AGORA S.A.

Unconsolidated financial statements

as at 31 December 2023 and for the year ended thereon

March 19, 2024

CONTENTS

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

UNCONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023

	Note	As at 31 December 2023	As at 31 December 2022
ASSETS			
Non-current assets:			
Intangible assets	3	34,170	39,621
Property, plant and equipment	4	109,168	137,546
Right-of-use assets	5	28,198	28,122
Investments in subsidiaries and associates	6	668,755	627,351
Receivables and prepayments	7	412	430
Deferred tax assets	16	8,753	11,977
		849,456	**845,047**
Current assets:			
Inventories	8	15,413	23,304
Trade and other receivables	9	75,582	81,818
Income tax receivable		344	129
Short-term securities and other financial assets	10	417	2,371
Cash and cash equivalents	11	13,587	26,565
		105,343	**134,187**
Non-current assets held for sale	6	6,204	-
		111,547	**134,187**
Total assets		**961,003**	**979,234**

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

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

UNCONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2023 (CONTINUED)

	Note	As at 31 December 2023	As at 31 December 2022
Equity and liabilities			
Equity			
Share capital	12	46,581	46,581
Share premium		147,192	147,192
Other reserves		122,978	123,279
Retained earnings and other reserves	13	441,095	480,860
		757,846	**797,912**
Non-current liabilities:			
Long-term borrowings	14	23,672	36,348
Retirement severance provision	17	2,256	1,647
Accruals and other liabilities	19	243	1,911
Contract liabilities	20	140	67
		26,311	**39,973**
Current liabilities:			
Retirement severance provision	17	209	269
Trade and other payables	19	97,803	94,453
Short-term borrowings	14	31,077	12,619
Other financial liabilities	15	36,818	25,232
Provisions	18	371	1,149
Contract liabilities	20	10,568	7,627
		176,846	**141,349**
Total equity and liabilities		**961,003**	**979,234**

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

UNCONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
Revenue	21	397,467	393,317
Cost of sales	22	(233,639)	(229,503)
Gross profit		**163,828**	**163,814**
Selling expenses	22	(122,057)	(127,305)
Administrative expenses	22	(114,775)	(104,788)
Other operating income	23	1,764	3,295
Other operating expenses	24	(3,676)	(1,998)
Impairment losses for receivables - net	24	(2)	(323)
Operating loss		**(74,918)**	**(67,305)**
Dividend income	37	41,602	64,635
Finance income	28	2,607	1,937
Finance cost	29	(7,685)	(5,526)
Impairment losses on financial assets	29	(4,417)	-
Loss before income taxes		**(42,811)**	**(6,259)**
Income tax expense	30	3,045	2,794
Loss for the period		**(39,766)**	**(3,465)**
Basic/diluted earnings per share (in PLN)	31	(0.85)	(0.07)

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

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

	2023	2022
Net loss for the period	**(39,766)**	**(3,465)**
Other comprehensive income/(loss):		
Items that will not be reclassified to profit or loss		
Actuarial gains/(losses) on defined benefit plans	(372)	747
Income tax effect	71	(142)
	(301)	605
Items that will be reclassified to profit or loss		
Other comprehensive income/(loss) for the period	(301)	605
Total comprehensive loss for the period	**(40,067)**	**(2,860)**

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

(all amounts in PLN thousands unless otherwise indicated)

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

	Share capital*	Share premium	Other reserves	Retained earnings	Total equity
Year ended 31 December 2023					
As at 31 December 2022	**46,581**	**147,192**	**123,279**	**480,860**	**797,912**
Total comprehensive loss for the period					
Net loss for the period	-	-	-	(39,766)	(39,766)
Other comprehensive loss	-	-	(301)	-	(301)
Total comprehensive loss for the period	**-**	**-**	**(301)**	**(39,766)**	**(40,067)**
Transactions with owners, recorded directly in equity					
Other	-	-	-	1	1
Total transactions with owners	**-**	**-**	**-**	**1**	**1**
As at 31 December 2023	**46,581**	**147,192**	**122,978**	**441,095**	**757,846**

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

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

(all amounts in PLN thousands unless otherwise indicated)

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

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Year ended 31 December 2022					
As at 31 December 2021	**46,581**	**147,192**	**122,674**	**484,325**	**800,772**
Total comprehensive income for the period					
Net loss for the period	-	-	-	(3,465)	(3,465)
Other comprehensive income	-	-	605	-	605
Total comprehensive income for the period	**-**	**-**	**605**	**(3,465)**	**(2,860)**
Transactions with owners, recorded directly in equity					
Total transactions with owners	**-**	**-**	**-**	**-**	**-**
As at 31 December 2022	**46,581**	**147,192**	**123,279**	**480,860**	**797,912**

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

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

UNCONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023	2022
Cash flows from operating activities			
Loss before income taxes		**(42,811)**	**(6,259)**
Adjustments for:			
Depreciation and amortisation	22	26,143	30,897
Foreign exchange (gain)/loss		(3,074)	13
Interest, net		6,994	5,064
(Profit)/loss on investing activities		6,412	(298)
Dividend income	37	(41,602)	(64,635)
Increase/(decrease) in provisions		(600)	532
Increase/(decrease) in inventories		7,892	(11,879)
Increase/(decrease) in receivables		9,619	(404)
Increase/(decrease) in payables		3,081	(18,782)
Increase/(decrease) in contract liabilities		3,014	(1,121)
Cash generated used in operations		**(24,932)**	**(66,872)**
Income taxes - inflows (1)		5,620	2,017
Net cash used in operating activities		**(19,312)**	**(64,855)**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment, and intangibles		19,749	72
Dividends received		38,853	64,635
Interest received		219	89
Inflows/(outflows) from cash pooling		697	(1,103)
Loans granted		(300)	(460)
Purchase of property, plant and equipment, and intangibles		(13,988)	(21,071)
Acquisition of subsidiaries, associates and jointly controlled entities	6	(50,469)	(2,292)
Net cash from investing activities		**(5,239)**	**39,870**

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

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

	Note	2023	2022
Cash flows from financing activities			
Proceeds from borrowings	33.5	74,288	31,838
Repayment of borrowings	33.5	(66,202)	(44,357)
Inflows/(outflows) from cash pooling	33.5	11,594	(13,115)
Payment of lease liabilities	33.5	(1,162)	(1,724)
Interest paid	33.5	(6,661)	(4,317)
Other		(284)	(338)
Net cash used in financing activities		**11,573**	**(32,013)**
Net increase in cash and cash equivalents		**(12,978)**	**(56,998)**
Cash and cash equivalents			
At start of period		26,565	83,563
At end of period		13,587	26,565

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

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

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

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

1. GENERAL INFORMATION

(a) Core business activity

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

As at 31 December 2023 Agora S.A. controlled 31 subsidiaries, held shares in jointly controlled entity: Instytut Badań Outdooru IBO Sp. z o.o. (indirectly through AMS S.A.) and held shares in associate ROI Hunter a.s.

The Company operates in all major cities in Poland.

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

(b) Registered Office

Czerska 8/10 street,
00-732 Warsaw, Poland

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

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

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

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

(e) Management Board

During the period reported in the unconsolidated financial statements, the Management Board of Agora S.A. comprised the following members:

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

(f) Supervisory Board

The Supervisory Board of the Company comprised the following members:

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

(g) Information about the financial statements

Agora S.A. is a parent company and prepares consolidated financial statements of the Agora Group ("Group") which is published on www.agora.pl.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

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

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

(b) Basis of preparation

The financial statements are presented in Polish zloty, which is functional currency of the Company, rounded to the nearest thousand (unless otherwise indicated). They are prepared on the historical cost basis except that financial instruments are stated at their fair value.

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

As at 31 December 2023, there was an excess of current liabilities over current assets, which amounted to PLN 65.3 million. In comparison this excess amounted to PLN 7.2 million as at 31 December 2022. It should be noted that the key influence on such a ratio of short-term liabilities to current assets has the item Short-term borrowings, whose value amounted to PLN 31.1 million and the item of Other financial liabilities in the amount of PLN 36.8 million. This excess is mainly generated by utilised loans included in the item Short-term borrowings and liabilities from cash pooling operating within the Agora Group included under Other financial liabilities. In terms of short-term debt of Agora S.A. is in advanced talks with lending banks which, in the Management Board's opinion, should end favourably for the Company.

Taking into account the Company's own funds, available credit lines and the cash pooling system operating within the group, in the opinion of the Company's Management Board the Company's financial position is stable and it is reasonable to assume that the Company will continue as a going concern.

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

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

1) IFRS 17 *Insurance Contracts*,

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

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

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

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

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

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

(c) Property, plant and equipment

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

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

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

Buildings	2 - 40 years
Plant and machinery	2 - 20 years
Motor vehicles	3 - 7 years
Other equipment	2 - 20 years

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

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

(d) Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any (see accounting policy from point u).

Intangible assets (mainly containing acquired licenses and software) are depreciated using the straight line method over the estimated useful life of each asset.

Estimated useful lives of intangible assets amortised using the straight line method are usually:

Licences, software and other	2-15 years
Internally generated intangible assets	2-5 years

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

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

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

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

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

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

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

At the commencement date, a lessee shall recognise a right-of-use asset and a lease liability. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

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

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

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

c) any initial direct costs incurred by the lessee;

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

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

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

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

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

a) fixed payments, less any lease incentives receivable;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, cash in transit and demand deposits.

(g) Financial assets measured at amortized cost

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

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

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

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

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

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

(b) the value of money over time; and

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

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

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

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

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

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

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

(i) The investments in subsidiaries, associates and joint -ventures

The investments in subsidiaries, associates and joint-ventures are stated at cost less impaired losses recognised.

Dividend income is recognized in the period in which the Company has established rights to receive them.

(j) Derecognition of financial instruments

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

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

(k) Foreign currency transactions

Functional and presentation currency for Agora S.A. is Polish zloty. Foreign currency transactions are translated at the foreign exchange rates prevailing at the date of the transactions using:

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

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

(l) Inventories

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

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

(m) Equity

(i) Share capital

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

(ii) Treasury shares (purchased for their redemption)

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

(iii) Share premium

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

(iv) Other reserves

Other reserves include mainly the equivalent of costs of share-based payments recognised in accordance with the provisions of IFRS 2 in relation to the share incentive plans based on Agora S.A.'s shares, which ended in the first half of 2013 and actuarial gains and losses on defined benefit plans recognised in accordance with the policy described in point (p). Other reserves include also the amount of redemption of share capital from the Share Buyback Program completed in 2018 and 2015.

(v) Retained earnings

Retained earnings represent accumulated net profits / losses, including reserve capital accumulated from prior year's profits.

(n) Income taxes and deferred income taxes

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

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

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

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

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

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

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

The Company sets off for the presentation purposes deferred income tax assets against deferred income tax liabilities.

(o) Provisions

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

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

(p) Retirement severance provision

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

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

(q) Interest-bearing borrowings

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

(r) Trade and other payables

Trade and other financial payables are stated at amortised cost.

(s) Revenue recognition

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

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

- Advertising revenue - revenue is recognised in the period in which the service is provided to the customer i.e. during the advertising campaign period. The level of fulfilment of the obligation to provide the service is measured in proportion to the duration of the service provided.
- Copy sales - revenue is recognised at a point in time when the good is transferred to the customer in case of paper and digital book editions, while in case of paid access to digital subscription revenue is recognised during the period while the content is available.
- Printing services - revenue is recognised when the service is provided to the customer.
- Film distribution and production sales - in case of the sale of film licences to VOD platform owners and to television revenue is recognised at a point in time when the customer acquires the right to use the licences.
- Sale of goods- revenue is recognised when the good is transferred to the customer.

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

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

Sale with a right of return

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

Customer rebates

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

(t) Operating segment reporting

The segment presentation is prepared at the Agora Group level in accordance with the management approach and is presented in 'Consolidated financial statements as at December 31, 2023 and for the year ended thereon'.

(u) Impairment losses on non-financial assets

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

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

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

An impairment loss for goodwill is not reversed.

(v) Borrowing costs

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

(w) Share-based payments

Within the Company there are incentive plans carried out, which are accounted for in accordance with IFRS 2 *Share-based payments.* In the Incentive Plan for Management Board members of the Company described in note 27 one of the components (based on share price appreciation) is accounted for as a cash-settled share-based payment in accordance with IFRS 2. In these plans, members of the Management Board of the Company are entitled to a cash-settled reward based on the realization of the Target of Share Price Rise. The value of the provision for the cost of the reward concerning the realization of the Target of Share Price Rise, is estimated on the basis of the Binomial Option Price Model (Cox, Ross, Rubinstein model), which takes into account – inter alia – actual share price of the Company (as at the balance sheet date of the current financial statements) and volatility of the share price of Company during the last 12 months preceding the balance sheet date. The value is charged to the staff costs in Income Statement in proportion to the vesting period with a corresponding figure recognised within accruals. The changes in the value of this accrual are included in staff costs.

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

Grants received for the financing of acquisition or construction of property, plant and equipment or intangible assets are recognized, when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching thereto. The grants are recognised in the balance sheet as deferred income and credited to the income statement as other operating income proportionately over the useful life of the respective assets.

(y) Dividend distribution

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

(z) Related parties

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

(aa) Combinations of entities under the joint control

Combinations of entities resulting from the transfer of shares in entities under the joint control of a shareholder who simultaneously controls the group to which the Company belongs are recognized as if the acquisition took place at the beginning of the earliest comparative period or at the date of the establishment of joint control, if later. For this purpose, comparative data shall be restated unless they are immaterial and do not affect the comparability of the data. Acquired assets and liabilities are recognized at the book value presented in the financial statements of the combining entities.

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

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

Standards and interpretations endorsed by the European Union:

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

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

The Company does not expect that the amendments will have impact on the unconsolidated financial statements.

Standards and interpretations awaiting on endorsement by the European Union:

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

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

The Company does not expect that the amendments will have impact on the unconsolidated financial statements.

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

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

The Company does not expect that the amendments will have impact on the unconsolidated financial statements.

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

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

The Company does not expect that the amendments will have impact on the unconsolidated financial statements.

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

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

The above amendments will have no impact on the unconsolidated financial statements.

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

3. INTANGIBLE ASSETS

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Cost as at 1 January 2023	**45,714**	**3,262**	**110,766**	**18,015**	**46,638**	**224,395**
Additions	-	-	1,526	-	4,324	5,850
Acquisitions	-	-	1,526	-	-	1,526
Internal development	-	-	-	-	4,324	4,324
Disposals	-	-	(21,633)	(2,161)	(2,101)	(25,895)
Liquidation	-	-	(21,633)	(2,161)	(2,101)	(25,895)
Cost as at 31 December 2023	**45,714**	**3,262**	**90,659**	**15,854**	**48,861**	**204,350**
Amortisation and impairment losses as at 1 January 2023	**36,439**	**3,144**	**96,392**	**14,515**	**34,284**	**184,774**
Amortisation charge for the period	-	-	4,652	-	6,649	11,301
Liquidation	-	-	(21,633)	(2,161)	(2,101)	(25,895)
Amortisation and impairment losses as at 31 December 2023	**36,439**	**3,144**	**79,411**	**12,354**	**38,832**	**170,180**
Carrying amounts						
As at 1 January 2023	**9,275**	**118**	**14,374**	**3,500**	**12,354**	**39,621**
As at 31 December 2023	**9,275**	**118**	**11,248**	**3,500**	**10,029**	**34,170**

(all amounts in PLN thousands unless otherwise indicated)

3. INTANGIBLE ASSETS – CONT .

	Magazine titles	Goodwill	Licences and patents	Other	Internally generated intangible assets	Total
Cost as at 1 January 2022	**45,714**	**3,262**	**105,893**	**14,515**	**41,549**	**210,933**
Additions	-	-	4,873	3,500	5,089	13,462
Acquisitions	-	-	4,809	3,500	-	8,309
Internal development	-	-	-	-	5,089	5,089
Reclassifications	-	-	64	-	-	64
Disposals	-	-	-	-	-	-
Cost as at 31 December 2022	**45,714**	**3,262**	**110,766**	**18,015**	**46,638**	**224,395**
Amortisation and impairment losses as at 1 January 2022	**36,439**	**3,144**	**91,549**	**14,515**	**25,529**	**171,176**
Amortisation charge for the period	-	-	4,843	-	8,755	13,598
Amortisation and impairment losses as at 31 December 2022	**36,439**	**3,144**	**96,392**	**14,515**	**34,284**	**184,774**
Carrying amounts						
As at 1 January 2022	**9,275**	**118**	**14,344**	**-**	**16,020**	**39,757**
As at 31 December 2022	**9,275**	**118**	**14,374**	**3,500**	**12,354**	**39,621**

Amortisation of intangibles is recognised in “cost of sales”, “selling expenses” and “administrative expenses”.

Contractual commitments connected to intangible assets are disclosed in note 34.

(all amounts in PLN thousands unless otherwise indicated)

4. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost as at 1 January 2023	**7,865**	**266,445**	**335,302**	**2,889**	**14,977**	**-**	**627,478**
Additions	-	1,159	5,228	-	186	1,313	7,886
Acquisitions	-	111	5,140	-	136	1,313	6,700
Transfer from assets under construction	-	1,048	88	-	50	-	1,186
Disposals	(885)	(65,364)	(37,000)	(727)	(3,400)	(1,186)	(108,562)
Sale (note 4c)	(885)	(65,080)	(8,041)	(342)	(15)	-	(74,363)
Liquidation	-	(284)	(28,959)	(385)	(3,385)	-	(33,013)
Transfer from assets under construction	-	-	-	-	-	(1,186)	(1,186)
Cost as at 31 December 2023	**6,980**	**202,240**	**303,530**	**2,162**	**11,763**	**127**	**526,802**

(all amounts in PLN thousands unless otherwise indicated)

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Depreciation and impairment losses as at 1 January 2023	**-**	**155,443**	**319,167**	**2,829**	**12,493**	**-**	**489,932**
Depreciation charge for the period	-	6,273	6,327	33	700	-	13,333
Impairment losses (note 4c)	-	2,059	-	-	-	-	2,059
Sale (note 4c)	-	(46,560)	(7,795)	(342)	(16)	-	(54,713)
Liquidation	-	(284)	(28,935)	(383)	(3,375)	-	(32,977)
Depreciation and impairment losses as at 31 December 2023	**-**	**116,931**	**288,764**	**2,137**	**9,802**	**-**	**417,634**
Carrying amounts							
As at 1 January 2023	**7,865**	**111,002**	**16,135**	**60**	**2,484**	**-**	**137,546**
As at 31 December 2023	**6,980**	**85,309**	**14,766**	**25**	**1,961**	**127**	**109,168**

(all amounts in PLN thousands unless otherwise indicated)

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Cost as at 1 January 2022	**7,865**	**265,048**	**333,703**	**2,911**	**15,603**	**456**	**625,586**
Additions	-	1,405	6,075	122	1,029	1,225	9,856
Acquisitions	-	59	6,075	-	758	1,225	8,117
Transfer from assets under construction	-	1,346	-	-	271	-	1,617
Purchase of leased assets	-	-	-	122	-	-	122
Disposals	-	(8)	(4,476)	(144)	(1,655)	(1,681)	(7,964)
Sale	-	-	(256)	(144)	(81)	-	(481)
Liquidation	-	(8)	(4,220)	-	(1,574)	-	(5,802)
Reclassifications	-	-	-	-	-	(64)	(64)
Transfer from assets under construction	-	-	-	-	-	(1,617)	(1,617)
Cost as at 31 December 2022	**7,865**	**266,445**	**335,302**	**2,889**	**14,977**	**-**	**627,478**

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

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

	Land	Buildings	Plant, machinery and equipment	Vehicles	Other	Assets under construction	Total
Depreciation and impairment losses as at 1 January 2022	**-**	**148,393**	**315,390**	**2,788**	**13,493**	**-**	**480,064**
Depreciation charge for the period	-	7,057	8,233	63	653	-	16,006
Sale	-	-	(239)	(144)	(79)	-	(462)
Liquidation	-	(7)	(4,217)	-	(1,574)	-	(5,798)
Purchase of leased assets	-	-	-	122	-	-	122
Depreciation and impairment losses as at 31 December 2022	**-**	**155,443**	**319,167**	**2,829**	**12,493**	**-**	**489,932**
Carrying amounts							
As at 1 January 2022	**7,865**	**116,655**	**18,313**	**123**	**2,110**	**456**	**145,522**
As at 31 December 2022	**7,865**	**111,002**	**16,135**	**60**	**2,484**	**-**	**137,546**

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

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

4. PROPERTY, PLANT AND EQUIPMENT – CONT.

(a) Collateral for assets

The following property, plant and equipment constitute collateral for the credit line described in note 14.

No.	Assets	Net book value as at 31 December 2023
1	Buildings	69,747
2	Plant, machinery and equipment	3,389
	Total	**73,136**

(b) Contractual commitments

Contractual commitments are disclosed in note 34.

(c) Significant sale transactions of property, plant and equipment

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

In connection with the conditional agreement, the Company recognised an impairment loss on the above-mentioned property in the amount of PLN 2,059 thousand as the sale price was below the carrying value of the property. The impairment loss was recognised in other operating expenses of the Company.

On July 6, 2023 in connection with fulfilment of the condition for the sale of Property, i.e. resignation by the Katowice Special Economic Zone from exercising its pre-emptive right, the Company concluded the agreement transferring ownership of the Property for a price of PLN 19,650 thousand net. The transaction can be seen in the Company's cash flows.

(all amounts in PLN thousands unless otherwise indicated)

5. RIGHT-OF-USE ASSETS

	Land	Buildings	Vehicles	Total
Cost as at 1 January 2023	**34,436**	**4,141**	**651**	**39,228**
New lease agreements	-	1,159	332	1,491
Lease modifications	-	120	(4)	116
Decrease in the scope of the lease	-	(1,269)	-	(1,269)
Cost as at 31 December 2023	**34,436**	**4,151**	**979**	**39,566**
Depreciation and impairment losses as at 1 January 2023	**7,722**	**3,213**	**171**	**11,106**
Depreciation charge for the period	399	841	269	1,509
Decrease in the scope of the lease	-	(1,247)	-	(1,247)
Depreciation and impairment losses as at 31 December 2023	**8,121**	**2,807**	**440**	**11,368**
Carrying amounts				
As at 1 January 2023	**26,714**	**928**	**480**	**28,122**
As at 31 December 2023	**26,315**	**1,344**	**539**	**28,198**

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

5. RIGHT-OF-USE ASSETS - CONT.

	Land	Buildings	Vehicles	Total
Cost as at 1 January 2022	**30,974**	**3,907**	**390**	**35,271**
New lease agreements	-	191	383	574
Lease modifications	3,462	43	-	3,505
Purchase of leased assets	-	-	(122)	(122)
Cost as at 31 December 2022	**34,436**	**4,141**	**651**	**39,228**
Depreciation and impairment losses as at 1 January 2022	**7,323**	**2,444**	**168**	**9,935**
Depreciation charge for the period	399	769	125	1,293
Purchase of leased assets	-	-	(122)	(122)
Depreciation and impairment losses as at 31 December 2022	**7,722**	**3,213**	**171**	**11,106**
Carrying amounts				
As at 1 January 2022	**23,651**	**1,463**	**222**	**25,336**
As at 31 December 2022	**26,714**	**928**	**480**	**28,122**

The rights-of-use assets relate to assets used by the Company under long-term lease agreements mainly for office space, lease agreements for cars and the rights of perpetual usufruct of land. In the case of office space, the contractual period is between 1 and 5 years, car leasing contracts cover a period between 2 and 5 years, and the right of perpetual usufruct of land having the greatest impact on the carrying amount of recognized right-of-use assets shall be valid for a further period of 66 years from the balance sheet date.

The right of perpetual usufruct of land with a book value of PLN 26,714 thousand constitutes the collateral of the credit line described in note 14. Expenses relating to short-term leases and leases of low-value assets are disclosed in note 22.

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

6. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Investments in subsidiaries and associates include primarily shares in and loans granted to related companies.

	2023	2022
Balance as at the beginning of the period	**627,351**	**624,599**
Shares	626,653	624,361
Loans granted	460	-
Additional paid-in capital	238	238
Additions	**50,469**	**3,778**
Shares	50,469	3,318
- acquisitions (note 36)	50,459	2,242
- increase of share capital (note 36)	10	50
- reclassifications*	-	1,026
Loans granted	-	460
- grant of loans**	-	460
Disposals	**(9,065)**	**(1,026)**
Shares	(8,950)	(1,026)
- impairment losses (note 38)	(2,746)	-
- reclassifications*	-	(1,026)
- transferred to assets held for sale (note 39)***	(6,204)	-
Loans granted	(115)	-
- reclassifications	(115)	-
Balance as at the end of the period	**668,755**	**627,351**
Shares	668,172	626,653
Loans granted****	345	460
Additional paid-in capital	238	238

** the reclassification of shares relates to conversion of claim of Agora S.A. towards Garmond Press S.A. into shares in the share capital of this company;*
***relates to loan granted to the subsidiary Hrlink Sp. z o.o. on November 23, 2022 with interest rate based on WIBOR 3M increased by a margin of 3.5%, with the maturity on March 31, 2027;*
**** relates to shares in HRlink Sp. z o.op. transferred to assets held for sale in connection with disposal of shares in HRlink Sp. z o.o. on January 4, 2024 (additional information is disclosed in note 39).*
***** the loan was repaid on January 4, 2024 (additional information is disclosed in note 39).*

Basic information on subsidiaries, joint ventures and associates of the Company is set out in note 36.

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

7. NON-CURRENT RECEIVABLES AND PREPAYMENTS

	31 December 2023	31 December 2022
Other long term receivables	340	346
Long term prepayments	72	84
	412	**430**

8. INVENTORIES

	31 December 2023	31 December 2022
Raw materials and consumables	6,318	11,276
Work in progress	4,338	4,342
Finished goods	4,657	7,579
Goods for resale	100	107
	15,413	**23,304**
Impairment losses recognised	8,247	9,814
Total inventories, gross	**23,660**	**33,118**

The cost of inventories recognised as an expense amounted to PLN 53,091 thousand (2022: PLN 55,090 thousand) and is presented in “cost of sales” in the income statement.

Impairment losses and reversals of impairment losses were recognised in “cost of sales” in the income statement (in 2023 increase of impairment losses amounted to PLN 4,770 thousand and decrease of impairment losses amounted to PLN 6,337 thousand, in 2022: increase of impairment losses amounted to PLN 1,191 thousand and decrease of impairment losses amounted to PLN 2,320 thousand). Impairment loss and its reversals relate mainly to publishing activity.

9. TRADE AND OTHER RECEIVABLES

	31 December 2023	31 December 2022
Trade receivables	59,577	68,092
Taxes, social security and similar	1,137	1,488
Prepayments	1,907	2,054
Other	12,961	10,184
	75,582	**81,818**
Impairment losses recognised	3,446	4,420
Total accounts receivable and prepayments, gross	**79,028**	**86,238**

Other receivables include i.a. loans granted to employees from the social fund in the amount of PLN 8,172 thousand (31 December 2022: PLN 8,950 thousand). Loans are granted for periods up to 7 years and are repayable in monthly instalments. Loans granted bear a fixed interest rate of 3.5% (2% until 31 May 2023).

As at 31 December 2023 other receivables include intercompany receivables related to settlement with subsidiaries within Tax Capital Group in the amount of PLN 1,486 thousand (31 December 2022: PLN 635 thousand).

Accounts receivable include receivables from related parties – details are presented in note 37.

Trade receivables are non-interest bearing and payment terms vary usually from 14 to 30 days.

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

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

	31 December 2023			
	Expected credit loss ratio %*	Gross value	Impairment losses	Net value
Current receivables	0.30%	54,301	116	54,185
Overdue receivables within 1 month	0.48%	4,452	98	4,354
Overdue receivables between 1 and 3 months	2.17%	877	83	794
Overdue receivables between 3 and 6 months	13.99%	168	25	143
Overdue receivables between 6 months and 1 year	42.03%	151	116	35
Overdue receivables more than 1 year	100.00%	3,074	3,008	66
		63,023	**3,446**	**59,577**

** the amount of impairment loss as at the balance sheet date in individual age categories may also include additional impairment losses up to 100% of receivables balance by applying an individual loss assessment; additional information on expected credit loss policies and credit risk management policies are included in note 2g) and 32 to unconsolidated financial statements.*

	31 December 2022			
	Expected credit loss ratio %	Gross value	Impairment losses	Net value
Current receivables	0.30%	61,361	113	61,248
Overdue receivables within 1 month	0.48%	5,180	25	5,155
Overdue receivables between 1 and 3 months	2.17%	1,005	20	985
Overdue receivables between 3 and 6 months	13.99%	406	32	374
Overdue receivables between 6 months and 1 year	42.03%	434	197	237
Overdue receivables more than 1 year	100.00%	4,126	4,033	93
		72,512	**4,420**	**68,092**

Changes in impairment losses on accounts receivable

	2023			2022		
	Collective	**Individual**	**Total**	**Collective**	**Individual**	**Total**
Balance as at beginning of the period	**1,438**	**2,982**	**4,420**	**1,364**	**4,715**	**6,079**
Additions	566	230	796	170	318	488
Reversals	(733)	(61)	(794)	(96)	(69)	(165)
Used impairment losses	-	(976)	(976)	-	(1,982)	(1,982)
Balance as at end of the period	**1,271**	**2,175**	**3,446**	**1,438**	**2,982**	**4,420**

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

10. SHORT-TERM SECURITIES AND OTHER FINANCIAL ASSETS

	31 December 2023	31 December 2022
Loans granted (note 37)	417	-
Cash pooling receivables (note 32)	-	2,371
	417	**2,371**

11. CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash at bank and in hand	7,808	16,201
Short-term bank deposits	5,651	10,273
Other	128	91
	13,587	**26,565**

Cash and cash equivalents item includes restricted cash, including cash held on behalf of the social fund in the amount of PLN 4,249 thousand representing (31 December 2022: PLN 4,129 thousand) and cash collected in the VAT account in amount of PLN 112 thousand (31 December 2022: PLN 233 thousand).

12. SHARE CAPITAL

Capital registered at 31 December 2023

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

The nominal value of each share amounts to PLN 1.

Each Registered A share carries five votes at general meetings.

All issued shares are fully paid.

13. RETAINED EARNINGS AND OTHER RESERVES

Dividends

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

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

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

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

In accordance with the resolution adopted on June 26, 2023 the General Meeting of Shareholders decided to cover the net loss of Agora S.A. for the financial year 2022 in the amount of PLN 3,465 thousand from Company’s supplementary capital.

14. LONG-TERM AND SHORT-TERM BORROWINGS

	31 December 2023	31 December 2022
Long term bank loans	-	13,131
Lease liabilities	23,672	23,217
Total long term borrowings	**23,672**	**36,348**
*of which: Lease liabilities resulting from the application of IFRS 16**	*23,672*	*23,202*
Short term bank loans	29,151	10,635
Lease liabilities	1,926	1,984
Total short term borrowings	**31,077**	**12,619**
*of which: Lease liabilities resulting from the application of IFRS 16**	*1,911*	*1,969*

**relates to liabilities under lease agreements and right of perpetual usufruct of land that would not be recognised as lease liabilities in the Company’s balance sheet if IFRS 16 were not applied.*

Future cash flows related to loans and lease liabilities are disclosed in note 33.

Finance lease liabilities relate to rights-of-use assets described in note 5.

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

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

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

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

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

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

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

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

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

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

Additional information on the loan agreements is presented in the table below:.

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

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

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

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

15. OTHER FINANCIAL LIABILITIES

	31 December 2023	31 December 2022
Short-term		
Cash pooling liabilities	36,818	25,232
	36,818	**25,232**

As at December 31, 2023 and as at December 31, 2022 other short - term financial liabilities include liabilities of Agora S.A. to related parties resulting from settlements related to the cash pooling system functioning within Agora Group.

16. DEFERRED INCOME TAXES

Deferred income taxes are calculated using a rate of 19% (2021: 19%).

Deferred tax assets

	2023	2022
Balance as at the beginning of the period	**16,647**	**16,006**
Accruals	2,751	3,358
F/x differences (unrealised)	-	2
Interests liabilities	11	5
Liabilities for rebates, returns and deferred income	4,600	5,232
Provisions	508	587
Accelerated depreciation and amortisation	1,731	-
Impairment losses for inventories	1,865	2,079
Impairment losses for accounts receivable	393	550
Lease	4,788	4,193
Recognised in the income statement	**(3,344)**	**783**
Accruals	(1,311)	(607)
F/x differences (unrealised)	16	(2)
Interests liabilities	(1)	6
Liabilities for rebates, returns and deferred income	(1,131)	(632)
Provisions	(111)	63
Accelerated depreciation and amortisation	557	1,731
Impairment losses for inventories	(1,361)	(214)
Impairment losses for accounts receivable	(78)	(157)
Lease	76	595
Recognised in other comprehensive income	**71**	**(142)**
Provisions	71	(142)

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

	2023	2022
Balance as at the end of the period	**13,374**	**16,647**
Accruals	1,440	2,751
F/x differences	16	-
Interests liabilities	10	11
Liabilities for rebates, returns and deferred income	3,469	4,600
Provisions	468	508
Accelerated depreciation and amortisation	2,288	1,731
Impairment losses for inventories	504	1,865
Impairment losses for accounts receivable	315	393
Lease	4,864	4,788

Deferred tax liabilities

	2023	2022
Balance as at the beginning of the period	**4,670**	**4,876**
Accelerated depreciation and amortisation	-	734
Lease	4,587	4,046
Other	83	96
Recognised in the income statement	**(49)**	**(206)**
Accelerated depreciation and amortisation	-	(734)
Lease	26	541
Other	(75)	(13)
Balance as at the end of the period	**4,621**	**4,670**
Lease	4,613	4,587
Other	8	83

	31 December 2023	31 December 2022
Deferred tax assets	13,374	16,647
Deferred tax liabilities	(4,621)	(4,670)
Tax assets net	**8,753**	**11,977**

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

Unrecognised tax assets

The Company did not recognise deferred tax assets related to deductible temporary differences arising from the impairment of investments in subsidiaries due to the long term nature of these investments, tax losses and part of deductible temporary differences due to uncertainty about the availability of sufficient future tax profits within the next five years, in which it is possible to settle those losses or in the periods during which the temporary differences are expected to be realized. The amounts of deductible temporary differences and unused tax losses available together with expiry dates for which the deferred tax assets have not been recognised are shown in the table below:

	31 December 2023	31 December 2022	Expiry date
Unused tax losses*	153,480	152,040	Up to 2028
Temporary differences associated with investments in subsidiaries	118,424	115,678	indefinite
Other deductible temporary differences	46,856	24,822	Up to 2029

** The value of unused tax losses as at the balance sheet date of 31 December 2023 covers in full the losses incurred during the operating period of the Tax Capital Group ('TCG'), a possible cut-off date was indicated on the assumption that the operating period of the existing TCG was extended until the period during which the resulting tax losses could be used.*

Temporary differences associated with investments in subsidiaries for which deferred tax liabilities have not been recognised

Due to the long term nature of investments in subsidiaries and the Company's ability to control reversals of temporary differences for tax purposes, the Company has not recognised certain deferred tax liabilities. The amount of deferred tax liability would amount to PLN 4,857 thousand (31 December 2022: PLN 4,346 thousand).

Tax Capital Group

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

On December 21, 2017, the Management Board of Agora S.A. adopted a resolution expressing the intention to establish a Tax Capital Group ('TCG') which shall include Agora S.A. and its 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.

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

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

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

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

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

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

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

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

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

17. RETIREMENT SEVERANCE PROVISION

According to the Polish employment regulations, employees have the right to the retirement severances payments. The amount of estimated provision as at 31 December 2023 amounted to PLN 2,465 thousand (31 December 2022: PLN 1,916 thousand), including long – term part of the amount of PLN 2,256 thousand (31 December 2022: PLN 1,647 thousand).

18. PROVISIONS

	Provision for restructuring	Provision for the cost of compensation and severances for the former Management Board Members	Provision for legal claims	**Total**
As at 1 January 2023	**733**	**25**	**391**	**1,149**
Additional provisions	-	-	141	141
Provisions used during the period	(733)	(25)	(94)	(852)
Unused provisions reversed	-	-	(67)	(67)
As at 31 December 2023	**-**	**-**	**371**	**371**
Non-current part	**-**	**-**	**-**	**-**
Current part	**-**	**-**	**371**	**371**

Provision for legal claims

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

Additionally, the Company is a party of legal disputes in the amount of PLN 3,639 thousand (as at December 31, 2022: PLN 1,700 thousand). The Management Board estimates the probability of loss for less than 50%. Such disputes are contingent liabilities.

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

19. TRADE PAYABLES, ACCRUALS AND OTHER LIABILITIES

Non-current

	31 December 2023	31 December 2022
Liabilities related to purchase of non-current assets	-	1,332
Other	243	579
Accruals and other liabilities	**243**	**1,911**

Current

	31 December 2023	31 December 2022
Trade payables	16,766	17,183
Other taxes and social security	6,635	6,973
Current accruals, including:	34,116	28,459
- employee benefits (remuneration, vacation pay, bonuses)	*18,892*	*12,851*
- accrual for costs	*15,224*	*15,608*
Rebates liability	16,763	17,723
Returns liability	4,755	5,623
Other	6,411	5,491
Social Fund	12,357	13,001
Trade and other payables	**97,803**	**94,453**

Trade payables are non-interest bearing and are usually settled within 14-30 days. Taxes and social security payables are non-interest bearing and are settled monthly.

Accounts payables include payables to related parties – details are disclosed in note 37.

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

20. CONTRACT LIABILITIES

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

Non-current	31 December 2023	31 December 2022
Prepayments for film's licences	-	60
Prepayments for subscriptions	140	7
Non-current contract liabilities	**140**	**67**

Current	31 December 2023	31 December 2022
Prepayments for advertising services	2,749	753
Prepayments for subscriptions	7,696	6,629
Prepayments for film's licences	120	220
Other contract liabilities	3	25
Current contract liabilities	**10,568**	**7,627**

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

	Non-current	**Current**	**Total**
As at 1 January 2023	**67**	**7,627**	**7,694**
Increase from prepayments received	140	10,501	10,641
Decrease from recognised revenue	-	(7,627)	(7,627)
Reclassification	(67)	67	-
As at 31 December 2023	**140**	**10,568**	**10,708**

	Non-current	**Current**	**Total**
As at 1 January 2022	**192**	**8,623**	**8,815**
Increase from prepayments received	67	7,435	7,502
Decrease from recognised revenue	-	(8,623)	(8,623)
Reclassification	(192)	192	-
As at 31 December 2022	**67**	**7,627**	**7,694**

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

21. REVENUE

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

	2023	2022
Advertising revenue	167,635	174,847
Copy sales	140,106	137,261
Sales of printing services	36,978	32,822
Sales of goods for resale	23,195	22,219
Other sales	29,553	26,168
	397,467	**393,317**

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

22. EXPENSES BY NATURE

	2023	2022
Depreciation of property, plant and equipment (note 4)	13,333	16,006
Amortisation of intangibles (note 3)	11,301	13,598
Amortisation of right-of-use assets (note 5)	1,509	1,293
Raw materials and energy	49,683	49,129
Goods and materials sold	16,750	15,411
Advertising and promotion costs	37,838	40,706
Expenses relating to short-term leases	871	912
Expenses relating to leases of low-value assets (other than short-term leases)	144	174
Taxes and similar charges	4,348	3,944
External services	107,672	97,944
Other expenses by nature	17,034	15,377
Staff costs (note 25)	209,971	207,154
Total expenses by nature	**470,454**	**461,648**
Change in the balance of products	58	(4)
Cost of production for in-house use	(41)	(48)
Total operating costs	**470,471**	**461,596**
Selling expenses	(122,057)	(127,305)
Administrative expenses	(114,775)	(104,788)
Cost of sales	**233,639**	**229,503**

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

23. OTHER OPERATING INCOME

	2023	2022
Gain on disposal of non-financial non-current assets	98	52
Grants received	935	2,503
Reversal of provisions	67	-
Donations received	15	147
Other	649	593
	1,764	**3,295**

24. OTHER OPERATING EXPENSES

	2023	2022
Impairment losses recognised for non-financial non-current assets (note 4)	2,059	-
Donations	774	626
Provisions recognised	141	200
Liquidation of fixed assets	36	4
Other	666	1,168
	3,676	**1,998**
Impairment losses recognised for receivables - net		
Impairment losses recognised for receivables (note 9)	796	488
Reversal of impairment losses for receivables (note 9)	(794)	(165)
	2	**323**

25. STAFF COSTS

	2023	2022
Wages and salaries	175,475	168,348
Social security and other costs	34,496	35,364
Cost of group lay-offs	-	3,442
	209,971	**207,154**
Average number of employees	**1,279**	**1,353**

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

26. MANAGEMENT BOARD AND SUPERVISORY BOARD REMUNERATION

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

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

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

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

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

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

The fixed remuneration (base salary) and non-wage benefits are recognised in the cost for the current period, while the impact on staff costs of the incentive plan for the Management Board of Agora S.A. based on financial instruments is described in note 27.

The information related to liabilities to former Management Board members is described in note 18.

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

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

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

27. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

Incentive Plan for the Management Board members

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

(i) the stage of realisation of the target based on the EBITDA of the Agora Group ("the EBITDA target"). The amount of a potential bonus in this component of the Incentive Plan depends on the stage of the EBITDA target fulfilment, which is specified as the EBITDA level (i.e. EBIT plus depreciation, amortization and impairment losses on assets) of the Agora Group to be reached in the given financial year determined by the Supervisory Board. The fulfilment of the EBITDA target will be determined on the basis of the audited consolidated financial statements of the Agora Group for the given financial year;

(ii) the percentage of Company's share price increase ("the Target of Share Price Increase"). The amount of a potential bonus in this component of the Incentive Plan will depend on the percentage of Company's share price increase in the future. The share price increase will be calculated as a difference between the average of the quoted closing Company's share prices in the first quarter of the financial year commencing after the financial year for which the bonus is calculated ("the Average Share Price in IQ of Next Year") and the average of the quoted closing Company's share prices in the first quarter of the financial year for which the bonus is calculated ("the Average Share Price in IQ of Bonus Year"). If the Average Share Price in IQ of Next Year will be lower than the Average Share Price in IQ of Bonus Year, the Target of Share Price Increase is not satisfied and the bonus in this component of the Incentive Plan will not be granted, however, the Supervisory Board retains a right to the final verification of the Target of Share Price Increase by reference to the dynamics of changes in stock exchange indexes on capital markets.

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.

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

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 unconsolidated financial statements of Agora S.A.:

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

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

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

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

28. FINANCE INCOME

	2023	2022
Interests on loans and similar items	49	5
Other interest and income from short-term financial assets	900	1,367
Reversal of impairment losses for financial assets	38	29
F/x gains	1,442	282
Other	178	254
	2,607	**1,937**

29. FINANCE COST

	2023	2022
Interest and commissions on loans	5,306	3,081
Interest on lease liabilities	1,106	1,063
Other interest	900	1,063
Provisions for guarantees	319	319
Other	54	-
	7,685	**5,526**

Impairment losses recognised for financial assets

	2023 r.	2022 r.
Impairment losses on cash pooling receivables*	1,671	-
Impairment losses on shares (note 38)	2,746	-
	4,417	**-**

** Impairment losses on cash pooling receivables relates to Goldenline Sp. z o.o.*

30. INCOME TAXES

Income tax expense recognised in the income statement

	2023	2022
Current tax expense		
Current tax expense	6,585	1,984
Adjustments for prior periods	(245)	(179)
	6,340	1,805
Deferred tax expense		
Origination and reversal of temporary differences	(3,295)	989
	(3,295)	989
Total tax expense recognised in the income statement	**3,045**	**2,794**

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

Income tax expense recognised in other comprehensive income

	2023	2022
Actuarial gains/(losses) on defined benefit plans	71	(142)
Total tax expense recognised in other comprehensive income	**71**	**(142)**

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

	2023	2022
Profit/(loss) before tax	**(42,811)**	**(6,259)**
Tax calculated at a rate of 19% (2022: 19%)	8,134	1,189
Tax effect of:		
Dividends	7,904	12,281
Other non-taxable revenues	270	318
Other non-deductible expenses	(718)	(995)
Other temporary differences with no deferred tax recognised	(4,760)	1,067
Tax losses with no deferred tax recognised	(14,125)	(12,871)
Tax Capital Group settlement	6,585	1,984
Other	(245)	(179)
Tax calculated at an effective rate	**3,045**	**2,794**

31. EARNINGS PER SHARE

In calculating earnings per share the following variables were used:

a) as numerators – net profits/(losses) attributable to equity holders of the Company for the respective years,
b) as denominators - the average number of shares in the current year which is 46,580,831 (2022: 46,580,831).

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES:

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

There are no dilutive factors.

32. FINANCIAL RISK MANAGEMENT

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

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

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

Risk management framework

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

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

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

Credit risk

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

The maximum amount exposed to credit risk shall be the carrying amount of the financial instruments held.

Trade and other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Company's credit risk is limited and there is no significant concentration of credit risk due to a great number and diversification of customers. The biggest customers (in respect of the turnover) are press distributors and advertisers (companies unrelated to Agora S.A.). The share of the transaction value with one of the distributors (Google Ireland ltd) of the Company exceeded 10% of the total revenue of Agora S.A. The revenue from sales to this customer amounted to PLN 43,692 thousand in 2023. Trade receivables from this customer were at insignificant levels as at December 31, 2023.

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

Based on historic and expected default rates, the Company do not create impairment allowances for receivables from related companies or for barter receivables, except when individual indications of impairment are identified. Additional information on the accounting policy for impairment losses on financial assets is presented in note 2g).

The analysis of credit risk exposure on the basis of ageing of trade receivables as at balance sheet date and changes in impairment losses for receivables are presented in note 9.

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

Investments

The Company limits its exposure to credit risk by investing also its free cash only in liquid securities, bank deposits or in cash pooling system functioning in the Group. In the case of investments in securities, the Company diverts its investments in investment funds which invest in different classes of debt instruments. The Company does not acquire securities directly, but only through investment funds. As at 31 December 2023, the Company did not have investments in the units of investment funds.

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

	31 December 2023	31 December 2022
A rated banks	6	3
BBB rated banks	13 428	26 450
Total cash in banks	**13 434**	**26 453**

Liquidity risk

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

The Company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. As the parent company of the Group, the Company receives cash to cover its operating expenses also in the form of dividends received from subsidiaries and associates, which in the cash flow statement are presented in investment activity.

In addition, on 31 December 2023, the Company had a credit facility and an available credit facility in the current account in Santander Bank Polska S.A. (described in note 14). Moreover, the Company was a participant of the agreement regarding the implementation of liquidity management system within the Group ("the Cash Pooling Agreement"). The agreement was signed on June 14, 2022 between Santander Bank Polska S.A. on the one side and Agora S.A. and selected subsidiaries companies from the group from the other side. The Cash Pooling Agreement aims to optimize cash liquidity and the most efficient management of cash for entities participating in the cash pooling system. Agora S.A. acts as a cash pool leader within the system. In accordance with this agreement, the Company may use the funds collected by other participants of the cash pooling system.

Payment deadlines concerning trade payables are described in note 19 and bank loan in note 14. Future estimated cash flows related to financial liabilities are described in note 33.

Market risk

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

Foreign currency risk

Foreign exchange risk is related to sales of printing services, advertising services, copy sales to foreign customers, purchases of newsprint which is contracted in EURO, fixed asset purchases and rent of premises, which are also partly contracted in foreign currencies, mainly EURO and USD.

Accounts receivable in foreign currency amounted to PLN 3,174 thousand (31 December 2022: PLN 2,458 thousand), principally in EURO (PLN 2,867 thousand) and USD (PLN 294 thousand).

Accounts payable requiring settlement in foreign currency amounted to PLN 2,115 thousand (31 December 2022: PLN 2,117 thousand), payable principally in EURO (PLN 1,931 thousand) and USD (PLN 184 thousand).

The Company does not hedge against exchange rate risk on a long-term basis.

In 2023 the Company was not engaged in any currency option instruments or other derivatives (used for hedging or speculative ones).

Interest rate risk

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

Additionally, the Company is a party of an interest bearing bank loan with interest at a floating rate based on WIBOR 3M + bank margin, current account overdraft with interest at a floating rate based on WIBOR 3M + bank margin and has cash pooling receivables and liabilities with interest at a floating rate based on WIBID O/N.

Impact of interest rate reference rate reform

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

Sensitivity analysis

a) Interest rate risk

The Company has financial instruments (including bank deposits and credits, cash pool receivables and liabilities), which future cash flows may fluctuate due to changes in interest rates. As at 31 December 2023, assuming a +/- 1pp change in interest rates, the impact of changes in carrying value of financial instruments is estimated at the level of net loss/profit of PLN 418 thousand (as at December 31, 2022 at the level of net loss/profit of PLN 159 thousand).

Additional information on carrying amounts as at balance sheet date is disclosed in note 33.

b) Foreign currency risk

The Company has financial instruments (including bank deposits, bank loans, cash pooling receivables and payables). Their carrying values may fluctuate due to changes in currency exchange rates. As at 31 December 2023, assuming the appreciation/depreciation of Polish zloty by 5%, the carrying value of financial instruments that will fluctuate, is estimated to impact the net profit/loss in the amount of PLN 103 thousand (as at December 31, 2022: at the level of net loss/profit PLN 86 thousand).

Capital management

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

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

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

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

33. INFORMATION ABOUT FINANCIAL INSTRUMENTS

1) General information

	Bank deposits	Loans granted	Bank loan
a) Classification	Financial assets measured at amortized cost	Financial assets measured at amortized cost	Financial liability measured at amortized cost
b) Nature of the instrument	Short-term low investments	Long- and short-term loans	Bank loan
c) Carrying value of the instrument	As at December 31, 2023: PLN 5,651 thousand As at December 31, 2022: PLN 10,273 thousand	As at December 31, 2023: PLN 762 thousand As at December 31, 2022: PLN 460 thousand	As at December 31, 2023: PLN 29,151 thousand As at December 31, 2022: PLN 23,766 thousand
d) Value of the instrument in foreign currency, if applicable	n/a	n/a	n/a
e) Purpose of the instrument	Investing of cash surpluses	Financing of related companies	Investment credit and current account facility
f) Amount on which future payments are based	Total value of deposits	Face value	Face value
g) Date of repricing, maturity, expiry or execution	Liquid – overnight or within 3 months	31 March 2027 for loan amount of PLN 460 thousand. 31 January 2024 for loan amount of PLN 302 thousand.	Credit line described in note 14.
h) Early settlement option	Any time	Possible	Possible
i) Execution price or range of prices	Face value plus interests	Face value plus interests	Face value plus interests
j) Option to convert or exchange instrument to other asset or liability	None	Conversion to borrower shares under certain conditions	None
k) Stated rate or amount of interest, dividend or other periodic return and the timing of payments	WIBID minus margin. Timing of payments–at maturity	WIBOR + margin. Timing of payments– instalments or at maturity date	Bank loan – WIBOR + margin. Timing of payments – quarterly
l) Collateral held or pledged	None	None	Bank loans – collateral described in note 14.
m) Other conditions	None	None	During the financing period, the Company is obliged to maintain at a certain level the financial ratios related to the EBITDA result increased by received dividends and the agreed debt ratio.
n) Type of risk associated with the instrument	Interest rate, credit risk of financial institution	Interest rate, credit risk of subsidiaries and associates	Interest rate
o) Fair value of the instrument	Equal to carrying value	Close to carrying value	Close to carrying value
p) Method of fair value determination	Discounted cash flow	Discounted cash flow	Discounted cash flow

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

Interest rate risk

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

Credit risk

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

The information about trade receivables is included in note 9, about trade payables in note 19 and about cash pooling receivables and payables in notes 10, 15 and 32, while the information on lease liabilities is disclosed in notes 33.4 and 33.5.

2) Detailed information about financial instruments

	2023	2022
Interest income on financial assets		
Bank deposits	726	1,272
Loans granted	49	5
Cash pooling	170	93
Other	4	2
Interest and commissions expense on financial liabilities		
Bank loans	(2,904)	(3,081)
Loans	(2,402)	-
Lease liabilities	(1,106)	(1,063)
Cash pooling	(824)	(1,018)

3) Fair value hierarchy for financial instruments

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

- level 1: quoted prices in active markets (unadjusted) for identical assets or liabilities;
- level 2: valuation techniques in which inputs that are significant to fair value measurement are observable, directly or indirectly, market data;
- level 3: valuation techniques in which inputs that are significant to fair value measurement are not based on observable market data.

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

As at December 31, 2023 and as at December 31, 2022 the Company had no financial instruments measured at fair value.

4) Cash flows related to financial liabilities

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

As at 31 December 2023

	Contractual cash flows	6 months or less	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bank loans	30,192	22,061	5,580	2,551	-	-
Lease liabilities	72,740	1,525	426	1,546	4,038	65,205
including: Lease liabilities resulting from the application of IFRS 16	*72,725*	*1,517*	*419*	*1,546*	*4,038*	*65,205*
Cash pooling liabilities	36,818	36,818	-	-	-	-
Liabilities for rebates	16,763	16,763	-	-	-	-
Liabilities for returns	4,755	4,755	-	-	-	-
Trade payables	16,766	16,766	-	-	-	-
Payables related to purchase of property, plant and equipment	2,902	2,642	260	-	-	-
Total	**180,936**	**101,330**	**6,266**	**4,097**	**4,038**	**65,205**

As at 31 December 2022

	Contractual cash flows	6 months or less	between 6 and 12 months	between 1 and 2 years	between 2 and 5 years	more than 5 years
Bank loans	26,406	6,301	6,084	11,463	2,558	-
Lease liabilities	73,162	1,623	382	1,551	3,331	66,275
including: Lease liabilities resulting from the application of IFRS 16	*73,131*	*1,615*	*374*	*1,536*	*3,331*	*66,275*
Cash pooling liabilities	25,232	25,232	-	-	-	-
Liabilities for rebates	17,723	17,723	-	-	-	-
Liabilities for returns	5,623	5,623	-	-	-	-
Trade payables	17,183	17,183	-	-	-	-
Payables related to purchase of property, plant and equipment	4,294	2,425	539	1,071	260	-
Total	**169,623**	**76,110**	**7,005**	**14,085**	**6,149**	**66,275**

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

5) Changes in liabilities arising from financing activities

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

		Cash flows			Non-cash changes					
	As at 31 December 2022	Principal		Interests and commissions	Recognition of assets under lease	Interests and commissions accrued	Impairment losses	F/X differences	Decrease in the scope of the lease	As at 31 December 2023
		Proceeds	Outflows							
Bank loans	23,765	31,041	(25,995)	(2,328)	-	2,668	-	-	-	29,151
Lease liabilities	25,202	-	(1,162)	(1,108)	1,611	1,106	-	(25)	(26)	25,598
Loans	-	43,248	(40,208)	(2,393)	-	2,402	-	(3,049)	-	-
Cash pooling, incl:	22,861	12,291	-	(659)	-	654	1,671	-	-	36,818
Receivables	*(2,371)*	*697*	-	*173*	-	*(170)*	*1,671*	-	-	-
Liabilities	*25,232*	*11,594*	-	*(832)*	-	*824*	-	-	-	*36,818*

		Cash flows			Non-cash changes					
	As at 31 December 2021	Principal		Interests and commissions	Recognition of assets under lease	Interests and commissions accrued	Impairment losses	F/X differences	Offset	As at 31 December 2022
		Proceeds	Outflows							
Bank loans	36,643	31,838	(44,357)	(3,037)	-	2,678	-	-	-	23,765
Lease liabilities	22,067	-	(1,724)	(296)	4,079	1,063	-	13	-	25,202
Cash pooling, incl:	37,054	-	(14,218)	(900)	-	925	-	-	-	22,861
Receivables	*(1,262)*	-	*(1,103)*	*84*	-	*(93)*	-	-	*3*	*(2,371)*
Liabilities	*38,316*	-	*(13,115)*	*(984)*	-	*1,018*	-	-	*(3)*	*25,232*

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

34. FUTURE CONTRACTUAL COMMITMENTS

Contractual investment commitments

As at December 31, 2023 and as at December 31, 2022 the commitments for the purchase of property, plant and the commitments for the purchase of intangible assets did not occur.

35. CONTINGENCIES

As at 31 December 2023 and 31 December 2022, the Company's contingencies, were as follows:

Benefiting party	Debtor	Valid till	Amount As at 31 December 2023	 As at 31 December 2022	Scope of collateral
Guarantees provided by Agora S.A.					
Santander Bank Polska S. A.	Helios S.A. and Step Inside sp. z o.o.	26 August 2026	9,000	-	bank loans
BNP Paribas Bank Polska S.A.	Helios S.A.	30 June 2026	8,775	-	bank loan

Information on contingent liabilities related to legal disputes is described in note 18.

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

36. GROUP COMPANIES

Basic information about the companies in which Agora S.A. holds shares (directly or indirectly) are presented in the table below:

		% 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		
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%
	Companies excluded from consolidation		
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.

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

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

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

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

The Judgement is final and binding.

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

The Annex amended, in particular:

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

rights of the Company and SFS Ventures to appoint members of the company's corporate bodies, according to which Agora, as majority shareholder, shall have the personal right to appoint all members of the Management Board and two members of the Supervisory Board, including the Chairperson, (ii) matters in which the consent of the Supervisory Board granted with a qualified majority is required, including agreements concluded with parties related to the Company, the value of which exceeds amount stated in the Agreement;

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

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

Other provisions of the contract have not been materially changed.

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

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

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

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

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

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

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

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

On November 30, 2023 the Company completed negotiations with SFS Ventures s.r.o. with its seat in Prague ("SFS Ventures"), as a result of which the Company 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 equalling 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 amended 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 were not materially changed.

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

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 (PLN 43,247,554). The parties agreed that the final sale price amounts to EUR 9,500,000 (PLN 44,682,790). In accordance with the above, the Company was obligated to pay for the benefit of SFS Ventures the difference between the initial and final price in the amount of EUR 330,000 (PLN 1,435,236) within 10 working days since completion of the Annex.

The final purchase price of 110 shares recognised in Company's assets amounted to PLN 47,895 thousand (including capitalised transaction costs in the amount of PLN 3,212 thousand).

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

On July 24, 2023, Agora S.A. concluded a share purchase agreement with one of the shareholders of Helios S.A. Under this agreement Agora S.A. purchased 34,000 shares in the share capital of Helios S.A. constituting 0.29% of the share capital of this company. The transaction was entered into the shareholder register of Helios S.A. on September 1, 2023.

On August 2, 2023, Agora S.A. concluded share purchase agreements with shareholders of Helios S.A. Under these agreements, Agora S.A. purchased a total of 60,561 shares in the share capital of Helios S.A. constituting 0.52% of the share capital of this company. The transactions were entered into the shareholder register of Helios S.A. on September 1 and 6, 2023.

After the transactions, Agora S.A. shall own 10,674,113 shares of the share capital of Helios S.A. constituting 92.31% of the share capital of this company.

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

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

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

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

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

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

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

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

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

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

On August 23, 2023, the company Wyborcza Sp. z o.o. was registered in the National Court Register. The share capital of the company amounts to PLN 5,000 and its sole shareholder is Agora S.A.0

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

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

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

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

As at 31 December 2023 the Management Board of Agora S.A. was in the process of analysing the extent of the separation of the Company's various operations into separate subsidiaries and its impact on the unconsolidated financial statements of Agora S,A. and as a result, the assets to be disposed of to subsidiaries were not fully identified and ready for separation.

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

37. RELATED PARTY TRANSACTIONS

Table below presents total investments and balances with related parties as at 31 December 2023 (with comparative figures):

	31 December 2023	31 December 2022
Subsidiaries		
Shares	655,235	470,312
Non-current loans granted	345	460
Current loans granted	417	-
Cash pooling receivables	-	2,371
Trade receivables	1,968	14,567
Other receivables and accruals	4,355	749
Cash pooling liabilities	36,818	25,232
Trade liabilities	2,460	2,904
Other liabilities and accruals	1,408	1,777
Contract liabilities	2	-
Associates		
Shares	19,057	156,257
Contract liabilities	1	-
Major shareholder		
Trade receivables	4	3
Other liabilities	3	6
Management Board of the Company		
Receivables	16	-

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

Table below presents total transactions with related parties in 2023 (with comparative figures):

	2023	2022
Subsidiaries		
Sales	17,122	71,467
Purchases	(23,206)	(25,555)
Other operating income	1	8
Dividend income	41,602	40,635
Finance interests	219	98
Other finance income	178	4
Finance cost - credit guarantee	(319)	(319)
Finance cost - interests on cash pooling	(824)	(1,018)
Income tax - TCG settlements	6,585	1,984
Associates		
Purchases	-	(6)
Dividend income	-	24,000
Major shareholder		
Sales	31	27
Other operating income	3	2
Management Board of the Company		
Other operating income	-	1

Following types of transactions mainly occur 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, administrative, 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.

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

38. ACCOUNTING ESTIMATES AND JUDGMENTS

Tests for impairment losses on assets

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

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

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

1) average growth rate of revenue during forecast for the years,

2) applied real long-term growth rate after the period of detailed forecast in the so-called residual period,

3) applied pre-tax discount rate.

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

Basic information about the method applied is summarized below:

	Rights and goodwill related to activities in particular magazine titles with indefinite useful lives
Assumptions	Financial forecasts and projections of the market for next years based on the best knowledge of the market, available market data and experience
Detailed forecast period	5 years
Years:	The average growth rate of revenue during forecast for the years
2024-2028	3%
	Discount rate for the years (pre-tax)
2024-2028	11.0%
	The applied real long-term growth rate after the period covered by the forecast
	0.0%
	The discount and growth rates applied as at the end of previous year
	Discount rate for the years (pre-tax)
2023-2027	11.5%
	The applied real long-term growth rate after the period covered by the forecast
	0.0%

In 2023 and 2022 in result of annual tests for impairment losses, that were carried out in respect of goodwill and rights related to activities in magazine titles no impairment loss was recognized.

In 2023 the Company recognised impairment loss on shares in company HRlink Sp. z o.o. in the amount of PLN 2,746 thousand due to sale transaction of shares in this company, which occurred after the balance sheet date (note 39). The Company recognised impairment loss to recoverable amount established on the basis of expected sales price.

- **Climate risk**

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

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

- **Other**

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

39. EVENTS AFTER THE BALANCE SHEET DATE

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

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

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

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

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

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

As part of the transaction, the HRlink loan *liabilities* to Agora S.A. *were paid in full*.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Warsaw, March 19, 2024

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

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

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

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

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

Signature of the person responsible for keeping the accounting records

Ewa Kuzio – Chief Accountant ....

Signatures submitted electronically.