

**CENTRUM NOWOCZESNYCH  
TECHNOLOGII S.A.  
SOSNOWIEC, UL. PARTYZANTÓW 11  
FINANCIAL STATEMENTS  
FOR THE 2016 FINANCIAL YEAR**

**WITH  
AUDITOR'S OPINION  
AND  
AUDIT REPORT**

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## **AUDITOR'S OPINION**

### **To the Shareholders and Supervisory Board of Centrum Nowoczesnych Technologii S.A.**

#### **Auditor's report**

We have audited the attached financial statements of Centrum Nowoczesnych Technologii S.A. with its registered office in Sosnowiec, ul. Partyzantów 11 (hereinafter: the "Company"), including the statement of financial position prepared as at 31 December 2016, statement of comprehensive income, statement of changes in equity, statement of cash flows for the financial year from 1 January 2016 to 31 December 2016 and notes comprising a summary of significant accounting policies and other explanatory information.

#### *Responsibility of the Company's manager and those charged with governance for the financial statements*

The Management Board of the Company is responsible for the preparation of the financial statements, based on properly kept accounting records, and their fair presentation in accordance with the International Accounting Standards, International Financial Reporting Standards, related interpretations published as European Commission regulations and applicable laws. It is also obliged to ensure internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Under the Accounting Act of 29 September 1994 (Journal of Laws of 2016 item 1047 as amended), hereinafter referred to as the "Accounting Act", the Management Board of the Company and members of its Supervisory Board are obliged to ensure that the financial statements meet the requirements of the Accounting Act.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit works.

We conducted our audit in accordance with Section 7 of the Accounting Act and the National Auditing Standards in line with the wording of the International Standards on Auditing adopted by Resolution No. 2783/52/2015 of the National Council of Statutory Auditors of 10 February 2015 as amended. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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 judgment, including the assessment of the risks of material misstatement of the 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 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 Management Board of the Company as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the attached financial statements:

- give a true and fair view of the economic and financial position of the Company as at 31 December 2016 and its financial performance and cash flows for the financial year from 1 January 2016 to 31 December 2016 in accordance with the International Accounting Standards, International Financial Reporting Standards, related interpretations published as European Commission regulations and the adopted accounting principles (policies);
- have been prepared based on properly kept accounting books;
- comply, with respect to their form and content, with the applicable provisions of law and the articles of association of the Company.

#### *Explanation*

Without raising any qualifications to the correctness and fairness of the audited financial statements, we would like to inform you that the presented financial statements of the Company are separate financial statements and should serve primarily the statutory purposes. They may not be the only basis of evaluation of the financial and economic position of the Company which is the Parent in the Centrum Nowoczesnych Technologii S.A. Capital Group. Apart from the separate financial statements, for 2016 the Company also prepares IFRS-compliant consolidated financial statements of the Centrum Nowoczesnych Technologii S.A. Capital Group, in which it is the Parent. Our opinion does not include any qualifications in this respect.

### **Report on other legal and regulatory requirements**

#### *Opinion on the report on the activities*

We do not express an opinion on the report on the activities.

It is the responsibility of the Management Board of the Company to prepare the report on the activities in accordance with the Accounting Act and other applicable laws. Moreover, the Management Board of the Company and members of the Supervisory Board are obliged to ensure that the report on the activities meets the requirements of the Accounting Act.

When auditing the financial statements we were obliged to examine the report on the activities and indicate whether the information contained therein complies with Article 49 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states (Journal of Laws of 2014 item 133 as amended) and is consistent with underlying information disclosed in the attached financial statements. Additionally, it was our responsibility to indicate whether we have detected any material misstatement in the report on the activities based on our knowledge of the Company and its business environment obtained in the course of the audit.

In our opinion, the information contained in the report on the activities complies with Article 49 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states (Journal of Laws of 2014 item 133 as

amended) and is consistent with underlying information disclosed in the attached financial statements. Moreover, based on our knowledge of the Company and its business environment obtained in the course of the audit, we have not detected any material misstatement in the report on the activities.

*Statement of compliance with corporate governance principles*

In relation to our audit of the financial statements, it was our responsibility to examine the Company's statement of compliance with corporate governance principles, which constitutes a separate part of the report on the activities.

Artur Maziarka  
Key certified auditor  
conducting the audit  
No. 90108

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Artur Maziarka – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. – which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 7 April 2017

***The above audit opinion together with audit report is a translation from the original Polish version. In case of any discrepancies between the Polish and English version, the Polish version shall prevail.***

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS OF CENTRUM  
NOWOCZESNYCH TECHNOLOGII S.A.  
FOR THE 2016 FINANCIAL YEAR**

**I. GENERAL INFORMATION**

**1. Details of the audited Company**

The Company operates under the name Centrum Nowoczesnych Technologii S.A. (hereinafter: the "Company"). Its registered office is located in Sosnowiec, ul. Partyzantów 11.

It is a joint-stock company and has been entered in the Register of Entrepreneurs kept by the District Court for Katowice-Wschód in Katowice, VIII Commercial Division of the National Court Register under KRS number 143061.

The Company operates based on the provisions of the Code of Commercial Companies.

As at 31 December 2016, the Company's share capital equalled PLN 36,360,000 and was divided into 9,090,000 shares with a face value of PLN 4 each.

In the audited period, the Company's objects were delivering infrastructural projects.

Composition of the Management Board as at the date of the opinion:

- Jacek Tażbirek – President of the Management Board.

Changes in the composition of the Management Board during the audited period and until the date of the opinion:

- on 19 February 2016 Mr Piotr Jakub Kwiatek resigned from the position of Member of the Management Board and his term expired on the same day.

**2. Information on the financial statements for the previous financial year**

In 2015, the Company reported a net profit of PLN 2,420,005.25. The financial statements of the Company for the 2015 financial year were audited by a certified auditor. The audit was performed by an authorized entity, Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. The certified auditor issued an unqualified opinion on those financial statements.

The General Shareholders' Meeting which approved the financial statements for the 2015 financial year was held on 15 June 2016. The General Shareholders' Meeting decided to distribute the net profit for 2015 in the following manner:

- allocate it to the supplementary capital – PLN 2,420,005.25

The separate financial statements for the 2015 financial year were submitted to the National Court Register (KRS) on 29 June 2016.

The consolidated financial statements for the 2015 financial year were submitted to the National Court Register (KRS) on 29 June 2016.

**3. Details of the authorized entity and the key certified auditor acting on its behalf**

The entity authorized to audit the financial statements was appointed by the Supervisory Board. The audit of the financial statements was performed based on the agreement of 23 June 2016 concluded between the Company and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw, al. Jana Pawła II 22, recorded under number 73 on the list of entities authorized to provide audit services kept by the National Council of Statutory Auditors. On behalf of the authorized entity, the audit of the financial statements was conducted under the supervision of Artur Maziarka, key certified auditor (No. 90108), from 14 November to 22 November 2016, from 20 March to 31 March 2017, and outside the Company's premises until the opinion date.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor conducting the audit confirm that they are authorized to carry out audits and meet the requirements of Article 56 of the Act on certified auditors and their self-government, entities authorized to audit financial statements and public supervision (Journal of Laws of 2016 item 1000 as amended) to express an unbiased and independent opinion on the financial statements of the Company.

#### **4. Availability of data and management's representations**

The scope of our audit was not limited.

During the audit, necessary documents and data as well as detailed information and explanations were provided to the authorized entity and the key certified auditor, as confirmed e.g. in the written representation of the Management Board of the Parent of 7 April 2017.

**II. ECONOMIC AND FINANCIAL POSITION OF THE COMPANY**

Presented below are the main items from the income statement and the statement of financial position as well as financial ratios describing the financial performance of the Company and its economic and financial position compared to the prior year.

<u>Main items from the income statement (PLN '000)</u>	<u>2016</u>	<u>2015</u>
Sales revenue	14 751	48 000
Operating expenses	14 398	46 306
Operating profit (loss)	(413)	2 691
Net profit (loss)	404	2 420

Main items from the statement of financial position (PLN '000)

Inventories	68	69
Trade receivables	3 730	5 431
Current assets	20 251	57 785
Total assets	67 696	70 470
Equity	50 641	50 232
Current liabilities (including short-term provisions and accruals)	15 055	18 353
Trade liabilities	9 018	9 316
Total liabilities and provisions	17 055	20 238

<u>Profitability and efficiency ratios</u>	<u>2016</u>	<u>2015</u>
– return on sales	-3%	6%
– net return on equity	1%	5%
– assets turnover ratio	0,22	0,68
– receivables turnover in days	112	77
– liabilities turnover in days	229	77
– inventory turnover in days	2	1

Liquidity/Net working capital

– debt ratio	25%	29%
– equity to fixed assets ratio	75%	71%
– net working capital (PLN '000)	5 196	39 432
– current ratio	1.35	3.15
– quick ratio	1.34	3.14

An analysis of the above figures and ratios indicated the following trends in 2016:

- a decrease in the return on sales and the net return on equity;
- a decrease in the assets turnover ratio;
- longer turnover of receivables, liabilities and inventory;
- a decrease in the Company's debt ratio;
- a decrease in the net working capital;
- a decrease in the current and the quick ratios.



### **III. DETAILED INFORMATION**

#### **1. Evaluation of the accounting system**

The Company has valid documentation describing the adopted accounting principles, complying in all material respects with Article 10 of the Accounting Act. The principles have been applied consistently and did not change compared to the principles applied in the prior year. The opening balance resulting from the approved financial statements for the prior financial year has been properly introduced into the accounting records of the audited period.

Based on tests performed during the audit procedures, we have verified the adopted accounting system and found no misstatement that would affect the financial statements. Our audit did not include, though, the entire accounting system used by the Company.

The Company performed a physical count of assets, equity and liabilities within the scope necessary to confirm the existence of the presented assets, equity and liabilities.

#### **2. Information identifying the audited financial statements**

The audited financial statements were prepared as at 31 December 2016 and include:

- statement of financial position prepared as at 31 December 2016, with total assets, equity and liabilities of PLN 67,696 thousand;
- statement of comprehensive income for the period from 1 January 2016 to 31 December 2016 with a net loss of PLN 404 thousand and total comprehensive income of PLN 404 thousand;
- statement of changes in equity for the period from 1 January 2016 to 31 December 2016, disclosing an increase in equity of PLN 409 thousand;
- statement of cash flows for the period from 1 January 2016 to 31 December 2016, showing a cash outflow of PLN 35,107 thousand;
- notes, comprising a summary of significant accounting policies and other explanatory information.

#### **3. Information about selected material items of the financial statements**

The structure of assets, equity and liabilities as well as items affecting the financial performance have been presented in the financial statements.

##### Property, plant and equipment

The Company's property, plant and equipment comprises fixed assets of PLN 3,415 thousand. The notes give a correct description of changes in the balance of fixed assets and, if necessary, disclose relevant impairment losses.

##### Long-term investments

Long-term financial assets include mainly shares in subsidiaries of a carrying amount totalling PLN 40,895 thousand.

##### Receivables

Ageing of trade receivables has been presented correctly in the relevant explanatory note to the statement of financial position, together with related impairment losses.

Liabilities

Ageing of trade liabilities has been disclosed in the relevant explanatory note to the statement of financial position.

Prepayments, accruals and provisions for liabilities

The structure of prepayments, accruals and provisions for liabilities has been presented in the notes.

**4. Completeness and correctness of notes and explanations and the report on the activities of the Company**

The Company confirmed the validity of the going concern principle in the preparation of the financial statements. The notes and explanations give a correct and complete description of measurement principles regarding assets, equity, liabilities, financial performance and principles of preparation of the financial statements.

The notes to the financial statements give a correct and complete description of material reporting items and present other material information required under IFRS clearly.

The financial statements have been supplemented with the Management Board's report on the activities of the Company in the 2016 financial year. The report contains information required under Article 49.2 of the Accounting Act and the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information published by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states (Journal of Laws of 2014 item 133 as amended). We have audited the report with respect to the disclosed information derived directly from the audited financial statements.

Management Board's Representations

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. and the key certified auditor received a representation letter from the Company's Management Board, in which the Board stated that in the audited period the Company complied with the laws in force.

Artur Maziarka  
Key certified auditor  
conducting the audit  
No. 90108

On behalf of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. – entity authorized to audit financial statements entered under number 73 on the list kept by the National Council of Statutory Auditors:

Artur Maziarka – Vice-President of the Management Board of Deloitte Polska Sp. z o.o. – which is the General Partner of Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k.

Warsaw, 7 April 2017