



Letter of the President of the Management Board

Dear Sirs,

On behalf of the Management Board of Qumak S.A. I would like to present to you – Shareholders, Employees, Counterparties, Investors, and all Stakeholders – a report providing a summary of our activities, achievements and financial results in 2015.

The past period was the time of an intensive work in terms of the realization of key contracts as well as an internal restructuring aiming at improving the management control processes. Simultaneously, we conducted many activities increasing the effectiveness, which as a result should bring in the nearest future a greater operational efficiency and profitability of the whole organization.

In the field of business, it was a next step in the realization of a strategy for the years 2013-2016. One of its main goals is applying the experience gained so far to new promising areas. Many successes are worth underlining, for instance, a prompt obtaining of a leader position on the market of airport technologies or multimedia exhibitions, as well as a very strong position in the segment of intelligent transport systems.

Among others, opening to new market segments resulted in a very dynamic revenue growth of the Company. In 2015 it was record high and increased by 26 percent to the level of PLN 708 million. In 2015, Qumak achieved a gross margin on sales amounting to PLN 18.3 million and noted a negative operational result and net result. Changes in the way of presenting potential costs of realization and maintenance had a decisive influence on the result; however, this is a one-off effect.

It is worth mentioning that simultaneously there were achieved a very high positive operational flows, which enabled paying the majority of debts and generating over PLN 50 million cash.

The year 2016 will be a demanding period for the entire IT sector in Poland, which is related to an over a year delay in committing funds from the Union perspective 2014-2020. The Company will conduct intensive activities to balance this gap with revenues from the public segment, applying for projects funded from the state budget and local governments' budgets.

Soon we would also like to present a strategy for further development covering sales of our own products. We are convinced that a consequent realization of all of our objectives and plans will systematically build the value of our Company for its Shareholders.

A handwritten signature in blue ink, appearing to read "Marek Tiahnybok".

Marek Tiahnybok
acting President of the Management Board of Qumak S.A.