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Independent Auditor's Report

To the General Shareholders' Meeting and Supervisory Board of Agora S.A.

Report on the Audit of the Annual Consolidated Financial Statements

Opinion

We have audited the accompanying annual consolidated financial statements of Agora S.A. Group (the "Group"), whose parent entity is Agora S.A. (the „Parent Entity"), which comprise:

— the consolidated balance sheet as at 31 December 2018,

and, for the period from 1 January to 31 December 2018:

— the consolidated income statement;
— the consolidated statement of comprehensive income;
— the consolidated statement of changes in shareholder's equity;
— the consolidated cash flows statement;

and

— notes to the consolidated financial statements

(the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements of the Group:

— give a true and fair view of the consolidated financial position of the Group as at 31 December 2018 and of its consolidated financial performance and its consolidated cash flows for the financial year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS EU") and the adopted accounting policy;
— comply, in all material respects, with regard to form and content, with applicable laws and the provisions of the Parent Entity's articles of association.

Our audit opinion on the consolidated financial statements is consistent with our report to the Audit Committee dated 6 March 2019.

KPMG Audyt spółka z ograniczoną odpowiedzialnością sp.k.

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Basis for Opinion

We conducted our audit in accordance with:

- International Standards on Auditing as adopted by the National Council of Certified Auditors as National Standards on Auditing (the "NSA"); and
- the act on certified auditors, audit firms and public oversight dated 11 May 2017 (Official Journal from 2017, item 1089 with amendments) (the "Act on certified auditors"); and
- regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-listed entities and repealing Commission Decision 2005/909/EC (Official Journal of the European Union L 158 from 27 May 2014, page 77 and Official Journal of the European Union L 170 from 11 June 2014, page 66) (the "EU Regulation"); and
- other applicable laws.

Our responsibilities under those standards are further described in the Auditor's Responsibility for the audit of the consolidated financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Ethics

We are independent of the Group in accordance with the Code of Ethics for Professional Accountants ("IFAC Code") issued by the International Ethics Standards Board for Accountants as adopted by the resolutions of the National Council of Certified Auditors, as well as other independence and ethical requirements, applicable to audit engagement in Poland. We have fulfilled all ethical responsibilities resulting from those requirements and IFAC Code. During our audit the key certified auditors and the audit firm remained independent of the Group in accordance with requirements of the Act on certified auditors and the EU Regulation.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. They are the most significant assessed risks of material misstatements, including those due to fraud, described below and we performed appropriate audit procedures to address these matters. Key audit matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon we have summarised our response to those risks. We do not provide a separate opinion on these matters. We have determined the following key audit matters:

Impairment of non-current assets

The carrying value of goodwill as at December 31, 2018: PLN 295,117 thousand (as at December 31, 2017: PLN 295,834 thousand), magazine titles as at December 31, 2018: PLN 9,275 thousand (as at December 31, 2017: PLN 12,364 thousand), other intangible assets, including intangible assets recognized on consolidation as at December 31, 2018: PLN 116,288 thousand (as at December 31, 2017: PLN 129,744 thousand), property, plant and equipment as at December 31, 2018: PLN 519,472 thousand (as at December 31, 2017: PLN 513,965 thousand).

Based on impairment tests carried out in 2018, the impairment losses were recognized in relation to the Goldenline domain in the amount of PLN 6,927 thousand and in relation to goodwill assigned to activity of Futbolowo.pl in the amount of PLN 614 thousand. The Group recognized also impairment losses in respect of magazine title "Ładny Dom", including the related goodwill, in the total amount of PLN 2,285 thousand.

Reference to the consolidated financial statements:
Note 2(d) „Property, plant and equipment", Note 2(e) „Intangible assets", Note 2(w) „Impairment losses", Note 3 „Intangible assets", Note 4 „Property, plant and equipment", Note 40 „ Accounting estimates and judgements".

Key audit matter	*Our response*
In association with acquiring control over its subsidiaries in the prior years, the Group recognized goodwill, which represents a significant line item in the consolidated financial statements. The Group also recognized significant intangible assets with indefinite useful life relating to magazine titles, other intangible assets and other non-current assets utilized by its cash-generating units. The Agora Group's activities include primarily press publishing, printing activities, internet activities, cinemas, radio and television broadcasting, as well as operations in the outdoor advertising segment. The above components are characterized by different profitability, cyclicality and market volatility. The complexity and diversity of the businesses as well as the subjectivity of the Parent Entity Management Board’s judgments related to the allocation of goodwill to different segments, other intangible assets and property, plant and equipment to different cash-generating units subject to the impairment tests constitute an additional risk factor. In accordance with relevant financial reporting standards, the Group is required to perform an impairment test at least annually for any assets with indefinite useful life and assets for which there is an indicator of possible impairment, by comparing the carrying amount of the cash-generating unit to which goodwill, intangible assets with indefinite useful life, other intangible assets and property, plant and equipment have been allocated, to its recoverable amount. The Group determines the recoverable amount using the discounted cash flow method, which is based mainly on estimates and assumptions made by the Parent Entity’s Management Board, particularly in relation to the level of advertising spending in Poland in the Group’s segments, newspapers and magazines sales in the Press segment and customer attendance in the cinema-related segment. Forecasts of future cash flows are particularly exposed to risk stemming from the changing market and regulatory environment. Results of the impairment tests are sensitive to changes in key assumptions, such as	Our audit procedures included, among others: • evaluating the Group’s accounting policy in respect of impairment testing of goodwill, intangible assets with indefinite useful life, other intangible assets and property, plant and equipment against the requirements of the relevant financial reporting standards; • based on our knowledge of the Group, assessing the Parent Entity Management Board’s judgments regarding allocation of assets to cash-generating units and allocation of goodwill to segments; • assisted by our own valuation specialists, assessing the correctness and methodological coherence of the Group’s discounted cash flow models, and also comparing the methodology applied to commonly used valuation models; • challenging the reasonableness of the Group’s assumptions made regarding scale of activity, profitability, capital investments and growth rate after the detailed forecast period for assets (or cash generating units) by: (i) comparing them to actual amounts in the preceding financial years, adjusted by the impact of forecasted changes in the market environment and the economic situation of the sectors in which each of the assets (or cash-generating units) operates; (ii) assessment of the quality of historical estimates by analyzing the budgets prepared in preceding years against actual outcomes; (iii) comparing the level of key assumptions made by the Group to the results of sensitivity analysis of valuation models for a change in key assumptions, taking into account the

forecasted future cash flows, discount rates or growth rates after the period of detailed forecast. An insignificant change in these assumptions may have a significant impact on the estimate of the recoverable amount. Due to the above factors, we considered this area to be a key audit matter.	possible bias of the Parent Entity Management Board in determining the appropriate level for key assumptions • evaluation of the correctness of the discount rate applied by comparing it to external sources, with the support of our own valuation specialists; • evaluation of accuracy and completeness of the consolidated financial statements disclosures with respect to key assumptions made, sensitivity of the models to changes in key assumptions and the results of the impairment tests.

Responsibility of the Management Board and Supervisory Board of the Parent Entity for the consolidated financial statements

The Management Board of the Parent Entity is responsible for the preparation of consolidated financial statements that give a true and fair view of the consolidated financial position of the Group and of its consolidated financial performance in accordance with International Financial Reporting Standards, as adopted by the European Union, the adopted accounting policy, the applicable laws and the provisions of the Parent Entity's articles of association and for such internal control as the Management Board of the Parent Entity determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board of the Parent Entity is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board of the Parent Entity either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

According to the accounting act dated 29 September 1994 (Official Journal from 2019, item 351) (the "Accounting Act"), the Management Board and members of the Supervisory Board of the Parent Entity are required to ensure that the consolidated financial statements are in compliance with the requirements set forth in the Accounting Act. Members of the Supervisory Board of the Parent Entity are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibility for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

The scope of audit does not include assurance on the future viability of the Group or on the efficiency or effectiveness with which the Management Board of the Parent Entity has conducted or will conduct the affairs of the Group.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Parent Entity;
- conclude on the appropriateness of the Management Board of the Parent Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report on the audit of the consolidated financial statements to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report on the audit of the consolidated financial statements. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the Parent Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the Audit Committee of the Parent Entity with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee of the Parent Entity, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditors' report on the audit of the consolidated financial statements unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other information, including the report on activities

Other Information

The other information comprise the information included in the consolidated annual report of the Group, but does not include the consolidated financial statements and our auditor's report thereon (the "Other information").

Responsibility of the Management Board and Supervisory Board

The Management Board of the Parent Entity is responsible for the Other information in accordance with applicable laws.

The Management Board and members of the Supervisory Board of the Parent Entity are required to ensure that the report on activities of the for the year ended 31 December 2018 (the "Report on activities"), including the corporate governance statement and the report on non-financial information referred to in art. 55 paragraph 2c of the Accounting Act are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our opinion on the consolidated financial statements does not cover the Other information.

In connection with our audit of the consolidated financial statements, our responsibility was to read the Other information and, in doing so, consider whether the Other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement in the Other information, we are required to report that fact.

In accordance with the Act on certified auditors our responsibility was to report if the Report on activities was prepared in accordance with applicable laws and the information given in the Report on activities is consistent with the consolidated financial statements.

Moreover, in accordance with the requirements of the Act on certified auditors our responsibility was to report whether the Group included in the statement on corporate governance information required by the applicable laws and regulations, and in relation to specific information indicated in these laws or regulations, to determine whether it complies with the applicable laws and whether it is consistent with the consolidated financial statements and to inform whether the Group prepared a separate report on non-financial information.

Opinion on the Report on activities

Based on the work undertaken in the course of our audit of the consolidated financial statements, in our opinion, the accompanying Report on activities, in all material respects:

- has been prepared in accordance with applicable laws, and
- is consistent with the consolidated financial statements.

Furthermore, based on our knowledge about the Group and its environment obtained in the audit of the consolidated financial statements, we have not identified material misstatements in the Report on activities.

Opinion on the statement on corporate governance

In our opinion, the corporate governance statement, which is a separate part of the Report on activities, includes the information required by paragraph 70 subparagraph 6 point 5 of the Decree of the Ministry of Finance dated 29 March 2018 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent of information required by the laws of a non-member state (Official Journal from 2018, item 757) (the "decree").

Furthermore, in our opinion, the information identified in paragraph 70 subparagraph 6 point 5 letter c-f, h and letter i of the decree, included in the corporate governance statement, in all material respects:

- has been prepared in accordance with applicable laws; and
- is consistent with the consolidated financial statements.

Information about the statement on non-financial information

In accordance with the requirements of the Act on certified auditors, we report that the Group has prepared a separate report on non-financial information referred to in art. 55 paragraph 2c of the Accounting Act.

We have not performed any assurance procedures in relation to the separate report on non-financial information and, accordingly, we do not express any assurance conclusion thereon.

Report on other legal and regulatory requirements

Statement on services other than audit of the financial statements

To the best of our knowledge and belief, we did not provide prohibited non-audit services referred to in art. 5 paragraph 1 second subparagraph of the EU Regulation and art. 136 of the act on certified auditors.

Appointment of the audit firm

We have been appointed for the first time to audit the annual consolidated financial statements of Agora S.A. Group, as a public interest entity, for the year ended 31 December 1999 and reappointed in the following years, including the resolution of the Supervisory Board dated 30 March 2017 to audit the annual consolidated financial statements for the year ended 31 December 2018. Our period of total uninterrupted engagement to audit financial statements is 20 years, covering the periods ended 31 December 1999 to 31 December 2018.

On behalf of audit firm
KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546

Signed on the Polish original

Marcin Domagała

Key Certified Auditor
Registration No. 90046
Member of the Management Board of KPMG Audyt Sp. z o.o.
General Partner of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

Signed on the Polish original

Karolina Graś

Key Certified Auditor
Registration No. 11368

Warsaw, 7 March 2019