

2. SUPPLEMENTARY REPORT TO OPINION ISSUED AFTER THE AUDIT OF FINANCIAL STATEMENTS OF QUMAK S.A. FOR FINANCIAL YEAR FROM 1 JANUARY TO 31 DECEMBER 2014

A. GENERAL INFORMATION

1. Data identifying the audited entity

The Company operates under the name QUMAK Spółka Akcyjna (hereafter referred to as the Company). The Company's registered office is in Warsaw, Al. Jerozolimskie 134, 02-305 Warsaw.

The Company does its business as joint stock company that was established as a result of transformation of a company Sekom Sp. z o.o. This transformation was confirmed in a notary deed on 4 December 1997 before a notary Waldemar Leśniewski at the Notary's Office in Warsaw (Repertorium no A 12306/97)

In accordance with information from current excerpt from the Register of Enterprises of 14 April 2015 the Company was entered in the National Court Register kept by Warsaw District Court, XII Commercial Division of the National Court Register, under the number KRS 0000019455 on 13 June 2001.

The Company was established for an indefinite period of time.

Scope of the Company's activity was in compliance with the registered information and covered in particular:

- Not specialist wholesale;
- Construction works related to elevating buildings for living and other purposes;
- Construction works related to building facilities of land and water engineering (Civil Engineering), not classified elsewhere;
- Other specialist construction works, not classified elsewhere;
- Activity related to software;
- Activity related to consulting within the scope of IT;
- Activity within the scope of other telecommunications;
- Activity related to providing security within the scope of security systems service;
- Activity within the scope of engineering and related technical consulting;
- Activity within the scope of specialist designing.

In the examined business year the Company conducted its business mainly in the area of system integration and infrastructural IT technologies.

The Company operates under the Code of Commercial Companies.

The entity has the following identification numbers:

- 1) National Economy Register (REGON) 012877260 assigned by the Statistical Office in Warsaw;
- 2) Tax Identification Number (NIP) 5240107036 assigned by Urząd Skarbowy Warszawa-Praga.

The Company's share capital as of 31 December 2014 was PLN 10,375,082.00 and constituted for 10,375,082 shares of face value of PLN 1 per one share.

In the audited business year and until the day of ending the audit there were no changes in the amount of share capital of the Company.

As of 31 December 2014 and correspondingly as of 31 December 2013 in accordance with data of the Management Board, Shareholders who directly or indirectly through subsidiaries held at least 5% of total number of votes at a General Meeting of the Company were:

As of the day 31 December 2014*:

Shareholder	Number of shares	Share in equity in %	Number of votes	Share in total number of votes on GM in %
Legg Mason TFI	974 894	9.40%	974 894	9.40%
Including: Legg Mason Parasol FIO	843 008	8.13%	843 008	8.13%
OFE PZU "Złota Jesień"	558 597	5.38%	558 597	5.38%
PTE Allianz Polska S.A.	849 603	8.19%	849 603	8.19%
Aviva Powszechno Towarzystwo Emerytalne Aviva BZ WBK SA	761 210	7.34%	761 210	7.34%
QUERCUS TFI S.A.	565 582	5.45%	565 582	5.45%

**In accordance with data of the Management Board the table was prepared on the basis of information on settlement of tax on dividend (as of 15 September 2014).*

As of the day 31 December 2013:

Shareholder	Number of shares	Share in equity in %	Number of votes	Share in total number of votes on GM in %
Legg Mason TFI	973 914	9.39%	973 914	9.39%
Including: Legg Mason Parasol FIO	843 008	8.13%	843 008	8.13%
OFE PZU "Złota Jesień"	558 000	5.38%	558 000	5.38%
PTE Allianz Polska S.A.	849 603	8.19%	849 603	8.19%
Aviva Powszechno Towarzystwo Emerytalne Aviva BZ WBK SA	588 034	5.67%	588 034	5.67%

On the day of ending the audit, i.e. 24 April 2015, in accordance with data of the Management Board, a list of Shareholders who directly or indirectly through subsidiaries hold at least 5% of total number of votes at a General Meeting of the Company is compliant with the state on 31 December 2014.

Equity of the Company as of 31 December 2014 was PLN 67,764,004.47. Increase of the value of equity by PLN 14,612,373.57 in the business year covered by the audit derives from achieved by the Company net loss for the audited business year in the amount of PLN 3,909,403.57 and payment of dividend in accordance with the resolutions no 5 and 6 of a General Meeting of Shareholders of 16 June 2014 in a total amount of PLN 10,375,082.00 (PLN 7,262,557.40 from net profit in 2013 and PLN 3,112,524.60 from supplementary capital from the part created from part of profit in 2011) and negative other net revenue amounting to PLN 327,888.00 with regard to evaluation of assets for available sale.

In 2014 the Company Qumak S.A. became a parent company of a Qumak S.A. Capital Group.

The Capital Group as of 31 December 2014 included the following subsidiaries:

- STAR ITS Sp. z o.o. with its registered office in Gdańsk (93% of share in capital);
- SKYLAR Sp. z o.o. with its registered office in Warsaw (100% of share in capital).

At the end of the audited business year and as of the day of the end of the audit the membership of the Management Board was as follows:

- Paweł Jaguś - President of the Management Board
- Aleksander Plata - Vice President of the Management Board
- Jacek Suchenek - Vice President of the Management Board

On 3 December 2014 the Supervisory Board by a resolution no VII/21/14 has changed effective from 1 January 2015 a position of a member of the Management Board, Mr. Jacek Suchenek, to a Vice President of the Management Board.

In 2014 and until the day of the end of the audit there were no changes in membership of the Management Board of the Company.

Business year of the Company is a calendar year.

On 3 December 2014 a General Meeting of the Company by a resolution no 2 decided on preparing financial statements of the Company in accordance with the International Accounting Standards, International Financial Reporting Standards, and related to them interpretations published in the form of regulations of the European Commission, starting with the financial statements for 2014.

2. Information on financial statements for the previous business year

Financial statements of the Company, prepared in accordance with the Polish rules on accounting, for the previous business year that ended on 31 December 2013 indicating a net profit amounting to PLN 7,318,958.07 was audited by Ms. Joanna Staniek-Kociuba acting on behalf of an entitled entity PRO AUDIT Kancelaria Biegłych Rewidentów Sp. z o.o. with its registered office in Krakow, ul. E. Wasilewskiego 20. The certified auditor issued an opinion on the financial statements on 23 April 2014 without objections.

General Meeting of Shareholders approving the financial statements, prepared in accordance with the Polish rules on accounting, for the financial year from 1 January to 31 December 2013 took place on 16 June 2014 and adopted a resolution on allocation of a part of net profit in the business year 2013 in the amount of PLN 7,262,557.40 for payment of dividend and a remaining part in the amount of PLN 56,400.67 to supplementary capital.

Financial statements for the business year 2013 were under the regulations of law submitted in the National Court Register on 23 June 2014.

3. Data identifying an entitled entity and a key certified auditor who audits on its behalf

Financial statements audit was conducted on the basis of an agreement of 26 June 2014 entered into between QUMAK S.A. and PRO AUDIT Kancelaria Biegłych Rewidentów Spółka z o.o. with its registered office in Krakow, ul. E. Wasilewskiego 20, entered to the National Chamber of Statutory Auditors list of entities entitled to audit financial statements under the registration number 2696.

On behalf of the entitled entity, the audit of financial statements was conducted under the supervision of a key certified auditor Mr. Tomasz Walter entered to the certified auditors' register under the number 12783.

Selection of an entity entitled to audit financial statements was made by the Supervisory Board through a resolution no VII/19/14 of 15 May 2014 on the grounds of Article 19 item 1 point 12 of the Company's Articles of Association.

The audit was conducted in the period from 23 to 27 March 2015, from 30 March to 3 April 2015 in the Company's branch and registered office, in the period from 7 to 10 April, from 13 to 16 and from 20 to 24 April 2015.

PRO AUDIT Kancelaria Biegłych Rewidentów Spółka z o.o. and the key certified auditor Tomasz Walter confirm that they are entitled to audit financial statements and that they meet criteria set forth in Article 56 item 3 and 4 of Act of 7 May 2009 on certified auditors and their governing body, entities entitled to audit financial statements and on public supervision, to express unbiased and independent opinion on the financial statements of the Company QUMAK S.A.

4. Availability of data and statements of the entity's manager

There were no limitations to the scope of our audit.

Entitled entity and key certified auditor during the audit were granted with an access to all requested documents and data, as well as with exhaustive information and explanations, what was among others confirmed in writing by a statement of the Management Board of 24 April 2015.

B. FINANCIAL RESULT AND THE COMPANY'S ASSET AND FINANCIAL STANDING

Below there are presented basic values from profit and loss account and financial indicators describing financial result of the Company, its financial and assets standing in comparison with analogical values in 2013. We would like to point out the fact that the financial statements for 2014 for the first time were prepared under the IFRS and with regard to this there were transformed also comparable data for 2013.

<u>Basic amounts of profit and loss account (in thousands PLN)</u>	<u>2014</u>	<u>2013</u>
--	-------------	-------------

Income from sales	577 294	540 082
Costs of operations	-582 218	- 526 060
Other operational income	3 135	1 102
Other operational costs	-1 677	-7 354
Financial revenue	318	2 296
Financial costs	-1 227	-764
Income tax	466	-2 254
Profit (loss) net	-3 909	7 148

<u>Profitability indicators</u>	<u>2014</u>	<u>2013</u>
Profitability of sales gross (profit (loss) from sales gross/ income from sales)	12.6%	14.9%
Profitability of sales net (profit (loss) net/income from sales)	-0.7%	1.3%
Profitability of equity net (profit (loss) net/ equity)	-5.6%	8.5%

<u>Efficiency indicator</u>	<u>2014</u>	<u>2013</u>
Indicator of rotation of assets (income from sales/assets in total)	2.2	2.3
Indicator of rotation of receivables in days (average state of receivables for deliveries, works and services on *365 day/income from sales)	82	98
Indicator of rotation of liabilities in days (average state of liabilities for deliveries, works and services on *365 day/cost of operational activity)	66	67
Indicator of rotation of inventory in days (average state of inventory on *365 day/cost of operational activity)	8	5

<u>Liquidity/net current capital</u>	<u>2014</u>	<u>2013</u>
Debt ratio (liabilities in total)	0.7	0.6
Degree of coverage of assets with equity (equity/total assets)	0.3	0.4
Net current capital (in thousands PLN) (total current assets- short term liabilities)	62 064	85 648
Liquidity indicator (total current assets/short term liabilities)	1.3	1.6
Indicator of increased liquidity ((total current assets – inventory) /short-term liabilities)	1.2	1.6

Analysis of the above amounts and indicators shows occurrence of the following tendency in 2014:

- decrease of profitability indicators;
- slight decrease of the level of assets rotation indicator;
- shortening of the rotation of receivables cycle and the rotation of liabilities cycle;
- extension of rotation cycle of inventory;
- increase of debt ratio;
- decrease of degree of coverage of assets with equity;
- decrease of net current assets;
- decrease in liquidity indicators.

C. DETAILED INFORMATION

1. Evaluation of correctness of applied accounting system

The Company is in the process of adjusting documents describing accounting rules (policy), in particular within the scope of methods of evaluation of assets and liabilities as well as calculating financial result, to applicable International Accounting Standards, International Financial Reporting Standards and related with them interpretations published in the form of regulations of the European Commission.

In the remaining scope the documents of accounting policy in all of their substantial aspects were created on the basis of Article 10 of the Act on Accounting of 29 September 1994.

In our opinion revealed in the financial statements policy (rules) of accounting of the Company is adjusted to the specificity of its operations.

Our audit did not reveal any significant weaknesses that could influence the information included in the audited financial statements, and concerning:

- operational business documentation;
- reliability, correctness and verifiability of the accounting books;
- continuity of applied rules (policy) of accounting;
- relations of books' entries with accounting proofs and the financial statements;
- methods of securing access to data and the system of their processing with the use of computer;
- protection of accounting documentation, accounting books and financial statements.

Balance closing a business year 2013 was correctly entered to books as balance opening the business year 2013.

In the Company there is used a computer system of accounting verification SYMFONIA by Altkom Matrix (current name of the company Sage Sp. z o.o.).

The Company conducted an inventory of assets and liabilities within the scope and in accordance with dates as well as in a frequency required under the Act on Accounting. Differences in inventory were included and settled in books for the audited period of time.

2. Information on audited financial statements

The audited financial statements were prepared as of 31 December 2014 and it covers:

- Profit and loss account for the financial year from 1 January 2014 to 31 December 2014 indicating a net loss of PLN 3 909 thousands;
- Statement of total revenue for the financial year from 1 January 2014 to 31 December 2014 indicating total revenue amounting to minus PLN 4 237 thousands;
- Balance sheet prepared on the day of 31 December 2014, which on the account of assets, capitals and liabilities shows an amount of PLN 267 826 thousands;
- Statement of changes in equity for the financial year from 1 January 2014 to 31 December 2014

showing a decrease in equity by PLN 14 612 thousands;

- Cash flows statement showing a decrease in net cash means during the financial year from 1 January 2014 to 31 December 2014 by an amount of PLN 20 493 thousands;
- Explanatory notes to financial statements and other information.

Structure of assets, capitals and liabilities, as well as items shaping financial result was presented in the financial statements.

3. Information on some significant items of the financial statements

Fixes tangible assets

Structure of fixed tangible assets, changes in fixed assets and their ownership structure were correctly presented in the explanatory note concerning this item in the balance sheet.

Inventory

Structure of kind and information on revaluation write-downs of inventory was correctly presented in the explanatory note concerning this item in the balance sheet.

We would like to point out the content of a note no 33 in the financial statements, describing costs borne by the Company with regard to the performance of the agreement made with Województwo Dolnośląskie, estimated amount of impaired write-down as well as claims of parties to the agreement together with uncertainties accompanying the issues. These means were presented in the financial statements in assets as ongoing production.

Receivables

Structure of kind and age of receivables was correctly presented in the explanatory note concerning this item in the balance sheet.

Liabilities

Structure of kind of liabilities was correctly presented in the explanatory note concerning this item in the balance sheet.

Other non-financial assets, other non-financial liabilities and provisions for liabilities

Explanatory notes concerning non-financial assets, other non-financial liabilities and provisions for liabilities in a correct way describe their structure.

Costs and revenue settled on time were correctly qualified with regard to the audited business year.

Provisions for liabilities were set in reliably estimated amounts.

Items are presented in a complete and correct way in significant aspects with regard to the whole financial statements.

4. Information on result of audit of completeness and correctness of preparing other documents

Explanatory notes to the financial statements and other information

The Company prepared explanatory notes to the financial statements in the form of notes in tables to particular items of balance sheet, profit and loss account, and report on total revenue, as well as written descriptions.

Rules of evaluating assets, capitals and liabilities, measuring financial result and the way of preparing the financial statements were correctly and completely described in explanatory notes to the financial statements.

The explanatory notes to the financial statements in a complete way in all substantial aspects describe reporting items and clearly present other information required by applied accounting standards.

We would like to point out the content of a note no 33 in the financial statements, describing costs borne by the Company with regard to the performance of the agreement made with Województwo Dolnośląskie, estimated amount of impaired write-down as well as claims of parties to the agreement together with uncertainties accompanying the issues.

Statement of changes in equity

The Company prepared a statement of changes in equity, constituting an integral part of the financial statements. The statement of changes in equity in a correct way indicates changes in particular elements of equity and is correctly referring to other elements of the financial statements.

Statement of cash flow

The Company prepared a cash flows statement, constituting an integral part of the financial statements. The cash flows statement in a correct way indicates cash flows in operations, investment and financial activity, as well as is correctly referring to other elements of the financial statements.

Report on the Company's activity

The Management Board prepared and attached to the financial statements a report on activity of the Company in a business year 2014. The report on the Company's activity includes information required under Article 49 of the Act on Accounting and the Regulation of the Minister of Finance of 19 February 2009 concerning current and periodic information published by the issuers of securities and conditions to consider as equivalent information required in the regulations of law of a non-member country (Dziennik Ustaw [Journal of Laws] of 2014 item 133). We verified this report within the scope of included information, for which a direct source is the audited financial statements.

D. FINAL NOTES**1. Summary of the audit**

In our opinion conducted by us audit of the financial statements of the Company QUMAK S.A. for the business year 2014 provided us with enough grounds to issue an opinion on the subject of these financial statements.

In our opinion the audited financial statements in all of their substantial aspects:

- a) Present reliably and clearly information essential for evaluation of assets and financial situation of the Company on the day of 31 December 2014, as well as the financial result in the business year from 1 January 2014 to 31 December 2014;
- b) Were prepared in accordance with the applicable International Accounting Standards,

International Financial Reporting Standards and related with them interpretations published in the form of regulations of the European Commission, and within the scope which is not regulated under these standards – appropriately to requirements of the Act on Accounting and issued on its basis regulations, as well as on the basis of correctly maintained accounting books;

- c) Are compliant with the laws and provisions of the Company's Articles of Association influencing the content of the financial statements.

We are not expressing any objections to the correctness and reliability of the audited financial statements, but we would like to point out the content of a note no 33 in the financial statements, describing costs borne by the Company with regard to the performance of the agreement made with Województwo Dolnośląskie, estimated amount of impaired write-down as well as claims of parties to the agreement together with uncertainties accompanying the issues.

2. Compliance with laws

PRO AUDIT Kancelaria Biegłych Rewidentów Spółka z o.o. and the key certified auditor received a written statement, in which the Management Board confirmed that the Company is compliant with all the regulations of law.

On behalf of:

PRO AUDIT Kancelaria Biegłych rewidentów Spółka z o.o.
Ul. E. Wasilewskiego 20, 30-305 Krakow
Registered under the number 2696

Key certified auditor:

Tomasz Walter, certified auditor, registered under the number 12783

Representative of the entity:

Mirosław Kośmider, certified auditor, registered under the number 9273

Krakow, 24 April 2015