

Estimated results of the IMS Capital Group for the first half of 2024

(numeral values in k of PLN)	6 month period ended		IH 2024 vs IH 2023 change	
	on 30 July 2024	30 June 2023	numeral	percentage
Net income from sales	29,754	30,460	(706)	(2%)
EBIT	5,903	5,955	(52)	(1%)
<i>EBIT profitability</i>	<i>19,8%</i>	<i>19,6%</i>		
EBITDA (Operating result + depreciation)	8,683	9,732	(1,049)	(11%)
<i>EBITDA profitability</i>	<i>29,2%</i>	<i>32,0%</i>		
Net profit attributable to shareholders of the parent unit	4,872	4,015	857	21%
<i>Net profitability</i>	<i>16,4%</i>	<i>13,2%</i>		

In H1 2024, the IMS Group achieved revenue and operating profit at the level of the H1 2023. A clear increase was recorded at the level of net profit attributable to shareholders of the parent company (+21%). The net profit achieved in H1 2024 of close to PLN 4.9 million is the highest in the history of the IMS Group recorded for the first six months of the year. The results of H1 2024 were significantly influenced by the Closer Music project under development (comprising Closer Music Sp. z o.o. ('CM') and Closer Music Corporation ('CMC')). In H1 2024, significant expenditures were made to increase the project's human resources (hiring people mainly for sales, marketing and IT), user acquisition expenses were incurred (mainly in traditional sales channels) and music libraries were expanded. At the same time, in the first half of 2023, royalties from ZAiKS were settled for the period of 2020 - 2022. The impact of the described events on the financial data for H1 2024 and H1 2023 is presented in the table below:

(numeral values in k of PLN)	6 month period ended 30 June 2024			6 month period ended 30 June 2023		
	IMS Group results without CM and CMC	impact of CM and CMC	IMS Group results	IMS Group results without CM and CMC	impact of CM and CMC	IMS Group results
Net income from sales	29,144	(+) 610	29,754	28,676	(+) 1,784	30,460
EBIT	7,328	(-) 1 425	5,903	5,598	(+) 357	5,955
<i>EBIT profitability</i>	25,1%	(-) 5,3 p.p.	19,8%	19,5%	(+) 0,1 p.p.	19,6%
EBITDA (Operating result + depreciation)	9,816	(-) 1 133	8,683	8,787	(+) 945	9,732
<i>EBITDA profitability</i>	33,7%	(-) 4,5 p.p.	29,2%	30,6%	(+) 1,4 p.p.	32,0%
Net profit attributable to shareholders of the parent unit	6,066	(-) 1 194	4,872	4,179	(-) 164	4,015
<i>Net profitability</i>	20,8%	(-) 4,4 p.p.	16,4%	14,6%	(-) 1,4 p.p.	13,2%

In H2 2024, on the revenue side of the Closer Music project, the Issuer expects revenues from collective management organisations and payments from users using CM libraries to be significantly higher than in H2 2023. At the same time, expenditures will be incurred on promotional and marketing activities related to the e-commerce platform and expenditures on the expansion of AI tools giving, in the Issuer's opinion, a competitive advantage over the other two companies in the industry. In the IMS Group's traditional sales segments (audio, aroma, video subscription services and advertising sales), the Issuer also expects higher revenues in H2 2024 than in H2 2023.