INDEPENDENT AUDITOR'S REPORT ON THE FULL-YEAR CONSOLIDATED FINANCIAL STATEMENTS

To the General Meeting and Supervisory Board of Famur S.A.

Auditor's report on the full-year consolidated financial statements

We have audited the accompanying full-year consolidated financial statements of the Famur Group (the "Group"), whose parent is Famur S.A. (the "Company"), with its registered office at ul. Armii Krajowej 51, Katowice, Poland, prepared for the year ended December 31st 2017 and comprising the consolidated statement of financial position as at December 31st 2017, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows for the financial year January 1st – December 31st 2017, and notes (the "accompanying consolidated financial statements").

Management Board's and Supervisory Board members' responsibility for the consolidated financial statements

The Company's Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in compliance with the International Accounting Standards, International Financial Reporting Standards and related interpretations issued in the form of the European Commission's regulations, as well as with other applicable laws and the Company's Articles of Association. The Company's Management Board is also responsible for maintaining such internal controls as it considers necessary to enable the preparation of the consolidated financial statements that are free from any material misstatement, whether due to fraud or error.

Pursuant to the Accounting Act of September 29th 1994 (the "Accounting Act"), the Company's Management Board and members of the Supervisory Board are required to ensure that the consolidated financial statements comply with the requirements set forth in the Accounting Act.

Responsibility of the Auditor

Our responsibility was to express an opinion on whether the accompanying consolidated financial statements give a true and fair view of the Group's assets, financial position and financial performance in compliance with the International Accounting Standards, International Financial Reporting Standards, the related interpretations issued in the form of the European Commission's regulations and the adopted accounting policies.

We have audited the accompanying consolidated financial statements in accordance with:

- the Polish Act on Statutory Auditors, Audit Firms, and Public Oversight of May 11th 2017 (the "Act on Statutory Auditors"),
- the Polish Financial Auditing Standards, compliant with the International Standards on Auditing, adopted by Resolution No. 2783/52/2015 of the National Council of Statutory Auditors of February 10th 2015, as amended,
- 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-interest entities and repealing Commission Decision 2005/909/EC ("Regulation 537/2014").

The standards require that we comply with ethical requirements and plan and perform the audit so as to obtain reasonable assurance about whether the accompanying consolidated financial statements are free from material misstatement.

The audit was performed 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 independent auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but it does not guarantee that an audit carried out in accordance with the above standards will reveal all existing material misstatements. Misstatements can arise from fraud of 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 the consolidated financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation or the override of internal control and may occur in any legal or regulatory area, not just those directly affecting the consolidated financial statements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements 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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Company's Management Board as well as evaluating the overall presentation of the consolidated financial statements.

The scope of the audit does not include assurance about the future profitability of the audited Group or about the efficiency or effectiveness with which the Company's Management Board has conducted or will conduct the affairs of the Group.

According to International Standard of Auditing 320.5, the concept of materiality is applied by an auditor both when planning and conducting the audit and when assessing the impact of misstatements and uncorrected misstatements identified during the audit, if any, on the financial statements, and also when forming the auditor's opinion. Accordingly, all statements contained in the auditor's report, including the statements on other legal and regulatory requirements, are made taking into account the qualitative and quantitative materiality level determined according to the auditing standards and the auditor's judgement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The opinion is consistent with the additional report for the Audit Committee, issued on the date of this audit report.

Independence

While conducting the audit, the lead auditor and the audit firm remained independent of the Group companies in accordance with the Act on Statutory Auditors, Regulation 537/2014, and the ethical standards adopted by resolutions of the National Council of Statutory Auditors.

We represent that to the best of our knowledge and belief we have not provided any non-audit services that are prohibited under Art. 136 of the Act on Statutory Auditors and Article 5(1) of Regulation 537/2014.

Selection of audit firm

We have been appointed to audit the Group's accompanying consolidated financial statements by resolution of the Supervisory Board of June 7th 2017. We have been auditing the Group's consolidated financial statements starting from the statements for the financial year ended December 31st 2015, i.e. for three consecutive years.

Most significant risks

In the course of the audit, we identified the most significant risks of material misstatement (key audit matters) including those due to fraud, as described below, and developed appropriate audit procedures for such risks. Where we considered it relevant for understanding an identified risk and for the audit procedures performed by the auditor, we also presented the main observations relating to the risk.

These issues were taken into account in the context of our audit of the attached consolidated financial statements as a whole and when forming our opinion thereon. Accordingly, we have not expressed a separate opinion on those issues.

Risk of material misstatement (key audit matters)	*Audit procedures conducted in response to identified risk*
Analysis of goodwill impairment *Why it is a key audit matter* As at December 31st 2017, the Group's net intangible assets amounted to PLN 272,669 thousand, of which PLN 222,038 thousand was goodwill. In accordance with IAS 36 *Impairment of Assets*, the Company carried out an annual impairment test on goodwill acquired through business combination. The test was based on the forecast of discounted cash flows generated by the cash-generating units to which the goodwill was allocated. To test impairment, the Company's Management Board has to make a number of assumptions following from the Group's growth strategy, including assumptions regarding estimated future revenue, costs, cash flows and weighted average cost of capital ("WACC"), potential regulatory changes, including those concerning environmental protection, and the expected macroeconomic conditions. Therefore, this matter was considered a key audit matter. *Reference to disclosure in the financial statements* In Note 16 to the accompanying consolidated financial statements, the Company disclosed the estimates based on which the impairment test was carried out, and in Note 2 it pointed to the uncertainty of the adopted assumptions, estimates and judgements.	*Our approach to audit* Our procedures with respect to the described key audit matter included: • understanding the process and identifying the control mechanisms applied at the Group with respect to asset impairment testing, as well as an assessment of the adopted accounting policies, identification of cash generating units, assessment of indications of impairment, identification of objective impairment events and asset impairment tests, • enquiring the relevant personnel and the Management Board of the Company about the delivery of the set targets, including the budget, and the validity of key estimates, • comparing the assumed weighted average cost of capital with market data, • verifying the mathematical correctness of the DCF model and reconciling the source data with the operational budgets approved by the Management Board, • assessing the sensitivity analysis of the performed tests and disclosure adequacy, in accordance with International Accounting Standard 36 *Impairment of Assets* in the Company's financial statements with respect to impairment.

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Revenue from long-term contracts
Why it is a key audit matter
In the financial year ended December 31st 2017, the Group recognised revenue from construction contracts (“contracts”) totalling PLN 715,140 thousand, representing 49% of total revenue.
The Group accounts for contracts using the percentage of completion method, based on the share of contract costs incurred in connection with the work already performed in the estimated total contract costs.
This method of accounting for contracts has a material effect on the statement of profit or loss due to revenue and costs recognised in the reporting period, as well as on the relevant items of the statement of financial position, showing the effect of this accounting treatment.
Accounting for contracts requires the Company’s Management Board to exercise professional judgement and use estimates based on the knowledge available at the time of preparation of the accompanying financial statements, in particular with respect to the percentage of contract completion and total contract costs, taking into account all the necessary estimates concerning identified risks.
Therefore, this matter was considered key audit matter.
Reference to disclosure in the financial statements
For a description of the Group’s accounting policy with respect to measurement and recognition of contracts, see Note 24 to the accompanying consolidated financial statements. In addition, in Note 4 the Company’s Management Board presented quantitative disclosures related to accounting for contracts.
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Our approach to audit
Our procedures with respect to the described key audit matter included:

understanding of the accounting policies and procedures, including the internal control mechanisms, applicable to contract measurement and recognition,
making enquiries of the personnel responsible for contracts, as well as controlling department employees and the Management Board, regarding the status of selected contracts (based on a selected sample of contracts), including the validity of key estimates, assessment of key risks related to contract performance and taking them into account in the measurement,
the audit procedures applied to the selected sample of contracts, including:

reading the key contract terms,
learning about the Management Board’s key assumptions and estimates regarding contract revenue and costs,
checking the recognition of revenue and costs under particular contracts and in the relevant reporting period,
analysing margin changes during the performance of individual contracts, including making enquiries concerning deviations from the original contract budget,
analysing the presented source documentation, including the documents held by the Management Board and concerning potential and existing risks and disputes related to contract performance,
analysing the accuracy and completeness of recognising provisions for warranties,

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	liquidated damages and other costs related to contracts, – assessment of disclosure in the accounting records of the effect of contract measurement and the adequacy of disclosures regarding the measurement in the financial statements.
Taking control over the Kopex Group *Why it is a key audit matter* On June 27th 2017, the Company acquired control of KOPEX S.A. and, in compliance with IFRS 3 *Business Combinations*, measured and recognised the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree. As a result of taking control over the acquiree, the Company recognised goodwill of PLN 748 thousand in the accompanying consolidated financial statements. Accounting for the acquisition of a business is a complex process, which requires the Management Board of the acquirer to exercise professional judgment in order to identify and correctly measure identifiable assets and liabilities assumed, including contingent liabilities. Therefore, this matter was considered a key audit matter. *Reference to disclosure in the financial statements* For information on the accounting for the acquisition of the subsidiary, see Note 1 to the accompanying consolidated financial statements.	*Our approach to audit* Our procedures, with respect to the described key audit matter, included: • assessment of the methods applied to identify assets and of their fair value measurement as well as of whether the accounting for the assets acquired and liabilities assumed, including potential contingent liabilities, was complete; • assessment of whether the acquisition had been accounted for in compliance with IFRS 3 *Business Combinations* and the goodwill recognised as part of such accounting properly measured and recognised; • review of the documentation relating to the accounting for the transaction; • assessment of whether the disclosures made with respect to the accounting for the acquisition were adequate.

Opinion

In our opinion, the accompanying consolidated financial statements:

- Give a true and fair view of the Group's assets and financial position as at December 31st 2017 as well as its financial performance in the financial year from January 1st to December 31st 2017, in compliance with the International Accounting Standards, International Financial Reporting Standards, the related interpretations issued in the form of the European Commission's regulations, and the adopted accounting policies;
- Comply, in terms of form and content, with the laws and regulations applicable to the Group and with the Company's Articles of Association.

Report on other legal and regulatory requirements

Opinion on the Directors' Report

Our opinion on the consolidated financial statements does not include an opinion on the Directors' Report on the Group's operations.

In accordance with the Accounting Act and other applicable laws and regulations, preparation of the Directors' Report on the Group's operations is the responsibility of the Company's Management Board. Furthermore, the Company's Management Board and members of its Supervisory Board are responsible for ensuring that the Directors' Report on the Group's operations meets the relevant requirements of the Accounting Act.

Under the Act on Statutory Auditors, our responsibility was to issue an opinion on whether the Directors' Report on the Group's operations had been prepared in accordance with applicable laws and regulations and that it is consistent with the information contained in the accompanying consolidated financial statements.

Our responsibility was also to make a representation on whether, based on our knowledge of the Group and its environment obtained during the audit of the accompanying consolidated financial statements, we identified any material misstatements in the Directors' Report on the Group's operations and to describe the nature of each such material misstatement.

In our opinion, the Directors' Report on the Group's operations has been prepared in accordance with applicable laws and regulations and is consistent with the information contained in the accompanying consolidated financial statements. We further represent that, based on our knowledge of the Group and its environment obtained during the audit of the consolidated financial statements, we identified no material misstatements in the Directors' Report on the Group's operations.

Opinion on the statement of compliance with corporate governance rules

The Management Board of the Company and members of its Supervisory Board are responsible for preparing a statement of compliance with corporate governance rules in accordance with applicable laws and regulations.

In accordance with the requirements of the Act on Statutory Auditors, our responsibility in connection with the audit of the consolidated financial statements was to issue an opinion on whether the issuer obliged to submit a statement of compliance with corporate governance rules, representing a separate part of the Directors' Report on the Group's operations, included in that statement information required by applicable laws and regulations and, as regards certain information specified in these laws and regulations, to determine whether the information complies therewith and is consistent with the information contained in the accompanying consolidated financial statements.

In our opinion, in the statement of compliance with corporate governance rules, the Company included the information specified in Sections 91.5.4.a, 91.5.4.b, 91.5.4.g, 91.5.4.j, 91.5.4.k and 91.5.4.l of the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated February 19th 2009 (the "Regulation") The information referred to in Sections 91.5.4.c-f, 91.5.4.h and 91.5.4.i of the Regulation, contained in the statement of compliance with corporate governance rules, complies with the applicable laws and regulations and is consistent with the information disclosed in the accompanying consolidated financial statements.

Information on the non-financial statement

In accordance with the relevant requirements of the Act on Statutory Auditors, we represent that the Company has prepared a separate non-financial statement, as referred to in Article 49b.1 of the Accounting Act, and included it in the Directors' Report on the Group's operations.

We did not perform any assurance work regarding the separate non-financial statement and we do not give any assurance about it.

Warsaw, April 27th 2018

Lead Auditor

Leszek Lerch
Statutory Auditor
registered under No. 9886

acting on behalf of:
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