

AGORA GROUP

Report for
3q 2023

November 16, 2023

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AGORA GROUP

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) OF THE GROUP'S RESULTS FOR THE THIRD QUARTER OF 2023

REVENUE PLN 986.2 MILLION
EBITDA PLN 139.7 MILLION
NET LOSS PLN 34.1 MILLION
OPERATING CASH FLOW PLN 145.4 MILLION

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

Since the first quarter of 2023, there has been a change in the presentation of segments' results. It involves allocating the costs of a part of supporting divisions to business segments. In previous years, these costs were not allocated to business segments to such a significant extent. Allocated costs are visible under external services, as well as depreciation and amortisation, and they also affect the segments' EBIT and EBITDA. This decision is justified by the commencement of the reorganisation process of Agora S.A. and the transfer of organised parts of the enterprise, including the businesses currently operating within the company, to subsidiaries. Cost allocation aims to increase the transparency and comparability of individual segments' data and to help standardise the costs and their presentation.

Comparative data have been restated accordingly. The above change does not affect the presentation of the Group's results.

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

▶ In the third quarter of 2023, the **Agora Group** ("Group") earned revenues in the amount of PLN 363.5 million, and they were higher by 36.0% yoy. The revenue level of the second quarter of 2023 was significantly affected by the consolidation with the Eurozet Group, thanks to which the **Radio** segment recorded the largest increase in revenue among all operating segments.

The second segment in terms of revenue which increase was the **Movies and Books**. The most significant year-on-year increase in revenue was recorded by cinema operations. They include sales of tickets, concession sales and sales of advertising in cinemas. Agora's Publishing House and catering activities also generated higher revenue.

Outdoor Advertising was another segment with rising revenue. This was driven by the huge popularity of advertising campaigns.

In the third quarter of 2023, also the revenue of the **Digital and Printed Press** segment went up. The increase in the segment's revenue was chiefly determined by higher other revenues (organisation of festivals), revenue from printing services and from the sale of digital subscriptions. The revenue from advertising sales and from copy sales of the paper edition of *Gazeta Wyborcza* was lower.

The **Internet** is a segment in which the revenue was lower year-on-year. This was caused to the largest extent by the decrease in the revenue from online advertisements in Yieldbird. The advertising revenue generated by

the Gazeta.pl division was also lower. Revenue from other online services was higher than in the third quarter of 2022 due to higher revenue in Yieldbird.

- ▶ In the first three quarters of 2023, the Agora Group earned revenues amounting to PLN 986.2 million, i.e. 26.1% higher yoy.

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

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

In the first three quarters of 2023, revenue of the **Outdoor Advertising** segment recorded an increase. Their positive dynamics was influenced by higher advertising revenue.

The increase in the revenue of the **Digital and Printed Press** segment resulted from higher revenue from printing operations and other sales (organisation of festivals). The revenue from the sale of publications was at a similar level, but its structure changed. The revenue from the sale of the paper edition of *Gazeta Wyborcza* was lower, and the revenue from the sale of digital subscriptions of *Wyborcza.pl* was higher. Revenue was adversely affected by the drop in advertising revenue, both in paper and online versions of the daily.

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

- ▶ In the third quarter of 2023, the **Agora Group's** operating costs increased by 30.6% and reached PLN 348.9 million. The level of the costs from the third quarter of 2023 was significantly affected by the consolidation with the Eurozet Group.

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

The second segment in terms of the increase in operating costs in the third quarter of 2023 was the **Movies and Books** segment. The costs of external services increased the most. The increase in this cost category was mainly related to cinema activities – higher costs of purchase of film copies. In the third quarter of 2023, the costs of materials and energy consumed and the value of goods and materials sold, the staff costs and the costs of promotion and marketing also increased, while depreciation and amortisation costs decreased. The level of operating costs was negatively affected by a write-down on fixed assets in the amount of PLN 0.7 million, related to the activities of Step Inside Sp. z o.o. in connection with the closure of a restaurant in Kalisz. It is worth noting that the level of operating costs in the third quarter of the previous year was positively affected by the redemption of a portion of the loan in the amount of PLN 14.1 million granted by the Polish Development Fund (PFR) to Helios S.A.

Operating costs of the **Outdoor** segment also went up in the third quarter of 2023. The increase was mainly attributable to higher staff costs, costs of external services, as well as the costs of materials and energy consumed and the value of goods and materials sold. In turn, depreciation and amortisation costs were lower. Promotion and marketing costs remained at the previous year's level. The segment also reversed impairment losses on fixed assets in the amount of PLN 0.2 million. (impairment losses of PLN 0.1 million were reversed in the corresponding period of the previous year).

In the third quarter of 2023, all categories of operating costs in the **Digital and Printed Press** segment decreased – the largest year-on-year decrease in costs was visible in staff costs.

Another segment which recorded a decrease in operating costs in the third quarter of 2023 was the **Internet**. This was mainly due to lower costs of external services, which was related to lower costs of lease of advertising space and, at the same time, lower revenue from the sale of advertising on that space in Yieldbird. The increase in the costs of external services was noticeable in the Gazeta.pl division. The segment's depreciation and amortisation costs also decreased year-on-year. In the third quarter of 2023, promotion and marketing costs as well as staff costs increased.

- ▶ In the first three quarters of 2023, the **Agora Group's** operating costs increased by 19.5% and reached PLN 975.9 million. The level of the costs in the period from January to September 2023 was significantly affected by the consolidation with the Eurozet Group from 1 March 2023.

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

The second segment in terms of the increase in operating costs in the period between January and September 2023 was the **Movies and Books**. Their largest increase was visible in external services and was related to cinema operations, i.e. higher costs of purchasing film copies. Higher costs of external services were also visible in Agora's Publishing House, while in the film business and catering activities they were lower. In the first three quarters of 2023, the costs of materials and energy consumed and the value of goods and materials sold increased significantly, which was due to higher revenue from concession sales. The staff costs and the segment's depreciation and amortisation also grew slightly. The costs of promotion and marketing were lower between January and September 2023. The level of operating costs was negatively affected by a write-down on fixed assets in the amount of PLN 0.7 million, related to the activities of Step Inside Sp. z o.o. in connection with the closure of a restaurant in Kalisz. The level of operating costs of the previous year was positively affected by the redemption of a portion of the loan in the amount of PLN 14.1 million granted by the Polish Development Fund (PFR) to Helios S.A. and by the reversal of a write-down on tangible fixed assets of Helios S.A. of PLN 1.7 million. The level of the costs was adversely affected by the impairment loss on the rights to use assets in Helios S.A. of PLN 0.6 million.

Almost all categories of operating costs of the **Outdoor** segment increased in the first three quarters of 2023, except for depreciation and amortisation costs and the costs of promotion and marketing. The largest increase was visible in staff costs and external services. The segment also reversed impairment losses on fixed assets in the amount of PLN 0.2 million. (impairment losses of PLN 0.1 million were reversed in the corresponding period of the previous year).

The segment which recorded a decrease in operating costs between January and September 2023 was **Digital and Printed Press**. The decrease was primarily related to lower staff costs and concerned to the largest extent fixed remuneration related to lower employment. The costs of promotion and marketing, depreciation and amortisation, as well as external services were also lower in the period under review. The cost increase was visible in the materials and energy consumed and was mainly related to the higher price of electricity.

Another segment which recorded a decrease in operating costs in the first three quarters of 2023 was the **Internet**. This was mainly due to lower costs of external services, which was related to lower costs of lease of advertising space and, at the same time, lower revenue from the sale of advertising on that space in Yieldbird. The increase in the costs of external services was observed in the Gezeta.pl division. Depreciation and amortisation costs also slightly decreased. However, staff costs as well as costs of promotion and marketing increased.

- ▶ In the third quarter of 2023, the Agora Group generated an EBITDA profit of PLN 59.2 million and an EBIT profit of PLN 14.6 million, which represents a significant improvement in both ratios year-on-year. In the third quarter of 2023, the Group incurred a net loss of PLN 13.1 million, while the net loss attributable to shareholders of the parent company amounted to PLN 14.2 million. Apart from one-off events mentioned when describing the costs of individual segments, in the third quarter of 2023, profit on the sale of buildings and land located in Tychy was recognised in the Agora Group. This event had a positive impact on the level of operating costs of the third quarter of 2023.
- ▶ In the first three quarters of 2023, the Agora Group generated an EBITDA profit of PLN 139.7 million and an EBIT profit of PLN 10.3 million, which represented a significant improvement in both ratios yoy. In the period from January to September 2023, the Group generated a net profit of PLN 34.1 million, while the net profit attributable to shareholders of the parent company amounted to PLN 25.3 million. The net profit was positively affected by the valuation of shares of the Eurozet Group as at the control takeover date, in the amount of PLN 47.9 million, that was carried out in the first quarter of 2023. In addition, apart from one-off events described in the cost section of the segments, profit on the sale of buildings and land located in Tychy generated in the third quarter of 2023 was recognised in the Agora Group in the third quarter.
- ▶ In the third quarter of 2023, without the effect of IFRS 16, the Agora Group recorded an EBITDA profit of PLN 32.1 million. The EBIT profit amounted to PLN 7.9 million in accordance with this presentation.
- ▶ In the first three quarters of 2023, without the effect of IFRS 16, the Agora Group recorded an EBITDA profit of PLN 60.8 million. The EBIT loss amounted to PLN 9.2 million in accordance with this presentation.
- ▶ As at 30 September 2023, the Group's cash and short-term financial assets amounted to PLN 104.5 million, which comprised PLN 103.5 million in cash and cash equivalents (cash in hand and at bank and bank deposits) and PLN 1.0 million in loans granted.
- ▶ As at the end of September 2023, the Group's loans and leases amounted to PLN 855.2 million (including lease liabilities under IFRS 16 of PLN 697.6 million). The Group's net debt in this approach amounted to PLN 751.7 million, while excluding the impact of IFRS 16, the Group's net debt as at 30 September 2023 amounted to PLN 54.1 million.

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

1. EXTERNAL FACTORS

1.1. Advertising market [3]

According to the Agora S.A. estimates ("Company", "Agora"), based on public data sources, in the third quarter of 2023, total advertising spending in Poland amounted to ca. PLN 2.68 billion and increased by almost 7.5% yoy.

Tab. 1

	3Q 2021	4Q 2021	1Q 2022	2Q 2022	3Q 2022	4Q 2022	1Q 2023	2Q 2023	3Q 2023
% change yoy in ad market value	13.5%	13.0%	7.5%	4.0%	3.5%	4.0%	6.0%	6.5%	7.5%

In the third quarter of 2023, advertisers increased advertising spending in all market segments except press. The segment in which the value of ad spending increased the most was the Internet and television. In contrast, ad spending grew fastest in the outdoor market.

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

Tab. 2

Total advertising expenditure	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
7.5%	6.0%	8.0%	6.0%	25.0%	(4.5%)	(6.5%)	7.0%

It is worth noting that the third quarter of 2023 was the best in terms of quarterly growth rate in 2023. The largest quarterly increase in advertising spending in 2023 was recorded by radio and television and, above all, outdoor advertising. Press advertising recorded a decline in ad spending: in dailies it reached 6.5% and in magazines 4.5%.

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

Tab. 3

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100.0%	37.0%	44.5%	7.5%	6.5%	2.0%	1.0%	1.5%

In the period January - September 2023, the value of total advertising expenditure in Poland amounted to approximately PLN 8.31 billion and increased by 6.5% yoy. During this time, advertisers increased their advertising expenditure in all market segments except press.

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

Tab. 4

Total advertising expenditure	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
6.5%	4.5%	8.0%	4.5%	13.0%	(3.5%)	(5.0%)	22.5%

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

Tab. 5

Advertising spendings, in total	Television	Internet	Radio	Outdoor	Magazines	Dailies	Cinema
100,0%	38,5%	44,5%	7,0%	5,5%	2,0%	1,0%	1,5%

1.2. Cinema admissions [9]

According to Helios estimates, the number of tickets sold in Polish cinemas in the third quarter of 2023 amounted to 15.4 million, up 38.7% year-on-year. For the nine months of 2023, Helios estimates that the number of tickets sold amounted to nearly 36.8 million, compared to 30.9 million a year earlier - an increase of 19.1%.

1.3. Copy sales of dailies [4]

In the third quarter of 2023, sales of paid editions of dailies in Poland (controlled by PBC) decreased by 15.2%, and in the first three quarters of 2023, the decline was 15.1% compared to the same periods of 2022. In both periods, the largest declines occurred in the regional dailies segment.

2. INTERNAL FACTORS

2.1. Revenue

Tab. 6

<i>in million PLN</i>	3Q 2023	3Q 2022	<i>% change yoy</i>
Total sales (1)	363.5	267.2	36.0%
<i>Advertising revenue</i>	167.7	119.9	39.9%
<i>Ticket sales</i>	71.6	47.9	49.5%
<i>Copy sales</i>	33.1	32.1	3.1%
<i>Concession sales in cinemas</i>	39.9	27.3	46.2%
<i>Gastronomic sales</i>	11.5	10.1	13.9%
<i>Revenues from film activities</i>	4.3	4.5	(4.4%)
<i>Other</i>	35.4	25.4	39.4%

<i>in million PLN</i>	1-3Q 2023	1-3Q 2022	<i>% change yoy</i>
Total sales (1)	986.2	782.1	26.1%
<i>Advertising revenue</i>	473.8	354.1	33.8%
<i>Ticket sales</i>	175.7	134.3	30.8%
<i>Copy sales</i>	100.5	98.3	2.2%
<i>Concession sales in cinemas</i>	98.9	72.7	36.0%
<i>Gastronomic sales</i>	31.3	28.0	11.8%
<i>Revenues from film activities</i>	12.9	23.2	(44.4%)
<i>Other</i>	93.1	71.5	30.2%

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

In the third quarter of 2023, the **total revenues of the Agora Group** amounted to PLN 363.5 million and were higher by 36.0% as compared to the revenues recorded in the third quarter of 2022. In the period under review, all categories of the Group's revenues increased, except for the revenue from film operations. The level of the revenues from the third quarter of 2023 was significantly affected by the consolidation with the Eurozet Group and the introduction of a joint sales offer.

In the period from July to September 2023, the **sales of advertising services** of the Agora Group increased by 39.9% year-on-year and amounted to PLN 167.7 million. The Radio segment was the business in which advertising spending grew the most and which contributed the strongest to the increase in the entire Group's advertising revenue. The segment's revenue from the sale of radio advertising increased by 229.1% to PLN 66.8 million. This deviation was driven by the consolidation with the Eurozet Group and the introduction of a joint sales offer. Advertising revenue in the Outdoor segment was 17.2% higher and amounted to PLN 43.0 million. The advertising spending in cinemas increased by 10.1% to PLN 8.7 million in the period under review. Revenue from sales of advertising services decreased in other business segments. The sharpest drop in advertising revenue was recorded by the Internet segment. The segment's revenue from the sale of online advertising decreased by 16.8% to PLN 30.6 million. The decline in advertising revenue was primarily driven by lower online advertising sales by Yieldbird, mainly due to

changes resulting from the development of cooperation in the SaaS model and limiting the sales of advertising services. Advertising revenue generated by the Gazeta.pl division was at a lower level year-on-year, mainly as a result of lower programmatic revenue. Advertising revenue in the Digital and Printed Press segment decreased by 5.0% to PLN 15.3 million. This was due to a drop in advertising revenue, both in paper and online versions of *Gazeta Wyborcza*.

In the third quarter of 2023, the **revenue from the sale of tickets to Helios cinemas** increased by 49.5% to PLN 71.6 million and the **revenue from concession sales in cinemas** – by 46.2% to PLN 39.9 million. In the period under review, 3.4 million tickets were sold in Helios cinemas, which represents an increase of 41.7% year-on-year.

In the third quarter of 2023, the **Group's copy sales revenue** amounted to PLN 33.1 million and increased by 3.1% year-on-year. The increase in this revenue category resulted from higher revenue of both Agora's Publishing House and the Digital and Printed Press segment. It is worth noting that in the Digital and Printed Press segment, the structure of these revenues changed as the revenue from the digital subscription of *Gazeta Wyborcza* increased and the revenue from its paper edition decreased.

The **revenue from catering activities** amounted to PLN 11.5 million, i.e. 13.9% more year-on-year. This was related to increased revenue from the operations of Step Inside recorded especially thanks to expanding the offer and the accompanying promotional activities.

In the third quarter of 2023, the **revenue from the film business** of the Agora Group decreased by 4.4% and amounted to PLN 4.3 million. Revenues from film production and distribution were lower.

In the third quarter of 2023, the **revenue from other sales** amounted to PLN 35.4 million and was 39.4% higher year-on-year. This resulted from an increase in revenues in all segments, including higher sales of other products and services, other online services as well as printing services.

In the first three quarters of 2023, the **Agora Group's total revenues** amounted to PLN 986.2 million, having increased by 26.1% year-on-year. All categories of the Group's revenues increased, except for the revenue related to film operations. The level of the revenues in the period from January to September 2023 was significantly affected by the consolidation with the Eurozet Group from 1 March 2023.

In the period from January to September 2023, the **sales of advertising services** of the Agora Group increased by 33.8% year-on-year and amounted to PLN 473.8 million. The Radio segment was the one in which advertising spending grew the most and which contributed the strongest to the increase in the entire Group's advertising revenue. The segment's revenue from the sale of radio advertising increased by 184.6% to PLN 173.6 million. This deviation was driven by the consolidation with the Eurozet Group and the introduction of a joint sales offer. Advertising revenue in the Outdoor segment was 16.2% higher and amounted to PLN 127.8 million. The positive dynamics of the revenue in this segment was impacted by expenditure on campaigns carried out on traditional, digital and city transport panels. The advertising spending in cinemas increased by 25.9% to PLN 23.8 million in the period under review. Revenue from sales of advertising services decreased in other business segments. The sharpest drop in advertising revenue was recorded by the Internet segment. The segment's revenue from the sale of online advertising decreased by 15.3% to PLN 97.4 million. The decline in advertising revenue was primarily driven by lower online advertising sales recorded by Yieldbird. The advertising revenue generated by the Gazeta.pl division was also lower. Advertising revenue in the Digital and Printed Press segment decreased by 7.6% to PLN 41.4 million. This was, similarly as in the case of the third quarter alone, due to a drop in advertising revenue, both in paper and online versions of *Gazeta Wyborcza*.

In the first three quarters of 2023, the **revenue from the sale of tickets to Helios cinemas** increased by 30.8% to PLN 175.7 million and the **revenue from concession sales in cinemas** – by 36.0% to PLN 98.9 million. This increase was related to higher cinema attendance. In the period under review, 8.3 million tickets were sold in Helios cinemas, i.e. 18.6% more than in the first three quarters of 2022.

In the first three quarters of 2023, **the revenue from copy sales** amounted to PLN 100.5 million and increased by 2.2% year-on-year. The increase in this revenue category resulted mainly from higher revenue of Agora's Publishing House. The revenue of the Digital and Printed Press segment was slightly higher than the revenue generated in the first three quarters of 2022. This was mainly driven by growing revenue from sales of digital access to the content of Wyborcza.pl, with declining revenue from the sale of the paper edition of the daily.

The **revenue from catering activities** amounted to PLN 31.3 million, i.e. 11.8% more than between January and September 2023. This was related to increased revenue from the operations of Step Inside recorded especially thanks to expanding the offer and the accompanying promotional activities.

In the first three quarters of 2023, the **revenue from the film business** of the Agora Group decreased by 44.4% and amounted to PLN 12.9 million. Revenues from film production and distribution were lower.

In the first three quarters of 2023, the **revenue from other sales** amounted to PLN 93.1 million and was 30.2% higher year-on-year. This resulted from an increase in revenues in all segments, including higher sales of other products and services, sales of printing services, sales of other online services and other sales of goods and services.

2.2. Operating cost

Tab. 7

<i>in million PLN</i>	3Q 2023	3Q 2022	% change yoy
Operating cost net (1), including:	(348.9)	(267.1)	30.6%
<i>External services</i>	(125.1)	(95.2)	31.4%
<i>Staff cost</i>	(106.3)	(89.5)	18.8%
<i>Raw materials, energy and consumables</i>	(41.3)	(36.4)	13.5%
<i>D&A</i>	(44.1)	(40.2)	9.7%
<i>Promotion and marketing</i>	(19.2)	(13.3)	44.4%
<i>Gain on sale of property (2)</i>	1.5	-	-
<i>PFR loan cancellation (3)</i>	-	14.1	-
<i>Impairment losses (4)</i>	(0.5)	-	-

<i>in million PLN</i>	1-3Q 2023	1-3Q 2022	% change yoy
Operating cost net (1), including:	(975.9)	(816.5)	19.5%
<i>External services</i>	(338.1)	(276.8)	22.1%
<i>Staff cost</i>	(308.2)	(271.3)	13.6%
<i>Raw materials, energy and consumables</i>	(119.6)	(102.2)	17.0%
<i>D&A</i>	(128.9)	(119.6)	7.8%
<i>Promotion and marketing</i>	(49.9)	(39.1)	27.6%
<i>Gain on sale of property (2)</i>	1.5	-	-
<i>PFR loan cancellation (3)</i>	-	14.1	-
<i>Impairment losses (4)</i>	(0.5)	1.2	-

(1) the amount of the cost excluding impact of International Financial Reporting Standard no. 16 Leases amounted to PLN 995.4 million in the first three quarters of 2023 and PLN 355.6 million in the third quarter of 2023 (in the first three quarters of 2022: PLN 833.1 million and PLN 273.2 million in the third quarter of 2022);

(2) the amount relates to gain on the sale of ownership of buildings and land located at Towarowa Street in Tychy, presented as held-for-sale non-current assets in the Group's consolidated balance sheet as at 30 June 2023;

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

(4) the amount in 2023 mainly includes the impairment loss on property, plant and equipment in Step Inside Sp. z o.o., in 2022 includes mainly the reversal of impairment loss on property, plant and equipment in Helios S.A.

In the third quarter of 2023, the **net operating costs** of the Agora Group increased by 30.6% to PLN 348.9 million. They were higher in the Radio, Movies and Books and Outdoor segments, but they fell in the Digital and Printed Press as well as Internet segments. The level of the operating costs in the third quarter of 2023 was significantly affected by the consolidation with the Eurozet Group.

The largest item of the Group's expenses in the period from July to September 2023 was the **costs of external services** which amounted to PLN 125.1 million and were 31.4% higher year-on-year. Their largest increase was recorded in the Radio segment and was caused by the consolidation of results with the Eurozet Group. The external services item includes in the Radio segment, in addition to the costs of advertising sales brokerage services in third-party radio stations and advertising sales brokerage services in Helios cinemas (service provided until the end of 2022), e.g. costs of rents and lease fees, marketing services, production services, as well as operator fees. Another segment where the costs of external services increased was the Movies and Books segment. Their increase was mainly related to cinema operations – higher costs of purchasing film copies. Costs of external services incurred by the Outdoor segment were also higher than in the third quarter of 2022. This increase was mainly due to higher costs of system maintenance and advertising campaigns. The segment in which the decrease in the costs of external services was observed was the Internet. Lower costs of the Internet resulted from lower costs in Yieldbird, reflecting mainly a decrease in the cost of leasing advertising space and lower revenue from the sale of advertising services. The increase in the costs of external services was observed in Gazeta.pl. The costs incurred by the Digital and Printed Press segment decreased year-on-year. The largest decrease was recorded in space lease costs and IT costs due to restructuring changes introduced in the segment.

Staff costs reached PLN 106.3 million and increased by 18.8% year-on-year. Staff costs were higher in almost all operating segments of the Group and in its supporting divisions. The only exception was the Digital and Printed Press segment, which was the result of restructuring carried out in this area in the fourth quarter of 2022. The largest increase in this category was recorded in the Radio segment, mainly due to the consolidation of results with the Eurozet Group.

At the end of September 2023, **headcount** in the Agora Group was 2,584 FTEs, and increased by 224 FTEs year-on-year. This increase was mainly due to the inclusion in the Agora Group's data of the number of employees in the Eurozet Group, which amounted to 359 FTEs in September 2023. A significant drop in the headcount occurred in the Digital and Printed Press as well as in the Movies and Books segments as a result of the restructuring carried out last year.

The increase in the **cost of materials and energy consumed and goods and materials sold** of 13.5% to PLN 41.3 million recorded in the third quarter of 2023 was the result of an increase in this type of expenses in the following segments: Movies and Books, Radio and Outdoor. The largest increase in this cost item was visible in the Movies and Books segment and resulted mainly from the increase in the revenue from concession sales in cinemas. The decrease in the costs incurred by the Digital and Printed Press segment is the result of lower paper costs.

The **costs of depreciation and amortisation** were higher by 9.7% and amounted to PLN 44.1 million. The increase in this cost item was visible only in the Radio segment (consolidation of results with the Eurozet Group). Depreciation and amortisation costs of other segments were lower year-on-year in the third quarter of 2023. In addition, depreciation and amortisation of fair values of the Eurozet Group assets acquired has been recognised in the Agora Group since 1 March 2023.

The **promotion and marketing costs** of the Agora Group increased by 44.4% year-on-year to PLN 19.2 million. This was mainly the result of the consolidation of the Radio segment with the results of the Eurozet Group. Higher promotion and marketing costs were also incurred by the Internet segment – higher advertising spending in Gazeta.pl, and the Movies and Books segment – higher costs in film operations, lower in cinema activities. The costs of Digital and Printed Press were lower year-on-year – this was the effect of postponing the promotional activities of *Gazeta Wyborcza*, while the costs of Outdoor remained at the previous year's level.

In the third quarter of 2023, the net operating costs of the Group, reported without IFRS 16, amounted to PLN 355.6 million and were 30.2% higher year-on-year.

In the first three quarters of 2023, the **net operating costs** of the Agora Group increased by 19.5% to PLN 975.9 million. They were higher in the Radio, Movies and Books and Outdoor segments, but they fell in the Digital and Printed Press as well as Internet segments. The level of operating costs in the period from January to September 2023 was significantly affected by the consolidation with the Eurozet Group since 1 March 2023. Similarly to the third quarter alone, the largest item of the Group's expenses in the first three quarters of 2023 was the **costs of external services** which amounted to PLN 338.1 million and were 22.1% higher year-on-year. Their largest increase was recorded in the Radio segment and was caused by the consolidation of results with the Eurozet Group. The external services item includes in the Radio segment, in addition to the costs of advertising sales brokerage services in third-party radio stations and advertising sales brokerage services in Helios cinemas (service provided until the end of 2022), e.g. costs of rents and lease fees, marketing services, production services, as well as operator fees. Another segment where the costs of external services increased was the Movies and Books segment. Their increase was related to cinema operations – to higher costs of purchasing film copies. The costs of external services in Agora's Publishing House were also higher, while in the film business and catering activities they were lower. The increase in the costs of external services of the Outdoor segment was mainly due to higher costs of system maintenance and advertising campaigns. The segment in which the decrease in the costs of external services was observed was the Internet. Lower costs of the Internet resulted from lower costs in Yieldbird, reflecting mainly a decrease in the cost of leasing advertising space and lower revenue from the sale of advertising services. The increase in the costs of external services was observed in Gazeta.pl. The Digital and Printed Press segment incurred lower costs of external services. In the first three quarters of 2023, space rental costs and IT costs decreased due to restructuring changes introduced in the segment.

Staff costs reached PLN 308.2 million and increased by 13.6% year-on-year. Staff costs were higher in almost all operating segments of the Group and in its supporting divisions. The only exception was the Digital and Printed Press segment, which was the result of restructuring carried out in this area in the fourth quarter of 2022. The largest increase in this category was recorded in the Radio segment, mainly due to the consolidation of results with the Eurozet Group.

The increase in the **costs of materials and energy consumed and the value of goods and materials sold** of 17.0% to PLN 119.6 million recorded in the first three quarters of 2023 was the result of an increase in this type of expenditure in all segments. The largest increase in this cost item was visible in the Movies and Books segment and it was mainly related to the increase in the revenue from concession sales in cinemas.

The **costs of depreciation and amortisation** were higher by 7.8% and amounted to PLN 128.9 million. The increase in this cost item was visible in the Radio segment (consolidation of results with the Eurozet Group) and in the Movies and Books segment (depreciation and amortisation in catering activities due to a larger number of restaurants developed under the Pasibus brand). In addition, depreciation and amortisation of fair values of the Eurozet Group assets acquired has been recognised in the Agora Group since 1 March 2023. Depreciation and amortisation costs of other segments were lower year-on-year in the first three quarters of 2023.

The **promotion and marketing costs** of the Agora Group increased by 27.6% year-on-year to PLN 49.9 million. This was mainly the result of the consolidation of the Radio segment with the results of the Eurozet Group. Due to higher advertising spending in Gazeta.pl, higher costs were also borne in the Internet segment. Promotion and marketing costs of the Digital and Printed Press and Film and Book segments were lower in the first three quarters of 2023 than in the same period last year, while costs of the Outdoor segment remained at the same level.

In the first three quarters of 2023, the Group's net operating costs without IFRS 16 amounted to PLN 995.4 million, i.e. they increased by 19.5% year-on-year.

3. PROSPECTS

According to available macroeconomic forecasts, the fourth quarter of 2023 and subsequent quarters of 2024 will bring a stabilisation of slow economic growth, continually high inflation, and high prices of energy raw materials, food, goods, and services. The development of the economic situation in Poland in the subsequent periods will also be characterised by high uncertainty due to the further course of the armed conflict in Ukraine and its geopolitical consequences, among other factors. An important factor affecting the Agora Group is also the wage pressure and the increase in minimum wage in 2024. From 1 January 2024, the minimum gross remuneration for work will increase from the current PLN 3,600 to PLN 4,242, and the minimum hourly rate will increase from PLN 23.50 to PLN 27.70.

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

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

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

3.1. REVENUES

3.1.1 Advertising market [3]

In the third quarter of 2023, the value of advertising spending in Poland increased by more than 7.0% compared to the same period in 2022. Advertisers spent about PLN 2.66 billion in this period to promote their products and services. In the first nine months of 2023, the value of advertising expenditures increased by 6.5% and reached about PLN 8.28 billion. During this period, the increase in advertising spending affected all market segments except the press.

In the subsequent quarters of 2023, advertising spending in Poland increased by almost 6.0% in the first quarter; by almost 6.5% in the second quarter; and by more than 7.0% in the third quarter of 2023. Dynamics in all quarters of 2023 were better than expectations. Agora expects the dynamics of advertising spending in almost all media to oscillate around the upper ranges given in the forecast in the report for the first half of 2023. For the advertising market as a whole, the dynamics of advertising spending should be around 6.0%.

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

Tab. 8

Total advertising expenditure	Television	Internet	Radio	Outdoor	Press	Cinema
4.0-6.0%	1.0%-4.0%	4.0-7.0%	2.0-5.0%	5.0-10.0%	(8.0%)-(5.0%)	20.0-25.0%

3.1.2. Ticket sales

The number of tickets sold in Polish cinemas in the three quarters of 2023 amounted to nearly 36.8 million, an increase of 19.1% compared to 2022. It is worth noting that a noticeable negative impact on the dynamics of the recovery of cinema business after the pandemic is the economic slowdown, high inflation and disorders in the Polish film production market. Strikes by writers and actors have been going on in Hollywood for several months. According to official information, the strikes have ended and Hollywood immediately got down to work on resuming film sets that have been blocked until now. The strikes will have a direct impact on film productions and, consequently, on the film repertoire in cinemas in Poland next year as well.

Agora estimates that in 2023, cinema attendance will be approximately 15.0-20.0% higher than in 2022, but still lower than in record 2019. The estimate was based on the results of sales of Helios cinema tickets during the first nine months of 2023. In the company's opinion, the possible full restoration of the audience will last for at least a few years.

3.1.3 Copy sales

In the fourth quarter of 2023, the prevailing negative trend of copy sales drop with regard to printed dailies will be maintained. Agora develops sales of access to Wyborcza.pl content in the form of digital subscriptions. The number of paid digital subscriptions of *Gazeta Wyborcza* reached 292 thousand at the end of September 2023, which means maintaining a similar level year-on-year. Between January and September 2023, revenue from the sale of publications in the Digital and Printed Press segment was at a similar level as in the same period in 2022. This was mainly due to lower sales of the paper edition of *Gazeta Wyborcza*, with the increase of sales revenue from Wyborcza.pl subscriptions. Therefore, Agora expects that sales trends of *Gazeta Wyborcza* will be maintained, both with regard to the paper and digital editions.

3.2 Operating costs

Total operating costs of the Agora Group in 2023 will be higher than those recorded in 2022. This will be primarily driven by the increase in the costs of materials and energy as well as the costs of external services following the ongoing economic downturn. Higher costs of materials and energy consumed, external services, staff – except for the Digital and Printed Press segment, as well as promotion and marketing will have the decisive influence on the increase in the Group's operating costs. In the first quarter of 2023, Agora S.A. acquired the Eurozet Group, which will translate into higher costs in each cost item. A detailed impact on the costs of the first three quarters is described in part IV B Radio. In addition, due to the limited costs of investments in the Group, mainly in the Movies and Books segment, depreciation and amortisation costs will be lower.

3.2.1 Costs of external services

The costs of external services in the fourth quarter of 2023 will largely depend on the costs of film copy purchase related directly to cinema attendance and the level of revenue from ticket sales, the EUR/PLN exchange rate, the costs of leasing advertising space, and the number of advertising campaigns. The decrease in this cost item will be affected by the change in Yieldbird's business model towards the product model.

3.2.2 Staff costs

According to the company's estimates, staff costs will be higher in 2023 than in 2022. In 2023, in accordance with the Regulation of the Council of Ministers of 13 September 2022, the minimum remuneration increased from 1 January from PLN 3,010 to PLN 3,490, and from 1 July, it increased to PLN 3,600, which will also have an impact on the increase in staff costs in 2023. As of January 1, 2024, the gross minimum wage will increase from the current PLN 3,600 to PLN 4,242, and the minimum hourly rate will rise from PLN 23.50 to PLN 27.70. This cost category might increase in each of the Group's operating segments and its supporting divisions, and in particular in the cinema segment.

3.2.3 Promotion and marketing costs

In the fourth quarter of 2023, the Agora Group plans further promotional activities in most of its businesses, in order to restore their market position. The dynamics of changes in individual media, the number of development projects launched as well as market activities of the Group's competitors will affect the level of expenditure incurred in this respect. Considering these factors, the company estimates that in 2023, the promotion and marketing costs will be similar as in 2022 in most of the Group's businesses mainly as a result of the acquisition of the Eurozet Group on March 1. This cost category will increase in the Internet and Radio segments.

3.2.4 Cost of materials and energy

In 2023, the Group's printing activities will impact this cost item, especially the cost of production materials, the volume of production and the EUR/PLN exchange rate. An additional factor affecting this item is the overall increase in energy costs in the market in 2023 as well as in subsequent years.

III. FINANCIAL RESULTS

1. THE AGORA GROUP

The condensed interim consolidated financial statements of the Agora Group for the third quarter of 2023 includes: Agora S.A. and 32 subsidiaries, which operate principally in the internet, cinema, radio, gastronomy and outdoor segments. Additionally, as at 30 September 2023 the Group held shares in jointly controlled entity Instytut Badań Outdooru IBO Sp. z o.o., as well as in associated company ROI Hunter a.s.

A detailed list of companies of the Agora Group is presented in note 11 and the changes in the composition of the Group are described in note 12 to the condensed interim consolidated financial statements.

2. PROFIT AND LOSS ACCOUNT OF THE AGORA GROUP

Tab. 9

<i>in PLN million</i>	3Q 2023	3Q 2022	% change yoy	1-3Q 2023	1-3Q 2022	% change yoy
Total sales (1)	363.5	267.2	36.0%	986.2	782.1	26.1%
<i>Advertising revenue</i>	167.7	119.9	39.9%	473.8	354.1	33.8%
<i>Ticket sales</i>	71.6	47.9	49.5%	175.7	134.3	30.8%
<i>Copy sales</i>	33.1	32.1	3.1%	100.5	98.3	2.2%
<i>Concession sales in cinemas</i>	39.9	27.3	46.2%	98.9	72.7	36.0%
<i>Gastronomic sales</i>	11.5	10.1	13.9%	31.3	28.0	11.8%
<i>Revenues from film activities</i>	4.3	4.5	(4.4%)	12.9	23.2	(44.4%)
<i>Other</i>	35.4	25.4	39.4%	93.1	71.5	30.2%
Operating cost net, including:	(348.9)	(267.1)	30.6%	(975.9)	(816.5)	19.5%
<i>External services</i>	(125.1)	(95.2)	31.4%	(338.1)	(276.8)	22.1%
<i>Staff cost</i>	(106.3)	(89.5)	18.8%	(308.2)	(271.3)	13.6%
<i>Raw materials, energy and consumables</i>	(41.3)	(36.4)	13.5%	(119.6)	(102.2)	17.0%
<i>D&A</i>	(44.1)	(40.2)	9.7%	(128.9)	(119.6)	7.8%
<i>Promotion and marketing</i>	(19.2)	(13.3)	44.4%	(49.9)	(39.1)	27.6%
<i>Gain on sale of property (2)</i>	1.5	-	-	1.5	-	-
<i>PFR loan cancellation (3)</i>	-	14.1	-	-	14.1	-
<i>Impairment losses (4)</i>	(0.5)	-	-	(0.5)	1.2	-
Operating result – EBIT	14.6	0.1	14,500.0%	10.3	(34.4)	-
<i>Operating result - EBIT excl. IFRS 16 (5)</i>	7.9	(6.0)	-	(9.2)	(51.0)	82.0%
Finance cost, net, incl.:	(32.6)	(29.7)	(9.8%)	(18.7)	(48.2)	61.2%
<i>Income from short-term investment</i>	0.8	0.5	60.0%	3.2	1.6	100.0%
<i>Costs related to bank loans and leasing</i>	(11.6)	(9.9)	17.2%	(33.0)	(26.3)	25.5%
<i>including interest costs related to IFRS 16</i>	(8.1)	(6.2)	30.6%	(22.1)	(17.4)	27.0%
<i>Foreign exchange gains/(losses) including foreign exchange gains/(losses) related to IFRS 16</i>	(21.5)	(20.7)	(3.9%)	8.9	(30.0)	-
<i>Revaluation of put options (6)</i>	-	-	-	2.5	6.0	(58.3%)
Gain on remeasurement of shares in subsidiary (7)	-	-	-	47.9	-	-

<i>in PLN million</i>	3Q 2023	3Q 2022	% change yoy	1-3Q 2023	1-3Q 2022	% change yoy
Share of results of equity accounted investees	(0.3)	1.4	-	(4.1)	5.5	-
Profit/(loss) before income tax	(18.3)	(28.2)	35.1%	35.4	(77.1)	-
Income tax	5.2	3.7	40.5%	(1.3)	1.9	-
Net profit/(loss) for the period	(13.1)	(24.5)	46.5%	34.1	(75.2)	-
Attributable to:						
Equity holders of the parent	(14.2)	(23.5)	39.6%	25.3	(71.3)	-
Non - controlling interest	1.1	(1.0)	-	8.8	(3.9)	-
EBIT margin (EBIT/Sales)	4.0%	0.0%	4.0pp	1.0%	(4.4%)	5.4pp
EBIT margin excl. IFRS 16 (5)	2.2%	(2.2%)	4.4pp	(0.9%)	(6.5%)	5.6pp
EBITDA (8)	59.2	40.3	46.9%	139.7	84.0	66.3%
EBITDA margin (EBITDA/Sales)	16.3%	15.1%	1.2pp	14.2%	10.7%	3.5pp
EBITDA excl. IFRS 16 (5)	32.1	17.0	88.8%	60.8	16.9	259.8%
EBITDA margin excl. IFRS 16 (5)	8.8%	6.4%	2.4pp	6.2%	2.2%	4.0pp

- (1) particular sales positions, apart from revenues from ticket sales, concession sales in cinemas and gastronomic sales, include sales of the Agora's Publishing House and film activities (functioning within the Movies and Books segment), described in details in point IV.A in this report;
- (2) the amount relates to gain on the sale of ownership of buildings and land located at Towarowa Street in Tychy, presented as held-for-sale non-current assets in the Group's consolidated balance sheet as at 30 June 2023;
- (3) the amount relates to cancellation of preferential loan granted to Helios S.A. in 2022 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies;
- (4) the amount in 2023 mainly includes the impairment loss on property, plant and equipment in Step Inside Sp. z o.o., in 2022 includes mainly the reversal of impairment loss on property, plant and equipment in Helios S.A.;
- (5) the amount of the operating result – EBIT, EBITDA and net loss excluding impact of International Financial Reporting Standard no. 16 Leases;
- (6) relates to revaluation of put option liabilities granted to non-controlling shareholders of Helios S.A., Video OOH Sp. z o.o. and HRLink Sp. z o.o.;
- (7) remeasurement of equity interest as at the acquisition date relates to obtaining control of Eurozet Group that is consolidated using the full method from March 1, 2023 (additional information concerning the transaction is disclosed in note 12 to the condensed interim consolidated financial statements);
- (8) the performance measure "EBITDA" is defined as EBIT increased by depreciation and amortization and impairment losses of property, plant and equipment, intangible assets and right-of-use assets. Detailed information on definitions of financial ratios are presented in the Notes to part IV of this MD&A.

2.1. Financial results presented according to major segments of the Agora Group for the first three quarters of 2023 [1]

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

Tab. 10

<i>in PLN million</i>	Movies and Books	Radio	Digital and printed press	Outdoor	Internet	Reconciling positions (2)	Total (consoli- dated) 1-3Q 2023
Total sales (1)	392.5	195.6	157.5	135.9	110.1	(5.4)	986.2
<i>% share</i>	39.8%	19.8%	16.0%	13.8%	11.2%	(0.6%)	100.0%
Operating cost net (1)	(364.7)	(173.3)	(165.1)	(121.3)	(119.9)	(31.6)	(975.9)
Operating cost net excl. IFRS 16 (1)	(380.0)	(174.2)	(165.1)	(124.0)	(119.9)	(32.2)	(995.4)
EBIT	27.8	22.3	(7.6)	14.6	(9.8)	(37.0)	10.3
EBIT excl. IFRS 16	12.5	21.4	(7.6)	11.9	(9.8)	(37.6)	(9.2)
Finance income and cost							(18.7)
Gain on remeasurement of shares in subsidiary							47.9
Share of results of equity accounted investees		(2.5)		(0.1)	(1.5)		(4.1)
Income tax							(1.3)
Net profit for the period							34.1
Attributable to:							
Equity holders of the parent							25.3
Non-controlling interest							8.8
EBITDA	90.6	34.3	(1.3)	41.1	(0.9)	(24.1)	139.7
EBITDA excl. IFRS 16	37.0	28.8	(1.3)	23.0	(0.9)	(25.8)	60.8
CAPEX	(8.3)	(5.5)	(0.8)	(12.6)	(5.4)	(5.0)	(37.6)

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

(2) reconciling positions show data not included in particular segments, i.a.: other revenues and costs of Agora’s supporting divisions (centralized IT, administrative and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs, intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

2.2. Finance income and cost

Net financial result of the Group for the first three quarters of 2023 were commission and interest expenses related to loans and lease liabilities. This cost was partially offset by positive foreign exchange gains due to balance sheet valuation of lease liabilities recognized in accordance with IFRS 16, interest related to cash and cash equivalents and gains on put option revaluation.

3. BALANCE SHEET OF THE AGORA GROUP

Tab. 11

<i>in PLN million</i>	30/09/2023	30/06/2023	% change to 30/06/2023	31/12/2022	% change to 31/12/2022
Non-current assets	1,726.4	1,733.9	(0.4%)	1,496.3	15.4%
<i>share in balance sheet total</i>	82.8%	83.2%	(0.4pp)	83.4%	(0.6pp)
Current assets	358.6	350.1	2.4%	296.8	20.8%
<i>share in balance sheet total</i>	17.2%	16.8%	0.4pp	16.6%	0.6pp
TOTAL ASSETS	2,085.0	2,084.0	-	1,793.1	16.3%
Equity holders of the parent	699.3	713.5	(2.0%)	674.1	3.7%
<i>share in balance sheet total</i>	33.5%	34.2%	(0.7pp)	37.6%	(4.1pp)
Non-controlling interest	98.3	97.3	1.0%	(0.1)	-
<i>share in balance sheet total</i>	4.7%	4.7%	-	-	4.7pp
Non-current liabilities and provisions	736.4	736.8	(0.1%)	708.6	3.9%
<i>share in balance sheet total</i>	35.4%	35.4%	-	39.5%	(4.1pp)
Current liabilities and provisions	551.0	536.4	2.7%	410.5	34.2%
<i>share in balance sheet total</i>	26.4%	25.7%	0.7pp	22.9%	3.5pp
TOTAL LIABILITIES AND EQUITY	2,085.0	2,084.0	-	1,793.1	16.3%

3.1. Non-current assets

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

The decrease in non-current assets, versus 30 June 2023 resulted mainly from depreciation and amortisation of property, plant and equipment, intangible assets and right-of-use of assets, which were, to some extent, offset by new expenditure for the purchase of property, plant and equipment and intangible assets.

3.2. Current assets

The increase in current assets, versus 31 December 2022, stemmed mainly from the increase in cash and cash equivalents and trade receivables due to obtaining control over Eurozet Group and increase in current prepayments and inventories.

The increase in current assets, versus 30 June 2023, stemmed mainly from the increase in cash and cash equivalents, inventories and trade receivables, which was partially offset by decrease in assets held for sale due to sale of property in Tychy and decrease in current prepayments.

3.3. Non-current liabilities and provisions

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

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

3.4. Current liabilities and provisions

The increase in current liabilities and provisions, versus 31 December 2022, stemmed mainly from increase in bank loan liabilities, loan liabilities in connection with taking out a loan from SFS Ventures s.r.o. for the acquisition of shares in Eurozet Group and increase in provision for customer rebates and in dividend liabilities in connection with obtaining control over Eurozet Group.

The increase in the balance of short-term liabilities and provisions, versus 30 June 2023, was mainly due to increase in bank loan liabilities, accruals, lease liabilities, contract liabilities, deferred income and provisions for rebates. The above increase was, to some extent, offset by the decrease in loan liabilities due to partial loan repayment from SFS Ventures, decrease in dividend liabilities, trade liabilities, tax liabilities and put option liabilities.

4. CASH FLOW STATEMENT OF THE AGORA GROUP

Tab. 12

<i>in PLN million</i>	3Q 2023	3Q 2022	<i>% change yoy</i>	1-3Q 2023	1-3Q 2022	<i>% change yoy</i>
Net cash from operating activities	55.9	11.7	377.8%	145.4	14.9	875.8%
Net cash from investment activities	7.4	7.7	(3.9%)	(3.9)	(27.4)	85.8%
Net cash from financing activities	(42.1)	(23.6)	(78.4%)	(107.0)	(52.3)	(104.6%)
Total movement of cash and cash equivalents	21.2	(4.2)	-	34.5	(64.8)	-
Cash and cash equivalents at the end of period	103.5	70.1	47.6%	103.5	70.1	47.6%

As at 30 September 2023, the Group had PLN 104.5 million in cash and cash equivalents and short-term financial assets which include cash and cash equivalents in the amount of PLN 103.5 million (cash on hand and bank deposits) and granted loans in the amount of PLN 1.0 million.

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

As at the date of this MD&A report, considering the cash position, the cash pooling system functioning in the Group and available credit facility, the Group does not anticipate any liquidity problems in connection with the implementation of investment intentions.

4.1. Operating activities

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

4.2. Investment activities

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

4.3. Financing activities

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

5. SELECTED FINANCIAL RATIOS [5]

Tab.13

	3Q 2023	3Q 2022	% change yoy	1-3Q 2023	1-3Q 2022	% change yoy
Profitability ratios						
Net profit margin	(3.9%)	(8.8%)	4.9pp	2.6%	(9.1%)	11.7pp
Gross profit margin	32.4%	25.8%	6.6pp	32.1%	26.4%	5.7pp
Return on equity	(8.0%)	(13.0%)	5.0pp	4.9%	(12.9%)	17.8pp
Efficiency ratios						
Inventory turnover	12 days	13 days	(7.7%)	13 days	12 days	8.3%
Debtors days	41 days	40 days	2.5%	42 days	45 days	(6.7%)
Creditors days	27 days	25 days	8.0%	28 days	28 days	-
Liquidity ratio (1)						
Current ratio	0.8	0.9	(11.1%)	0.8	0.9	(11.1%)
Financing ratios (1)						
Gearing ratio	3.7%	6.9%	(3.2pp)	3.7%	6.9%	(3.2pp)
Interest cover	2.4	(1.9)	-	(0.9)	(7.0)	87.1%
Free cash flow interest cover	5.0	(7.7)	-	2.6	(14.1)	-

1) liquidity and financing ratios presented excluding the impact of debt resulting from implementation of IFRS 16 Leases.

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

IV. OPERATING REVIEW - MAJOR SEGMENTS OF THE AGORA GROUP

IV.A. MOVIES AND BOOKS [1]

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

Tab. 14

<i>in PLN million</i>	3Q 2023	3Q 2022	% change yoy	1-3Q 2023	1-3Q 2022	% change yoy
Total sales, including :	152.3	110.8	37.5%	392.5	320.3	22.5%
Tickets sales	71.6	47.9	49.5%	175.7	134.3	30.8%
Concession sales	39.9	27.3	46.2%	98.9	72.7	36.0%
Advertising revenue (1)	8.7	7.9	10.1%	23.8	18.9	25.9%
Gastronomic sales (2)	11.5	10.1	13.9%	31.3	28.0	11.8%
Revenues from film activities (1),(3),(4)	4.8	4.8	-	14.6	25.4	(42.5%)
Revenues from Publishing House	11.4	10.5	8.6%	36.0	33.1	8.8%
Total operating cost, including (5):	(134.1)	(98.5)	36.1%	(364.7)	(317.6)	14.8%
Total operating cost without IFRS 16 (5)	(139.3)	(103.6)	34.5%	(380.0)	(331.3)	14.7%
External services (4),(5)	(51.5)	(39.3)	31.0%	(133.5)	(117.5)	13.6%
Staff cost	(24.4)	(22.4)	8.9%	(67.7)	(67.6)	0.1%
Raw materials, energy and consumables	(25.4)	(21.0)	21.0%	(68.4)	(57.2)	19.6%
D&A (5)	(20.5)	(20.8)	(1.4%)	(62.1)	(62.0)	0.2%
Promotion and marketing (1)	(5.7)	(5.5)	3.6%	(14.6)	(16.9)	(13.6%)
Impairment losses (6)	(0.7)	-	-	(0.7)	1.1	-
Amortisation of PFR loan (7)	-	14.1	-	-	14.1	-
EBIT	18.2	12.3	48.0%	27.8	2.7	929.6%
<i>EBIT margin</i>	12.0%	11.1%	0.9pp	7.1%	0.8%	6.3pp
EBIT without IFRS 16	13.0	7.2	80.6%	12.5	(11.0)	-
<i>EBIT margin without IFRS 16</i>	8.5%	6.5%	2.0pp	3.2%	(3.4%)	6.6pp
EBITDA (8)	39.4	33.1	19.0%	90.6	63.6	42.5%
<i>EBITDA margin</i>	25.9%	29.9%	(4.0pp)	23.1%	19.9%	3.2pp
EBITDA without IFRS 16 (8)	21.7	16.2	34.0%	37.0	15.0	146.7%
<i>EBITDA margin without IFRS 16</i>	14.2%	14.6%	(0.4pp)	9.4%	4.7%	4.7pp

- (1) the amounts do not include revenues and total cost of cross-promotion of Agora's different media (only the direct variable cost of campaigns carried out on advertising panels) if such a promotion was executed without prior reservation;
- (2) the amounts include sales in restaurants operated by Step Inside Sp. z o.o.;
- (3) the amounts comprise mainly the revenues from co-production and distribution of films;
- (4) mutual transactions within the Helios group have been eliminated from film revenues and costs of external services: between Helios S.A. and NEXT FILM Sp. z o.o.;
- (5) data include allocated costs of some of the supporting departments; in previous years, these costs were not allocated to business segments to such a significant extent; comparative data have been restated accordingly;
- (6) the item of write-downs in the third quarter and in the period from January to September of 2023 includes the write down of fixed assets of Step Inside Sp.z o.o. and in the period from January to September of 2022 it includes the reversal of the write-down of Helios S.A.'s fixed assets of PLN 1.7 million made in 2021 and the write-down of Helios S.A.'s fixed assets of PLN 0.6 million;

- (7) *the stated amount relates to the cancellation of a portion of the preferential loan granted to Helios S.A. in 2022 under the Government Program - Financial Shield of the Polish Development Fund for Large Companies;*
- (8) *the EBITDA index is defined as EBIT increased by depreciation and impairment losses on tangible fixed assets, intangible assets and right-of-use assets.*

In the third quarter of 2023, the Movies and Books segment improved its operating results thanks to better results on cinema operations. The profit at the EBIT level increased by 48.0% to PLN 18.2 million, and the profit at the EBITDA level amounted to PLN 39.4 million. The EBIT operating result was negatively affected in the third quarter of 2023 by a write-down on fixed assets in the amount of PLN 0.7 million related to the activities of Step Inside Sp. z o.o. in connection with the closure of a restaurant in Kalisz. It is worth noting that the segment's operating results in the third quarter of 2022 were positively affected by the redemption of a portion of a loan from the Polish Development Fund (PFR) to Helios S.A. in the amount of PLN 14.1 million.

In the third quarter of 2023, the segment's EBIT profit amounted to PLN 13.0 million, and EBITDA profit – to PLN 21.7 million, without the effect of IFRS 16.

In the period from January to September 2023, the operating results of the Movies and Books segment were significantly better than those recorded in the same period of the previous year. The profit at the EBIT level amounted to PLN 27.8 million, and the profit at the EBITDA level increased to PLN 90.6 million.

The comparability of the segment's results with the same period of the previous year was affected by the restrictions related to the COVID-19 pandemic in force in 2022. The limits on cinema ticket sales and seats in restaurants of 30.0%, excluding vaccinated customers, were lifted on 1 March 2022. In addition, a noticeable negative impact on the performance of cinema operations and catering activities between January and September 2022 was exerted by the military invasion on Ukraine, which kept some Poles at home and motivated others to provide assistance to refugees from the attacked country. Moreover, in the period from January to September 2022, the EBIT result was positively affected by the redemption of a portion of a loan from the Polish Development Fund (PFR) to Helios S.A. in the amount of PLN 14.1 million and the reversal of the write-down on fixed assets relating to the operations of Helios S.A. in the amount of PLN 1.7 million, and a write-down on fixed assets in Helios S.A. in the amount of PLN 0.6 million had a negative effect thereon.

Between January and September 2023, the segment's EBIT profit amounted to PLN 12.5 million, and EBITDA profit – to PLN 37.0 million, without the effect of IFRS 16.

1. REVENUE

In the third quarter of 2023, the revenue of the Movies and Books segment increased by 37.5% year-on-year and amounted to PLN 152.3 million.

Almost all revenue categories recorded an increase. Revenue from cinema operations was higher due to the increase in the prices of tickets and products in cinema bars. In the third quarter of 2023, 3.4 million tickets were sold in Helios cinemas. The revenue from this sale increased by 49.5% to PLN 71.6 million, while the revenue from concession sales increased by 46.2% to PLN 39.9 million. In the third quarter of 2023, online ticket sales accounted for 48.2% of the total revenue from ticket sales in cinemas. The revenue from the sale of advertisements in cinemas amounted to PLN 8.7 million, showing an increase by 10.1% year-on-year.

In the third quarter of 2023, the segment's revenue from catering activities was up by 13.9%, which accounted for PLN 11.5 million. This was related to increased revenue from the operations of Step Inside recorded especially thanks to expanding the offer and the accompanying promotional activities.

The revenue of the Movies and Books segment from film activities, which amounted to PLN 4.8 million in the third quarter of 2023, did not change. NEXT FILM released two new film productions in the third quarter of 2023: *Teściowie 2* directed by Kalina Alabrudzińska, a sequel of the comedy hit *Teściowie*, that is highly popular among the audiences and a thriller *Doppelgänger. Sobowtór* directed by Jan Holoubek that was awarded at the Polish Film

Festival in Gdynia. Moreover, in the third quarter of 2023, features which had been released earlier were also sold via various distribution channels.

In the third quarter of 2023, the revenue of Agora's Publishing House increased by 8.6% to PLN 11.4 million. This increase was due to higher sales. The following books were among the best-selling publications of Agora's Publishing House: *Przędza. W poszukiwaniu wewnętrznej wolności* and *Czuła przewodniczka. Kobięca droga do siebie* by Natalia de Barbaro as well as *Jezus umarł w Polsce* by Mikołaj Grynberg. In the third quarter of 2023, the revenue from digital sales (sales of own publications and publications of other publishers) of Agora's Publishing House was 9.8% higher year-on-year and amounted to PLN 5.6 million.

Between January and September 2023, the revenue of the Movies and Books segment increased by 22.5% year-on-year and amounted to PLN 392.5 million.

Revenue from cinema operations was higher due to, among others, an increase in ticket sales in Helios cinemas – in the period from January to September 2023, 8.3 million tickets were sold. The revenue from this sale increased by 30.8% to PLN 175.7 million, while the revenue from concession sales increased by 36.0% to PLN 98.9 million. In the period from January to September 2023, online ticket sales accounted for 46.3% of the total revenue from ticket sales in cinemas. The revenue from sales of advertising in cinemas, which amounted to PLN 23.8 million, was higher by 25.9% year-on-year.

Between January and September 2023, the segment's revenue from catering activities was up by 11.8%, which accounted for PLN 31.3 million. This was related to increased revenue from the operations of Step Inside recorded especially thanks to expanding the offer and the accompanying promotional activities.

The revenue from the film business recorded by the Movies and Books segment was lower and amounted to PLN 14.6 million. In the period from January to September 2023, NEXT FILM released six new features: a comedy *Na twoim miejscu* directed by Antonio Galdámez, *Fenomen* directed by Małgorzata Kowalczyk – a documentary about Jurek Owsiak, founder of the Great Orchestra of Christmas Charity, a film adaptation of the best-selling novel *Pokolenie Ikea* directed by Dawid Gal, a romantic comedy *Skotowani* directed by Jan Macierewicz, a comedy *Teściowie 2* directed by Kalina Alabrudzińska, and a thriller *Doppelgänger. Sobowtór* directed by Jan Holoubek that was awarded at the Polish Film Festival in Gdynia. Moreover, features which had been released earlier were also sold via various distribution channels in the period under review.

Between January and September 2023, the revenue of Agora's Publishing House increased by 8.8% to PLN 36.0 million. This increase resulted from higher sales, and the publications of Agora's Publishing House that were among the best-selling ones include the books *Przędza. W poszukiwaniu wewnętrznej wolności* and *Czuła przewodniczka. Kobięca droga do siebie* by Natalia de Barbaro, *Maxima Culpa. Jan Paweł II wiedział* by Ekke Overbeek and Jarosław Kurski's *Dziady i dybuki*. In the period from January to September 2023, the revenue from digital sales (sales of own publications and publications of other publishers) of Agora's Publishing House was 12.1% higher year-on-year and amounted to PLN 15.8 million.

2. COST

The operating costs of the Movies and Books segment increased in the third quarter of 2023 by 36.1% to PLN 134.1 million. The level of operating costs in this business in the third quarter of 2022 was significantly affected by the redemption of a portion of the loan in the amount of PLN 14.1 million granted by the Polish Development Fund (PFR) to Helios S.A.

The largest category was expenditure on external services, which accounted for PLN 51.5 million in the third quarter of 2023 and was 31.0% higher year-on-year. The increase in this cost category was mainly related to cinema activities – the costs of purchasing film copies were higher.

The segment's staff costs increased by 8.9% to PLN 24.4 million. The increase in this cost category was mainly related to cinema activities.

An increase in the costs of materials and energy consumed as well as the value of goods and materials sold by 21.0% to PLN 25.4 million resulted from higher revenue from concession sales.

Promotion and marketing costs of the Movies and Books segment increased by 3.6% to PLN 5.7 million. Advertising costs in the film business were higher, while advertising costs in the cinema operations and Agora's Publishing House were lower.

The depreciation and amortisation costs of the segment, which amounted to PLN 20.5 million, decreased slightly. Depreciation and amortisation costs were lower in the cinema operations and higher in film business and catering activities.

In addition, the level of costs was affected in the third quarter of 2023 by a write-down on fixed assets in the amount of PLN 0.7 million related to the activities of Step Inside Sp. z o.o. in connection with the closure of a restaurant in Kalisz.

The operating costs of the Movies and Books segment increased in the third quarter of 2023 by 34.5% to PLN 139.3 million, without the effect of IFRS 16.

Between January and September 2023, the operating costs of the Movies and Books segment increased by 14.8% and amounted to PLN 364.7 million. It is worth noting that the level of operating costs of this business in the period from January to September 2022 was affected by the redemption of a portion of a loan from the Polish Development Fund (PFR) to Helios S.A. in the amount of PLN 14.1 million and by a write-down on fixed assets in Helios S.A. in the amount of PLN 0.6 million and a reversal of a write-down on fixed assets of Helios S.A. in the amount of PLN 1.7 million.

As compared to the period from January to September 2022, the costs of external services increased by 13.6% and amounted to PLN 133.5 million, which was mainly related to cinema operations, i.e. higher costs of purchasing film copies. The costs of external services in Agora's Publishing House were also higher, while in the film business and catering activities they were lower.

The segment's staff costs slightly increased amounting to PLN 67.7 million. The staff costs in Agora's Publishing House and in catering activities were higher, while they were lower in the film business.

An increase in the costs of materials and energy consumed as well as the value of goods and materials sold by 19.6% to PLN 68.4 million resulted primarily from higher revenue from concession sales in cinemas.

Promotion and marketing costs of the Movies and Books segment decreased by 13.6% to PLN 14.6 million. Advertising costs in the film business, cinema operations and Agora's Publishing House were lower, while advertising costs in catering activities were higher.

The depreciation and amortisation costs of the segment, which amounted to PLN 62.1 million, increased slightly. Depreciation and amortisation was higher in catering activities as a result of a larger number of restaurants developed under the Pasibus brand.

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

The operating costs of the Movies and Books segment increased in the period from January to September 2023 by 14.7% to PLN 380.0 million, without the effect of IFRS 16.

3. NEW INITIATIVES

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

IV.B. RADIO

The Radio segment includes consolidated pro-forma data of the radio division in Agora S.A., i.e., the nationwide station Radio ZET, 3 supra-regional stations broadcasting under the brands Antyradio, Chillizet and TOK FM, and 67 local stations broadcasting under the brands Złote Przeboje, Plus Radio, Meloradio, Rock Radio and Radio Pogoda. Eurozet Group's results are consolidated as of March 1, 2023.

Tab. 15

<i>in PLN million</i>	3Q 2023	3Q 2022	<i>% change yoy</i>	1-3Q 2023	1-3Q 2022	<i>% change yoy</i>
Total sales, including :	75.5	25.6	194.9%	195.6	75.9	157.7%
Radio advertising revenue (1), (2)	66.8	20.3	229.1%	173.6	61.0	184.6%
Total operating cost, including: (2), (3)	(68.7)	(25.6)	168.4%	(173.3)	(76.9)	125.4%
Total operating cost without IFRS 16 (2), (3)	(69.0)	(25.8)	167.4%	(174.2)	(77.5)	124.8%
External services	(26.9)	(9.8)	174.5%	(69.9)	(29.4)	137.8%
Staff cost	(21.8)	(9.3)	134.4%	(59.5)	(28.9)	105.9%
D&A	(4.5)	(2.1)	114.3%	(12.0)	(6.5)	84.6%
Promotion and marketing (2)	(10.5)	(2.7)	288.9%	(22.5)	(7.5)	200.0%
EBIT	6.8	0,0	-	22.3	(1.0)	-
<i>EBIT margin</i>	<i>9.0%</i>	<i>0,0%</i>	<i>9.0p.p.</i>	<i>11.4%</i>	<i>(1.3%)</i>	<i>12.7p.p.</i>
EBIT without IFRS 16	6.5	(0.2)	-	21.4	(1.6)	-
<i>EBIT margin without IFRS 16</i>	<i>8.6%</i>	<i>(0.8%)</i>	<i>9.4p.p.</i>	<i>10.9%</i>	<i>(2.1%)</i>	<i>13.0p.p.</i>
EBITDA	11.3	2.1	438.1%	34.3	5.5	523.6%
<i>EBITDA margin</i>	<i>15.0%</i>	<i>8.2%</i>	<i>6.8p.p.</i>	<i>17.5%</i>	<i>7.2%</i>	<i>10.3p.p.</i>
EBITDA without IFRS 16	9.3	1.3	615.4%	28.8	2.8	928.6%
<i>EBITDA margin without IFRS 16</i>	<i>12.3%</i>	<i>5.1%</i>	<i>7.2p.p.</i>	<i>14.7%</i>	<i>3.7%</i>	<i>11.0p.p.</i>

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

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

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

In the third quarter of 2023, the operating results of the Radio segment, both at the EBIT and EBITDA levels, were higher year-on-year and amounted to PLN 6.8 million and PLN 11.3 million, respectively. These results were driven by the consolidation with the Eurozet Group.

Between January and September 2023, the operating results of the Radio segment, both at the EBIT and EBITDA levels, were higher year-on-year and amounted to PLN 22.3 million and PLN 34.3 million, respectively. These results were driven by the consolidation with the Eurozet Group.

In the third quarter of 2023, the segment's operating result at the EBIT level (without the effect of IFRS 16) was PLN 6.5 million and the result at the EBITDA level amounted to PLN 9.3 million in accordance with this presentation.

In the first three quarters of 2023, the segment's operating result at the EBIT level (without the effect of IFRS 16) was PLN 21.4 million and the result at the EBITDA level amounted to PLN 28.8 million in accordance with this presentation.

1. REVENUE [3]

In the third quarter of 2023, the revenue of the Radio segment increased by 194.9% year-on-year and amounted to PLN 75.5 million. In this period, radio advertising sales increased by 229.1% to PLN 66.8 million. This deviation was driven by the consolidation with the Eurozet Group and the introduction of a joint sales offer.

In the third quarter of 2023, the segment's digital revenue was 195.0% higher year-on-year. Such results were driven by the consolidation with the Eurozet Group. Both the revenue from online advertising services and the revenue from the sale of Premium TOK FM subscriptions increased. The number of Premium TOK FM subscriptions sold increased to 35.3 thousand at the end of the third quarter of 2023.

In the period from January to September 2023, the revenue of the Radio segment increased by 157.7% year-on-year and amounted to PLN 195.6 million. The revenue from the sale of radio advertising increased by 184.6% to PLN 173.6 million. This deviation was driven by the consolidation with the Eurozet Group and the introduction of a joint sales offer.

Between January and September 2023, the segment's digital revenue was 167.9% higher year-on-year. Such results were driven by the consolidation with the Eurozet Group. Both the revenue from online advertising services and the revenue from the sale of Premium TOK FM subscriptions increased.

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

2. COST

In the third quarter of 2023, the operating costs of the Radio segment increased by 168.4% year-on-year and amounted to PLN 68.7 million. The level of each of the presented cost categories was affected by the consolidation with the Eurozet Group. In the third quarter, the costs of external services increased by 174.5% and amounted to PLN 26.9 million. The external services item includes, in addition to the costs of advertising sales brokerage services in third-party radio stations and advertising sales brokerage services in Helios cinemas (service provided until the end of 2022), e.g. costs of rents and lease fees, marketing services, production services, as well as operator fees. Staff costs amounted to PLN 21.8 million and were 134.4% higher year-on-year. The costs of depreciation and amortisation were up by 114.3% and amounted to PLN 4.5 million. In the period from July to September 2023, promotion and marketing costs increased by 288.9% to the amount of PLN 10.5 million.

The Radio segment's operating costs presented without the effect of IFRS 16 amounted to PLN 69.0 million in the third quarter and were 167.4% higher year-on-year.

In the first three quarters of 2023, the operating costs of the Radio segment increased by 125.4% year-on-year and amounted to PLN 173.3 million. The level of each of the presented cost categories was affected by the consolidation with the Eurozet Group. The costs of external services increased by 137.8% and amounted to PLN 69.9 million. The external services item includes, in addition to the costs of advertising sales brokerage services in third-party radio stations and advertising sales brokerage services in Helios cinemas (service provided until the end of 2022), e.g. costs of rents and lease fees, marketing services, production services, as well as operator fees. In the period from January to September, staff costs amounted to PLN 59.5 million and were 105.9% higher year-on-year. Depreciation and amortisation costs increased by 84.6% to PLN 12.0 million. In the period from January to September 2023, promotion and marketing costs increased by 200.0% to PLN 22.5 million.

In the first three quarters of 2023, operating costs of the Radio segment presented without the effect of IFRS 16 amounted to PLN 174.2 million and were higher by 124.8% year-on-year.

3. AUDIENCE SHARES [8]

Tab. 16

Share % in listening time in group all 15+	3Q 2023	change in pp yoy	1-3Q 2023	change in pp yoy
Eurozet Group [71]	26.8%	2.0 p.p.	26.3%	1.1 p.p.
Radio ZET	14.1%	1.6 p.p.	13.7%	0.6 p.p.
Music stations [69*]	9.8%	0.9 p.p.	9.5%	0.6 p.p.
Radio TOK FM	2.9%	(0.6 p.p.)	3.0%	(0.2 p.p.)

Share of % in listening time among residents of cities of 100,000+	3Q 2023	change in pp yoy	1-3Q 2023	change in pp yoy
Eurozet Group [71]	35.1%	0.9 p.p.	34.1%	0.2 p.p.
Radio ZET	11.2%	1.2 p.p.	10.1%	0.1 p.p.
Music stations [69*]	16.9%	1.1 p.p.	16.6%	0.7 p.p.
Radio TOK FM	7.0%	(1.4 p.p.)	7.4%	(0.5 p.p.)

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

Eurozet Group is the leader in urban centers. In the group of cities with over 100 thousand of inhabitants, the Eurozet Group is 4.2 p.p. ahead of the RMF Group, and in cities with a over 200 thousand the difference is 10.6 p.p., while in cities with a population of 500 thousand the advantage reaches 16.0 p.p. The advantage in large cities is due to the position of the TOK FM station. Note the narrowing gap between Eurozet Group and RMF Group in the audience share in the broad market y/y. In third quarter of 2022, the gap was 12.8 p.p. in favour of the RMF Group, while in third quarter this year it narrowed to 8.3 p.p.

A major value of the new Eurozet Group is the diversity of radio and program formats, allowing potential advertisers to run advertising campaigns tailored to their needs.

Eurozet Group is also one of the largest radio advertising brokers in Poland.

4. NEW INITIATIVES

In the third quarter of 2023, a new long-term strategy for the Radio ZET brand – *Tu się dzieje!* [It all happens here!], was implemented in the Radio segment. It covers content-related activities (the station's autumn schedule, changes in the newsroom) and was accompanied by a nationwide promotion campaign which included television, outdoor, the Internet and social media.

A new integrated marketing division of the Radio segment, i.e. of the Eurozet and the Agora Radio Group combined, was established in September.

IV.C. DIGITAL AND PRINTED PRESS [1]

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

Tab. 17

<i>in PLN million</i>	3Q 2023	3Q 2022	% change yoy	1-3Q 2023	1-3Q 2022	% change yoy
Total sales, including:	56.4	55.0	2.5%	157.5	155.6	1.2%
Copy sales	26.3	26.0	1.2%	78.0	77.8	0.3%
Advertising revenue (1)	15.3	16.1	(5.0%)	41.4	44.8	(7.6%)
Total operating cost, including (2):	(55.9)	(62.8)	(11.0%)	(165.1)	(174.7)	(5.5%)
Total operating cost without IFRS 16 (2):	(55.9)	(62.8)	(11.0%)	(165.1)	(174.7)	(5.5%)
Raw materials, energy, consumables	(10.4)	(11.3)	(8.0%)	(34.3)	(32.2)	6.5%
External services (2)	(18.4)	(18.8)	(2.1%)	(44.9)	(45.2)	(0.7%)
Staff cost	(21.6)	(25.1)	(13.9%)	(68.6)	(75.6)	(9.3%)
D&A (2)	(1.9)	(2.9)	(34.5%)	(6.3)	(8.3)	(24.1%)
Promotion and marketing (1)	(1.9)	(3.3)	(42.4%)	(7.1)	(9.7)	(26.8%)
EBIT	0.5	(7.8)	-	(7.6)	(19.1)	60.2%
<i>EBIT margin</i>	0.9%	(14.2%)	15.1pp	(4.8%)	(12.3%)	7.5pp
EBIT without IFRS16	0.5	(7.8)	-	(7.6)	(19.1)	60.2%
<i>EBIT margin without IFRS16</i>	0.9%	(14.2%)	15.1pp	(4.8%)	(12.3%)	7.5pp
EBITDA	2.4	(4.9)	-	(1.3)	(10.8)	88.0%
<i>EBITDA margin</i>	4.3%	(8.9%)	13.2pp	(0.8%)	(6.9%)	6.1pp
EBITDA without IFRS16	2.4	(4.9)	-	(1.3)	(10.8)	88.0%
<i>EBITDA margin without IFRS16</i>	4.3%	(8.9%)	13.2pp	(0.8%)	(6.9%)	6.1pp

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

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

In the third quarter of 2023, operating results of the Digital and Printed Press segment, both at the EBIT and EBITDA levels were higher year-on-year. The profit at the EBIT level amounted to PLN 0.5 million and at the EBITDA level – to PLN 2.4 million. This was mainly due to a decrease in operating costs.

Between January and September 2023, the segment's result was higher year-on-year, both at the EBIT and EBITDA levels. The loss for the first nine months of 2023 amounted to PLN 7.6 million and PLN 1.3 million, respectively. This was also due to the decrease in operating costs during this period.

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

1. REVENUE

In the third quarter of 2023, the Digital and Printed Press segment's total revenue increased by 2.5% year-on-year and stood at PLN 56.4 million. The increase in the segment's revenue was chiefly determined by higher other revenues (organisation of music festivals), revenue from printing services and from the sale of digital subscriptions.

Between January and September 2023, segment's revenue amounted to PLN 157.5 million and was 1.2% higher year-on-year. The increase in the revenue resulted from higher revenue from printing and other operations (music festivals). Throughout the period of 2023 under review, revenue was adversely affected mainly by the drop in advertising revenue, both in paper and online versions of the daily.

1.1. Revenue from copy sales

In the third quarter of 2023, the revenue of the Digital and Printed Press segment from copy sales increased by 1.2% year-on-year and amounted to PLN 26.3 million. This is mainly due to growing revenue from the sale of Wyborcza.pl subscriptions, with falling revenue from the sale of the paper edition of *Gazeta Wyborcza*.

In the period from January to September 2023, the segment's revenue from copy sales was at a similar level year-on-year and amounted to PLN 78.0 million. This was mainly driven by declining revenue from the sale of the paper edition of the daily and higher revenue from the sale of digital access to the content of Wyborcza.pl.

In the third quarter of 2023 *Gazeta Wyborcza* maintained its leading position in terms of sales among opinion-forming dailies. The average sales of *Gazeta Wyborcza's* paper editions amounted to 37.6 thousand copies and decreased by 5.9% compared to the third quarter of 2022. Between January and September 2023, the average sales of *Gazeta Wyborcza's* print editions amounted to 39.8 thousand copies and decreased by 18.4% compared to the same period of 2022. In the third quarter of 2023, revenue from the sale of *Wyborcza's* content increased by 0.5% mainly due to revenue from its online version. On the other hand, cumulatively in the first three quarters of 2023, these revenues decreased by 0.1%, mainly due to lower sales of the paper version of the daily.

1.2. Advertising sales

In the third quarter of 2023, the revenue from advertising sales in the Digital and Printed Press segment decreased by 5.0% year-on-year to PLN 15.3 million. This was primarily due to a drop in advertising revenue, both in paper and online versions of the daily.

In the first three quarters of 2023, the revenue from advertising sales declined by 7.6% year-on-year and amounted to PLN 41.4 million. As above, this was due to lower revenue from advertising sales in both business categories.

1.3. Digital revenue

The daily's digital revenue (from the sale of digital subscriptions and digital advertising) has already reached nearly PLN 18.1 million in the third quarter of 2023. This accounted for 41.2% of the total revenue, which represents an increase of 1.4 p.p. year-on-year. This was primarily a result of higher revenue from subscriptions of the content of Wyborcza.pl. It is worth noting that the number of active paid digital subscriptions of *Gazeta Wyborcza* reached over 292 thousand at the end of September 2023, which means maintaining a similar level year-on-year.

Between January and September 2023, this revenue has already reached nearly PLN 51.5 million, which accounted for 43.6% of the total revenue, which represents an increase of 1.6 p.p. year-on-year. This was also a result of higher revenue from subscriptions of Wyborcza.pl.

2. COST

In the third quarter of 2023, the operating costs of the Digital and Printed Press segment decreased by 11.0% year-on-year and amounted to PLN 55.9 million.

The costs of materials and energy consumed and the value of goods and materials sold decreased by 8.0% year-on-year to PLN 10.4 million. This was mainly due to reduced cost of paper.

In the third quarter of 2023, the costs of external services dropped by 2.1% year-on-year to PLN 18.4 million. This decrease is primarily due to the reduction of office space lease and IT costs resulting from restructuring changes in

the segment. Additionally, services related to the organisation of music festivals contributed to the increase in this cost item.

In this period, the highest year-on-year decline was recorded in staff costs as they dropped by 13.9% to PLN 21.6 million. The costs of fixed remuneration accounted for the largest decrease due to the restructuring carried out in 2022.

The segment's depreciation and amortisation costs decreased by 34.5% year-on-year in the third quarter of 2023, to PLN 1.9 million. This resulted mainly from the end of the depreciation/amortisation period of *Gazeta Wyborcza's* development projects launched in previous periods.

Promotion and marketing costs were lower by 42.4% year-on-year and amounted to PLN 1.9 million. This is the result of the postponement of promotional activities of *Gazeta Wyborcza*.

Between January and September 2023, the operating costs of the Digital and Printed Press segment decreased by 5.5% year-on-year and stood at PLN 165.1 million.

In that period, the costs of materials and energy consumed and the value of goods and materials sold increased by 6.5% year-on-year to PLN 34.3 million. This increase was mainly linked to a higher price of electricity.

The costs of external services decreased by 0.7% as compared to the period between January and September 2022 to PLN 44.9 million. A decrease was recorded in office space lease and IT costs.

Staff costs also accounted for the largest decline in this period. They decreased by 9.3% to PLN 68.6 million, of which the highest decrease was recorded in fixed remuneration due to the restructuring carried out in 2022.

Between January and September 2023, the costs of depreciation and amortisation amounted to PLN 6.3 million and were 24.1% lower year-on-year.

In the period under review, promotion and marketing costs declined by 26.8% year-on-year and stood at PLN 7.1 million. This is the result of the postponement of promotional activities of *Gazeta Wyborcza*.

3. NEW INITIATIVES

In the third quarter of 2023 Agencja Wyborcza organised 2 music festivals: Olsztyn Green Festival and RE: Rzeszów Festival. The Olsztyn Festival took place on 11-13 August this year, during which it hosted 26 concerts, including the one performed by its main act - Dawid Podsiadło. RE: Rzeszów Festival took place on 28-29 July this year. Both events were attended by over 40 thousand participants.

IV.D. OUTDOOR

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

Tab. 18

<i>in PLN million</i>	3Q 2023	3Q 2022	% change yoy	1-3Q 2023	1-3Q 2022	% change yoy
Total sales, including:	46.7	38.8	20.4%	135.9	115.8	17.4%
Advertising revenue (1)	43.0	36.7	17.2%	127.8	110.0	16.2%
Total operating cost, including (1),(2):	(42.8)	(36.5)	17.3%	(121.3)	(112.7)	7.6%
Total operating cost without IFRS 16 (1),(2)	(43.9)	(37.2)	18.0%	(124.0)	(114.5)	8.3%
External services (1),(2)	(19.3)	(17.1)	12.9%	(57.2)	(51.9)	10.2%
Staff cost	(10.8)	(7.6)	42.1%	(28.0)	(22.2)	26.1%
Raw materials, energy and consumables (1)	(2.5)	(2.2)	13.6%	(7.5)	(6.7)	11.9%
D&A (2)	(9.5)	(9.8)	(3.1%)	(26.7)	(29.2)	(8.6%)
Promotion and marketing	(1.0)	(1.0)	-	(2.8)	(2.8)	-
Impairment losses (3)	0.2	0.1	100.0%	0.2	0.1	100.0%
EBIT (1) (2)	3.9	2.3	69.6%	14.6	3.1	371.0%
<i>EBIT margin</i>	8.4%	5.9%	2.5pp	10.7%	2.7%	8.0pp
EBIT without IFRS 16 (1),(2)	2.8	1.6	75.0%	11.9	1.3	815.4%
<i>EBIT margin without IFRS 16</i>	6.0%	4.1%	1.9pp	8.8%	1.1%	7.7pp
EBITDA (1),(2),(3)	13.2	12.0	10.0%	41.1	32.2	27.6%
<i>EBITDA margin</i>	28.3%	30.9%	(2.6pp)	30.2%	27.8%	2.4pp
EBITDA without IFRS 16 (1),(2),(3)	6.4	7.1	(9.9%)	23.0	18.1	27.1%
<i>EBITDA margin without IFRS 16</i>	13.7%	18.3%	(4.6pp)	16.9%	15.6%	1.3pp
Number of advertising spaces (4)	22 591	23 603	(4.3%)	22 591	23 603	(4.3%)

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

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

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

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

In the third quarter of 2023, the EBIT result increased by 69.6% year-on-year and amounted to PLN 3.9 million. The segment also improved its EBITDA result, which reached PLN 13.2 million.

In the period from January to September 2023, the segment's EBITDA increased by 27.6% and amounted to PLN 41.1 million. The segment's EBIT result was also significantly higher than in 2022 and amounted to PLN 14.6 million.

In the third quarter of 2023, the segment's operating result at the EBIT level (without the effect of IFRS 16) was PLN 2.8 million and the result at the EBITDA level amounted to PLN 6.4 million in accordance with this presentation.

In the first nine months of 2023, the segment's operating result at the EBIT level (without the effect of IFRS 16) was PLN 11.9 million and the result at the EBITDA level amounted to PLN 23.0 million in accordance with this presentation.

1. REVENUE [7]

In the third quarter of 2023, the revenue from the AMS group's advertising sales increased by 17.2% year-on-year to PLN 43.0 million. This positive dynamics was mainly impacted by expenditure on campaigns carried out on digital, billboard 18m², backlight and city transport advertising panels. As reported by IGRZ (the Outdoor Advertising Chamber), the value of expenditure on outdoor advertising in Poland increased by more than 25.0% as compared to the third quarter of 2022. The estimated share of the AMS group in the expenditure on outdoor advertising during that period was more than 25% [7].

Between January and September 2023, the revenue from the AMS group's advertising sales increased by 16.2% year-on-year to PLN 127.8 million. The positive dynamics of this revenue was mainly impacted by expenditure on campaigns carried out on citylight, digital, billboard 18m² and backlight advertising panels. At that time, outdoor advertising spending in Poland, as estimated by IGRZ, increased by almost 13.0% year-on-year. In the first three quarters of 2023, the estimated share of the AMS group in the outdoor advertising spending amounted to almost 28.5% [7].

2. COST

In the third quarter of 2023, the operating costs of the segment increased by 17.3% year-on-year and amounted to PLN 42.8 million.

The increase in the costs of external services in the third quarter of 2023 by 12.9% to PLN 19.3 million was mainly due to higher costs of system maintenance and campaigns. The increase in the costs of maintaining the system was mainly due to the development of the system of digital indoor advertising panels, as well as the increase in the costs of repairs and ongoing maintenance of advertising panels. The costs of printing and replacing posters increased in the campaign costs due to an increase in the number of advertising campaigns.

Staff costs increased by 42.1% to PLN 10.8 million in the third quarter of 2023. This resulted from an increase in the variable component of remuneration due to the achievement of higher sales targets.

In the third quarter of 2023, the costs of materials and energy consumed increased by 13.6% to PLN 2.5 million, which resulted from higher costs of lighting of advertising panels than in 2022.

Depreciation and amortisation costs in the third quarter of 2023 were lower by 3.1% year-on-year, which was due to the total depreciation/amortisation of some assets at the end of 2022 and completing the amortisation of the concession for bus/tram shelters in Warsaw.

The segment's operating costs presented without the effect of IFRS 16 were higher year-on-year and stood at PLN 43.9 million in the period from July to September 2023.

Between January and September 2023, the operating costs of the segment increased by 7.6% to PLN 121.3 million.

The increase in the costs of external services in the first three quarters of 2023 by 10.2% to PLN 57.2 million was due to higher costs of system maintenance and campaigns. The increase in the costs of maintaining the system was mainly due to the development of the system of digital indoor panels, as well as the increase in the costs of repairs and ongoing maintenance of advertising panels. In turn, higher campaign costs, which result from higher sales on traditional panels, increased due to higher printing costs related to higher revenue from poster and vinyl printing and poster replacement costs.

Staff costs increased by 26.1% to PLN 28.0 million in the period from January to September 2023. This resulted from an increase in the variable component of remuneration due to the achievement of higher sales targets and higher fixed remuneration.

The costs of materials and energy consumed also increased, and in the first three quarters of 2023, they were higher by 11.9% year-on-year. The increase was due to higher costs of electricity used to illuminate advertising panels.

Depreciation and amortisation costs between January and September 2023 were lower by 8.6% year-on-year, reaching PLN 26.7 million. The decrease is primarily due to the total depreciation/amortisation of some assets at the end of 2022.

The segment's operating costs presented without the effect of IFRS 16 were higher year-on-year and stood at PLN 124.0 million in the period from January to September 2023.

3. NEW INITIATIVES

In the third quarter of 2023, AMS carried out an investment project in Manufaktura in Lodz, where the company made available the Digital Indoor system which is able to display a total of 4.7 million of content per month, settled in the CPM DOOH model.

In pursuit of its urban furniture strategy, the company extended the option to utilise over 200 bus shelters in Wroclaw until July 2025.

As part of the implementation of the environmental strategy, AMS continued pro-environmental investments - mainly in Warsaw and on the new tramway line in Cracow. Currently, the company's offer already includes more than 150 EKO shelters.

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

The Internet segment includes pro-forma consolidated data of Agora S.A.'s Internet division. (Gazeta.pl), Plan D Sp. z o.o., Yieldbird Sp. z o.o. and the HRLink group.

Tab. 19

<i>in PLN million</i>	3Q 2023	3Q 2022	<i>% change yoy</i>	1-3Q 2023	1-3Q 2022	<i>% change yoy</i>
Total sales, including	34.9	40.7	(14.3%)	110.1	127.5	(13.6%)
Display ad sales (1)	30.6	36.8	(16.8%)	97.4	115.0	(15.3%)
Total operating cost, including (1),(2)	(39.1)	(39.9)	(2.0%)	(119.9)	(124.6)	(3.8%)
Total operating cost without IFRS 16 (1),(2)	(39.1)	(39.9)	(2.0%)	(119.9)	(124.6)	(3.8%)
External services	(17.5)	(20.0)	(12.5%)	(55.5)	(65.7)	(15.5%)
Staff cost	(14.6)	(13.7)	6.6%	(43.6)	(40.2)	8.5%
D&A	(2.9)	(3.0)	(3.3%)	(8.9)	(9.0)	(1.1%)
Promotion and marketing (1)	(3.9)	(2.7)	44.4%	(10.5)	(8.6)	22.1%
EBIT	(4.2)	0.8	-	(9.8)	2.9	-
<i>EBIT margin</i>	<i>(12.0%)</i>	<i>2.0%</i>	<i>(14.0pp)</i>	<i>(8.9%)</i>	<i>2.3%</i>	<i>(11.2pp)</i>
EBIT without IFRS 16	(4.2)	0.8	-	(9.8)	2.9	-
<i>EBIT margin without IFRS 16</i>	<i>(12.0%)</i>	<i>2.0%</i>	<i>(14.0pp)</i>	<i>(8.9%)</i>	<i>2.3%</i>	<i>(11.2pp)</i>
EBITDA	(1.3)	3.8	-	(0.9)	11.9	-
<i>EBITDA margin</i>	<i>(3.7%)</i>	<i>9.3%</i>	<i>(13.0pp)</i>	<i>(0.8%)</i>	<i>9.3%</i>	<i>(10.1pp)</i>
EBITDA without IFRS 16	(1.3)	3.8	-	(0.9)	11.9	-
<i>EBITDA margin without IFRS 16</i>	<i>(3.7%)</i>	<i>9.3%</i>	<i>(13.0pp)</i>	<i>(0.8%)</i>	<i>9.3%</i>	<i>(10.1pp)</i>

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

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

The Internet segment ended the third quarter of 2023 with a lower result year-on-year, both at the EBIT and EBITDA levels. These ratios amounted to, respectively, a loss of PLN 4.2 million and a loss of PLN 1.3 million [1]. This was primarily driven by lower segment revenue from the sale of online advertising than in the previous year.

Between January and September 2023, the Internet segment achieved lower EBIT and EBITDA levels year-on-year. These ratios amounted to, respectively, a loss of PLN 9.8 million and a loss of PLN 0.9 million [1]. The main reason for this state of affairs was the segment's lower revenue from the sale of online advertising year-on-year.

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

1. REVENUE

In the third quarter of 2023, the total revenue of the Internet segment were lower by 14.3% and amounted to PLN 34.9 million. Revenue from the sale of online advertising decreased by 16.8% year-on-year and accounted for PLN 30.6 million. The decline in advertising revenue was primarily driven by lower online advertising sales by Yieldbird, mainly due to changes resulting from the development of cooperation in the SaaS model and limiting the sales of advertising services. Advertising revenue generated by the Gazeta.pl division was at a lower level year-on-year, mainly as a result of lower programmatic revenue. Revenue from other online services was higher year-on-year due to higher revenue at Yieldbird delivered under the SaaS model.

Between January and September 2023, the total revenue of the Internet segment decreased by 13.6% to PLN 110.1 million due to the decline in the value of the programmatic advertising market. Revenue from other online services was higher year-on-year.

2. COST

In the third quarter of 2023, the Internet segment's operating costs decreased by 2.0% year-on-year to PLN 39.1 million. This was primarily driven by a 12.5% decrease in the costs of external services to PLN 17.5 million. These costs were lower at Yieldbird, mainly reflecting a decrease in the cost of leasing advertising space due to lower revenue from the sale of advertising services. The increase in the costs of external services was observed in Gazeta.pl. In the third quarter of 2023, amortisation and depreciation costs also decreased year-on-year. They dropped by 3.3% to PLN 2.9 million and their decrease was recorded in Gazeta.pl. Staff costs were 6.6% higher and amounted to PLN 14.6 million. This is the result of higher employment, increased fixed remuneration and commission costs in Gazeta.pl. The costs of promotion and marketing increased in the third quarter of 2023 by 44.4% year-on-year to PLN 3.9 million. This was due to higher advertising spending in Gazeta.pl.

In the period from January to September 2023, the Internet segment's operating costs fell by 3.8% and stood at PLN 119.9 million. This was primarily driven by a 15.5% decrease in the costs of external services to PLN 55.5 million. These costs were lower at Yieldbird, reflecting a decrease in the cost of leasing advertising space due to lower revenue from the sale of advertising services. The increase in the costs of external services was observed in Gazeta.pl. In the period of 2023 under review, staff costs were 8.5% higher year-on-year and amounted to PLN 43.6 million. This is the result of higher employment, increased fixed remuneration and commission costs in Gazeta.pl. The costs of promotion and marketing increased in this period of 2023 by 22.1% year-on-year to PLN 10.5 million, which was the result of higher advertising spending in Gazeta.pl.

3. IMPORTANT INFORMATION ON INTERNET ACTIVITIES

In September 2023, the total reach of the Agora Group's websites among Polish Internet users stood at 62% and the number of users reached 18.4 million, which made the Agora Group the seventh player in the market according to the Mediapanel survey (ranking of publisher groups and ungrouped domains). The total number of page views of the Agora Group's websites reached 790 million, with the average viewing time of 46 minutes per user. [6]

In September 2023, 17.7 million Internet users viewed the Agora Group's websites on mobile devices. The number of mobile page views amounted to 635 million, and the share of mobile page views on the websites of the Agora Group stood at 80% and was the highest among Polish horizontal portals [6].

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

4. NEW INITIATIVES

In July this year, Jedennewsdziennie.pl – a website with expert journalism without advertisements, automatic videos, galleries, photographs and screaming headlines was launched. Every day, one insightful text on topics of concern to Poland and the world is published there. The purpose of the website is to restore readers' confidence in the media as a source of useful and reliable information.

NOTES

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

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

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

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

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

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

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

[3] The data relates to advertising and advertisements in six media (print, radio, television, outdoor advertising, internet, cinema). In this report, Agora has revised its TV and online advertising spending figures for the third quarter of 2022.

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

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

Expenses for advertising on television, cinema and the Internet are based on preliminary estimates of the Publicis Media; TV market estimates include amounts related to broadcasting regular advertising and sponsorship indications along with product placement, but they do not include amounts related to teleshopping or other forms of promotion.

[4] Information on the sales dynamics of newspapers and Gazeta Wyborcza is prepared by Agora S.A. based on the data of the Polish Readership Survey (PBC). The term "sales" used in this commentary means "issue sales" from declarations submitted by publishers to the PBC. All average measures (grouping more than one title) are calculated according to the principle of Total Sales / Number of Issues for the title that has the most issues during the period. On the basis of the calculated average, the yoy dynamics are shown.

[5] Definition of ratios:

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

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

$$\text{Return on equity} = \frac{\text{Net profit / (loss) attributable to equity holders of the parent}}{\frac{(\text{Equity attributable to equity holders of the parent at the beginning of the period} + \text{Equity attributable to equity holders of the parent at the end of the period})}{2} / (1.33 \text{ for three quarters and } 4 \text{ for quarterly results)}}$$

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

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

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

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

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

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

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

* Free cash flow = Net cash from operating activities + Purchase of property plant and equipment and intangibles excluding investment expenditure incurred for the equipment of cinemas to the extent that they are resold to the owners of real estate where cinemas are located.

[6] Data on real users, page views and time spent by users come from the Mediapanel study. The data covers users aged 7 or more, connecting from servers located in Poland, and concerns domains assigned to Agora SA in Gemius SA's Register of Service Providers and Groups of Service Providers. Data on Agora Group services are audited by Gemius SA.

As of October 2020, a new study methodology has been in force: the Mediapanel cross-media study has replaced the previous study called Gemius / PBI, and thus the results are not comparable to previous periods.

The data reflects both the data of PC and mobile platforms, both traffic via the website and via mobile applications (Gazeta.pl LIVE, Sport.PL LIVE, My Child, Moja Ciąza, Tuba.fm, Gazeta Wyborcza application, Clou). Totals are also shown.

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

[8] Audience market data referred herein are based on RadioTrack surveys, carried out by Kantar Polska on the Polish population in the 15+ age group; nationwide sample for July-September in 2022: 20,896, in 2023: 21,036; sample of cities of 100,000+ for July-September in 2022: 10,538, in 2023: 10,347; nationwide sample for January- September in 2022: 62,836, in 2023: 62,938; sample of cities of 100,000+ for January- September in 2022: 33,416, in 2023: 30,966

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

V. ADDITIONAL INFORMATION

1. IMPORTANT EVENTS

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

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

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

"§13 (...)

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

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

- 1) operation of Agora Publishing House;
- 2) maintenance of gazeta.pl web portal;
- 3) conducting the business of Gazeta Wyborcza;
- 4) running IT services for the Company and companies from the Agora capital group;
- 5) provision of support to the Company and companies from the Agora capital group in the areas of management of human resources;
- 6) provision of support to the Company and companies from the Agora capital group in the areas of accounting, bookkeeping, finance and taxation, and management and financial reporting;
- 7) maintenance, use and enjoyment of the Company's real estate located in Warsaw, at 8/10 Czerska Street and for maintenance of the fleet of Company's and Company subsidiaries' cars.

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

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

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

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

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

On March 29, 2023 the Company commenced negotiations concerning sale of a developed real estate located in Tychy at 4 Towarowa Street, for which the District Court in Tychy, 5th Division of Land Registry keeps a land and mortgage register with the number KA1T/00004100/9 ("Property")("Transaction") entering into a non-binding letter of intent with a potential buyer on negotiation on the basic conditions of the Transaction.

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

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

The price for the Property was PLN 19.65 mio net.

▶ **Partial prepayment of the loan granted by SFS Ventures s.r.o.**

In the regulatory filing No. 32/2023 of July 12, 2023, the Management Board, in connection with the confidential information disclosed by the Company in the regulatory filing No. 12/2023 of February 27, 2023 concerning conclusion with SFS Ventures s.r.o. with its registered seat in Prague a loan agreement to finance purchase of 110 shares in the share capital of the company Eurozet sp. z o.o., hereby informs that on July 12, 2023, the Company made a voluntary partial prepayment of the granted loan.

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

Funds for the prepayment come from the sale of a real estate in Tychy, of which the Company informed in the regulatory filings No. 27/2023 of June 14, 2023 and No. 31/2023 of July 6, 2023.

▶ **Intention to extend the period of the Agora Tax Capital Group for 2024**

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

The extension of the PGK operation period is connected with submission of an application for registration of the extension of the operation period of the PGK to the Head of a relevant Tax Office.

The agreement to extend the period of operation of the Tax Capital Group, appoints Agora as a company representing PGK in the scope of obligations under the Corporate Income Tax Act and the provisions of the Tax Ordinance.

The period of PGK operation is to be extended until December 31, 2024. The Company estimates that the extension of the operating period of the Tax Capital Group may result in a reduction of the group's tax liability by approx. PLN 10 million in 2024.

► Changes in subsidiaries

► Helios S.A.

Call for the repurchase of shares in a subsidiary.

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

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

(i) Sell-out procedure

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

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

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

(ii) Squeeze-out procedure

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

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

As a result of filing on July 3, 2023 a call by minority shareholders of Helios S.A. to purchase shares of Helios S.A. under a vested put option, granted to those shareholders under separate agreements, on July 24, 2023, Agora S.A. concluded a share purchase agreement with one of the shareholders of Helios S.A. Under this agreement Agora S.A. purchased 34,000 shares in the share capital of Helios S.A. constituting 0.29% of the share capital of this company. The transaction was entered into the shareholder register of Helios S.A. on September 1, 2023.

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

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

▶ **Eurozet Sp. z o.o.**

On October 6, 2023, Tomasz Zakrzewski was dismissed from the position of the member of the Management Board of Eurozet Sp. z o.o.

On October 9, 2023, Paweł Majorczyk was appointed to perform duties of the member of the Management Board of Eurozet Sp. z o.o.

▶ **Optimizers Sp. z o.o.**

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

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

▶ **Plan G Sp. z o.o.**

On September 4, 2023, the increase of the share capital of the company Plan G Sp. z o.o. from the amount of PLN 5,000 to the amount of PLN 15,000 was registered.

▶ **Next Film Sp. z o.o.**

On July 3, 2023, the plan of merger of the companies Next Film Sp. z o.o. and Next Script Sp. z o.o. was published in the Judicial and Economic Monitor. As of the day of the publication of this report, the merger was not registered in the entrepreneurs register of the National Court Register.

▶ **Gazeta.pl Sp. z o.o.**

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

▶ **Czerska 8/10 Sp. z o.o.**

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

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

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

▶ **Wyborcza Sp. z o.o.**

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

2. CHANGES IN OWNERSHIP OF SHARES OR OTHER RIGHTS TO SHARES (OPTIONS) BY MANAGEMENT BOARD MEMBERS IN THE THIRD QUARTER OF 2023 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 20

shares	As of November 17, 2023	decrease	increase	As of August 18, 2023
Bartosz Hojka	2,900	-	-	2,900
Wojciech Bartkowiak	0	-	-	0
Tomasz Grabowski	0	-	-	0
Tomasz Jagiełło	0	-	-	0
Anna Kryńska-Godlewska	0	-	-	0

In the described periods, the members of the Management Board did not have any other rights to shares (e.g. options).

The members of the Management Board participated in the incentive plan described in the note 5 to the condensed interim consolidated financial statements.

3. CHANGES IN OWNERSHIP OF SHARES OR OTHER RIGHTS TO SHARES (OPTIONS) BY SUPERVISORY BOARD MEMBERS IN THE THIRD QUARTER OF 2023 AND UNTIL THE DATE OF PUBLICATION OF THE REPORT

Tab. 21

shares	As of November 17, 2023	decrease	increase	As of August 18, 2023
Andrzej Szlezak	0	-	-	0
Dariusz Formela	0	-	-	0
Tomasz Karusewicz	0	-	-	0
Wanda Rapaczynski	882,990	-	-	882,990
Tomasz Sielicki	33	-	-	33
Maciej Wisniewski	0	-	-	0

In the described periods, the members of the Supervisory Board did not have any other rights to shares (e.g. options).

4. SHAREHOLDERS ENTITLED TO EXERCISE OVER 5% OF TOTAL VOTING RIGHTS AT THE GENERAL MEETING OF AGORA S.A., EITHER DIRECTLY OR THROUGH AFFILIATES AS OF THE DATE OF PUBLICATION OF THE QUARTERLY REPORT

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

On the basis of art. 69 of Act on Public Offer and the Conditions of Introducing Financial Instruments to the Organized Trading System and on Public Companies dated July 29, 2005, the shareholders' structure actual following the shareholders' formal notifications and as of the day of publication of former report (i.e. August 18, 2023) and as of the day of publication of this report (i.e. November 17, 2023), has not significantly changed.

According to the abovementioned list, the following shareholders were entitled to exercise over 5% of the total voting rights at the General Meeting of the Company as of the date of submission of this report and the list:

Tab. 22

	no. of shares	% of share capital	no. of votes	% of voting rights
Agora-Holding Sp. z o.o. (in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)	5,401,852	11.60	22,528,252	35.36
Powszechne Towarzystwo Emerytalne PZU S.A. (PZU "Zlota Jesien" Open Pension Fund and PZU Voluntary Pension Fund) (in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)	8,235,951	17.68	8,235,951	12.93
including: PZU "Zlota Jesien" Open Pension Fund (in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)	8,126,434	17.44	8,126,434	12.76
Media Development Investment Fund, Inc. (MDIF Media Holdings I, LLC) (in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)	5,355,645	11.49	5,355,645	8.41
Nationale-Nederlanden Powszechne Towarzystwo Emerytalne S.A. (Nationale – Open Pension Fund and Nationale Nederlanden Voluntary Pension Fund) (in accordance with list from KDPW as of the registration date for the Annual General Meeting on June 26, 2023)(1)	4,119,000	8.84	4,119,000	6.47

(1) number of shares according to a notification from a shareholder — as at 23rd Aug 2018; share in votes and share capital of Agora SA were calculated by the Company after the registration of the decrease of the share capital of the Company.

5. OTHER INFORMATION

• The Management Board's statement of the possible realization of forecasts

The Management Board did not publish any forecasts of financial results and because of that this report does not present any Management Board's statement of the possible forecast execution.

• Changes in contingencies and court cases

Any changes in contingencies since the date of closing of the last financial year and information about court cases were described in notes 7 and 8 to the condensed interim consolidated financial statements.

• Legal actions concerning liabilities or receivables of the Issuer or its subsidiaries

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

• Related party transactions

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

AGORA GROUP

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

as at 30 September 2023 and for 3 and 9 month period
ended thereon

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023

	Note	As at 30 September 2023 unaudited	As at 30 June 2023 unaudited	As at 31 December 2022 audited
Assets				
Non-current assets:				
Intangible assets		694,357	696,646	365,517
Property, plant and equipment		327,555	332,817	356,884
Right-of-use assets		616,979	622,924	587,338
Long-term financial assets		1,480	1,722	2,203
Investments in equity accounted investees		13,972	14,265	127,446
Receivables and prepayments		9,501	9,102	7,415
Deferred tax assets		62,485	56,341	49,484
		1,726,329	1,733,817	1,496,287
Current assets:				
Inventories		33,308	30,208	30,433
Accounts receivable and prepayments		218,247	215,806	195,211
Income tax receivable		698	711	1,120
Short-term securities and other financial assets		966	965	968
Cash and cash equivalents		103,490	82,352	69,054
		356,709	330,042	296,786
Non-current assets held for sale	14	1,934	20,109	-
		358,643	350,151	296,786
Total assets		2,084,972	2,083,968	1,793,073

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

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER 2023 (CONTINUED)

	Note	As at 30 September 2023 unaudited	As at 30 June 2023 unaudited	As at 31 December 2022 audited
Equity and liabilities				
Equity attributable to equity holders of the parent:				
Share capital		46,581	46,581	46,581
Share premium		147,192	147,192	147,192
Retained earnings and other reserves		505,512	519,760	480,350
		699,285	713,533	674,123
Non-controlling interest		98,337	97,318	(99)
Total equity		797,622	810,851	674,024
Non-current liabilities:				
Deferred tax liabilities		48,936	49,977	5,630
Long-term borrowings	3	635,486	635,194	641,237
Other financial liabilities	15	28,922	28,922	37,606
Retirement severance provision		3,881	3,855	2,525
Provisions		7,947	7,918	7,857
Accruals and other liabilities		7,213	9,041	13,167
Contract liabilities		3,987	1,896	533
		736,372	736,803	708,555
Current liabilities:				
Retirement severance provision		173	186	376
Trade and other payables		305,134	306,857	233,240
Income tax liabilities		2,722	2,291	1,845
Short-term borrowings	3	219,727	203,352	155,519
Other financial liabilities	15	3,677	6,196	-
Provisions		1,046	1,149	2,218
Contract liabilities		18,499	16,283	17,296
		550,978	536,314	410,494
Total equity and liabilities		2,084,972	2,083,968	1,793,073

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

CONSOLIDATED INCOME STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2023

	Note	Three months ended 30 September 2023 unaudited	Nine months ended 30 September 2023 unaudited	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited
Revenue	4	363,483	986,178	267,162	782,109
Cost of sales		(245,593)	(669,443)	(198,257)	(575,331)
Gross profit		117,890	316,735	68,905	206,778
Selling expenses		(53,297)	(151,717)	(43,484)	(133,281)
Administrative expenses		(51,220)	(158,369)	(41,844)	(126,076)
Other operating income		4,220	9,958	17,689	23,937
Other operating expenses		(2,292)	(4,543)	(1,035)	(4,524)
Impairment losses for receivables - net		(723)	(1,804)	(92)	(1,191)
Operating profit/(loss)		14,578	10,260	139	(34,357)
Finance income		977	15,731	696	8,236
Finance costs		(33,545)	(34,367)	(30,481)	(56,513)
Gain on remeasurement of shares in subsidiary	12	-	47,853	-	-
Share of results of equity accounted investees		(293)	(4,063)	1,401	5,490
Profit/(loss) before income taxes		(18,283)	35,414	(28,245)	(77,144)
Income tax		5,092	(1,356)	3,786	1,986
Net profit/(loss) for the period		(13,191)	34,058	(24,459)	(75,158)
Attributable to:					
Equity holders of the parent		(14,197)	25,325	(23,490)	(71,252)
Non-controlling interest		1,006	8,733	(969)	(3,906)
		(13,191)	34,058	(24,459)	(75,158)
Basic/diluted earnings per share (in PLN)		(0.30)	0.54	(0.50)	(1.53)

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2023

	Three months ended 30 September 2023 unaudited	Nine months ended 30 September 2023 unaudited	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited
Net profit/(loss) for the period	(13,191)	34,058	(24,459)	(75,158)
Other comprehensive income: Items that will not be reclassified to profit or loss				
Actuarial losses on defined benefit plans	(13)	(233)	-	-
Other comprehensive income for the period	(13)	(233)	-	-
Total comprehensive income for the period	(13,204)	33,825	(24,459)	(75,158)
Attributable to:				
Shareholders of the parent	(14,204)	25,206	(23,490)	(71,252)
Non-controlling interests	1,000	8,619	(969)	(3,906)
	(13,204)	33,825	(24,459)	(75,158)

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 2023

	Attributable to equity holders of the parent			Non-controlling interest	Total equity
	Share capital	Share premium	Retained earnings and other reserves		
Nine months ended 30 September 2023					
As at 31 December 2022 audited	46,581	147,192	480,350	(99)	674,024
Total comprehensive income for the period					
Net profit for the period	-	-	25,325	8,733	34,058
Other comprehensive loss	-	-	(119)	(114)	(233)
Total comprehensive income for the period	-	-	25,206	8,619	33,825
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Dividends of subsidiaries	-	-	-	(19,970)	(19,970)
Total contributions by and distributions to owners	-	-	-	(19,970)	(19,970)
Changes in ownership interests in subsidiaries					
Acquisition of non-controlling interests (note 12)	-	-	(44)	19	(25)
Acquisition of a subsidiary (note 12)	-	-	-	109,768	109,768
Total changes in ownership interests in subsidiaries	-	-	(44)	109,787	109,743
Total transactions with owners	-	-	(44)	89,817	89,773
As at 30 September 2023 unaudited	46,581	147,192	505,512	98,337	797,622

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR NINE MONTHS ENDED 30 SEPTEMBER 2023 (CONTINUED)**Attributable to equity holders of the parent**

	Share capital	Share premium	Retained earnings and other reserves	Total	Non-controlling interest	Total equity
Nine months ended 30 September 2022						
As at 31 December 2021 audited	46,581	147,192	580,582	774,355	5,929	780,284
Total comprehensive income for the period						
Net loss for the period	-	-	(71,252)	(71,252)	(3,906)	(75,158)
Total comprehensive income for the period	-	-	(71,252)	(71,252)	(3,906)	(75,158)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividends of subsidiaries	-	-	-	-	(1,422)	(1,422)
Total contributions by and distributions to owners	-	-	-	-	(1,422)	(1,422)
Changes in ownership interests in subsidiaries						
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-
Total transactions with owners	-	-	-	-	(1,422)	(1,422)
As at 30 September 2022 unaudited	46,581	147,192	509,330	703,103	601	703,704

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

CONSOLIDATED CASH FLOW STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2023

	Note	Three months ended 30 September 2023 unaudited	Nine months ended 30 September 2023 unaudited	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited
Cash flows from operating activities					
Profit/(loss) before income taxes		(18,283)	35,414	(28,245)	(77,144)
Adjustments for:					
Share of results of equity accounted investees		293	4,063	(1,401)	(5,490)
Depreciation and amortisation		44,162	128,953	40,141	119,536
Foreign exchange (profit)/loss		21,479	(9,042)	21,297	30,770
Interest, net		11,433	32,296	9,341	25,887
Profit on investing activities		(1,870)	(2,002)	(15,292)	(17,721)
Decrease in provisions		(74)	(1,816)	112	(469)
(Increase)/decrease in inventories		(3,099)	(2,298)	(4,341)	(11,707)
(Increase)/decrease in receivables		(3,356)	7,153	(3,023)	5,293
Increase/(decrease) in payables		2,537	6,879	(5,502)	(41,437)
Increase/(decrease) in contract liabilities		4,309	2,705	(628)	(4,133)
Remeasurement of put options		-	(2,488)	-	(5,999)
Gain on remeasurement of shares in subsidiary	12	-	(47,853)	-	-
Cash generated from operations		57,531	151,964	12,459	17,386
Income taxes paid		(1,635)	(6,590)	(720)	(2,482)
Net cash from operating activities		55,896	145,374	11,739	14,904
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment and intangibles		19,763	24,685	2,397	4,928
Dividends received		-	-	24,000	24,000
Loan repayment received		240	757	71	496
Interest received		97	363	94	271
Other inflows (1)		-	4,000	-	-
Purchase of property, plant and equipment and intangibles		(12,762)	(45,266)	(18,903)	(57,141)
Acquisition of subsidiaries (net of cash acquired)	12	-	11,540	-	-
Net cash used in investing activities		7,338	(3,921)	7,659	(27,446)

CONSOLIDATED CASH FLOW STATEMENT FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2023 (CONTINUED)

	Note	Three months ended 30 September 2023 unaudited	Nine months ended 30 September 2023 unaudited	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited
Cash flows from financing activities					
Proceeds from borrowings		31,071	79,553	12,075	81,718
Acquisition of non-controlling interest	12	(2,544)	(2,544)	-	-
Dividends paid to non-controlling shareholders		(6,840)	(37,350)	-	(1,422)
Repayment of borrowings		(30,744)	(45,614)	(5,882)	(46,921)
Payment of lease liabilities		(21,894)	(67,981)	(20,640)	(60,119)
Interest paid		(11,145)	(33,081)	(9,081)	(25,515)
Net cash used in financing activities		(42,096)	(107,017)	(23,528)	(52,259)
Net increase/(decrease) in cash and cash equivalents		21,138	34,436	(4,130)	(64,801)
Cash and cash equivalents					
At start of period		82,352	69,054	74,207	134,878
At end of period		103,490	103,490	70,077	70,077

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

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

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2023 AND FOR THREE AND NINE MONTHS ENDED 30 SEPTEMBER 2023

1. GENERAL INFORMATION

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

As at 30 September 2023 the Agora Group comprised: the parent company Agora S.A. and 32 subsidiaries. Additionally, the Group held shares in jointly controlled entity Instytut Badan Outdooru IBO Sp. z o.o. and in associates: ROI Hunter a.s.

The Group operates in all major cities in Poland.

The condensed interim consolidated financial statements were prepared as at and for three and nine months ended 30 September 2023, with comparative figures presented as at 30 June 2023 and as at 31 December 2022 and for three and nine months ended 30 September 2022.

The condensed interim consolidated financial statements were authorized for issue by the Management Board of Agora S.A. on November 16, 2023.

2. STATEMENT OF COMPLIANCE

The condensed interim consolidated financial statements as at 30 September 2023 and for nine months ended 30 September 2023 have not been audited. The Consolidated Financial Statements as at and for twelve months ended 31 December 2022 have been audited by an independent auditor who issued an unqualified opinion.

The Condensed Interim Financial Statements have been prepared under International Accounting Standard 34 "Interim Financial Reporting", according to art. 55 point 5 and art. 45 point 1a-1c of Accounting Act (Official Journal from 2023, item 120, 295), regulations issued based on that Act and the Decree of Minister of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2018, item 757).

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

For the Group's financial statements for the year started with January 1, 2023 the following new standards and amendments to existing standards, which were endorsed by the European Union, are effective:

- 1) IFRS 17 *Insurance Contracts*,
- 2) Amendments to IAS 8 (definition of accounting estimates),
- 3) Amendments to IAS 1 (disclosure of accounting policies),
- 4) Amendments to IAS 12 (deferred tax related to assets and liabilities arising from a single transaction),
- 5) Package of amendments (Amendments to IFRS 17 – Initial Application of IFRS 17 and IFRS 9 – Comparative Information).

The application of the abovementioned amendments had no impact on the condensed interim consolidated financial statements.

3. LONG-TERM AND SHORT-TERM BORROWINGS

The amount of the Group's loan and lease liabilities as at the balance sheet date is presented below:

Interest bearing loans and borrowings and short-term borrowings

	30 September 2023	31 December 2022
Long-term bank loans	33,339	49,199
Long-term loans (1)	2,988	3,662
Finance lease liabilities	599,159	588,376
Total long-term borrowings	635,486	641,237
<i>including: Lease liabilities resulting from application of IFRS 16*</i>	<i>590,064</i>	<i>570,679</i>
Short-term bank loans	77,472	50,175
Short-term loans (2)	23,226	1,641
Finance lease liabilities	119,029	103,703
Total short-term borrowings	219,727	155,519
<i>including: Lease liabilities resulting from application of IFRS 16*</i>	<i>107,529</i>	<i>91,534</i>

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

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

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

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

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

Other provisions on the collaterals remain unaltered.

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

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

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

The other provisions of the Agreement remain unchanged.

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

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

Other provisions of the agreement remain unchanged.

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

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

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

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

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

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

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

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

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.

4. SALES AND SEGMENT INFORMATION

In accordance with IFRS 8 *Operating segments*, in these condensed semi-annual consolidated financial statements information on operating segments are presented on the basis of components of the Group, about which separate financial information is available, that is evaluated regularly by the chief operating decision maker in the process of decision making regarding allocation of resources and assessing the performance of the Group.

For management purposes, the Group is organized into business units based on their products and services.

The Group activities are divided into five major reportable operating segments as follows:

- 1) the *Movies and Books* segment includes the Group's activities within the cinema management of Helios S.A., film distribution and production activities of Next Film Sp. z o.o. and Next Script Sp. z o.o. as well as gastronomy activities of Step Inside Sp. z o.o. and Agora's Publishing House,
- 2) the *Radio* segment includes the Group's activities within local radio stations, super-regional *TOK FM* radio, Agora's Radio Department and companies of Eurozet group (from March 1, 2023).
- 3) the *Digital and Printed Press* segment includes the Group's activities related to publishing of the daily *Gazeta Wyborcza* (including digital subscriptions), special editions of *Gazeta Wyborcza* magazines as well as publishing of the periodicals, as well as the printing activities (in printing plant in Warsaw that provides printing services mainly for *Gazeta Wyborcza*,
- 4) the *Outdoor* segment includes the activities within the AMS Group, which provides advertising services on different forms of outdoor advertising panels,
- 5) the *Internet* segment includes the following Group's activities: the Internet and multi-media products and services within the Agora's Internet department as well as the activities of companies: Plan D Sp. z o.o., Yeldbird Sp. z o.o. and HRLink group (includes HRLink Sp. z o.o. and GoldenLine Sp. z o.o.).

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

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

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

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

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

Operating results of reportable segments do not include:

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

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

Reconciling positions show data not included in particular segments, i.a.: other revenues and costs of Agora's supporting divisions (centralized IT, administrative and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs, intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

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

Operating depreciation and amortisation includes amortisation of intangible assets, depreciation of right-of-use assets and fixed assets of each segment. Amortisation recognised on consolidation can be defined as consolidation adjustments, inter alia: the amortisation of intangible assets and adjustments to property, plant and equipment recognised directly on consolidation.

Impairment losses and reversals of impairment losses show impairment losses and their reversals presented in other operating expenses and income.

Amount of investment in associates and joint ventures accounted for by the equity method include the amount of acquired shares adjusted by the Group's share of net results of those entities accounted for by the equity method. The financials presented for six months ended 30 June 2023 and 30 June 2022 relate to Instytut Badan Outdooru Sp. z o.o., ROI Hunter a.s. and Eurozet Sp. z o.o. (till 28 February 2023).

Capital expenditure consists of additions based on the invoices booked in the reported period connected to purchases of intangible and fixed assets.

The Agora Group does not present geographical reporting segments, because its business activities are carried out mainly in Poland.

4. SALES AND SEGMENT INFORMATION (CONTINUED)

Three months ended 30 September 2023

	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Revenues from external customers	151,687	73,167	55,606	46,543	34,265	361,468	2,015	363,483
Intersegment revenues (2)	643	2,324	762	198	594	4,321	(4,321)	-
Total revenues	152,330	75,491	56,368	46,741	34,859	365,789	(2,306)	363,483
Total operating cost (1), (2), (3)	(134,159)	(68,663)	(55,798)	(42,800)	(38,975)	(340,395)	(8,510)	(348,905)
Operating profit / (loss) (EBIT) (1)	18,171	6,828	570	3,941	(4,117)	25,394	(10,816)	14,578
Total operating cost (excl. IFRS 16) (1), (2), (3)	(139,334)	(68,968)	(55,803)	(43,875)	(38,975)	(346,955)	(8,690)	(355,645)
Operating profit / (loss) (EBIT excl. IFRS 16) (1)	12,996	6,523	565	2,866	(4,117)	18,834	(10,996)	7,838
Net finance income and cost							(32,568)	(32,568)
Share of results of equity accounted investees	-	-	-	(23)	(270)	(293)	-	(293)
Income tax expense							5,092	5,092
Net loss								(13,191)

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

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

(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs (PLN 13,693 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2023							Total Group
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	
Operating depreciation and amortisation	(20,583)	(4,515)	(1,843)	(9,466)	(2,806)	(39,213)	(1,538)	(40,751)
Amortisation recognised on consolidation (1)	(129)	(3,133)	-	-	(149)	(3,411)	-	(3,411)
Impairment losses	(1,139)	(202)	(40)	(354)	(28)	(1,763)	(2)	(1,765)
including <i>non-current assets</i>	(674)	-	-	-	-	(674)	-	(674)
Reversals of impairment losses	6	78	182	176	12	454	12	466
including <i>non-current assets</i>	-	-	-	176	-	176	-	176
Capital expenditure	4,511	2,881	358	4,770	2,019	14,539	1,586	16,125

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2023							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Revenues from external customers	389,630	190,225	156,299	134,841	108,214	979,209	6,969	986,178
Intersegment revenues (2)	2,857	5,394	1,168	1,092	1,858	12,369	(12,369)	-
Total revenues	392,487	195,619	157,467	135,933	110,072	991,578	(5,400)	986,178
Total operating cost (1), (2), (3)	(364,701)	(173,279)	(165,038)	(121,313)	(119,827)	(944,158)	(31,760)	(975,918)
Operating profit / (loss) (EBIT) (1)	27,786	22,340	(7,571)	14,620	(9,755)	47,420	(37,160)	10,260
Total operating cost (excl. IFRS 16) (1), (2), (3)	(379,981)	(174,203)	(165,047)	(124,009)	(119,828)	(963,068)	(32,342)	(995,410)
Operating profit / (loss) (EBIT excl. IFRS 16) (1)	12,506	21,416	(7,580)	11,924	(9,756)	28,510	(37,742)	(9,232)
Net finance income and cost							(18,636)	(18,636)
Gain on remeasurement of shares in subsidiary							47,853	47,853
Share of results of equity accounted investees	-	(2,549)	-	(67)	(1,447)	(4,063)	-	(4,063)
Income tax							(1,356)	(1,356)
Net profit								34,058

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

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

(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs (PLN 44,552 thousand), intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

4. SALES AND SEGMENT INFORMATION (CONTINUED)
Nine months ended 30 September 2023

	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation	(62,184)	(11,957)	(6,251)	(26,647)	(8,826)	(115,865)	(5,007)	(120,872)
Amortisation recognised on consolidation (1)	(388)	(7,309)	-	-	(448)	(8,145)	64	(8,081)
Impairment losses	(1,428)	(1,070)	(194)	(1,655)	(316)	(4,663)	(20)	(4,683)
including <i>non-current assets</i>	(674)	-	-	-	-	(674)	-	(674)
Reversals of impairment losses	29	450	586	891	34	1,990	26	2,016
including <i>non-current assets</i>	6	-	-	187	-	193	-	193
Capital expenditure	8,347	5,456	808	12,554	5,386	32,551	5,072	37,623

As at 30 September 2023

	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions (2)	Total Group
Property, plant and equipment and intangible assets	199,513	423,195	32,938	238,836	28,024	922,506	101,340	1,023,846
Right-of-use assets	464,330	32,721	68	92,640	40	589,799	27,180	616,979
Investments in associates and joint ventures accounted for by the equity method	-	-	-	108	13,864	13,972	-	13,972

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

(2) reconciling positions include mainly Company's headquarters (PLN 78,224 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2022							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Revenues from external customers	108,981	24,208	54,022	38,405	39,627	265,243	1,919	267,162
Intersegment revenues (2)	1,800	1,323	957	382	1,111	5,573	(5,573)	-
Total revenues	110,781	25,531	54,979	38,787	40,738	270,816	(3,654)	267,162
Total operating cost (1), (2), (3)*	(98,435)	(25,581)	(62,860)	(36,442)	(39,934)	(263,252)	(3,771)	(267,023)
Operating profit / (loss) (EBIT) (1)	12,346	(50)	(7,881)	2,345	804	7,564	(7,425)	139
Total operating cost (excl. IFRS 16) (1), (2), (3)*	(103,536)	(25,738)	(62,860)	(37,160)	(39,934)	(269,228)	(3,962)	(273,190)
Operating profit / (loss) (EBIT excl. IFRS 16) (1)	7,245	(207)	(7,881)	1,627	804	1,588	(7,616)	(6,028)
Net finance income and cost							(29,785)	(29,785)
Share of results of equity accounted investees	-	2,147	-	(28)	(718)	1,401	-	1,401
Income tax expense							3,786	3,786
Net loss								(24,459)

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

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

(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs (PLN 11,356 thousand)*, intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Three months ended 30 September 2022							Reconciling positions	Total Group
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments			
Operating depreciation and amortisation*	(20,746)	(2,224)	(2,946)	(9,739)	(2,974)	(38,629)	(1,296)	(39,925)	
Amortisation recognised on consolidation (1)	(129)	-	-	-	(149)	(278)	62	(216)	
Impairment losses	(37)	(43)	(23)	(181)	(136)	(420)	26	(394)	
Reversals of impairment losses	10	18	16	262	-	306	7	313	
<i>including non-current assets</i>	-	-	-	17	-	17	-	17	
Capital expenditure	3,063	1,759	887	4,722	2,755	13,186	327	13,513	

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2022							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Revenues from external customers	314,018	71,833	152,184	114,422	124,252	776,709	5,400	782,109
Intersegment revenues (2)	6,249	4,033	3,370	1,380	3,296	18,328	(18,328)	-
Total revenues	320,267	75,866	155,554	115,802	127,548	795,037	(12,928)	782,109
Total operating cost (1), (2), (3)*	(317,559)	(76,879)	(174,713)	(112,684)	(124,640)	(806,475)	(9,991)	(816,466)
Operating profit / (loss) (EBIT) (1)	2,708	(1,013)	(19,159)	3,118	2,908	(11,438)	(22,919)	(34,357)
Total operating cost (excl. IFRS 16) (1), (2), (3)*	(331,222)	(77,510)	(174,714)	(114,475)	(124,640)	(822,561)	(10,582)	(833,143)
Operating profit / (loss) (EBIT excl. IFRS 16) (1)*	(10,955)	(1,644)	(19,160)	1,327	2,908	(27,524)	(23,510)	(51,034)
Net finance income and cost							(48,277)	(48,277)
Share of results of equity accounted investees	-	7,088	-	(137)	(1,461)	5,490	-	5,490
Income tax							1,986	1,986
Net loss								(75,158)

(1) segments do not include amortisation recognised on consolidation, which is presented in reconciling positions;

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

(3) reconciling positions show data not included in particular segments, inter alia: operating costs and the result on other operating activities of Agora's support divisions (centralized IT, administrative and finance functions excluding costs which are allocated to segments), corporate and the Management Board of Agora S.A. costs (PLN 34,270 thousand)*, intercompany eliminations and other matching adjustments, which reconcile the data presented in the management reports to the consolidated financials of the Agora Group.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

	Nine months ended 30 September 2022							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Operating depreciation and amortisation*	(62,036)	(6,563)	(8,338)	(29,179)	(8,952)	(115,068)	(3,822)	(118,890)
Amortisation recognised on consolidation (1)	(388)	-	-	-	(448)	(836)	70	(766)
Impairment losses	(666)	(276)	(166)	(1,008)	(222)	(2,338)	(48)	(2,386)
<i>including non-current assets</i>	<i>(573)</i>	-	-	-	-	<i>(573)</i>	-	<i>(573)</i>
Reversals of impairment losses	1,785	42	64	325	12	2,228	19	2,247
<i>including non-current assets</i>	<i>1,720</i>	-	-	<i>59</i>	-	<i>1,779</i>	-	<i>1,779</i>
Capital expenditure	8,260	4,073	2,963	11,134	6,056	32,486	4,346	36,832
	As at 30 September 2022							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions (2)	Total Group
Property, plant and equipment and intangible assets	213,746	81,657	81,449	230,335	31,623	638,810	121,932	760,742
Right-of-use assets	476,888	21,519	39	62,573	33	561,052	28,171	589,223
Investments in associates and joint ventures accounted for by the equity method	-	108,215	-	76	16,109	124,400	-	124,400

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

(2) reconciling positions include mainly Company's headquarters (PLN 82,515 thousand) and other property, plant and equipment and intangible assets of Agora's support divisions and Agora TC Sp. z o.o. not included in particular segments and intercompany eliminations.

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

4. SALES AND SEGMENT INFORMATION (CONTINUED)

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

	Three months ended 30 September 2023							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Advertising revenue	9,199	71,886	15,375	42,982	32,257	171,699	(3,994)	167,705
Ticket sales	71,669	-	-	-	-	71,669	-	71,669
Copy sales	6,936	-	26,259	-	-	33,195	(27)	33,168
Concession sales in cinemas	39,803	-	-	-	-	39,803	-	39,803
Printing services	-	-	8,821	-	-	8,821	-	8,821
Gastronomic sales	11,432	-	-	-	-	11,432	-	11,432
Film distribution and production sales	4,235	-	-	-	-	4,235	-	4,235
Other	9,056	3,605	5,913	3,759	2,601	24,934	1,716	26,650
Total sales by category	152,330	75,491	56,368	46,741	34,858	365,788	(2,305)	363,483

	Nine months ended 30 September 2023							
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	Total Group
Advertising revenue	26,094	186,619	41,433	127,772	102,413	484,331	(10,522)	473,809
Ticket sales	175,729	-	-	-	-	175,729	(4)	175,725
Copy sales	22,605	-	77,994	-	-	100,599	(67)	100,532
Concession sales in cinemas	98,851	-	-	-	-	98,851	-	98,851
Printing services	-	-	27,903	-	-	27,903	-	27,903
Gastronomic sales	31,277	-	-	-	-	31,277	-	31,277
Film distribution and production sales	12,852	-	-	-	-	12,852	-	12,852
Other	25,079	8,999	10,137	8,161	7,659	60,035	5,194	65,229
Total sales by category	392,487	195,618	157,467	135,933	110,072	991,577	(5,399)	986,178

4. SALES AND SEGMENT INFORMATION (CONTINUED)

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

	Three months ended 30 September 2022							Total Group
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	
Advertising revenue	8,372	24,026	16,160	36,713	38,667	123,938	(4,098)	119,840
Ticket sales	47,957	1	-	-	-	47,958	(19)	47,939
Copy sales	6,119	-	26,022	-	-	32,141	-	32,141
Concession sales in cinemas	27,347	-	-	-	-	27,347	(3)	27,344
Printing services	-	-	8,095	-	-	8,095	-	8,095
Gastronomic sales	10,165	-	-	-	-	10,165	-	10,165
Film distribution and production sales	4,536	-	-	-	-	4,536	-	4,536
Other	6,285	1,504	4,702	2,074	2,071	16,636	466	17,102
Total sales by category	110,781	25,531	54,979	38,787	40,738	270,816	(3,654)	267,162

	Nine months ended 30 September 2022							Total Group
	Movies and books	Radio	Digital and printed press	Outdoor	Internet	Total segments	Reconciling positions	
Advertising revenue	21,017	71,580	44,838	109,970	120,756	368,161	(14,105)	354,056
Ticket sales	134,344	27	-	-	-	134,371	(76)	134,295
Copy sales	20,558	-	77,830	-	-	98,388	(47)	98,341
Concession sales in cinemas	72,750	-	-	-	-	72,750	(8)	72,742
Printing services	-	-	24,152	-	-	24,152	-	24,152
Gastronomic sales	28,030	-	-	-	-	28,030	-	28,030
Film distribution and production sales	23,204	-	-	-	-	23,204	-	23,204
Other	20,364	4,259	8,734	5,832	6,792	45,981	1,308	47,289
Total sales by category	320,267	75,866	155,554	115,802	127,548	795,037	(12,928)	782,109

5. INCENTIVE PLANS BASED ON FINANCIAL INSTRUMENTS

a) Incentive Plan for the Management Board members

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

- (i) the stage of realisation of the target based on the EBITDA of the Agora Group (“the EBITDA target”). The amount of a potential bonus in this component of the Incentive Plan depends on the stage of the EBITDA target fulfillment, which is specified as the EBITDA 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 fulfillment of the EBITDA target will be determined on the basis of the audited consolidated financial statements of the Agora Group for the given financial year;
- (ii) the percent of Company’s share price increase (“the Target of Share Price Increase”). The amount of a potential bonus in this component of the Incentive Plan will depend on the percent of Company’s share price increase in the future. The share price increase will be calculated as a difference between the average of the quoted closing Company’s share prices in the first quarter of the financial year commencing after the financial year for which the bonus is calculated (“the Average Share Price in IQ of Next Year”) and the average of the quoted closing Company’s share prices in the first quarter of the financial year for which the bonus is calculated (“the Average Share Price in IQ of Bonus Year”). If the Average Share Price in IQ of Next Year will be lower than the Average Share Price in IQ of Bonus Year, the Target of Share Price Increase is not satisfied and the bonus in this component of the Incentive Plan will not be granted, however, the Supervisory Board retains a right to the final verification of the Target of Share Price Increase by reference to the dynamics of changes in stock exchange indexes on capital markets.

The bonus from the Incentive Plan depends also on the fulfillment of a non-market condition, which is the continuation of holding the post of the Management Board member within the period, for which the bonus is calculated.

The rules, goals, adjustments and conditions for the Incentive Plan fulfillment for the Management Board members are specified in the Supervisory Board resolution.

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

The value of the potential reward concerning the realization of the Target of Share Price Increase, 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. That value is charged to the Income Statement in proportion to the vesting period of this component of the Incentive Plan. As at 30 September 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.

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

the share price of Agora S.A. as at the current balance sheet date	PLN	8.00
volatility of the share price of Agora S.A. during the last twelve months	%	33.45
the Average Share Price in IQ of Bonus Year	PLN	5.67
risk-free rate	%	5.06-5.38 (at the maturity dates)

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

	Three months ended 30 September 2023	Nine months ended 30 September 2023	Three months ended 30 September 2022	Nine months ended 30 September 2022
Income statement – (increase)/decrease of staff costs	(932)	(2,676)	779	-
Income statement - deferred income tax	177	508	(148)	-
Liabilities: accruals - as at the end of the period	2,676	2,676	-	-
Deferred tax asset - as at the end of the period	508	508	-	-

6. CHANGES IN PROVISIONS AND IMPAIRMENT LOSSES FOR ASSETS

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

- allowance for receivables: increase by PLN 1,941 thousand;
- write-down of inventories: decrease by PLN 1,030 thousand;
- impairment loss for property, plant and equipment: decrease by PLN 4,808 thousand, including set-up in the amount of PLN 674 thousand, reversal by PLN 187 thousand and the use in the amount of PLN 5,295 thousand related mainly to the sale of property in Tychy;
- impairment loss for right-of-use assets: decrease by PLN 6 thousand.

In the period from January 1, 2023 to September 30, 2023 the following provisions were changed:

	Provision for restructuring	Provision for dismantling of advertising panels	Provision for penalties, interests and similar	Provision for the cost of compensation and severances for the former Management Board Members	Provision for legal claims	Total
As at 31 December 2022	887	7,857	915	25	391	10,075
Set up of provisions	-	-	-	-	183	183
Acquisition of a subsidiary	-	-	1	-	634	635
Discount change	-	377	-	-	-	377
Provisions used during the period	(881)	(283)	-	(25)	(131)	(1,320)
Unused provisions reversed	(6)	(4)	(656)	-	(291)	(957)
As at 30 September 2023	-	7,947	260	-	786	8,993
Non-current part	-	7,947	-	-	-	7,947
Current part	-	-	260	-	786	1,046

Additionally, retirement severance provision increased by PLN 1,153 thousand, mainly as a result of acquisition of a subsidiary (note 12).

7. CONTINGENCIES, GUARANTEES AND OTHER COLLATERALS

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

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

8. COURT CASES

As at September 30, 2023, the Group has not entered into significant litigation for claims. Provision for legal claims as at September 30, 2023, amounted to PLN 786 thousand (as at December 31, 2022: PLN 391 thousand).

Additionally, as at September 30, 2023, the companies of the Group were a party of legal disputes in the amount of PLN 5,330 thousand (as at December 31, 2022: PLN 2,900 thousand) in cases when the Management Board estimates the probability of loss for less than 50%. Such disputes are contingent liabilities.

9. SEASONALITY

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

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

Unusual events such as the outbreak of a pandemic or an armed conflict can disrupt the seasonality described above.

10. RELATED PARTY TRANSACTIONS

(a) Management Board and Supervisory Board remuneration

The remuneration paid by Agora S.A. to Management Board members during the nine months period ended September 30, 2023 amounted to PLN 2,445 thousand (nine months ended September 30, 2022: PLN 4,800 thousand, whereby this amount includes also one-off bonus payments resulting from realization of Incentive Plan for 2021). The amounts include remuneration paid during the period of holding the post of a Management Board member.

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

The remuneration paid by Agora S.A. to Supervisory Board members during the nine months period ended September 30, 2023 amounted to PLN 468 thousand (nine months ended September 30, 2022: PLN 468 thousand).

(b) Other related parties (not consolidated)

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

	Three months ended 30 September 2023	Nine months ended 30 September 2023	Three months ended 30 September 2022	Nine months ended 30 September 2022
Associates				
Sales	-	535	293	901
Purchases	-	(149)	(842)	(1,684)
Dividends income	-	-	24,000	24,000
Major shareholder				
Sales	7	23	8	21
Other operating income	1	2	1	2
Management Board of the Company				
Finance income - remeasurment of put options (1)	-	1,835	-	1,916
Management Boards of group companies				
Sales	2	6	2	6
Finance cost - loans received	(5)	(12)	-	-
Finance income - remeasurment of put options (1)	-	653	-	3,897

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

	As at 30 September 2023	As at 30 June 2023	As at 31 December 2022
Jointly controlled entities			
Shares	108	131	175
Other liabilities and accruals	-	-	180
Associates			
Shares	13,865	14,135	127,271
Trade receivables	-	-	137
Trade liabilities	-	-	265
Major shareholder			
Trade receivables	3	4	3
Other liabilities	6	6	6
Management Board of the Company			
Put option liabilities (1)	28,602	29,172	31,007
Management Boards of group companies			
Receivables	12	29	4
Non-current loans received	127	128	140
Put option liabilities (1)	3,209	5,158	5,811
Other payables	7	3	3

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

11. DESCRIPTION OF THE GROUP

The list of companies within the Capital Group and other entities in which the Group holds shares:

	% of shares held (effectively)	
	30 September 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 Next Script Sp. z o.o., Warsaw (4)	92.3%	91.5%
11 Plan D Sp. z o.o., Warsaw	100.0%	100.0%
12 Optimizers Sp. z o.o., Warsaw (7)	100.0%	100.0%
13 Yieldbird Sp. z o.o., Warsaw	100.0%	100.0%
14 GoldenLine Sp. z o.o., Szczecin (5)	79.8%	79.8%
15 Plan A Sp. z o.o., Warsaw	100.0%	100.0%
16 Agora Finanse Sp. z o.o. , Warsaw	100.0%	100.0%
17 Step Inside Sp. z o.o., Lodz (3)	83.1%	82.3%
18 HRlink Sp. z o.o., Szczecin	79.8%	79.8%
19 Video OOH Sp. z o.o., Warsaw (1)	92.0%	92.0%
20 Helios Media Sp. z o.o., Lodz (3)	92.3%	91.5%
21 Plan G Sp. z o.o., Warsaw	100.0%	100.0%
22 Eurozet Sp. z o.o., Warsaw (13)	51.0%	40.0%
23 Eurozet Radio Sp. z o.o., Warsaw (8)	51.0%	-
24 Eurozet Consulting Sp. z o.o., Warsaw (8)	51.0%	-
25 Radio Plus Polska Sp. z o.o., Warsaw (9)	40.8%	-
26 Radio Plus Polska Centrum Sp. z o.o., Warsaw (10)	51.0%	-
27 Radio Plus Polska Zachód Sp. z o.o., Warsaw (11)	32.6%	-
28 Spółka Producentka Plus Polska Sp. z o.o., Warsaw (12)	20.4%	-
29 Gazeta.pl Sp. z o.o., Warsaw (14)	100.0%	-
30 Czerska 8/10 Sp. z o.o., Warsaw (14)	100.0%	-
31 Agora Książka i Muzyka Sp. z o.o.,Warsaw (15)	100.0%	-
32 Wyborcza Sp. z o.o., Warsaw (16)	100.0%	-
33 Yieldbird International Ltd, London (6)	-	100.0%
Joint ventures and associates accounted for the equity method		
34 Instytut Badań Outdooru IBO Sp. z o.o., Warsaw (1)	50.0%	50.0%
35 ROI Hunter a.s., Brno	23.9%	23.9%
Companies excluded from consolidation and equity accounting		
36 Polskie Badania Internetu Sp. z o.o., Warsaw	16.7%	16.7%
37 Garmond Press S.A., Cracow	3.5%	3.5%

(1) indirectly through AMS S.A.;

(2) indirectly through GRA Sp. z o.o.;

- (3) indirectly through Helios S.A.;
- (4) indirectly through Next Film Sp. z o.o.;
- (5) indirectly through HRLink Sp. z o.o.;
- (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;
- (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.

12. CHANGES IN THE COMPOSITION OF THE GROUP

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

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

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

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

The Judgement is final and binding.

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

The Annex amended, in particular:

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

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

Additionally, the Agreement determines the possibility of reduction of the term to exercise Call Option 2 in the event the Company would not repay the loan 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 from SFS Ventures 110 shares in the share capital of Eurozet constituting 11% of the share capital and 11% of the total number of votes at the Eurozet's shareholders' meeting ("Call Option 1").

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

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

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

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

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

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

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

Business combination accounting

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

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

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

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

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

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

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

The acquisition-related costs amounted to PLN 2,957 thousand and are included in administrative expenses in the consolidated income statement of the Agora Group for the first nine months of 2023.

In the period from the date of acquisition till September 30, 2023, consolidated revenue and net profit of the Eurozet Group included in consolidated revenue and net result of the Agora Group respectively amounted to PLN 115,742 thousand and PLN 13,061 thousand. If the business combination had taken place at the beginning of the year, Agora Group's revenue and net profit for the period ended September 30, 2023 would have respectively amounted to PLN 1,014,991 thousand and PLN 27,940 thousand.

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

► Acquisition of shares in Helios S.A.

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

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

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

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

► Plan G Sp. z o.o.

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

► Optimizers Sp. z o.o.

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

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

► Next Film Sp. z o.o.

On July 3, 2023, the plan of merger of the companies Next Film Sp. z o.o. and Next Script Sp. z o.o. was published in the Judicial and Economic Monitor. As of the day of the publication of this report, the merger was not registered in the entrepreneurs register of the National Court Register.

► Gazeta.pl Sp. z o.o.

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

► Czerska 8/10 Sp. z o.o.

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

► Agora Książka i Muzyka Sp. z o.o.

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

► Wyborcza Sp. z o.o.

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

13. FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY FOR THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS OF AGORA S.A. AND THE TRANSLATION METHOD OF FINANCIAL DATA

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

14. PROPERTY, PLANT AND EQUIPMENT

In the period from January 1, 2023 to September 30, 2023, the Group purchased property, plant and equipment in the amount of PLN 30,707 thousand (in the period from January 1, 2022 to September 30, 2022: PLN 27,911 thousand).

As at September 30, 2023, the commitments for the purchase of property, plant and equipment amounted to PLN 13,079 thousand (as at December 31, 2022: PLN 10,858 thousand).

The commitments for the purchase of property, plant and equipment include inter alia future liabilities resulting from the signed agreements related to the realization of the concession contract for the construction and utilization of bus shelters in Gdansk, modernisation of cinemas and the purchase or modernisation of advertising panels.

▮ Non-current assets held for sale

As at 30 September 2023, non-current assets with the carrying amount of PLN 1,934 thousand were presented as held for sale in the consolidated balance sheet of the Group. The above assets included the ownership of land in Białystok, which are owned by the subsidiary Helios S.A. (presented in note 4 in information about operating segments in Movies and Books segment).

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

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

On July 6, 2023 in connection with fulfillment of the condition for the sale of Property, i.e. resignation by the Katowice Special Economic Zone from exercising its pre-emptive right, the Company concluded the agreement transferring ownership of the Property for a price of PLN 19,650 thousand net. The transaction has impacted the Group's other operating income in the amount of PLN 1,474 thousand and can be seen in the Group's cash flow, with the effect of reducing the value of assets that were presented as non-current assets held for sale in the balance sheet at 30 June 2023.

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

15. FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE AND OTHER FINANCIAL LIABILITIES

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

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

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

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

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

	As at 30 September 2023	Level 1	Level 2	Level 3
Put option liabilities *	32,599	-	-	32,599
Financial liabilities measured at fair value	32,599	-	-	32,599

* of which the amount of PLN 3,677 thousand is presented as current liabilities (in accordance with the option agreements, share buyback calls up by non-controlling shareholders to a total of PLN 3,677 thousand within 12 months from the balance sheet date are possible).

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

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

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

	As at 30 September 2023	As at 31 December 2022
Opening balance	37,606	34,344
Remeasurement recognised in profit or loss, incl.:	(2,488)	3,262
- finance income (1)	2,488	3,442
- finance cost (2)	-	(6,704)
Exercise of the put option (3)	(2,519)	-
Closing balance	32,599	37,606

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

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

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

16. OTHER INFORMATION

▶ Extraordinary General Meeting of Agora S.A.

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

▶ Amendment to the Statutes of Agora S.A.

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

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

"§13 (...)

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

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

- 1) operation of Agora Publishing House;
- 2) maintenance of gazeta.pl web portal;
- 3) conducting the business of Gazeta Wyborcza;
- 4) running IT services for the Company and companies from the Agora capital group;
- 5) provision of support to the Company and companies from the Agora capital group in the areas of management of human resources;
- 6) provision of support to the Company and companies from the Agora capital group in the areas of accounting, bookkeeping, finance and taxation, and management and financial reporting;
- 7) maintenance, use and enjoyment of the Company's real estate located in Warsaw, at 8/10 Czerska Street and for maintenance of the fleet of Company's and Company subsidiaries' cars.

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

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

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

► Strategic Directions

On April 26, 2023, The Management Board of Agora S.A. passed a resolution on adoption of Agora Group's Strategic Directions for 2023-2026 ("Strategic Directions"). The Management Board consulted principles of the Strategic Directions with the Supervisory Board of the Company.

17. POST BALANCE-SHEET EVENTS

► Intention to extend the period of the Agora Tax Capital Group for 2024

On November 9, 2023, an agreement to extend the period of operation of the Agora Tax Capital Group ("PGK"), was concluded between Agora S.A. ("Agora", "Company") and the following subsidiaries: Grupa Radiowa Agory Sp. z o.o., Agora TC Sp. z o.o., Plan D Sp. z o.o., Helios S.A., AMS S.A., Yieldbird Sp. z o.o. and Plan A Sp. z o.o.

The extension of the PGK operation period is connected with submission of an application for registration of the extension of the operation period of the PGK to the Head of a relevant Tax Office.

The agreement to extend the period of operation of the Tax Capital Group, appoints Agora as a company representing PGK in the scope of obligations under the Corporate Income Tax Act and the provisions of the Tax Ordinance.

The period of PGK operation is to be extended until December 31, 2024. The Company estimates that the extension of the operating period of the Tax Capital Group may result in a reduction of the group's tax liability by approx. PLN 10 million in 2024.

CONDENSED INTERIM UNCONSOLIDATED FINANCIAL STATEMENTS OF AGORA S.A.

Unconsolidated balance sheet as at 30 September 2023

	As at 30 September 2023 unaudited	As at 30 June 2023 unaudited	As at 31 December 2022 audited
Assets			
Non-current assets:			
Intangible assets	35,352	36,768	39,621
Property, plant and equipment	109,930	111,398	137,546
Right-of-use assets	27,429	27,770	28,122
Long term financial assets	676,053	673,388	627,351
Receivables and prepayments	386	336	430
Deferred tax assets	14,086	14,881	11,977
	863,236	864,541	845,047
Current assets:			
Inventories	17,323	18,468	23,304
Accounts receivable and prepayments	85,407	84,355	81,818
Income tax receivable	294	251	129
Short-term securities and other financial assets	3,805	1,747	2,371
Cash and cash equivalents	36,656	24,984	26,565
	143,485	129,805	134,187
Non-current assets held for sale	-	19,650	-
	143,485	149,455	134,187
Total assets	1,006,721	1,013,996	979,234

Unconsolidated balance sheet as at 30 September 2023 (continued)

	As at 30 September 2023 unaudited	As at 30 June 2023 unaudited	As at 31 December 2022 audited
Equity and liabilities			
Equity:			
Share capital	46,581	46,581	46,581
Share premium	147,192	147,192	147,192
Other reserves	123,279	123,279	123,279
Retained earnings	463,407	482,900	480,860
	780,459	799,952	797,912
Non-current liabilities:			
Long-term borrowings	27,906	30,415	36,348
Retirement severance provision	1,705	1,705	1,647
Accruals and other liabilities	477	398	1,911
Contract liabilities	155	249	67
	30,243	32,767	39,973
Current liabilities:			
Retirement severance provision	116	116	269
Trade and other payables	87,865	87,973	94,453
Short-term borrowings	65,516	53,290	12,619
Other financial liabilities	34,936	32,027	25,232
Provisions	371	438	1,149
Contract liabilities	7,215	7,433	7,627
	196,019	181,277	141,349
Total equity and liabilities	1,006,721	1,013,996	979,234

Unconsolidated income statement for three and nine months ended 30 September 2023

	Three months ended 30 September 2023 unaudited	Nine months ended 30 September 2023 unaudited	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited
Revenue	97,545	285,281	96,218	278,671
Cost of sales	(61,570)	(175,314)	(62,195)	(167,122)
Gross profit	35,975	109,967	34,023	111,549
Selling expenses	(27,997)	(86,277)	(27,960)	(89,554)
Administrative expenses	(26,787)	(83,978)	(25,491)	(75,910)
Other operating income	333	1,235	523	1,780
Other operating expenses	(519)	(3,240)	(452)	(1,157)
Impairment losses for receivables - net	145	142	(101)	(258)
Operating loss	(18,850)	(62,151)	(19,458)	(53,550)
Dividend income	-	41,602	24,000	64,635
Finance income	383	2,282	710	1,489
Finance costs	(2,721)	(5,709)	(1,333)	(4,306)
Profit/(loss) before income taxes	(21,188)	(23,976)	3,919	8,268
Income tax	1,695	6,523	1,034	2,457
Net profit/(loss) for the period	(19,493)	(17,453)	4,953	10,725
Basic/diluted earnings per share (in PLN)	(0.42)	(0.37)	0.11	0.23

Unconsolidated statement of comprehensive income for three and nine months ended 30 September 2023

	Three months ended 30 September 2023 unaudited	Nine months ended 30 September 2023 unaudited	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited
Net profit/(loss) for the period	(19,493)	(17,453)	4,953	10,725
Other comprehensive income/loss for the period	-	-	-	-
Total comprehensive income for the period	(19,493)	(17,453)	4,953	10,725

Unconsolidated statement of changes in equity for three and nine months ended 30 September 2023

	Share capital*	Share premium	Other reserves	Retained earnings	Total equity
Nine months ended 30 September 2023					
As at 31 December 2022 audited	46,581	147,192	123,279	480,860	797,912
Total comprehensive income for the period					
Net loss for the period	-	-	-	(17,453)	(17,453)
Total comprehensive income for the period	-	-	-	(17,453)	(17,453)
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Total transactions with owners	-	-	-	-	-
As at 30 September 2023 unaudited	46,581	147,192	123,279	463,407	780,459

* 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.

Unconsolidated statement of changes in equity for three and nine months ended 30 September 2023 (continued)

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
Nine months ended 30 September 2022					
As at 31 December 2021 audited	46,581	147,192	122,674	484,325	800,772
Total comprehensive income for the period					
Net loss for the period	-	-	-	10,725	10,725
Total comprehensive income for the period	-	-	-	10,725	10,725
Transactions with owners, recorded directly in equity					
Contributions by and distributions to owners					
Other	-	-	-	1	1
Total transactions with owners	-	-	-	1	1
As at 30 September 2022 unaudited	46,581	147,192	122,674	495,051	811,498

Unconsolidated cash flow statement for three and nine months ended 30 September 2023

	Three months ended 30 September 2023 unaudited	Nine months ended 30 September 2023 unaudited	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited
Cash flows from operating activities				
Profit/(loss) before income taxes	(21,188)	(23,976)	3,919	8,268
Adjustments for:				
Depreciation and amortisation	6,178	20,163	7,823	22,875
Foreign exchange (profit)/loss	859	(1,605)	22	33
Interest, net	1,773	5,204	1,196	3,957
Profit/(loss) on investing activities	(23)	1,979	(5)	(292)
Dividend income	-	(41,602)	(24,000)	(64,635)
Increase/(decrease) in provisions	(67)	(873)	107	(215)
(Increase)/decrease in inventories	1,145	5,981	(5,460)	(12,610)
(Increase)/decrease in receivables	(1,001)	15,930	(690)	8,769
Increase/(decrease) in payables	674	(5,025)	(4,214)	(22,487)
Decrease in contract liabilities	(312)	(324)	(562)	(368)
Cash generated used in operations	(11,962)	(24,148)	(21,864)	(56,705)
Income taxes inflows (1)	1,209	3,417	216	539
Net cash used in operating activities	(10,753)	(20,731)	(21,648)	(56,166)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment, and intangibles	19,676	19,748	16	65
Dividends received	343	22,222	29,000	64,635
Interest received	58	161	26	42
Outflows from cash pooling	(2,011)	(1,348)	(900)	(1,770)
Purchase of property, plant and equipment, and intangibles	(2,818)	(11,105)	(6,709)	(17,757)
Acquisition of subsidiaries, associates and jointly controlled entities	(2,703)	(48,779)	-	(50)
Net cash from/(used in) investing activities	12,545	(19,101)	21,433	45,165

	Three months ended 30 September 2023 unaudited	Nine months ended 30 September 2023 unaudited	Three months ended 30 September 2022 unaudited	Nine months ended 30 September 2022 unaudited
Cash flows from financing activities				
Proceeds from borrowings	31,040	74,288	-	31,838
Repayment of borrowings	(22,214)	(27,547)	(2,667)	(41,691)
Inflows/(outflows) from cash pooling	2,922	9,698	(1,727)	(19,232)
Payment of finance lease liabilities	(277)	(883)	(224)	(1,469)
Interest paid	(1,533)	(5,437)	(1,027)	(3,509)
Other	(58)	(196)	(86)	(257)
Net cash from/(used in) financing activities	9,880	49,923	(5,731)	(34,320)
Net increase/(decrease) in cash and cash equivalents	11,672	10,091	(5,946)	(45,321)
Cash and cash equivalents				
At start of period	24,984	26,565	44,188	83,563
At end of period	36,656	36,656	38,242	38,242

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

Additional information to unconsolidated financial statements of Agora S.A.

In the period from January 1, 2023 to September 30, 2023 the following impairment losses were changed in the unconsolidated financial statements of Agora S.A.:

- allowance for receivables: decrease by PLN 992 thousand;
- write-down of inventories: decrease by PLN 694 thousand;
- impairment loss for property, plant and equipment: decrease by PLN 5,273 thousand, including the increase by 2,059 and the use by PLN 7,332 thousand related with the set-up of impairment loss on property in Tychy and the sale of this property.

In the period from January 1, 2023 to September 30, 2023 the following provisions were changed:

	Provision for restructuring	Provision for the cost of compensation and severances for the former Management Board Members	Provision for legal claims	Total
As at 31 December 2022	733	25	391	1,149
Set up of provisions	-	-	141	141
Provisions used during the period	(733)	(25)	(94)	(852)
Unused provisions reversed	-	-	(67)	(67)
As at 30 September 2023	-	-	371	371
	-	-	-	-
Non-current part	-	-	-	-
Current part	-	-	371	371

Additionally, retirement severance provision decreased by PLN 95 thousand.

In the period from January 1, 2023 to September 30, 2023, the Company purchased property, plant and equipment in the amount of PLN 4,519 thousand (in the period from January 1, 2022 to September 30, 2022: PLN 5,385 thousand).

As at September 30, 2023 the commitments for the purchase of property, plant and equipment amounted to PLN 22 thousand (as at December 31, 2022: PLN 443 thousand).

As at September 30, 2023 and as at December 31, 2022 other short - term financial liabilities include liabilities of Agora S.A. to subsidiaries (resulting from settlements related to the cash pooling system, which functions within Agora Group).

As at 30 September 2023 and 31 December 2022 the Company had no financial instruments measured at fair value.

As at September 30, 2023, the total expenditure of Agora S.A. for the acquisition of shares in Eurozet Sp. z o.o. amounted to PLN 46,205 thousand (purchase price of shares in the amount of PLN 43,248 thousand PLN and capitalized transaction costs in the amount of PLN 2,957 thousand). Additional information concerning the transaction is disclosed in note 12 to the condensed interim consolidated financial statements.

Related party transactions

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

	Three months ended 30 September 2023	Nine months ended 30 September 2023	Three months ended 30 September 2022	Nine months ended 30 September 2022
Subsidiaries				
Sales	4,120	13,511	16,851	50,138
Purchases	(5,768)	(16,836)	(5,403)	(17,286)
Other operating income	-	1	3	8
Dividends income	-	41,602	-	40,635
Finance income - interests on cash pooling	55	135	39	61
Finance income - interests on borrowings granted	-	36	-	-
Other finance income	48	132	-	4
Finance cost - credit guarantee	(88)	(211)	(80)	(245)
Finance cost - interests on cash pooling	(207)	(616)	(211)	(856)
Income tax - income on TCG settlements	2,490	4,660	336	551
Associates				
Sales	-	-	2	2
Purchases	-	-	(6)	(6)
Dividends income	-	-	24,000	24,000
Major shareholder				
Sales	7	23	8	21
Other operating income	1	2	1	2

	As at 30 September 2023	As at 30 June 2023	As at 31 December 2022
Subsidiaries			
Shares	656,291	653,588	470,312
Non-current loans granted	383	422	460
Current loans granted	77	38	-
Cash pooling receivables	3,728	1,709	2,371
Trade receivables	2,708	2,664	14,567
Dividend receivables	19,380	19,723	-
Other receivables	1,048	541	749
Cash pooling liabilities	34,936	32,027	25,232
Trade liabilities	2,747	2,361	2,904
Other liabilities and accruals	1,374	2,374	1,777
Associates			
Shares	19,057	19,057	156,257
Major shareholder			
Trade receivables	3	4	3
Other liabilities and accruals	6	7	6

Warsaw, November 16, 2023

Bartosz Hojka - President of the Management Board

Signed on the Polish original

Tomasz Jagiello - Member of the Management Board

Signed on the Polish original

Anna Krynska-Godlewska - Member of the Management Board

Signed on the Polish original

Tomasz Grabowski - Member of the Management Board

Signed on the Polish original

Wojciech Bartkowiak - Member of the Management Board

Signed on the Polish original

Signatures submitted electronically.