Independent Auditor’s Report
on review of interim condensed consolidated financial statements
for the period of 6 months ended 30 June 2018

To the Shareholders and Supervisory Board of URSUS S.A.

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of URSUS Group (the ‘Group’), with its parent company URSUS S.A. (the ‘Company’) located in Lublin, Frezerów 7 St., prepared as of 30 June 2018, including the interim condensed consolidated statement of financial position as at 30 June 2018, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity, interim condensed consolidated statement of cash flows for the period from 1 January 2018 to 30 June 2018 and additional explanatory notes (the ‘attached interim condensed consolidated financial statements’).

The Company’s Management is responsible for the preparation and presentation of the accompanying interim condensed consolidated financial statements in accordance with the requirements of International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union.

Our responsibility is to express a conclusion on the accompanying interim condensed consolidated financial statements based on our review.

Scope of review


A review is substantially less in scope than an audit conducted in accordance with National Auditing Standards in the wording of the International Auditing Standards adopted by the resolution no. 2041/37a/2018 of the National Council of Statutory Auditors of 5 March 2018 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

The consolidated financial statements for the prior financial year ended 31 December 2017 were subject to our audit and we issued a qualified opinion on these consolidated financial statements, dated 9 May 2018, relating to the issue which we also describe in the following paragraph below.
As at 30 June 2018 the Group presents in the consolidated statement of financial position the receivables amounting to PLN 20 million relating to the sale of 100% of shares in Bioenergia Invest S.A. to an entity based in Istanbul, Turkey, executed on 29 December 2016. Under the sale agreement, the receivable is subject to interest rates and going to be repaid in full after 10 years, in 20 semi-annual, equal installments. Payment security is pledged on shares of Bioenergia Invest S.A. and a blank promissory note with a promissory note declaration. Due to the lack of information on the financial situation of the Turkish counterparty, the distant repayment period and settlement of the transaction, delays in the repayments as well as taking into consideration the above securities, we are unable to confirm the recoverability of this receivable presented in the attached interim condensed consolidated financial statements as well as assess the impact of this matter on the current consolidated financial result, the consolidated shareholders’ equity as at 30 June 2018 and comparative figures presented in the attached interim condensed consolidated financial statements.

**Qualified Conclusion**

Based on our review, with the exception of the matter described in the preceding paragraph, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with the requirements of International Accounting Standard 34 *Interim Financial Reporting* as adopted by the European Union.

**Emphasis of matter**

Without further qualifying, we draw attention to point 3 of additional explanatory notes to the attached interim condensed consolidated financial statements, where the Company’s Management indicated that the Group incurred a net loss amounting to 24 million PLN during the 6 months period ended 30 June 2018 as well as negative operating cash flows in the amount of 98 million PLN and, as of that date, the Group’s current liabilities exceeded its total current assets by 24.7 million PLN. These events and circumstances, along with other matters as set forth in this point relating to the current financial and liquidity situation of the Group, indicate that an uncertainty may exist that cast doubt about the Group’s ability to continue as a going concern in a non-significantly decreased activities in the nearest future.

**Key Certified Auditor**

Marcin Zieliński  
certified auditor  
no in the register: 10402

on behalf of  
Ernst & Young Audyt Polska spółka  
z ograniczoną odpowiedzialnością sp. k.  
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Warsaw, 1 October 2018