

Report on the audit of the financial statement for 2014

„Talex” S.A.

1 Information about the Company

„Talex” S.a. was founded as a result of transformation of the Production and Implementation Company „Talex” Limited Liability Company – resolution No. 3 of the Extraordinary Meeting of Partners held on 2nd March 1998 (Notarial act Rep. A 2655/1998 drawn up in the law office „Ziemski and Partners” Limited Liability Company in Poznan, 10 Strusia Street in the presence of the Notary, E. Dorota Drożdż). The Company has been established for an indefinite period of time. The Company’s registered office is located in Poznan, ul. Karpia 27D.

The Company offers comprehensive services in the field of enterprise and institution informatization, which are connected with equipment and software deliveries. The primary subject of activity of „Talex” S.A., according to the Polish Classification of Activities 2007 (PKD) involves „wholesale of computers, computer peripheral equipment and software” 46.51.Z.

On 3 October 2001 the Company was registered in the Register of Enterprises of the National Court Register under KRS No. 0000048779 on the basis of the decision made by the District Court - Nowe Miasto i Wilda, VIII Economy Department in Poznan.

The Company has the following tax identification number NIP: 7820021045; the statistical number (REGON) of the Company is 004772751.

The share capital of the Company as of the last day of a financial year, 31 December 2014, amounted to PLN 3,000.000, whereas the own equity of the Company – PLN 48,607.000.

In accordance to the Report on the activity of the Management Board as at 31 December 2014, the structure of the share capital of the Company presented as follows:

Shareholders	Number of shares	Number of votes	Nominal value of shares	Share in the capital
Janusz Gocalek	756,556	892,556	756,556	26.19%
Jacek Klauziński	756,556	892,556	756,556	26.19%
Andrzej Różga	756,556	892,556	756,556	26.19%
Pozostali	730,424	730,424	730,424	21.43%
Total	3,000,092	3,408,092	3,000,092	100.00%

In accordance to the Company’s share register as at 25 March 2015, in the period from 1 January 2014 to 31 December 2014 and after the balance sheet date, until the date of signing the consolidated financial statement, no changes in the ownership structure of Talex occurred.

The composition of the Management Board of Talex as at 25 March 2015 was as follows::

- Janusz Gocalek – President of the Board
- Jacek Klauziński – Vice-President of the Board
- Andrzej Różga – Vice-President of the Board
- Rafał Szalek – Member of the Board
- Radosław Wesolowski – Member of the Board
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There were no changes in the composition of the Management Board of „TALEX” S.A. in the period from 1 January 2014 to 25 March 2015.

2 Consolidated financial statement for the previous year

The consolidated financial statement of Talex S.A. for the financial year ended on 31 December 2013 (previous financial year) was audited by POPRAWSKA i KASZTELAN – BIEGLI REWIDENCI Spółka Partnerska, on behalf of which acted Małgorzata Poprawska, a certified auditor no. 5796. The auditor issued an unqualified opinion on the audited financial statement.

The consolidated financial statement of the Company for the financial year ended on 31 December 2013 was approved by the General Meeting of Shareholders of Talex S.A. on 8 May 2014. The Shareholders of the Company adopted the resolution on the distribution of the net profit for 2013 in the amount of PLN 5,944 thousand to be allocated to:

- | | |
|---------------------------------|--------------------|
| - Dividend for the Shareholders | PLN 3,894 thousand |
| - Supplementary capital | PLN 2,050 thousand |

The consolidated financial statement of the Company for the financial year ended on 31 December 2013 (the previous financial year), along with the certified auditor's report, resolutions of the Ordinary General Meeting of Shareholders on the approval of the financial statement and the profit distribution, as well as the report on the activity of the Company of were submitted to the National Court Register on 13 May 2013.

3 Information on entity authorized to audit the financial statement and certified auditor

Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k., with its registered office in Poznań at ul. Abpa Antoniego Baraniaka 88 E, is an entity authorised to audit financial statements, entered in the list of the National Council of Auditors in Poland under no. 3654.

The audit of the consolidated financial statement was conducted by Elżbieta Grześkowiak certified auditor no. 5014, on behalf of Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k.

On 8 May 2014, Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k. was appointed by the Supervisory Board of Talex S.A. to audit the consolidated financial statement of the Company for the financial years ended on 31 December 2014. The audit of the consolidated financial statement was carried out following the agreement concluded on 9 June 2015 with the Management Board of the Company.

4 Scope and date of the audit

The aim of the audit was to express a written opinion, along with a report, stating whether the consolidated financial statement for the financial year ended on 31 December 2014 accurately and clearly presents, in all its material aspects, the financial position, assets and financial results of the Company, in accordance with accounting principles (policy).

While auditing individual items of the consolidated financial statement and consolidation documentation, we applied tests applicable to financial review. Based on the test results, we made

conclusions concerning the correctness of audited items. Also, with regard to tax settlements and burden, the audit was limited to selected samples and therefore some differences between our findings and the results of possible authorized treasury bodies control can occur.

The identification and explanation of events that could have – if occurred – given rise to start criminal law procedures by the competent authorities, were not subject to our audit. Also, the audit did not cover other issues which could have occurred outside the Company's accounting system, yet not affecting the audited consolidated financial statement.

The audit of the consolidated financial statement of Talex S.A. for the financial year ended on 31 December 2014 was conducted in the period from 7 January 2015 to 25 April 2015, including on-site audit in the headquarters of the Company from 7 January 2015 to 9 January 2015 and from 23 February to 27 February 2015.

5 Statement of impartiality

Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością sp. k., members of the management board of the general partner, the network that owns the entity authorized to audit, the certified auditor managing the audit and other persons involved in the audit meet the conditions for an impartial and independent opinion on the audited consolidated financial statement of the Company, pursuant to Article 56 of the Act of 7 May 2009 on certified auditors and their self-governing council, entities authorized to audit financial statements and on public supervision (Journal of Laws No. 77, item 649, as amended).

6 Availability of data and declarations received

On 25 March 2015 the Management Board of Talex S.A. submitted a written statement on the completeness, reliability and accuracy of the audited financial statement, confirming that between the balance sheet date and the end of the audit there had been no events which could significantly impact the financial condition and assets of the Company or require to be disclosed in the audited financial statement. In this statement, the Management Board of Talex S.A. confirmed its responsibility for the signed consolidated financial statement and declared that during the audit it made all financial statements of companies subject to consolidation, applicable documentation and other required documents available to us and provided explanations necessary to express an opinion on the audited consolidated financial statement.

We believe that the evidence received by us provided a sufficient basis to express our opinion on the consolidated financial statement, and, therefore, there were no limitations on the scope of our review.

7 Accounting system

The accounting books of Talex S.A. are kept using the computer technique based on the integrated Microsoft Dynamics AX system. The Company holds current documentation, referred to in art. 10 of the Accounting Act, including also the accounting principles (policy). In our opinion, the accounting principles (policy) shown in the Introduction to Annual Report are adapted to the specificities of the Company's activities.

The approved final balances as at 31 December 2013 were properly implemented to the accounting register as the opening balances as at 1 January 2014.

Our audit did not reveal any significant weaknesses that could have influenced the financial data and information included in the audited consolidated financial statement concerning:

- documentary of economic operations,
- reliability, correctness and verifiability of the accounting books,
- links between the accounting records with supporting documentation and the audited financial statements,
- methods of securing access to data and system of their processing using a computer,
- safeguarding of the accounting records, accounting register and financial statements.

8 Balance sheet

ASSETS (in thous. PLN)	31.12.2014	31.12.2013	31.12.2012
FIXED ASSETS	43,348	30,182	26,956
Intangible assets	904	1,277	1,260
Tangible fixed assets	41,775	28,017	25,120
Long-term receivables	5	127	117
Long-term investments	-	-	-
Long-term prepayments	663	761	459
CURRENT ASSETS	41,692	43,550	39,141
Inventory	2,088	2,091	7,712
Short-term receivables	18,292	21,269	21,010
Short-term investments	20,879	19,703	9,596
Short-term prepayments	432	487	823
TOTAL ASSETS	85,040	73,732	66,097
LIABILITIES (in thous. PLN)	31.12.2014	31.12.2013	31.12.2012
A. EQUITY	48,607	43,856	40,293
LIABILITIES AND PROVISIONS FOR LIABILITIES	36,432	29,876	25,804
Provisions for liabilities	3,466	3,198	440
Long-term liabilities	5,480	1,193	539
Short-term liabilities	21,753	24,402	23,584
Accruals	5,734	1,084	1,241
TOTAL LIABILITIES	85,040	73,732	66,097

The financial statements for years 2013 and 2012 were not audited by Grant Thornton Frąckowiak.

9 Profit and loss account

REVENUES AND COSTS (in thous. PLN)	2014	2013	2012
1. Net revenues from sales	109,936	117,110	94,631
2. Costs of operating activities	99,886	110,729	96,047
3. Profit (loss) from sales	10,050	6,381	(1,416)
4. Other operating revenues	987	2,388	1,168
5. Other operating costs	401	1,577	2,306
6. Profit (loss) on operating activities	10,636	7,191	(2,555)
7. Financial revenues	266	293	367
8. Financial costs	206	190	122
9. Profit (loss) on economic activities	10,697	7,294	(2,310)
10. Result on extraordinary events	-	-	-
11. Gross profit (loss)	10,697	7,294	(2,310)
12. Income tax	2,022	1,350	(158)
13. Other obligatory reductions in profit (increases in loss)	-	-	-
14. Net profit (loss)	8,675	5,944	(2,152)

The financial statements for years 2013 and 2012 were not audited by Grant Thornton Frąckowiak.

10 Explanatory notes to chosen items of profit and loss account

The structure of assets and liabilities of the balance sheet of the Company has been presented in the financial statements for the financial year ended on 31 December 2014 audited by us.

The physical inventory of the Company's assets (including stocks), was made in accordance with the requirements of the Accounting Act. The differences between the status of these assets resulting from the accounting register and their status obtained by the inventory were explained and settled in the accounting books of 2014.

We carried out the procedure for independent confirmation of trade receivables according to their status as at 31 December 2014. Until the completion of our audit we received the confirmation of the balance or have made alternative procedures involving the verification of payment and transaction source documents. In this way we confirmed 96 % of the balance of trade receivables as at the date of the inventory. The differences between the received confirmations and the balances disclosed in the accounting books of the Company have been adequately explained and entered in the books.

We carried out the procedure for independent confirmation of trade liabilities according to their status as at 31 December 2014. Until the completion of our audit we received confirmation representing 96 % of the sample, chosen by us, of trade liabilities as at the date of the inventory. The balances selected for the sampled contractors, from whom we did not received the independent confirmation of the balance, were confirmed by our carrying out of other alternative procedures. The differences between the received confirmations and the balances disclosed in the accounting books of the Company have been properly explained and entered in the books.

The revenues and related costs were presented in the accounting books having regard to the principles of memorial and commensurate.

11 General information and financial ratios

The table below presents selected data and financial ratios for the years 2012, 2013 and 2014 which describe the financial condition of the Company in that period. All ratios were calculated based on data included in the consolidated financial statements of the Company for years ended on 31 December 2014 and 31 December 2013.

Ratio	Calculation formula	Ratio value		
		2014	2013***	2012***
revenues from sales (PLN '000)		109.936	117.110	94.631
net financial result (in PLN '000)		8.675	5.944	(2.152)
equity (PLN '000)		48.607	43.856	40.293
total assets (PLN '000)		85.040	73.732	66.097
return on assets (ROA) (%)	return on assets (ROA) (%) net financial result / total assets at end of period	10.2%	8.1%	-3.3%
return on equity (ROE) (%)	return on equity (ROE) (%) net financial result / shareholders' equity at beginning of period	19.8%	14.8%	-5.0%
return on sales (%)	net profit from sales/ revenues from the sale of products and goods	9.1%	5.4%	-1.5%
liquidity ratio I	total current assets* / short-term liabilities*	1.9	1.8	1.7
liquidity ratio III	cash and cash equivalents / short-term liabilities*	1.0	0.8	0.4
receivables turnover ratio (in days)	trade receivables** x 365 days / revenues from the sale of products and goods	63	67	85
debt repayment period (in days)	trade payables x 365 days/ (value of goods and materials sold) + manufacturing cost of sold products)	62	68	87
inventory turnover ratio (in days)	inventories x 365 days / (value of goods and materials sold + manufacturing cost of sold products)	9	8	34
stability of financing	(Shareholders' equity + long-term reserves+ long-term liabilities + long-term accrued expenses) / total equity and liabilities	70.1%	62.8%	63.9%
debt to assets ratio (%)	(total liabilities - equity) / total liabilities	42.8%	40.5%	39.0%
inflation ratios:				
average annual (%)		0.0	0.9	3.7
from December to December (%)		-1.0	0.7	2.4

* without trade receivables/payables over 12 months

** before revaluation write-downs

*** ratios referring 2013 and 2012 have been calculated on the basis of the financial data from the financial statements audited by another auditor

12 Continuing business activity

In Note 43 of the Additional Information to the audited consolidated financial statements of the Company ended on 31 December 2014, the Management Board announced that the mentioned financial statements were prepared on the assumption of continuation of business activity by the Company for the period not shorter than 12 months starting from 31 December 2014, and that there were no circumstances that would indicate any threats to the continuity of the Company's operations.

In the course of our audit, we found no material indications that the Company may not be able to continue its business activity in the next 12 months following the balance sheet date, i.e. 31 December 2014, due to any intentional or forced discontinuation of operations or significant limitation of its business.

13 Additional information

Additional information to the financial statement of Talex S.A., including the Introduction to the financial statement as well as additional information and explanations, was drawn up, in all material aspects, correctly, i.e. in line with the accounting principles of the Accounting Act as well as with the requirements defined in the order of the Ministry of Finance of 19 February 2009 on the current and periodical information presented by issuers of securities and on conditions of accepting as equivalent the information required the law regulations of the state that is not the member country (Journal of Laws of 2014, item 133).

14 Report of the Management Board of Talex S.A.

We analyzed the Report on the activity of the Management Board of the Company for the financial year ended on 31 December 2014. The information included in the Report on the activity of the Management Board, originally disclosed in the audited consolidated financial statement for the financial year ended on 31 December 2014, is consistent with this statement. The Report on the activity of the Management Board is compliant, in all its material aspects, with the provisions of Article 49(2) of the Accounting Act and with the requirements defined in the order of the Ministry of Finance of 19 February 2009 on the current and periodical information presented by issuers of securities and on conditions of accepting as equivalent the information required the law regulations of the state that is not the member country.⁶

15 Compliance with laws

In the submitted written statement, the Management Board of Talex S.A. confirms that to the best of their knowledge the Company complied with all the legal regulations, the violation of which could have a significant impact on the financial statement audited by us.

This report contains 9 pages.

Elżbieta Grześkowiak

Certified Auditor no. 5014

Key certified auditor conducting the audit on behalf of Grant Thornton Frąckowiak Spółka Z ograniczoną odpowiedzialnością sp. k., Poznań, ul. Abpa Antoniego Baraniaka 88 E. The entity authorised to audit financial statements no. 3654

Poznań, 11 April 2015