

Selected financial data for the three quarters of 2023 (period 01.01.2023 - 30.09.2023)

(numeral values in k of PLN)	9 month period ended		Change in value Q1 - Q3 2023 vs I - Q3 2022	Percentage change I - Q3 2023 vs I - Q3 2022
	30th September 2023	30th September 2022		
Pet income from sales	46,186	38,179	8,007	21%
EBIT	9,403	6,795	2,608	38%
EBITDA (Operating result + depreciation)	14,609	11,603	3,006	26%
ALIGNED EBITDA = EBITDA + OPTION INCENTIVE PROGRAMME COSTS	17,331	13,548	3,783	28%
Net profit attributable to shareholders of the parent unit	6,095	5,206	889	17%
ALIGNED NET PROFIT ATTRIBUTED TO PARENT SHAREHOLDERS = NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT + OPTION INCENTIVE PROGRAMME COSTS	8,817	7,151	1,666	23%
<i>ADJUSTMENTS TO ADJUSTED EBITDA AND ADJUSTED NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDERS:</i>				
- Share Incentive Scheme at IMS S.A.	(2,722)	(1,945)	(777)	40%
- Share Incentive Scheme at IMS S.A.	(2,070)	(1,926)	(144)	7%
- Share Incentive Scheme at Closer Music Sp. z o.o.	(652)	(19)	(633)	3,332%

Selected financial data for the third quarter of 2023 (period 01.07.2023 - 30.09.2023)

(numeral values in k of PLN)	3 month period ended		Change in value Q3 2023 vs Q3 2022	Percentage change Q3 2023 vs Q3 2022
	30th September 2023	30th September 2022		
Pet income from sales	15,726	13,521	2,205	16%
EBIT	3,448	2,239	1,209	54%
EBITDA (Operating result + depreciation)	4,877	3,812	1,065	28%
ALIGNED EBITDA = EBITDA + OPTION INCENTIVE PROGRAMME COSTS	5,536	4,460	1,076	24
Net profit attributable to shareholders of the parent unit	2,080	1,595	485	30
ALIGNED NET PROFIT ATTRIBUTED TO PARENT SHAREHOLDERS = NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT + OPTION INCENTIVE PROGRAMME COSTS	2,739	2,243	496	22
<i>ADJUSTMENTS TO ADJUSTED EBITDA AND ADJUSTED NET PROFIT ATTRIBUTABLE TO PARENT SHAREHOLDERS:</i>				
- Share Incentive Scheme at IMS S.A.	(659)	(648)	(11)	2
- Share Incentive Scheme at IMS S.A.	(690)	(642)	(48)	7
- Share Incentive Scheme at Closer Music Sp. z o.o.	31	(6)	37	(617%)

After three quarters of 2023, the IMS Group achieved sales revenues of PLN 8,007 thousand, 21% higher than in the same period last year. More than PLN 46 million revenue is a record result in the 23-year history of the Company and the Group. Profits at every level of activity - EBIT, EBITDA, net profit attributable to shareholders of the parent company - are also the highest ever. EBITDA for the first three quarters of this year increased by PLN 3,006 thousand, i.e. by 26%, and amounted to PLN 14.6 million. In turn, equalised EBITDA, i.e. EBITDA after elimination of non-cash costs of two option programmes based on shares of IMS S.A. and shares of Closer Music Sp. z o.o., reached PLN 17.3 million. Net profit attributable to equity holders of the parent amounted to PLN 6.1 million, up 17% on the three quarters of 2022. In turn, adjusted net profit attributable to equity holders of the parent amounted to PLN 8.8 million and increased by 23% compared to the three quarters of 2022.

Several factors contributed to these excellent results. Very good results were recorded in all sales segments - each segment increased compared to the three-quarter period 2022. Special attention should be paid to subscription revenues and advertising services. In the last 12 months, i.e. October 2022-September 2023, the IMS Group acquired nearly 2,900 subscription locations, and their balance as of 30/09/2023 was over 34,700 subscriptions. Advertising revenues are at their best levels ever and there are many indications that the whole of 2023 will be a record year in this respect. Another important factor affecting the result is Closer Music's ("CM") settlements with copyrights management organizations ("OZZs"). CM settles accounts with ZAiKS and ZPAV on an ongoing basis, and the formula for this settlement is in the form of subscriptions increasing year on year. This growth is due to a larger share of CM's repertoire in playlists, an increase in the number of commercial locations and the expansion of cooperation with ZAiKS worldwide. The only collecting society not yet settling with CM is STOART. STOART's activities are, in the opinion of the Company and the copyright law firms cooperating with the IMS Group, against the law. The management of Closer Music has taken legal action against STOART, including a notification to the public prosecutor's office against the former authorities of the organisation. It's also worth mentioning that Closer Music constantly expands its own high-quality music content. As of the publication date of this report, CM has approximately 7,000 high-quality music works.

In the opinion of the Management Board, a very important factor influencing the results achieved by the IMS Group is the Group's share-based Incentive Program IV. The share packages go to a very wide range of managers, salespeople and many other people important to the functioning of the entire organization, providing a great incentive to achieve above-average results. It is worth noting that of the three share-based incentive programs implemented to date and the fourth in progress (last year), about 70% of IMS Group personnel have become owners of the allocated shares. In the opinion of the Board of Directors, such a wide distribution of shares to board members, managers, employees and associates of IMS Group companies will have a strong

motivational effect in the coming years as well. Accordingly, the Management Board of IMS S.A. will not recommend to the Supervisory Board or the General Meeting of Shareholders the adoption of further share-based incentive programs in future years. In the absence of incentive programs in the following years, starting from 2024, non-cash costs related to the share-based program will disappear from the income statement. It is worth noting that the costs of Incentive Program IV were charged to the IMS Group's income statement in 2021 in the amount of PLN 2,472 k, in 2022 in the amount of PLN 3,488 k, and the estimate of these costs for the entire year 2023 is PLN 2,760 k.

Table: Change i number of subscription locations in the IMS Capital Group

	9 month period ended		growth ratio Q1-Q3 2023 / IQ1- Q3 2022	
	30 September 2023	30 September 2022	numeral	percentage
Number of commercial locations (audio and video subscriptions), including:	31,011	28,431	2,580	9%
- audiomarketing economic segment locations	15,945	14,781	1,164	8%
Number of commercial locations (aroma subscriptions)	3,731	3,446	285	8%
Total number o subscription locations	34,742	31,877	2,865	9%

Diagram: Structure of net sales revenues by sales category in Q1 to Q3 2023 (in k of PLN)

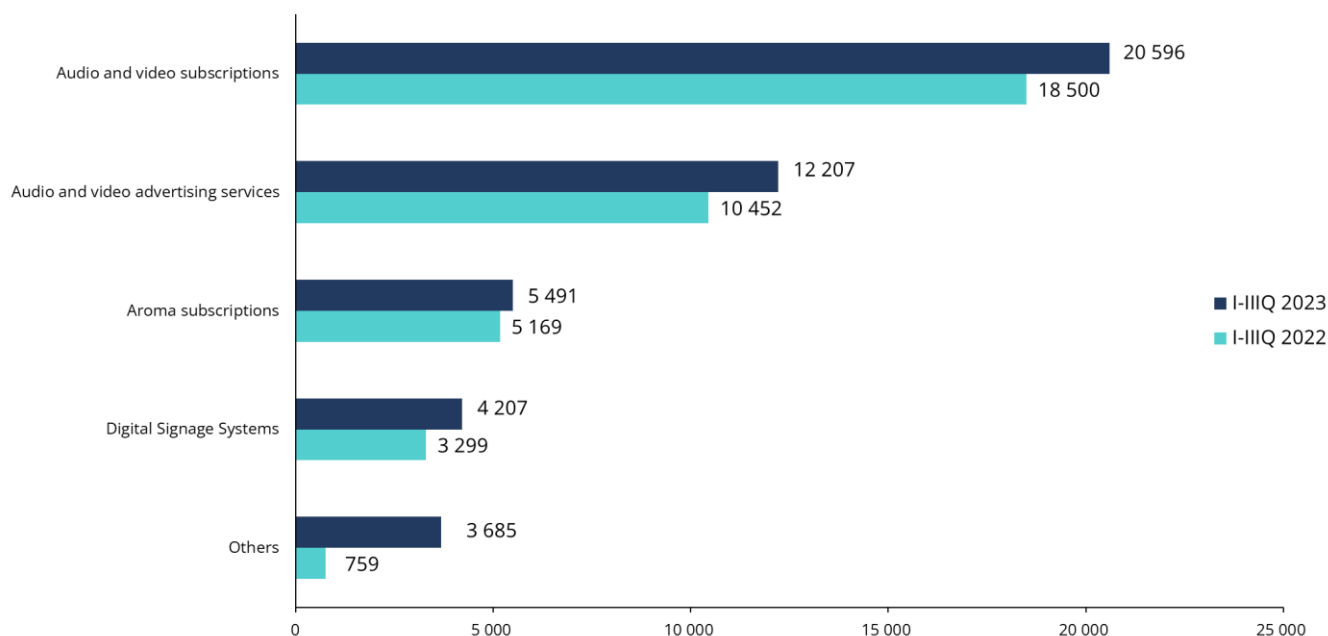


Diagram: Growth in the number of subscription locations in the IMS Group during the period 2000 - 30.09.2023

