,282)	(2,101)	(34,870)
Amortisation and impairment losses as at 31 December 2023	**36,440**	**136,761**	**200,390**	**55,904**	**54,264**	**483,759**
Carrying amounts						
As at 1 January 2023	**9,275**	**274,429**	**56,674**	**3,793**	**21,346**	**365,517**
As at 31 December 2023	**9,275**	**360,330**	**107,524**	**200,714**	**19,905**	**697,748**

As at the balance sheet date, 31 December 2023, concessions, patents and licences category included mainly concessions related to advertising activities in the Outdoor segment (PLN 24,281 thousand), radio concessions (PLN 50,635 thousand) and software licenses (PLN 31,946 thousand).

As at the balance sheet date, 31 December 2023, the item Other includes acquired trademarks and customer relations in total amount of PLN 193,060 thousand.

(all amounts in PLN thousands unless otherwise indicated)

3. INTANGIBLE ASSETS – CONT.

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Cost as at 1 January 2022	**45,715**	**404,174**	**256,982**	**49,280**	**59,251**	**815,402**
Additions	-	-	19,754	1,991	8,255	30,000
Acquisitions	-	-	16,290	1,991	-	18,281
Transfer from assets under construction	-	-	2,200	-	-	2,200
Internal development	-	-	-	-	8,255	8,255
Reclassifications	-	-	1,264	-	-	1,264
Disposals	-	-	(3,322)	-	-	(3,322)
Liquidation	-	-	(2,623)	-	-	(2,623)
Reclassifications	-	-	(699)	-	-	(699)
Cost as at 31 December 2022	**45,715**	**404,174**	**273,414**	**51,271**	**67,506**	**842,080**

(all amounts in PLN thousands unless otherwise indicated)

3. INTANGIBLE ASSETS – CONT.

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Amortisation and impairment losses as at 1 January 2022	**36,440**	**86,370**	**200,949**	**46,136**	**35,315**	**405,210**
Amortisation charge for the period	-	-	18,225	1,342	10,723	30,290
Impairment losses	-	43,375	-	-	122	43,497
Liquidation	-	-	(2,434)	-	-	(2,434)
Amortisation and impairment losses as at 31 December 2022	**36,440**	**129,745**	**216,740**	**47,478**	**46,160**	**476,563**
Carrying amounts						
As at 1 January 2022	**9,275**	**317,804**	**56,033**	**3,144**	**23,936**	**410,192**
As at 31 December 2022	**9,275**	**274,429**	**56,674**	**3,793**	**21,346**	**365,517**

As at 31 December 2022, concessions, patents and licences category included mainly concessions related to advertising activities in the Outdoor segment (PLN 21,862 thousand), radio concessions (PLN 7,199 thousand) and software licenses (PLN 27,552 thousand).

Amortisation of intangibles is recognised in “cost of sales”, “selling expenses” and “administrative expenses”. Impairment losses are recognised in “other operating expenses” in the income statement.

Contractual commitments connected to intangible assets are disclosed in note 36.

(all amounts in PLN thousands unless otherwise indicated)

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost as at 1 January 2023	**24,757**	**515,337**	**515,142**	**3,789**	**206,989**	**26,741**	**1,292,755**
Additions	-	9,180	36,577	1,559	5,762	42,420	95,498
Acquisitions	-	316	7,541	742	359	39,777	48,735
Transfer from assets under construction	-	7,796	13,489	161	4,733	-	26,179
Acquisitions through business combinations (note 33)	-	1,056	7,720	208	538	1,473	10,995
Purchase of leased assets	-	-	7,579	448	127	-	8,154
Other	-	12	248	-	5	1,170	1,435
Disposals	(7,271)	(64,513)	(44,372)	(1,276)	(13,389)	(40,925)	(171,746)
Sale	(7,271)	(61,003)	(8,822)	(891)	(215)	(14,268)	(92,470)
Liquidation	-	(3,510)	(35,550)	(385)	(5,674)	(177)	(45,296)
Reclassification of dismantling provision (note 5)	-	-	-	-	(2,455)	-	(2,455)
Transfer from assets under construction	-	-	-	-	-	(26,179)	(26,179)
Other	-	-	-	-	(5,045)	(301)	(5,346)
Cost as at 31 December 2023	**17,486**	**460,004**	**507,347**	**4,072**	**199,362**	**28,236**	**1,216,507**

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

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Depreciation and impairment losses as at 1 January 2023	**-**	**300,947**	**449,771**	**3,321**	**175,490**	**6,342**	**935,871**
Depreciation charge for the period	-	18,264	22,698	325	6,975	-	48,262
Impairment losses (note 40)	-	572	46	-	57	271	946
Reversal of impairment losses	-	-	-	-	-	(234)	(234)
Sale	-	(42,839)	(8,264)	(869)	(140)	-	(52,112)
Liquidation	-	(3,119)	(34,765)	(385)	(5,316)	(15)	(43,600)
Purchase of leased assets	-	-	5,043	395	105	-	5,543
Depreciation and impairment losses as at 31 December 2023	**-**	**273,825**	**434,529**	**2,787**	**177,171**	**6,364**	**894,676**
							-
Carrying amounts							
As at 1 January 2023	**24,757**	**214,390**	**65,371**	**468**	**31,499**	**20,399**	**356,884**
As at 31 December 2023	**17,486**	**186,179**	**72,818**	**1,285**	**22,191**	**21,872**	**321,831**

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

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost as at 1 January 2022	**24,757**	**511,154**	**497,379**	**4,002**	**196,999**	**30,017**	**1,264,308**
Additions	-	7,171	30,457	169	17,709	39,566	95,072
Acquisitions	-	400	7,451	18	1,133	38,209	47,211
Transfer from assets under construction	-	6,317	12,314	29	6,281	-	24,941
Reclassifications	-	425	-	-	72	699	1,196
Purchase of leased assets	-	-	10,334	122	2,717	-	13,173
Other*	-	29	358	-	7,506	658	8,551
Disposals	-	(2,988)	(12,694)	(382)	(7,719)	(42,842)	(66,625)
Sale	-	(1,259)	(442)	(382)	(198)	(13,370)	(15,651)
Liquidation	-	(1,729)	(12,252)	-	(7,479)	(798)	(22,258)
Reclassifications	-	-	-	-	-	(1,264)	(1,264)
Transfer from assets under construction	-	-	-	-	-	(27,141)	(27,141)
Other	-	-	-	-	(42)	(269)	(311)
Cost as at 31 December 2022	**24,757**	**515,337**	**515,142**	**3,789**	**206,989**	**26,741**	**1,292,755**

** in 2022 the item Other in the category Plant, machinery and equipment and Other includes mainly the creation of provision for dismantling of advertising panels in the total amount of PLN 7,857 thousand, more information on provision is disclosed in notes 2(f) and 19.*

(all amounts in PLN thousands unless otherwise indicated)

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Depreciation and impairment losses as at 1 January 2022	**-**	**282,443**	**432,393**	**3,354**	**172,461**	**6,927**	**897,578**
Depreciation charge for the period	-	20,157	22,733	224	7,952	-	51,066
Impairment losses	-	2,424	687	-	227	439	3,777
Reversal of impairment losses	-	(1,685)	(22)	-	(13)	(121)	(1,841)
Sale	-	(1,248)	(416)	(379)	(183)	(774)	(3,000)
Liquidation	-	(1,476)	(12,047)	-	(7,269)	(129)	(20,921)
Reclassifications	-	332	-	-	165	-	497
Purchase of leased assets	-	-	6,443	122	2,150	-	8,715
Depreciation and impairment losses as at 31 December 2022	**-**	**300,947**	**449,771**	**3,321**	**175,490**	**6,342**	**935,871**
Carrying amounts							
As at 1 January 2022	**24,757**	**228,711**	**64,986**	**648**	**24,538**	**23,090**	**366,730**
As at 31 December 2022	**24,757**	**214,390**	**65,371**	**468**	**31,499**	**20,399**	**356,884**

Depreciation of property, plant and equipment is recognised in “cost of sales”, “selling expenses” and “administrative expenses”. Impairment losses are recognised in “other operating expenses” in the income statement. Reversals of impairment losses are recognised in “other operating income” in the income statement.

The category assets under construction mainly includes capital expenditure related to the construction of outdoor advertising panels and the construction of cinema facilities.

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

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

a) Collateral for assets

The following property, plant and equipment are pledged as security for loan facility concerning Agora S.A. as well as bank loans concerning Helios S.A.

No.	Assets	Net book value at 31 December 2023
1	Land	8,562
2	Buildings	102,665
3	Plant, machinery and equipment	3,389
		114,616

b) Contractual investment commitments

Contractual investment commitments are disclosed in note 36.

c) Significant sale transactions of property, plant and equipment

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 was 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”).

On July 6, 2023 in connection with fulfillment of the condition for the sale of Property, 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 19,650 thousand net. The transaction has impacted the Group's other operating income in the amount of PLN 1,474 thousand and is recognised in the Group's cash flow.

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. Transaction was completed on **December 22, 2023** and influenced Group’s result in the amount as a loss on sale of non-financial assets of PLN 488 thousand.

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

5. RIGHT-OF-USE ASSETS

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other right-of-use assets	Total
Cost as at 1 January 2023	**143,198**	**657,207**	**52,936**	**4,696**	**16,124**	**874,161**
New lease agreements	40,809	13,821	104	1,515	-	56,249
Acquisitions through business combinations (note 33)	-	9,426	33	459	-	9,918
Lease modifications	8,503	24,769	15	128	-	33,415
Provision for dismantling*	2,932	-	-	-	-	2,932
Decrease in the scope of the lease	(8,299)	(21,522)	(46)	(1,293)	-	(31,160)
Purchase of leased assets	-	-	(7,579)	(448)	(127)	(8,154)
Cost as at 31 December 2023	**187,143**	**683,701**	**45,463**	**5,057**	**15,997**	**937,361**

** the provision for dismantling includes the amount of PLN 2,455 thousand reclassified from property, plant and equipment and the changes in the value of provision in financial year in the remaining amount.*

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other right-of-use assets	Total
Depreciation and impairment losses as at 1 January 2023	**51,253**	**199,988**	**24,696**	**2,616**	**8,270**	**286,823**
Depreciation charge for the period	23,551	56,425	5,499	1,570	2,003	89,048
Reversal of impairment losses	-	-	(6)	-	-	(6)
Decrease in the scope of the lease	(5,380)	(8,178)	(23)	(1,152)	-	(14,733)
Purchase of leased assets	-	-	(5,043)	(395)	(105)	(5,543)
Depreciation and impairment losses as at 31 December 2023	**69,424**	**248,235**	**25,123**	**2,639**	**10,168**	**355,589**
Carrying amounts						
As at 1 January 2023	**91,945**	**457,219**	**28,240**	**2,080**	**7,854**	**587,338**
As at 31 December 2023	**117,719**	**435,466**	**20,340**	**2,418**	**5,829**	**581,772**

(all amounts in PLN thousands unless otherwise indicated)

5. RIGHT-OF-USE ASSETS – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other right-of-use assets	Total
Cost as at 1 January 2022	**124,488**	**625,387**	**62,657**	**3,547**	**18,841**	**834,920**
New lease agreements	10,355	14,490	591	1,349	-	26,785
Lease modifications	15,203	23,910	22	70	-	39,205
Decrease in the scope of the lease	(6,848)	(6,580)	-	(148)	-	(13,576)
Purchase of leased assets	-	-	(10,334)	(122)	(2,717)	(13,173)
Cost as at 31 December 2022	**143,198**	**657,207**	**52,936**	**4,696**	**16,124**	**874,161**

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other right-of-use assets	Total
Depreciation and impairment losses as at 1 January 2022	**38,642**	**152,075**	**24,171**	**1,789**	**8,135**	**224,812**
Depreciation charge for the period	17,068	49,942	6,507	1,071	2,194	76,782
Impairment losses	-	-	477	-	97	574
Reversal of impairment losses	-	-	(16)	-	(6)	(22)
Decrease in the scope of the lease	(4,457)	(2,029)	-	(122)	-	(6,608)
Purchase of leased assets	-	-	(6,443)	(122)	(2,150)	(8,715)
Depreciation and impairment losses as at 31 December 2022	**51,253**	**199,988**	**24,696**	**2,616**	**8,270**	**286,823**
Carrying amounts						
As at 1 January 2021	**85,846**	**473,312**	**38,486**	**1,758**	**10,706**	**610,108**
As at 31 December 2021	**91,945**	**457,219**	**28,240**	**2,080**	**7,854**	**587,338**

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

The rights-of-use assets relate to assets used by the Group under long-term lease agreements, which include: Lease agreements for office space, lease agreements for cars, cinema equipment and catering facilities, and lease agreements for external advertising media in the *Outdoor* segment (In the table above presented in the category Land), the radio station location in the *Radio* segment and Helios cinema locations and the location of the restaurants in the *Film and Book* segment. The Group also holds perpetual usufruct of land, which are eligible under IFRS 16 for lease agreements.

In case of office space the contractual period is usually between 2 and 5 years, in case of locations for cinemas 10 years, restaurants 5 years, car leasing and equipment leasing contracts cover a period between 2 and 5 years, outdoor media locations have 1 to 16 year contractual periods, and radio station locations for which concession periods are adopted are typically 10 years. The right of perpetual usufruct of land shall be valid for a further period of 66 years from the balance sheet date.

In case of equipment under lease, which the Group intends to purchase after the lease term, the depreciation periods taken exceed the contractual period and are up to 10 years depending on the type of equipment.

The right of perpetual usufruct of land in the amount of PLN 26,714 thousand is pledged as security for loan facility described in note 15.

Expenses relating to short-term leases and leases of low-value are disclosed in note 23.

6. LONG-TERM FINANCIAL ASSETS

Long-term financial assets include shares and loans granted to the unconsolidated companies.

	2023	2022
Balance as at beginning of the period	**2,203**	**3,158**
Shares	83	83
Loans granted	1,882	2,837
Additional paid-in capital	238	238
Additions	**25**	**1,026**
Shares	-	1,026
- reclassifications*	-	1,026
Loans granted	25	-
- grant of loans	25	-
Disposals	**(982)**	**(1,981)**
Shares	-	(1,026)
- reclassifications*	-	(1,026)
Loans granted	(982)	(955)
- reclassifications	(982)	(955)
Balance as at end of the period	**1,246**	**2,203**
Shares	83	83
Loans granted	925	1,882
Additional paid-in capital	238	238

** The reclassification of shares relates to conversion of claim of Agora S.A. towards Garmond Press S.A. into shares in the share capital of Garmond Press S.A.*

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

The value of shares relates to held shares constituting 16.7% of the share capital of an unquoted company Polskie Badania Internetu Sp. z o.o., which deals with the research of internet market for participants of this market. In the Group's opinion, the value of shares included in the purchase price does not significantly differ from its fair value.

The loans granted relate to loans granted by the Group companies to their permanent business partners. In the Group's opinion as at 31 December 2023, the loan amount is not significant and is not subject to significant credit risk. Therefore, the Group assessed that the measurement of the loss allowance for expected credit losses for that financial instrument does not have a material impact on the consolidated financial statements.

7. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	2023	2022
Investments in associates	13,525	127,271
Investments in joint ventures	239	175
Total investments in equity accounted investees	**13,764**	**127,446**

Balance as at beginning of the period	**127,446**	**142,910**
Additions	(4,272)	8,536
Share in net profits/(losses)	(4,272)	8,536
Disposals	(109,410)	(24,000)
Reclassification to subsidiaries at the acquisition date	(109,410)	-
Dividends received	-	(24,000)
Balance as at end of the period	**13,764**	**127,446**

Financial information about associates is presented in note 38.

8. RECEIVABLES AND PREPAYMENTS

	31 December 2023	31 December 2022
Prepayments	2,101	2,082
Other	7,661	5,333
Total accounts receivable and prepayments	**9,762**	**7,415**

The company AMS Serwis Sp. z o.o. provided the bank with cash deposits as a cash collateral securing the bank loan granted to Helios S.A. As at 31 December 2022 deposit receivable amounted to PLN 4.0 million and is presented within other long-term receivables. The deposit will be kept until September 24, 2026.

9. INVENTORIES

	31 December 2023	31 December 2022
Raw materials and consumables	9,707	13,694
Work in progress	16,325	5,027
Finished goods	4,657	7,806
Goods for resale	3,870	3,906
	34,559	**30,433**
Impairment losses recognised	8,464	10,346
Total inventories, gross	**43,023**	**40,779**

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

Finished goods and work in progress comprises mainly costs related to the production of own movies and publications.

The cost of inventories recognised as an expense amounted to PLN 105,953 thousand (2022: PLN 105,285 thousand) and is presented in "cost of sales" in the income statement.

Impairment losses and reversals of impairment losses are recognised in "cost of sales" in the income statement (in 2023 increase of impairment losses in the amount of PLN 4,803 thousand, decrease of impairment losses in the amount of PLN 6,685 thousand, in 2022 increase of impairment losses in the amount of PLN 1,552 thousand, decrease of impairment losses in the amount of PLN 2,408 thousand). Impairment loss and its reversals relate mainly to publishing activity.

10. ACCOUNTS RECEIVABLE AND PREPAYMENTS

	31 December 2023	31 December 2022
Trade receivables	186,284	130,211
Taxes, social security and similar	13,741	22,433
Prepayments	8,135	10,258
Other	30,127	32,309
	238,287	**195,211**
Impairment losses recognised	11,743	9,911
Total accounts receivable and prepayments, gross	**250,030**	**205,122**

Other receivables include mainly loans granted to employees from the Group's social fund in the amount of PLN 9,310 thousand (31 December 2022: PLN 10,151 thousand). Loans are granted for periods up to 7 years and are repayable in monthly instalments. Loans granted bear a fixed interest rate that amounts to 3.5%.

Accounts receivable include receivables from related parties – details are presented in note 39.

Trade receivables are non-interest bearing and payment terms vary usually from 7 to 60 days.

Analysis of credit risk exposure on the basis of ageing of trade receivables

	31 December 2023			
	Range of expected credit loss rate*	Gross value	Impairment losses	Net value
Current receivables	0.07 - 0.9	146,833	1,208	145,625
Overdue receivables within 1 month	0.32 - 1.17	27,996	810	27,186
Overdue receivables between 1 and 3 months	1.47 - 4.34	11,053	305	10,748
Overdue receivables between 3 and 6 months	11.69 - 40.3	2,997	483	2,514
Overdue receivables between 6 months and 1 year	42.03 - 68.54	581	485	96
Overdue receivables more than 1 year	100.00	8,567	8,452	115
		198,027	**11,743**	**186,284**

** the amount of impairment loss as at the balance sheet date in individual age categories may also include additional impairment losses up to 100% of receivables balance by applying an individual loss assessment; additional information on expected credit loss policies and credit risk management policies are included in note 2i) and 34 to consolidated financial statements.*

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

	31 December 2022			
	Range of expected credit loss rate	Gross value	Impairment losses	Net value
Current receivables	0,07 - 0,9	101,909	250	101,659
Overdue receivables within 1 month	0,32 - 1,17	25,308	139	25,169
Overdue receivables between 1 and 3 months	1,47 - 4,34	3,514	1,117	2,397
Overdue receivables between 3 and 6 months	11,69 - 40,3	696	194	502
Overdue receivables between 6 months and 1 year	42,03 - 68,54	1,280	982	298
Overdue receivables more than 1 year	100.00	7,415	7,229	186
		140,122	**9,911**	**130,211**

Changes in impairment losses on accounts receivable

	2023			2022		
	Collective	*Individual*	Total	*Collective*	*Individual*	Total
Balance as at beginning of the period	***3,889***	***6,022***	**9,911**	***1,905***	***7,895***	**9,800**
Acquisitions through business	*2,009*	*371*	2,380	-	-	-
Additions	*957*	*4,667*	5,624	*2,365*	*645*	3,010
Reversals	*(1,703)*	*(856)*	(2,559)	*(381)*	*(141)*	(522)
Used impairment losses	-	*(3,613)*	(3,613)	-	*(2,377)*	(2,377)
Balance as at end of the period	***5,152***	***6,591***	**11,743**	***3,889***	***6,022***	**9,911**

11. SHORT-TERM SECURITIES AND OTHER FINANCIAL ASSETS

	31 December 2023	31 December 2022
Loans granted	982	968
	982	**968**

12. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash at bank and in hand	37,945	33,458
Short-term bank deposits	48,095	35,306
Cash in transit	1,227	229
Other	3,133	61
	90,400	**69,054**

Cash and cash equivalents includes restricted cash in the amount of PLN 4,401 thousand representing cash held on behalf of the Group's social fund (31 December 2022: PLN 4,295 thousand), cash held in the VAT account in amount of PLN 2,362 thousand (31 December 2022: PLN 2,606 thousand) and cash in the amount of PLN 3,101 thousand held on escrow account.

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

13. SHARE CAPITAL

Registered share capital as at 31 December, 2023

Series	Type of shares	Type of preference	Amount of shares	Par value	Origin of capital
A	preference	voting	4,281,600	4,282	conversion
BiD	ordinary	none	42,299,231	42,299	conversion, share issue
			46,580,831	**46,581**	

The nominal value of each share amounts to PLN 1.

Each Registered A share carries five votes at general meetings.

All issued shares are fully paid.

14. RETAINED EARNINGS AND OTHER RESERVES

Dividends

Retained earnings may be distributed subject to regulations, stipulated in the commercial companies' code and according to dividend policy announced by the Company.

Frame dividend policy announced by the Company on 14 February of 2005 provides for return of excess cash to shareholders, depending on the Company's perspectives and market conditions, through annual dividend and through share repurchases for the purpose of their redemption.

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 cover the net loss of Agora S.A. for the financial year 2022 in the amount of PLN 3,465 thousand from Company's supplementary capital.

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

15. LONG-TERM AND SHORT-TERM BORROWINGS

	31 December 2023	31 December 2022
Long term bank loans	23,712	49,199
Long term loans (1)	2,746	3,662
Lease liabilities	536,798	588,376
Total long term borrowings	**563,256**	**641,237**
*of which: Lease liabilities resulting from the application of IFRS 16**	*529,538*	*570,679*
Short term bank loans	56,790	50,175
Short term loans (1)	945	1,641
Lease liabilities	112,656	103,703
Total short term borrowings	**170,391**	**155,519**
*of which: Lease liabilities resulting from the application of IFRS 16**	*101,773*	*91,534*

** relates to lease liabilitiess 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 long-term part of preferential loan granted to Helios S.A. in 2022 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies;

Future cash flows from bank loans and lease liabilities and changes in lease liabilities are disclosed in note 35.

Lease liabilities relate to right-of-use assets described in note 5.

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 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 might be increased in future (as a result of the share price adjustment) up to the amount of maximum EUR 11,000,000.

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

Together with the Loan Agreement, 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 was obliged not to sell the shares subject to the pledges referred to above without the prior consent of the pledgee and not to 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 bore 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.

On July 12, 2023 the Company made a partial voluntary early repayment of the loan granted by SFS Ventures s.r.o. 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 December 28, 2023 the Company made a complete voluntary early repayment of the loan granted by SFS Ventures s.r.o. with its seat in Prague under the agreement as of February 27, 2023. The Company repaid the loan principal in the amount of EUR 4,770,000.00 plus accrued interest.

Additional information connected to bank loans and borrowings agreements is included in the table below.

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

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2023	31 December 2022	31 December 2023		31 December 2022					
			Long term	Short term	Long term	Short term				
Credits										
Santander Bank Polska S.A.	32,000	32,000	-	16,095*	13,131	10,635	WIBOR 3M + bank margin	Investment loan; quarterly 12 instalments from June 30, 2022 to March 31, 2025.	Contractual mortgage, transfer of rights from the insurance policy on the real estate, financial and registered pledge on bank accounts held in Santander Bank Polska S.A. and BNP Paribas Bank Polska S.A., guarantee pursuant to the Civil Code granted by company Grupa Radiowa Agory Sp. z o.o. and guarantee pursuant to the Civil Code granted by company Yieldbird Sp. z o.o.	Investment loan Agora S.A. refinancing debt due to non-renewable credit line in DNB
Santander Bank Polska S.A.	35,000	35,000	-	13,056	-	-	WIBOR 3M + bank margin	Credit facility in the current account - may be used by April 14, 2024.	Guarantee from Bank Gospodarstwa Krajowego under the PLG FGP portfolio guarantee line secured with a blank promissory note, contractual mortgage, transfer of rights from the insurance policy on the real estate, financial and registered pledge on bank accounts held in Santander Bank Polska S.A. and BNP Paribas Bank Polska S.A., guarantee pursuant to the Civil Code granted by company Grupa Radiowa Agory Sp. z o.o. and guarantee pursuant to the Civil Code granted by company Yieldbird Sp. z o.o.	Credit facility in the current account

** As at December 31, 2023 the Company reclassified non-current investment loan liability in the amount of PLN 2,504 thousand to current liabilities due to breach of financial indicator based on Company's EBITDA from loan agreement with Santander Bank Polska. On February 27, 2024 the Group received waiver from bank in which bank agreed to waive compliance by the Group with this indicator.*

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

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2023	31 December 2022	31 December 2023		31 December 2022					
			Long term	Short term	Long term	Short term				
Credits										
Santander Bank Polska S.A.	-	5,000	-	-	-	917	1M WIBOR + bank margin	Monthly instalments until May 30, 2023	Mortgage on properties in Bialystok, Radom, Sosnowiec and Opole, pledge on insurance policy, blank promissory note, patronage declaration from Agora S.A.	investment credit granted to Helios S.A.
Santander Bank Polska S.A.	21,000	23,000	-	7,552	-	15,526	1M WIBOR + bank margin	Repayment in one instalment in January 2026	Blank promissory note, contractual mortgage on properties in Bialystok, Radom, Opole, Sosnowiec, pledge on insurance policy, financial pledge and pledge on current accounts, patronage declaration from Agora S.A., guarantee granted by Agora S.A.	credit facility in the current account granted to Helios S.A.
Santander Bank Polska S.A.	20,000	20,000	8,575	5,237	13,718	4,951	1M WIBOR + bank margin	Repayment according to schedule up to May 2026	Liquidity guarantee by PLG FGP, financial pledge, pledge on current accounts, patronage declaration, statement on voluntary submission to enforcement	revolving credit granted to Helios S.A.
Santander Bank Polska S.A.	8,500	8,500	3,400	3,450	6,800	1,700	1M WIBOR + bank margin	Repayment according to schedule up to December 2025	Liquidity guarantee by PLG FGP, contractual mortgage, pledge on insurance policy on buildings on real estate; financial pledge and pledge on current accounts, patronage declaration, statement on voluntary submission to enforcement, guarantee pursuant to the Civil Code granted by Agora S.A.	revolving credit granted to Helios S.A.

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

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2023	31 December 2022	31 December 2023		31 December 2022					
			Long term	Short term	Long term	Short term				
BNP Paribas Bank Polska S.A.	10,000	10,000	-	1,682	1,670	2,027	1M WIBOR + bank margin	Monthly instalments until March 2024	Power of attorney for current account, blank promissory note with promissory note declaration, mortgage on property in Opole, Bialystok, Sosnowiec and Radom with pledge on insurance policy, pledge on receivables from a contract.	investment credit granted to Helios S.A.
BNP Paribas Bank Polska S.A.	20,000	20,000	8,137	5,842	13,880	5,385	1M WIBOR + bank margin	Credit facility repayment according to schedule up to June 2026	Blank promissory note, bank guarantee or cash deposit from one of entities from Agora Group, guarantee of granting credit facility provided by BGK.	credit facility in the current account granted to Helios S.A.
BNP Paribas Bank Polska S.A.	9,000	20,000	3,600	3,876	-	9,034	1M WIBOR + bank margin	repayment of limit in installments up to December 2025	Liquidity guarantee by PLG FGP, financial pledge and pledge on current accounts, patronage declaration, statement on voluntary submission to enforcement.	credit facility in the current account granted to Helios S.A.
mBank SA	5,000	1,000	-	-	-	-	WIBOR ON+ bank margin	credit facility in the current account until November 29, 2024	Statement on voluntary submission to enforcement, financial pledge on bank account of AMS S.A. with power of attorney.	credit facility in the current account AMS S.A.

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

Creditor	Amount of agreement		Outstanding				Interest	Repayment schedule according to agreement	Collaterals	Other
	31 December 2023	31 December 2022	31 December 2023		31 December 2022					
			Long term	Short term	Long term	Short term				
Loans										
Polski Fundusz Rozwoju	-	5,031	-	-	-	761	first year 1.25%, second year 1.75%, third year 2.75%	final repayment in December 2023	Ordinary and registered pledge on trademark, pledge on shares in Step Inside Sp. z o.o., statement on voluntary submission to enforcement, part of the loan in the amount of PLN 3,129 thousand was cancelled in 2021	preferential loan granted to Helios S.A.
Polski Fundusz Rozwoju	18,913	18,913	2,641	880	3,522	880	first year 1.25%, second year 1.75%, third year 2.75%	quarterly until the end of 2027	Ordinary and registered pledge on trademark, pledge on shares in Step Inside Sp. z o.o., statement on voluntary submission to enforcement, part of the loan in the amount of PLN 14,071 thousand was cancelled in 2022	preferential loan granted to Helios S.A.
Arkadiusz Kuchto	140	140	105	35	140	-	WIBOR 3M + margin	quarterly from June 2024 to March 2027	none	loan granted to company HRlink Sp. z o.o.
Arkadiusz Kuchto	30	-	-	30	-	-	WIBOR 3M + margin	quarterly from June 2024 to December 2024	none	loan granted to company Goldenline Sp. z o.o.

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

16. DEFERRED INCOME TAXES

Deferred income taxes are calculated using a rate of 19% and 9% (2022: 19% and 9%). The tax rate of 9% (for a small CIT taxpayer) applies to subsidiaries IM 40 Sp. z o.o., Optimizers Sp. z o.o., Goldenline Sp. z o.o., Video OOH Sp. z o.o., Next Script Sp. z o.o., Agora Finanse Sp. z o.o., Radio Plus Polska Sp. z o.o., Radio Plus Polska Centrum Sp. z o.o., Radio Plus Polska Zachód Sp. z o.o. and Spółka Producencka Plus Polska Sp. z o.o. (in 2022 IM 40 Sp. z o.o., Optimizers Sp. z o.o., Goldenline Sp. z o.o., Video OOH Sp. z o.o., Next Script Sp. z o.o. and Agora Finanse Sp. z o.o.).

Deferred tax assets

	As at 1 January 2023	Recognised in the income statement	Recognised in other comprehensive income	Related to acquisition of subsidaries	**As at 31 December 2023**
Accruals	**12,573**	2,435	-	3,014	**18,022**
F/X differences	**16**	34	-	-	**50**
Interests liabilities	**727**	65	-	-	**792**
Liabilities for rebates, returns and deferred income	**10,172**	1,722	-	4,853	**16,747**
Provisions	**2,203**	387	163	190	**2,943**
Accelerated depreciation and amortisation	**4,417**	1,354	-	-	**5,771**
Impairment losses for inventories	**1,933**	(1,388)	-	-	**545**
Impairment losses for accounts receivable	**1,032**	6	-	296	**1,334**
Tax losses	**1,617**	(1,849)	-	467	**235**
Lease	**131,547**	(10,341)	-	2,385	**123,591**
Other	**3**	(3)	-	-	**-**
	166,240	**(7,578)**	**163**	**11,205**	**170,030**

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

Deferred tax liabilities

	Cost as at 1 January 2023	Recognised in the income statement due to origination and reversal of temporary differences and tax loss	Recognised in other comprehensive income	Sold with the sale of a subsidiary	Cost as at 31 December 2023
Accelerated depreciation and amortisation	**10,676**	(3,214)	-	46,009	**53,471**
Lease	**111,172**	(2,829)	-	1,911	**110,254**
Other	**538**	(216)	-	66	**388**
	122,386	**(6,259)**	**-**	**47,986**	**164,113**

(all amounts in PLN thousands unless otherwise indicated)

Deferred tax asset

	As at 1 January 2022	Recognised in the income statement	Recognised in other comprehensive income	As at 31 December 2022
Accruals	**14,809**	(2,236)	-	**12,573**
F/X differences	**14**	2	-	**16**
Interests liabilities	**665**	62	-	**727**
Liabilities for rebates, returns and deferred income	**10,083**	89	-	**10,172**
Provisions	**842**	1,579	(218)	**2,203**
Accelerated depreciation and amortisation	**3,775**	642	-	**4,417**
Impairment losses for inventories	**2,123**	(190)	-	**1,933**
Impairment losses for accounts receivable	**903**	129	-	**1,032**
Tax losses	**2,128**	(511)	-	**1,617**
Lease	**133,814**	(2,267)	-	**131,547**
Other	**106**	(103)	-	**3**
	169,262	**(2,804)**	**(218)**	**166,240**

Deferred tax liabilities

Accelerated depreciation and amortisation	**11,157**	(481)	-	**10,676**
Financial assets and liabilities	**8**	1	-	**9**
F/x differences	**11**	16	-	**27**
Interests liabilities	**33**	6	-	**39**
Lease	**115,356**	(4,184)	-	**111,172**
Other	**601**	(138)	-	**463**
	127,166	**(4,780)**	**-**	**122,386**

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

Deferred tax assets and liabilities	Before offsetting	Offsetting	31 December 2023 Carrying amount
Assets	170,030	(115,843)	54,187
Liabilities	164,113	(115,843)	48,270

Deferred tax assets and liabilities	Before offsetting	Offsetting	31 December 2022 Carrying amount
Assets	166,240	(116,756)	49,484
Liabilities	122,386	(116,756)	5,630

Unrecognised tax assets

The Group did not recognise certain deferred tax assets concerning some unused tax losses and part of deductible temporary differences due to uncertainty about the availability of sufficient future tax profits within the next five years when these losses can be carried forward or within periods when realization of temporary differences is expected.

The amounts of unused tax losses and other deductible temporary differences available together with expiry dates for which the deferred tax assets have not been recognised are shown in the table below:

	31 December 2023	31 December 2022	Expiry date
Unused tax losses	178,203	176,209	up to 2028
Other deductible temporary differences	48,146	24,822	up to 2029

Tax Capital Group

- **The establishment of the tax capital group**

On December 21, 2017, the Management Board of Agora S.A. adopted a resolution expressing the intention to establish a Tax Capital Group ("TCG") which shall include Agora and its subsidiaries: Grupa Radiowa Agory Sp. z o.o., Agora TC Sp. z o.o., Domiporta Sp. z o.o. (currently Plan D Sp.z o.o.), Helios S.A., AMS S.A., Yieldbird Sp. z o.o., and Plan A Sp. z o.o.

On February 15, 2018, the Management Board of Agora S.A. received a decision issued by the Head of the Second Mazovian Tax Office in Warsaw on the registration of the contract on the establishment of TCG.

TCG will be established on March 1, 2018, and each subsequent tax year will overlap with the calendar year. The agreement shall be in force till December 31, 2020.

In the agreement on the establishment of the Tax Capital Group, Agora was designated as the company representing the TCG with respect to the obligations arising from the Corporate Income Tax Act and from the provisions of the Tax Ordinance.

- **The extension of the period of operation of the tax capital group**

On December, 10 2020 the Management Board of Agora S.A. received the decision dated 8 December 2020 issued by the Head of the Second Mazovian Tax Office in Warsaw on the registration of the agreement to extend the period of operation of the TCG. The agreement on extending the period of operation of the TCG was concluded for the period until 31 December 2021.

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

On December 9, 2021, Agora received the decision dated 8 December 2021 issued by the Head of the First Mazovian Tax Office in Warsaw on the registration of the agreement to extend the period of operation of the TCG. The operating period of the TCG was extended until 31 December 2022.

On December 30, 2022, Agora received the decision dated 29 December 2022 issued by the Head of the First Mazovian Tax Office in Warsaw on the registration of the agreement to extend the period of operation of the TCG. The operating period of the TCG was extended until 31 December 2023.

On December 18, 2023, Agora received the decision dated 12 December 2023 issued by the Head of the First Mazovian Tax Office in Warsaw on the registration of the agreement to extend the period of operation of the TCG. The operating period of the TCG was extended until 31 December 2024.

17. OTHER FINANCIAL LIABILITIES

	2023	2022
Long term		
Put option liabilities	7,133	37,606
	7,133	**37,606**
Short term		
Put option liability	18,480	-
	18,480	**-**

Put option liabilities concern the estimated redemption amount of the put options granted to non-controlling shareholders.

As at December 31, 2023, its value amounted to:
- for non-controlling shareholders of Helios S.A. PLN 24,943 thousand (31 December 2022: PLN 36,818 thousand),
- for non-controlling shareholders of Video OOH Sp. z o.o.: PLN 670 thousand (31 December 2022: 788 thousand).

Additional information on changes in put option liabilities is disclosed in note 35 point 3.

18. RETIREMENT SEVERANCE PROVISION

According to the Polish employment regulations, employees have the right to the retirement severances payments. The amount provided as at December 31, 2023 amounted to PLN 5,623 thousand (31 December 2022: PLN 2,901 thousand), including long-term retirement severance provision of PLN 5,274 thousand (31 December 2022: PLN 2,525 thousand).

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

19. PROVISIONS

	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 1 January 2023	**887**	**7,857**	**915**	**25**	**391**	**10,075**
Additions	-	2,522	4	-	1,348	3,874
Set up of provisions recognised in income statement	-	1,872	3	-	714	2,589
Set up of provisions recognised in carrying value of assets		477	-	-	-	477
Acquisitions through business combinations (note 33)	-	-	1	-	634	635
Unwinding of the discount	-	173	-	-	-	173
Disposals	(887)	(650)	(741)	(25)	(421)	(2,724)
Provisions used during the period	(880)	(403)	(85)	(25)	(130)	(1,523)
Unused provisions reversed	(7)	(247)	(656)	-	(291)	(1,201)
As at 31 December 2023	**-**	**9,729**	**178**	**-**	**1,318**	**11,225**
Long term portion	**-**	**1,539**	**-**	**-**	**-**	**1,539**
Short term portion	**-**	**8,190**	**178**	**-**	**1,318**	**9,686**

(i) Advertising panels dismantling costs

The provision for the dismantling of advertising panels in Outdoor segment relates to future costs associated with removing the media panels and restoring the site on which it is located to its pre-installation condition.

Additional information on the principles of accounting for this provision were described in note 2(f).

(ii) Provision for penalties, interests and similar

Provision for penalties, interests and similar includes mainly penalties for putting advertising panels on the waysides by the companies of the AMS Group.

(iii) Provision for legal claims

The Group is a defendant in court cases. As at 31 December 2023 the Group evaluated the risk of loss and payment of indemnities in those cases. The amount of indemnities was determined based on consultation with Group's lawyers taking into account the present status of those cases and information available.

Additionally, the companies of the Group are the party of legal disputes in the amount of PLN 5,639 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.

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

20. TRADE PAYABLES, ACCRUALS AND OTHER PAYABLES

Non-current	31 December 2023	31 December 2022
Other non-current liabilities	**10,232**	**13,167**
- related to purchase of non-current assets	8,875	4,960
- other (1)	1,357	8,207
Accruals and other liabilities	**10,232**	**13,167**

(1) the amount includes the liability of Helios S.A. related to the implementation of the settlement with ZAPA (Związek Autorów i Producentów Audiowizualnych) in the amount of PLN 7,247 thousand as at 31 December 2022.

Current	31 December 2023	31 December 2022
Trade payables	66,968	52,105
Other taxes and social security	22,335	19,486
Current accruals, including:	109,410	68,718
- employee benefits (remuneration, vacation pay, bonuses, incentive plans)	*51,676*	*25,367*
- accrual for costs	*57,734*	*43,351*
Rebates liability	78,184	44,763
Returns liability	4,755	5,623
Liabilities related to purchase of non-current assets	10,919	10,190
Other (2)	26,839	17,974
Social Fund	13,783	14,381
Trade and other payables	**333,193**	**233,240**

(2) the amount includes the liability of Helios S.A. related to the implementation of the settlement with ZAPA (Związek Autorów i Producentów Audiowizualnych) in the amount of PLN 7,247 thousand (as at 31 December 2022 PLN 6,986 thousand).

Trade payables are non-interest bearing and are normally settled usually within 14 - 30 days.

Taxes and social security payables are non-interest bearing and are usually settled monthly.

Accounts payable include payables to related parties – details are presented in note 39.

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

21. CONTRACT LIABILITIES

The following table presents contract liabilities as at the balance sheet date:

	31 December 2023	31 December 2022
Non-current		
Prepayments for advertising services	-	445
Prepayments for subscriptions	138	7
Prepayments for film's licences	500	81
Non-current contract liabilities	**638**	**533**
Current		
Prepayments for advertising services	5,236	3,395
Prepayments for subscriptions	7,696	6,630
Prepayments for film's licences	5,074	434
Sale of coupons to cinemas	6,330	6,763
Other contract liabilities	44	74
Current contract liabilities	**24,380**	**17,296**

The following table presents changes in the contract liabilities during the financial year:

	Non-current	Current	Total
As at 1 January 2023	**533**	**17,296**	**17,829**
Increase from prepayments received	638	23,847	24,485
Decrease from recognised revenue	-	(17,296)	(17,296)
Reclassification	(533)	533	-
As at 31 December 2023	**638**	**24,380**	**25,018**

	Non-current	Current	Total
As at 1 January 2022	**2,126**	**20,563**	**22,689**
Increase from prepayments received	533	15,170	15,703
Decrease from recognised revenue	-	(20,563)	(20,563)
Reclassification	(2,126)	2,126	-
As at 31 December 2022	**533**	**17,296**	**17,829**

22. REVENUE AND OPERATING SEGMENT INFORMATION

(a) Operating segment information

In accordance with IFRS 8 *Operating segments,* in these 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's activities are divided into five 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. (till 15 November 2023) 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, gain on remeasurement of shares in subsidiary, 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 space leases and operating leases of assets 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 costs of campaigns carried out on advertising panels are the only cost that are included above; they are 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.

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

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 using the equity method include the amount of acquired shares adjusted by the Group`s share of net results of those entities accounted for using the equity method. The financials presented for twelve months ended 31 December 2023 and 31 December 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.

The following is a reconciliation of operating profit/(loss) (EBIT excl. IFRS 16) to the Group's consolidated profit/(loss) before income taxes:

	Twelve months ended 31 December 2023 unaudited	Twelve months ended 30 September 2022 unaudited
Profit/(loss) before income taxes	**101,617**	**(103,655)**
	-	-
Finance income	(54,171)	(6,528)
Finance costs	45,911	53,897
Gain on remeasurement of shares in subsidiary	(53,072)	-
Share of results of equity accounted investees	4,272	(8,536)
Operating profit/(loss)	**44,557**	**(64,822)**
Depreciation of right-of-use assets	79,446	67,784
Rentals	(104,338)	(88,767)
Payment for the right of perpetual usufruct of land	(1,070)	(1,070)
Gain on decrease of lease scope	(2,783)	(1,235)
Other adjustments	224	224
Operating profit / (loss) (EBIT excl. IFRS 16)	**16,036**	**(87,886)**

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

(a) Operating segment information, continued

	Twelve months ended 31 December 2023							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Revenues from external customers	560,560	298,180	210,476	193,607	152,073	1,414,896	9,415	1,424,311
Intersegment revenues (2)	4,826	9,244	1,323	2,387	2,362	20,142	(20,142)	-
Total revenues	**565,386**	**307,424**	**211,799**	**195,994**	**154,435**	**1,435,038**	**(10,727)**	**1,424,311**
Total operating cost (1), (2), (3)	**(515,209)**	**(258,870)**	**(219,612)**	**(177,641)**	**(169,041)**	**(1,340,373)**	**(39,381)**	**(1,379,754)**
Operating profit / (loss) (EBIT) (1)	**50,177**	**48,554**	**(7,813)**	**18,353**	**(14,606)**	**94,665**	**(50,108)**	**44,557**
Total operating cost (excl. IFRS 16) (1), (2), (3)	***(537,634)***	***(260,157)***	***(219,624)***	***(181,647)***	***(169,043)***	***(1,368,105)***	***(40,170)***	***(1,408,275)***
Operating profit / (loss) (EBIT excl. IFRS 16) (1)	***27,752***	***47,267***	***(7,825)***	***14,347***	***(14,608)***	***66,933***	***(50,897)***	***16,036***
Net finance income and cost							8,260	8,260
Gain on remeasurement of shares in subsidiary							53,072	53,072
Share of results of equity accounted investees	-	(2,549)	-	64	(1,787)	(4,272)	-	(4,272)
Income tax							(16,617)	(16,617)
Net profit								**85,000**

(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 59,090 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

(a) Operating segment information, continued

	Twelve months ended 31 December 2023							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation	(81,648)	(16,554)	(8,093)	(36,372)	(11,512)	(154,179)	(6,454)	(160,633)
Amortisation recognised on consolidation (1)	(517)	(10,442)	-	-	(597)	(11,556)	63	(11,493)
Impairment losses	(723)	(2,623)	(294)	(2,066)	(7,789)	(13,495)	(897)	(14,392)
including non-current assets	*(674)*	-	-	*(272)*	*(7,250)*	*(8,196)*	-	*(8,196)*
Reversals of impairment losses	25	350	755	927	33	2,090	709	2,799
including non-current assets	*6*	-	-	*234*	-	*240*	-	*240*
Capital expenditure	9,723	15,091	1,139	21,380	7,535	54,868	7,766	62,634

	As at 31 December 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	193,362	433,777	23,005	238,615	30,413	919,172	100,407	1,019,579
Right-of-use assets	430,423	31,256	154	92,038	31	553,902	27,870	581,772
Investments in associates and joint ventures accounted for by the equity method	-	-	-	239	13,525	13,764	-	13,764

(1) is not presented in operating result of the Group's segments;
(2) reconciling positions include mainly Company's headquarters (PLN 77,061 thousand) and other property, plant and equipment and intangible assets of Agora S.A. and Agora TC Sp. z o.o. support divisions not included in particular segments and intercompany eliminations.

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

(a) Operating segment information, continued

	Twelve months ended 31 December 2022							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Revenues from external customers	449,794	109,552	205,095	165,336	176,207	1,105,984	7,135	1,113,119
Intersegment revenues (2)	10,736	6,489	4,151	2,651	4,923	28,950	(28,950)	-
Total revenues	**460,530**	**116,041**	**209,246**	**167,987**	**181,130**	**1,134,934**	**(21,815)**	**1,113,119**
Total operating cost (1), (2), (3)*	**(449,683)**	**(111,542)**	**(280,714)**	**(156,194)**	**(169,628)**	**(1,167,761)**	**(10,180)**	**(1,177,941)**
Operating profit / (loss) (EBIT) (1)	**10,847**	**4,499**	**(71,468)**	**11,793**	**11,502**	**(32,827)**	**(31,995)**	**(64,822)**
Total operating cost (excl. IFRS 16) (1), (2), (3)*	***(468,668)***	***(112,349)***	***(280,716)***	***(158,673)***	***(169,628)***	***(1,190,034)***	***(10,971)***	***(1,201,005)***
Operating profit / (loss) (EBIT excl. IFRS 16) (1)*	***(8,138)***	***3,692***	***(71,470)***	***9,314***	***11,502***	***(55,100)***	***(32,786)***	***(87,886)***
Net finance income and cost							(47,369)	(47,369)
Share of results of equity accounted investees	-	10,833	-	(38)	(2,259)	8,536	-	8,536
Income tax							(2,008)	(2,008)
Net loss								**(105,663)**

(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 47,055 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

(a) Operating segment information, continued

	Twelve months ended 31 December 2022							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation*	(82,631)	(8,826)	(11,441)	(37,307)	(11,897)	(152,102)	(5,175)	(157,277)
Amortisation recognised on consolidation (1)	(517)	-	-	-	(597)	(1,114)	254	(860)
Impairment losses	(4,008)	(403)	(43,532)	(2,977)	(472)	(51,392)	(337)	(51,729)
including non-current assets	*(3,912)*	-	*(43,375)*	*(439)*	*(122)*	*(47,848)*	-	*(47,848)*
Reversals of impairment losses	1,799	34	86	413	21	2,353	31	2,384
including non-current assets	*1,742*	-	-	*121*	-	*1,863*	-	*1,863*
Cost of restructuring (2)	(1,849)	(3,367)	-	-	-	(5,216)	(75)	(5,291)
Capital expenditure	15,616	6,177	3,360	16,386	7,483	49,022	9,421	58,443

	As at 31 December 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	210,683	82,534	36,282	238,773	30,567	598,839	123,562	722,401
Right-of-use assets	469,671	23,422	71	65,762	66	558,992	28,347	587,339
Investments in associates and joint ventures accounted for by the equity method	-	111,960	-	175	15,311	127,446	-	127,446

(1) is not presented in operating result of the Group's segments;
(2) reconciling positions include mainly Company's headquarters (PLN 81,718 thousand) and other property, plant and equipment and intangible assets of Agora S.A. and Agora TC Sp. z o.o. support divisions not included in particular segments and intercompany eliminations.

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

(b) Operating segment information, continued

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

	Twelve months ended 31 December 2023							
	Movies and books	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Total segments**	**Reconciling positions**	**Total Group**
Advertising revenue	42,096	293,879	57,788	183,681	144,144	721,588	(17,851)	703,737
Ticket sales	244,024	-	-	-	-	244,024	(10)	244,014
Copy sales	34,721	-	105,320	-	-	140,041	(97)	139,944
Concession sales in cinemas	136,623	-	-	-	-	136,623	-	136,623
Printing services	-	-	36,977	-	-	36,977	-	36,977
Gastronomic sales	43,049	-	-	-	-	43,049	-	43,049
Film distribution and production sales	29,464	-	-	-	-	29,464	-	29,464
Other	35,409	13,545	11,714	12,313	10,291	83,272	7,231	90,503
Total sales by category	**565,386**	**307,424**	**211,799**	**195,994**	**154,435**	**1,435,038**	**(10,727)**	**1,424,311**

	Twelve months ended 31 December 2022							
	Movies and books	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Total segments**	**Reconciling positions**	**Total Group**
Advertising revenue	32,996	109,768	60,868	159,444	171,668	534,744	(22,863)	511,881
Ticket sales	192,406	27	-	-	-	192,433	(85)	192,348
Copy sales	32,335	-	104,632	-	-	136,967	(70)	136,897
Concession sales in cinemas	103,554	-	-	-	-	103,554	(8)	103,546
Printing services	-	-	32,821	-	-	32,821	-	32,821
Gastronomic sales	38,252	-	-	-	-	38,252	-	38,252
Film distribution and production sales	31,152	-	-	-	-	31,152	-	31,152
Other	29,835	6,246	10,925	8,543	9,462	65,011	1,211	66,222
Total sales by category	**460,530**	**116,041**	**209,246**	**167,987**	**181,130**	**1,134,934**	**(21,815)**	**1,113,119**

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

In Movies and Books segment other revenue include among other revenues from catering business and sales of external publications.

Revenues from advertising services, film distribution in cinemas and from selling the digital access to internet services of *Gazeta Wyborcza* represent revenue recognised over time, because advertising campaigns, film distribution in cinemas and access to digital subscription represent services performed throughout the specified time agreed in contracts with customers. Revenue from other goods and services of the Company usually represent revenue recognised at a point in time, when control of the goods or services is transferred to the customer, which is at the moment, when the service is completed or goods are delivered to a customer.

23. EXPENSES BY NATURE

	2023	2022
Depreciation of property, plant and equipment (note 4)	48,262	51,066
Amortisation of intangibles (note 3)	34,816	30,290
Amortisation of right-of-use assets (note 5)	89,048	76,781
Raw materials and energy	90,984	85,997
Goods and materials sold	68,519	54,829
Advertising and promotion costs	81,166	57,746
Expense relating to short-term leases	25,191	29,846
Expense relating to leases of low-value assets (that are not short-term leases)	449	290
Expense relating to variable lease payments	3,589	2,972
Taxes and similar charges	7,907	6,544
External services rendered	433,501	350,844
Other expenses by nature	57,402	30,654
Staff costs (note 26)	429,695	370,689
Total expenses by nature	**1,370,529**	**1,148,548**
Change in the balance of products	58	(4)
Cost of production for in-house use	(41)	(48)
Total operating expenses	**1,370,546**	**1,148,496**
Selling expenses	(221,008)	(189,417)
Administrative expenses	(221,672)	(175,407)
Cost of sales	**927,866**	**783,672**

In the *Movies and Books* segment the part of rental agreements related to locations of Helios cinemas also contains variable lease payments in addition to the fixed fee, depending on the level of revenue from the sale of tickets or on the level of participation in cinemas. According to the Group's estimates for the locations covered by these conditions, an increase in income or attendance in cinemas by 1% would result in an increase in lease payments of approximately PLN 60 thousand.

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

24. OTHER OPERATING INCOME

	2023	2022
Gain on disposal of non-financial non-current assets	1,897	1,253
Grants received	3,393	5,586
Reversal of impairment losses for non-financial non-current assets (note 4, 5)	240	1,863
Reversal of provisions	947	69
Donations received	15	148
Liabilities written off	184	95
Profit from decrease of lease scope	2,783	1,235
Other (1)	4,771	17,045
	14,230	**27,294**

(1) In 2022 the item 'Other' include mainly the cancellation of preferential loan granted to Helios S.A. in the amount of PLN 14,071 thousand.

25. OTHER OPERATING EXPENSE

	2023	2022
Impairment losses recognised for non-financial non-current assets (note 3, 4, 5)	8,196	47,848
Donations	1,207	860
Provisions recognised	717	249
Liquidation of fixed assets including dismantling panels	7,250	1,863
Other	3,003	3,431
	20,373	**54,251**
Impairment losses recognised for receivables - net		
Impairment losses recognised for receivables (note 10)	5,624	3,010
Reversal of impairment losses for receivables (note 10)	(2,559)	(522)
	3,065	**2,488**

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

26. STAFF COSTS

	2023	2022
Wages and salaries	361,009	304,642
Costs related to group layoffs	-	5,291
Social security costs	68,686	60,756
	429,695	**370,689**
Average number of employees	**2,526**	**2,363**

The headcount figure include employees of Agora S.A. and of the companies consolidated using the full consolidation method (see note 38).

27. MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION

The remuneration of the Management Board members is based on three elements – fixed remuneration (base salary), variable component (motivation plans and bonus depending on the achievement of the set goals) and non-wage benefits in scope determined by the Supervisory Board.

Remuneration paid to Management Board members for the period of holding the post of a Management Board member is presented in the table below:

	2023	base salary	variable component	other benefits
Management Board				
Bartosz Hojka	889	884	-	5
Tomasz Jagiełło	264	264	-	-
Anna Kryńska - Godlewska	665	660	-	5
Tomasz Grabowski	797	792	-	5
Wojciech Bartkowiak	665	660	-	5
	3,280	**3,260**	**-**	**20**

	2022	base salary	variable component (4)	other benefits
Management Board				
Bartosz Hojka	1,687	850	832	5
Tomasz Jagiełło	728	254	474	-
Anna Kryńska - Godlewska	1,111	632	474	5
Tomasz Grabowski	1,040	756	278	6
Agnieszka Siuzdak-Zyga (1)	609	415	194	-
Wojciech Bartkowiak (2)	436	434	-	2
Agnieszka Sadowska (3)	395	-	395	-
	6,006	**3,341**	**2,647**	**18**

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(1) Agnieszka Siuzdak-Zyga was the member of the Company's Management Board from August 5, 2021 till August 31, 2022;
(2) Wojciech Bartkowiak is the member of the Company's Management Board from April 21, 2022;
(3) Agnieszka Sadowska was the member of the Company's Management Board until October 20, 2021; variable remuneration paid in 2022 relates to the Incentive Plan for the period of holding the post of a Management Board member in 2021;
(4) Variable component paid in 2022 was accrued for the period of holding the post of a Management Board member in 2021.

Tomasz Jagiello received also remuneration as the President of the Management Board of Helios S.A. in the amount of PLN 401 thousand (in 2022: in the amount of PLN 386 thousand). The other members of Agora's Management and Supervisory Board did not receive any remuneration for serving as board members in subsidiaries, joint ventures and associates.

The fixed remuneration (base salary) and non-wage benefits are recognised in the cost for the current period, while the impact on staff costs of the incentive plan for the Management Board of Agora S.A. based on financial instruments is described in note 28.

The information related to liabilities to former Management Board members is described in note 19.

Remuneration paid to Supervisory Board members comprised of fixed salary and is presented in the table below:

Supervisory Board	2023	2022
Andrzej Szlezak	144	144
Wanda Rapaczynski	96	96
Tomasz Sielicki	96	96
Dariusz Formela	96	96
Maciej Wisniewski	96	96
Tomasz Karusewicz	96	96
	624	**624**

28. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

Incentive Plan for the Management Board members

The 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 a variable part of the remuneration 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 fulfilment, which is specified as the EBITDA level (i.e. EBIT plus depreciation, amortization and impairment losses on assets) of the Agora Group to be reached in the given financial year determined by the Supervisory Board. The fulfilment 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 percentage 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 percentage 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.

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

The variable part of the remuneration 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 this part of the remuneration 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 31 December 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. As at 31 December 2022, the Company did not include a reserve for potential reward from the fulfilment of the EBITDA target in 2022 due to the failure to reach the EBITDA result to pay the incentive plan element.

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 December 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 was recognised in the balance sheet.As at 31 December 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.

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	11.40
volatility of the share price of Agora S.A. during the last twelve months	%	34.17
the Average Share Price in IQ of Bonus Year	PLN	5.63
risk-free rate	%	3.34-5.59 (at the maturity dates)

Total impact of the provision for the Incentive Plan on the consolidated financial statements of Agora S.A.:

	2023	2022
Income statement – increase of staff cost	(3,821)	-
Income statement - deferred income tax	726	-
Liabilities - accruals - as at the end of the period	3,821	-
Deferred tax asset - as at the end of the period	726	-

Total amount of the provision for participation in the Incentive Plan for Members of the Management Board of Agora S.A.:

	2023	2022
Bartosz Hojka	1,122	-
Tomasz Jagiełło	673	-
Anna Kryńska - Godlewska	673	-
Tomasz Grabowski	673	-
Wojciech Bartkowiak	680	-
	3,821	**-**

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

29. FINANCE INCOME

	2023	2022
Interests on loans and similar items	254	305
Other interest and income from short-term financial assets	4,700	2,446
Reversal of impairment losses for financial assets	94	63
F/x gains	39,481	-
Valuation of put option (note 35)	9,474	3,442
Other (2)	168	272
	54,171	**6,528**

30. FINANCE COST

	2023	2022
Interest on loans payable and similar items	11,692	9,891
Lease interest	32,593	26,603
Other interest	1,572	455
Valuation of put options (note 35)	-	6,704
F/x losses	-	10,244
Other	54	-
	45,911	**53,897**

31. INCOME TAXES

Income tax recognised in the consolidated income statement

	2023	2022
Current tax expense		
Current year	(15,902)	(4,130)
Adjustments for prior periods	604	146
	(15,298)	**(3,984)**
Deferred tax expense		
Origination and reversal of temporary differences	(173)	2,488
Utilization of tax loss	(1,315)	(131)
Origination of tax loss	32	452
Change in tax rate	305	-
The amount of benefit from a previously unrecognised tax loss	54	239
The amount of benefit from a temporary difference of a prior period	2	-
The adjustment of deferred tax related to tax losses	(224)	(1,072)
	(1,319)	1,976
Total tax expense recognised in the income statement	**(16,617)**	**(2,008)**

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

Income tax expense recognised in other comprehensive income

	2023	2022
Actuarial gains/(losses) on defined benefit plans	163	(218)
Total tax expense recognised in other comprehensive income	**163**	**(218)**

Current tax receivables and liabilities are expected to be recovered or settled within one year.

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate ruling in the particular year 19% as follows:

	2023	2022
Profit/(loss) before tax	**101,617**	**(103,655)**
Tax calculated at a rate of 19% (2022: 19%)	**(19,307)**	**19,695**
Tax effect of:		
Share of results of equity accounted investees	(812)	1,622
Profit from valuation of shares of acquired subsidiary	10,084	-
Other non-taxable revenues	1,568	3,220
Other non-deductible expenses	(4,543)	(5,607)
Impairment loss recognised for goodwill	(1,333)	(8,241)
Temporary differences for which deferred tax was not recognised	(3,918)	1,073
Utilisation of tax losses for which deferred tax was not recognised	2,001	19
Tax losses for which deferred tax was not recognised	(1,585)	(14,123)
Recognition of deferred tax on tax losses from previous periods	54	239
Other	1,174	95
Tax calculated at an effective rate	**(16,617)**	**(2,008)**

32. EARNINGS PER SHARE

In calculating earnings per share the following variables were used:
as numerators – net profits/(losses) attributable to equity holders of the Company for the respective years,
as denominators - the average number of shares in the current year which is 46,580,831 for 2022 (2022: 46,580,831).

Weighted average number of shares

	2023	2022
At the beginning of the period	**46,580,831**	**46,580,831**
At the end of the period	**46,580,831**	**46,580,831**

There are no dilutive factors.

33. BUSINESS COMBINATIONS

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.

On November 30, 2023 the Company has completed negotiations with SFS Ventures s.r.o. with its seat in Prague ("SFS Ventures"), as a result of which the Company has concluded annex No. 14 to the Shareholders Agreement of February 20, 2019 ("Annex")("Agreement"), in which, apart from amending the Agreement, the parties agreed on the final sale price of 11% of shares of Eurozet sp. z o.o. ("Eurozet") share capital.

In particular, the Annex amended the principles of exercising by the Company the right to purchase form SFS Ventures the remaining 49% of the share capital of Eurozet ("Call Option 2") in such a way that the Company shall be entitled to purchase shares under Call Option 2 for (i) fixed price of EUR 38,750,000, if the Company files to SFS Ventures the Call Option Request 2 ("Call Option Request") until May 31, 2024 or, in case the Company shall not file the Call Option Request until May 31, 2024 (ii) for price determined in accordance with the formula stipulated in the Agreement and adjusted by economic and financial parameters of Eurozet capital group as determined in the Agreement, whereby the price shall not be less than EUR 38,750,000, if the Company files the Call Option Request until September 30, 2024 or EUR 40,000,000 if the Company files the Call Option Request after September 30, 2024. Minimum prices as mentioned above shall be increased by the amount equaling 49% of Eurozet net profit for the year 2023, if the resolution of Eurozet shareholders on the distribution of profit for the financial year 2023 shall not be adopted before the Call Option Request, based on principles determined in the Agreement, and the Call Option Request shall be filed after June 14, 2024.

The Annex also amends some of the financial parameters affecting the determination of price for the purchase of Eurozet shares by Agora and expands the catalogue of matters for which the consent of the Supervisory Board is required, by a qualified majority vote.

Other provisions of the Agreement have not been materially changed.

The carrying value of Call Option 2 amounted to zero and in this amount is recognised in the consolidated balance sheet of Agora Group as at 31 December 2023.

Additionally, the Annex provides for the agreement on the final sale price for 110 shares of Eurozet share capital, purchased by Agora on February 27, 2023 for the initial price of EUR 9,170,000 (PLN 43,247,554). The parties agreed that the final sale price amounts to EUR 9,500,000 (PLN 44,682,790). In accordance with the above, the Company is obligated to pay for the benefit of SFS Ventures the difference between the initial and final price in the amount of EUR 330,000 (PLN 1 435 236) within 10 working days since completion of the Annex.

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)	251,993
Property, plant and equipment	10,995
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	(162,483)
Cash consideration transferred	(44,683)
Goodwill as at the acquisition date	**92,917**

(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 53,072 thousand (being PLN 162,483 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 item Gain on remeasurement of shares in subsidiary in the consolidated income statement of Agora Group for 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 3,212 thousand and are included in administrative expenses in the consolidated income statement of the Agora Group for 2023.

In the period from the date of acquisition till December 31, 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 184,810 thousand and PLN 27,671 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 December 31, 2023 would have respectively amounted to PLN 1,453,123 thousand and PLN 83,120 thousand.

- **Acquisition of shares in Helios S.A.**

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. The transaction was entered into the shareholder register of Helios S.A. on September 1, 2023.

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. The transactions were entered into the shareholder register of Helios S.A. on September 1 and 6, 2023.

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.

The total expenditure for the acquisition of 94,561 shares of Helios S.A. including the transaction costs amounted to PLN 2,544 thousand.

- **Plan G Sp. z o.o.**

On June 30, 2023, the Extraordinary Shareholders Meeting of Plan G Sp. z o.o. adopted a resolution on increasing the share capital of Plan G Sp. z o.o. from PLN 5 thousand to PLN 15 thousand by creating of 200 new equal and indivisible shares with a nominal value of PLN 50.00 each, with a total nominal value of PLN 10,000.00. All newly created shares in the number of 200 were intended for acquisition by the sole shareholder of the Company, i.e. Agora S.A., and were fully covered by a cash contribution in the amount of PLN 10,000.00. The above change was registered by the District Court for the City of Warsaw in Warsaw on 4 September 2023.

- **Optimizers Sp. z o.o.**

On August 1, 2023 the company AMS.S.A. disposed of 100% shares in the share capital of the company Optimizers Sp. z o.o. for the benefit of the company AMS Serwis Sp. z o.o.

On August 23, 2023, the Extraordinary General Meeting of Shareholders of Optimizers Sp. z o.o. adopted a resolution on increasing the share capital of Optimizers Sp. z o.o. from PLN 500,000 to PLN 1,500,000 by creating 20,000 new shares with a nominal value of PLN 50.00 each, with a total nominal value of PLN 1,000,000. All newly created shares were intended for acquisition by the sole shareholder of the Company, i.e. AMS Serwis Sp. z o.o., and were fully covered by a cash contribution in the amount of PLN 4,000,000. The agio was allocated into the supplementary capital of the company.

- **Next Film Sp. z o.o.**

On July 3, 2023, the plan of merger of the companies Next Film Sp. z o.o. and Next Script Sp. z o.o. was published in the Judicial and Economic Monitor.

On November 15, 2023, the company Next Script sp. z o.o. as the acquired company merged with the company Next Film sp. z o.o. As of the day of the publication of this report, decision on the deletion of Next Script sp. z o.o. from the register is not valid, therefore the company is still entered in the entrepreneurs register of the National Court Register.

- **Gazeta.pl Sp. z o.o.**

On August 17, 2023, the company Gazeta.pl Sp. z o.o. was registered in the National Court Register. The share capital of the company amounts to PLN 5,000 and its sole shareholder is Agora S.A.

- **Czerska 8/10 Sp. z o.o.**

On August 17, 2023, the company Czerska 8/10 Sp. z o.o. was registered in the National Court Register. The share capital of the company amounts to PLN 5,000 and its sole shareholder is Agora S.A.

- **Agora Książka i Muzyka Sp. z o.o.**

On August 22, 2023, the company Agora Książka I Muzyka Sp. z o.o. was registered in the National Court Register. The share capital of the company amounts to PLN 5,000 and its sole shareholder is Agora S.A.

- **Wyborcza Sp. z o.o.**

On August 23, 2023, the company Wyborcza Sp. z o.o. was registered in the National Court Register. The share capital of the company amounts to PLN 5,000 and its sole shareholder is Agora S.A.

- **Disposal of organized parts of the enterprise for the benefit of the Company**

On December 20, 2023, the Management Board informed of adopting a resolution on the directional decision concerning disposal for the benefit of subsidiaries of selected organized parts of the enterprise of the Company ("ZCP"). In accordance with the abovementioned resolution, the Management Board has decided to limit the current project of the disposal of ZCP for the benefit of subsidiaries to the following selected ZCP:

1. ZCP dedicated to operate Agora Publishing House;
2. ZCP dedicated to the maintenance of gazeta.pl web portal;
3. ZCP dedicated to operations of Gazeta Wyborcza;
4. ZCP dedicated to the maintenance, use and enjoyment of the Company's real estate.

The Company informed that bearing in mind the range of resolutions Nos. 6-12 of the Extraordinary General Meeting of the Company adopted on March 27, 2023 ("Resolutions"), the Company may, within the time frame stated in the Resolutions, decide to dispose for the benefit of subsidiaries of next ZCP, as described in the Resolutions.

The above reorganisation will be an intra-group transaction and will not affect the Group's consolidated financial statements.

34. FINANCIAL RISK MANAGEMENT

The Group has exposure to the following risks from its use of financial instruments:

- credit risk,
- liquidity risk,
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Management Board of the parent entity has overall responsibility for the establishment and oversight of the Group's risk management framework. The Policy of Risk Management functions within the Group that determines the rules and the framework of risk management process as well as establishes the responsibilities of its participants.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Company Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers, granted loans and investment securities.

The maximum exposure to credit risk corresponds to the carrying amount of financial instruments.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group's credit risk is limited due to a great number and diversification of customers. The biggest customers (in respect of the turnover) are press distributors and advertisers (companies unrelated to the Group). The value of transactions with none of customers of the Group exceeded 10% of the total revenue of the Group in 2023.

The Group establishes an allowance for impairment that represents its estimate of expected credit losses. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective expected loss component established based on historical data of payment statistics for group of similar financial assets and future expectations.

Based on historical data and payment projections, the Group does not recognise an allowance for barter receivables, except when individual indications of impairment are identified. Further information on the accounting policy for impairment losses on financial assets is provided in note 2(i).

The analysis of credit risk exposure on the basis of ageing of trade receivables as at balance sheet date and changes in impairment losses for receivables are presented in note 10.

Investments

The Group limits its exposure to credit risk by diversification of its investments in investment funds, which invest in different classes of debt instruments. The Group does not acquire securities directly, but only through investment funds. At the same time, the Company invest only in liquid securities or bank deposits.

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

The Group minimizes the credit risk associated with its cash by working with financial institutions with high credibility as confirmed by ratings assigned by the widely recognised agencies Moody's or Fitch. According to the analysis, cash held with banks has a low credit risk as of the reporting date.

	31 December 2023	31 December 2022
A rated banks (72% of funds in one bank)	27,472	2,868
BB rated banks(100% of funds in one bank)	5	5
BBB rated banks (66% of funds in one bank)	55,193	62,947
Środki pieniężne w bankach razem	**82,670**	**65,820**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group generates positive operating cash flow and has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. In addition, as at December 31, 2023, the Group maintains credit facilities in Santander Bank Polska S.A., BNP Paribas Bank Polska S.A. oraz mBank S.A (described in note 15). As at 31 December 2023 the value of available and undrawn loan financing amounted to PLN 45.4 million.

In addition, the Company has implemented a liquidity management system, which functions within the Group ("the Cash Pooling Agreement"). The agreement was signed on June 14, 2022 between Santander Bank Polska S.A. on the one side and Agora S.A. and selected subsidiaries from the group from the other side. The Cash Pooling Agreement aims to optimize cash liquidity and the most efficient management of cash for entities participating in the cash pooling system. Agora S.A. acts as a cash pool leader within the system. Intra-group balances and transactions related to cash pooling agreement are eliminated in the consolidated financial statements.

Payment deadlines concerning trade payables are described in note 20 and bank loans in note 15. Future estimated cash flows related to financial liabilities are described in note 35.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the rate of return.

Foreign currency risk

Foreign exchange risk is related to sales of printing services, advertising services, copy sales to foreign customers, purchases of newsprint which is contracted in EURO, fixed asset purchases and rent of premises, which are also partly contracted in foreign currencies, mainly EURO and USD. The Group's foreign currency risk is significantly impacted by the carrying valuation of lease liabilities.

Cash and cash equivalents denominated in foreign currency amounted to PLN 5,620 thousand as at balance sheet date (31 December 2022: PLN 5,682 thousand), mainly in EURO (PLN 1,510 thousand) and USD (PLN 4,106 thousand).

Accounts receivable in foreign currency amounted to PLN 5,251 thousand as at balance sheet date (31 December 2022: PLN 6,665 thousand), principally in EURO (PLN 4,167 thousand) and USD (PLN 1,071 thousand).

Liabilities requiring settlement in foreign currency amounted to PLN 459,656 thousand as at balance sheet date (31 December 2022: PLN 519,137 thousand), payable principally in EURO (PLN 459,222 thousand) and USD (PLN 333 thousand) and mainly related to leases.

The Group does not hedge against exchange rate risk by entering into long-term hedging contracts.

In 2023, Agora S.A. was not engaged in any currency option instruments or other derivatives (used for hedging or speculative ones).

Interest rate risk

The Group invests in short-term deposits and short-term securities with variable interest rates. All the deposits and securities mature within one year.

Additionally, the Group has interest bearing bank loans, borrowings and finance lease agreements with interest at a floating rate based on WIBOR 1M or 3M.

Further information on balances as at balance sheet date are presented in note 35.

Impact of interest rate reference rate reform

The Group does not expect a significant impact of the reference rate reform on its financial obligations, but at the moment it cannot clearly determine its impact, as it has not received binding information from banks on the date when new rates will be introduced into existing contracts. The announcement of the Steering Committee of the National Working Group on Reference Rate Reform in Poland (NGR) indicated 2027 as the final date for the conversion of reference rates. To the Group's knowledge and based on the NGR's announcements, the WIBOR rate will be replaced by the WIRON rate, whose historical quotations are lower than the WIBOR rate. The Group monitors regulatory actions with regard to changes in reference rates and is in constant contact with the banks serving it to ensure readiness for changes in rates in its loan agreements.

Sensitivity analysis

a) Interest rate risk

The Group has financial instruments (including bank deposits, credits and loans). The value of future cash flows connected with them may fluctuate due to changes in interest rates. As at 31 December 2023, assuming a +/- 1pp change in interest rates, the impact of changes in carrying amount of financial instruments is estimated at the level of net loss/profit of PLN 81 thousand (as at December 31, 2022: net loss/profit of PLN 507 thousand).

b) Foreign currency risk

The Group has financial instruments (including bank deposit, receivables, and payables) and lease liabilities. The value of future cash flows connected with them may fluctuate due to changes in interest rates. As at 31 December 2023, assuming the appreciation/depreciation of Polish zloty by 5%, the carrying value of financial instruments that will fluctuate, is estimated to impact the net profit/loss in the amount of PLN 18,175 thousand (as at December 31, 2022: PLN the net profit/loss in the amount of 20,525 thousand).

Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Further growth of the Group is the Management Board's overarching priority and the Group plans to use its capital in order to achieve that objective, building its long term value for shareholders. The Management Board monitors the ratio levels: ROCE and the paid dividend per share. Each decision concerning dividend payments or share repurchases is made after conducting proper analyses of the Company's financial position, investment capacity at the time, the balance sheet structure, bank loans requirements and the Company's share price quoted on the stock exchange and is approved by the General Meeting of Shareholders.

In the reported period there were no changes in the capital management policy.

The Management Board focuses on keeping the balance between possibility to reach higher rate of return ratio (if the debt level is higher) and advantages and security reached at the stable capital level.

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

35. FINANCIAL INSTRUMENTS

1) General information

	Bank deposits	Loans granted	Bank and other loans received
a) Classification	Financial assets measured at amortized cost	Financial assets measured at amortized cost	Financial liability measured at amortized cost
b) Nature of the instrument	Short-term low risk investments	Long- and short-term loans	Bank loans and non-current loans
c) Carrying value of the instrument	2023: PLN 48,095 thousand 2022: PLN 35,306 thousand	2023: PLN 1,907 thousand 2022: PLN 2,850 thousand	Bank loans 2023:PLN 80,502 thousand 2022:PLN 99,374 thousand Loans: 2023: PLN 3,691 thousand 2022: PLN 5,303 thousand
d) Value of the instrument in foreign currency, if applicable	n/a	n/a	n/a
e) Purpose of the instrument	Investing of cash surpluses	Financing of related companies and entities co-operating with the Group	Bank loan – investment needs Bank overdraft – operating needs Preferential loan – operating needs
f) Amount on which future payments are based	Total value of deposits	Face value	Face value
g) Amount and timing of future cash receipts or payments	Interest depending on maturity	Interest depending on maturity	Bank loans - Interests paid monthly, preferential loan – interest paid quarterly
h) Date of repricing, maturity, expiry or execution	Liquid – overnight or within 3 months	According to maturity dates in agreements repaid in instalments till 30 December 2025	Payment terms for all loans are described in note 15
i) Early settlement option	Any time	Possible	Possible
j) Execution price or range of prices	Face value plus interests	Face value plus interests	Face value plus interests
k) Option to convert or exchange instrument to other asset or liability	None	None	None
l) Stated rate or amount of interest, dividend or other periodic return and the timing of payments	WIBID minus margin Timing of payments – at maturity	WIBOR + margin Timing of payments– instalments or at maturity date	Bank loans – WIBOR + bank margin Preferential loan – fixed rate Timing of payments – monthly (bank loans) or quarterly (loans)

	Bank deposits	Loans granted	Bank and other loans received
m) Collateral held or pledged	None	Registered pledge on advertising panels in case of loan in the carrying amount of PLN 1,800 thousand	Collaterals are described in note 15
n) Other conditions	None	None	Bank loans are due in case of breach of covenants included in agreements
o) Type of risk associated with the instrument	Interest rate, credit risk of financial institution	Interest rate, credit risk of subsidiaries and associates	Interest rate
p) Fair value of the instrument	Close to carrying value	Close to carrying value	Close to carrying value
q) Method of fair value determination	Discounted cash flow	Discounted cash flow	Discounted cash flow

Interest rate risk

r) Description of the risk	Due to floating rate	Due to floating rate	Due to floating rate
s) Contractual repricing or maturity date	See point h)	See point h)	See point h)
t) Effective interest rate	Close to nominal	Close to nominal	Close to nominal

Credit risk

u) Description of the risk	Depending on the creditworthiness of the bank	Depending on the creditworthiness of the borrowers	None
w) Maximum credit risk exposure	Amount deposited less amount from BFG	Amount deposited	n/a

The information about trade receivables is included in note 10 and about trade payables in note 20.

2) Detailed information on financial instruments

	2023	2022
Interest income on financial assets		
Bank deposits	3,912	2,380
Loans granted	254	305
Other	321	8
Interest and commissions expense on financial liabilities		
Bank loans	(9,223)	(9,837)
Lease liabilities	(32,593)	(26,603)
Loans received	(2,469)	(54)
Other	(950)	(171)

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

3) Fair value hierarchy for financial instruments

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 December 2023	Level 1	Level 2	Level 3
Put option liabilities	25,613	-	-	25,613
Financial liabilities measured at fair value	**25,613**	**-**	**-**	**25,613**

	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**

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 31 December 2023	As at 31 December 2022
Opening balance	**37,606**	**34,344**
Remeasurement recognised in profit or loss , incl.:	(9,474)	3,262
- finance income (1)	*9,474*	*3,442*
- finance cost (2)	*-*	*(6,704)*
Exercise of the put option (3)	(2,519)	-
Closing balance	**25,613**	**37,606**

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

(3) relates to a call to purchase 0.82% shares of Helios S.A. exercised on July 24, 2023 and August 2, 2023 by non-controlling shareholders pursuant to the provisions of an option agreement dated October 29, 2010.

In case of Helios S.A. options, the estimated value of liability depends mainly on the estimated operational result EBIT for two financial years preceding the agreed dates of exercising the option and discount rate adopted for valuation that amounted to 9.7% as at 31 December 2023.

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 case of the put option granted to the non-controlling shareholders of Helios S.A., an increase of the estimated EBIT level over the period specified in put option conditions by 10%, would cause an increase of put option liability by c.a. PLN 1,317 thousand, while an increase of the discount rate by 1pp, would cause a decrease of the liability by c.a. PLN 397 thousand.

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

4) Cash flows related to financial liabilities

The future estimated undiscounted cash flows related to financial liabilities based on contractual maturities at the balance sheet date are presented below:

	31 December 2023					
	Contractual cash flows	6 months or less	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bank loans	84,472	44,788	15,403	21,881	2,400	-
Loans received						
Lease liabilities	885,095	59,744	56,964	105,971	246,235	416,181
including: Lease liabilities resulting from the application of IFRS 16	*866,208*	*53,550*	*51,704*	*99,415*	*245,358*	*416,181*
Trade payables	66,968	66,968	-	-	-	-
Rebates liability	78,184	78,184	-	-	-	-
Returns liability	4,755	4,755	-	-	-	-
Put option liabilities	30,092	17,810	670	11,612	-	-
Liabilities related to purchase of non-current assets	22,100	9,152	1,767	1,289	4,522	5,370
Total	**1,175,540**	**281,893**	**75,329**	**141,742**	**255,025**	**421,551**

	31 December 2022					
	Contractual cash flows	6 months or less	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bank loans	111,381	40,810	16,929	33,616	20,026	-
Loans received						
Lease liabilities	897,136	54,819	51,861	100,487	239,403	450,566
including: Lease liabilities resulting from the application of IFRS 16	*864,995*	*47,311*	*45,148*	*88,888*	*233,082*	*450,566*
Trade payables	52,105	52,105	-	-	-	-
Rebates liability	44,763	44,763	-	-	-	-
Returns liability	5,623	5,623	-	-	-	-
Put option liabilities	59,060	-	-	916	58,144	-
Liabilities related to purchase of non-current assets	14,646	9,826	364	533	1,733	2,190
Total	**1,190,233**	**208,797**	**70,009**	**136,521**	**322,150**	**452,756**

Additional information on liquidity risk management is disclosed in note 34.

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

5) Changes in liabilities arising from financing activities

The changes in liabilities arising from financing activities (including changes arising from cash flows and non-cash changes) are presented in table below:

		Cash flows			Non-cash changes					
		Principal								
	As at 31 December 2022	Proceeds	Outflows	Interests and commissions	Recognition of assets under lease	Interests and commissions accrued	Loan cancellation	F/X differences	Reducing the scope of the agreements	As at 31 December 2023
Bank loans	99,374	36,275	(55,571)	(9,002)	-	9,426	-	-	-	80,502
Lease liabilities	692,079	-	(90,855)	(32,753)	91,220	32,593	-	(38,364)	(18,973)	649,454
Loans received	5,303	43,278	(41,848)	(2,460)	-	2,469				3,691
Put option liabilities	37,606	-	(2,519)	-	-	-				25,613

		Cash flows			Non-cash changes					
		Principal								
	As at 31 December 2021	Proceeds	Outflows	Interests and commissions	Recognition of assets under lease	Interests and commissions accrued	Loan cancellation	F/X differences	Reducing the scope of the agreements	As at 31 December 2022
Bank loans	101,181	62,842	(64,496)	(9,582)	-	9,679	(250)	-	-	99,374
Lease liabilities	704,020	-	(80,874)	(25,837)	65,502	26,603	-	10,796	(8,131)	692,079
Loans received	1,522	19,053	(1,201)	(54)	-	54	(14,071)	-	-	5,303
Put option liabilities	34,344	-	-	-	-	-	-	-	-	37,606

36. CONTRACTUAL INVESTMENT COMMITMENTS

Contractual investment commitments related to property, plant and equipment existing at the balance sheet date amounted to PLN 7,795 thousand (31 December 2022: PLN 10,858 thousand) and to intangible assets amounted to PLN 251 thousand (31 December 2022: 680 PLN 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.

37. CONTINGENCIES

As of 31 December 2023 and 31 December 2022, the Group had no contingencies to third parties.

Information on contingent liabilities related to legal disputes is described in note 19.

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38. GROUP COMPANIES

Basic information about the companies composing the Agora Group is presented in the tables below:

		31 December 2023							
		% of shares held (effectively)	Assets		Liabilities		Revenue	Net result	Other comprehensive income
	Companies consolidated (1)		Non-current	Current	Non-current	Current			
1	AMS S.A., Warsaw	100.0%	218,734	89,898	57,238	108,973	193,407	20,840	(148)
2	IM 40 Sp. z o.o., Warsaw (2)	72.0%	2,143	3,339	1,848	793	3,497	1,263	-
3	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	56,344	20,991	22,519	11,775	58,007	6,508	(35)
4	AMS Serwis Sp. z o.o., Warsaw (3)	100.0%	53,082	25,784	13,107	10,267	34,099	2,870	(44)
5	Inforadio Sp. z o.o., Warsaw (2)	66.1%	8,031	8,775	6,587	2,924	19,117	4,126	(9)
6	Agora TC Sp. z o.o., Warsaw	100.0%	174	1,844	39	812	5,947	763	(8)
7	Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	6,345	35,347	272	33,150	129,957	5,760	(48)
8	Plan D Sp. z o.o., Warsaw	100.0%	4	3,063	-	29	-	15	-
9	Helios S.A., Lodz (16)	92.3%	584,945	39,558	433,239	164,386	426,859	59,293	(93)
10	Next Film Sp. z o.o., Warsaw (4)	92.3%	9,381	29,368	518	29,356	39,917	(654)	(4)
11	Yieldbird Sp. z o.o., Warsaw	100.0%	8,365	8,553	551	5,657	36,950	(1,243)	(2)
12	Optimizers Sp. z o.o., Warsaw (3), (6)	100.0%	14,803	5,225	622	1,190	7,448	962	-
13	Goldenline Sp. z o.o., Szczecin (5)	79.8%	22	44	4	2,038	1,470	(369)	-
14	Plan A Sp. z o.o., Warsaw	100.0%	-	16	-	3	-	(19)	-
15	Agora Finanse Sp. z o.o., Warsaw	100.0%	19	641	-	245	2,103	(34)	-
16	Step Inside Sp. z o.o. (4)	83.1%	23,201	4,651	14,757	13,108	43,728	(670)	-
17	Video OOH Sp. z o.o., Warsaw (3)	92.0%	572	3,141	-	3,453	9,269	338	-
18	HRlink Sp. z o.o., Szczecin (17)	79.8%	1,895	565	467	1,209	10,288	(490)	-
19	Helios Media Sp. z o.o., Lodz (4)	92.3%	340	9,712	-	9,607	26,982	442	-
20	Plan G Sp. z o.o., Warsaw	100.0%	-	-	-	1	-	(15)	-
21	Eurozet Sp. z o.o., Warsaw (12)	51.0%	98,873	65,843	7,806	96,778	213,365	29,597	(401)
22	Eurozet Radio Sp. z o.o., Warsaw (7)	51.0%	21,379	38,891	3,299	16,618	73,550	5,529	(91)
23	Eurozet Consulting Sp. z o.o., Warsaw (7)	51.0%	1,511	2,117	922	1,884	10,595	1,172	(30)
24	Radio Plus Polska Sp. z o.o., Warsaw (8)	40.8%	77	3,610	4	466	3,118	600	-
25	Radio Plus Polska Centrum Sp. z o.o., Warsaw (9)	51.0%	55	971	18	215	1,303	83	-

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26	Radio Plus Polska Zachód Sp. z o.o., Warsaw (10)	32.6%	165	1,601	15	552	3,539	(8)	-
27	Spółka Producencka Plus Polska Sp. z o.o., Warsaw (11)	20.4%	2	270	15	11	-	(157)	-
28	Gazeta.pl Sp. z o.o., Warsaw (13)	100.0%	-	5	-	-	-	-	-
29	Czerska 8/10 Sp. z o.o., Warsaw (13)	100.0%	-	5	-	-	-	-	-
30	Agora Książka i Muzyka Sp. z o.o.,Warsaw (14)	100.0%	-	5	-	-	-	-	-
31	Wyborcza Sp. z o.o., Warsaw (15)	100.0%	-	5	-	-	-	-	-

(1) the presented data are before elimination of intergroup transactions;
(2) indirectly through GRA Sp. z o.o.;
(3) indirectly through AMS S.A.;
(4) indirectly through Helios S.A.;
(5) indirectly through HRlink Sp. z o.o.; the company disposal by HRlink Sp. z o.o. to Wyborcza Sp. z o.o. on January 4, 2024;
(6) indirectly through AMS Serwis Sp. z o.o.; the company disposal by AMS S.A. to AMS Serwis Sp. z o.o. on August 1, 2023;
(7) indirectly through Eurozet Sp. z o.o., which holds 100% of the company's shares; data from income statement include data from the date of acquisition of control over the company;
(8) indirectly through Eurozet Radio Sp. z o.o., which holds 80% of the company's shares; data from income statement include data from the date of acquisition of control over the company;
(9) indirectly through Eurozet Radio Sp. z o.o., which holds 100% of the company's shares; data from income statement include data from the date of acquisition of control over the company;
(10) indirectly through Radio Plus Polska Sp. z o.o., which holds 80% of the company's shares; data from income statement include data from the date of acquisition of control over the company;
(11) 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; data from income statement include data from the date of acquisition of control over the company;
(12) acquisition of additional shares on February 27, 2023; data from income statement include data from the date of acquisition of control over the company;
(13) company registered in the National Court Register on August 17, 2023;
(14) company registered in the National Court Register on August 22, 2023;
(15) company registered in the National Court Register on August 23, 2023;
(16) acquisition of additional shares in the company registered in the register of shareholders on September 1 and September 6, 2023;
(17) the company was disposed on January 4, 2024.

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38. GROUP COMPANIES, CONTINUED

		31 December 2022							
			Assets		Liabilities				
	Companies consolidated (1)	% of shares held (effectively)	Non-current	Current	Non-current	Current	Revenue	Net result	Other comprehensive income
1	AMS S.A., Warsaw	100.0%	208,165	69,685	57,187	77,934	165,107	14,452	99
2	IM 40 Sp. z o.o., Warsaw (2)	72.0%	1,142	3,453	964	673	3,286	1,381	-
3	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	55,673	13,533	20,986	11,652	53,031	27	58
4	AMS Serwis Sp. z o.o., Warsaw (3)	100.0%	32,681	31,267	1,498	7,105	28,981	2,679	5
5	Inforadio Sp. z o.o., Warsaw (2)	66.1%	3,960	7,045	2,917	2,069	16,647	2,841	15
6	Agora TC Sp. z o.o., Warsaw	100.0%	326	1,832	37	830	5,467	879	3
7	Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	4,708	29,322	259	23,732	111,240	5,981	33
8	Plan D Sp. z o.o. (formerly Domiporta Sp. z o.o.), Warsaw	100.0%	2	3,043	-	22	-	39	-
9	Helios S.A., Lodz (8)	91.5%	636,017	31,079	525,974	173,444	338,064	(36,118)	101
10	Next Film Sp. z o.o., Warsaw (4)	91.5%	7,770	10,972	32	9,180	39,430	2,195	4
11	Yieldbird Sp. z o.o., Warsaw (7)	100.0%	8,492	25,837	6	22,026	107,726	343	4
12	Next Script Sp. z o.o., Warsaw (4),(5)	91.5%	-	342	-	-	350	(23)	-
13	Optimizers Sp. z o.o., Warsaw (3)	100.0%	7,942	6,449	12,358	3,780	3,720	(781)	-
14	Goldenline Sp. z o.o., Szczecin (6)	79.8%	62	163	2	1,829	2,001	(1,049)	2
15	Plan A Sp. z o.o., Warsaw	100.0%	-	37	-	5	-	(21)	-
16	Agora Finanse Sp. z o.o., Warsaw	100.0%	19	624	-	194	1,537	261	-
17	Step Inside Sp. z o.o. (4)	82.3%	30,075	3,208	19,908	12,718	38,613	(4,706)	1
18	Video OOH Sp. z o.o. (formerly Piano Group Sp. z o.o.), Warsaw (3)	92.0%	299	3,329	-	3,705	8,894	106	-
19	HRlink Sp. z o.o., Szczecin	79.8%	2,305	627	600	1,059	10,690	(1,010)	-
20	Yieldbird International Ltd, London (7)	100.0%	-	-	-	-	-	-	-
21	Helios Media Sp. z o.o., Lodz (4),(8)	91.5%	18	9	-	24	-	(2)	-
22	Plan G Sp. z o.o., Warsaw (9)	100.0%	-	4	-	-	-	(1)	-

(1) the presented data are before elimination of intergroup transactions;
(2) indirectly through GRA Sp. z o.o.;
(3) indirectly through AMS S.A.;
(4) indirectly through Helios S.A.;
(5) indirectly through Next Film Sp. z o.o.; merger with Next Film Sp. z o.o. on November 15, 2023;
(6) indirectly through HRlink Sp. z o.o.;
(7) indirectly through Yieldbird Sp. z o.o., the company incorporated on July 27, 2022;
(8) company registered in the National Court Register on September 1, 2022;
(9) company registered in the National Court Register on January 27, 2023.

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38. GROUP COMPANIES, CONTINUED

	Joint ventures and associates accounted for using the equity method (1)	% of shares held (effectively)	Assets Non-current	Assets Current	Liabilities Non-current	Liabilities Current	Revenue	Net result	Other comprehensive income
		31 December 2023							
1	Instytut Badan Outdooru IBO Sp. z o.o., Warsaw (2)	50.0%	-	841	-	96	694	128	-
2	ROI Hunter a.s., Brno	23.9%	1,269	17,617	631	9,316	37,088	(7,473)	-

	Joint ventures and associates accounted for using the equity method (1)	% of shares held (effectively)	Assets Non-current	Assets Current	Liabilities Non-current	Liabilities Current	Revenue	Net result	Other comprehensive income
		31 December 2022							
1	Instytut Badan Outdooru IBO Sp. z o.o., Warsaw (2)	50.0%	-	708	-	91	622	(76)	-
2	ROI Hunter a.s., Brno	23.9%	6,307	22,021	1,610	9,328	26,908	(9,451)	-
3	Eurozet Sp. z o.o., Warsaw (3)	40.0%	277,588	94,322	54,926	92,150	217,523	27,081	-

(1) the presented data are after consolidation adjustments;
(2) indirectly through AMS S.A.;
(3) the presented balance sheet and profit and loss account data include consolidation adjustments resulting from the measurement of assets to fair value at the date of acquisition of the shares in the company in accordance with the requirements of IAS 28, adjustment of net result due to amortisation of revaluation to fair value after deferred tax in amount of PLN 11,679 thousand in 2022 was taken into account; since March 1, 2023 the company is consolidated using the full method.

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

38. GROUP COMPANIES, CONTINUED

Cash flow of subsidiaries with significant non-controlling interests

	Helios S.A.		Eurozet Sp. z o.o.	Eurozet Radio Sp. z o.o.
	01.01.2023 - 31.12.2023	01.01.2022 - 31.12.2022	01.03.2023 - 31.12.2023	01.03.2023 - 31.12.2023
Net cash from/(used in) operating activities	116,861	74,301	42,034	(5,740)
Net cash from/(used) in investing activities	(1,323)	(17,531)	1,727	(2,015)
Net cash used in financing activities	(111,778)	(56,525)	(70,005)	(1,490)
Total net cash flows	**3,760**	**245**	**(26,244)**	**(9,245)**
Cash and cash equivalents at start of the period	**4,766**	**4,521**	**34,481**	**16,353**
Cash and cash equivalents at the end of the period	**8,526**	**4,766**	**8,237**	**7,108**

Information concerning the non-controlling interests in subsidiaries is presented in the table below:

	31 December 2023				
Company	% of shares held by non-controlling shares as at 31 December 2023	Accumulated amount of non-controlling shares as at 31 December 2023	Net profit/(loss) allocated to non-controlling shares in 2023	Other comprehensive income allocated to non-controlling shares in 2023	Dividends paid to non-controlling shareholders in 2023
IM 40 Sp. z o.o.	28.0%	795	354	-	(387)
Inforadio Sp. z o.o.	33.9%	2,468	1,399	(3)	(963)
Helios S.A.	7.7%	1,048	4,451	(7)	-
Next Film Sp. z o.o.	7.7%	6	(65)	-	-
Goldenline Sp. z o.o.	20.2%	(340)	(94)	-	-
Step Inside Sp. z o.o.	16.9%	(3)	(123)	-	-
Video OOH Sp. z o.o.	8.0%	(21)	27	-	-
HRlink Sp. z o.o.	20.2%	379	(177)	-	-
Helios Media Sp. z o.o.	49.0%	27	26	-	-
Eurozet Group	49.0%	104,718	13,835	(265)	(18,620)
Total		**109,077**	**19,633**	**(275)**	**(19,970)**

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Company	31 December 2022				
	% of shares held by non-controlling shares as at 31 December 2022	Accumulated amount of non-controlling shares as at 31 December 2022	Net profit/(loss) allocated to non-controlling shares in 2022	Other comprehensive income allocated to non-controlling shares in 2022	Dividends paid to non-controlling shareholders in 2022
IM 40 Sp. z o.o.	28.0%	828	387	-	(263)
Inforadio Sp. z o.o.	33.9%	2,035	962	(5)	(819)
Helios S.A.	8.5%	(3,410)	(3,110)	(9)	-
Next Film Sp. z o.o.	8.5%	43	187	-	-
Yieldbird Sp. z o.o.	0.0%	-	25	-	(340)
Next Script Sp. z o.o.	8.5%	28	(5)	-	-
Goldenline Sp. z o.o.	20.2%	(247)	(346)	-	-
Step Inside Sp. z o.o.	17.7%	116	(831)	-	-
Video OOH Sp. z o.o.	8.0%	(48)	8	-	-
HRlink Sp. z o.o.	20.2%	556	(282)	-	-
Total		**(99)**	**(3,005)**	**(14)**	**(1,422)**

The effect of transactions with non-controlling interests on the equity attributable to owners of the parent is presented in the table below:

	31 December 2023	31 December 2022
The change in the equity attributable to owners of the parent resulting from:		
- acquisition of additional shares from non-controlling shareholders (1)	(44)	1,482
Net impact on the equity attributable to owners of the parent	**(44)**	**1,482**

(1) in 2022 the change relates to the effect of accounting for the acquisition of shares from non-controlling shareholders of Yieldbird Sp. z o.o. and Next Script Sp. z o.o.

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39. RELATED-PARTY TRANSACTIONS

Table below presents total investments and the balances with related parties:

	31 December 2023	31 December 2022
Joint ventures		
Shares	175	175
Other liabilities	144	180
Associates		
Shares	13,589	127,271
Trade receivables	-	137
Trade liabilities	-	265
Major shareholder		
Trade receivables	4	3
Other liabilities	3	6
Management Board of the Company		
Put option liabilities (1)	22,427	31,007
Management Boards of group companies		
Receivables	34	4
Non-current loans received	105	-
Put option liabilities (1)	2,516	5,811
Other liabilities	-	3

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

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Table below presents total transactions with related parties during the year:

	2023	2022
Joint ventures		
Purchases	(108)	(180)
Associates		
Sales	535	2,022
Purchases	(223)	(2,592)
Dividend income (1)	24,000	24,000
Major shareholder		
Sales	31	27
Other operating revenues	3	2
Management Board of the Company		
Other operating income	-	1
Finance income - remeasurment of put options (2)	8,010	-
Finance costs - remeasurment of put options (2)	-	(5,486)
Management Boards of group companies		
Sales	8	8
Finance income - remeasurment of put options (2)	1,346	1,916
Finance costs on loans received	(16)	(2)

(1) concerns the company Eurozet Sp. z o.o. that in 2022 was an associate;
(2) concerns put options linked to shares in Helios S.A., HRlink Sp. z o.o. and Video OOH Sp. z o.o.

Transactions within the Agora Group are carried out on arm's length basis and are within the normal business activities of companies.

40. ACCOUNTING ESTIMATES AND JUDGMENTS

Tests for impairment losses on assets

Estimates and assumptions are continually evaluated and based on historical experience and best knowledge of the Group as at the date of the estimation. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities concern impairment tests for goodwill and intangibles with indefinite useful life (magazine titles). In order to determine their recoverable amounts the value in use for the relevant cash generating units was determined on the basis of long-term cash flow projections.

The Group points out that the value of revenue included in the cash flow projections depends on the general economic situation in Poland and in Europe. Revenues grow in the periods of economic upswing and are marked by considerable decrease in time of the economic slowdown. Changes in factors such as GDP dynamics, unemployment rate, inflation rate, amounts of remuneration or level of consumption may influence the purchasing power of the Group`s customers and consumers of its services and goods.. Furthermore, an additional factor of uncertainty about the domestic and global economic situation is the ongoing armed aggression of the Russian Federation against Ukraine. Polish economy is also sensitive to the country political situation and a looping risk of abrupt legislative changes, whose full impact on the conditions of running business activity in Poland is hard to foresee. Moreover, advertising revenues depend also on the readership figures and shares in radio and television audience. Media market changes dynamically – some sectors can take advantage of the current changes while other can lose its position on the market. There is no certainty that the Group’s position in the particular media sectors will remain unchanged. The estimated recoverable amount of the assets is also affected by the discount rate and the applied growth rate after the period of detailed forecast in the so-called residual period.

The Group identified three key assumptions, which have the most significant impact on the estimated recoverable amount of the assets:

1) the average growth rate of revenue during the period of detailed forecast,

2) the applied real long-term growth rate after the period covered by the forecast in the residual period and,

3) applied pre-tax discount rate.

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

Basic information about the method and assumptions applied is summarized below:

	Rights related to activities in particular magazine titles	**Goodwill related to radio activities**	**Goodwill related to activities in outdoor segment**	**Goodwill related to activities in cinema market**
Carrying amount as at 31 December 2023	PLN 9,275 thousand	PLN 156,585 thousand	PLN 159,757 thousand	PLN 39,096 thousand
Assumptions	Financial forecasts and projections of the market for next years based on the best knowledge of the market, available market data and experience.			
Detailed forecast period	5 years	5 years	5 years	5 years
Years:	The average growth rate of revenue during forecast for the years			
2024-2028	3%	6%	2%	7%
	Discount rate for the years (pre-tax)			
2024-2028	11.0%	9.8%	10.7%	10.7%
	The applied real long-term growth rate after the period covered by the forecast			
	0.0%	0.5%	0.5%	0.5%
	The discount and growth rates applied as at the end of previous year			
	Discount rate for the years (pre-tax)			
2023-2027	11.5%	9.0%	10.1%	10.4%
	The applied real long-term growth rate after the period covered by the forecast			
	0.0%	0.5%	0.5%	0.5%

As a result of tests that were carried out in respect of other goodwill and rights related to activities in particular magazine titles presented in table above, no impairment loss was recognised.

In 2023 the Group created an impairment loss on goodwill of the company HRlink Sp. z o.o. in the amount of PLN 7,016 thousand (remaining amount not covered by impairment loss as at 31 December 2023 amounted to PLN 4,105 thousand) and on intangible assets of the company Goldenline Sp. z o.o. in the amount of PLN 234 thousand. Impairmennt loss was related to the sale transaction of shares in the company HRlink Sp. z o.o. that occurred after balance sheet date (note 41). The Group created impairment loss on goodwill as the carrying value of cash generating unit connected with goodwill (i.e. the activity of company HRlink Sp. z o.o.) was below the expected sale price.

Reasonable and probable changes in the key assumptions used to measure the recoverable amount of cash-generating units to which goodwill has been allocated would not cause the carrying amount of those units to exceed their recoverable amount.

Additional information on impairment losses breakdown by categories of assets is disclosed in notes 3, 4 and 5 and breakdown by operating segments in note 22.

Climate risk

The Group analysed the impact of climate change on its unconsolidated financial statements and concluded that climate change had no impact on the carrying value of assets and liabilities as at 31 December 2023. In particular, the Group assessed the impact of climate change on the estimates and judgements made, including the impairment assessment of cash-generating units. Based on the analyses performed, it was concluded that the estimated effect of climate change does not result in an impairment of cash-generating units. Based on the above considerations, the economic useful life of the Group's assets was also not adjusted.

Climate change has no impact on the Group's provisions and contingent liabilities.

In 2021, the Agora Group identified and analysed climate risks and the resulting threats and opportunities. In addition, their time horizon and the manner of management were determined. The results of the climate risk analysis carried out in 2021 also apply in 2022 and 2023. The study will be updated in 2024. The results and a detailed description of the methodology of the current study can be found in the **"ESG Report of Grupa Agora S.A. and Agora S.A."**, which is available at: **www.agora.pl/esg**.

Other

To the key estimates and assumptions, that may cause a significant adjustment to the amounts recognised in financial statements of the Group, belongs also the recognition of deferred tax assets on unused tax losses. Information on those estimates and judgments was described in note 16.

41. EVENTS AFTER THE BALANCE SHEET DATE

The disposal of shares in HRlink Sp. z o.o.

On January 4, 2024 Agora S.A. concluded with eRecruitment Solutions sp. z o.o. with its seat in Warsaw, a company belonging to Grupa Pracuj S.A. capital group („eRecruitment Solutions"), a share purchase agreement concerning sale of all shares of HRlink sp. z o. o. with its seat in Szczecin ("HRlink") held by Agora ("Transaction").

The Transaction consisted of sale of all shares in HRlink held by Agora, i.e. 95 shares constituting 79.83% of the share capital of HRlink for a price of PLN 6,204,196.53.

As a result of the Transaction, the investment agreement concerning HRlink concluded between Agora and natural persons being minority shareholders of HRlink and HRlink, has expired.

The Transaction did not include the company Goldenline sp. z o.o. – a company in which HRlink held 100% of share capital. Goldenline sp. z o.o. remains in Agora capital group.

Completion of the Transaction means the end of investment in HRlink by Agora.

The information on disposed net assets and result on disposal of the company was presented below:

	PLN thousand Carrying value as at disposal date
Assets	
Non-current assets:	
Intangible assets	(7,054)
including goodwill	*(4,105)*
Property, plant and equipment	(19)
Non-current receivables and prepayments	(11)
Deferred tax assets	(47)
	(7,131)
Current assets:	
Accounts receivable and prepayments	(458)
Cash and cash equivalents	(107)
	(565)
	(7,696)
Liabilities	
Non-current liabilities:	
Deferred tax liabilities	215
Long-term borrowings	105
Deferred revenues and accruals	18
Current liabilities	
Trade and other payables	690
Short-term borrowings	35
Deferred revenues and accruals	50
	1,113
Net assets disposed of	**(6,583)**
Cash consideration received	6,204
Non-controlling interests	379
Gain/loss on disposal of subsidiary	-

- **Goldenline Sp. z o.o.**

On January 4, 2024 the company HRlink sp. z o.o. sold 100% of shares in share capital of the company Goldenline Sp. z o.o. to the company Wyborcza Sp. z o.o. The transaction was of an intra-group nature.

- **Downsizing at Agora S.A.**

On January 9, 2024 the Management Board of the Company informed that, in accordance with the Act of March 13, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees, resolved to initiate the consultation on group layoffs with the trade unions operating in the Company. Additionally, in accordance with the Act of April 7, 2006 on informing and consulting employees, the Company's works council shall also be consulted on the group layoff process.

The intention of the Company is to lay off up to 190 employees of the Company in the fields of Digital and Printed Press and Internet (which constitutes ca. 14.15% of employees of the Company as of January 9, 2024) between February 5 and March 31, 2024.

The reason for the planned group layoffs in the field of Digital and Printed Press are market factors resulting from the steady downward trend in sales of printed press connected with the outflow of readers to other communication channels, whereas the reason for the group layoffs in the field of Internet is a clear deterioration in revenue from advertising sales in the open market model and the rise of global platforms. Due to these factors, the Company must take measures aiming at adapting to the changing market environment and customer expectations and the restructuring is an essential condition to stabilize the financial situation of the Digital and Printed Press and Internet, and to ensure stability, development and market position in the coming years.

The Company shall go through these difficult changes in a thought out manner and with care for its employees, offering the dismissed employees statutory severance payments and additional benefit, the amount of which shall be the subject of consultations with the trade unions.

On January 9, 2024 the Management Board of the Company shall request the trade unions operating at the Company and the Company's works council to join in the consultation on collective redundancy process and shall provide the relevant Labour Office with information on the intention to execute group layoffs in the Company.

On January 29, 2024 the Management Board of the Company informed about

- concluding an agreement with trade unions operating at the Company (which fulfils the provisions of article 3, Section 1 of the Act of March 13, 2003 on Special Rules for Termination of Employment for Reasons Not Attributable to Employees) and with work council in the Company (which constitutes an agreement in accordance with the Act of April 7, 2006 on informing and consulting employees) ("Agreement"),
- adopting by the Management Board of the Company on January 9, 2024 resolution to execute collective redundancies in the Company, in accordance with the provisions of the Agreement.

The collective redundancies shall be executed from February 12 until March 31, 2024, and shall affect up to 180 employees.

In accordance with the Agreement, the laid-off employees will be provided by the Company with a wider range of supportive measures than required by law. In case the agreement on termination of employment is concluded, the redundancy payment estimated according to law regulations shall be increased by an additional compensation in the amount depending on the seniority at the Company and an additional benefit for persons who, prior to the employment at the Company, were a party to a civil contract with the Company lasting at least one year. The laid-off employees shall be supported by additional protective measures provided by the Company, i.a. help in searching for new job and reskilling, psychological care and basic medical care until the end of 2024. The Company, in accordance with requirements of law, shall submit an appropriate set of information, together with the signed Agreement, to a relevant Labor Office.

The estimated amount of provision for collective redundancies which will be charged to the Company and Agora Group's result in 1Q2024, shall amount to approximately PLN 10 million.

The Company shall provide its estimates of costs and savings related to the process of collective redundancies in the Management Discussion and Analysis for 1Q2024.

- **Increase in capital of Plan G Sp. z o.o.**

On February 1, 2024, the share capital of the company was increased by creating 700 new equal and indivisible shares with a nominal value of PLN 50 each, all acquired by the sole shareholder of the Company, i.e. Agora S.A. The increased share capital of the company amounted to PLN 50 thousand.

- **Participation in proceedings initiated by a group of European publishers against Google Netherlands B.V.**

On February 28, 2024 the Management of Agora S.A. informed that a lawsuit against Google Netherlands B.V. ("Defendant") was filed with the District Court in Amsterdam (Gerechtshof). In the lawsuit, the company Greyfield Capital ("Claimant") seeks compensation form the Defendant arising out of a claim of the European press publishers, in the amount of app. EUR 2.1 billion for the anticompetitive practices on the European AdTech market in the years 2014-2023.

One of the more than 30 European media groups engaged in the lawsuit is Agora and its subsidiaries: Grupa Radiowa Agory sp. z o.o. and Eurozet sp. z o.o. Due to the nature of the initiated proceedings, European publishers made, for the benefit of the Claimant (SPV), an assignment of compensation claims due for the anticompetitive practices performed by the Defender's capital group. The Claimant in the interest and on behalf of the publishers initiated proceedings before the Dutch court, which, as a result of legal analysis, was pointed as having jurisdiction over the case concerning compensations on the territories of several EU member states.

Arguments concerning validity of the asserted claims are based on the previous decision as of June 7, 2021 (No. 21-D-11) of the French competition authority (Autorité de la concurrence), which stated that Google abused its dominant position on the AdTech market and imposed a fine in the amount of EUR 220 million.

The amount of the claim was calculated by a team of economic experts from Charles River Associates (CRA International, Inc.) cooperating with the Claimant, basing on analyses and market tests, public information and data provided by the publishers. The potential compensation due to the Agora capital group companies was estimated in the amount of EUR 44 million. It should be noted that the above amounts are an estimation made by CRA International, Inc. and, as a consequence, are not final and may be subject to change, in particular due to mitigation made by the court and the additional costs and fees to be paid for the benefit of advisors. It is also worth noting that the proceedings initiated by the Claimant are largely of a precedent-setting nature, and based on analyses and estimations of parties, which also influence the uncertainty of the result of the suit and the amount of the potential compensation.

The Claimant cooperates with European law firms – Geradin Partners Limited and Stek Advocaten B.V. The entity funding the proceedings is Harbour Fund V L.P. who also bears the risk of possible failure of the asserted claim (i.a. bears the cost of the proceedings and remuneration of advisors in case the claim is not recognized by the court). In case the Claimant receives the compensation, its part due to Agora and its subsidiaries shall be transferred to Agora subject to payment of the proceedings costs and remuneration of advisors and the entity funding the proceedings.

Warsaw, March 19, 2024

Bartosz Hojka - President of the Management Board ……………………………………………..

Tomasz Jagiello - Member of the Management Board ……………………………………………..

Anna Krynska-Godlewska - Member of the Management Board ……………………………………………..

Tomasz Grabowski - Member of the Management Board ……………………………………………..

Wojciech Bartkowiak - Member of the Management Board ……………………………………………..

Signature of the person responsible for keeping the accounting records

Ewa Kuzio – Chief Accountant ………………………………………………..

Signatures submitted electronically.