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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 Unconsolidated Financial Statements

Opinion

We have audited the accompanying annual unconsolidated financial statements of Agora S.A. (the "Entity"), which comprise:

- the unconsolidated balance sheet as at 31 December 2018,

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

- the unconsolidated income statement;
- the unconsolidated statement of comprehensive income;
- the unconsolidated statement of changes in shareholder's equity;
- the unconsolidated cash flows statement;

and

- notes to the unconsolidated financial statements

(the "unconsolidated financial statements").

In our opinion, the accompanying unconsolidated financial statements of the Entity:

- give a true and fair view of the unconsolidated financial position of the Entity as at 31 December 2018 and of its unconsolidated financial performance and its unconsolidated 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 Entity's articles of association;
- have been prepared, in all material respects, on the basis of properly maintained accounting records in accordance with chapter 2 of the accounting act dated 29 September 1994 (Official Journal from 2019, item 351) (the "Accounting Act").

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

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 unconsolidated 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 Entity 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 Entity 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 unconsolidated 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 unconsolidated financial statements as a whole, and in forming our opinion thereon we have summarised our response to those risks. We do not provide a unconsolidated opinion on these matters. We have determined the following key audit matters:

Impairment of non-current assets

The carrying value of investments as at December 31, 2018: PLN 542,031 thousand (as at December 31, 2017: PLN 540,089 thousand), magazine titles as at December 31, 2018: PLN 9,275 thousand (as at December 31, 2017: PLN 12,365 thousand), property, plant and equipment as at December 31, 2018: PLN 173,076 thousand (as at December 31, 2017: PLN 181,947 thousand).

Based on impairment tests carried out in 2018, impairment losses were recognized in respect of shares in Goldenline Sp. z o.o. in the amount of PLN 9,138 thousand. The Company recognized also impairment losses in respect of magazine title “Ładny Dom”, including the related goodwill, in the total amount of PLN 2,285 thousand and impairment losses in respect of shares in Optimizers Sp. z o.o. in the amount of PLN 400 thousand.

Reference to the unconsolidated financial statements:

Note 2(c) „Property, plant and equipment”, Note 2(d) „Intangible assets”, Note 2(w) „Impairment losses”, Note 3 „Intangible assets”, Note 4 „Property, plant and equipment”, Note 5 “Investments”, Note 37 „Accounting estimates and judgements”.

<i>Key audit matter</i>	<i>Our response</i>
<p>In association with acquiring shares in its subsidiaries in prior years, the Entity recognized investments, which represent a significant line item in the unconsolidated financial statements. Moreover, the Entity recognized significant intangible assets with indefinite useful life relating to magazine titles and other property, plant and equipment.</p> <p>The Agora's and its subsidiaries 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, cyclical and market volatility. The complexity and diversity of the businesses of the Entity and its subsidiaries constitute an additional risk factor.</p> <p>In accordance with relevant financial reporting standards, the Entity 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 assets (or cash generating units), to its recoverable amount.</p> <p>The Entity determines the recoverable amount using the discounted cash flow method, which is based mainly on estimates and assumptions made by the Management Board, particularly in relation to the level of advertising spending in Poland in the Entity and its subsidiaries 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.</p> <p>Results of the impairment tests are sensitive to changes in key assumptions, such as 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.</p> <p>Due to the above factors, we considered this area to be a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • evaluating the Entity's accounting policy in respect of impairment testing of investments, intangible assets with indefinite useful life and property, plant and equipment against the requirements of the relevant financial reporting standards; • assisted by our own valuation specialists, assessing the correctness and methodological coherence of the Entity's discounted cash flow models, and also comparing the methodology applied to commonly used valuation models; • challenging the reasonableness of the Entity'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: <ul style="list-style-type: none"> (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 Company to the results of sensitivity analysis of valuation models for a change in key assumptions, taking into account the possible bias of the Management Board in determining the appropriate level for key assumptions;

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- 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 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.
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Responsibility of the Management Board and Supervisory Board of the Entity for the unconsolidated financial statements

The Management Board of the Entity is responsible for the preparation, on the basis of properly maintained accounting records, of unconsolidated financial statements that give a true and fair view of the unconsolidated financial position of the Entity and of its unconsolidated 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 Entity's articles of association and for such internal control as the Management Board of the Entity determines is necessary to enable the preparation of unconsolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the unconsolidated financial statements, the Management Board of the

Entity is responsible for assessing the Entity'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 Entity either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

According to the Accounting Act, the Management Board and members of the Supervisory Board of the Entity are required to ensure that the unconsolidated financial statements are in compliance with the requirements set forth in the Accounting Act. Members of the Supervisory Board of the Entity are responsible for overseeing the Entity's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the unconsolidated 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 unconsolidated financial statements.

The scope of audit does not include assurance on the future viability of the Entity or on the efficiency or effectiveness with which the Management Board of the Entity has

conducted or will conduct the affairs of the Entity.

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 unconsolidated 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 Entity'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 Entity;
- conclude on the appropriateness of the Management Board of the 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 Entity'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 unconsolidated financial statements to the related disclosures in the unconsolidated 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 unconsolidated financial statements. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the unconsolidated financial

statements, including the disclosures, and whether the unconsolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee of the 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 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 Entity, we determine those matters that were of most significance in the audit of the unconsolidated 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 unconsolidated 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 annual report of the Entity, but does not include the unconsolidated financial

statements and our auditor's report thereon (the "Other information").

Responsibility of the Management Board and Supervisory Board

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

The Management Board and members of the Supervisory Board of the Entity are required to ensure that the report on activities of the Entity

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. 49b paragraph 9 of the Accounting Act are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

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

In connection with our audit of the unconsolidated financial statements, our responsibility was to read the Other information and, in doing so, consider whether the Other information is materially inconsistent with the unconsolidated 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

Opinion on the Report on activities

Based on the work undertaken in the course of our audit of the unconsolidated 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 unconsolidated financial statements.

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").

Information about the statement on non-financial information

In accordance with the requirements of the Act on certified auditors, we report that the Entity has prepared a separate report on non-financial information referred to in art. 49b paragraph 9 of the Accounting Act.

applicable laws and the information given in the Report on activities is consistent with the unconsolidated financial statements.

Moreover, in accordance with the requirements of the Act on certified auditors our responsibility was to report whether the Entity 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 unconsolidated financial statements and to inform whether the Entity prepared a unconsolidated report on non-financial information.

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

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 unconsolidated financial statements.

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 unconsolidated financial statements of Agora S.A., 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 unconsolidated 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

Signed on the Polish original

Marcin Domagała

Karolina Graś

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.

Key Certified Auditor
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Warsaw, 7 March 2019