AGORA SA

AGORA GROUP
Management Discussion and Analysis for **the year 2023** to the consolidated financial statements

March 19, 2024

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AGORA GROUP
MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) FOR YEAR OF 2023 TO THE FINANCIAL STATEMENTS

REVENUE PLN 1,424.3 MILLION
EBITDA PLN 224.6 MILLION
NET PROFIT PLN 85.0 MILLION
OPERATING CASH FLOW PLN 246.6 MILLION

Unless indicated otherwise, all data presented herein represent the period of January – December 2023, while comparisons refer to the same period of 2022. All data sources are presented in part IV of this MD&A.

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 and EBITDA. 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 does not affect the presentation of the Group's results.

I. IMPORTANT EVENTS AND FACTORS WHICH INFLUENCE THE FINANCIALS OF THE GROUP [1]

- In the fourth quarter of 2023, the **Agora Group** ("Group") earned revenues in the amount of PLN 438.1 million, and they were higher by 32.4% year-on-year. The revenue level of the fourth quarter of 2023 was significantly affected by the consolidation with the Eurozet Group, thanks to which the **Radio** segment recorded the largest increase in revenue among all operating segments.

  The second segment in terms of revenue increase was the **Movies and Books** segment. The most significant year-on-year increase in revenue was recorded by cinema operations. They include sales of cinema tickets, concession sales and sales of advertising in cinemas.The film business and catering activities also generated higher revenue.
  Outdoor Advertising was another segment with rising revenue. The increase in the segment's revenue was due to higher revenue from advertising sales.
  In the fourth quarter of 2023, also the revenue of the **Digital and Printed Press** segment went up. The increase in the segment's revenue was chiefly determined by higher revenue from the sale of digital subscriptions of Wyborcza.pl. The advertising revenue of the online version of the daily and the revenue from printing services were also higher. The revenue from copy sales of the paper edition of the daily and the advertisements included therein was lower.

The **Internet** is a segment in which the revenue was lower year-on-year. This was caused to the largest extent by the decrease in the revenue from online advertisements in Yieldbird. The advertising revenue generated by the Gazeta.pl division was also lower. Revenue from other online services was higher year-on-year due to higher revenue in Yieldbird.

- In 2023, the Agora Group earned revenues amounting to PLN 1,424.3 million, i.e. 28.0% higher year-on-year.

The **Radio** segment recorded the most significant increase in revenue as compared to the previous year. The increase in this segment's revenue is the result of the consolidation with the Eurozet Group from 1 March 2023 and the introduction of a joint sales offer.

Another area in which a significant increase in revenue was visible in 2023 was the **Movies and Books** segment. Revenue from cinema operations was higher due to higher sales of tickets in Helios cinemas, higher revenue from concession sales and higher revenue from sales of advertising in cinemas. In 2023, the segment's revenue from catering activities and the revenue of Agora's Publishing House also increased. However, the film business generated lower revenue.

In 2023, revenue of the **Outdoor Advertising** segment recorded an increase. Its positive dynamics was driven by higher advertising revenue.
The increase in the revenue of the **Digital and Printed Press** segment resulted from higher revenue from printing operations and sales of digital subscriptions of Wyborcza.pl. The revenue from the sale of the paper edition of *Gazeta Wyborcza* and from advertising, both in the paper and online editions, was lower.

The only operating segment of the Group in which lower revenue was recorded year-on-year was the **Internet**. This was primarily caused by the decline in the value of the programmatic advertising market. Revenue from other online services was higher year-on-year.

- In the fourth quarter of 2023, the **Agora Group's** operating costs increased by 11.7% and reached PLN 403.8 million. The level of the costs from the fourth quarter of 2023 was significantly affected by the consolidation with the Eurozet Group.

The **Radio** segment was the area where operating costs increased the most. This was primarily related to the consolidation with the Eurozet Group. All categories of the segment's costs increased in the period under review, with higher costs of external services, staff costs and promotion and marketing costs having the most significant impact on the increase in expenses in this business area.

The second segment in terms of the increase in operating costs in the fourth quarter of 2023 was the **Movies and Books** segment. The costs of external services increased the most. The increase in this cost category was mainly related to the film business – higher costs of remuneration paid to film producers, and to cinema operations – higher costs of purchasing film copies and rents in cinemas. In the fourth quarter of 2023, the staff costs, the costs of promotion and marketing, the costs of materials and energy consumed and the value of goods and materials sold also increased, while depreciation and amortisation costs decreased. The level of operating costs of the fourth quarter of 2023 was negatively impacted by a loss of PLN 0.5 million from the sale of land in Białystok by Helios S.A. Helios S.A. decided to take up restructuring measures in the fourth quarter of 2022. The cost of this process in the amount of PLN 1.8 million had a negative impact on the level of that period's operating costs. In the fourth quarter of 2022, the segment also recorded a write-down on its assets in the amount of PLN 3.3 million.
Operating costs of the **Outdoor Advertising** segment also went up in the fourth quarter of 2023. All cost categories of the segment increased in the period under review. Recalculation of the provision for dismantling advertising media – PLN 6.3 million, and a write-down on fixed assets of PLN 0.2 million negatively affected the level of costs of the fourth quarter of 2023. In the fourth quarter of 2022, the level of net operating costs was adversely affected by a write-down on receivables of one of the Outdoor Advertising segment's business partners in the amount of PLN 1.1 million and a write-down on assets of PLN 0.4 million.

Another segment which recorded an increase in operating costs in the fourth quarter of 2023 was the **Internet**. One-off events recognised in the fourth quarter of 2023, including impairment losses on goodwill of HRlink Sp. z o.o. and intangible assets of Goldenline Sp. z o.o. in the amount of PLN 7.3 million, significantly affected the increase in the segment's costs. Promotion and marketing costs were also higher. Other cost items were lower in the period under review. The write-down on assets recognised in the corresponding period of the previous year was PLN 0.1 million.

In the fourth quarter of 2023, all categories of operating costs in the **Digital and Printed Press** segment decreased – the largest year-on-year decrease in costs was visible in staff costs.It is worth remembering that the comparability of operating costs with the corresponding period of the previous year was affected by one-off events recognised in the fourth quarter of 2022: a write-down on assets of PLN 43.4 million and costs of restructuring the segment in the amount of PLN 3.4 million.

- In 2023, the Agora Group's operating costs increased by 17.1% and reached PLN 1,379.7 million. The level of the costs in 2023 was significantly affected by the consolidation with the Eurozet Group since 1 March 2023.

The **Radio** segment was the area where operating costs increased the most. This was primarily related to the consolidation with the Eurozet Group. All categories of the segment's costs increased in the period under review, with the costs of external services, staff costs and promotion and marketing costs having the most significant impact on the increase in expenses in this business area, similarly as in the fourth quarter of 2023 alone.

The second segment in terms of the increase in operating costs in 2023 was the **Movies and Books** segment. Their largest increase was visible in external services and was related to cinema operations, i.e. higher costs of purchasing film copies, the film business and higher costs of remuneration paid to film producers. Higher costs of external services were also visible in Agora's Publishing House, while in the catering activities they were lower. In 2023, the costs of materials and energy consumed and the value of goods and materials sold as well as the staff costs also recorded a significant increase. The level of operating costs was negatively affected by a write-down on fixed assets in the amount of PLN 0.7 million, related to the activities of Step Inside Sp. z o.o. in connection with the closure of a restaurant in Kalisz and the loss of PLN 0.5 million from the sale of land in Białystok by Helios S.A. The level of operating costs of the previous year was positively influenced by the redemption of a portion of the loan in the amount of PLN 14.1 million granted by the Polish Development Fund (PFR) to Helios S.A. and by the reversal of a write-down on tangible fixed assets of Helios S.A. of PLN 1.7 million. The level of costs was adversely affected by the impairment loss on the rights to use assets in Helios S.A. of PLN 3.9 million and the costs related to restructuring in Helios S.A. of PLN 1.8 million.

Almost all categories of operating costs of the **Outdoor Advertising** segment increased in 2023, except for depreciation and amortisation costs. The largest increase was visible in staff costs and external services. The segment recalculated the provision for dismantling advertising media by increasing net operating costs by PLN 8.0 million. In 2022, the results were adversely affected by a write-down on receivables of one of the segment's business partners in the amount of PLN 1.1 million and a write-down on assets of PLN 0.3 million.

The segment which recorded a decrease in operating costs in 2023 was **Digital and Printed Press**. The decrease was primarily related to lower staff costs and concerned to the largest extent fixed remuneration related to lower employment resulting from restructuring carried out in 2022. In 2023, other categories of the segment's costs were also lower, except for the costs of materials and energy consumed and the value of goods and materials sold, which remained at the previous year's level. It is worth remembering that the comparability of operating costs between the years was significantly affected by one-off events recognised in 2022: a write-down on assets of PLN 43.4 million and costs of restructuring the segment in the amount of PLN 3.4 million.

The segment which recorded a slight decrease in operating costs in 2023 was the **Internet**. The costs of external services as well as depreciation and amortisation were lower. Staff costs as well as promotion and marketing costs were higher. One-off events recognised in the fourth quarter of 2023, including impairment losses on goodwill of HRlink Sp. z o.o. and intangible assets of Goldenline Sp. z o.o. in the amount of PLN 7.3 million, significantly affected the level of the segment's operating costs. The write-down on assets recognised in the previous year was PLN 0.1 million.

- In the fourth quarter of 2023, the Agora Group generated an EBITDA profit of PLN 84.9 million and an EBIT profit of PLN 34.3 million, which represents a significant improvement in both ratios year-on-year. The net profit amounted to PLN 50.9 million and the net profit attributable to the equity holders of the parent company stood at PLN 40.1 million. The net profit in the fourth quarter was positively affected by the revaluation of shares of the Eurozet Group as at the control takeover date in the amount of PLN 5.2 million.

- In 2023, the Agora Group generated an EBITDA profit of PLN 224.6 million and an EBIT profit of PLN 44.6 million, which represented a significant improvement in both ratios year-on-year. The Group generated a net profit of PLN 85.0 million, while the net profit attributable to the equity holders of the parent company amounted to PLN 65.4 million in the period under review. The net profit was positively affected by the valuation of shares of the Eurozet Group as at the control takeover date in the amount of PLN 53.1 million. In addition, apart from one-off events described in the cost section of the segments, PLN 1.5 milion profit on the sale of buildings and land located in Tychy was recognised in the Agora Group in the third quarter of 2023.

- In the fourth quarter of 2023, the Agora Group recorded an EBITDA profit of PLN 55.9 million, without the effect of IFRS 16. The EBIT profit amounted to PLN 25.2 million in accordance with this presentation.

- In 2023, the Agora Group recorded an EBITDA profit of PLN 116.7 million, without the effect of IFRS 16. The EBIT profit amounted to PLN 16.0 million in accordance with this presentation.

- As at 31 December 2023, the Group's cash and short-term financial assets amounted to PLN 91.4 million, which comprised of PLN 90.4 million in cash and cash equivalents (cash in hand and at bank and bank deposits) and PLN 1.0 million in loans granted.

- As at the end of December 2023, the Group's loans and leases amounted to PLN 733.6 million (including lease liabilities under IFRS 16 of PLN 631.3 million). The Group's net debt in this approach amounted to PLN 643.2 million, while excluding the impact of IFRS 16, the Group's net debt as at 31 December 2023 amounted to PLN 11.9 million.

II. EXTERNAL AND INTERNAL FACTORS IMPORTANT FOR THE DEVELOPMENT OF THE GROUP

1. EXTERNAL FACTORS

1.1 ADVERTISING MARKET [3]

According to the Agora S.A. estimates ("Company", "Agora"), based on public data sources, in the fourth quarter of 2023, total advertising spending in Poland amounted to PLN 3.68 billion and increased by almost 6.0% yoy.

Tab.1

	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023	4Q 2023
% change yoy in ad market value	13.0%	7.5%	4.0%	3.5%	4.0%	6.0%	6.5%	7.5%	6.0%

In the fourth quarter of 2023, advertisers increased their spending in almost all segments of the advertising market. Only press spending was lower than in the same period of 2022. Virtually the same level as a year ago was recorded in TV advertising - an increase of almost 0.5% in the segment. The largest increases in advertising spending in the fourth quarter of 2023 were in outdoor advertising and cinema advertising. Advertisers also continued to increase budgets for digital and radio advertising. Data on estimates of the dynamics of changes in the value of advertising expenditures by media are presented in the table below:

Tab.2

Total advertising expenditure	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
6.0%	0.5%	9.5%	7.5%	27.5%	(5.5%)	(5.5%)	20.0%

The share of particular media segment in total advertising expenditure, in the fourth quarter of 2023, is presented in the table below:

Tab.3

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100.0%	39.5%	43.0%	7.0%	5.5%	2.0%	1.0%	2.0%

In 2023, the value of total advertising spending in Poland amounted to about PLN 12.0 billion, increasing by almost 6.5% compared to 2022. During this period, advertisers increased their advertising spending in almost all market segments. There was a slight decrease in advertising spending in the press: in dailies and in the magazine segment. The largest growth rate was in cinema and outdoor advertising in 2023. Smaller, though solid single-digit increases were recorded in this period by internet advertising and radio advertising.

Data on estimates of the dynamics of changes in the value of advertising expenditures by media are presented in the table below:

Tab.4

Total advertising expenditure	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
6.5%	3.5%	8.5%	5.5%	17.0%	(3.5%)	(4.0%)	21.5%

The share of particular media segment in total advertising expenditure, in 2023, is presented in the table below:

Tab.5

Share in total advertising spendings	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100.0%	39.0%	44.0%	7.0%	5.5%	2.0%	1.0%	1.5%

1.2 Cinema admissions [9]

According to Helios estimates, the number of tickets sold in Polish cinemas in the fourth quarter of 2023 amounted to 13.5 million, up 13.4% year-on-year. For the 12 months of 2023, Helios estimates that the number of tickets sold amounted to 50.4 million, compared to 42.8 million a year earlier - an increase of 17.8%.

1.3 Copy sales of dailies [4]

In the fourth quarter of 2023, sales of editions for paid dailies in Poland (controlled by PBC) declined by 11.1%, and for all of 2023, the decline was 12.6% compared to the same periods in 2022. In both periods, the largest declines occurred in the regional dailies segment.

2. INTERNAL FACTORS

2.1. Revenue

Tab.6

in million PLN	**4Q 2023**	**% share**	**4Q 2022**	**% share**	***% change yoy***
Total sales (1)	**438.1**	***100.0%***	**331.0**	***100.0%***	***32.4%***
Advertising revenue	229.9	*52.5%*	157.8	*47.7%*	*45.7%*
Ticket sales	68.3	*15.6%*	58.0	*17.5%*	*17.8%*
Copy sales	39.4	*9.0%*	38.6	*11.7%*	*2.1%*
Concession sales in cinemas	37.7	*8.6%*	30.8	*9.3%*	*22.4%*
Gastronomic sales	11.7	*2.7%*	10.3	*3.1%*	*13.6%*
Revenues from film activities	16.6	*3.8%*	8.0	*2.4%*	*107.5%*
Other	34.5	*7.9%*	27.5	*8.3%*	*25.5%*

in million PLN	**1-4Q 2023**	**% share**	**1-4Q 2022**	**% share**	***% change yoy***
Total sales (1)	**1,424.3**	***100.0%***	**1,113.1**	***100.0%***	***28.0%***
Advertising revenue	703.7	*49.4%*	511.9	*46.0%*	*37.5%*
Ticket sales	244.0	*17.1%*	192.3	*17.3%*	*26.9%*
Copy sales	139.9	*9.8%*	136.9	*12.3%*	*2.2%*
Concession sales in cinemas	136.6	*9.6%*	103.5	*9.3%*	*32.0%*
Gastronomic sales	43.0	*3.0%*	38.3	*3.4%*	*12.3%*
Revenues from film activities	29.5	*2.1%*	31.2	*2.8%*	*(5.4%)*
Other	127.6	*9.0%*	99.0	*8.9%*	*28.9%*

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

In the fourth quarter of 2023, **the Group's total revenue** amounted to PLN 438.1 million and increased by 32.4% year-on-year. All categories of the Group's revenues increased during the period under review. The level of the revenues from the fourth quarter of 2023 was significantly affected by the consolidation with the Eurozet Group and the introduction of a joint sales offer.

In the period from October to December 2023, the **sales of advertising services** of the Agora Group increased by 45.7% year-on-year and amounted to PLN 229.9 million. The Radio segment was the business in which advertising spending grew the most and which contributed the strongest to the increase in the entire Group's advertising revenue. The segment's revenue from the sale of radio advertising increased by 231.9% to PLN 101.9 million.This deviation was driven by the consolidation with the Eurozet Group and the introduction of a joint sales offer. Advertising revenue in the Outdoor Advertising segment was 13.2% higher and amounted to PLN 55.9 million. This positive dynamics was mainly impacted by expenditure on campaigns carried out on digital media panels. The

advertising revenues in cinemas increased by 45.5% to PLN 14.7 million in the period under review. Advertising revenue in the Digital and Printed Press segment increased by 1.9% to PLN 16.4 million. This was due to an increase in advertising revenue in the online edition of *Gazeta Wyborcza.*
A drop in advertising revenue was recorded by the Internet segment. The segment's revenue from the sale of online advertising decreased by 18.8% to PLN 40.3 million. The decline in advertising revenue was primarily driven by lower online advertising sales by Yieldbird, mainly due to changes resulting from the development of cooperation in the SaaS model and limiting the sales of advertising services. Advertising revenue generated by Gazeta.pl division was at a lower level year-on-year, mainly as a result of lower programmatic revenues and lower direct advertising revenues, while at the same time higher ecommerce advertising revenues.

In the fourth quarter of 2023, the **revenue from the sale of tickets** to Helios cinemas increased by 17.8% to PLN 68.3 million and the **revenue from concession sales in cinemas** – by 22.4% to PLN 37.7 million. In the period under review, 3.2 million tickets were sold in Helios cinemas, which represents an increase of 6.7% year-on-year. Apart from higher attendance, higher prices of tickets and products in cinema bars were also responsible for the increase in revenue from cinema operations.

In the fourth quarter of 2023, **the Group's copy sales revenue** amounted to PLN 39.4 million, showing an increase by 2.1% year-on-year. The increase in this revenue category resulted from higher revenue of both the Digital and Printed Press segment and Agora~~'s~~ Publishing House. It is worth noting that in the Digital and Printed Press segment, the structure of these revenues changed as the revenue from the digital subscription of *Gazeta Wyborcza* increased and the revenue from its paper edition decreased.

The **revenue from food business activities** amounted to PLN 11.7 million, i.e. 13.6% more year-on-year. This was related to increased revenue from the operations of Step Inside recorded especially thanks to expanding the offer and the accompanying promotional activities.

In the fourth quarter of 2023, the **revenue from the film business** of the Agora Group increased by 107.5% and amounted to PLN 16.6 million. The revenue from film distribution was higher, while the revenue from film production was lower.

In the fourth quarter of 2023, the **revenue from other sales** amounted to PLN 34.5 million and was 25.5% higher year-on-year. Higher revenue was obtained by the following segments: Radio, Outdoor Advertising, and Movies and Books. The sales of other products and services, as well as other online services were higher.

In 2023, the **total revenues of the Agora Group** amounted to PLN 1,424.3 million, representing an increase by 28.0% year-on-year. All categories of the Group's revenues increased, except for the revenue related to the film activities. The level of the revenues in 2023 was significantly affected by the consolidation with the Eurozet Group since 1 March 2023.

In 2023, the Agora Group's **revenue from the sale of advertising services** increased by 37.5% year-on-year and amounted to PLN 703.7 million. The Radio segment was the one in which advertising spending grew the most and which contributed the strongest to the increase in the entire Group's advertising revenue. The segment's revenue from the sale of radio advertising increased by 200.4% to PLN 275.5 million. This deviation was driven by the consolidation with the Eurozet Group and the introduction of a joint sales offer. Advertising revenue in the Outdoor Advertising segment was 15.2% higher and amounted to PLN 183.7 million. The positive dynamics of the revenue in this segment was impacted by expenditure on campaigns carried out on traditional, digital and city transport media panels. The advertising revenues in cinemas increased by 32.8% to PLN 38.5 million in the period under review. Revenue from sales of advertising services decreased in other business segments. The sharpest drop in advertising revenue was recorded by the Internet segment. The segment's revenue from the sale of online advertising decreased by 16.3% to PLN 137.7 million, largely due to a decrease in the value of the programmatic advertising market. Advertising revenue in the Digital and Printed Press segment decreased by 5.1% to PLN 57.8 million. The decrease was recorded mainly in the sale of advertising services in the paper edition of *Gazeta Wyborcza*.

In 2023, the **revenue from the sale of tickets** to Helios cinemas increased by 26.9% to PLN 244.0 million and the **revenue from concession sales in cinemas** – by 32.0% to PLN 136.6 million. This increase was related to higher cinema attendance. In the period under review, 11.5 million tickets were sold in Helios cinemas, i.e. 15.0% more year-on-year.

In 2023, **the Group's copy sales revenue** amounted to PLN 139.9 million, showing an increase by 2.2% year-on-year. The increase in this revenue category resulted from higher revenue of both Agora~~'s~~ Publishing House and the Digital and Printed Press segment. In the Digital and Printed Press segment, ~~S~~similarly to the fourth quarter~~ alone~~, the revenue from sales of digital access to the content of Wyborcza.pl increased, while the revenue from the sale of the paper edition of the daily decreased

The **revenue from food business activities** amounted to PLN 43.0 million, i.e. 12.3% more year-on-year. This was related to increased revenue from the operations of Step Inside recorded especially thanks to expanding the offer and the accompanying promotional activities.

In 2023, the **revenue from the film business** of the Agora Group decreased by 5.4% and amounted to PLN 29.5 million. The revenue from film production was lower, while the revenue from film distribution was higher. It should be noted that the revenues from the film business are not synonymous with NEXT FILM standalone revenues. They were higher than the figures presented in the table 6 and NEXT FILM itself maintained sales revenue at a similar level compared to 2022.

In 2023, the **revenue from other sales** amounted to PLN 127.6 million and was 28.9% higher year-on-year. This resulted from an increase in revenues in all segments, including higher sales of other products and services, sales of other online services and sales of printing services.

2.2. Operating cost

Tab.7

in million PLN	**4Q 2023**	**4Q 2022**	***% change yoy***
Operating cost net (1), including:	**(403.8)**	**(361.4)**	***11.7%***
External services	(140.9)	(107.2)	*31.4%*
Staff cost	(121.5)	(94.1)	*29.1%*
Raw materials, energy and consumables	(39.9)	(38.6)	*3.4%*
D&A	(43.1)	(38.5)	*11.9%*
Promotion and marketing	(31.3)	(18.6)	*68.3%*
Cost of restructuring (2)	-	(5.3)	-
Loss on sale of property (3)	(0.5)	-	-
Impairment losses (5)	(7.5)	(47.2)	*(84.1%)*

in million PLN	**1-4Q 2023**	**1-4Q 2022**	***% change yoy***
Operating cost net (1), including:	**(1,379.7)**	**(1,177.9)**	***17.1%***
External services	(479.0)	(384.0)	*24.7%*
Staff cost	(429.7)	(365.4)	*17.6%*
Raw materials, energy and consumables	(159.5)	(140.8)	*13.3%*
D&A	(172.0)	(158.1)	*8.8%*
Promotion and marketing	(81.2)	(57.7)	*40.7%*
Cost of restructuring (2)	-	(5.3)	-
Gain on sale of property (3)	1.0	-	-
PFR loan cancellation (4)	-	14.1	-
Impairment losses (5)	(8.0)	(46.0)	*(82.6%)*

(1) the amount of the cost excluding impact of International Financial Reporting Standard no. 16 Leases amounted to PLN 1,404.0 million in 2023 and PLN 408.6 million in the fourth quarter of 2023 (in 2022: PLN 1,201.0 million and PLN 367.9 million in the fourth quarter of 2022);

(2) cost of group layoffs conducted in Digital and Printed Press segment and Movies and Books segment in the fourth quarter of 2022;

(3) the amount relates to gain on sale of ownership of buildings and land located at Towarowa Street in Tychy disposed of in the third quarter of 2023 and loss on sale of ownership of land in Bialystok disposed of in fourth quarter of 2023;

(4) the amount relates to cancellation of preferential loan granted to Helios S.A. in 2022 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies;

(5) *the amount in 2023 mainly includes the impairment loss on goodwill of HRlink Sp. z o.o., intangible assets of Goldenline Sp. z o.o. and property, plant and equipment in Step Inside Sp. z o.o. and AMS S.A., in 2022 includes mainly the impairment loss on goodwill assigned to Digital and Printed Press segment and impairment loss on property, plant and equipment in Helios S.A. and AMS S.A.*

In the fourth quarter of 2023, the **net operating costs** of the Agora Group increased by 11.7% to PLN 403.8 million. They were higher in the Radio, Movies and Books, Outdoor Advertising and Internet segments, while they fell in the Digital and Printed Press segment. The level of the operating costs from the fourth quarter of 2023 was significantly affected by the consolidation with the Eurozet Group.

The largest item of the Group's expenses in the period from October to December 2023 was the **costs of external services** which amounted to PLN 140.9 million and were 31.4% higher year-on-year. Their largest increase was recorded in the Radio segment and was caused by the consolidation of results with the Eurozet Group. The external services item in the Radio segment includes, in addition to the costs of advertising sales brokerage services in third-party radio stations and advertising sales brokerage services in Helios cinemas (service provided until the end of 2022), e.g. costs of rents and lease fees, marketing services, production services, as well as operator fees. Another segment where the costs of external services increased was the Movies and Books segment. Their increase was mainly related to the film business operations – higher costs of remuneration paid to film producers, and to cinema operations – higher costs of purchasing film copies and rents in cinemas. Costs of external services incurred by the Outdoor Advertising segment were also higher year-on-year. This increase was mainly due to higher costs of advertising campaigns and system maintenance. The Internet segment was the segment in which the decrease in the costs of external services was observed. Lower costs in the Internet segment resulted from lower costs in Yieldbird, reflecting mainly a decrease in the cost of leasing advertising space and lower revenue from the sale of advertising services. The increase in the costs of external services was observed in Gazeta.pl. The costs incurred by the Digital and Printed Press segment decreased year-on-year. This decrease was primarily due to restructuring changes in the segment.

Staff costs reached PLN 121.5 million, showing an increase by 29.1% year-on-year. Staff costs were higher in almost all operating segments of the Group and in its supporting divisions. The only exceptions were the Digital and Printed Press segment – the result of restructuring carried out in this area in the fourth quarter of 2022, and the Internet segment. The largest increase in this category was recorded in the Radio segment, mainly due to the consolidation of results with the Eurozet Group.

At the end of December 2023, **headcount** in the Agora Group was 2,581 FTEs, and increased by 242 FTEs year-on-year. This increase was mainly due to the inclusion in the Agora Group's data of the number of employees in the Eurozet Group, which amounted to 364 FTEs in December 2023. A significant drop in the headcount occurred in the Digital and Printed Press as well as in the Movies and Books segments as a result of the restructuring carried out in the previous year.

The increase in the **cost of materials and energy consumed and the value of goods and materials sold** of 3.4% to PLN 39.9 million recorded in the fourth quarter of 2023 was the result of an increase in this type of expenses in the following segments: Movies and Books, Outdoor Advertising, and Radio. The largest increase in this cost item was visible in the Movies and Books segment and was related to the increase in the revenue from concession sales in cinemas and from food business activities. The decrease in the costs incurred by the Digital and Printed Press segment was the result of lower paper costs.

The **costs of depreciation and amortisation** were higher by 12.2% and amounted to PLN 43.2 million. The increase in this cost item was visible in the Radio segment (consolidation of results with the Eurozet Group) and in the Outdoor Advertising segment (classification into IFRS16 of agreements with a higher total value). Depreciation and amortisation costs of other segments were lower year-on-year in the fourth quarter of 2023. In addition, depreciation and amortisation of fair values of the Eurozet Group assets acquired has been recognised in the Agora Group since 1 March 2023.

The **promotion and marketing costs** of the Agora Group increased by 68.3% year-on-year to PLN 31.3 million. This was mainly the result of the consolidation of the Radio segment with the results of the Eurozet Group. Higher promotion and marketing costs were also incurred by other segments, except for Digital and Printed Press.

In the fourth quarter of 2023, the Group's net operating costs, reported without the effect of IFRS 16, amounted to PLN 412.9 million and were 12.2% higher year-on-year.

In 2023, the **net operating costs** of the Agora Group increased by 17.1% to PLN 1,379.7 million. They were higher in the Radio, Movies and Books, and Outdoor Advertising segments, while they fell in the Digital and Printed Press as well as Internet segments. The level of operating costs in the period from January to December 2023 was significantly affected by the consolidation with the Eurozet Group since 1 March 2023.

Similarly to the fourth quarter, the largest item of the Group's expenses in 2023 was the **costs of external services** which amounted to PLN 479.0 million and were 24.7% higher year-on-year. Their largest increase was recorded in the Radio segment and was caused by the consolidation of results with the Eurozet Group. Another segment, in which the costs of external services increased, was the Movies and Books segment. Their increase was related to cinema operations – to higher costs of purchasing film copies, and to film distribution – to higher costs of remuneration paid to film producers. The costs of external services in Agora Publishing House were also higher. At the same time, the costs related to film productions and food business activities were lower. The increase in the costs of external services of the Outdoor Advertising segment was mainly due to higher costs of system maintenance and advertising campaigns. The Internet segment was the segment in which the decrease in the costs of external services was observed. Lower costs in the Internet segment resulted from lower costs in Yieldbird, reflecting mainly a decrease in the cost of leasing advertising space and lower revenue from the sale of advertising services. The increase in the costs of external services was observed in Gazeta.pl division. The Digital and Printed Press segment incurred lower costs of external services. It was the result of restructuring changes introduced in the segment.

Staff costs reached PLN 429.7 million, showing an increase by 17.6% year-on-year. Staff costs were higher in almost all operating segments of the Group and in its supporting divisions. The only exception was the Digital and Printed Press segment, which was the result of restructuring carried out in this area in the fourth quarter of 2022. The largest increase in this cost category was recorded in the Radio segment, mainly due to the consolidation of results with the Eurozet Group.

The increase in the **cost of materials and energy consumed and the value of goods and materials sold** of 13.3% to PLN 159.5 million recorded in 2023 was the result of an increase in this type of expenses in the following segments: Movies and Books, Radio and Outdoor Advertising. The largest increase in this cost item was visible in the Movies and Books segment and it was mainly related to the increase in the revenue from concession sales in cinemas and higher sales in restaurants. Higher costs of materials and energy consumed and the value of goods and materials sold were also borne by Agora Publishing House. The costs of the Digital and Printed Press segment remained at the previous year's level.

The **costs of depreciation and amortisation** were higher by 8.8% and amounted to PLN 172.0 million. The increase in this cost item was visible only in the Radio segment (consolidation of results with the Eurozet Group). In addition, depreciation and amortisation of fair values of the Eurozet Group assets acquired has been recognised in the Agora Group since 1 March 2023. Depreciation and amortisation costs of other segments were lower year-on-year in 2023.

The **promotion and marketing costs** of the Agora Group increased by 40.7% year-on-year to PLN 81.2 million. This was mainly the result of the consolidation of the Radio segment with the results of the Eurozet Group. Due to higher advertising spending in Gazeta.pl, higher costs were also borne in the Internet segment. Advertising spending of the Outdoor Advertising segment was also higher. The promotion and marketing costs of the Digital and Printed Press as well as Movies and Books segments were lower year-on-year in 2023.

In 2023, the Group's net operating costs without the effect of IFRS 16 amounted to PLN 1,408.3 million, i.e. they increased by 17.3% year-on-year.

3. PROSPECTS

According to available macroeconomic forecasts, the first quarter and the subsequent quarters of 2024 will bring a higher economic growth rate in Poland than in the Western European countries, declining inflation and slow stabilisation in the prices of energy raw materials, food, goods and services. The development of the economic situation in Poland in the subsequent periods will also be characterised by high uncertainty due to the further course of the armed conflict in Ukraine and its geopolitical consequences, among other factors. An important factor affecting the Agora Group is also the wage pressure and the increase in minimum wage in 2024. From 1 January 2024, the minimum gross remuneration for work increased from PLN 3,600 to PLN 4,242, and the minimum hourly rate increased from PLN 23.50 to PLN 27.70.

At the same time, work is ongoing on the release of funds from the “National Recovery Plan” (NRP) financed by the European Fund. At the same time, it is worth mentioning two factors that may affect the dynamics of the Polish advertising market. First, it is uncertain to what extent the release of funds from the NRP will affect the growth of Polish GDP and thus the growth of the advertising market already in 2024 alone. Secondly, it is difficult to estimate, how will the state-owned enterprises and the state administration centers themselves behave when spending funds on ads and commercials. At this point, it is difficult to estimate whether these funds will be less in 2024 or comparable to those that have appeared in the advertising market in recent years.

In response to macroeconomic changes, Agora S.A. started reorganising the Group’s operations by means of a plan to separate the organised parts of the enterprise as separate companies, and at the beginning of 2024, restructuring was initiated in the Digital and Printed Press (Gazeta Wyborcza) and the Internet (Gazeta.pl) segments, which includes adapting the company to the changing market and expectations of recipients, thus ensuring stability and development of the Company in the following years.

In the first quarter of 2023, Agora S.A. took control of the Eurozet Group and as of 1 March 2023, the results of the Eurozet Group are consolidated with the results of Agora S.A. The strengthening of the Radio segment with other stations helps strengthen the market position and increase the sales potential in the following quarters of 2023 and 2024. This change will have a significant impact on the revenues and costs in the Radio segment.

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

3.1. REVENUES

3.1.1 Advertising market [3]

The advertising market in Poland grew by more than 6.0% in the fourth quarter of 2023, and advertisers spent PLN 3.68 billion to promote their products and services during this period. In the first quarter of 2023, the growth rate of the advertising market was almost 6.0%, in the following quarters it reached almost 6.5% and almost 7.5% in the third quarter of 2023. In the whole of 2023, the advertising market in Poland reached a value of about PLN 12.0 billion, and grew by almost 6.5% compared to 2022.

For all of 2023, the year-on-year growth rate was 6.5%, which was higher than Agora S.A.'s assumptions. It is worth noting that in the whole of 2023, the value of the advertising market was about 20.0% higher than in record 2019, the year before the COVID-19 pandemic.

After analyzing available data and observing market trends, the company has decided to give its preliminary expectations for the dynamics of the advertising market in 2024. We expect the dynamics of advertising spending in Poland for the whole of 2024 to be at around 5.0-7.0%. Total advertising market growth should be similar to that observed throughout 2023. In 2024, we should expect higher advertising investments related to global sports events (EURO in Germany and the XXXIII Summer Olympics in Paris). In addition, a positive element for the advertising market will be the local elections and the European Parliament elections. However, we estimate that their impact on the market should not be significant.

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

Tab.8

Total advertising expenditure	Television	Internet	Radio	Outdoor	Press	Cinema
5.0-7.0%	3.0%-5.0%	5.0-8.0%	4.0-7.0%	4.0-7.0%	(8.0%)-(5.0%)	9.0-14.0%

At the same time, it is worth noting that it is difficult to make long-term assumptions due to the many uncertainties and rapid changes in the market environment. Uncertainty applies to macroeconomic factors related primarily to the geopolitical situation. Therefore, the above estimates may be subject to error, and their accuracy may be much lower than in periods of greater predictability.

3.1.2. Ticket sales

The number of tickets sold in Polish cinemas in 2023 amounted to almost 50.4 million, which represents an increase by 17.8% as compared to 2022. It is worth noting that a noticeable negative impact on the dynamics of the reconstruction of cinema operations after the pandemic is caused by high inflation and the turmoil on the Polish film production market. Writers and actors in Hollywood have been on strike for several months. According to official information, the strikes have come to an end and Hollywood has immediately proceeded to resume the film plans that have been blocked so far. These strikes will have a direct impact on film productions and thus, on film repertoire in cinemas in Poland also in 2024.

In the company's opinion, the possible full restoration of the audience will last for at least a few years.

3.1.3 Copy sales

In the first quarter of 2024, negative trends relating to copy sales of dailies in their print editions will continue. Agora develops sales of access to the content of Wyborcza.pl in the form of digital subscriptions. At the end of December 2023, the number of paid digital subscriptions of *Gazeta Wyborcza* amounted to 303.3 thousand and was similar year-on-year. Between January and December 2023, revenue from sales of copies in the Digital and Printed Press segment was higher by 0.7% than in 2022. This was mainly due to lower sales of the paper edition of *Gazeta Wyborcza*, with the increase of sales of Wyborcza.pl subscriptions. In the company's opinion, the trend of growing revenue from the sale of Wyborcza.pl subscriptions will also continue throughout 2024.

3.2 Operating costs

Total operating costs of the Agora Group in 2024 will be higher than those recorded in 2023. This will be primarily driven by the increase in the costs of materials and energy as well as the costs of external services following the continued high inflation and rising wage costs related to the increase in the minimum wage. Higher costs of materials and energy consumed, external services, staff – except for the Digital and Printed Press segment, as well as promotion and marketing will have the decisive influence on the increase in the Group's operating costs. In the first quarter of 2023, Agora S.A. acquired the Eurozet Group, which will translate into higher costs in each cost item. A detailed impact on the costs in 2023 is described in part IV B Radio.

3.2.1 Costs of external services

Costs of external services in the first quarter of 2024 will largely depend on the costs of film copy purchase related directly to the cinema attendance and the level of revenue from ticket sales, the EUR/PLN exchange rate, the cost of leasing space in advertising, and the number of advertising campaigns. The decrease in this cost item will be affected by a change in Yieldbird's business model towards the product model.

3.2.2 Staff costs

According to the company's estimates, staff costs will be higher in 2024 than in 2023. From 1 January 2024, the minimum gross remuneration for work increased from the PLN 3,600 to PLN 4,242, and the minimum hourly rate increased from PLN 23.50 to PLN 27.70. In the first quarter of 2024, the Company will carry out collective redundancies of up to 180 people in the Digital and Printed Press (Gazeta Wyborcza) and the Internet (Gazeta.pl) segments. The impact of these two factors will directly affect the performance of individual operating segments in the Agora Group. This cost category will increase in each of the Group's operating segments and its supporting divisions, except for the areas where the restructuring process is going to take place in the first quarter of 2024.

3.2.3 Promotion and marketing costs

In 2024, the Agora Group plans further promotional activities in most of its businesses, in order to restore their market position. The dynamics of changes in individual media, the number of development projects launched as well as market activities of the Group's competitors will affect the level of expenditure incurred in this respect. Considering these factors, the company estimates that the promotion and marketing costs will increase in most of the Group's businesses in 2024 as compared to 2023, primarily as a result of the takeover of the Eurozet Group as of 1 March 2023.

3.2.4 Cost of materials and energy

In 2024, the Group's printing activities will impact this cost item, especially the cost of production materials, the volume of production and the EUR/PLN exchange rate. An additional factor affecting this item is the overall increase in energy costs on the market in 2023 and its continuance in the near future. At the same time, the Group companies are investing in further reduction of energy consumption, which will help to slow down the growth rate of this cost item.

3.3 Information on current and expected financial situation of the Group

Considering the funding available to the Agora Group, the condition of individual businesses and the actions taken to counteract the negative consequences of the economic crisis, in the opinion of the company's Management Board, it is reasonable to assume that Agora and the Agora Group will continue as a going concern, despite the uncertainty related mainly to the consequences of Russia's attack on Ukraine and rising inflation and interest rates. At the end of December 2023, free cash in the Agora Group amounted to PLN 90.4 million.

3.4 Strategic directions for 2023-2026

In addition to improved results, the first quarter of 2023 also brought two important events for Agora. These were the approval by the Extraordinary General Meeting of Shareholders of the spin-off of companies from Agora S.A. and the acquisition of Eurozet, the realization of the next stage of the largest investment in media in the Group's history. Thanks to this transaction, the Agora Group is now the 4th largest media group in Poland, after the largest TV stations.

Following on from the events of early 2023, the Agora's Board presented strategic directions for 2023-2026 on April 26. They provide the foundation for the developmental activities of the entire organization and build on the Group's strengths, which are primarily the high quality of content and services offered, an attractive audience and a very broad media reach, as well as the advantages associated with the development of digital and subscription solutions achieved to date.

The strategic development directions for the Agora Group for 2023-2026 are:

- Development of media businesses and their outreach to audiences in Poland;
- Diversity and autonomy of businesses and opening to external investors;
- New management operating model to standardize back-office processes while taking into account the autonomy of businesses;
- Increasing shareholder value and improving the financial efficiency of the entire organization;
- Achieving an EBITDA result of more than PLN 200 million (excluding IFRS 16).

As a result, in 2026 Agora Group wants to be in the TOP3 of the largest Polish media companies, reaching tens of millions of people with important, attractive content and providing customers with the most effective advertising offer.

3.5 Summary of implementation of strategic directions to date

Over the course of 2023. The Agora Group and its business segments have carried out a number of activities that have brought it closer to realizing the above-mentioned directions both in terms of the Group and the segments. A summary of achievements to date in this regard is included below:

Agora Group:

- The Group is in the midst of a reorganization process, which is expected to be completed on April 1 this year. As part of the process, selected organized parts of the enterprise relating to the operations of the Digital and Print Press segment, the Gazeta.pl and Agora Publishing House divisions and the Administration division will be spun off. As of April 1, the selected business areas will start operating as separate wholly-owned subsidiaries of Agora S.A., which were registered back in 2023. These are Wyborcza Sp. z o.o., Gazeta.pl Sp. z o.o., Agora Books and Music Sp. z o.o. and Czerska 8/10 Sp. z o.o., respectively. Finalizing this process will be an important step toward realizing business diversity and autonomy and implementing a new operating model with business autonomy included.
- Through 2023, Agora Group has significantly increased its market valuation, thereby increasing shareholder value. The company's capitalization increased by nearly 135% over 2023, and by more than 58% from the publication of Strategic Directions (April 26 ur.) to the end of 2023.
- A significant increase in the value of EBITDA excluding IFRS 16 has also occurred. In 2023, the value amounted to PLN 116.7 million, up by as much as 140.6% compared to 2022. At that time, the value was PLN 48.5 million. The target for 2026 is PLN 200 million.

Below follows information on the progress of the strategic directions for each segment:

Radio:

The Agora Group has consistently pursued its goal of becoming the radio market leader in terms of listenership. In 2023, the difference in listenership share between the new Eurozet Group and the market leader RMF Group was 9.2 p.p., while in the same periods a year earlier the difference was 11.7 p.p. This was also associated with an increase in the share of the new Eurozet Group's stations in 2023 in listenership. It amounted to 26.2%, compared to 25.4% in 2022.

The Group's position in the digital audio market was also consolidated. The TOK FM Premium service increased the number of subscribers from 31,900 at the end of 2022 to 38,500 at the end of 2023, growing by 20.7%.

Movies and Books:

Over the course of 2023, there has been a repayment of one-third of the Helios cinema chain’s debt. The strategic direction is to repay the debt raised to maintain operations during the pandemic periodby the end of 2025.

At the same time, the portfolio of cinema halls in the Helios Dream concept has been expanded, currently accounting for 8% of the network's total cinema halls, while at the end of 2022 they accounted for 6% of the total. The direction is to achieve a 10% share of Helios Dream auditoriums by 2026.

Internet:

Analyzing the market situation, it can be concluded that achieving the No. 3 position in the short term, in the market of horizontal portal publishers by the Agora Group, will be difficult to achieve. This makes it all the more important for us to focus on the implementation of strategic directions related to the quality and innovation of journalistic content (we have recently been awarded the Teresa Toranska, Andrzej Woyciechowski 2023 , Mixx Awards 2023 or Innovation 2023 awards) and on our presence on social media platforms where younger users in particular are active.

Yieldbird continues to develop its proprietary technology solutions based on machine learning and AI, which complement publishers' daily work by making the space more efficient. In 2023, Yieldbird launched a technology platform that allows Publishers (customers) to enable Yieldbird products with a single click. Continuous development of technology offerings through the development and creation of new products and increasing sales in new markets is the basis of Yieldbird's long-term growth strategy. However, it is proceeding more slowly than expected.

Currently, the new business is fully SaaS in nature - recurring revenues, independent of the market situation. In Q4 2023, SaaS revenue accounted for almost a quarter of net revenue, up 151% from 2022. This value continues to grow and ultimately the majority of Yieldbird's net revenues will be generated through the SaaS model.

Digital and Printed Press

The Agora Group has strengthened its position as a leader in digital subscriptions in 2023, which is evident, among other things, in the area of ARPU growth of nearly 8% and in digital revenue growth of more than 4%. The increase in the aforementioned values is also associated with improvements in the efficiency of the segment's business model. This is illustrated by a 5% increase in revenue from content sales.

The segment is also moving steadily toward achieving financial self-sufficiency in 2025. The segment's achievement of financial self-sufficiency should be positively impacted by the restructuring process underway, which includes a group layoff program.

Outdoor

AMS Group maintains its leadership position in the OOH advertising market, including by achieving advertising revenue growth of 15.2%. In 2023, there was a strengthening of AMS' position in the digital OOH segment. Digital panels revenues recorded by the segment in 2023 grew 2 times faster than the DOOH market in Poland, while doubling in value. AMS is also a leader in EKO solutions. The company's portfolio currently includes more than 150 such media.

ESG Strategy for 2023-2027

In May 2023. Agora developed its first-ever sustainability strategy, titled Agora Group ESG Strategy 2023-2027. The document set goals for measurable actions in the process of reducing its carbon footprint, gender equality, promoting diversity in society and the workplace, and ethical business practices aimed at making a positive impact on the environment and countering all forms of human rights violations.

By the end of 2023. Agora achieved nearly a 15% reduction in emissions (in the 1+2 market-based ranges) compared to the base year, thus meeting the target it had set for 2025. In the employee area, there was a significant decrease in the Glass Ceiling Ratio (an indicator depicting equality of opportunity in promotion and development), which also made it possible to meet the 2025 target already in 2023. In addition, in the past year, Agora has started to work on goals related to mitigating negative environmental impacts, including in the supply chain and in the process of developing a diversity strategy for the entire Agora Group.

III. FINANCIAL RESULTS

1. THE AGORA GROUP

The consolidated financial statements of the Agora Group for 2023 includes: Agora S.A. and 31 subsidiaries, which operate principally in the internet, cinema, radio, gastronomy and outdoor segments. Additionally, as at 31 December 2023 the Group held shares in jointly controlled entity Instytut Badań Outdooru IBO Sp. z o.o., as well as in associated company ROI Hunter a.s.

A detailed list of companies of the Agora Group is presented in the point V.B.1.

2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP

Tab.9

in PLN million	**4Q 2023**	**4Q 2022**	***% change yoy***	**1-4Q 2023**	**1-4Q 2022**	***% change yoy***
Total sales (1)	**438.1**	**331.0**	***32.4%***	**1,424.3**	**1,113.1**	***28.0%***
Advertising revenue	229.9	157.8	*45.7%*	703.7	511.9	*37.5%*
Ticket sales	68.3	58.0	*17.8%*	244.0	192.3	*26.9%*
Copy sales	39.4	38.6	*2.1%*	139.9	136.9	*2.2%*
Concession sales in cinemas	37.7	30.8	*22.4%*	136.6	103.5	*32.0%*
Gastronomic sales	11.7	10.3	*13.6%*	43.0	38.3	*12.3%*
Revenues from film activities	16.6	8.0	*107.5%*	29.5	31.2	*(5.4%)*
Other	34.5	27.5	*25.5%*	127.6	99.0	*28.9%*
Operating cost net, including:	**(403.8)**	**(361.4)**	***11.7%***	**(1,379.7)**	**(1,177.9)**	***17.1%***
External services	(140.9)	(107.2)	*31.4%*	(479.0)	(384.0)	*24.7%*
Staff cost	(121.5)	(94.1)	*29.1%*	(429.7)	(365.4)	*17.6%*
Raw materials, energy and consumables	(39.9)	(38.6)	*3.4%*	(159.5)	(140.8)	*13.3%*
D&A	(43.1)	(38.5)	*11.9%*	(172.0)	(158.1)	*8.8%*
Promotion and marketing	(31.3)	(18.6)	*68.3%*	(81.2)	(57.7)	*40.7%*
Cost of restructuring (2)	-	(5.3)	-	-	(5.3)	-
Gain/(loss) on sale of property (3)	(0.5)	-	-	1.0	-	-
PFR loan cancellation (4)	-	-	-	-	14.1	-
Impairment losses (5)	(7.5)	(47.2)	*(84.1%)*	(8.0)	(46.0)	*(82.6%)*
Operating result - EBIT	**34.3**	**(30.4)**	**-**	**44.6**	**(64.8)**	**-**
Operating result - EBIT excl. IFRS 16 (6)	*25.2*	*(36.9)*	-	*16.0*	*(87.9)*	-
Finance income and cost, net, incl.:	**26.9**	**0.8**	***3,262.5%***	**8.2**	**(47.4)**	**-**
Income from short-term investment	0.7	0.8	*(12.5%)*	3.9	2.4	*62.5%*
Costs related to bank loans and leasing	(11.3)	(10.2)	*10.8%*	(44.3)	(36.5)	*21.4%*
including interest costs related to IFRS 16	(8.3)	(6.4)	*29.7%*	(30.4)	(23.8)	*27.7%*
Foreign exchange gains/(losses)	30.6	19.8	*54.5%*	39.5	(10.2)	-
including foreign exchange gains/(losses) related to IFRS 16	*30.7*	20.0	*53.5%*	*38.2*	*(10.8)*	-
Revaluation of put options (7)	7.0	(9.3)	-	9.5	(3.3)	-
Gain on remeasurement of shares in subsidiary (8)	**5.2**	**-**	**-**	**53.1**	**-**	**-**
Share of results of equity accounted investees	**(0.2)**	**3.0**	**-**	**(4.3)**	**8.5**	**-**

in PLN million	**4Q 2023**	**4Q 2022**	***% change yoy***	**1-4Q 2023**	**1-4Q 2022**	***% change yoy***
Profit/(loss) before income tax	**66.2**	**(26.6)**	**-**	**101.6**	**(103.7)**	**-**
Income tax	(15.3)	(3.9)	*(292.3%)*	(16.6)	(2.0)	*(730.0%)*
Net profit/(loss) for the period	**50.9**	**(30.5)**	**-**	**85.0**	**(105.7)**	**-**
Attributable to:						
Equity holders of the parent	40.1	(31.4)	-	65.4	(102.7)	-
Non - controlling interest	10.8	0.9	*1,100.0%*	19.6	(3.0)	-
EBIT margin (EBIT/Sales)	*7.8%*	*(9.2%)*	*17.0pp*	*3.1%*	*(5.8%)*	*8.9pp*
EBIT margin excl. IFRS 16 (6)	*5.8%*	*(11.1%)*	*16.9pp*	*1.1%*	*(7.9%)*	*9.0pp*
EBITDA (9)	**84.9**	**55.3**	***53.5%***	**224.6**	**139.3**	***61.2%***
EBITDA margin (EBITDA/Sales)	*19.4%*	*16.7%*	*2.7pp*	*15.8%*	*12.5%*	*3.3pp*
EBITDA excl. IFRS 16 (6)	*55.9*	*31.6*	*76.9%*	*116.7*	*48.5*	*140.6%*
EBITDA margin excl. IFRS 16 (6)	*12.8%*	*9.5%*	*3.3pp*	*8.2%*	*4.4%*	*3.8pp*

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

(2) cost of group layoffs conducted in Digital and Printed Press segment and Movies and Books segment in the fourth quarter of 2022;

(3) the amount relates to gain on the sale of ownership of buildings and land located at Towarowa Street in Tychy disposed of in the third quarter of 2023 and loss on sale of ownership of land in Bialystok disposed of in fourth quarter of 2023;

(4) the amount relates to cancellation of a 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.;

(5) the amount in 2023 mainly includes the impairment loss on goodwill of HRlink Sp. z o.o., intangible assets of Goldenline Sp. z o.o. and property, plant and equipment in Step Inside Sp. z o.o. and AMS S.A., in 2022 includes mainly the impairment loss on goodwill assigned to Digital and Printed Press segment and impairment loss on property, plant and equipment in Helios S.A. and AMS S.A. Additional information is disclosed in note 40 to the consolidated financial statements;

(6) the amount of the operating result – EBIT, EBITDA and net loss excluding impact of International Financial Reporting Standard no. 16 Leases;

(7) relates to revaluation of put option liabilities granted to non-controlling shareholders of Helios S.A., Video OOH Sp. z o.o. and HRlink Sp. z o.o.;

(8) remeasurement of equity interest as at the acquisition date relates to obtaining control of Eurozet Group that is consolidated using the full method from March 1, 2023 (additional information concerning the transaction is disclosed in note 33 to the consolidated financial statements);

(9) the performance measure "EBITDA" is defined as EBIT increased by depreciation and amortization and impairment losses of property, plant and equipment, intangible assets and right-of-use assets. Detailed information on definitions of financial ratios are presented in the Notes to part IV of this MD&A.

2.1. Revenues

Major products, goods and services, as well as their volumes are presented in detail in part IV of this MD&A ("Operating review – major segments of the Agora Group"). The table below presents a percentage share in total revenues of the Agora Group.

Tab.10

in million PLN	**1-4Q 2023**	**% share**	**1-4Q 2022**	**% share**	***% change yoy***
Total sales (1)	**1,424.3**	***100.0%***	**1,113.1**	***100.0%***	***28.0%***
Advertising revenue	703.7	*49.4%*	511.9	*46.0%*	*37.5%*
Ticket sales	244.0	*17.1%*	192.3	*17.3%*	*26.9%*
Copy sales	139.9	*9.8%*	136.9	*12.3%*	*2.2%*
Concession sales in cinemas	136.6	*9.6%*	103.5	*9.3%*	*32.0%*
Gastronomic sales	43.0	*3.0%*	38.3	*3.4%*	*12.3%*
Revenues from film activities	29.5	*2.1%*	31.2	*2.8%*	*(5.4%)*
Other	127.6	*9.0%*	99.0	*8.9%*	*28.9%*

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

2.2. Financial results presented according to major segments of the Agora Group for 2023 [1]

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

Tab.11

in PLN million	**Movies and Books**	**Radio**	**Digital and printed press**	**Outdoor**	**Internet**	**Reconciling positions (2)**	**Total (consoli-dated) 1-4Q 2023**
Total sales (1)	**565.4**	**307.4**	**211.8**	**196.0**	**154.4**	**(10.7)**	**1,424.3**
% share	39.7%	21.6%	14.9%	13.8%	10.8%	(0.8%)	100.0%
Operating cost net (1)	**(515.2)**	**(258.8)**	**(219.6)**	**(177.6)**	**(169.0)**	**(39.5)**	**(1,379.7)**
Operating cost net excl. IFRS 16 (1)	***(537.6)***	***(260.1)***	***(219.6)***	***(181.7)***	***(169.0)***	***(40.3)***	***(1,408.3)***
EBIT	**50.2**	**48.6**	**(7.8)**	**18.4**	**(14.6)**	**(50.2)**	**44.6**
EBIT excl. IFRS 16	***27.8***	***47.3***	***(7.8)***	***14.3***	***(14.6)***	***(51.0)***	***16.0***
Finance income and cost							8.2
Gain on remeasurement of shares in subsidiary							53.1
Share of results of equity accounted investees		(2.5)		0.1	(1.9)		(4.3)
Income tax							(16.6)
Net profit for the period							**85.0**
Attributable to:							
Equity holders of the parent							65.4
Non-controlling interest							19.6
EBITDA	**132.5**	**65.1**	**0.3**	**54.8**	**4.2**	**(32.3)**	**224.6**
EBITDA excl. IFRS 16	***59.9***	***57.6***	***0.3***	***29.2***	***4.1***	***(34.4)***	***116.7***
CAPEX	(9.7)	(15.1)	(1.1)	(21.4)	(7.5)	(7.8)	(62.6)

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

(2) reconciling positions show data not included in particular segments, i.a.: other revenues and costs of Agora's supporting divisions (centralized IT, administrative 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.

2.3. Sales and markets

Over 92.0% of the total sales of the Group were related to sales in domestic market. Sales to foreign markets are realized mainly through the sales of advertising services and printing to foreign customers and sales of publications (including foreign subscriptions).

The Group does not depend on one particular customer as far as revenues are concerned. The biggest customers of the Group (in respect of the turnover) are press distributors and Google (companies unrelated to Agora S.A.). In 2023 the value of transactions with none of the customers exceeded 10.0% of the Group's total revenues in 2023. In 2023 the Agora Group did not have business relationships with contractors from Russia and Belarus.

2.4. Suppliers

The Group does not depend on one particular supplier. Film copy purchase, newsprint and printing services are important cost items of the Group. Newsprint is used for printing services for external customers and in order to print the Group's own titles is purchased from several suppliers. In 2023, the value of transactions with none of the suppliers exceeded 10.0% of the Group's total revenues.

2.5. Finance income and cost, net

Net financial activities of the Group for 2023 were influenced mainly by positive foreign exchange differences related to lease liabilities recognised under IFRS 16, gains on valuation of put options and income from short-term investment. These were partially offset by cost of interests and commissions related to bank loans, a loan from SFS Ventures s.r.o. and lease liabilities.

3. BALANCE SHEET OF THE AGORA GROUP

Tab.12

in PLN million	**31.12.2023**	**30.09.2023**	***% change to 30/09/2023***	**31.12.2022**	***% change to 31/12/2022***
Non-current assets	**1,680.3**	**1,726.4**	**(2.7%)**	**1,496.3**	**12.3%**
share in balance sheet total	*82.2%*	*82.8%*	*(0.6pp)*	*83.4%*	*(1.2pp)*
Current assets	**365.1**	**358.6**	**1.8%**	**296.8**	**23.0%**
share in balance sheet total	*17.8%*	*17.2%*	*0.6pp*	*16.6%*	*1.2pp*
TOTAL ASSETS	**2,045.4**	**2,085.0**	**(1.9%)**	**1,793.1**	**14.1%**
Equity holders of the parent	**738.5**	**699.3**	**5.6%**	**674.1**	**9.6%**
share in balance sheet total	*36.1%*	*33.5%*	*2.6pp*	*37.6%*	*(1.5pp)*
Non-controlling interest	**109.1**	**98.3**	**11.0%**	**(0.1)**	**-**
share in balance sheet total	*5.3%*	*4.7%*	*0.6pp*	*-*	*5.3pp*
Non-current liabilities and provisions	**636.3**	**736.4**	**(13.6%)**	**708.6**	**(10.2%)**
share in balance sheet total	*31.1%*	*35.4%*	*(4.3pp)*	*39.5%*	*(8.4pp)*
Current liabilities and provisions	**561.5**	**551.0**	**1.9%**	**410.5**	**36.8%**
share in balance sheet total	*27.5%*	*26.4%*	*1.1pp*	*22.9%*	*4.6pp*
TOTAL LIABILITIES AND EQUITY	**2,045.4**	**2,085.0**	**(1.9%)**	**1,793.1**	**14.1%**

3.1. Non-current assets

The increase in non-current assets, versus 31 December 2022 results mainly from the increase in intangible assets as a result of obtaining control over Eurozet Group and recognition of goodwill as well as with valuation of assets of Eurozet Group at fair value and from increase in non-current receivables and prepayments. The above increase was, to some extent, offset by decrease in investments accounted for using the equity method as a result of obtaining control over Eurozet Group, impairment recognised on goodwill of HRlink, decrease in property, plant and equipment due to sale of property in Tychy and sale of land in Bialystok and decrease due to depreciation and amortisation which were, to some extent, offset by new expenditure for the purchase of property, plant and equipment and intangible assets.

The decrease in non-current assets, versus 30 September 2023, resulted mainly from impairment recognised on goodwill of HRlink, the decrease of scope and modification of lease agreements, depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use of assets, which were, to some extent, offset by increase in goodwill of Eurozet due to final business combination accounting of this group and new expenditure for the purchase of property, plant and equipment and intangible assets.

3.2. Current assets

The increase in current assets, versus 31 December 2022, stems mainly from the increase in cash and cash equivalents and trade receivables due to obtaining control over Eurozet group and increase in inventory, which was, to some extent, offset by decrease in tax and other receivables and decrease in prepayments.

The increase in current assets, versus 30 September 2023, stems mainly from the increase in current receivables and inventories, which was partially offset by the decrease in cash and cash equivalents and prepayments.

3.3. Non-current liabilities and provisions

The decrease in non-current liabilities and provisions compared to 31 December 2022, stems mainly from the decrease in long-term bank loan liabilities and lease liabilities, decrease in put option liabilities, decrease in provisions and other non-current liabilities. The above change was partially offset by the increase in deferred tax liabilities due to obtaining control over Eurozet Group.

The decrease in non-current liabilities and provisions compared to 30 September 2023, stems mainly from the decrease in long-term bank loans and lease liabilities, decrease in put option liabilities, decrease in provisions and contract liabilities which was partially offset by the increase in other non-current liabilities.

3.4. Current liabilities and provisions

The increase in current liabilities and provisions, versus 31 December 2022, stems mainly from the increase in accruals, bank loan and lease liabilities, put option liabilities, rebates liabilities, dividend liabilities in connection with obtaining control over Eurozet Group, trade and other payables, tax liabilities, contract liabilities and increase in corporate income tax liabilities.

The increase in the current liabilities and provisions, versus 30 September 2023, stems mainly from the increase in trade payables, accruals, put option liabilities, contract liabilities, liabilities arising from purchase of fixed assets, corporate income tax liabilities, deferred income and provisions. The above increase was, to some extent, offset by the decrease in bank loan liabilities, loan liabilities due to repayment of a loan from SFS Ventures s.r.o. and also lease liabilities and dividend liabilities.

4. CASH FLOW STATEMENT OF THE AGORA GROUP

Tab.13

in PLN million	**4Q 2023**	**4Q 2022**	*% change yoy*	**1-4Q 2023**	**1-4Q 2022**	*% change yoy*
Net cash from operating activities	101.2	61.9	*63.5%*	246.6	76.8	*221.1%*
Net cash from investment activities	(15.6)	(11.2)	*(39.3%)*	(19.5)	(38.6)	*49.5%*
Net cash from financing activities	(98.8)	(51.7)	*(91.1%)*	(205.8)	(104.0)	*(97.9%)*
Total movement of cash and cash equivalents	**(13.2)**	**(1.0)**	***(1,220.0%)***	**21.3**	**(65.8)**	**-**
Cash and cash equivalents at the end of period	**90.4**	**69.1**	***30.8%***	**90.4**	**69.1**	***30.8%***

As at 31 December 2023, the Group had PLN 91.4 million in cash and cash equivalents and short-term securities which include cash and cash equivalents in the amount of PLN 90.4 million (cash on hand and bank deposits) and PLN 1.0 million in loans granted.

In 2023, Agora S.A. has not been engaged in any currency options or any other derivatives used for speculative purposes.

As at the date of this MD&A report, considering the cash position, the cash pooling system functioning in the Group and available credit facility, the Group does not anticipate any liquidity problems. At the same time, attention should be paid to the uncertainties accompanying these predictions, described in more detail in Chapter II.3 Perspectives of this MD&A.

4.1. Operating activities

The cash flows from operating activities, in 2023, were higher comparing to the level recorded in the comparative period of the prior year mainly due to higher operating result as well as changes in the Group's working capital, mainly including lower repayment of liabilities when compared to the corresponding period of prior year.

4.2. Investment activities

Negative net cash flows from investing activities, in 2023, resulted mainly from expenditures for the purchase of property, plant and equipment and intangible assets. These outflows were partly offset by obtaining control over Eurozet Group and proceeds from the sale of property, plant and equipment.

4.3. Financing activities

Negative net cash flows from financing activities in 2023, stems mainly from repayments of bank loans, loans and lease liabilities and dividends paid to non-controlling shareholders. These outflows were partly offset by inflows from bank loans and a loan taken from SFS Ventures s.r.o. for the acquisition of shares in Eurozet Group.

5. SELECTED FINANCIAL RATIOS [5]

Tab.14

	4Q 2023	4Q 2022	*% change yoy*	1-4Q 2023	1-4Q 2022	*% change yoy*
Profitability ratios						
Net profit margin	9.1%	(9.5%)	*18.6pp*	4.6%	(9.2%)	*13.8pp*
Gross profit margin	41.0%	37.1%	*3.9pp*	34.9%	29.6%	*5.3pp*
Return on equity	22.3%	(18.2%)	*40.5pp*	9.3%	(14.2%)	*23.5pp*
Efficiency ratios						
Inventory turnover	12 days	13 days	*(7.7%)*	13 days	12 days	*8.3%*
Debtors days	37 days	36 days	*2.8%*	42 days	44 days	*(4.5%)*
Creditors days	27 days	25 days	*8.0%*	29 days	29 days	-
Liquidity ratio (1)						
Current ratio	0.8	0.9	*(11.1%)*	0.8	0.9	*(11.1%)*
Financing ratios (1)						
Gearing ratio	0.8%	5.3%	*(4.5pp)*	0.8%	5.3%	*(4.5pp)*
Interest cover	9.2	(11.3)	-	1.3	(8.3)	-
Free cash flow interest cover	22.7	6.9	*229.0%*	6.9	(7.6)	-

1) financial ratios excluding impact of IFRS 16.

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

IV. OPERATING REVIEW - MAJOR SEGMENTS OF THE AGORA GROUP

IV.A. MOVIES AND BOOKS [1]

The Movies and Books segment includes the pro-forma consolidated financials of Helios S.A., Helios Media Sp. z o.o. (since September 1st 2022), NEXT FILM Sp. z o.o., Next Script Sp. z.o.o. (merged with NEXT FILM Sp. z o.o. on 15 th 2023) and Step Inside Sp. z o.o., which form the Helios group, and Agora Publishing House.

Tab.15

in PLN million	**4Q 2023**	**4Q 2022**	***% change yoy***	**1-4Q 2023**	**1-4Q 2022**	***% change yoy***
Total sales, including :	**172.9**	**140.2**	***23.3%***	**565.4**	**460.5**	***22.8%***
Tickets sales	68.3	58.1	*17.6%*	244.0	192.4	*26.8%*
Concession sales	37.7	30.9	*22.0%*	136.6	103.6	*31.9%*
Advertising revenue (1)	14.7	10.1	*45.5%*	38.5	29.0	*32.8%*
Gastronomic sales (2)	11.7	10.3	*13.6%*	43.0	38.3	*12.3%*
Revenues from film activities (1),(3),(4)	17.9	8.5	*110.6%*	32.5	33.9	*(4.1%)*
Revenues from Publishing House	17.7	18.3	*(3.3%)*	53.7	51.4	*4.5%*
Total operating cost, including (5):	**(150.5)**	**(132.1)**	***13.9%***	**(515.2)**	**(449.7)**	***14.6%***
Total operating cost without IFRS 16 (5)	***(157.6)***	***(137.3)***	***14.8%***	***(537.6)***	***(468.6)***	***14.7%***
External services (4),(5)	(63.4)	(49.3)	*28.6%*	(196.9)	(166.8)	*18.0%*
Staff cost	(30.1)	(21.7)	*38.7%*	(97.8)	(89.3)	*9.5%*
Raw materials, energy and consumables	(23.5)	(21.5)	*9.3%*	(91.9)	(78.7)	*16.8%*
D&A (5)	(19.5)	(20.6)	*(5.3%)*	(81.6)	(82.6)	*(1.2%)*
Promotion and marketing (1)	(9.2)	(8.2)	*12.2%*	(23.8)	(25.1)	*(5.2%)*
Loss on sale of property (6)	(0.5)	-	-	(0.5)	-	-
Cost of group lay-offs (7)	-	(1.8)	-	-	(1.8)	-
Impairment losses (8)	-	(3.3)	-	(0.7)	(2.2)	*(68.2%)*
Amortisation of PFR loan (9)	-	-	-	-	14.1	-
EBIT	**22.4**	**8.1**	***176.5%***	**50.2**	**10.8**	***364.8%***
EBIT margin	*13.0%*	*5.8%*	*7.2pp*	*8.9%*	*2.3%*	*6.6pp*
EBIT without IFRS 16	***15.3***	***2.9***	***427.6%***	***27.8***	***(8.1)***	***-***
EBIT margin without IFRS 16	*8.8%*	*2.1%*	*6.7pp*	*4.9%*	*(1.8%)*	*6.7pp*
EBITDA (10)	**41.9**	**32.0**	***30.9%***	**132.5**	**95.6**	***38.6%***
EBITDA margin	*24.2%*	*22.8%*	*1.4pp*	*23.4%*	*20.8%*	*2.6pp*
EBITDA without IFRS 16 (10)	***22.9***	***14.8***	***54.7%***	***59.9***	***29.8***	***101.0%***
EBITDA margin without IFRS 16	*13.2%*	*10.6%*	*2.6pp*	*10.6%*	*6.5%*	*4.1pp*

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

(2) *the amounts include sales in restaurants operated by Step Inside Sp. z o.o;.*

(3) *the amounts comprise mainly the revenues from co-production and distribution of films;*

(4) *mutual transactions within the Helios group have been eliminated from film revenues and costs of external services: between Helios S.A. and NEXT FILM Sp. z o.o.;*

(5) *data include allocated costs of some of the supporting departments; in previous years, these costs were not allocated to business segments to such a significant extent; comparative data have been restated accordingly;*

(6) *the amounts relate to the loss on sale of land of Helios S.A. in Białystok;*

(7) *the amounts relate to restructuring at Helios S.A.;*

(8) *the item of write-downs in the period from January to December of 2023 includes the write down of fixed assets of Step Inside Sp.z o.o. whereas in the fourth quarter of 2022 it includes a write-down of Helios S.A.'s non-current assets due to impairment in the amount of PLN 3.3 million, while in 2022 there is an additional reversal of the write-down of Helios S.A.'s non-current assets in the amount of PLN 1.7 million made in 2021 and a write-down of Helios S.A.'s non-current assets in the amount of PLN 0.6 million;*

(9) *the stated amounts relate to the cancellation of a portion of the preferential loan granted to Helios S.A. in 2022 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies;*

(10) *the EBITDA index is defined as EBIT increased by depreciation and impairment losses on tangible fixed assets, intangible assets and right-of-use assets.*

In the fourth quarter of 2023, the Movies and Books segment improved its operating results thanks to better results on cinema operations. The profit at the EBIT level increased more than two times and amounted to PLN 22.4 million, and the profit at the EBITDA level increased to PLN 41.9 million. The sale of land in Białystok owned by Helios S.A., the loss from which amounted to PLN 0.5 million, contributed negatively to the result in the fourth quarter of 2023. In the fourth quarter of 2022, the results were negatively affected by a write-down on fixed assets in Helios S.A. due to their impairment of PLN 3.3 million and the costs related to restructuring in the company of PLN 1.8 million.

In the fourth quarter of 2023, the segment's profit at the EBIT level amounted to PLN 15.3 million and profit at the EBITDA level – to PLN 22.9 million, without the effect of IFRS 16.

In 2023, the operating results of the Movies and Books segment were significantly better than those recorded in 2022. The profit at the EBIT level amounted to PLN 50.2 million, and the profit at the EBITDA level increased to PLN 132.5 million. The result generated in 2023 was negatively affected by the sale of land in Białystok owned by Helios S.A., and the loss on this sale amounted to PLN 0.5 million.

The comparability of the segment's results to 2022 was affected by the restrictions related to the COVID-19 pandemic in force at that time. The limits on cinema ticket sales and seats in restaurants of 30.0%, excluding vaccinated customers, were lifted on 1 March 2022. In 2022, the EBIT result was positively affected by the redemption of a portion of a loan from the Polish Development Fund (PFR) to Helios S.A. in the amount of PLN 14.1 million and the reversal of the write-down on fixed assets relating to the operations of Helios S.A. in the amount of PLN 1.7 million, while write-downs on fixed assets in Helios S.A. in the amount of PLN 3.9 million as well as the costs related to restructuring in Helios S.A. in the amount of PLN 1.8 million had a negative effect thereon.

In 2023, the segment's profit at the EBIT level amounted to PLN 27.8 million and profit at the EBITDA level – to PLN 59.9 million, without the effect of IFRS 16.

1. REVENUE [3]

In the fourth quarter of 2023, the revenue of the Movies and Books segment increased by 23.3% year-on-year and amounted to PLN 172.9 million.

Almost all revenue categories recorded an increase. Revenue from cinema operations was higher due to higher ticket sales and the increase in the prices of tickets and products in cinema bars. In the fourth quarter of 2023, 3.2 million tickets were sold in Helios cinemas. The revenue from this sale increased by 17.6% to PLN 68.3 million, while the revenue from concession sales increased by 22.0% to PLN 37.7 million. In the fourth quarter of 2023, online ticket sales accounted for 45.5% of the total revenue from ticket sales in cinemas. The revenue from the sale of advertisements in cinemas, which amounted to PLN 14.7 million, was higher by 45.5% year-on-year.

In the fourth quarter of 2023, the segment's revenue from food business activities was up by 13.6% and accounted for PLN 11.7 million. This was related to increased revenue from the operations of Step Inside recorded especially thanks to expanding the offer and the accompanying promotional activities.

The revenue of the Movies and Books segment from the film business, which amounted to PLN 17.9 million in the fourth quarter of 2023, increased substantially. NEXT FILM released two new film productions during this period: a painted adaptation of a novel by Władysław Stanisław Reymont entitled *The Peasants* directed by DK Welchman and Hugh Welchman and *The Palace* – a comedy directed by Roman Polański. *The Peasants* have been the most popular

Polish film since the pandemic – the feature attracted approximately 1.8 million viewers. A new film adaptation of *Akademia Pana Kleksa* directed by Maciej Kawulski was screened during sneak preview screenings in December. Moreover, in the fourth quarter of 2023, features which had been released earlier were also sold via various distribution channels.

In the fourth quarter of 2023, the revenue of Agora Publishing House was lower year-on-year by 3.3% and stood at PLN 17.7 million. It is worth noting that the level of revenue of Agora Publishing House in the fourth quarter of 2022 was affected by an advertising campaign for one of the customers. The following books were among the best-selling publications of Agora Publishing House: *The Peasants* – an exclusive edition of the novel by Władysław Stanisław Reymont with stills from the film, *Bralczyk o sobie* – a biography of Professor Jerzy Bralczyk by Paweł Goźliński and Karolina Oponowicz, *Czuła przewodniczka. Kobieca droga do siebie* and *Przędza. W poszukiwaniu wewnętrznej wolności* by Natalia de Barbaro. The soundtrack from *The Peasants* by L.U.C. & Rebel Babel Film Orchestra was also highly popular. In the fourth quarter of 2023, the revenue from digital sales (sales of own publications and publications of other publishers) of Agora Publishing House was 12.5% higher year-on-year and amounted to PLN 6.3 million.

In 2023, the revenue of the Movies and Books segment increased by 22.8% year-on-year and reached PLN 565.4 million.

Revenue from cinema operations was higher due to, inter alia, an increase in ticket sales in Helios cinemas – 11.5 million tickets were sold in 2023. The revenue from this sale increased by 26.8% to PLN 244.0 million, while the revenue from concession sales increased by 31.9% to PLN 136.6 million. In 2023, online ticket sales accounted for 46.1% of the total revenue from ticket sales in cinemas. The revenue from sales of advertising in cinemas, which amounted to PLN 38.5 million, was higher by 32.8% year-on-year.

In 2023, the segment's revenue from food business activities was up by 12.3%, which accounted for PLN 43.0 million. This was related to increased revenue from the operations of Step Inside recorded especially thanks to expanding the offer and the accompanying promotional activities.

The revenue from the film business recorded by the Movies and Books segment was lower and amounted to PLN 32.5 million. In 2023, NEXT FILM released eight new features: a comedy *Na twoim miejscu* directed by Antonio Galdámez, *Fenomen* directed by Małgorzata Kowalczyk – a documentary about Jurek Owsiak, founder of the Great Orchestra of Christmas Charity, a film adaptation of the best-selling novel *Pokolenie Ikea* directed by Dawid Gral, a romantic comedy *Skołowani* directed by Jan Macierewicz, a comedy *Teściowie 2* directed by Kalina Alabrudzińska, a thriller *Doppelgänger. Sobowtór* directed by Jan Holoubek that was awarded at the Polish Film Festival in Gdynia, a painted adaptation of a novel by Władysław Stanisław Reymont entitled *The Peasants* directed by DK Welchman and Hugh Welchman and *The Palace* – a comedy directed by Roman Polański. A new film adaptation of *Akademia Pana Kleksa* directed by Maciej Kawulski was screened during sneak preview screenings in December. Moreover, features which had been released earlier were also sold via various distribution channels in the period under review. It should be noted that the revenues from the film business are not the same as those of NEXT FILM. They were higher than the figures presented in the table 15, and NEXT FILM itself maintained sales revenue at a similar level compared to 2022.

In 2023, the revenue of Agora Publishing House increased by 4.5% to PLN 53.7 million. This increase resulted from higher sales, and the publications of Agora Publishing House that were among the best-selling ones include the books *Przędza. W poszukiwaniu wewnętrznej wolności* and *Czuła przewodniczka. Kobieca droga do siebie* by Natalia de Barbaro, and *The Peasants* by Władysław Stanisław Reymont with stills from the film. In 2023, the revenue from digital sales (sales of own publications and publications of other publishers) of Agora Publishing House was 12.2% higher year-on-year and amounted to PLN 22.1 million.

2. COST

The operating costs of the Movies and Books segment increased in the fourth quarter of 2023 by 13.9% to PLN 150.5 million. The level of operating costs of this business in the fourth quarter of 2023 was affected by the loss on the sale of land in Białystok owned by Helios S.A. in the amount of PLN 0.5 million, whereas in the fourth quarter of 2022, it was influenced by a write-down on fixed assets in Helios S.A. due to their impairment of PLN 3.3 million and the costs related to restructuring in the company of PLN 1.8 million.

The largest category was expenditure on external services, which accounted for PLN 63.4 million in the fourth quarter of 2023 and was 28.6% higher year-on-year. The increase in this cost category was mainly related to the film business – higher costs of remuneration paid to film producers, and to cinema operations – higher costs of purchasing film copies and rents in cinemas.

The segment's staff costs increased by 38.7% to PLN 30.1 million. The increase in this cost category was primarily due to cinema operations.

An increase in the costs of materials and energy consumed as well as the value of goods and materials sold by 9.3% to PLN 23.5 million resulted mainly from higher revenue from concession sales and food business activities.

Promotion and marketing costs of the Movies and Books segment increased by 12.2% to PLN 9.2 million, which was primarily related to higher costs of barter-settled advertising.

The depreciation and amortisation costs of the segment, which amounted to PLN 19.5 million, recorded a decrease. Depreciation and amortisation costs in cinema operations, food business activities and Agora Publishing House were lower, while they were higher in the film business.

The operating costs of the Movies and Books segment increased in the fourth quarter of 2023 by 14.8% to PLN 157.6 million, without the effect of IFRS 16.

In 2023, the operating costs of the Movies and Books segment increased by 14.6% and amounted to PLN 515.2 million. The level of costs in 2023 was impacted by a loss of PLN 0.5 million from the sale of land in Białystok owned by Helios S.A. It is worth noting that the level of operating costs of this business in 2022 was affected by the redemption of a portion of a loan from the Polish Development Fund (PFR) to Helios S.A. in the amount of PLN 14.1 million, by write-downs on fixed assets in Helios S.A. in the amount of PLN 3.9 million and a reversal of a write-down on fixed assets of Helios S.A. in the amount of PLN 1.7 million, as well as the costs related to restructuring in Helios S.A. of PLN 1.8 million.

As compared to 2022, the costs of external services increased by 18.0% and amounted to PLN 196.9 million, which was mainly related to cinema operations, i.e. higher costs of purchasing film copies, and to film distribution – higher costs of remuneration paid to film producers. The costs of external services in Agora Publishing House were also higher. At the same time, the costs related to film productions and food business activities were lower.

The segment's staff costs increased by 9.5% to PLN 97.8 million. The staff costs in cinema operations, Agora Publishing House and in food business activities were higher, while they were lower in the film business.

An increase in the costs of materials and energy consumed as well as the value of goods and materials sold by 16.8% to PLN 91.9 million resulted primarily from higher revenue from concession sales in cinemas and higher sales in restaurants. The costs of materials and energy consumed as well as the value of goods and materials sold were higher also in Agora Publishing House.

Promotion and marketing costs of the Movies and Books segment decreased by 5.2% to PLN 23.8 million. Advertising costs in Agora Publishing House were lower, while advertising costs in cinema operations, the film business and food business activities were higher.

The depreciation and amortisation costs of the segment, which amounted to PLN 81.6 million, recorded a decrease. Depreciation was lower in cinemas as a result of the lower value of fixed assets and the reduction of replacement investments, with a higher amortisation value due to higher amortisation value of the right of use IFRS16. Depreciation and amortisation in Agora Publishing House was also lower and it was higher in the film business and food business activities.

The level of costs in 2023 was affected also by a write-down on fixed assets in the amount of PLN 0.7 million related to the operations of Step Inside Sp. z o.o. in connection with the closure of a restaurant in Kalisz.

The operating costs of the Movies and Books segment increased in 2023 by 14.7% to PLN 537.6 million, without the effect of IFRS 16.

3. NEW INITIATIVES

At the beginning of September 2023, two new rooms were opened in Helios Gdynia in the unique Helios Dream concept. Over the last few months, an investment process consisting in the expansion of the cinema with additional rooms has been underway.

IV.B. RADIO

The Radio segment includes consolidated pro-forma data of the radio division in Agora S.A., i.e., the nationwide station Radio ZET, 2 supra-regional stations broadcasting under the brands Antyradio, Chillizet and TOK FM, and 68 local stations broadcasting under the brands Zlote Przeboje, Plus Radio, Meloradio, Rock Radio and Radio Pogoda. Eurozet Group's results are consolidated as of March 1, 2023.

Tab.16

in PLN milion	**4Q 2023**	**4Q 2022**	***% change yoy***	**1-4Q 2023**	**1-4Q 2022**	***% change yoy***
Total sales, including :	**111.8**	**40.1**	***178.8%***	**307.4**	**116.0**	***165.0%***
Radio advertising revenue (1), (2)	101.9	30.7	*231.9%*	275.5	91.7	*200.4%*
Total operating cost, including: (2)	**(85.5)**	**(34.6)**	***147.1%***	**(258.8)**	**(111.5)**	***132.1%***
Total operating cost without IFRS 16 (2)	***(85.9)***	***(34.8)***	***146.8%***	***(260.1)***	***(112.3)***	***131.6%***
External services	(31.1)	(13.6)	*128.7%*	(101.0)	(43.0)	*134.9%*
Staff cost	(26.2)	(11.1)	*136.0%*	(85.7)	(40.0)	*114.3%*
D&A	(4.5)	(2.3)	*95.7%*	(16.5)	(8.8)	*87.5%*
Promotion and marketing (2)	(16.5)	(5.4)	*205.6%*	(39.0)	(12.9)	*202.3%*
EBIT	**26.3**	**5.5**	***378.2%***	**48.6**	**4.5**	***980.0%***
EBIT margin	*23.5%*	*13.7%*	*9.8p.p.*	*15.8%*	*3.9%*	*11.9p.p.*
EBIT without IFRS 16	***25.9***	***5.3***	***388.7%***	***47.3***	***3.7***	***1 178.4%***
EBIT margin without IFRS 16	*23.2%*	*13.2%*	*10.0p.p.*	*15.4%*	*3.2%*	*12.2p.p.*
EBITDA	**30.8**	**7.8**	***294.9%***	**65.1**	**13.3**	***389.5%***
EBITDA margin	*27.5%*	*19.5%*	*8.0p.p.*	*21.2%*	*11.5%*	*9.7p.p.*
EBITDA without IFRS 16	***28.8***	***6.8***	***323.5%***	***57.6***	***9.6***	***500.0%***
EBITDA margin without IFRS 16	*25.8%*	*17.0%*	*8.8p.p.*	*18.7%*	*8.3%*	*10.4p.p.*

(1) advertising revenues include revenues from brokerage services of proprietary and third-party airtime;

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

(3) data include allocated costs of some of the supporting departments; in previous years, these costs were not allocated to business segments to such a significant extent; comparative data have been restated accordingly.

In the fourth quarter of 2023, the operating results of the Radio segment, both at the EBIT and EBITDA levels, were higher year-on-year and amounted to PLN 26.3 million and PLN 30.8 million, respectively. These results were driven by the consolidation with the Eurozet Group.

Throughout 2023, the operating results of the Radio segment, both at the EBIT and EBITDA levels, were higher year-on-year and amounted to PLN 48.6 million and PLN 65.1 million, respectively. These results were driven by the consolidation with the Eurozet Group.

In the fourth quarter of 2023, the segment's operating result at the EBIT level (without the effect of IFRS 16) was PLN 25.9 million and the result at the EBITDA level amounted to PLN 28.8 million in accordance with this presentation.

In the period from January to December 2023, the segment's operating result at the EBIT level (without the effect of IFRS 16) was PLN 47.3 million and the result at the EBITDA level amounted to PLN 57.6 million in accordance with this presentation.

1. REVENUE [3]

In the fourth quarter of 2023, the revenue of the Radio segment increased by 178.8% year-on-year and amounted to PLN 111.8 million. In this period, radio advertising sales increased by 231.9% to PLN 101.9 million. This deviation was driven by the consolidation with the Eurozet Group and the introduction of a joint sales offer.

In the fourth quarter of 2023, the segment's digital revenue was 144.4% higher year-on-year. Such results were driven by the consolidation with the Eurozet Group. Both the revenue from online advertising services and the revenue from the sale of Premium TOK FM subscriptions increased. The number of Premium TOK FM subscriptions sold increased to 38.5 thousand at the end of the fourth quarter of 2023.

In the period from January to December 2023, the revenue of the Radio segment increased by 165.0% year-on-year and amounted to PLN 307.4 million. The revenue from the sale of radio advertising increased by 200.4% to PLN 275.5 million. This deviation was driven by the consolidation with the Eurozet Group and the introduction of a joint sales offer.

In 2023, the segment's digital revenue was 160.2% higher year-on-year. Such results were driven by the consolidation with the Eurozet Group. Both the revenue from online advertising services and the revenue from the sale of Premium TOK FM subscriptions increased.

In addition, at the beginning of 2023, Helios Media Sp. z o.o. took over the advertising agency services provided to Helios cinemas, which adversely affected the level of revenue in the Radio segment.

2. COST

In the fourth quarter of 2023, the operating costs of the Radio segment increased by 147.1% year-on-year and amounted to PLN 85.5 million. The level of each of the presented cost categories was affected by the consolidation with the Eurozet Group.

In the fourth quarter, the costs of external services increased by 128.7% and amounted to PLN 31.1 million. The external services item includes, in addition to the costs of advertising sales brokerage services in third-party radio stations and advertising sales brokerage services in Helios cinemas (service provided until the end of 2022), e.g. costs of rents and lease fees, marketing services, production services, as well as operator fees.

Staff costs amounted to PLN 26.2 million and were 136.0% higher year-on-year.

The costs of depreciation and amortisation were up by 95.7% and amounted to PLN 4.5 million.

In the fourth quarter of 2023, promotion and marketing costs increased by 205.6% to the amount of PLN 16.5 million.

The Radio segment's operating costs presented without the effect of IFRS 16 amounted to PLN 85.9 million in the fourth quarter and were 146.8% higher year-on-year.

Throughout 2023, the operating costs of the Radio segment increased by 132.1% year-on-year and amounted to PLN 258.8 million. The level of each of the presented cost categories was affected by the consolidation with the Eurozet Group.

The costs of external services increased by 134.9% and amounted to PLN 101.0 million. The external services item includes, in addition to the costs of advertising sales brokerage services in third-party radio stations and advertising sales brokerage services in Helios cinemas (service provided until the end of 2022), e.g. costs of rents and lease fees, marketing services, production services, as well as operator fees.

In the period from January to December, staff costs amounted to PLN 85.7 million and were 114.3% higher year-on-year.

Depreciation and amortisation costs increased by 87.5% to PLN 16.5 million.

Throughout 2023, promotion and marketing costs increased by 202.3% to PLN 39.0 million.

In the period from January to December 2023, operating costs of the Radio segment presented without the effect of IFRS 16 amounted to PLN 260.1 million and were higher by 131.6% year-on-year.

3. AUDIENCE SHARES [8]

Tab. 17

Share % in listening time in group all 15+	4Q 2023	change in pp yoy	1-4Q 2023	change in pp yoy
Eurozet Group [71]	25.8%	(0.2 p.p.)	26.2%	0.8 p.p.
Radio ZET	13.9%	0.6 p.p.	13.8%	0.6 p.p.
Music stations [69*]	8.7%	(0.8 p.p.)	9.3%	0.3 p.p.
Radio TOK FM	3.2%	0.0 p.p.	3.1%	(0.1 p.p.)

Share of % in listening time among residents of cities of 100,000+	4Q 2023	change in pp yoy	1-4Q 2023	change in pp yoy
Eurozet Group [71]	34.8%	0.1 p.p.	34.3%	0.2 p.p.
Radio ZET	11.2%	1.2 p.p.	10.4%	0.4 p.p.
Music stations [69*]	15.7%	(0.8 p.p.)	16.4%	0.3 p.p.
Radio TOK FM	7.9%	(0.2 p.p.)	7.5%	(0.5 p.p.)

** music stations include stations and radio networks: Antyradio, Meloradio, Chillizet, Zlote Przeboje, Rock Radio, Pogoda and 9 stations included in the Plus network.*

The combined portfolio of the Eurozet Group contains 71 radio stations, including 1 nationwide station – Radio ZET, supra-regional stations – Antyradio, Antyradio Katowice, Chillizet , Chillizet Katowice and TOK FM, and 65 local stations.

In the fourth quarter of 2023, the difference in the audience share between the new Eurozet Group and the market leader, the RMF Group, was 9.0 p.p. (for the entire 2023, the difference is 9.2 p.p.), and in the group of inhabitants of cities with over 100 thousand inhabitants, the Eurozet Group outrivals the RMF Group by 4.3 p.p. and holds a leading position (for the entire 2023, the difference is 2.9 p.p.). In cities with over 200 thousand inhabitants, the difference is 11.4 p.p. (for the entire 2023 – 9.9 p.p.) and in cities with over 500 thousand inhabitants – 16.9 p.p. (for the entire 2023, the difference is 15.9 p.p.).

A great value of the new Eurozet Group is the diversity of radio and programming formats, which allows potential advertisers to conduct advertising campaigns tailored to their needs.

The Eurozet Group is also one of the largest brokers of radio advertising in Poland. It works closely with local stations which form the Independent Package, with an audience share (in the age group 15–75) of 8.5% in the fourth quarter of 2023. The Independent Package is part of the Eurozet Group's commercial offer – Audio ZET Boost, whose audience share in the fourth quarter was 34.7% for all respondents aged 15–75 and as much as 39.8% for inhabitants of cities with over 100 thousand inhabitants.

4. NEW INITIATIVES

On December 11th 2023, the Eurozet Group changed the prices of its flagship products: Radio ZET, Audio ZET (71 stations) and Audio ZET Boost (136 stations). The prices of packages have been adjusted to the current market conditions.
In October 2023, representatives of Radio ZET and TOK FM became members of the newly established Polish Media Council, which brings together the largest Polish press, radio, television and Internet editorial teams. Its objectives include, in particular: protecting freedom of speech, raising and promoting professional and ethical standards of journalism, initiating and giving opinions on legislative solutions in the field of media functioning and freedom and protection of the profession of a journalist.

IV.C. DIGITAL AND PRINTED PRESS [1]

The Digital and Printed Press segment includes the pro-forma consolidated financials of *Gazeta Wyborcza*, Magazines division and Print division.

Tab.18

in PLN milion	**4Q 2023**	**4Q 2022**	***% change yoy***	**1-4Q 2023**	**1-4Q 2022**	***% change yoy***
Total sales, including:	**54.3**	**53.6**	***1.3%***	**211.8**	**209.2**	***1.2%***
Copy sales	27.3	26.8	*1.9%*	105.3	104.6	*0.7%*
Advertising revenue (1)	16.4	16.1	*1.9%*	57.8	60.9	*(5.1%)*
Total operating cost, including (2):	**(54.5)**	**(106.0)**	***(48.6%)***	**(219.6)**	**(280.7)**	***(21.8%)***
Total operating cost without IFRS 16 (2):	**(54.5)**	**(106.0)**	***(48.6%)***	**(219.6)**	**(280.7)**	***(21.8%)***
Raw materials, energy, consumables	(10.1)	(12.2)	*(17.2%)*	(44.4)	(44.4)	-
External services (2)	(14.3)	(15.1)	*(5.3%)*	(59.2)	(60.3)	*(1.8%)*
Staff cost	(24.4)	*(28.0)*	*(12.9%)*	(93.0)	*(103.6)*	*(10.2%)*
D&A (2)	(1.8)	*(3.1)*	*(41.9%)*	(8.1)	*(11.4)*	*(28.9%)*
Promotion and marketing (1)	(2.8)	*(3.4)*	*(17.6%)*	(9.9)	*(13.1)*	*(24.4%)*
Cost of restructuring (3)	-	*(3.4)*	-	-	*(3.4)*	-
Impairment losses (4)	-	*(43.4)*	-	-	*(43.4)*	-
EBIT	**(0.2)**	**(52.4)**	***99.6%***	**(7.8)**	**(71.5)**	***89.1%***
EBIT margin	*(0.4%)*	*(97.8%)*	*97.4pp*	*(3.7%)*	*(34.2%)*	*30.5pp*
EBIT without IFRS 16	**(0.2)**	**(52.4)**	**99.6%**	***(7.8)***	**(71.5)**	**89.1%**
EBIT margin without IFRS 16	*(0.4%)*	*(97.8%)*	*97.4pp*	*(3.7%)*	*(34.2%)*	*30.5pp*
EBITDA	**1.6**	**(5.9)**	**-**	**0.3**	**(16.7)**	**-**
EBITDA margin	*2.9%*	*(11.0%)*	*13.9pp*	*0.1%*	*(8.0%)*	*8.1pp*
EBITDA without IFRS 16	**1.6**	**(5.9)**	**-**	**0.3**	**(16.7)**	**-**
EBITDA margin without IFRS 16	*2.9%*	*(11.0%)*	*13.9pp*	*0.1%*	*(8.0%)*	*8.1pp*

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

(2) the data include allocated costs of some of the supporting departments; in previous years, these costs were not allocated to business segments to such a significant extent; comparative data have been restated accordingly;

(3) the amounts provided include the cost of the provision related to the restructuring of operations in the Digital and Printed Press segment;

(4) the amount provided includes an impairment loss on intangible assets.

In the fourth quarter of 2023, the Digital and Printed Press segment reported a higher operating result compared to the same period in 2022. The segment's operating loss at the EBIT level amounted to PLN 0.2 million and the profit at the EBITDA level – to PLN 1.6 million. The main factor that positively impacted these results was the lack of costs resulting from one-off events in the fourth quarter of 2023. During the same period of 2022, the costs included a write-down on assets in the amount of PLN 43.4 million and a provision related to restructuring in the amount of PLN 3.4 million.

In 2023, the segment recorded a loss at the EBIT level and a profit at the EBITDA level of minus PLN 7.8 million and PLN 0.3 million, respectively.

The implementation of IFRS 16 had no significant effect on the recognition of operating costs in the Digital and Printed Press segment or on the segment's operating results.

1. REVENUE

In the fourth quarter of 2023, the Digital and Printed Press segment's total revenue increased by 1.3% year-on-year and amounted to PLN 54.3 million. This increase was primarily driven by higher revenue from subscriptions of the content of Wyborcza.pl.

In 2023, the Digital and Printed Press segment's total revenue was higher by 1.2% year-on-year and stood at PLN 211.8 million. This resulted from higher revenue from printing activities and sales of Wyborcza.pl subscriptions.

1.1. Copy sales

In the fourth quarter of 2023, the revenue of the Digital and Printed Press segment from copy sales increased by 1.9% year-on-year and amounted to PLN 27.3 million. During that period, the revenue from content sales of *Gazeta Wyborcza* accounted for PLN 26.1 million, showing an increase of 1.6% year-on-year. The increase was recorded in the revenue from the digital version of the daily.

Throughout 2023, the revenue from copy sales was higher by 0.7% year-on-year and reached PLN 105.3 million. The revenue from content sales of *Gazeta Wyborcza* in 2023 amounted to PLN 100.1 million, showing an increase of 0.4% year-on-year. The main factor behind this was also the increase in revenue from the digital version of the daily.

Both in the fourth quarter and in the entire 2023, *Gazeta Wyborcza* maintained its leading position in sales among the opinion-forming dailies. In the fourth quarter of 2023, the average total copy sales of *Gazeta Wyborcza* amounted to 40.2 thousand copies and decreased by 14.3% year-on-year. In 2023, the average total copy sales of *Gazeta Wyborcza* amounted to 39.9 thousand copies and decreased by 17.4% year-on-year.

1.2. Advertising sales

In the fourth quarter of 2023, advertising revenue in the Digital and Printed Press segment increased by 1.9% year-on-year to PLN 16.4 million. The net advertising revenue of *Gazeta Wyborcza* from all advertising activity amounted to PLN 14.5 million (up by 3.6% year-on-year). This increase was driven by higher revenue mainly from the online edition of *Wyborcza*.

In 2023, advertising revenue was lower by 5.1% year-on-year, amounting to PLN 57.8 million. In total, the net advertising revenue of *Gazeta Wyborcza* from all advertising activity decreased by 5.1% year-on-year and stood at PLN 52.1 million. The decrease was recorded mainly in the sale of advertising services in the paper edition of *Gazeta Wyborcza*.

1.3. Digital revenue

In the fourth quarter of 2023, the digital revenue of *Gazeta Wyborcza* (from the sale of subscriptions and digital advertising) reached nearly PLN 19.3 million, which accounted for 47.0% of its total revenue.

In 2023, the total digital revenue of *Wyborcza* (from the sale of subscriptions and digital advertising) accounted for over PLN 70.8 million, i.e. 44.5% of the daily's revenue combined.

It is worth noting that the number of active paid digital subscriptions of *Gazeta Wyborcza* exceeded 303.3 thousand at the end of December 2023 and was similar year-on-year.

2. COST

In the fourth quarter of 2023, the operating costs of the Digital and Printed Press segment decreased by 48.6% to PLN 54.5 million. It is worth remembering that the decrease in operating costs during this period was affected by a write-down on assets in the amount of PLN 43.4 million and a provision for restructuring in the amount of PLN 3.4 million from the fourth quarter of 2022.

The costs of materials and energy consumed and the value of goods and materials sold decreased by 17.2% to PLN 10.1 million. This was due to the decreasing prices of production materials (price of paper).

In the fourth quarter of 2023, the costs of external services dropped by 5.3% year-on-year to PLN 14.3 million. This decrease was primarily due to the reduction of IT costs resulting from restructuring changes in the segment.

Another factor which contributed to the decline in the operating costs of the segment in the fourth quarter of 2023 was lower staff costs. They decreased by 12.9% to PLN 24.4 million mainly due to the restructuring provision.

The segment's depreciation and amortisation costs decreased in the fourth quarter of 2023 by 41.9% to PLN 1.8 million primarily due to the end of the depreciation and amortisation periods of development projects of *Gazeta Wyborcza*, some of the printing machines and office software (in connection with the transfer to central IT).

Promotion and marketing costs were lower by 17.6% year-on-year and amounted to PLN 2.8 million. This is the result of the cancellation of some of promotional activities of *Gazeta Wyborcza*.

Throughout 2023, the operating costs of the Digital and Printed Press segment decreased by 21.8% and amounted to PLN 219.6 million. This was mainly due to the write-down on assets recognised in 2022, along with staff costs due to the restructuring carried out in 2022.

Between January and December 2023, the costs of materials and energy consumed and the value of goods and materials sold remained at a similar level year-on-year. This was largely caused by an increase in energy costs (mainly electricity costs) and a decrease in production material prices (prices of paper) at a similar level.

The costs of external services decreased by 1.8% year-on-year to PLN 59.2 million. This resulted from the reduction of IT costs and simultaneous increase in the costs associated with organizing festivals and sales brokerage.

Staff costs decreased by 10.2% to PLN 93.0 million in the period under review. This is the result of the reduction in fixed remuneration costs due to the restructuring carried out in 2022 and the restructuring provision.

In 2023, depreciation and amortisation costs reached PLN 8.1 million and were lower by 28.9% year-on-year. This was primarily due to the end of the depreciation and amortisation periods of development projects of *Gazeta Wyborcza*, some of the printing machines and office software (in connection with the transfer to central IT).

The spending on promotion and marketing also decreased in that period – by 24.4% to PLN 9.9 million. This is mainly the result of the cancellation of some of promotional activities of *Gazeta Wyborcza*.

IV.D. OUTDOOR

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

Tab.19

in PLN milion	**4Q 2023**	**4Q 2022**	***% change yoy***	**1-4Q 2023**	**1-4Q 2022**	***% change yoy***
Total sales, including:	**60.1**	**52.2**	***15.1%***	**196.0**	**168.0**	***16.7%***
Advertising revenue (1)	55.9	49.4	*13.2%*	183.7	159.4	*15.2%*
Total operating cost, including (1),(2):	**(56.3)**	**(43.5)**	***29.4%***	**(177.6)**	**(156.2)**	***13.7%***
Total operating cost without IFRS 16 (1),(2)	***(57.7)***	***(44.2)***	***30.5%***	***(181.7)***	***(158.7)***	***14.5%***
External services (1),(2)	(22.8)	(20.9)	*9.1%*	(80.0)	(72.8)	*9.9%*
Staff cost	(10.8)	(8.5)	*27.1%*	(38.8)	(30.7)	*26.4%*
Raw materials, energy and consumables (1)	(3.2)	(2.2)	*45.5%*	(10.7)	(8.9)	*20.2%*
D&A (2)	(9.7)	(8.1)	*19.8%*	(36.4)	(37.3)	*(2.4%)*
Promotion and marketing	(3.6)	(1.6)	*125.0%*	(6.4)	(4.4)	*45.5%*
Impairment losses (3)	(0.2)	(0.4)	*(50.0%)*	-	(0.3)	-
EBIT (1) (2)	**3.8**	**8.7**	***(56.3%)***	**18.4**	**11.8**	***55.9%***
EBIT margin	*6.3%*	*16.7%*	*(10.4pp)*	*9.4%*	*7.0%*	*2.4pp*
EBIT without IFRS 16 (1),(2)	***2.4***	***8.0***	***(70.0%)***	***14.3***	***9.3***	***53.8%***
EBIT margin without IFRS 16	*4.0%*	*15.3%*	*(11.3pp)*	*7.3%*	*5.5%*	*1.8pp*
EBITDA (1),(2),(3)	**13.7**	**17.2**	***(20.3%)***	**54.8**	**49.4**	***10.9%***
EBITDA margin	*22.8%*	*33.0%*	*(10.2pp)*	*28.0%*	*29.4%*	*(1.4pp)*
EBITDA without IFRS 16 (1),(2),(3)	***6.2***	***12.2***	***(49.2%)***	***29.2***	***30.3***	***(3.6%)***
EBITDA margin without IFRS 16	*10.3%*	*23.4%*	*(13.1pp)*	*14.9%*	*18.0%*	*(3.1pp)*
Number of advertising spaces (4)	22 887	23 652	*(3,2%)*	22 887	23 652	*(3,2%)*

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

(2) the data include allocated costs of some of the supporting departments; in previous years, these costs were not allocated to business segments to such a significant extent; comparative data have been restated accordingly;

(3) the amounts include reversals of impairment losses on non-current assets included in the calculation of the EBITDA index;

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

In the fourth quarter of 2023, the EBIT result decreased by 56.3% year-on-year and amounted to PLN 3.8 million. The segment also recorded a lower EBITDA result, which reached PLN 13.7 million.

In the period from January to December 2023, the segment's EBIT amounted to PLN 18.4 million, which represented an increase by 55.9% year-on-year. The segment's EBITDA result was also higher year-on-year and amounted to PLN 54.8 million.

In the fourth quarter of 2023, the segment's operating result at the EBIT level (without the effect of IFRS 16) was PLN 2.4 million and the result at the EBITDA level amounted to PLN 6.2 million in accordance with this presentation.

In 2023, the segment's operating result at the EBIT level (without the effect of IFRS 16) was PLN 14.3 million and the result at the EBITDA level amounted to PLN 29.2 million in accordance with this presentation.

1. REVENUE [8]

In the fourth quarter of 2023, the revenue from the AMS Group's advertising sales increased by 13.2% year-on-year to PLN 55.9 million. This positive dynamics was mainly impacted by expenditure on campaigns carried out on digital media panels and 12 m² billboards. As reported by IGRZ (Outdoor Advertising Chamber), the value of expenditure on outdoor advertising in Poland increased by almost 27.5% as compared to the fourth quarter of 2022. The estimated share of the AMS Group in the expenditure on outdoor advertising during that period was more than 28.0% [7].
Between January and December 2023, the revenue from the AMS Group's advertising sales increased by 15.2% year-on-year to PLN 183.7 million. The positive dynamics of this revenue was mainly impacted by expenditure on campaigns carried out on digital, citylight, 18 m² billboard, backlight and city transport media panels. As estimated by IGRZ, in the period from January to December, outdoor advertising spending in Poland increased by almost 17.0% year-on-year. In 2023, the estimated share of the AMS Group in the outdoor advertising spending amounted to almost 28.5% [7].

2. COST

In the fourth quarter of 2023, the operating costs of the segment increased by 29.4% year-on-year and amounted to PLN 56.3 million.

The increase in the costs of external services in the fourth quarter of 2023 by 9.1% to PLN 22.8 million was mainly due to higher costs of campaigns and system maintenance. The increase in the costs of maintaining the system was primarily caused by the development of the system of digital indoor media, as well as the increase in the costs of ongoing maintenance and repairs of advertising media, and higher rental costs. The costs of printing and replacing posters increased in the campaign costs due to an increase in the number of advertising campaigns.

Staff costs increased by 27.1% to PLN 10.8 million in the fourth quarter of 2023. This was related to an increase in the variable component of remuneration due to the achievement of higher sales targets than those assumed and an increase in fixed remuneration.

In the fourth quarter of 2023, the costs of materials and energy consumed increased by 45.5% to PLN 3.2 million, which largely resulted from higher costs of lighting of advertising media panels and higher costs of renovation materials than in 2022.

Depreciation and amortisation costs in the fourth quarter of 2023 were higher by 19.8% year-on-year, which followed from the classification into IFRS16 of agreements with a higher total value.

The increase in the cost of other operating activities results from the recalculation of the provision for dismantling advertising media panels.

The segment's operating costs presented without the effect of IFRS 16 were higher year-on-year and stood at PLN 57.7 million in the period from October to December 2023. Between January and December 2023, the operating costs of the segment increased by 13.7% to PLN 177.6 million.

The increase in the costs of external services throughout 2023 by 9.9% to PLN 80.0 million was due to higher costs of system maintenance and campaigns. The increase in the costs of maintaining the system was primarily caused by the development of the system of digital indoor media panels, as well as the increase in the costs of ongoing maintenance and repairs of advertising media panels, and higher rental costs. In turn, higher campaign costs, which result from higher sales on traditional media panels, increased due to higher printing costs related to higher revenue from poster and vinyl printing and poster replacement costs.

Staff costs increased by 26.4% to PLN 38.8 million in the period from January to December 2023. This resulted from an increase in the variable component of remuneration due to the achievement of higher sales targets and higher fixed remuneration.

The costs of materials and energy consumed also increased, and in the entire 2023, they were higher by 20.2% year-on-year. The increase was due to higher costs of electricity used for the lighting of advertising media panels.

Depreciation and amortisation costs between January and December 2023 were lower by 2.4% year-on-year, reaching PLN 36.4 million. The decrease is primarily due to the total depreciation/amortisation of some assets at the end of 2022.

The increase in the cost of other operating activities results from the recalculation of the provision for dismantling advertising media panels.

The segment's operating costs presented without the effect of IFRS 16 were higher year-on-year and stood at PLN 181.7 million in the period from January to December 2023.

3. NEW INITIATIVES

In the fourth quarter of 2023, AMS was the first company in the Polish OOH industry to launch an environmental strategy. It plans to step up its efforts to reduce the carbon footprint along the entire value chain, develop green urban infrastructure and implement circular economy solutions for advertising materials. The company's pro-environmental activities have once again been appreciated. AMS was granted the title of Energy Transformation Leader 2023 for its network of photovoltaic stand-alone poles, a special award at the Carbon Footprint Challenge Awards for its long-standing commitment to environmental matters, and the ECO shelters from AMS were awarded the Carbon Footprint Approved Certificate, an international trademark granted to products or services that were manufactured or delivered in an environmentally and socially responsible manner.
The company continued its program of traffic research around indoor panels using artificial intelligence and educational projects, including the second edition of the DataDrivenDOOH conference.

IV.E. INTERNET [1], [6]

The Internet segment includes the pro-forma consolidated financials of Agora's Internet Department (Gazeta.pl), Plan D Sp. z o. o., Yieldbird Sp. z o.o. and HRlink group.

Tab.20

in PLN million	**4Q 2023**	**4Q 2022**	***% change yoy***	**1-4Q 2023**	**1-4Q 2022**	***% change yoy***
Total sales, including (1)	**44.3**	**53.6**	***(17.4%)***	**154.4**	**181.1**	***(14.7%)***
Display ad sales (1)	40.3	49.6	*(18.8%)*	137.7	164.6	*(16.3%)*
Total operating cost, including (1), (2), (3):	**(49.1)**	**(45.0)**	***9.1%***	**(169.0)**	**(169.6)**	***(0.4%)***
Total operating cost without IFRS 16 (1),(2, (3)	***(49.1)***	***(45.0)***	***9.1%***	***(169.0)***	***(169.6)***	***(0.4%)***
External services	(18.8)	(21.9)	*(14.2%)*	(74.3)	(87.6)	*(15.2%)*
Staff cost	(14.5)	(14.8)	*(2.0%)*	(58.1)	(55.0)	*5.6%*
D&A	(2.6)	(2.9)	*(10.3%)*	(11.5)	(11.9)	*(3.4%)*
Promotion and marketing (1)	(5.6)	(4.4)	*27.3%*	(16.1)	(13.0)	*23.8%*
Impairment losses (3)	(7.3)	(0.1)	*7 200.0%*	(7.3)	(0.1)	*7 200.0%*
EBIT	**(4.8)**	**8.6**	**-**	**(14.6)**	**11.5**	**-**
EBIT margin	*(10.8%)*	*16.0%*	*(26.8pkt %)*	*(9.5%)*	*6.4%*	*(15.9pkt %)*
EBIT without IFRS 16	***(4.8)***	***8.6***	**-**	***(14.6)***	***11.5***	**-**
EBIT margin without IFRS 16	*(10.8%)*	*16.0%*	*(26.8pkt %)*	*(9.5%)*	*6.4%*	*(15.9pkt %)*
EBITDA	**5.1**	**11.6**	***(56.0%)***	**4.2**	**23.5**	***(82.1%)***
EBITDA margin	*11.5%*	*21.6%*	*(10.1pkt %)*	*2.7%*	*13.0%*	*(10.3pkt %)*
EBITDA without IFRS 16	***5.0***	***11.6***	***(56.9%)***	***4.1***	***23.5***	***(82.6%)***
EBITDA margin without IFRS 16	*11.3%*	*21.6%*	*(10.3pkt %)*	*2.7%*	*13.0%*	*(10.3pkt %)*

(1) the amounts do not include total revenues and cost of cross-promotion of Agora's different media (only direct variable cost of campaigns carried out on advertising panels) if such promotion is executed without prior reservation, as well as exclude the inter-company sales between Agora's Internet Department, Plan D Sp. z o.o., Yieldbird Sp. z o.o. and HRlink group;

(2) the data include the allocated costs of some of the supporting departments; in previous years, these costs were not allocated to business segments to such a significant extent; comparative data have been restated accordingly ;

(3) the amounts include impairment losses on assets of HRlink Sp. z o.o and intangible assets of Goldenline Sp. z o.o..

In the fourth quarter of 2023, the result of the Internet segment, both at the EBIT and EBITDA levels, was lower year-on-year and amounted to a loss of PLN 4.8 million and a profit of PLN 5.1 million, respectively *[1]*. This was primarily driven by lower segment revenue from the sale of online advertising than in the previous year.

In 2023, the Internet segment achieved lower EBIT and EBITDA levels year-on-year. These ratios amounted to, respectively, a loss of PLN 14.6 million and a profit of PLN 4.2 million *[1]*. The main reason for this state of affairs was the segment's lower revenue from the sale of online advertising as compared to the previous year.

The implementation of IFRS 16 had no significant effect on the recognition of operating costs in the Internet segment or on the segment's operating results.

1. REVENUE

In the fourth quarter of 2023, the total revenue of the Internet segment was lower by 17.4% year-on-year and amounted to PLN 44.3 million. Online advertising sales decreased by 18.8% year-on-year and accounted for PLN 40.3 million. The decline in advertising revenue was primarily driven by lower online advertising sales by Yieldbird, mainly due to changes resulting from the development of cooperation in the SaaS model and limiting the sales of advertising services. Advertising revenue generated by Gazeta.pl was at a lower level year-on-year, mainly as a result of lower programmatic revenues and lower direct advertising revenues (the World Cup in Qatar had an impact on the result of 2022), while at the same time higher revenue from ecommerce advertising. Revenue from other online services was at a similar level as in the fourth quarter of 2022. Revenue from SaaS in Yieldbird was higher, but other online services were lower in Gazeta.pl.

In 2023, the total revenue of the Internet segment decreased by 14.7% to PLN 154.4 million, mainly due to a decrease in the value of the programmatic advertising market. Revenue from other online services was higher year-on-year.

2. COST

In the fourth quarter of 2023, the Internet segment's operating costs increased by 9.1% to PLN 49.1 million. One-off events recognised in the fourth quarter of 2023, relating to an impairment loss on assets of HRlink Sp. z o.o. and intangible assets of Goldenline Sp. z o.o. in the amount of PLN 7.3 million, significantly affected the increase in the segment's operating costs. The costs of promotion and marketing also increased in the fourth quarter of 2023 by 27.3% year-on-year to PLN 5.6 million. This was due to higher expenditure in Gazeta.pl. Other cost items were lower in the period under review. This was primarily driven by a 14.2% decrease in the costs of external services to PLN 18.8 million. These costs were lower especially in Yieldbird, reflecting a decrease in the cost of leasing advertising space and lower revenue from the sale of advertising services. Higher costs of external services were recorded by Gazeta.pl. Staff costs were 2.0% lower and amounted to PLN 14.5 million. This was due to lower employment in the HRlink Group and Yieldbird. Staff costs in Gazeta.pl were higher in the period under review. In the fourth quarter of 2023, depreciation and amortisation costs also decreased year-on-year. They dropped by 10.3% to PLN 2.6 million and their decrease was recorded in Gazeta.pl.

In 2023, the Internet segment's operating costs fell by 0.4% and stood at PLN 169.0 million. This was primarily driven by a 15.2% decrease in the costs of external services to PLN 74.3 million. These costs were lower especially in Yieldbird, reflecting a decrease in the cost of leasing advertising space and lower revenue from the sale of advertising services and in the HRlink Group. Higher costs of external services were recorded by Gazeta.pl. In 2023, depreciation and amortisation costs also decreased year-on-year. They dropped by 3.4% to PLN 11.5 million and their decrease was recorded in Gazeta.pl. Staff costs were 5.6% higher and amounted to PLN 58.1 million. This resulted from an increase in employment in Gazeta.pl. Staff costs in the HRlink Group and Yieldbird were lower in the period under review due to lower employment. The costs of promotion and marketing increased in 2023 by 23.8% year-on-year to PLN 16.1 million. This was due to higher expenditure in Gazeta.pl. Lower promotion and marketing costs were recorded by the HRlink Group. One-off events recognised in the fourth quarter of 2023, relating to an impairment loss on assets of HRlink Sp. z o.o. and intangible assets of Goldenline Sp. z o.o. in the amount of PLN 7.3 million, significantly affected the increase in the segment's operating costs.

3. IMPORTANT INFORMATION ON INTERNET ACTIVITIES

In December 2023, the total reach of the *Agora* group's websites among Polish Internet users stood at 62% and the number of users reached 18.5 million, which made the *Agora Group* the seventh player in the market according to the Mediapanel survey (ranking of publisher groups and ungrouped domains). The total number of page views of the *Agora* group's websites reached 655 million, with the average viewing time of 42 minutes per user [6].

In December 2023, 17.9 million Internet users viewed the websites of the *Agora* group on mobile devices. The number of mobile page views amounted to 541 million, and the share of mobile page views on the websites of the *Agora* group stood at 83% and was the highest among Polish horizontal portals [6].

The websites of the *Agora* group are ranked among the top thematic market players. According to Mediapanel data for December 2023, the *Agora* group is a runner-up in the following categories: 'Parenting' (*edziecko.pl*), 'Multi-themed websites for women' (*kobieta.gazeta.pl*, *stylzycia.radiozet.pl*, *wysokieobsacy.pl*), and ranks third in the categories: 'Information and journalism – general' (including *wyborcza.pl*, *wiadomosci.gazeta.pl*, *wiadomosci.radiozet.pl*, *tokfm.pl*), 'Local and regional news' (third place, local websites of *wyborcza.pl, metrowarszawa.pl*). The websites of the *Agora* group also rank high in the following thematic categories: 'Gossip, celebrities' (fourth place, *plotek.pl*), 'Sports' (fourth place, *sport.pl*, *sport.radiozet.pl*), and 'Fashion and beauty' (fourth place, *avanti24.pl*) [6].

4. NEW INITIATIVES

In the last quarter, Gazeta.pl launched Supermocje.pl, which offers information on the biggest discounts from top brands in fashion, beauty and interiors, and in December, in cooperation with Plotek.pl and Radio Zlote Przeboje, announced the Jupiter of the Year poll.

On 4 January 2024, Agora sold all of its shares in HRlink Sp. z o.o. to eRecruitment Solutions Sp. z o.o., a member of the Grupa Pracuj S.A. capital group. The sale price for 95 shares, representing 79.83% of the share capital of HRlink, was PLN 6,204,196.53. On the same day, HRlink repaid all its debts to Agora together with the interest due. The transaction did not include Goldenline Sp. z o.o., a company in which HRlink held 100% of the share capital. Goldenline remains in the Agora capital group.

NOTES

[1] The performance measure "EBIT" represents net operating profit/(loss) defined as net profit/(loss) in accordance with IFRS before finance income and costs, share of results of equity accounted investees and income taxes.

The performance measure "EBITDA" is defined as EBIT increased by depreciation and amortization and impairment losses of property, plant and equipment, intangible assets and right-of-use assets.

The 'EBIT and EBITDA excluding IFRS 16' are defined as EBIT and EBIT excluding the effect of International Financial Reporting Standard No. 16 Leasing.

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

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

Moreover, EBIT of particular operating segments does not include depreciation and amortisation recognised on consolidation as described in note 22 to the consolidated financial statements.

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

[3] The data relates to advertising and advertisements in six media (print, radio, television, outdoor advertising, internet, cinema). In this report, Agora has adjusted the data for advertising expenses in dailies and magazines in the first, second and third quarters of 2023, and for television advertising expenses in the fourth quarter of 2022.

Unless explicitly stated otherwise, the data presented in the body of this commentary on the level of market advertising expenditures in print and radio are estimated by Agora taking into account the level of average discount and are given in current prices. Therefore, given the discount pressure and the media's selling out of advertising time/space, these figures may be subject to certain errors, which may be corrected on an ongoing basis.

The data for the press are for dimensional ads only, excluding inserts, classified ads and obituaries. Price list expenditures from Kantar Media monitoring were used as the basis for estimates.

Advertising expenditures on television, cinema and online are based on estimates from media house Publicis Media; TV market estimates include amounts related to the broadcast of regular advertising and sponsorship indications along with product placement, but do not include amounts related to teleshopping or other forms of promotion.

Internet ad spend estimates include display, search engines (Search Engine Marketing), e-mail marketing and video advertising.

Outdoor advertising figures are based on Izba Gospodarcza Reklamy Zewnetrznej and media house Publicis Media[8].

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

[4] "Sales" data for paid dailies are presented according to information from the Polish Readership Survey (PBC). The term "sales" used in this commentary means "issue sales" from declarations submitted by publishers to the PBC. All average measures (grouping more than one title) are calculated according to the rule: total sales / number of issues for the title with the most issues in a given period. Based on the average thus calculated, year-on-year dynamics are shown.

[5] Definition of ratios:

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

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

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

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

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

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

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

$$\textit{Gearing ratio} = \frac{\begin{array}{c}\textit{Current and non-current liabilities from loans – cash and cash equivalents}\\ \textit{– highly liquid short-term monetary assets}\end{array}}{\textit{Total equity and liabilities}}$$

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

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

** Free cash flow = Net cash from operating activities + Purchase of property plant and equipment and intangibles, excluding outlays related to the cinema fit-out works to the extent in which those outlays are sold to the owners of the premises, in which those cinemas are located.*

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

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

[7] Source: report prepared by Izba Gospodarcza Reklamy Zewnetrznej (IGRZ) in cooperation with STARCOM company.

[8] Listening share data is from RadioTrack, a survey conducted by Kantar Poland on the Polish population in the 15+ age group; nationwide sample for October-December in 2022: 21,030, in 2023: 21,039; sample of cities of 100,000+ for October-December in 2022: 10,875, in 2023: 10,126; nationwide sample for all of 2022: 83,866, in 2023: 83,977; sample of cities of 100,000+ for all of 2022: 44,291, in 2023: 41 092.

[9] As film distributor UIP Poland does not report the performance of its films, market data on ticket sales are Helios Group estimates based on Boxoffice.co.uk data based on information provided by other film distributors and cinema chains. Cinema ticket sales are reported in periods that are not the same as a calendar month, quarter or year. The number of tickets sold in a given period is measured starting from the first Friday of a given month, quarter or year until the first Thursday falling in the following reporting month, quarter or year.

V. ADDITIONAL INFORMATION

V.A. INFORMATION CONCERNING SIGNIFICANT CONTRACTS FOR THE ISSUER AND ITS GROUP INCLUDING AGREEMENTS BETWEEN THE SHAREHOLDERS WHICH ARE KNOWN TO THE COMPANY, INSURANCE CONTRACTS AND COOPERATION AGREEMENTS

1. INFORMATION CONCERNING SIGNIFICANT CONTRACTS FOR THE ISSUER

- **Amendment to the overdraft agreement and a term loan concluded by the Company with Santander Bank Polska S.A.**

In the regulatory filing of February 27, 2023 the Management Board of Agora S.A., in connection with regulatory filing No. 11/2022 of April 14, 2022 informed of the amendment to the overdraft agreement and a term loan concluded by the Company with Santander Bank Polska S.A. ("Bank").

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

Other provisions of the agreement remained unchanged.

In the regulatory filing of December 28, 2023 the Management Board informed that the Company has made a full, voluntary, early repayment of loan granted to the Company by SFS Ventures s.r.o.

- **Extension of the Agora Tax Capital Group for 2024**

In the regulatory filing of December 18, 2023 the Management Board of Agora S.A., with reference to the regulatory filings no. no. 35/2017 of December 21, 2017, 6/2018 of February 16, 2018, 40/2020 of November 13, 2020, 43/2020 of December 11, 2020, 21/2021 of November 10, 2021, 23/2021 of December 9, 2021, 37/2022 of November 8,2022 and 45/2022 of December 30, 2022, informs that on November 9, 2023, an agreement to extend the period of operation of the Agora Tax Capital Group ("PGK"), was concluded between Agora and the following subsidiaries: Grupa Radiowa Agory sp. z o.o., Agora TC sp. z o.o., Plan D sp. z o.o., Helios S.A., AMS S.A., Yieldbird sp. z o.o. and Plan A sp. z o.o.

In the agreement to extend the period of operation of the tax capital group, Agora was indicated as a company representing PGK in the scope of obligations under the Corporate Income Tax Act and the provisions of the Tax Ordinance.

The agreement on extending the period of operation of the PGK was concluded for the period until 31 December 2024. The Company estimates that the extension of the operating period of the tax capital group may result in a reduction of the group's tax liability by approx. PLN 10 million in 2024.

V.B. CHANGES IN CAPITAL AFFILIATIONS OF THE ISSUER WITH OTHER ENTITIES AND CAPITAL INVESTMENTS OF THE ISSUER AND ITS GROUP AND THE SHAREHOLDERS STRUCTURE

1. THE CAPITAL STRUCTURE OF THE ISSUER AND SUBORDINATED ENTITIES

The list of companies within the Group:

Tab.21

		% of shares held (effectively)	
		31 December 2023	31 December 2022
	Subsidiaries consolidated		
1	Agora TC Sp. z o.o., Warsaw	100.0%	100.0%
2	AMS S.A., Warsaw	100.0%	100.0%
3	AMS Serwis Sp. z o.o., Warsaw (1)	100.0%	100.0%
4	Grupa Radiowa Agory Sp. z o.o. (GRA), Warsaw	100.0%	100.0%
5	Doradztwo Mediowe Sp. z o.o., Warsaw (2)	100.0%	100.0%
6	IM 40 Sp. z o.o., Warsaw (2)	72.0%	72.0%
7	Inforadio Sp. z o.o., Warsaw (2)	66.1%	66.1%
8	Helios S.A. , Lodz (17)	92.3%	91.5%
9	Next Film Sp. z o.o., Warsaw (3)	92.3%	91.5%
10	Plan D Sp. z o.o., Warsaw	100.0%	100.0%
11	Optimizers Sp. z o.o., Warsaw (7)	100.0%	100.0%
12	Yieldbird Sp. z o.o., Warsaw	100.0%	100.0%
13	GoldenLine Sp. z o.o., Szczecin (5)	79.8%	79.8%
14	Plan A Sp. z o.o., Warsaw	100.0%	100.0%
15	Agora Finanse Sp. z o.o. , Warsaw	100.0%	100.0%
16	Step Inside Sp. z o.o., Lodz (3)	83.1%	82.3%
17	HRlink Sp. z o.o., Szczecin (19)	79.8%	79.8%
18	Video OOH Sp. z o.o., Warsaw (1)	92.0%	92.0%
19	Helios Media Sp. z o.o., Lodz (3)	92.3%	91.5%
20	Plan G Sp. z o.o., Warsaw	100.0%	100.0%
21	Eurozet Sp. z o.o., Warsaw (13)	51.0%	40.0%
22	Eurozet Radio Sp. z o.o., Warsaw (8)	51.0%	-
23	Eurozet Consulting Sp. z o.o., Warsaw (8)	51.0%	-
24	Radio Plus Polska Sp. z o.o., Warsaw (9)	40.8%	-
25	Radio Plus Polska Centrum Sp. z o.o., Warsaw (10)	51.0%	-
26	Radio Plus Polska Zachód Sp. z o.o., Warsaw (11)	32.6%	-
27	Spółka Producencka Plus Polska Sp. z o.o., Warsaw (12)	20.4%	-
28	Gazeta.pl Sp. z o.o., Warsaw (14)	100.0%	-
29	Czerska 8/10 Sp. z o.o., Warsaw (14)	100.0%	-
30	Agora Książka i Muzyka Sp. z o.o.,Warsaw (15)	100.0%	-
31	Wyborcza Sp. z o.o., Warsaw (16)	100.0%	-
32	Yieldbird International Ltd, London (6)	-	100.0%
33	Next Script Sp. z o.o., Warsaw (4), (18)	-	91.5%
	Joint ventures and associates accounted for the equity method		
34	Instytut Badań Outdooru IBO Sp. z o.o., Warsaw (1)	50.0%	50.0%
35	ROI Hunter a.s., Brno	23.9%	23.9%

		% of shares held (effectively)	
		31 December 2023	31 December 2022
	Companies excluded from consolidation and equity accounting		
36	Polskie Badania Internetu Sp. z o.o., Warsaw	16.7%	16.7%
37	Garmond Press S.A., Cracow	3.5%	3.5%

(1) *indirectly through AMS S.A.;*
(2) *indirectly through GRA Sp. z o.o.;*
(3) *indirectly through Helios S.A.;*
(4) *indirectly through Next Film Sp. z o.o.;*
(5) *indirectly through HRlink Sp. z o.o.; the company disposal by Hrlink Sp. z o.o. to Wyborcza Sp. z o.o. on January 4, 2024;*
(6) *indirectly through Yieldbird Sp. z o.o.; the company was dissolved in June 2023.*
(7) *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;*
(8) *indirectly through Eurozet Sp. z o.o., which holds 100% of the company's shares;*
(9) *indirectly through Eurozet Radio Sp. z o.o., which holds 80% of the company's shares;*
(10) *indirectly through Eurozet Radio Sp. z o.o., which holds 100% of the company's shares;*
(11) *indirectly through Radio Plus Polska Sp. z o.o., which holds 80% of the company's shares;*
(12) *indirectly through Radio Plus Polska Sp. z o.o., which holds 50% of the company's shares and on the basis of contractual provisions has control over the company;*
(13) *acquisition of additional shares on February 27, 2023; till February 27, 2023 the company was an associate;*
(14) *company registered in the National Court Register on August 17, 2023;*
(15) *company registered in the National Court Register on August 22, 2023;*
(16) *company registered in the National Court Register on August 23, 2023;*
(17) *acquisition of shares in the company registered in the register of shareholders on September 1 and September 6, 2023;*
(18) *merger with Next Film Sp. z o.o. on November 15, 2023;*
(19) *the company was disposed on January 4, 2024.*

2. CHANGES IN CAPITAL AFFILIATIONS AND ORGANISATION OF THE CAPITAL GROUP

- **Acquisition of 110 shares in the share capital of Eurozet sp. z o.o.**

- **Conclusion of Annex No. 6 to the Shareholders Agreement concluded on February 20, 2019 by the Company and SFS Ventures s.r.o.**

In the regulatory filing of February 19, 2023 the Management Board of Agora S.A., in connection, in particular, with regulatory filings No. 3/2019 of February 20, 2019 and also regulatory filings Nos. 1/2022 of February 1, 2022, 2/2022 of February 16. 2022, 16/2022 of May 19, 2022, 26/2022 of June 29, 2022, 29/2022 of July 29, 2022 and 31/2022 of August 19, 2022 informed that today the Company commenced negotiations to conclude Annex No. 6 to the Shareholders Agreement concluded on February 20, 2019 by the Company and SFS Ventures s.r.o. with its seat in Prague ("SFS Ventures") ("Annex").

The Company commenced negotiations with SFS Ventures – majority shareholder of the company Eurozet sp. z o.o. ("Eurozet") – on amendment to the Shareholders Agreement concluded on February 20, 2019 (amended by annexes 1-5) ("Agreement"). The amendment consists of, in particular:

a) amendment to 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 shares allowing the

Company to hold a majority stake in Eurozet shares (“Call Option 1”), and in phase two the Company shall be entitled to purchase all remaining shares in Eurozet held by SFS Ventures (“Call Option 2”);

b) amendment to Eurozet’s corporate governance rules in the event of exercising Call Option 1 by the Company and change in the ownership structure , i.e. change of the majority shareholder of Eurozet;

c) establishing rules of mutual cooperation and information exchange between the Company and SFS Ventures as shareholders of Eurozet.

In the regulatory filing of February 27, 2023 the Management Board of Agora S.A., with reference to regulatory filing No. 7/2023 of February 19, 2023 and regulatory filing No. 3/2019 of February 20, 2019, together with regulatory filings Nos. 1/2022 of February 1, 2022, 2/2022 of February 16, 2022, 16/2022 of May 19, 2022, 26/2022 of June 29 2022, 29/2022 of July 29 2022 and 31/2022 of August 19, 2022, informed that the Company has completed negotiations with SFS Ventures s.r.o. with its seat in Prague (“SFS Ventures”), the effect of which is 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 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. The Company and SFS Ventures also determined 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.

In the regulatory filing od November 30, 2023, on the basis of Article. 17 sec. 1 and 4 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (regulation on market abuse) and repealing Directive 2003/6 / EC of the European Parliament and of the Council and Commission directive 2003 / 124 / WE, 2003/125 / EC and 2004/72 / EC ("MAR"), the Management Board of Agora SA ("Company") ("Management Board") disclosed confidential information on the initiation of negotiations with SFS Ventures s.r.o. with its seat in Prague (“SFS Ventures”) from October 30, 2023 on amending provisions of the Shareholders’ Agreement of February 20, 2019 (“Shareholders Agreement”) of the company Eurozet sp. z o.o. (“Eurozet”)(“Confidential Information”).

The Management Board of Agora S.A. with its registered office in Warsaw ("Company"), with reference to the Company's regulatory filings No. 3/2019 of February 20, 2019, 11/2023 of February 27, 2023, 13/2023 of February 27, 2023, 14/2023 of February 27, 2023, hereby informs that today the Company commenced negotiations with SFS Ventures concerning amendments to the Shareholders Agreement, in particular amendment to the principles of setting the final sale price of shares of Eurozet for the Company, including shares purchased by the Company under Call Option 1 and the remaining 490 shares available to purchase through exercising Call Option 2.

The commencement of the negotiations described above does not mean that they will end with the establishment of final conditions or conclusion of the negotiated agreement.

Reasons for delaying the transfer of Confidential Information to the public:

In the opinion of the Management Board, the delay in disclosure of the above Confidential Information met the conditions set out in the MAR and the guidelines of the European Securities and Markets Authority (ESMA) regarding the delay in disclosure of confidential information and interactions with prudential supervision of April 13, 2022 ("ESMA Guidelines") at the time of the decision on delay.

In the Management Board's opinion, the immediate disclosure of Confidential Information generated the risk of a negative impact on the course and outcome of the negotiations, the terms of the Annex to the Shareholders Agreement ("Annex") and the probability of its conclusion. Considering the materiality of matters covered by the Annex for the rules of acquiring shares of the company Eurozet sp. z o.o. and the execution of the long-term strategy of Agora Group, disclosing information about the Company's negotiations on the Annex could contribute to third party interference, which could have a negative impact on the duration and the terms of the Annex and its very conclusion.

The above could, in particular, result in obtaining conditions worse than in the case of keeping the information confidential, and even the lack of successful completion of the negotiation in future. In the opinion of the Management Board, the above premises meet the criteria for the possibility of infringement of the legally legitimate interest of the issuer specified in point 5.1.10a of the ESMA Guidelines.

Due to the unpredictable outcome of the negotiations, the Management Board decided that publication of the Confidential Information to the public could result in inappropriate assessment of this information and its potential impact on the Company's value by the public.

In the opinion of the Management Board, there were no indications that delay in disclosing Confidential Information could mislead the public, in particular due to the fact that the considered finalization the purchase of the majority package of shares of Eurozet sp. z o.o. was communicated by the Company as part of its filings and execution of responsibilities of a public company, which shares are listed on the regulated market. In view of the above, there were no grounds to consider that the delay in publishing the Confidential Information to the public contrasts with the market expectations based on the communication previously conducted by the Company.

The Company also took and implemented measures necessary to keep Confidential Information confidential, until it was made public, in particular by implementing, at the level of the Capital Group of the Company, the internal circulation and information protection procedure. At the time of the decision to delay disclosure of the Confidential Information, pursuant to Art. 18 MAR, a list of persons having access to Confidential Information was prepared, which was monitored on an ongoing basis and updated as necessary.

According to art. 17 sec. 4 MAR, immediately after the publication of this report, the Company will inform the Polish Financial Supervision Authority about the delay of disclosure of the Confidential Information together with an indication of the fulfilment of the reasons for such delay.

In the regulatory filing od November 30, 2023, the Management Board of Agora S.A. with its registered office in Warsaw ("Company" or "Agora"), with reference to regulatory filings No. 35/2023 of November 30, 2023 and No. 3/2019 of February 20, 2019, and also No. 1/2022 of February 1, 2022, 2/2022 of February 16, 2022, No. 16/2022 of May 19, 2022, No. 26/2022 of June 29, 2022, No. 29/2022 of July 29, 2022, No. 31/2022 of August 19, 2022, No. 11/2023 of February 27, 2023 and No. 14/2023 of February 27, 2023, hereby informs that today 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.

Additionally, the Annex provided 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. The parties agreed that the final sale price amounts to EUR 9,500,000. 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 within 10 working days since completion of the Annex.

- **Conclusion of a loan agreement between the Company and SFS Ventures s.r.o. to finance purchase of additional package of shares in the company Eurozet sp. z o.o.**

In the regulatory filing of February 27, 2023 on the basis of Article. 17 sec. 1 and 4 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (regulation on market abuse) and repealing Directive 2003/6 / EC of the European Parliament and of the Council and Commission directive 2003 / 124 / WE, 2003/125 / EC and 2004/72 / EC ("MAR"), the Management Board of Agora SA hereby disclosed confidential information on the initiation of negotiations from February 19, 2023 to conclude with SFS Ventures s.r.o. with its seat in Prague a loan agreement to finance purchase of additional package of shares in the company Eurozet sp. z o.o. from SFS Ventures s.r.o., as result of which, the Company would become the majority shareholder of the company Eurozet sp. z o.o. ("Confidential Information").

Company commenced negotiations to with SFS Ventures s.r.o. with its seat in Prague ("SFS Ventures") a loan agreement ("Loan Agreement") to finance purchase of additional package of shares in the company Eurozet sp. z o.o. from SFS Ventures s.r.o., as result of which, the Company would become the majority shareholder of the company Eurozet sp. z o.o. ("Shares").

The Loan Agreement is aimed at ensuring means for the Company to finance acquisition of Shares, as a result of the potential execution by the Company of the Shares call option resulting from the Shareholders Agreement of February 20, 2019 concluded between the Company and SFS Ventures as amended ("Call Option"). In case the Call Option is executed, the Company shall become the majority shareholder of the company Eurozet sp. z o.o.

Negotiations shall include, i.a., setting means and range of financing acquisition of Shares by the Company, in particular, the amount of the Loan Agreement, terms and conditions of its repayment and means of securing the lender receivables and also responsibilities of the Company as a borrower.

The commencement of the negotiations described above does not mean that they will end with the establishment of final conditions or conclusion of the negotiated agreement.

Reasons for delaying the transfer of Confidential Information to the public:

In the opinion of the Management Board, the delay in disclosure of the above Confidential Information met the conditions set out in the MAR and the guidelines of the European Securities and Markets Authority (ESMA) regarding the delay in disclosure of confidential information and interactions with prudential supervision of April 13, 2022 ("ESMA Guidelines") at the time of the decision on delay.

In the Management Board's opinion, the immediate disclosure of Confidential Information generated the risk of a negative impact on the course and outcome of the negotiations, the terms of the Loan Agreement and the probability of its conclusion. Considering the materiality of matters covered by the Loan Agreement for the rules of acquiring shares of the company Eurozet sp. z o.o. and the execution of the long-term strategy of Agora Group, disclosing information about the Company's negotiations on the Loan Agreement could contribute to third party interference, which could have a negative impact on the duration and the terms of the Loan Agreement and its very conclusion.

The above could, in particular, result in obtaining conditions worse than in the case of keeping the information confidential, and even the lack of successful completion of the negotiation in future. In the opinion of the Management Board, the above premises meet the criteria for the possibility of infringement of the legally legitimate interest of the issuer specified in point 5.1.10a of the ESMA Guidelines.

Due to the unpredictable outcome of the negotiations, the Management Board decided that publication of the Confidential Information to the public could result in inappropriate assessment of this information and its potential impact on the Company's value by the public.

In the opinion of the Management Board, there were no indications that delay in disclosing Confidential Information could mislead the public, in particular due to the fact that the considered finalization the purchase of the majority package of shares of Eurozet sp. z o.o. from SFS Ventures s.r.o. through external financing (without determining the character of such financing or subject providing such financing) was communicated by the Company as part of its filings and execution of responsibilities of a public company, which shares are listed on the regulated market. In view of the above, there were no grounds to consider that the delay in publishing the Confidential Information to the public contrasts with the market expectations based on the communication previously conducted by the Company.

The Company also took and implemented measures necessary to keep Confidential Information confidential, until it was made public, in particular by implementing, at the level of the Capital Group of the Company, the internal circulation and information protection procedure. At the time of the decision to delay disclosure of the Confidential Information, pursuant to Art. 18 MAR, a list of persons having access to Confidential Information was prepared, which was monitored on an ongoing basis and updated as necessary.

According to art. 17 sec. 4 MAR, immediately after the publication of this report, the Company will inform the Polish Financial Supervision Authority about the delay of disclosure of the Confidential Information together with an indication of the fulfilment of the reasons for such delay.

In the regulatory filing of February 27, 2023 the Management Board of Agora S.A., in connection with the delayed confidential information, of which the Company informed in the regulatory filing No. 9/2023 of February 27, 2023, hereby informed that today the Company has 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 shall grant the Company a loan in the amount of EUR 9,170,000. The loan will be used to finance the purchase of 110 shares of Eurozet form SFS Ventures. The amount of the loan may be increased in future (as a result of the share price adjustment) up to the amount of maximum EUR 11,000,000.

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

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

A) registered and civil pledge agreement providing for: (i) establishing in favour of SFS Ventures a civil and registered pledge over 220 shares of Eurozet owned by the Company (and in case of the registered pledge – up to the maximum secured amount of EUR 22,000,000), and assignment of the Company's property rights for dividends and similar payments, attaching all the shares in Eurozet owned by the Company;
B) the Company's statement of submission to execution in favour of SFS Ventures in accordance with Article 777 § 1(5) of the Code of Civil Procedure as to the obligation to repay the principal amount of the loan, together with incidental receivables.

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

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

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

In the regulatory filing of July 12, 2023, the Management Board of the Company informed that the Company made a voluntary partial prepayment of the loan granted to the Company by SFS Ventures s.r.o. to finance purchase of 110 shares in the share capital of the company Eurozet sp. z o.o.

The Company prepaid part of the loan capital in the amount of EUR 4,400,000.00, together with due interest.

In the regulatory filing of December 28, 2023 the Management Board informed that the Company has made a full, voluntary, early repayment of loan granted to the Company by SFS Ventures s.r.o.

The Company repaid the loan capital in the amount of EUR 4,770,000.00, together with due interest.

Full repayment of the Loan causes the termination of all collaterals made in favour of SFS Ventures in connection with the Loan, as published by the Company in the regulatory filing No. 12/2023 of February 27, 2023, in particular a registered pledge over 220 shares of Eurozet sp. z o.o. owned by the Company and assignment of the Company's property rights for dividends and similar payments attaching all shares of Eurozet sp. z o.o. owned by the Company.

The Company made the repayment of the Loan from its own funds.

On October 6, 2023, Mr. Tomasz Zakrzewski was recalled from the position of the member of the management board of the company Eurozet sp. z o.o.

On October 9, 2023, Mr. Paweł Majorczyk was appointed to perform duties of the member of the management board of the company Eurozet sp. z o.o.

- **Helios S.A.**

Call for the repurchase of shares in a subsidiary.

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

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

(i) Sell-out procedure

As part of the sell-out of the Shares, by June 30, 2016, Agora transferred to Helios S.A. PLN 2,938 thousand representing the sell-out price calculated in accordance with Article 418(1) par. 6 of the CCC. As at December 31, 2016, the Agora Group recognized on its balance sheet an obligation to purchase the Shares from minority shareholders of Helios S.A. totalling PLN 3,185 thousand. This included PLN 2,938 thousand already transferred by Agora S.A. to Helios S.A. (with the corresponding entry in the Group's equity under retained earnings/(accumulated losses) and the net profit or loss for the current year) and the total amount transferred by another shareholder of Helios S.A. under the sell-out procedure. As part of the sell-out procedure, on June 2, 2017, PLN 3,171 thousand was transferred by Helios S.A. to the Minority Shareholder for 318,930 shares sold out. Also on June 2, 2017, a total of PLN 14 thousand was transferred to other minority shareholders for the sell-out of 1,460 shares in total. As a result of these transactions, the Group fulfilled its obligation to buy shares recognized on the Group's balance sheet. As a result, Agora S.A. increased its shareholding in Helios S.A. from 10,277,800 to 10,573,352 shares, i.e. by 295,552 shares. Currently, Agora S.A. holds 92.31% of the shares in Helios S.A.

The shareholders whose shares are subject to the sell out and squeeze out procedures did not agree to the sell-out share price calculated in accordance with Article 418(1) par. 6 of the CCC, and based on Article 418(1) par. 7 of the CCC submitted a motion to the registration court to appoint a registered auditor to determine the price of the shares being sold. The final price of the Shares being subject to the sell out and squeeze out procedures will be determined by the registration court competent for the registered office of Helios S.A. on the basis of an opinion of the registered auditor appointed by the registration court competent for the registered office of Helios S.A., A change in the valuation will result in an adjustment of the price of the shares being sold. The District Court for Lodz Srodmiescie in Lodz, the 20th Department of the National Court Register, appointed a registered auditor to value shares under this procedure, both for the sell-out of the Minority Shareholder's shares with regard to 318,930 shares, and for other minority shareholders with regard to 1,460 shares in total.

The Minority Shareholder and other minority shareholders referred to in the preceding sentence which had rights under 1,460 shares appealed from the Court's decision appointing the registered auditor. By a valid decision of the Regional Court in Lodz, the 13th Business Appeal Department of February 20, 2019 and September 19, 2020, the appeal of the other minority shareholders having rights under 1,460 shares was dismissed.

(ii) Squeeze-out procedure

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

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

As a result of filing on July 3, 2023 a call by minority shareholders of Helios S.A. to purchase shares of Helios S.A. under a vested put option, granted to those shareholders under separate agreements, 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. owns in total 10,674,113 shares of the share capital of Helios S.A. constituting 92.31% of the share capital of this company.

In the regulatory filing of January 27, 2023 the Management Board of Agora S.A. in reference to regulatory filings Nos. 35/2020 of September 24, 2020, 32/2022 of August 26, 2022 and 44/2022 of December 23, 2022, informed that it obtained information on the conclusion by the subsidiary Helios S.A. of Annex no. 2 (“Annex”) to the revolving loan agreement with Santander Bank Polska S.A. based in Warsaw ("Santander"), which was communicated by the Company in regulatory filing No. 35/2020 of September 24, 2020 (“Agreement”). The Company, as the guarantor, has expressed its consent for conclusion of the Annex on January 27, 2023.

Pursuant to the Annex, collaterals defined by the Agreement have been changed in such a way that within the additional collateral of debt repayment under the Agreement, the Company has secured repayment of debt under the Agreement by means of a surety in the amount of up to PLN 9 mio granted in connection with the revolving loan agreement with Santander with a guarantee of repayment of 80.0% of the loan by Bank Gospodarstwa Krajowego, the conclusion of which was communicated by the Company in the regulatory filing No. 44/2020 of December 23, 2020. 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.

In the regulatory filing of February 17, 2023 the Management Board of Agora S.A. with its registered office in Warsaw ("Agora", "Company"), in reference to the regulatory filing Nos. 43/2022 of December 23, 2022, 34/2022 of September 27, 2022 and 35/2020 of September 24, 2020, informed that it learned about the change introduced to the overdraft agreement concluded by the subsidiary Helios S.A. with BNP Paribas Bank Polska S.A. based in Warsaw 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 mio. 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 mio granted by the Company.

The other provisions of the Agreement remain unchanged.

- **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 will be fully covered by a cash contribution in the amount of PLN 4,000,000. The agio is to be allocated into the supplementary capital of the company.

- **Plan G sp. z o.o.**

On January 27, 2023, the company was registered in the National Court Register.

On June 30, 2023, the share capital of the company was increased by creating 200 new equal and indivisible shares with a nominal value of PLN 50.00 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 15,000.

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 50.00 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 50,000.

- **Step Inside sp. z o.o.**

On January 31, 2023, AMS Serwis sp. z o.o. and Step Inside sp. z o.o. entered into a loan agreement based on which, Step Inside sp. z o.o. borrowed the amount of PLN 2,000,000. Repayment of the loan was spread over 8 quarterly instalments. Repayment of the last instalment was scheduled for December 30, 2025.

On September 18, 2023, Tomasz Billik was recalled from the management board of the company and on September 19, 2023 appointed to perform duties of the chairman of the supervisory board.

On September 18, 2023, Magdalena Gorzelniak was recalled from the position of the chairpreron of the supervisory board.

On September 19, 2023 Tomasz Jagiełło was appointed to perform duties of the member of the management board.

- **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.

- **Yieldbird International Ltd.**

On June 13, 2023 Yieldbird International Ltd., a company under British law, was liquidated.

- **Yieldbird sp. z o.o.**

On March 30, 2023, the supervisory board appointed Józef Skóra to perform duties of the member of the management board of the company as of April 1, 2023.

As of February 29, 2024, Józef Skóra was dismissed form the position of the member of the management board of the company.

- **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.

On January 1, 2024 Joanna Kwas and Mikołaj Chrzan were appointed to perform duties of the members of the management board of the company.

- **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.

- **Grupa Radiowa Agory sp. z o.o.**

On November 23, 2023 Paweł Majorczyk was appointed to perform duties of the member of the management board of the company.

- **Goldenline sp. z o.o.**

On January 4, 2024 the company HRlink sp. z o.o. sold 100% shares in the share capital of Goldenline sp. z o.o. for the benefit of Wyborcza sp. z o.o.

On February 14, 2024, Arkadiusz Kuchto was recalled from the management board of the company.

On February 14, 2024 Joanna Kwas and Mateusz Nowak were appointed to perform duties of the members of the management board of the company.

- **HRlink sp. z o.o.**

In the regulatory filing of January 4, 2024, on the basis of Article. 17 sec. 1 and 4 of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (regulation on market abuse) and repealing Directive 2003/6 / EC of the European Parliament and of the Council and Commission directive 2003 / 124 / WE, 2003/125 / EC and 2004/72 / EC ("MAR"), the Management Board of Agora SA ("Company") ("Management Board") disclosed confidential information on the initiation of negotiations with eRecruitment Solutions sp. z o.o. with its seat in Warsaw (“eRecruitment Solutions”) whose sole shareholder is Grupa Pracuj S.A., form November 29, 2023, on sale of shares in HRlink sp. z o.o. (“Confidential Information”)(“Negotiations”).

Contents of the delayed Confidential Information:

The Management Board of Agora S.A. with its seat in Warsaw (“Company”) hereby informs that today, in view of agreeing between the Company and eRecruitment Solutions on basic principles of the transaction, the Company decided to commence negotiations with eRecruitment Solutions on sale of shares of HRlink sp. z o.o. with its seat in Warsaw (“HRlink”).

The commencement of the negotiations described above does not mean that they will end with the establishment of final conditions or conclusion of the negotiated agreement.

Reasons for delaying the transfer of Confidential Information to the public:

In the opinion of the Management Board, the delay in disclosure of the above Confidential Information met the conditions set out in the MAR and the guidelines of the European Securities and Markets Authority (ESMA) regarding the delay in disclosure of confidential information and interactions with prudential supervision of April 13, 2022 ("ESMA Guidelines") at the time of the decision on delay.

In the Management Board's opinion, the immediate disclosure of Confidential Information generated the risk of a negative impact on the course and outcome of the Negotiations, and the probability of its conclusion. Disclosure of information about the Company's Negotiations could contribute to third party interference, which could have a negative impact on the duration and the terms of the Negotiations.

The above could, in particular, result in obtaining conditions worse than in the case of keeping the information confidential, and even the lack of successful completion of the Negotiations in future. In the opinion of the Management Board, the above premises meet the criteria for the possibility of infringement of the legally legitimate interest of the issuer specified in point 5.1.10a of the ESMA Guidelines.

Due to the unpredictable outcome of the negotiations, the Management Board decided that publication of the Confidential Information to the public could result in inappropriate assessment of this information and its potential impact on the Company's value by the public. In the opinion of the Management Board, there were no indications that delay in disclosing Confidential Information could mislead the public

The Company also took and implemented measures necessary to keep Confidential Information confidential, until it was made public, in particular by implementing, at the level of the Capital Group of the Company, the internal circulation and information protection procedure. At the time of the decision to delay disclosure of the Confidential Information, pursuant to Art. 18 MAR, a list of persons having access to Confidential Information was prepared, which was monitored on an ongoing basis and updated as necessary.

According to art. 17 sec. 4 MAR, immediately after the publication of this report, the Company will inform the Polish Financial Supervision Authority about the delay of disclosure of the Confidential Information together with an indication of the fulfillment of the reasons for such delay.

In the regulatory filing of January 4, 2024, the Management Board of Agora S.A. with its seat in Warsaw (“Agora”), in connection with the regulatory filing No. 1/2024 of January 4, 2024, informed that on January 4, 2024 Agora 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. Agora informed about the investment agreement in the regulatory filing No. 25/2019 of September 12, 2019.

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.

Agora reported on the investment in HRlink in regulatory filing No. 23/2019 of August 29, 2019 and 25/2019 of September 12, 2019. Completion of the Transaction means the end of investment in HRlink by Agora.

The sale price is not material for Agora capital group. Final settlement of sale of the subsidiary shall be reported in the consolidated financial report for Q1 2024.

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

In the regulatory filing of December 20, 2023, the Mangement 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.

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

In the regulatory filing of February 28, 2024, the Management Board of the Company 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.

3. PARTICIPATION IN BUSINESS ORGANIZATION, HOME AND FOREIGN

The Group wants to actively shape the environment in which it operates on a daily basis. For this reason, its companies are active participants in organisations that bring together specialists in industries relevant to its operations. The main organisations in the work of which representatives of the Group's companies participate:
- Polish:

· PKPP Lewiatan,

· Association of Listed Companies,

· Chamber of Press Publishers,

· Polish Internet Research,

· Association of Employers of Digital Publishers

· IAB Poland - Internet Advertising Bureau Poland

· IGRZ - Chamber of Commerce of Outdoor Advertising,

· Association of Publishers ReproPol,

· Polish Association of New Cinemas,

· IAA Poland - International Advertising Association, Poland,

· ZPAV - Polish Society of the Phonographic Industry

· KIPA - National Chamber of Audiovisual Producers,

· Polish Chamber of Books.

- Foreign:

· *INMA - International Newsmedia Marketing Association,*

· EPC - European Publishers Council,

· UNIC - International Union of Cinemas.

In addition, in 2023, the Company conducts charitable and social activity, inter alia, through Agora Foundation, Gazeta Wyborcza Foundation and Wysokie Obcasy Foundation. Through Inforadio Sp. z o.o., it is also active within the TOK FM Foundation, through Eurozet - within the Radio ZET Foundation, and through AMS - within the "Integration Academy Foundation - Work, Education, Sport."

4. MAJOR DOMESTIC AND FOREIGN INVESTMENTS

In 2023 carrying amount of intangible assets of the Group (magazine titles, goodwill, licenses and patents, other) increased by PLN 332.2 million (cost increased by PLN 339.4 million, amortisation and impairment losses for the period increased by PLN 7.2 million). Detailed information on intangible assets is included in note 3 to the consolidated financial statements.

In 2023 carrying amount of property, plant and equipment of the Group decreased by PLN 35.1 million (cost decreased by PLN 76.2 million, depreciation and impairment losses for the period decreased by PLN 41.1 million).

Detailed information on property, plant and equipment is included in note 4 to the consolidated financial statements.

In 2023 the Group acquired additional shares in Eurozet Group and Helios S.A., as described in the section V.B.2 of this Management Discussion and Analysis.

The capital investments (shares, contribution to capital, loans) made outside the Agora Group (companies excluded from consolidation and equity accounting) in 2023 decreased by PLN 1.0 million. Detailed information is included in note 6 to the consolidated financial statements.

In 2023, the investments of the Group were financed from own funds, except for capital expenditures on property, plant and equipment related to new cinema equipment and restaurants, which were partially financed by means of bank loans and finance lease arrangements.

In 2023 the Group invested its free cash outside its capital group mainly in bank deposits. As at the end of 2023, the amount of such investments was equal to PLN 48.1 million.

5. CHANGES IN THE SHAREHOLDERS' STRUCTURE OF THE COMPANY

The shareholders' structure is updated on the basis of the list received by the Company from KDPW as of the registration day to attend in the General Meeting of the Company.

On the basis of art. 69 of Act on Public Offer and the Conditions of Introducing Financial Instruments to the Organized Trading System and on Public Companies dated July 29, 2005, the shareholders' structure actual following the shareholders' formal notifications and as of the day of publication of former report (i.e. November 17, 2023) and as of the day of publication of this report (i.e. March 20, 2024), has not significantly changed.

Tab.22

	no. of shares	% of share capital	no. of votes	% of voting rights
Agora-Holding Sp. z o.o. (in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)	5,401,852	11.60	22,528,252	35.36
Powszechne Towarzystwo Emerytalne PZU S.A. (Otwarty Fundusz Emerytalny PZU Zlota Jesien) *(in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)*	8,235,951	17.68	8,235,951	12.93
including: Otwarty Fundusz Emerytalny PZU Zlota Jesien *(in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)*	8,126,434	17.44	8,126,434	12.76
Media Development Investment Fund, Inc. (MDIF Media Holdings I, LLC) *(in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)*	5,355,645	11.49	5,355,645	8,41
Nationale-Nederlanden Otwarty Fundusz Emerytalny *(in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)*	4,119,000	8.84	4,119,000	6,47

(1) Number of shares according to the shareholder's notification – as at August 23, 2018; proportion of voting rights and percentage of the share capital of Agora S.A. were recalculated by the Company after reduction of the Company's share capital.

In accordance to the formal notifications received from the shareholders, particularly on the basis of Article 69 of Act of July 29, 2005, on public offering, conditions governing the introduction of financial instruments to organised trading, and public companies, as at the day of publication of this annual report, there were no changes in the shareholding structure.

The Management Board of Agora SA does not have any information about contracts, which may result in future changes in the proportions of shares held by existing shareholders.

V.C. OTHER SUPPLEMENTARY INFORMATION

1. TRANSACTIONS WITH RELATED PARTIES

Following types of transactions are witnessed within the Agora Group:

- advertising and printing services,
- rent of machinery, office and other fixed assets,
- sale of rights and granting licenses to works,
- production and service of advertising panels,
- providing various services: legal, financial, administration, trade, sharing market research results, data transmission, outsourcing,
- grant and repayment of loans and interest revenues and costs,
- dividend distribution,
- cash pooling settlements,
- settlements within the Tax Capital Group.

The above transactions within the Agora Group are carried out on arm's length basis and are within the normal business activities of companies. Detailed information on transactions with related parties is disclosed in note 39 to the consolidated financial statements.

2. AGREEMENTS BETWEEN THE COMPANY AND MANAGEMENT BOARD'S MEMBERS ON COMPENSATION IN CASE OF RESIGNATION OR DISMISSAL

In accordance with binding employment contracts concluded with members of the Management Board of Agora S.A., during the period of 30 months starting the day:

- on which the right of the shareholders holding series A shares to nominate candidates to the Management Board is removed from the Company's Statute;
- on which one entity or a group of entities acting in concert exceeds the 50% threshold of the total number of votes at the General Meeting of Shareholders of Agora S.A.;
- on which the Supervisory Board of the Company is appointed by voting by separate groups, should any of these contracts be terminated by the Company (Article 385 § 3-9 of the Code of Commercial Companies), the Management Board member will receive a compensation payment in the total amount being a sum of the following components:

(i) the amount equivalent to 12 times the monthly basic remuneration due to the member of the Management Board of Agora S.A. for the month preceding the month in which the member of the Management Board of Agora S.A. receives the termination notice;

(ii) the amount equivalent to the annual bonus for the financial year preceding the year of termination of the employment contract.

The redundancy payment mentioned above shall not be due when the employment contract is terminated for reasons indicated in Article 52 § 1 of the Labour Code.

3. REMUNERATION, BONUSES AND BENEFITS OF THE ISSUER'S MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS AND MANAGEMENT BOARD AND SUPERVISORY BOARD MEMBERS OF ITS SUBSIDIARIES

The remuneration paid by Agora S.A. to Management Board members in 2023 amounted to PLN 3,280 thousand (2022: PLN 6,006 thousand). This amount includes salary and bonus payments for the period of holding the post of a Management Board member.

The remuneration paid by Agora S.A. to Supervisory Board members in 2023 amounted to PLN 624 thousand (2022: PLN 624 thousand).

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-controlled entities and associates.

Detailed information concerning remuneration of the Management Board and Supervisory Board Members is presented in note 27 to the consolidated financial statements.

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

In 2023 the remuneration of Management and Supervisory Board Members in subsidiaries amounted to PLN 8,887 thousand (in 2022: PLN 8,235 thousand).

The Agora Group also executed incentive programs based on financial instruments, in which Management Board members of Agora S.A. Detailed information concerning these plans is presented in note 28 to the consolidated financial statements.

To the best of the Company's knowledge, the Management and Supervisory Board Members of the companies comprising the Agora Group have not been entitled to remuneration, monetary awards and benefits, other than described above, paid out, due or potentially due to holding their posts.

4. THE SHARES IN AGORA S.A. AND ITS RELATED PARTIES OWNED BY MEMBERS OF THE MANAGEMENT BOARD

In the described periods, the members of the management boards of subsidiaries of Agora S.A. or members of the Management Board of Agora S.A. did not hold shares in the Company or in its related companies, except for described below.

4.1. SHARES IN AGORA S.A.

Tab.23

	as of December 31, 2023 (no. of shares)	*Nominal value (PLN)*
Bartosz Hojka	2,900	2,900
Wojciech Bartkowiak	0	0
Tomasz Grabowski	0	0
Tomasz Jagiełło	0	0
Anna Kryńska-Godlewska	0	0

4.2 SHARES IN RELATED PARTIES

The status of ownership of shares in subsidiaries and associates by the members of the boards of subsidiaries and associates to Agora S.A. as of December 31, 2023 presents the table below.

Tab.24

	as of December 31, 2023 (number of shares)	*Nominal value (PLN)*
Members of the Management Board of Agora S.A. holding shares in Agora – Holding Sp. z o.o.		
Bartosz Hojka	1	10,427.84
Members of the Management Board of Agora TC Sp. z o.o. holding shares in Agora S.A.		
Maciej Łopaciński	195	195
Members of the Management Board of AMS S.A. holding shares in Agora S.A.		
Marek Kuzaka	2,172	2,172
Małgorzata Augustyniak	2,942	2,942
Members of the Management Board of AMS SERWIS Sp. z o.o. holding shares in Agora S.A.		
Marek Kuzaka	2,172	2,172
Members of the Management Board of Doradztwo Mediowe Sp. z o.o. holding shares in Agora S.A.		
Adam Fijalkowski	17,400	17,400
Members of the Management Board of Grupa Radiowa Agory Sp. z o.o. holding shares in Agora S.A.		
Adam Fijalkowski	17,400	17,400
Members of the Management Board of Eurozet sp. z o.o. holding shares in Agora S.A.		
Adam Fijalkowski	17,400	17,400
Members of the Management Board of Eurozet Radio sp. z o.o. holding shares in Agora S.A.		
Adam Fijalkowski	17,400	17,400
Members of the Management Board of Goldenline Sp. z o.o. holding shares in HRlink Sp. z o.o. (1)		
Arkadiusz Kuchto	23	1,840
Members of the Management Board of Helios S.A. holding shares in Helios S.A.		
Tomasz Jagiello	799,627	79,962
Katarzyna Borkowska	49,664	4,966
Grzegorz Komorowski	10,000	1,000
Magdalena Gorzelniak	8,050	805
Members of the Management Board of Helios Media Sp. z o.o. holding shares in Helios S.A.		
Marcin Jamróz	22,000	2,200
Members of the Management Board of HRlink Sp. z o.o. holding shares in HRlink Sp. z o.o. (1)		
Arkadiusz Kuchto	23	1,840
Members of the Management Board of IM 40 Sp. z o.o. holding shares in Agora S.A.		
Adam Fijalkowski	17,400	17,400
Members of the Management Board of IM 40 Sp. z o.o. holding shares in IM 40 Sp. z o.o.		
Jan Chojnacki	933	93,300
Members of the Management Board of Inforadio Sp. z o.o. holding shares in Agora S.A.		
Adam Fijalkowski	17,400	17,400
Members of the Management Board of Optimizers Sp. z o.o. holding shares in Agora S.A.		
Marek Kuzaka	2,172	2,172
Members of the Management Board of Step Inside Sp. z o.o. holding shares in Step Inside Sp. z o.o.		
Jan Kulisiewicz	132	6,600
Members of the Management Board of Step Inside Sp. z o.o. holding shares in Helios S.A.		
Tomasz Jagiełło	799,627	79,962
Members of the Management Board of Video OOH Sp. z o.o. holding shares in Agora S.A.		
Marek Kuzaka	2,172	2,172

(1) HRlink sp. z o.o. was disposed of on January 4, 2024

5. THE SHARES IN AGORA S.A. AND ITS RELATED PARTIES OWNED BY MEMBERS OF THE SUPERVISORY BOARDS

In the described periods, the members of the supervisory board of Agora S.A. or members of the supervisory boards of its subsidiaries did not hold shares in the Company or in its related companies, except for described below.

5.1. SHARES IN AGORA S.A.

The status of ownership of shares in Agora S.A. by the members of the Supervisory Board is presented below:

Tab.25

	as at December 31, 2023 (number of shares)	*Nominal value (PLN)*
Andrzej Szlezak	0	0
Dariusz Formela	0	0
Tomasz Karusewicz	0	0
Wanda Rapaczynski	882,990	882,990
Tomasz Sielicki	33	33
Maciej Wisniewski	0	0

The members of the Supervisory Board did not have any rights to shares (options).

5.2. SHARES IN RELATED COMPANIES

Tab.26

	as of December 31, 2023 (no. of shares)	*Nominal value (PLN)*
Members of the Supervisory Board of Agora S.A. holding shares in Agora – Holding Sp. z o.o.		
Wanda Rapaczynski	1	10,427.84
Members of the Supervisory Board of AMS S.A. holding shares in Helios S.A.		
Tomasz Jagiello	799,627	79,963
Members of the Supervisory Board of AMS S.A. holding shares in Agora – Holding Sp. z o.o.		
Bartosz Hojka	1	10,427.84
Members of the Supervisory Board of Helios S.A. holding shares in Agora – Holding Sp. z o.o.		
Bartosz Hojka	1	10,427.84
Members of the Supervisory Board of Step Inside Sp. z o.o. holding shares in Step Inside Sp. z o.o.		
Piotr Staszczyński	132	6,600
Members of the Supervisory Board of Step Inside Sp. z o.o. holding shares in Agora S.A..		
Kamil Pałyska	11	11

6. CHANGES IN BASIC MANAGEMENT RULES IN THE ENTERPRISE OF THE ISSUER AND ITS CAPITAL GROUP

In connection with the amendment of the Commercial Companies Code, which came into effect on October 14, 2022, resulting from the Act of February 9, 2022, amending the Act - Commercial Companies Code and certain other acts, the Company's Supervisory Board adopted, by resolution, the principles of the Company's Management Board's performance of its information obligations to the Supervisory Board.

In line with the adopted principles, the Company’s Management Board informs the Supervisory Board of the adopted resolutions, situation of the Company and the Agora Group, including with regard to the Company's and its subsidiaries' assets, as well as of significant circumstances in the conduct of the Company's and its subsidiaries' affairs, particularly in the operational, legal and investment areas, by providing the Supervisory Board with a quarterly report on the Company's activities summarizing significant changes in senior personnel that have occurred at the Company and its subsidiaries.

Furthermore, the Company's Management Board informs the Supervisory Board of the progress in implementation in the set directions of the Company's and Agora Group's business development or implementation of the strategy indicating deviations from the previously set directions and the reasons for them.

What is more, the Company's Management Board shall provide the Audit Committee of the Company's Supervisory Board with information on transactions and other events or circumstances that materially affect or may affect the Company's or its subsidiaries' financial position, including their profitability or liquidity, immediately after their occurrence.

Additionally, the Company's Management Board immediately informs the Supervisory Board of a significant change in the factual or legal situation forming the basis for the information provided to the Supervisory Board or its advisory body in a situation where the information materially affects or may affect the situation of the Company or the Agora Group.

7. INFORMATION ON CREDIT AND LOAN AGREEMENTS TAKEN/TERMINATED IN 2023 AND GUARANTEES RECEIVED BY AGORA S.A. OR ITS SUBSIDIARIES

In 2023 no credit or loan agreements were terminated for the Company or its subsidiaries and also nor the Company or its subsidiaries terminated any credit or loan agreements.

a) Agora S.A.

As at December 31, 2023 the Company had an investment loan facility and overdraft in Santander Bank Polska S.A. on the basis of the Agreement signed on April, 14 2022.

Tab.27

Creditor	Amount of the credit line	Currency	Interest rate (%)	Agreement date	Maturity date
Santander Bank Polska S. A.	PLN 32 million	PLN	WIBOR 3M + bank margin	April 14, 2022	investment loan facility; quarterly 12 instalments from June 30, 2022 to March 31, 2025
Santander Bank Polska S. A.	PLN 35 million	PLN	WIBOR 3M + bank margin	April 14, 2022	overdraft; may be used until April 14, 2024.

b) subsidiaries

In 2023, the company Helios S.A. received performance guarantees in the total amount of PLN 92 thousand with expiry date till May 26, 2026 and October 10, 2026.

More detailed information concerning loans, including amounts outstanding as at 31 December 2023, is presented in note 15 to the consolidated financial statements.

8. INFORMATION ON LOANS GRANTED IN 2023 AND GUARANTEES

Information on loans granted by Agora S.A. or by its subsidiaries in 2023 is described in the table below:

Tab.28

No.	Borrower	Lender	Amount of loan (in PLN thousand)	Currency	Interest rate (%)	Agreement date	Maturity date
1	Step Inside Sp z o.o.	AMS Serwis Sp.z o.o.	2,000	PLN	WIBOR 3M+2.9%	31-Jan-23	31-Dec-25
2	Eko Kim Klaudia Przybysz	AMS Serwis Sp. z o.o.	25	PLN	WIBOR 12M+4.5%	21-Nov-23	30-Jun-25
3	HRlink Sp. z o.o.	Agora S.A.	300	PLN	WIBOR 1M+3.5%	18-Dec-23	31-Jan-24

Detailed information on contingent liabilities is presented in note 37 to the consolidated financial statements.

9. THE SYSTEM OF CONTROL OF EMPLOYEE SHARE SCHEMES

In 2023 there was not any employee share scheme.

10. INFORMATION ABOUT THE SELECTION AND AGREEMENTS SIGNED WITH AN AUDITOR ENTITLED TO AUDIT FINANCIAL REPORTS

Pursuant to the resolution of the Supervisory Board of September 5, 2022 and in accordance with the provisions of the Company's Articles of Association, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its seat in Warsaw at Polna 11 Street, entered on the list of audit companies with the number 114, has been selected as the certified auditor of the Company and the Group, which is chosen to examine the financial statements for 2023, 2024 and 2025.

Pursuant to the resolution of the Supervisory Board of November 7, 2019 and in accordance with the provisions of the Company's Articles of Association, KPMG Audyt Spółka z ograniczoną odpowiedzialnością spółka komandytowa based in Warsaw at 4A Inflancka Street, entered on the list of entities authorized to audit financial statements with the number 3546, has been selected as the certified auditor of the Company and the Group, which examined the financial statements for 2020, 2021 and 2022.

Information about the agreements and the values from those agreements concluded with the certified auditor is disclosed below (net amounts in PLN thousand):

Tab.29

in PLN thousand	Financial year ended 31 December 2023	Financial year ended 31 December 2022
Remuneration for audit (1)	358.6	307.2
Other attestation services, including remuneration for review (1)	111.2	100.8

(1) in 2023 remuneration includes the amounts paid and due for professional services related to audit and review of unconsolidated and consolidated financial statements of the Company for a particular year (data based on three-year agreement signed on February 7, 2023); in 2022 remuneration includes the amounts paid and due for professional services related to audit and review of unconsolidated and consolidated financial statements of the Company for a particular year (data based on three-year agreement signed on July 8, 2020 and on amendment no.2 as of March 18, 2021).

11. INFORMATION ABOUT FINANCIAL INSTRUMENTS

Information about financial statements in respect of:

- risk: price risk, credit risk, material disruptions to cash flow and risk of liquidity problems, on which the Group is exposed and
- objectives and methods of financial risk management

is disclosed in notes 34 and 35 to the consolidated financial statements.

12. INFORMATION ON CAPABILITY OF EXECUTION OF INVESTMENT PLANS

As at the date of this MD&A report, considering the cash position, the cash pooling system functioning in the Group and available credit facility, the Agora Group does not anticipate any liquidity problems with regards to its further investment plans (including capital investments) in 2024.

13. THE DESCRIPTION OF BASIC HAZARDS AND RISK

- **Macroeconomic risk**

The amount of advertising revenue depends on the overall economic situation in Poland and Europe. This revenue increases in times of economic recovery and decreases during economic downturn. According to available macroeconomic forecasts, the fourth quarter of 2023 and the subsequent quarters of 2024 will bring a higher economic growth rate in Poland than in the Western European countries, declining inflation and slow stabilisation in the prices of energy raw materials, food, goods and services. The development of the economic situation in Poland in the subsequent periods will also be characterised by high uncertainty due to the further course of the armed conflict in Ukraine and its geopolitical consequences, among other factors. These factors may influence decisions on the possible suspension of spending on promotion due to uncertainty about further economic development and the situation in Ukraine and their consequences for the Polish economy. Despite these circumstances, advertisers spent 6.5% more on advertising in 2023 than the year before. It should be borne in mind that the amount of advertising revenue depends not only on the volume of advertisements and announcements, but also on the prices charged for the publication of such advertisements by the media. In 2024, the macroeconomic situation in Poland may be affected by the ongoing war following Russia's attack on Ukraine. Its effects are already reflected in the weakening of the Polish currency, which, together with rising commodity prices, in particular fuel prices, will lead to continually high inflation.

At the same time, work is ongoing on the release of funds from the "National Recovery Plan" (NRP) financed by the European Fund. The release of these funds will have a positive impact on the parity of the zloty in relation to other currencies and will boost long-term GDP.

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

- **Risk related to COVID-19**

The COVID-19 pandemic and the measures of the government administration undertaken to limit the further spread of the virus had a significant impact on the activities of the Agora Group in 2020, 2021 and 2022. The new variants of the virus and the restrictions on business activity make the results of the Agora Group vulnerable to the negative impact of sanitary restrictions caused by a possible pandemic.

Most of the factors related to the pandemic, which have affected and may affect the results of the Agora Group in the future, remain completely beyond Agora's control and depend on the measures taken by state authorities (including restrictions on business activity), the rate of return of various economic sectors to full operations, changes in GDP or inflation in Poland.

Both Agora and all the companies of the Group have taken and will take a number of measures aimed at minimising the losses caused by the COVID-19 pandemic and the Group's rapid return to the growth path as regards both revenues and operating results. As at the date of this report, the Management Board of Agora expects that the efforts made will have a positive effect. However, the above assumptions are based on the analyses and forecasts the accuracy of which cannot be assessed due to the fact that they have been prepared in an unprecedented situation. The outbreak of the COVID-19 pandemic made governments around the world undertake measures with significant impact on the economic development of each jurisdiction, caused by restrictions aimed at stopping any further spread of the virus. The development of the COVID-19 pandemic and further measures to be implemented by the Polish government in order to fight it are unknown to the Company. Their duration and scale may significantly affect the Company's analyses and estimates, in particular with regard to the value of the advertising market, the number of tickets sold in cinemas and concession sales, as well as the revenue from copy sales.

- **Climate risk**

Climate risks, i.e. risks resulting from the consequences of climate change. These risks are both driven by rapid weather events and by the need for the economy to adapt to progressive climate change, in particular to the use of low-carbon solutions. Climate risks pose a real threat to Agora's operations, because in the case of absence/reduction of raw materials enabling the manufacture of products and the provision of services by all Group companies, the organisation will be forced to change the manner of conducting its current activities.
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 study was conducted in accordance with the **AXIS** (Amplification, eXclusion, Intensification, Seizure) methodology and included three stages:

1. analysis of significant climate risks in a group of companies comparable to the Agora Group;
2. a questionnaire survey involving the Board of Directors and executives of all operating segments of the Agora Group;
3. calculation of results and categorization of identified risks, threats and opportunities.

According to the applied methodology, 2 opportunities and 4 threats were classified in the category **S (Seizure)**, i.e. they were considered significant and subject to active management. Threats and opportunities in categories **I (Intensification)** and **A (Amplification)** are monitored and managed in selected cases. Most of the threats and opportunities in category **X (eXclusion)** are subject only to monitoring. Conclusions from the climate risk study were included in the risk management system in place in the Agora Group. Further monitoring and identification of risks related to climate change is carried out periodically as part of the review of non-financial risks. The study was conducted in cooperation with an external consulting firm. The study was conducted in cooperation with an external consulting firm MATERIALITY.

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**.

- **Seasonality of advertising spending**

The Group's revenue from the sale of advertising services is seasonal. In the first and third quarter, it is usually lower than that generated in the second and fourth quarter of a given financial year. In recent years, the seasonality of advertising revenue has been severely distorted by the outbreak of the COVID-19 pandemic, the outbreak of war in Ukraine and the overall economic downturn in Poland. In 2023, the market managed to recover to a certain extent, but it is difficult to currently assess how the advertising spending will look like in Poland in 2024 and in which quarter. This also means that it is difficult to estimate how the impact of the war in Ukraine and the economic downturn will disrupt economic activities.

- **Advertising market structure and the position of individual media in readership, TV and radio audience market**

The Group's advertising revenue is generated by the following media: the press, outdoor advertising, radio stations, the Internet and cinemas. In 2022 and 2023, the structure of the advertising market was seriously affected by the war in Ukraine. As a result of the structural changes in the media and their convergence, the media in the Group's portfolio compete for advertising revenue not only with other entities in their segments, but also with television broadcasters, which accounted for 39.0% of the advertising market in 2023. Another large segment of the advertising market was the Internet with its 44.0% share. Advertising spending in magazines and dailies accounted for 2.0% and 1.0% of all advertising spending, respectively. Outdoor advertising media accounted for 5.5% of all advertising spending in 2023, while 7.0% of all advertising spending was spent on radio advertising. During that period, 1.5% of all advertising spending was allocated for cinema advertising. Given the dynamics of individual media and considering high uncertainty regarding the value of the advertising market in 2024, there is a risk that the shares of individual media in the total advertising market will change, which may affect the Group's position and its revenue. The factors that will affect the structure of this market in 2024 will include the effects of the war in Ukraine and the macroeconomic situation in Poland, which affected various segments of the advertising market to a different extent. Additionally, as a result of the changes described above and the consolidation of the advertising market, competition between individual media intensifies, which may have an impact on the Group's advertising revenue. Furthermore, due to changes in the media and technological developments, it is not certain that the Group will be able to respond appropriately and timely to these developments, which may have a negative impact on its position and performance. Advertising revenue also depends on the position on the readership, listenership and viewership market. Due to the process of structural changes in the way media consumption takes place, the market is changing dynamically and some segments may gain, while other may lose their position in this market. It is uncertain whether the Group's position in individual media segments will remain the same.

- **Press distribution**

The main channel of press distribution used by all press publishers in Poland is newspaper outlet chains in locations with heavy traffic, as well as food store chains and service stations. Historically, the distribution market in Poland was concentrated, with the two largest distributors accounting for over 80% share in press distribution. In 2018, RUCH S.A. ceased to pay its debts to the publishers. The entity's poor financial condition led to reduced cooperation with it and to further decreases in the copy sales of printed press. In 2020, RUCH S.A. was acquired by PKN Orlen S.A. and at the end of April 2024, RUCH S.A. is going to withdraw from press distribution.

In addition to a periodic reduction in the number of retail outlets, the outbreak of the COVID-19 pandemic in 2020 resulted in a sharp decline in the sales of paper press. This translated into the profitability of the distributors' activities and thus, into further turmoil on the distribution market. On 1 August 2021, the third largest distributor of the press – Garmond Press S.A. – initiated a simplified arrangement procedure, which was approved by the court of first instance in December 2021. Currently, restructuring processes are implemented in the company. Due to the problems faced by the aforementioned distributors, the largest one – Kolporter S.A., increased its market share and reports positive results from its activities, although these changes will significantly affect the press distribution channels in 2024. At the moment, we are unable to estimate the impact of these changes on distribution channels and the methods of settlement with distributors.

The pandemic situation has caused many changes in the way media consumption takes place, including the press. As a result, some readers of the printed press exchanged traditional editions for digital ones. This partially compensates for decreases in paper press sales, but at the same time, it entails a change in the business model of most press publishers and significantly affects the state of the press distribution market.

- **Press**

The press market is currently facing a global trend of decreased copy sales and reduced advertising spending. This trend has been further accelerated and deepened by the pandemic. Just like the competitive press titles, the press titles published by the Group are not resilient to market changes – their number and volume are shrinking. The dynamics of the above processes may have a negative impact on copy sales and the Group's revenue. In addition, the activities of press publishers and their financial results are seriously affected by the problems relating to paper availability across Europe and its rising prices. At the same time, the Group digitises its content and it introduced a system of the so-called metered paywall on the websites related to *Gazeta Wyborcza* in 2014. At the end of December 2023, the number of paid active digital subscriptions was over 300 thousand. Currently, the Company focuses its activities on increasing the average revenue from each subscription and on increasing advertising revenue on the websites related to *Gazeta Wyborcza*. It is difficult to assess whether these objectives will be achieved by the Company given the intense competition on the Internet market.

Internet

The Polish market for online advertising services is extremely competitive and the number of Internet users is not growing so quickly any more. Internet activity is largely dependent on technological advances and the number of users, and a strong position in this market can be maintained by investing in modern and innovative technological solutions. The development of this medium is also determined by the available infrastructure. Internet access is also changing, which may significantly affect the dynamics of this market's development. The number of users of mobile Internet connections is on the rise. Both changes in the way the Internet is used and the increase in connection speeds may affect the dynamics of the development of individual segments of the online advertising market. The Group competes with both local and international players in this segment. In such a competitive market, it is uncertain that the Group's position in this segment and its revenue from online advertising services will not change. In addition, the online advertising market is undergoing a significant transformation. Advertising in search engines and social media is increasingly popular, as is programmatic, video and mobile advertising. A strong position in a rapidly changing online advertising market requires investments in advanced technological solutions. It is not certain whether the Group will be able to compete in this area with national and international players with a large financial background.

Responsibility for published content

The Group's activities are based in many respects on the publication of content from journalists, writers, publicists or users of online fora. This may involve the publisher's liability or joint liability for the dissemination of illegal information, including information that violates personal rights. It cannot be ruled out that the Group could unintentionally violate such rights and, as a result, claims could be brought against it, which could lead to the need to pay relevant compensation.

Outdoor

The outdoor advertising market in Poland is very competitive. AMS S.A. competes with Polish companies and international corporations both for customer acquisition and retention and for the prolongation and acquisition of new contracts for the disposal of locations for advertising media. Moreover, the activities on the outdoor advertising market bear a high risk related to the possible changes of the law, including construction and tax law, as well as its interpretation. The introduction of new rules for advertising activities in urban agglomerations, as well as a change in the interpretation and application of applicable laws and agreements implies fees, taxes and potential penalties related to the activities conducted, which may affect the Group's results.

In 2020, AMS received a notice that the President of the Office of Competition and Consumer Protection (UOKiK) had initiated an investigation into a possible violation of competition law resulting from its cooperation with Ströer. The Office did not undertake further actions following the explanations provided by AMS.

On 11 September 2015, the Act amending certain acts in connection with the strengthening of landscape protection instruments entered into force. Pursuant to its provisions, commune self-governments have acquired broader powers to establish local laws governing the presence of visual advertising and architectural elements in the public space and the levying of the so-called advertising fees. In April 2020, the adjustment period of the Gdańsk landscape resolution came to an end. The cost of dismantling advertising media in Gdańsk was charged to the Company's current results. The reduced supply of media in the city has not caused any significant negative reactions from customers to date. Poznań and Gdynia were among the large cities that adopted landscape resolutions with a 12-month adjustment period in 2023. However, the Constitutional Tribunal ruled on 12 December 2023 on the unconstitutionality of Article 37a(9) of the Spatial Planning and Land Development Act of 27 March 2003 in so far as it does not provide for a procedure for seeking compensation by entities which were obliged to remove advertising boards and equipment, having a building permit under a landscape resolution. This may contribute to the fact that the actual impact of these resolutions will be postponed beyond 2024, until the defective provisions have been corrected by the legislator, and will mean a periodic deterioration of the results during the transitional period of the first years of the applicability of new local laws on outdoor advertising.

- **Cinema**

In February 2022, a war broke out in Ukraine resulting in a rapid increase in energy costs, which is likely to continue in the coming years. This overlapped with further unfavourable economic phenomena such as: high inflation, high interest rates, wage increases not keeping up with the inflation in the economy weakened by a 2-year period of the COVID-19 pandemic.

All of this reduces the purchasing power of cinema customers, which has unfavourably translated and may translate into a decline in ticket sales and a lower tendency to buy beverages and snacks in cinema bars.

High inflation entails a marked increase in the costs of cinema operations in all respects, not only as to energy prices and wages, and high interest rates have led to a significant increase in the cost of debt servicing, thus reducing the Company's liquidity.

The two-year period of the COVID-19 pandemic and the strikes carried out by writers and actors in 2023 led to the suspension of work on many film sets, which resulted in significantly fewer film titles on the big screen. This situation is slowly returning to normal, but the supply of such a number of films per year as before the pandemic is expected at the earliest in 2025. In 2022 and 2023, there was also a sudden decline in the interest of viewers in Polish films. It is uncertain whether this trend is short-term and the Polish titles will achieve a level of attendance comparable to that from before the pandemic already in 2024, and the Polish films have clearly participated in cinema attendance so far. Moreover, during the pandemic, streaming platforms became popular and thus, cinema operators compete more than ever with other film screening technologies, for example on the Internet. Weather and the prohibition on trade on selected Sundays, which results in an outflow of customers from shopping centres, also have a significant impact on cinema attendance. The temporary closure of shopping centres and cinemas can permanently alter consumer habits – it is currently impossible to assess how they will change their habits and how they will spend a free time.

- **Risks of running licensed business**

The Group has been operating for years on the radio market which is subject to licencing and the licencing clauses define the scope and forms of the activities conducted during the period for which the radio broadcaster is licenced. Therefore, there is a risk that listeners' demand for a given format may decrease and the licencing clauses may significantly limit the Group's ability to adapt to listeners' needs for a given format.

There is also a risk that any failure to comply with the licence or regulations, in particular as regards programme content, may result in sanctions imposed by the National Broadcasting Council ("KRRiT"). It cannot be ruled out that KRRiT will refuse to re-grant the licences after the period for which they were initially issued or that the terms of the re-issued licences (or agreements related to the licences) will be less favourable from the Group's perspective than the current ones.

The regulator is carrying out works aimed at the implementation of DAB+ digital radio broadcasting in Poland. In the absence of clear guidelines and a uniform policy of the state authorities, the impact of the implementation of the new method of broadcasting on the current market for stations broadcasting by analogue cannot be estimated.

- **Radio stations**

The radio advertising market in Poland is very competitive and the Agora Group's radio stations compete for audience results and advertising revenue with other radio stations, including nationwide radio stations, as well as with other media: television, the press, the Internet and outdoor advertising.

The format of the station is of great importance for the audience of music stations. It is uncertain whether the current position of the Group's radio stations on the listenership market will not change. When competing on the advertising market, individual radio stations, including those belonging to different media groups, form advertising packages whose popularity among advertisers may significantly affect the market position of individual radio stations on the advertising market. In addition, it should be borne in mind that radio stations are increasingly competing for listeners' attention with other media, in particular with the Internet.

Movie business

Film distribution and co-production are project-based, which may impact the high volatility of the results of this business and lead to a periodic disruption of the Group's results. Most of the expenditure, particularly related to film co-production, is incurred much earlier, before revenue from this source comes into play. The impact of this business on the Group's results also depends on the popularity of the film and the attendance it attracts.

Risk of claims as a result of intellectual property rights infringement

The Group's operations are largely based on the use of intellectual property rights and licence agreements. The Group is of the opinion that it does not infringe any intellectual property rights of third parties in its activities. However, it cannot be ruled out that the Group could unintentionally infringe such rights. As a result, claims could be brought against the Group, which could lead to the need to pay relevant compensation.

Risk of rapid changes in law regulations, especially those relating the Group's operations

Due to the fact that legal regulations change frequently in Poland, they may have a negative impact on the Group's operations and entail a risk in conducting business activities. In particular, the Group's activity may be affected by changes in the law governing the activities performed, including changes in the provisions of the Broadcasting Act and its implementing regulations, the Act on Copyright and Neighbouring Rights, as well as changes in the acts regulating capital market activities in Poland. Legal regulations may also potentially give rise to certain risks related to interpretation problems, lack of judicial practice, unfavourable interpretations adopted by courts or public authorities.

In addition, legal regulations in Poland are characterised by high changeability. Possible changes in business taxation, in respect of income tax, value added tax and other taxes and levies, may adversely affect the Group's operations and performance. The Group is also exposed to risks related to the possibility of changing the interpretation of both tax law and other public levies, which may affect operating activities and financial results.

Risk related to proceedings before supervisory authorities

As part of its business activities, the Agora Group is subject to ongoing inspections by institutions supervising certain areas of its activity. In the Company's opinion, all activities undertaken by the Group comply with applicable laws, therefore, although the Company does not currently expect any of the proceedings to which it is a party to have a material adverse effect on its financial position and performance, it is not certain that the final outcome of current or future proceedings will not have such an impact on the Group's performance or financial position.

Impairment tests

In accordance with the International Financial Reporting Standards, the Group tests impairment of assets. In the past, in several cases where the test results were negative, appropriate write-downs were made debiting the income statement (either standalone or consolidated). It is not certain that future asset impairment tests will produce positive results, in particular at a time when the negative effects of the war in Ukraine affect most economic sectors.

Financial liquidity

The long-term economic downturn triggered by the war in Ukraine may result in lower revenues for the Agora Group and increased operating costs, high inflation and the costs of obtaining funding. These factors and problems with repayment of receivables due by Agora's debtors may have a negative impact on the Group's liquidity. Faced with negative developments in the market environment, the Company and the Group may also be unable to secure the external financing necessary to cover the outstanding liabilities in the Group. In order to minimise this risk, the Management Board of Agora S.A. carefully monitors the collection of receivables and has secured long-term external financing for the Company and the Group. Given the enormous uncertainty as to the further course of the war in Ukraine and its economic consequences, as well as lower willingness of financial institutions to lend, the risk of problems with financial liquidity in the Group is higher than in the period before 2020, i.e. before the outbreak of the COVID-19 pandemic.

Currency risk

The Group's revenues are expressed in Polish zlotys. Some of the Group's operating costs mainly related to cinema operations, services and production materials (paper) and IT services are linked to foreign exchange rates. The change in the value of the Polish currency, in particular with respect to the PLN/EUR ratio, may affect the level of operating costs and the Group's results.

Risk of non-financing

The possibility of investing in development activities may be limited by the increasing cost of obtaining funding. As a result, some entrepreneurs will not be able to incur new liabilities, because even small increases in interest rates translate into much higher debt service costs. The inability to incur new liabilities will lead to reduced investment activity as only a small group of companies is able to finance large development activities from their own funds. In this context, financial institutions may become much stricter in providing funding for investment activities.

Debt collection risk

As a result of the outbreak of the Covid-19 pandemic, the outbreak of war in Ukraine and the deteriorating macroeconomic situation, the number of companies in Poland that declare bankruptcy has increased – this also applies to business partners with whom the Group cooperates. Financial difficulties of entrepreneurs cooperating with various segments of the Group may affect its performance. Also, it cannot be ascertained whether in the event of bankruptcy of a given entrepreneur, the Group will recover all its receivables.

Risk related to functioning within tax capital group (TCG)

Operating within a tax capital group imposes an obligation on Agora S.A. to maintain at least 75.0% of shares in subsidiaries comprising the tax capital group for the period of operation of the tax capital group extended for 2024. Taking into account the changes in the market environment and the implementation of the strategy of the Agora Group, it may be necessary to make changes in the ownership structure, which – if the amount of the said shares in any of the companies falls below the threshold of 75.0% – will result in the loss of the tax capital group status with retroactive effect from 1 January 2024. This entails a loss of tax savings, an increase in the costs of closing the tax year and the need to prepare additional transfer pricing documentation. However, the Company assumes that all statutory requirements will be met throughout the duration of the tax capital group.

Risk of losing key employees

The Group's success depends on the engagement and skills of key employees. The Company's managerial staff has made a significant contribution both to the Group's development and to the efficient optimisation of its operational processes. Due to market competition for highly qualified staff, the Group is uncertain whether it will be able to retain all key employees in the face of increasing wage pressure.

The risk of collective dispute

At present, there are three trade union organisations in the Agora Group. The first one – Intercompany Organisation Independent Self-Governing Trade Union "Solidarity" of AGORA S.A. and INFORADIO SP. Z O.O. ("IO") – was established on 12 December 2011 and operates at Agora S.A., Inforadio sp. z o.o., AMS S.A., Plan D sp. z o.o. (formerly Domiporta sp. z o.o.), Goldenline Sp. z o.o. and Grupa Radiowa Agory Sp. z o.o.

In May 2020, Agora S.A. received a formal notice about the establishment of the second trade union organisation – Company Branch of Workers' Initiative Trade Union Poland at Agora S.A.

In mid-2021, the Group received information about the establishment of the third trade union – Trade Union of the Committee for the Defence of Gazeta Wyborcza at Agora S.A. This organisation was created after the Management Board of Agora S.A. announced its plan to integrate Gazeta.pl and the Company's press business. The main assumption and idea which bring together the new union's activists is to defend the independence of *Gazeta Wyborcza.* The risk of a collective dispute announced by the Committee for the Defence of Gazeta Wyborcza is high if the Management Board of Agora S.A. makes any decisions on business activities involving the Press division.

In December 2022, the Intercompany Organisation Independent Self-Governing Trade Union "Solidarity" of AGORA S.A. and INFORADIO SP. Z O.O. ("IO") included Helios S.A. into its activities.

As required by law, the management boards of companies with trade unions consult or agree upon legally defined decisions with the IO.

The Group endeavours to maintain good relations with its employees and to resolve any issues that have arisen on an ongoing basis. However, the risk of collective disputes cannot be excluded in the cases provided for by law.

In addition, internal regulations in Agora S.A., which have been created in order to safeguard editorial independence of *Gazeta Wyborcza*, were used in the previous year to stop work on business activities aimed at effectively achieving Agora's strategic objective of developing the subscription model and increasing revenue from the sale of advertising services. Despite the actions aimed at clarifying the situation, it cannot be ruled out that it may recur in the future and have a negative impact on the development activities of Agora S.A. and the entire Agora Group.

14. FACTORS AND UNUSUAL EVENTS WHICH HAD INFLUENCE ON THE RESULTS OF BUSINNESS ACTIVITIES FOR 2023 WITH THE ESTIMATION OF THEIR INFLUENCE

In the first quarter of 2023, the most significant factor that affected the Agora Group's results from operations not only in the first quarter, but also for the whole of 2023, was the acquisition of a controlling stake in Eurozet. The transaction resulted in an above-average increase in consolidated advertising revenues from the perspective of both the Agora Group and the Radio segment. The event also had an impact on the increase in operating expenses, mainly third-party services, salaries, representation and advertising, and depreciation and amortization. The transaction of acquisition of another 11% stake in Eurozet sp. z o.o. also resulted in revaluation of the previously held 40% stake in the company. As a result of the revaluation, the Agora Group recorded a gain of PLN 53.1 million. However, it was of an accounting nature and did not involve positive cash flows on this account.

The results were also affected by the occurrence of fluctuations in the EUR/PLN exchange rate, which resulted in the occurrence of exchange rate differences on leasing obligations under IFRS 16. From the perspective of 2023, they brought the Group additional financial income of PLN 38.2 million, which positively affected the Group's net result.

In 2023, there was a twofold increase in the minimum wage, which increased payroll costs, primarily in the Film and Books segment. The Group also made several impairment charges, which reduced the group's EBIT by PLN 8.0 million. The largest impact on this amount was the write-down of HRlink and Goldenline goodwills, in the amount of PLN 7.3 million, which were made in Q4 2023 before the sale of shares in HRlink Ltd. and charged to the Internet segment. The remaining write-downs were related to the Movies and Books segment. In addition, two properties were sold in 2023, which resulted in PLN 1.0 million of additional profit.

The results of the Outdoor segment and the Agora Group were also affected by the recalculation of a provision for the dismantling of advertising media. Costs on this account for the full year 2023 amounted to PLN 8.2 million.

15. LEGAL ACTIONS CONCERNING LIABILITIES OR DEBTS OF THE ISSUER OR ITS SUBSIDIARIES

In 2023, there were no significant legal actions in court, competent authority for arbitration procedures or public institutions related to liabilities or debts Agora S.A. or its subsidiaries.

16. INFORMATION ON PURCHASE OF OWN SHARES

In 2023 the Issuer did not conduct a program of purchasing own shares.

17. DIVISIONS OF THE COMPANY AND OF ITS SUBSIDIARIES

As of December 31, 2023, the Company had 8 divisions and the major headquarters in Warsaw. On January 1, 2024, a resolution on liquidation of the divisions of the Company came into force. Other companies from the Group do not have local divisions.

18. THE MANAGEMENT BOARD'S STATEMENT OF THE REALIZATION OF FORECASTS

The Management Board did not publish any forecasts of the Group's financial results and because of that this report does not present any Management Board's statement of the realization of them, as well as any differences between actual and forecasted financial results.

19. ISSUING OF SECURITIES

In 2023 the Company did not issue any securities.

20. OTHER INFORMATION

- **Impairment of assets**

In regulatory filings of January 18, 2023, the Management Board of Agora S.A. announced that the Agora Group ("the Group") is in the process of verifying the valuation of its assets in accordance with the International Financial Reporting Standards, inter alia on the basis of an analysis of long-term financial forecasts for all of the business segments of the Group.

The abovementioned analyses show the necessity to incur impairment loss of assets in the Digital and Printed Press segment. The amount of the abovementioned impairment has an impact on the net results of Agora Group in the fourth quarter of 2022.

The impairment loss of assets concerns the amount of goodwill related to the Digital and Printed Press segment. Its impact on the net result of the Agora Group amounted to PLN 43.4 mio.

The individual value of the remaining impairment losses is not significant from the Company's and the Group's perspective.

All of the above data are preliminary, non-audited estimates and may change during the finalization of work on financial statements for the fiscal year 2022. The additional information will be provided in the financial statements for the fiscal year 2022.

At the same time, the Company informs that the aforementioned impairment loss is one-off and non-cash and does not affect the liquidity of both, the Company and of the Group, or the strategic intentions of Agora S.A.

- **The Extraordinary General Meeting of Agora S.A.**

In the regulatory filing of February 2, 2023 the Management Board of Agora S.A. informed about convening the Extraordinary General Meeting of Agora S.A. for March 1, 2023 ("Extraordinary General Meeting").

In the regulatory filing of February 2, 2023 the Management Board of Agora S.A. submitted draft resolutions which the Management Board intended to present to the Extraordinary General Meeting.

In the regulatory filing of March 1, 2023 the Management Board informed of the adjournment of the Extraordinary General Meeting until March 27, 2023 at 12:00 pm and resolutions adopted until the adjournment.

In the regulatory filing of March 24, 2023 the Management Board informed that on March 24, 2023 shareholder of the Company – Agora Holding sp. z o.o. filed, pursuant to art. 401 § 4 of the Commercial Companies Code, draft resolutions concerning items 4)-10) to the agenda of the Extraordinary General Meeting of Shareholders which will be continued after adjournment on March 27, 2023. Draft resolutions filed by the shareholder were published on the Company's website.

In the regulatory filing of March 27, 2023 the Management Board announced wording of resolutions Nos. 6-12 adopted by the Extraordinary General Meeting after the adjournment on March 27, 2023 at 12:00 pm at the Company's seat at 8/10 Czerska Street in Warsaw. Adopted resolutions concerned consent to the disposal of organized parts of organized parts of the enterprise to a subsidiary, dedicated to operate: (i) Agora Publishing House, (ii) Gazeta.pl web portal, (iii) Gazeta Wyborcza, (iv) IT services for the Company and companies from Agora capital group, (v) support in the field of employee, social and social insurance matters for the Company and companies from Agora capital group, (vi) accounting, bookkeeping, finance and taxation activities, as well as management and financial reporting, (vii) maintenance, use and enjoyment of the Company's real estate.

In the regulatory filing of March 27, 2023, the Management Board informed that shareholders who participated in the Extraordinary General Meeting of Agora S.A. convened on March 1, 2023 and resumed after adjournment on March 27, 2023 ("Meeting") held:

a) 48,216,971 votes during the first part of the Meeting, which means that the share capital of the Company in the amount of 46,580,831 shares, was represented at the Meeting in 66.74% (31,090,571 shares);

b) 48,216,970 votes during the second part of the Meeting, which means that the share capital of the Company in the amount of 46,580,831 shares, was represented at the Meeting in 66.74% (31,090,570 shares);

At least 5% of the total number of votes during the first and second part of the Meeting of the Company was held by:

- Agora-Holding Sp. z o.o.: 22,528,252 votes, i.e. 46.72% votes during the Meeting and 35.36% total number of votes.
- Otwarty Fundusz Emerytalny PZU "Złota Jesień": 8,126,434 votes, i.e. 16.85% votes during the Meeting and 12.76% total number of votes.
- MDIF Media Holdings I, LLC: 5,355,645 votes, i.e. 11.11% votes during the Meeting and 8.41% total number of votes.
- Nationale-Nederlanden Otwarty Fundusz Emerytalny: 4,119,000 votes, i.e. 8.54% votes during the Meeting and 6.47% total number of votes.

Change in the publication date of the report for the first quarter of 2023

In the regulatory filing of March 31, 2023, the Management Board of the Company informed that the publication date of the consolidated report for the first quarter of 2023 would be postponed.

This report was published on May 26, 2023.

According to the original schedule, the report for the first quarter of 2023 was to be published on May 19, 2023, as reported by the Company in the regulatory filing No. 42/2022 of November 23, 2022.

Change of the method of reporting financial consolidated results in periodic reports

In the regulatory filing of April 5, 2023, The Management Board of the Company informed that on April 5, 2023 it decided to the change of the method of reporting financial consolidated results in periodic reports of Agora Group.

The change consists in allocation of costs of part of back office units into results of the business segments of Agora Group: Movies and Books, Digital and Printed Press, Outdoor, Internet and Radio. So far, these costs have not been allocated into business segments.

Change of the method of reporting through allocation of costs of part of back office units shall be presented in the Management's discussions and analysis to periodic reports (including the Management's discussions and analysis to activities of Agora Group). Allocated costs shall be presented in the section "costs of external services".

Allocated costs shall influence, in particular, EBIT and EBITDA indicators of individual business segments that shall be presented in future reports of Agora Group, but will not influence those indicators at the Agora Group level.

Decision of the Management Board of the Company is justified by the fact of the commencement of the Company's reorganization process and the transfer of organized parts of the enterprise of the Company, including businesses operating within the Company, to subsidiaries, in line with the consent of the Extraordinary General Meeting of the Company, which was communicated by the Company in the regulatory filing No. 18/2023 of March 27, 2023. Allocation of costs aims at the increase of transparency and comparability of data concerning individual segments and is to help standardize costs and the manner of their presentation.

Change of the method of reporting was implemented starting from the consolidated report for Q1 2023.

Strategic Directions of Agora Group for years 2023-2026

In the regulatory filing of April 26, 2023 the Management Board of the Company published Strategic Directions of Agora Group for years 2023-2026. The Directions include, i.a.:

- Development of media businesses and their outreach to audiences in Poland;
- Diversity and autonomy of businesses and opening to external investors;
- New management operating model to standardize back-office processes while taking into account the autonomy of businesses;
- Increasing shareholder value and improving the financial efficiency of the entire organization;
- Achieving an EBITDA result of more than PLN 200 million (excluding IFRS 16).

As a result, in 2026 Agora Group wants to be in the TOP3 of the largest Polish media companies, reaching tens of millions of people with important, attractive content and providing customers with the most effective advertising offer.

Recommendation of the Management Board concerning covering the Company's net loss for 2022

In the regulatory filing of May 29, 2023, the management Board informed adoption of the resolution on recommendation to the General Meeting of Shareholders to cover the net loss for the fiscal year 2022 in the amount of PLN 3,465,077.60 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.

The final decision on covering the Company's loss for 2022 and dividend distribution was made by the General Meeting of Shareholders.

Annual General Meeting of Agora S.A.

In the regulatory filings of May 29, 2023 the Management Board of the Company, informed about convening the Annual General Meeting of Agora S.A. for June 26, 2023 (hereinafter: "General Meeting") and published draft resolutions to be submitted to the General Meeting.

In the regulatory filing of June 26, 2023 the Management Board announced wording of resolutions adopted by the General Meeting, including the resolution on amending the Company's Statutes.

In the regulatory filing of June 26, 2023 the Management Board informed that shareholders who participated in the General Meeting of Agora S.A. on June 26, 2023 held 48,652,812 votes. As a result, the statutory capital of the Company in the amount of 46 580 831 shares was represented at the General Meeting in 67.95% (31,652,812 shares).

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

- Agora - Holding Sp. z o.o.: 22,528,252 votes, i.e. 46.30% votes during the Extraordinary General Meeting and 35,36% total number of votes.
- Otwarty Fundusz Emerytalny PZU "Złota Jesień": 8,126,434 votes, i.e. 16.70% votes during the Extraordinary General Meeting and 12.76% total number of votes.
- MDIF Media Holdings I, LLC: 5,355,645 votes i.e. 11.01% votes during the Extraordinary General Meeting and 8.41% total number of votes.
- Nationale-Nederlanden Otwarty Fundusz Emerytalny: 4,119,000 votes i.e. 8.47% votes during the Extraordinary General Meeting and 6.47% total number of votes.

Conclusion of the agreement transferring ownership of the real estate in Tychy

On March 29, 2023 the Company commenced negotiations concerning 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 ("Property")("Transaction") entering into a non-binding letter of intent with a potential buyer on negotiation on the basic conditions of the Transaction.

On June 14, 2023 the Company concluded a conditional agreement for the sale of the Property, in which the parties agreed to conclude a sale agreement under the condition that Katowicka Specjalna Strefa Ekonomiczna shall not exercise its pre-emptive right.

On July 6, 2023, the Company concluded the agreement transferring ownership of the Property upon fulfilment of the condition.

The price for the Property was PLN 19.65 mio net.

- **Amendment to the Statutes of Agora S.A.**

On August 19, 2023, the District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register registered the amendment to the Statutes of Agora S.A. made pursuant to resolution No. 21 of the Ordinary General Meeting of the Company, adopted on June 26, 2023, with the following wording:

§13 of the Company's Statutes shall have additional point 3 in the following wording:

"§13 (…)

Resolutions of the General Meeting of the Shareholders are required in the following matters:

a) the disposal of part or all shares in the share capital of the subsidiaries for the benefit of which organized parts of the enterprise of the Company were disposed of, consisting of a set of tangible and intangible assets intended for:

1) operation of Agora Publishing House;

2) maintenance of gazeta.pl web portal;

3) conducting the business of Gazeta Wyborcza;

4) running IT services for the Company and companies from the Agora capital group;

5) provision of support to the Company and companies from the Agora capital group in the areas of management of human resources;

6) provision of support to the Company and companies from the Agora capital group in the areas of accounting, bookkeeping, finance and taxation, and management and financial reporting;

7) maintenance, use and enjoyment of the Company's real estate located in Warsaw, at 8/10 Czerska Street and for maintenance of the fleet of Company's and Company subsidiaries' cars.

b) granting consent for voting by the Company during the general meetings of the subsidiaries as described in §13.3.a).1-7 of the Company's Statutes "for" resolution on the disposal of an enterprise or organized parts of the enterprise of the abovementioned subsidiaries.

c) granting consent for the amendment of the articles of association or statutes of each of the companies as described in §13.3.a).1-7 of the Company's Statutes concerning provisions on restrictions of disposal shares and enterprise or organized parts of the enterprise of the abovementioned subsidiaries."

From August 19, 2023, the new consolidated text of Agora's Statutes applies.

The Company informed of the registration of the amendment to the Statutes through the regulatory filing No. 33/2023 of August 21, 2023. The consolidated text of the Statutes incorporating the abovementioned amendment was published on the Company's website.

- **Granting joint commercial proxy**

In the regulatory filing of December 4, 2023, the Company informed that it has adopted a resolution on granting Ms. Agnieszka Siuzdak-Zyga a joint commercial proxy. The granted joint commercial proxy entitles the proxy to act jointly with the Member of the Management Board of the Company.

- **Initiation of consultation procedure on downsizing at Agora S.A.**

In the regulatory filing of January 9, 2024, 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 Labor Office with information on the intention to execute group layoffs in the Company.

The Company shall publish a regulatory filing on collective redundancies after the process of consultation with trade unions and works council operating at the Company, as required by the law, is finalized. This regulatory filing shall also include information on the estimated amount of provision related to the restructuring of employment in Agora S.A. which will be fully charged to the result of the Company and of Agora Group in the 1st quarter of 2024. The final data regarding the amount of the provision and the effect of employment restructuring on the financial results of the Company and of Agora Group shall be published in the financial statements of the Company and of Agora Group for the 2nd quarter of 2024.

In the regulatory filing of January 29, 2024, the Company informed about:

(i) concluding on January 29, 2024 an agreement with trade unions operating at the Company (which fulfills 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"),

(ii) 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 February12 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.

- **Dates of publication of periodic reports in 2024**

In the regulatory filing of January 25, 2024, the Copany informed that the publication dates of Agora Group's consolidated periodic reports in the financial year 2024 are as follows:

I. Consolidated quarterly reports:

- for the first quarter of 2024 – May 24, 2024,

- for the third quarter of 2024 – November 15, 2024

II. Interim consolidated report for the first half of 2024 – August 14, 2024,

III. Annual and consolidated annual report for 2023 – March 20, 2024.

Additionally, the Management Board announces that,

- pursuant to § 62 section 1 of the Regulation of the Minister of Finance dated 29 March 2018 on current and periodic information published by issuers of securities and on conditions under which such information may be recognized as being equivalent to information required by the regulations of law of a state which is not a member state ("Regulation"), the Company will not publish separate stand-alone quarterly reports. Therefore consolidated quarterly reports of the Agora Group will include condensed consolidated quarterly financial statement.

- The Company will not publish a separate stand-alone interim report, pursuant to § 62 section 3 of the Regulation, either. The consolidated interim report shall include condensed interim report with the report and opinion of independent auditor and condensed additional information.

- Moreover, the Management Board informs that the Company will not publish consolidated quarterly report for the fourth quarter of 2023 and second quarter of 2024 pursuant to § 79 section 2 of the Regulation.

All periodic reports shall be published on Company's website at www.agora.pl/en in the section Investor Relations/Reports.

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

In the regulatory filing of February 28, 2024, the Company 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.

Agora shall inform of material events concerning the proceedings being subject of this regulatory filing, in accordance with applicable laws.

VI. REPORT AND DECLARATION RELATING TO AGORA S.A. COMPLIANCE WITH THE CORPORATE GOVERANCE RULES IN 2023

This Statement and Report on compliance with corporate governance rules at Agora S.A. in 2023 has been prepared on the basis of § 70(6)(5) of the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state.

1. CORPORATE GOVERNANCE CODE APPLICABLE TO THE COMPANY IN 2023

In 2023, Agora S.A. was subject to the corporate governance rules contained in the document "Best Practices of WSE Listed Companies 2021". This document was adopted by the Resolution of the Stock Exchange Council No. 13/1834/2021 of March 29, 2021 and is available to the public on the WSE website (https://www.gpw.pl/dobre-praktyki).
The Management Board of the Company exercises due diligence in order to comply with the principles of the Best Practices.

2. INDICATION OF THE PROVISIONS OF CORPORATE GOVERNANCE THAT WERE NOT USED BY THE COMPANY, WITH AN INDICATION OF THE CIRCUMSTANCES AND CAUSES OF FAILURE OF THE FOREGOING AND HOW THE COMPANY INTENDS TO REMOVE ANY PARTICULAR CONSEQUENCES OF FAILURE OR PROVISIONS TO TAKE STEPS INTENDS TO REDUCE THE RISK OF FAILURE PARTICULAR PROVISIONS FUTURE

In 2023, the Company did not manage to comply with oneof the "Best Practices of WSE Listed Companies 2021" (DSPN 2021) that entered into force from July 2021.

In 2023, the Company did not fully implement rule 2.2 of the DSPN 2021 Best Practices. The Company has the diversity policy towards the Management Board and the Supervisory Board adopted by the General Meeting on June 21, 2022. The Company has no influence on the selection of candidates for the Supervisory Board and has a limited influence on the composition of the Management Board, therefore it is largely up to the persons authorized to propose candidates to these bodies and to the General Meeting selecting persons for these bodies to ensure the diversity of the Company's bodies. Both the Management Board and the Supervisory Board include one woman.

3. DISCLOSURE POLICY AND INVESTOR COMMUNICATIONS

In terms of the information policy pursued, the Company complies with the recommendations by ensuring that all interested parties have an easy and non-discriminatory access to information through a variety of communication tools.

The Company maintains a corporate website and publishes on it, in a legible form and in a separate section, information required by law and the specific rules of the Best Practices, as well as other corporate documents aimed at presenting the Company's business profile as broadly as possible to all interested parties. Although Agora S.A.'s shares are not included in the WIG20 and mWIG40 indexes, the Company provides all the above information and documents also in English.

In addition, the Company operates a mobile version of its investor relations website and Agora's press office, as well as accounts on social networking sites: X (formerly Twitter) and Linkedin, thus enabling all interested parties to access information in real time. The Company ensures direct and personal contact with the Investor Relations Department and representatives of the Company's Management Board. The Company also offers a subscription to the corporate newsletter containing selected corporate information or press releases. Additionally, the Company conducts an industry-focused mailing with reports on specific media segments. The Company also posts on its website reports on its compliance with corporate governance rules, as well as information on the policy for changing the entity authorized to audit financial statements, as well as other information and documents needed for a full analysis of the Company.

When the Company becomes aware of the dissemination of untrue information in the media which may materially affect the Company's assessment or image, the Company's Management Board decides, immediately upon becoming aware of such information, how to respond most effectively to such information, either by posting a statement on the Company's corporate website or by using other selected solutions, if the nature of the information and the circumstances of its publication warrant the adoption of such solution as more appropriate.

The Company makes every effort to prepare and publish periodic reports as soon as possible after the end of the reporting period, taking into account the complexity of the Company's capital structure. The Management Board of Agora S.A. regularly meets with representatives of the capital market and the media at meetings held after the publication of quarterly results. In 2023, all meetings were held online format and the recording is available on the Company's website. Agora responds promptly to all investor inquiries about the Company; to date, there has been no instance of it being later than 14 days.

4. RULES FOR MANAGEMENT BOARDS OF LISTED COMPANIES AND MEMBERS OF SUPERVISORY BOARDS

The Company's Management Board and Supervisory Board act in the interest of the Company. The Management Board and the Supervisory Board are composed of members who represent high qualifications and experience.

Serving on the Management Board of the Company is the main area of the professional activity of Management Board members. The division of responsibilities for individual areas of the Company's activity among Management Board members is published by the Company on its corporate website. As part of the division of duties between Members of the Board in 2023, one of them also served as the president of the management board of the subsidiary Helios S.A. and Step Inside sp. z o.o., both being part of the business segment directly supervised by him. In the opinion of the Management Board, this supports the effective implementation of the development plan of this segment, as well as the entire enterprise of the issuer.

The Company's Supervisory Board has no control over the selection of candidates to the Management Board of the Company. Candidates for members of the Management Board are nominated by shareholders holding series A shares, while the Management Board members are appointed by the General Meeting (with the reservation that Management Board members may be co-opted in accordance with the Statutes). Nevertheless, when assessing the performance of individual members of the Management Board after the end of each financial year, the Supervisory Board discusses the professional plans with each of the Management Board members in order to ensure efficient operations of the Management Board.

Members of Agora's Supervisory Board represent diversified fields of expertise and have many years of professional experience allowing them to look at issues related to the Company's and the Group's operations from a broader perspective. Supervisory Board representatives are able to devote the time necessary to perform their duties. If a Supervisory Board member resigns or is unable to perform his or her duties, the Company immediately takes steps necessary to ensure substitution or replacement on the Supervisory Board, provided that members of the Supervisory Board are appointed by the General Meeting. Two members of the Company's Supervisory Board meet the criteria of independence, therefore the current composition of the Supervisory Board meets the requirement specified in point 2.3 of "Best Practices of WSE Listed Companies 2021".

Members of the Company's Supervisory Board receive all necessary information on the Company's and Group's operations on an ongoing basis. In addition, the Company allows its Supervisory Board to use professional and independent advisory services (taking into account the Company's financial position) necessary for the Supervisory Board to exercise effective supervision in the Company.

The Supervisory Board of Agora prepares a brief assessment of the Company's standing, including an evaluation of the internal control, risk management and compliance systems and the internal audit function. The aforesaid assessment covers all significant controls, in particular financial reporting and operational controls. This assessment is published by the Company together with all materials related to the general meeting on the Company's corporate website.

Additionally, the Supervisory Board together with the Company prepared the Remuneration Policy for members of the Management Board and Supervisory Board and submitted the document to the General Meeting. The Supervisory Board also adopted the procedure of periodic evaluation of transactions concluded with related entities.

At the same time, the Supervisory Board reviews and issues opinions on matters to be discussed at the general meeting. Regulations of the Company Statutes with regard to organization of the general meetings and participation of the Supervisory Board members thereof comply with the provisions of CCC.

Each year, the Supervisory Board also prepares a report on its activities in the financial year. The Board will also prepare the report on its activities in 2023. This report will comprise information on: composition of the Board and its Committees, the Board members' fulfilment of the independence criteria, number of meetings of the Board and its Committees in the reporting period and self-assessment of the Supervisory Board's performance. The Supervisory

Board will also present its assessment of the Company's compliance with the disclosure obligations concerning compliance with the corporate governance principles defined in the WSE Rules and the regulations on current and periodic reports published by issuers of securities, as well as an assessment of the rationality of the Company's policy for sponsorship, charity or other similar activities or information about the absence of such policy.

Where there is any relationship between a member of the Supervisory Board and any shareholder who holds at least 5% of the total vote in the Company, such member notifies the Company's Management Board and other members of the Supervisory Board of this fact. The same applies if there is a conflict of interest or a potential conflict of interest.

The Company also makes every effort (including setting the place and date of the general meeting) to ensure that the widest possible group of shareholders can participate in the general meeting. The Company immediately informs about any changes concerning the organization of the general meeting, including those put on the agenda of the general meeting. Agora also enables representatives of the media to participate in the Company's general meeting.

4.1 COMPOSITION AND CHANGES THEREOF, AS WELL AS THE RULES OF OPERATION OF MANAGEMENT AND SUPERVISORY BODIES OF THE COMPANY AND THEIR COMMITTEES

4.1.1 Management Board

The Management Board operates on the basis of the Commercial Companies Code and the Statutes. Pursuant to the Statutes, the Management Board is composed of 3–6 members with the exact number determined by the shareholders holding the majority of preferred series A shares, and following the expiration of such preferred status of all series A shares, by the Supervisory Board (§ 28 of the Statutes).

The term of office of the Management Board is 5 years (§ 29(1) of the Statutes). Remuneration and other benefits for Members of the Management Board are determined by the Supervisory Board in consultation with the President of the Management Board. In accordance with § 27 of the Company's Statutes, the Management Board manages the Company's affairs and represents the Company in dealings with third parties. Responsibilities of the Management Board include all matters related to conducting the Company's affairs not reserved for other governing bodies of the Company. Resolutions of the Management Board are adopted by a simple majority of votes cast (§ 34(1) of the Statutes). Two Members of the Management Board acting jointly shall be authorised to make binding statements with respect to property rights and obligations of the Company and to sign on behalf of the Company. The Management Board's organization and manner of operation is defined in detail in the rules of organization and operation of the Management Board.

Pursuant to § 35 of the Statutes, members of the Management Board are bound by a non-competition clause. In particular, they may not engage in any competitive business or participate in such business as its participant, shareholder or member of its governing bodies. This prohibition does not pertain to the participation by members of the Management Board in supervisory and management bodies of competing entities in which the Company directly or indirectly holds any shares and the acquisition by members of the Management Board of no more than 1% of the shares in competing public companies.

As at the date of presenting this Directors' Report, the Company's Management Board is composed of the following members:

- Bartosz Hojka - President of the Management Board,

- Wojciech Bartkowiak- Member of the Management Board,

- Tomasz Grabowski - Member of the Management Board,

- Tomasz Jagiełło - Member of the Management Board,

- Anna Kryńska-Godlewska - Member of the Management Board.

The term of office of the current Management Board will expire on the day of the General Meeting of the Company approving the financial statements for 2023.

Bartosz Hojka

Member of the Company's Management Board since 28 June 2013. President of Agora's Management Board since 12 March 2014.

He supervises the Radio segment, Gazeta.pl division, including Central Data Strategy and Analyzes department, Corporate Sales division, as well HR, PR and Internal Audit departments. He is a member of supervisory boards of Helios S.A. and AMS S.A. From the very beginning of his professional career, he has been involved with the electronic media, including working as an editor in Radio Katowice TOP and TVP regional center in Katowice. He started his work in Agora in 1998 as a program director in Silesian Karolina radio. Later, as a program and marketing director of all stations of Agora Radio Group (GRA) he was responsible for, among others, the launch of the Radio Złote Przeboje brand. In 2005–2013, a member of the management board and managing director of GRA, a radio group comprising Radio Złote Przeboje, Rock Radio, Radio Pogoda and Radio TOK FM where GRA is the majority shareholder. He restructured Agora's radio operations which resulted in improvement of the segment's profitability. Under his leadership, Radio TOK FM has become one of the most influential media in Poland, while GRA has increased the scale of its operations. Furthermore, GRA founded Doradztwo Mediowe – the market leader in radio brokerage services.

Graduate of journalism faculty at the University of Silesia.

Wojciech Bartkowiak

Since April 21th, 2022 a Board Member of Agora S.A. He supervises the Digital and Printed Press segment and Administration division.

Wojciech Bartkowiak is a journalist, editor and manager associated with Gazeta Wyborcza and Agora S.A. for 30 years.

Recently, as the operational director and deputy publishing director of Gazeta Wyborcza, he was responsible for the business processes of the Press segment and the activities of the former Print division - including its restructuring in 2018-2019. He is a co-creator of the digital transformation strategy of "Gazeta Wyborcza" based on the development of subscription to Wyborcza.pl content, as well as the creator of the business strategy and editorial concept for the development of traditional editions of "Gazeta Wyborcza" - incl. the magazines "Moj Biznes", "Ekonomia +" and "Wolna Sobota", created in recent years.

In 1991, he started working in the Poznań editorial office of "Wyborcza", first as a journalist, then as a reporter and editor. In 1995, he became the editor-in-chief and director of the Poznań branch of Gazeta Wyborcza. In the years 2006-2016 he was the head of all local editorial offices of Gazeta Wyborcza. At that time, he co-created and coordinated many editorial social campaigns conducted by the daily teams all over Poland. From 2012, he was responsible for the budget of the editorial office of Gazeta Wyborcza. In 2015-2017 he was the vice-president of the Agora Foundation.

A graduate of the Faculty of Polish Philology at the University of Adam Mickiewicz in Poznań.

Tomasz Grabowski

He has been a member of the Management Board of Agora since 1 June 2021. He supervises the Technology Division and technology tools and issues in the Analytics Department. He also supervises the various technology departments in the Agora S.A., as well as the Big Data and ESG departments and the Internet Companies.

Tomasz Grabowski has been dealing with consulting in the field of strategic management, digitization of enterprises as well as IT and sales management for over 25 years.

In his professional career, as an expert and very experienced manager, he was involved in many strategic projects aimed at the digital transformation of an organization, design and implementation of corporate strategies, as well as implementation projects in the field of technology. He has conducted them for many clients in Poland and around the world, mainly in the telecommunications, financial and media industries, as well as for companies from the energy and public sectors. He specializes in the implementation of complex strategic projects, advanced data analysis as well as in enterprise digitization projects.

He is a graduate of the Faculty of Electronics and Information Sciences of the Warsaw University of Technology. He completed numerous specialized educational programs, including those in the area of strategic management, design and implementation of complex IT systems, IT service management or designing corporate architecture.

Tomasz Jagiełło

Since 28 June 2013, a member of Agora's Management Board. He supervises the Movies and Books segment, including Helios, NEXT FILM and Agora's Publishing House, as well as the catering market of the Agora Group. He also supervises the Outdoor segment. He is a member of the Supervisory board of AMS S.A.

Tomasz Jagiello is the founder and president of the management board of Helios S.A., the largest cinema operator in Poland in terms of the number of cinemas. Co-founder of the company's success, from the beginning responsible for its development and strategy. He represented the company during the acquisition of 5 cinemas from the Kinoplex network in 2007 and during the acquisition of a majority stake in Helios by Agora S.A. in 2010. He was one of the initiators of establishing the company NEXT FILM Sp. z o.o., so that Helios has expanded its activities into film distribution market.

Graduated from the Faculty of Law at the University of Łódź and the Faculty of Law at the University of Edinburgh.

Anna Kryńska-Godlewska

She has been a member of Agora's Management Board since 8 November 2017. She supervises Finance division, New Business Development divisions, as well as Legal and Investor Relations departments.

Anna Kryńska-Godlewska is a manager with more than twenty years of experience in the field of capital investment management. For the past 20 years, she has been associated with the Media Development Investment Fund, where she has been the Chief Investment Officer and Management Board Member, specialising in direct investments in media companies in Europe, Asia, Africa and South America. Previously, she worked at, among others, Fidea Management, the management company of X NFI, CIECH S.A. and Bank Handlowy in Warsaw. She was a member of Agora S.A.'s Supervisory Board from 23 June 2016 until 8 November 2017.

She is a graduate of the Warsaw School of Economics, Faculty of Finance and Banking System and the Institute Francais de Gestion. She has complete further professional training courses, e.g. at Harvard Business School.

4.1.2. Supervisory Board

The Supervisory Board of the Company operates on the basis of the Commercial Companies Code and the Statutes. In accordance with § 18(1) of the Company's Statutes, the Supervisory Board is composed of no less than six and no more than ten members appointed by the General Meeting subject to other provisions of the Statutes. The number of Supervisory Board members is determined by the General Meeting. The General Meeting appoints the Chairman of the Supervisory Board. Members of the Supervisory Board may elect from among themselves a deputy of the chairman or persons performing other functions (§ 18(2) of the Statutes).

Members of the Supervisory Board are appointed for a joint term of office of three years. Consequently, the term of office of the current Supervisory Board commenced with the end of the General Meeting approving the financial statements for 2021.

Pursuant to § 20(4) of the Statutes, at least three members of the Supervisory Board are independent members. At present, all of the Supervisory Board members are independent. Two members of the Supervisory Board also meet the independence requirements specified in the Best Practice.

Specific competencies of Agora's Supervisory Board include, among others, assessment of the Management Board's Report on the Company's operations and the Company's financial statements, assessment of the Management Board's proposals concerning profit distribution or loss coverage, determination of remuneration of the Management Board's members in consultation with the President of the Management Board, appointment of a statutory auditor and approval of significant transactions between the Company and its related parties, as well as other matters provided for by the provisions of law and the Statutes. Pursuant to § 23(8) of the Statutes, the Supervisory Board meetings are convened at least once a quarter. The Chairman also convenes Supervisory Board meetings at the request of the Company's Management Board, expressed in a resolution or at the request of each member of the Supervisory Board. Supervisory Board meetings may be held with the use of means of remote communication in a manner allowing communication among all members taking part in such a meeting. The venue of a meeting held with the use of means of remote communication is the location of the person who chairs the meeting.

Pursuant to § 23(5) of the Statutes, resolutions of the Supervisory Board are adopted by an absolute majority of votes cast in the presence of at least half of the members of the Supervisory Board, except where other provision of the Statutes provide for a different majority and quorum.

As at the date of presenting this Directors' Report, the Company's Supervisory Board (current term of office) is composed of the following members:

- Andrzej Szlezak – Chairman of the Supervisory Board,
- Tomasz Karusewicz – Member of the Supervisory Board,
- Dariusz Formela – Member of the Supervisory Board,
- Wanda Rapaczynski – Member of the Supervisory Board,
- Tomasz Sielicki – Member of the Supervisory Board,
- Maciej Wisniewski – Member of the Supervisory

Regarding the independence of Supervisory Board members and the Supervisory Board Committees, these issues are discussed in a separate section of the report.

Andrzej Szlezak, Ph.D.

Of Counsel in the Soltysinski, Kawecki & Szlezak (SK&S) law firm (before he was its Partner). He joined SK&S shortly after its founding in 1991, in 1993 he became a partner and in 1996 a senior partner. At SK&S, he was engaged in legal services in a number of privatizations and restructuring processes of various sectors of Polish industry and banking. He supervised numerous merger and acquisition projects, participated in greenfield projects, prepared a large number of transaction documents, and was the author of numerous legal opinions from the field of civil and commercial law. He is an arbitrator of the Court of Arbitration at the Polish Chamber of Commerce in Warsaw and Vice-President of the Council of Arbitration, and was frequently appointed as an arbitrator in disputes brought before the ICC International Court of Arbitration in Paris.

Andrzej Szlezak received his master's degrees in Law and English Philology at the Adam Mickiewicz University in Poznan. In 1979–1981, he was a trainee judge at the Regional Court in Poznan. Since 1979, he was a research worker in the Institute of Civil Law at the Adam Mickiewicz University, where he received his doctorate and habilitation degree in the field of civil law. In 1994, he was appointed professor of the Adam Mickiewicz University until his departure from the Faculty of Law in 1996. A. Szlezak, Ph.D., was a scholarship holder of a number of foreign universities, including the universities of Oxford and Michigan. Currently, A. Szlezak is a professor of the University of Social Sciences and Humanities (SWPS) in Warsaw. He is the author of numerous publications, including foreign-language ones, in the area of civil and commercial law.

The General Meeting of Shareholders appointed Andrzej Szlezak to the position of the Chairman of Agora S.A.'s Supervisory Board. Andrzej Szlezak is a member of the Human Resources and Remuneration Commission in Agora's Supervisory Board.

Tomasz Karusewicz

A graduate of the University of Szczecin, Faculty of Economic Sciences and Management - specializing in enterprise management. He also completed postgraduate studies at the Warsaw University of Technology - IT resource management at the Institute of Control and Computation Engineering and Executive Master of Business Administration studies at the French Institute of Management.

He also has the qualifications of an internal auditor and the right to sit on the supervisory boards of state-owned companies.

He was associated with, among others with the Ciech Group (in 2006-2008). He served as deputy director of the Corporate Supervision Office and later a member of the Supervisory Board of Ciech S.A. He was also a member of supervisory boards in the Ciech Group companies, i.e. Zakłady Chemiczne Alwernia S.A. and Ciech Polfa Sp. z o.o. In 2007-2009 he was employed as the deputy director of the Foreign Investment Office (Business Development Office) at PZU S.A. In the period 2010-2012 he was associated with Telewizja Polska S.A., first as the deputy director of the Management Board and Corporate Affairs Office, then as the director of the Audit and Internal Control Office.

In addition, he sat on the supervisory board, including of Enea S.A. with its registered office in Poznań, IKS Solino S.A., Zakłady Azotowe w Tarnów - Mościce S.A. (currently Grupa Azoty S.A.), ZWiK w Szczecinie Sp. z o.o. He also served on the supervisory board and the management board of PWPW S.A. In 2016-2019 he was again a member and later chairman of the supervisory board of Grupa Azoty S.A.

From 2016, he was again associated with the PZU Group. He was appointed a member of the management board of PZU Życie S.A. and the director of the PZU S.A. Group, where he oversaw the Information Technology Division and the Operations Division. Currently, he is a member of the management board of the Mutual Insurance Association Polish Mutual Insurance Company in the PZU Group.

As part of the Supervisory Board of Agora S.A. Tomasz Karusewicz is a member of the Human Resources and Remuneration Commission.

Dariusz Formela

Since 1 September 2018 he is a member of Management Board of the Black Red White S.A. with its registered office in Biłgoraj and since 1 December 2018 he is a president of that company.

Before that, since 2012, the president of the management board of Gobarto S.A. (previously PKM DUDA S.A.) responsible for development and implementation of the company's strategy. In 2009–2012, he was a member of the management board of PKM DUDA S.A. and president of the management board of CM Makton S.A. In 1998–2008, he worked for the ORLEN Capital Group, where he was also a member of the management board of PKN ORLEN and Możejki Nafta responsible for, among others, the oversight of the group companies and the integration of capital assets. He was also responsible for development and implementation of the restructuring plan in the ORLEN Capital Group. Dariusz Formela is currently a member of the Supervisory Board of Radpol S.A. and Unimot S.A.

He is a graduate of the Law and Administration Faculty at the University of Gdansk. He also obtained an MBA diploma from the University of Bradford and Kozminski University.

Dariusz Formela is a chairman of the Audit Committee in Agora's Supervisory Board.

Wanda Rapaczynski

Associated with the company almost since its inception. In 1998–2007 and between 28 June 2013 and 12 March 2014, she served as the President of the Management Board. Under her leadership, Agora grew into one of the largest and most well-known media companies in Central and Eastern Europe. After resignation from the function of the President of the Management Board in 2007, she remained associated with Agora as an advisor to the Supervisory Board until her appointment to the supervisory body. Member of the Supervisory Board of the Company in 2009–2013. She represented Agora in the European Publishers Council and the Polish Confederation of Private Employers LEWIATAN, where she was a member of the main board and a member of the supervisory board of the Polish Private Media and Advertising Employer's Confederation.

In 1984–1992, she was the Head of New Product Development in Citibank NA in New York. Previously, for two years she was the director of a research project at the Faculty of Psychology at Yale University, and in 1977–1979 a research worker at Educational Testing Service in Princeton, New Jersey. Her professional career began as a psychology lecturer at universities in New York and Connecticut.

She was a member of the Supervisory Board of Adecco S.A. since 2008 to 2018, a Swiss company operating internationally, specialized in recruiting activities, where she chaired the Corporate Governance Committee. For years she was a member of the Council of the Central European University in Budapest, where she chaired its Audit Committee. She was also a member of the International Advisory Council at the Brookings Institution in Washington for many years. Since 2002 she has been a member of Polish Group in the Trilateral Commission.

In 1977 she received a Ph.D. in Psychology from City University of New York. A graduate of Yale University, School of Organization and Management, where in 1984 she received a Master of Private & Public Management.

Tomasz Sielicki

Tomasz Sielicki worked in Sygnity S.A. (formerly ComputerLand S.A.) since the company's inception in 1991. From 1992 to 2005, he served as the President of the Management Board, later for two years he served as the President of the Sygnity Group (formerly ComputerLand Group). He is widely considered to be the founder of the company's success. In 2007–2017, he was a member of the Supervisory Board of Sygnity S.A.

He is a member of, among others, the Information Society Development Foundation Council, Council of the Gessel Foundation for the National Museum in Warsaw, Trilateral Commission and Public Affairs Institute and Supervisory Board of Ovid Works S.A.

Tomasz Sielicki is a member of the Audit Committee in Agora's Supervisory Board.

Maciej Wisniewski

Maciej Wisniewski has twenty years of experience in investment management and investment funds. He successfully founded, developed and sold Investors Towarzystwo Funduszy Inwestycyjnych S.A. which was one of the first private investment fund companies on the Polish market. Previously, he was associated with BZ WBK AIB Asset Management and LG Bank. He started his professional career at Raiffeisen Capital and Bank Millennium. Since December 2018 he has been a chairman of The Board Of Directors in MacroEquity Global Investments UCITS SICAV.

Maciej Wisniewski graduated from the Faculty of Finance and Banking at the Warsaw School of Economics and the Faculty of Finance at London Business School.

Maciej Wisniewski is a chairman of the Human Resources and Remuneration Commission and a member of the Audit Committee in Agora's Supervisory Board.

4.1.3. Committee and Commission established within the Supervisory Board

There is one Committee and one Commission operating within the Supervisory Board: the Audit Committee, and Human Resources and Remuneration Commission established in compliance with the Company's Statutes, performing advisory role to the Supervisory Board. Competences and procedures of the Audit Committee, and Human Resources and Remuneration Commission were set forth in the by-laws of these bodies adopted by virtue of resolutions of the Supervisory Board. As at the date of submission of this Report, the Committee and Commission are composed of the following members:

(i) Audit Committee:

- Dariusz Formela – Chairperson of the Audit Committee, an independent member of the Supervisory Board with knowledge about the business which the Company operates,

- Tomasz Sielicki – member of the Supervisory Board,

- Maciej Wisniewski – independent member of the Supervisory Board with knowledge and skills in the field of accounting acquired in the professional education in the Faculty of Finance and Banking at the Warsaw School of Economics and the Faculty of Finance at London Business School, as well as in the course of current professional activity.

The Audit Committee is responsible for monitoring financial reporting of the Company and the Agora Group, as well as financial audit activities, performing supervisory functions with respect to monitoring of internal control systems, internal audit and risk management, and performing supervisory activities with respect to monitoring the independence of external auditors.

In order to exercise its powers, the Audit Committee may require the Company to provide certain information on accounting, finance, internal audit and risk management that is necessary for the performance of the Audit Committee's activities, and may examine the Company's documents.

The meetings of the Audit Committee are convened when necessary, but at least four times per year. In 2023 the Audit Committee was convened ten times.

Meetings of the Audit Committee are convened by its chairman on his or her own initiative or at the request of a member of the Audit Committee, as well as at the request of the Management Board, internal or external auditor. Meetings of the Audit Committee may also be convened by the Chairman of the Supervisory Board.

The Audit Committee submits to the Supervisory Board its motions, positions and recommendations in time for the Supervisory Board to take appropriate actions, as well as annual and half-yearly reports on its activities in a given financial year and an assessment of the Company's situation in the areas within its competence.

On the basis of a circular resolution of the Supervisory Board No. 14/2022 of September 5, 2022 and in accordance with the provisions of the Company's Statutes, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. with its registered seat in Warsaw, at 11 Polna Street (number on the list of entities authorized to audit financial statements: 144) was chosen as the certified auditor of the Company and the Group who will examine the financial statements for 2023, 2024 and 2025. This selection was made in accordance with the “Policy of selecting the audit company to audit financial statements of Agora SA and Agora S.A. Capital Group”.

In December 2017, the Supervisory Board of the Company adopted, in the form of a resolution, the “Policy on selection of the audit firm for auditing the financial statements of Agora S.A. and Agora S.A. Capital Group”, which also included provisions concerning the policy for the provision by the audit firm conducting the audit, by entities associated with this audit firm and by a member of the audit firm network of permitted non-audit services, and “Procedure of selection of the audit company in Agora S.A. and the Agora S.A. Capital Group”. The obligation to accept the above-mentioned documents resulted from the Act of 11 May 2017 on statutory auditors, audit firms and on public supervision. As a result of the 2022 revision of the aforementioned documents, the Supervisory Board adopted by circular resolution No. 17/2022 amendments to the Policy on selection of the audit firm for auditing the financial statements of Agora S.A. and Agora S.A. Capital Group and the Procedure of selection of the audit company in Agora S.A. and the Agora S.A. Capital Group, aimed at adjusting the wording of these documents to the current wording of the Act on Auditors, Audit Firms and Public Supervision. The amendments to the Policy and Procedure also take into account the guidelines of the Office of the Polish Financial Supervision Authority for the event that the audit firm auditing the financial statements of a public interest entity loses its authority or other reasons occur that prevent the audit firm selected by a public interest entity from conducting the audit.

The policy on selection of the audit firm for auditing the financial statements of Agora S.A. and Agora S.A. Capital Group sets out the rules and guidelines for the procedure aimed at selecting an audit firm authorised to conduct statutory audits and reviews of financial statements of Agora S.A. and Agora S.A. Capital Group by the Supervisory Board of the Company following a tender procedure provided for in the Selection Procedure, containing transparent and non-discriminatory selection criteria for the audit firm. The policy also indicates the general responsibilities of the Audit Committee of Agora S.A.'s Supervisory Board related to monitoring the risk of loss of authority by the audit firm examining financial statements of the Company.

Pursuant to the policy for the provision by the audit firm conducting the audit, by entities associated with this audit firm and by a member of the audit firm network of permitted non-audit services together with the catalogue of prohibited services, neither the statutory auditor nor the audit firm conducting statutory audits of the Company nor any member of the network of which the statutory auditor or the audit firm are members shall provide, directly or indirectly to the Company, its parent company or any entities controlled by the Company within the European Union, any prohibited non-audit services or services other than financial auditing activities. Provision of services that are not prohibited by these entities shall be acceptable only to the extent not related to the Company’s tax policy, after the Audit Committee has conducted an assessment of risks and independence safeguards, and provided its consent.

The audit firm PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k. with its registered office in Warsaw provided permitted non-audit services to Agora S.A. in the financial year 2023, i.e. services within the scope of review of condensed interim individual financial statements of Agora S.A., covering the period from 1 January 2023 to 30 June 2023, and within the scope of review of condensed interim consolidated financial statements of Agora S.A. Capital Group, covering the period from 1 January 2023 to 30 June 2023.

(ii) Human Resources and Remuneration Commission:

- Maciej Wisniewski - chairperson of the Human Resources and Remuneration Commission,

- Tomasz Karusewicz,

- Andrzej Szlezak.

In accordance with the Bylaws of the Human Resources and Remuneration Commission, responsibilities of the Commission include periodic assessment of the principles of remuneration of the Management Board members and providing the Supervisory Board with appropriate recommendations in this respect, making recommendations regarding the amount of remuneration and granting additional benefits to individual members of the Management Board for consideration by the Supervisory Board.

When submitting the above recommendations to the Supervisory Board, the Commission should specify all forms of remuneration, in particular the fixed remuneration, the performance-based remuneration system and severance pay. Additionally, the Committee's competencies include advising the Supervisory Board on the selection criteria and the procedures for appointing Management Board members in cases provided for in the Company's Statutes, advising the Supervisory Board on the procedures to ensure proper succession of Management Board members in cases provided for in the Company's Statutes.

Meetings of the Human Resources and Remuneration Commission are held as frequently as needed to ensure its proper operation, at least once a year. In 2023, the Commission met twice.

Meetings of the Commission are convened by its Chairperson on his or her own initiative or at the request of a member of the Commission, Supervisory Board or of the President of the Company's Management Board. Meetings of the Commission may also be convened by the Chairman of the Supervisory Board.

The Commission submits to the Supervisory Board its motions, positions and recommendations in time for the Supervisory Board to take appropriate actions, as well as annual reports on its activities in a given financial year and an assessment of the Company's situation in the areas within its competence.

4.2. RULES GOVERNING APPOINTMENT AND DISMISSAL OF THE COMPANY'S MANAGEMENT PERSONNEL; POWERS OF THE MANAGEMENT PERSONNEL, INCLUDING IN PARTICULAR THE AUTHORITY TO RESOLVE TO BUY BACK OR ISSUE SHARES

4.2.1 Appointment

In accordance with § 28 of the Statutes, the Management Board is appointed by the General Meeting, except for the appointment of additional members of the Management Board by way of co-optation.

Subject to situations where additional members of the Management Board are co-opted, the Management Board is composed of 3–6 members with the exact number of members determined by the shareholders holding the majority of preferred series A shares, and following the expiration of such preferred status of all series A shares, by the Supervisory Board.

During the term of its office, the Management Board may appoint by co-optation not more than two additional members; the co-optation of additional members is effected by a resolution of the Management Board. In case a member of the Board is appointed by way of co-optation, the Management Board is obliged to include in the agenda of the nearest General Meeting an item concerning confirmation of appointment of a new member of the Board by way of co-optation and propose an appropriate draft resolution. Should the General Meeting not approve the appointment of the new member of the Management Board by way of co-optation, such Management Board member's mandate expires on conclusion of that General Meeting.

In accordance with the Statutes, the majority of members of the Management Board must be Polish citizens residing in Poland.

In accordance with § 30 of Agora S.A.'s Statutes, candidates for the Management Board members may be nominated exclusively by shareholders holding preferred series A shares, and following the expiry of the preferred status of all such shares, by the Supervisory Board.

In the event that the persons authorized to determine the number of members of the Management Board and to nominate candidates for such members do not exercise one or both of the above rights, the number of members of the Management Board may be determined by the General Meeting, while each shareholder during such General Meeting may nominate candidates for such members.

4.2.2. Dismissal

In accordance with § 31 of the Statutes, individual or all members of the Management Board may be dismissed (removed), due to important reasons, prior to the end of their term of office on the basis of a resolution of the General Meeting adopted by a simple majority of votes, provided that until the expiry of the preferred status of series A shares 80% of voting rights attached to all outstanding series A shares are cast in favour of such resolution. A resolution on dismissal (removal) of Management Board members should state the reasons for which such dismissal is made.

Members of the Management Board appointed by way of co-optation may be dismissed in the manner provided for above, or by a resolution of the Management Board; however, the persons concerned may not vote on this matter.

In the event that some members of the Management Board are dismissed or their mandate expires during the term of office for other reasons, supplementary elections shall be held only at such time as when the number of members of the Management Board performing their functions is less than three or when the requirement that the majority of members of the Management Board must be Polish citizens residing in Poland is no longer met.

If the number of members of the Management Board is lower than that required in the preceding paragraph, the Management Board will be required to immediately convene an extraordinary General Meeting in order to hold supplementary elections. Supplementary elections may take place also during the ordinary General Meeting if, in accordance with the provisions of law, such meeting must be convened within a short period of time, while convening an extraordinary General Meeting would not be appropriate in such case. In the event of supplementary elections, provisions regarding the election of members of the Management Board for their full term of office apply.

In accordance with § 33(1) of the Statutes, members of the Management Board may elect the chairman or persons performing other functions among themselves.

4.2.3 Powers of the management personnel

In accordance with § 27 of the Company's Statutes, the Management Board of the Company manages its affairs and represents the Company in dealings with third parties.
Responsibilities of the Management Board include all matters related to conducting the Company's affairs not reserved for other governing bodies of the Company.

The authority to resolve to buy back or issue shares remains with the General Meeting of the Company.

5. COMPANY'S INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS USED IN THE PROCESS OF PREPARATION OF FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

Management Boards of the Group companies are responsible for the internal control systems in individual companies and their efficiency in the process of preparing financial statements and periodic reports developed and published in accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state.

The Chief Financial Officer of the parent company or chief financial officer/management board of respective company, as appropriate, supervises the process of preparing the financial statements and periodic reports in individual Group companies from the subject-matter point of view. The process of drawing up annual and interim financial statements is coordinated by the Reporting Department of the Finance and Administration Division, as well as financial and accounting departments of individual Group companies. The Company constantly monitors changes to the applicable stock market reporting laws and regulations, and makes preparations sufficiently in advance to incorporate them into its rules and policies.

Each month, following the closing of the books, the members of the Management Board of the Parent Company and the management staff of the Group receive management information reports, including analyses of key financial data and operating ratios of the business segments. On a monthly basis, meetings of the Management Board with management staff are also organized to discuss the Company's and the Group's performance by segment and division.

All financial data contained in the separate and consolidated financial statements and periodic reports are sourced from the financial and accounting systems, where all business events are recorded in accordance with the Company's and the Group's accounting policies (approved by the Management Board), based on the International Accounting Standards and the International Financial Reporting Standards. The Company has been preparing financial statements in accordance with International Financial Reporting Standards (formerly: International Accounting Standards) since 1992.

The consolidated and separate financial statements of the Company and the Group are submitted to the member of the Management Board supervising the Finance and Administration department and the Chief Financial Officer for preliminary verification and then to the Management Board for final verification. Prior to their publication, consolidated and separate financial statements are also submitted to members of the Audit Committee.

Meetings of the Supervisory Board are held at least once a quarter, during which, depending on the questions submitted by members of the Supervisory Board, the Management Board provides information on key financial data and operating ratios of business segments.

Consolidated and separate annual and semi-annual financial statements are subject to, respectively, independent audit and review by the Company's statutory auditor. The results of the audit and review are presented by the statutory auditor to the member of the Management Board supervising the Finance and Administration department, the management of the financial division (including the Chief Financial Officer) and published in the auditor's report.

Conclusions from the audit and review of the consolidated and separate financial statements are presented to the Audit Committee. Representatives of the Audit Committee analyze the results of the audit and review at closed meetings with the Company's auditor, also without the participation of the Company's Management Board.

In addition, the statutory auditor also provides the Audit Committee with recommendations concerning improvements of the internal control system in the Company and the Group, which were identified during the audit of the financial statements.

Additionally, the Company has an Internal Audit Department, whose main task is to identify risks and weaknesses of internal control. At its meetings, the Audit Committee discusses the results of the Internal Audit work with its director, also without the participation of the Company's Management Board.

The recommendations received from the statutory auditor and Internal Audit are discussed by the Audit Committee with the Company's Management Board.

Additionally, at Agora S.A. there is a Compliance team whose main task is to ensure the compliance of Agora's operations with internal regulations and legal provisions. The Compliance Officer discusses the results of his work at the Audit Committee meetings.

Remuneration of persons responsible for the Internal Audit Department and Compliance team depends on the performance of assigned tasks, and not on the short-term results of the Company. The persons responsible for the Internal Audit Department and Compliance team report directly to the president and another member of the management board. The head of internal audit reports organisationally to the President of the Management Board, and functionally to the chairman of the audit committee. In 2021, also at Helios S.A. Compliance Officer was appointed.

The company plans to implement the principle of having the internal audit function reviewed by an independent auditor selected with the participation of the audit committee.

6. GENERAL MEETING AND SHAREHOLDER RELATIONS

At present, securities issued by the Company are traded only on the Warsaw Stock Exchange, hence all the Company's shareholders acquire their rights on the same dates in accordance with the Polish legal system. All shareholders have the same rights as far as the transactions and contracts executed between the Company and its shareholders or related entities are concerned. In the event of amendments to the rules of the general meeting, the Company endeavours to do so in good time in order to enable all shareholders to exercise their rights, and the Company strives to ensure that the amendments to the rules of the general meeting take effect at the earliest as of the next general meeting.

The Company strives to organize an ordinary general meeting as soon as possible (taking into account also the organization of the Agora Group's operations) after the publication of the annual report, bearing in mind the relevant legal regulations. Two General Meetings of the Company were held in 2023. The Management Board of the Company convened the Extraordinary General Meeting for March 1, 2023 and the Ordinary General Meeting was held on 26 June 2023. General Meetings were held at the Company's seat in Warsaw, and all documents related to their organization and course, including the video transmission, were posted on the Company's corporate website. Their course was in accordance with the provisions of the Code of Commercial Companies and the regulations of the General Meeting. Members of the Management Board and, in case of the Ordinary General Meeting, also the auditor were present during the meeting were ready to provide explanations regarding their competences and legal provisions. Shareholders' questions asked during the general meeting and the answers given to them are available to everyone by transmitting the course of the general meeting in real time. In addition, when the need arises, the Company draws up a list of questions asked before and during the general meeting and the answers to these questions. Answers to questions are provided by representatives of the Management Board and Supervisory Board of the Company present at the general meeting.

The subject of the Extraordinary General Meeting was granting consent to the disposal of organized parts of the enterprise to subsidiaries of the Company dedicated to operate:

a) Agora Publishing House;
b) gazeta.pl web portal;
c) Gazeta Wyborcza;
d) IT services for the Company and companies from Agora capital group;
e) support in the field of employee, social and social insurance matters for the Company and companies from Agora capital group;
f) accounting, bookkeeping, finance and taxation activities, as well as management and financial reporting;
g) maintenance, use and enjoyment of the Company's real estate.

After the adjournment, the Extraordinary General Meeting adopted resolutions on granting consent to the disposal of organized parts of the enterprise to subsidiaries of the Company on March 27, 2023.

During the Ordinary General Meeting, no amendments to the regulations of the General Meeting were made.

The Ordinary General Meeting approved the annual unconsolidated and consolidated financial statements of the Company for the financial year 2022 and the Management Board's report on the activities of the Company and the Capital Group in the financial year 2022, and decided to cover the loss of the Company from the supplementary capital. Additionally, the Ordinary General Meeting adopted the Report of the Supervisory Board on the remuneration of the Supervisory Board and the Management Board of Agora SA for 2022. The Ordinary General Meeting approved the performance of duties by particular members of the statutory bodies. The Ordinary General Meeting also amended the Company's Articles of Association with regard to the principles of the disposal of organized parts of the enterprise to subsidiaries of the Company.

For several years, the Company has been broadcasting the general meeting in real time, both in Polish and in English. In 2023, the Company provided shareholders with the possibility of two-way communication in real time using electronic means of communication using a dedicated web platform. Since 2021, Agora S.A. has e-General Meeting bylaws adopted by the Company's Supervisory Board , which enable the exercise, in person or through a proxy, of voting rights during the general meeting with the use of electronic means of communication.

The Management Board of the Company ensures that all resolutions of the general meeting concerning matters and decisions other than those of a procedural nature contain a justification, unless it results from the documentation presented to the general meeting. If an item is placed on the agenda of the general meeting at the request of a shareholder or shareholders, the Management Board shall request the shareholders to provide the justification for the proposed resolution.

All draft resolutions submitted by the Company to the agenda of the General Meeting are previously reviewed by the Supervisory Board.

The Company makes every effort to ensure that the draft resolutions of the general meeting regarding matters put on the agenda of the general meeting are submitted by shareholders at least 3 days before the general meeting by including an appropriate provision in the announcement on convening the general meeting.

If the agenda of the General Meeting is to appoint a member of the Supervisory Board or to appoint the Supervisory Board of a new term of office, the Company makes sure that candidates for members of the Supervisory Board are submitted in a timely manner enabling the shareholders present at the general meeting to take decisions with due consideration, but not later than 3 days before the general meeting. The company publishes the candidatures, along with a complete set of materials relating to them, immediately after receiving them on the company's website.

The company makes sure that each candidate for a Supervisory Board member submits a declaration regarding compliance with the requirements for members of the Audit Committee specified in the Act of May 11, 2017 on statutory auditors, audit firms and public supervision, as well as regarding the existence of actual and significant connections between the candidate and the shareholder holding at least 5% of the total number of votes in the company.

In the case of issuing shares with pre-emptive rights, the Company will comply with the relevant rules set out in the DSPN 2021 document.

Agora S.A. has always strived to pay dividends to shareholders. To this end, the Company adopted a dividend policy back in 2005. However, due to the loss incurred in 2022, the Management Board has recommended the General Meeting to cover the loss from the supplementary capital and not to pay the dividend for the year 2022.

6.1. OPERATION AND KEY POWERS OF THE GENERAL MEETING, SHAREHOLDERS' RIGHTS AND THE MANNER OF THEIR EXERCISE

The General Meeting of Agora ("GM") acts on the basis of the Commercial Companies Code and Agora's Statutes. Pursuant to Section 16(2) of the Statutes, the GM may adopt the Rules of the General Meeting, setting out the rules of its operation. The adoption, amendment or revocation of the Rules require three-quarters of the votes cast to be valid. The Rules of the GM is available at URL: https://www.agora.pl/media/Dokumenty/By-laws%20of%20the%20General%20Meeting%20of%20the%20Shareholders%20of%20Agora%20SA.pdf. The GM is convened in accordance with the provisions of the Code of Commercial Companies.

Resolutions of the General Meeting are passed by an absolute majority of the votes cast unless the Code of Commercial Companies or the Statutes provide otherwise. Pursuant to § 15(2) of the Statutes, resolutions concerning a merger of the Company with another entity, other forms of consolidation that are or will be allowed under law, division of the Company, remuneration of members of the Supervisory Board, including individual remuneration of those members who were elected to a continuous supervisory, are adopted by a majority of three-quarters of votes cast. The majority of three-quarters of votes cast when the shareholders representing at least 50% of the Company's share capital are present, is required for resolutions on the removal of matters from the agenda of the general meeting that were previously contained in the agenda. In the event a motion for such removal is submitted by the Company’s Management Board, an absolute majority of votes cast is required in order to adopt such a resolution. Acquisition or disposal of real property, a perpetual usufruct right or interest in real property does not require the GM’s resolution.

Pursuant to § 15(4) of the Statutes, the removal of any matters from the agenda of the general meeting at the request made, on the basis of Article 400 or Article 401 of the Code of Commercial Companies, by a shareholder representing at least such part of the Company's share capital as is indicated in the said provisions, requires consent of the shareholder who made such request. Adoption of a resolution relating to shareholder's liability with respect to the Company due to any reason shall require an majority of three-quarters of votes cast in the presence of shareholders representing at least 50% of all the Company shares conferring the right to vote in the adoption of such resolution.

According to § 17(1) of the Statutes, none of the shareholders may exercise more than 20% of the overall number of votes at the general meeting, provided that for the purposes of establishing obligations of purchasers of material blocks of shares as provided in the Act on Public Offering such restriction of the voting rights does not exist. This restriction of the voting rights does not apply also to:

- shareholders holding the preferred series A shares;
- a shareholder who, while having no more than 20% of the overall number of votes at the general meeting, announced, in accordance with the Act on Public Offering, a tender for subscription for the sale or exchange of all the shares of the Company and in result of such tender purchased shares which, including the previously held Company shares, authorize the said shareholder to exercise at least 75% of the overall number of votes at the general meeting. For the purposes of calculating a shareholder's share in the overall number of votes at the general meeting referred to above, it is assumed that the restriction of the voting rights (up to 20%) does not exist.

Pursuant to § 17(5) of the Statutes, at any General Meeting the percentage of votes of foreign entities and entities controlled by foreign entities may not be greater than 49%. The limitation does not apply to entities with their seats or residence in a Member State of the European Economic Area.

Each share, whether preferred or not, entitles its holder to one vote in connection with passing a resolution regarding the withdrawal of the Company's shares from public trading.

Pursuant to § 7(1) of the Statutes, in addition to registered series A shares, the Company’s share capital comprises also ordinary, both registered and bearer, BiD series shares. Series A registered shares are preferred in such a way that each of them carries five votes at the general meeting, subject to the above reservations.

Pursuant to § 11(1) of the Statutes, the sale or conversion of preferred series A shares into bearer shares requires the written consent of shareholders holding at least 50% of the preferred series A shares registered in the share register on the date of filing the request for a permit for sale or conversion of preferred series A shares into bearer shares. Within 14 days from the date of receipt of the request, the Management Board is obliged to deliver a copy of the request to each holder of preferred series A shares who are authorized to express their consent, to the address of each shareholder registered in the share register.

Candidates for members of the Supervisory Board may be nominated by shareholders holding preferred series A shares or shareholders who documented their entitlement to not less than 5% of the votes at the last general meeting before the candidates were nominated and who, at the time of making the nomination, hold not less than 5% of the Company’s share capital (§ 21(1)(a) of the Statutes). Where a member of the Supervisory Board tenders his or her resignation, other Supervisory Board members may appoint by means of co-optation a new member who will perform his or her duties until the general meeting appoints a Supervisory Board member, however no longer than until the end of the common term of office of the Supervisory Board. Dismissal (removal) of a member of the Supervisory Board prior to the end of the common term of office of the Supervisory Board may be effected by a resolution of the general meeting adopted by a simple majority of votes, provided that until the expiry of the preferred status of series A shares 80% of voting rights attached to all outstanding series A shares are cast in favour of such resolution.

Information on powers of the general meeting and rights of shareholders to appoint and dismiss the Management Board members is provided further in this document.

Bearer shares may not be converted into registered share.

The rights of the Company's shareholders, including minority shareholders, are exercised to the extent and in a manner consistent with the provisions of the Code of Commercial Companies.

In accordance with the principles of transparency, effective information policy and in an effort to ensure that all shareholders have equal access to information about the Company, Agora S.A. broadcasts the general meeting online, in Polish and English. General meetings of the Company are always attended by representatives of the Company's Management Board, Supervisory Board and the statutory auditor.

6.2 SHAREHOLDERS WITH MAJOR HOLDINGS OF SHARES

To the best of the Company's knowledge, as at the day of publication of this Directors' Report, the following shareholders were entitled to exercise over 5% of voting rights at the General Meeting of the Company:

Tab.30

	no. of shares	% of share capital	no. of votes	% of voting rights
Agora-Holding Sp. z o.o. (in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)	5,401,852	11.60	22,528,252	35.36
Powszechne Towarzystwo Emerytalne PZU S.A. (Otwarty Fundusz Emerytalny PZU Zlota Jesien) *(in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)*	8,235,951	17.68	8,235,951	12.93
including: Otwarty Fundusz Emerytalny PZU Zlota Jesien *(in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)*	8,126,434	17.44	8,126,434	12.76
Media Development Investment Fund, Inc. (MDIF Media Holdings I, LLC) *(in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)*	5,355,645	11.49	5,355,645	8,41
Nationale-Nederlanden Otwarty Fundusz Emerytalny *(in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)*	4,119,000	8.84	4,119,000	6,47

(1) proportion of voting rights and percentage of share capital of Agora S.A. were recalculated by the Company after registration of the reduction of Company's share capital on August 23, 2018.

The Management Board of Agora S.A. is not aware of any agreements which may result in future changes in holdings of shares by its current shareholders.

6.3. HOLDERS OF ANY SECURITIES CONFERRING SPECIAL CONTROL RIGHTS IN RELATION TO THE ISSUER

Series A Shares

Agora Holding Sp. z o.o. is the only holder of registered preferred series A shares. The series A shares carry preferences regarding the number of votes per one share and right to determine the number of Management Board members and to propose candidates for the Management and Supervisory Board members, to dismiss those members, and to grant the consent to sell series A shares or convert them into bearer shares. Each of the series A shares carries 5 votes at the General Meeting and the restriction of the voting rights (according to which none of the shareholders may exercise more than 20% of the overall number of votes at the general meeting – pursuant to § 17 (1)) does not apply to shareholders holding the preferred series A shares.

Shareholders holding the preferred series A shares have the exclusive right to nominate candidates for the Management Board members. They also belong to the limited number of entities with the exclusive right to nominate candidates for the Supervisory Board of Agora S.A. Holders of the majority the preferred series A shares may also determine the exact number of the Management Board members.

Another preference carried by series A shares includes the right to dismiss members of the Management or Supervisory Board prior to the end of their term of office. The dismissal can be made on the basis of the resolution adopted by the General Meeting. For the dismissal, a simple majority of votes is required, provided that until the expiry of the preferred status of series A shares 80% of voting rights attached to all outstanding series A shares are cast in favour of such resolution.

The Statutes of Agora S.A. provide that none of the shareholders may exercise more than 20% of the overall number of votes at the General Meeting, provided that for the purposes of establishing obligations of purchasers of material blocks of shares as provided in the Act on Public Trading in Securities such restriction of the voting rights does not exist. This restriction of the voting rights does not apply to shareholders holding the preferred series A shares.

Each share, whether preferred or not, entitles its holder to one vote in connection with passing a resolution regarding the withdrawal of the Company's shares from public trading.

6.4. RESTRICTIONS ON TRANSFER OF OWNERSHIP RIGHTS TO THE ISSUER'S SECURITIES

Pursuant to the Statutes of Agora S.A., the sale or conversion of preferred series A shares into bearer shares requires the written consent of shareholders holding at least 50% of the preferred series A shares registered in the share register on the date of filing the request for such consent. The procedure for requesting and granting such consent is laid down in the Statutes. In addition, the sale of series A preferred shares may be made only at a price not higher than their nominal value.

6.5. LIMITATIONS ON THE EXERCISE OF VOTING RIGHTS

According to the Company’s Statutes, none of the shareholders may exercise more than 20% of the overall number of votes at the General Meeting. For the purposes of establishing obligations of purchasers of material blocks of shares as provided in the Act on Public Offering such restriction of the voting rights does not exist. The restriction of the voting rights referred to in the preceding sentence does not apply to:

a) shareholders holding the preferred series A shares;

b) a shareholder who, while having no more than 20% of the overall number of votes at the General Meeting, announced, in accordance with the Act on Public Offering, a tender for subscription for the sale or exchange of all the shares of the Company and in result of such tender purchased shares which, including the previously held Company shares, authorize the said shareholder to exercise at least 75% of the overall number of votes at the General Meeting. For the purposes of calculating a shareholder's share in the overall number of votes at the general meeting referred to above, it is assumed that the restriction on the voting rights provided for in § 17(1) of the Company’s Statues does not exist.

For the purposes of the aforementioned limitation on the voting rights and exception from the limitation provided for in item b), exercise of votes by a subsidiary is treated as the exercise of votes by a parent company as defined in the Act on Public Offering.

At any General Meeting, the percentage of votes of foreign entities and entities controlled by foreign entities may not be greater than 49%. The limitation does not apply to entities with their seats or residence in a Member State of the European Economic Area.

Each share, whether preferred or not, entitles its holder to one vote in connection with passing a resolution regarding the withdrawal of the Company's shares from public trading.

7. PRINCIPLES TO PREVENT CONFLICT OF INTEREST

Agora S.A. and its group companies have clear rules for transactions with related parties.

Members of the Company's governing bodies avoid engaging in professional or non-professional activity that could lead to a conflict of interest or adversely affect their reputation as a member of the Company's governing body. In the event of a potential conflict of interest, members of the Management Board and Supervisory Board report the occurrence of such a situation and do not participate in meetings during the consideration of such an event.

Members of the Management Board and Supervisory Board, in the event that the decision taken is contrary to the interest of the Company, should request that a separate opinion on this matter be included in the minutes of the Management Board or Supervisory Board meeting. Such an event did not take place in the Company.

All shareholders are equal in relation to the others in terms of transactions with related entities. This also applies to transactions of the Company's shareholders concluded with entities belonging to its Group. The report of transactions with related entities is presented to the Supervisory Board of the Company by the Compliance Officer on a quarterly basis. If the transaction of the Company with a related entity requires the consent of the Supervisory Board of the Company, the Supervisory Board, before adopting a resolution on this matter, assesses whether there is a need to first consult an external entity that will carry out the valuation of the transaction and analyze its economic effects.

The company has not been buying its own shares for many years, in the event of a decision to carry out such a process, Agora will act in accordance with rule 5.4 of the DSPN 2021 collection.

8. REMUNERATION POLICY

The principles of determining remuneration of the Company's employees, except for members of the Management Board and Supervisory Board, are established in accordance with internal remuneration regulations. In 2020, Agora's General Meeting adopted the Remuneration Policy for members of the Management and Supervisory Boards. In 2023, the Supervisory Board presented a report on the implementation of this policy for the year 2022.

The Company's remuneration policy directly supports the implementation of the Agora Group's medium-term growth plans.

The Company's remuneration system is based on fixed remuneration and variable remuneration resulting from incentive plans and bonuses depending on the achievement of the set goals.

The Agora Group's remuneration policy differentiates the level of remuneration according to the position held, performance and competences. This variable part ensures flexibility and adaptability to the employer's needs.

Through the incentive scheme, the objectives closely linked to the Agora Group's medium-term growth plan are forwarded to the managers and to employees, which ensures effective support for Agora's business ventures.

The incentive-based remuneration system for employees and managers consists of a fixed part (base salary), a variable part (including annual bonuses and discretionary awards) and non-wage benefits. Base salary in the Company and Agora Group companies is related to the employee's potential, competence and performance in achieving his or her goals.

The aim of the system is to motivate employees to achieve high performance in their work through the implementation of individual goals and evaluation of attitudes, while the management staff can use it as a tool to motivate employees. The bonus system provides for an annual assessment of the employee's performance, summarising the employee's overall contribution for a given bonus year, indicating areas of strengths and areas that require further development. The annual assessment includes an assessment of the level of accomplishment of individual objectives and attitudes throughout the year, as well as an assessment of the total employee's work in a given year.

Agora also provides employees with non-wage benefits such as co-financing of medical care, sport card and benefit system available on a dedicated platform. Employees can also take advantage of the Company’s Social Benefits Fund where they can benefit from employee loans for, inter alia, housing purposes. The Company also has a Loan and Benefit Fund.

The company submitted a new remuneration policy for the Management Board and the Supervisory Board in accordance with the requirements set out in the Act of 16 October 2019 amending the Act on public offering and conditions for introducing financial instruments to an organized trading system and on public companies and certain other acts to the Annual General Meeting, which took place on 25 June 2020.

The remuneration policy adopted by the General Meeting for members of the Management Board and Supervisory Board of Agora S.A. complies with the requirements of the Act and the Company's Articles of Association. Its full content is available on the corporate website of the Company. The company presented report on the application of this policy to the General Meeting in June 2023 for the year 2022. In June 2024, the Company will present the report for 2023.

The remuneration system for members of the Management Board of Agora operates on the basis of three elements:

- a fixed part (base salary),
- a variable part (incentive system and bonus depending on the achievement of the set goals) and
- non-wage benefits, the range of which is determined by the Supervisory Board.

Remuneration paid to the Management Board members in 2023 (PLN ’000)

Member of the Management Board	Total	Base salary	Variable remuneration	Other benefits
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

Remuneration paid by Agora S.A. to members of the Management Board in 2023 amounted to PLN 3,280 thousand (in 2022: PLN 6.006 thousand). This amount includes remuneration and bonuses paid for the period of performing the function of a member of the Management Board and is lower by 45% than in 2022 due to the lack of payment of incentive plans.

Remuneration paid to members of the Supervisory Board in 2022 amounted to PLN 624 thousand. PLN (2022: PLN 624 thousand).

Tomasz Jagiello received additional remuneration for the function of President of the Management Board of Helios S.A. in the amount of PLN 401 thousand (in 2022: PLN 386 thousand). Other members of the Management Board and Supervisory Board did not receive any remuneration for serving on the governing bodies of subsidiaries, jointly controlled entities and associates.

In 2023, four members of the Management Board used company cars acquired by the Company. Tomasz Jagiello used a company car purchased by Helios S.A. Members of the Management Board of Agora S.A. are also provided with medical care on the same terms as other employees of the Company.

Detailed information on the remuneration of members of the Management Board and Supervisory Board of Agora S.A. is listed in note 27 to the consolidated financial statements.

Information on liabilities towards former members of the Management Board is presented in note 19 to the consolidated financial statements.

In 2023, remuneration for serving as members of the management and supervisory bodies of Agora Group's subsidiaries amounted to PLN 8,887 thousand. PLN (in 2022: PLN 8,235 thousand).

In the Agora Group, incentive plans were also implemented based on financial instruments, in which members of the Management Board of Agora S.A. participated. Detailed information on these plans is presented in note 28 to the consolidated financial statements.

To the best knowledge of the Company, members of the management boards and supervisory boards of the Group's companies were not entitled to any remuneration, awards or benefits other than those described above, paid, due or potentially due for their functions.

Remuneration paid to the Supervisory Board members in 2023 (PLN '000)

Member of the Supervisory Board	Remuneration paid
Andrzej Szlezak (chairman)	144
Wanda Rapaczynski	96
Tomasz Sielicki	96
Dariusz Formela	96
Maciej Wisniewski	96
Tomasz Karusewicz	96

The total remuneration amounted to PLN 624 thousand (2022: PLN 624 thousand).

Employment contract terms of the Management Board members of Agora S.A.

Existing employment contracts concluded with members of the Management Board of Agora S.A. provide that in the period of 30 months from the date:

- on which the right of the shareholders holding series A shares to nominate candidates to the Management Board is removed from the Company's Statutes,
- on which one entity or a group of entities acting in concert exceeds the 50.0% threshold of the total number of votes at the General Meeting of Agora S.A.;
- on which the Supervisory Board of the Company is appointed by voting by separate groups, pursuant to Article 385 § 3-9 of the Code of Commercial Companies, should any of these contracts be terminated by the Company, the member of the Management Board of Agora S.A. will receive severance pay in the amount equal to the sum of the following components:

(i) the amount equivalent to 12 times the monthly base salary payable to the member of the Management Board of Agora S.A. for the month preceding the month in which the member of the Management Board of Agora S.A. receives the termination notice;

(ii) the amount equivalent to the annual bonus for the financial year preceding the year of termination of the employment contract.

The severance pay referred to in the preceding sentence is not due when the employment contract is terminated for reasons indicated in Article 52 § 1 of the Labour Code.

Rules for determining the value of the Incentive Plan

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.

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 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 of the 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	**-**

9. DIVERSITY POLICY

With respect to the recommendation concerning comprehensiveness and diversity, as well as a balanced proportion of women and men in the company's governing bodies, the Management Board of the Company points out that it has no influence on the composition of the Company's governing bodies. Nevertheless, the Company's Management Board, in the event of changes in the composition of the Company's key bodies, presents to the entities entitled to nominate candidates to these bodies the requirements they should meet in accordance with the Best Practices and other legal regulations. Candidates for members of the Supervisory Board may be nominated by shareholders holding Series A preferred shares or shareholders who, at the last general meeting prior to the nomination of candidates, have documented the right to not less than 5.0% of the votes and hold, at the time of making the nomination, not less than 5.0% of the Company's share capital (§21(1)(a) of the Statutes).

In accordance with §30 of Agora S.A.'s Statutes, candidates for members of the Management Board may only be nominated by shareholders holding series A preferred shares and, after the expiry of the privileges with respect to all such shares, by the Supervisory Board. In the event that the persons authorised to determine the number of members of the Management Board and to propose candidates for members of the Management Board do not exercise one or both of these rights, then the right that has not been exercised will be vested, respectively: for determining the number of members of the Management Board - to the General Meeting and, for nominating candidates - to each shareholder at the General Meeting.

In 2022, acting on the basis of point. 2.1 of the "Code of Best Practice for WSE Listed Companies 2021" (Resolution No. 13/1834/2021 of the Supervisory Board of the Warsaw Stock Exchange of 29 March 2021), the General Meeting adopted the "Diversity Policy of Agora S.A. with respect to the members of the Management Board and the Supervisory Board".

Moreover, the Management Board of the Company would like to emphasise that, in accordance with the 2022 adopted "Diversity Policy of Agora S.A. with respect to the members of the Management Board and the Supervisory Board"., criteria such as knowledge, experience and skills necessary to perform a given function are decisive in the Company when selecting candidates for all positions that fall within the competence of the Management Board. The application of these principles to all employees of the Company and the Group ensures the healthy functioning of the organisation and the acceptance of new business challenges.

Diversity and openness are values that are an integral part of both the Company's business activities and its employment policy. Therefore, Agora S.A. as an employer is guided by the principles of equal treatment and counteracts all forms of discrimination, believing that this brings real benefits and supports the Company's development and innovation. One of the objectives of the diversity policy implemented at Agora is to emphasise the organisation's openness to diversity, which increases work efficiency, builds trust and counteracts discrimination. The diversity practice is also aims to fully utilise the potential of employees, their diverse skills, experiences and talents in an atmosphere of respect, support and teamwork.

As an employer, Agora creates a working atmosphere in which employees feel respected and nominated to realise their full professional potential. Agora also creates a culture of dialogue, openness, tolerance and teamwork.

In 2016, the "Agora Group Diversity Policy" was introduced at Agora S.A., which applies to all employees. Its aim is to consistently create a workplace free of discrimination regardless of reasons, while at the same time employing the best professionals who contribute to the company's success. Agora is an employer that nurtures team development through internal and external training. Agora S.A.'s diversity policy assumes breaking down barriers such as age, gender or health status and is guided by the principle that employees' professional potential results from their competences. In this way, the Company wants to support the implementation of its growth strategy in the best possible way and to offer the highest quality products and services to its customers.

Supervisory Board

The procedure for the appointment of Supervisory Board members is set forth in the Company's Statutes, other applicable laws and other regulations applicable to the Company. Agora has limited influence in shaping the composition of the body overseeing its activities, but nevertheless each time it indicates to the entities authorized to nominate candidates to this body all the requirements and recommendations they should meet. Despite this, the current six-member composition of the Supervisory Board in 2023 reflected most of the criteria underlying the diversity policy. The exception was the issue of 30.0% female representation on the body.

Management Board

The procedure for the appointment of the Management Board is also specified in the Company’s Statutes. Only holders of series A shares have the right to nominate candidates for the Management Board. In the Company's opinion, the candidates submitted by them took into account as a decisive criterion, first and foremost, high qualifications, professional experience in the main areas of the Agora Group's operations and substantive preparation for the function of a member of the Management Board.

The members of the Company's Management Board have complementary experience and competencies - they are graduates of: Warsaw School of Economics, Adam Mickiewicz University in Poznań, University of Silesia, University of Lodz, University of Edinburgh, French Institute of Management, Harvard Business School (supplementary courses) or Warsaw University of Technology Business School.

As at 31 December 2023, the composition of Agora S.A.'s Management Board did not fulfil the postulate of at least 30% minority in terms of gender in the structure of the body.

Gender structure in supervisory and management bodies of Agora S.A.

	Men		Women	
As at the end of	2023	2022	2023	2022
Management Board	4	4	1	1
Supervisory Board	5	5	1	1

Administrative bodies

Administrative bodies in the Agora Group comprise employees holding managerial positions. The diversity policy with regard to administrative bodies is to create a workplace free of discrimination on the basis of gender, age, origin, health, education, political or religious beliefs and any other aspect, where competence and experience are the basis of the organisational culture. The implementation of this approach can be seen in the diversity of teams across the Group. One of the key diversity aspects due to the similar number of male and female employees (in the Agora Group as a whole, as at 31 December 2023, women represented 56.5% of the team, while men represented 43.5%) is gender equality. The gender structure in the administrative bodies indicates that this objective is being achieved.

Gender structure in administrative bodies (management positions) of Agora Group (as at 31 December 2023).

	% in the Agora Group	
	Women	**Men**
Agora Group	51.6%	48.4%

On 8 March 2017, the Company, as the first media group in Poland, also signed the Diversity Charter, joining the European initiative to promote diversity in the workplace.

10. ANY OBLIGATIONS ARISING FROM PENSIONS AND SIMILAR BENEFITS FOR FORMER MEMBERS OF MANAGEMENT, SUPERVISORY BODIES AND LIABILITIES INCURRED IN CONNECTION WITH SUCH PENSIONS, WITH AN INDICATION OF THE TOTAL AMOUNT FOR EACH CATEGORY OF BODY

The Issuer has no retirement or similar benefit obligations with respect to former members of management, supervisory or administrative bodies.

11. SOCIAL AND SPONSORING ACTIVITIES POLICY

The Agora Group has a "Policy on social and sponsorship activities" adopted by the Agora Management Board in 2016 as an expression of the strategic approach to corporate social responsibility. The objectives set out in the document are:

- education, individual and social development;

- shaping civic attitudes and caring for human rights;

- promotion of culture and universal access to it;

- promotion of health and a healthy lifestyle;

- care for the environment;

- caring for others through charitable and relief work.

These refer to specific UN Sustainable Development Goals (Goals 5,10,12,13,16) and the ISO 26000 social responsibility standard.

The social-sponsoring activities of the Agora Group are an expression of its social responsibility and concern for the fate of the regions in which the Group operates as places worth living, working and making plans for. These activities are also aimed at building a positive image of the Group and its brands as entities friendly to people and involved in the life of the community. The content of the document can be found at www.agora.pl/polityka-dzialan-spoleczno-sponsoringowych-w-nbsp-grupie-agora.

In 2023, the Agora Group team continued its long-standing activities within the environmental and social pillars, including education, culture and charity, while also initiating new projects - both nationwide and regional. Detailed information on the activities undertaken by the Agora Group in the area of corporate social responsibility, including pro-environmental activities, in 2023 can be found on the company's corporate website agora.pl/news/esg

Social activities, apart from the activities of the Agora Group's brands and media, are also carried out by foundations established by the Management Board of Agora S.A. and by other Group companies. At the end of 2023, there were 6 such organisations: Agora Foundation, Gazeta Wyborcza Foundation, Wysokie Obcasy Foundation, "Integration Academy Foundation - Work, Education, Sport" of AMS, TOK FM Foundation and Radio ZET Foundation. A detailed description of the foundations' activities can be found in the "ESG Report for 2023. Agora Group and Agora S.A."

The implemented "Policy on social and sponsorship activities" brought measurable benefits to Agora: it strengthened its position as a leader among media in the implementation of social and pro-environmental projects, as well as the involvement and satisfaction of employees due to their participation in the undertaken activities.

Donations granted by the Agora Group for social purposes in 2023 amounted to over PLN 1.2 million. In the reported period, no expenses were incurred for sponsorship activities.

In Agora's opinion, the implementation of the "Policy on social and sponsorship activities" is in line with the interests of the company and its stakeholders, including shareholders, as it creates goodwill, contributes to social development and is an expression of the Agora Group's responsibility for its impact on the environment.

For more information on the Agora Group's activities in the area of corporate social responsibility in 2023, please visit agora.pl/esg and the "2023 ESG Report. Agora Group and Agora S.A."

12. RULES OF AMENDING THE STATUTES OF AGORA S.A.

The Statutes of Agora S.A. do not contain any provisions different from the provisions of the Commercial Companies Code with respect to amendments to the Company's Statutes.

VII. MANAGEMENT BOARD'S REPRESENTATIONS

1. REPRESENTATION CONCERNING ACCOUNTING POLICIES

Management Board of Agora confirms that, to the best knowledge, the annual consolidated financial statements together with comparative figures, have been prepared according to all applicable accounting standards and give a true and fair view of the state of affairs and the financial results of the Issuer's Capital Group for the period.

The Management Discussion and Analysis of Group's business activities shows true view of the state of affairs of the Issuer's Capital Group, including evaluation of risks and dangers.

2. NON-FINANCIAL REPORTING

Fulfilling the requirements of Accounting Act the Company presents separate consolidated and non-consolidated report of Agora S.A. and the Agora Group regarding non-financial reporting for 2023.

"The ESG Report of Agora S.A. and the Agora Group for 2023" was prepared in accordance with the European Sustainability Reporting Standards (ESRS) with reference to Directive 2014/95/EU4 of the European Parliament and of the Council. The document has not undergone external verification.

According to art 49b point 9 of Accounting Act both reports are available on the corporate website https://www.agora.pl/en in Polish and English.

3. INFORMATION ON SECLECTION OF THE AUDIT FIRM FOR REVISION OF ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to the resolution of the Supervisory Board of September 5, 2022 and in accordance with the provisions of the Company's Articles of Association, PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. with its seat in Warsaw at Polna 11 Street, entered on the list of audit companies with the number 114, has been selected as the certified auditor of the Company and the Group, which is chosen to examine the financial statements for 2023, 2024 and 2025.

Agora did not use audit services other than auditing and reviewing financial statements based on the three-year agreement concluded on February 7, 2023.

The Management Board of Agora S.A. indicates that:

a) the auditing company and the members of the audit team met the conditions for drawing up an unbiased and independent audit report on the annual consolidated financial statements in accordance with applicable regulations, professional standards and professional ethics,

b) the applicable regulations related to the rotation of the auditing company and the key statutory auditor and mandatory grace periods are observed,

c) Agora has a policy regarding the selection of an audit firm and a policy regarding the provision to the Agora by an auditing company, an entity related to the auditing company or a member of its network of additional non-audit services, including services conditionally exempt from the prohibition by the audit company.

Warsaw, 19 March 2024

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