

Wikana S.A.
ul. Cisowa 11
20-703 Lublin

Opinion and report
of an independent statutory auditor
on the audit of financial statements
for the period from 1 January to
31 December 2015

Opinion of an independent statutory auditor for the General Meeting and Supervisory Board of WIKANA S.A.

We audited the enclosed financial statements of WIKANA S.A. ("Company"), based in Lublin, ul. Cisowa 11, consisting of:

- Statement of comprehensive income for the period from 1 January to 31 December 2015,
- Statement of financial position as at 31 December 2015,
- Statement of cash flows for the period from 1 January to 31 December 2015,
- Statement of changes in equity for the period from 1 January to 31 December 2015,
- Additional information and explanations.

The Company's Management Board is responsible for preparing financial statements and report on the Company's operations in compliance with the binding regulations.

The Company's Management Board and members of the Supervisory Board are required to ensure that the financial statements and management report meet the requirements specified in the Accounting Act of 29 September 1994 (Polish Journal of Laws of 2013, item 330, as amended), hereinafter the "Accounting Act."

Our objective was to audit and express an opinion on the compliance of these financial statements with the applicable accounting rules (policy) and on whether they reliably and clearly present, in all significant respects, the Company's asset position, financial standing and financial results, and on the correctness of the accounting books constituting their basis.

The audit of the financial statements was carried out in accordance with the provisions of:

- 1/ section 7 of the Accounting Act,
- 2/ national financial audit standards issued by the National Chamber of Statutory Auditors in Poland.

We planned and carried out the audit so as to obtain rational certainty allowing us to express an opinion on the financial statements.

In particular, the audit assessed validity of the Company's accounting rules (policy) and significant estimates, as well as verified - largely on a test basis - the accounting entries and records that served as basis for the figures and information contained in the financial statements, and an overall assessment of the financial statements.

We consider that the audit provided us with sufficient basis to issue an opinion.

We consider that the audited financial statements, in all significant aspects:

- a) reliably and clearly present information that is significant from the viewpoint of assessing the Company's asset and financial situation as at 31 December 2015 as well as its financial results for the period from 1 January to 31 December 2015,
- b) are prepared in accordance with International Financial Reporting Standards and the associated interpretations published in the form of Commission Regulations, and in the scope not regulated by these standards - the relevant requirements of the Accounting Act and secondary legislation issued on its basis, as well as on the basis of correctly maintained accounts,
- c) are in compliance with the legal regulations and the provisions of the Company's Articles of Association that have an impact on the content of financial statements.

The management report on the Company's activities is complete in the meaning of art. 49 of the Accounting Act and takes into considerations the provisions of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information disclosed by issuers of securities and the terms for recognising as equivalent information required by the laws of a non-member state (Polish Journal of Laws of 28 January 2014, item 133), and the information contained therein, derived from the audited financial statements, is compatible with the report.

Warsaw, 21 March 2016

**BDO Sp. z o.o.
ul. Postępu 12
02-676 Warsaw**

Entity authorised to audit financial statements no. 3355

Lead statutory auditor conducting the audit:

Acting on behalf of BDO Sp. z o.o.:

Krzysztof Maksymik
Statutory Auditor
no. 11380

dr André Helin
President of the Management Board
Statutory Auditor register number
90004

**Report
on the audit of financial statements of
WIKANA S.A.**

**for the period from 1 January to
31 December 2015**

I. General part of the report

1. Company data

The Company's name is WIKANA Spółka Akcyjna.

The Company's registered office is in Lublin, ul. Cisowa 11.

According to Company's register entry and Articles of Association, its primary economic activities are:

- activities of head offices and holding companies, except for financial holdings
- development of building projects
- renting and operating of own or leased real estate
- accounting and bookkeeping

The Company operates pursuant to:

- Articles of Association, drafted in the form of notarial deed on 6 December 1999 (Rep. A nr 7498 /99), as amended,
- Polish Commercial Companies Code,

On 20 January 2003, the Company was entered into the National Court Register at the District Court for Lublin-Wschód in Lublin, based in Świdnik, 6th Commercial Department, Registry Section, under KRS number 0000144421.

The Company has tax identification number NIP: 6910019382, and REGON: 390284802.

At 31 December 2015, share capital amounted to PLN 40 030 000 and was divided into 20 014 797 shares with nominal value of PLN 2.00 each.

In 2015 and until the audit was concluded, no changes to share capital took place.

As at 31 December 2015, according to Management Board information, the Company's shareholders were as follows:

SHAREHOLDING STRUCTURE	shares	votes at general meeting
AGIO RB FIZ	6 320 124	31.6%
Ipnihome Limited	4 935 222	24.7%
Dekra Holdings Limited	3 027 026	15.1%
Other	5 732 425	28.6%

At 31 December 2015, the Parent's equity amounted to PLN 38 051 000.

The Management Board is the Company's lead managing authority.

At 31 December 2015, the Management Board comprised:

- Robert Pydzik – President of the Management Board
- Agnieszka Maliszewska – Member of the Management Board, responsible for finance

During the audited period and until the audit was concluded, the Management Board composition did not change.

2. Data identifying the authorised entity and statutory auditor

The audit of WIKANA S.A.'s financial statements for 2015 was carried out by BDO Sp. z o.o., based in Warsaw, ul. Postępu 12, an entity authorised to audit financial statements, entered onto the list of the National Chamber of Statutory Auditors in Poland under no. 3355.

The statutory auditor was selected by the Company's Supervisory Board pursuant to written resolution 18/VI/2015 of 11 June 2015.

The audit was carried out pursuant to an agreement of 15 June 2015, led by lead statutory auditor Krzysztof Maksymik (register no. 11380). The audit was performed at the Company's registered office from 12 January 2016 to the date on which this opinion was issued, with breaks. It was preceded by a review of the financial statements for the first half of 2015 as well as a preliminary audit.

We declare that BDO Sp. z o.o., its management board and statutory auditor along with the team auditing the financial statements meet the conditions to issue an impartial and independent opinion on the audited financial statements - in accordance with art. 56 sec. 3 and 4 of the Act on statutory auditors and their self-regulation, entities authorised to audit financial statements and on public supervision (Polish Journal of Laws of 2009, no. 77, item 649, as amended).

The entity's director provided all of the declarations requested by the statutory auditor as well as explanations and information necessary to perform the audit.

The audit was not limited in scope in any way, and the statutory auditor was not restricted in selecting the appropriate audit methods.

3. Information on the financial statements for the preceding year

Basis for the opening balance in accounting books were financial statements for the period from 1 January to 31 December 2014, audited by CSWP Audyt Sp. z o.o. Sp. k., which were issued an unqualified audit opinion with an explanation.

The Company's financial statements for the period from 1 January to 31 December 2014 were approved through resolution 5/VI/2015 of the Ordinary General Meeting of 29 June 2015.

Through resolution 9/VI/2015, the Ordinary General Meeting decided to cover the Company's net loss for the period 1 January - 31 December 2014, amounting to PLN 13 619 000, with profit from future periods.

The financial statements for 2014 were filed with the National Court Register on 13 July 2015.

II. FINANCIAL ANALYSIS OF THE COMPANY

Following is a selection of figures from the statement of financial position and statement of comprehensive income, as well as key financial ratios, in comparison with the previous years

1. Key figures from the financial statements (in PLN 000s)

	31.12.2015	% of balance sheet total	31.12.2014	% of balance sheet total	31.12.2013	% of balance sheet total
Non-current assets	41 016	48.9	44 749	43.7	31 460	23.6
Current assets	42 945	51.1	57 596	56.3	101 725	76.4
Total assets	83 961	100.0	102 345	100.0	133 185	100.00
Equity	38 051	45.3	40 852	39.9	42 133	31.6
Liabilities	45 910	54.7	61 493	60.1	91 052	68.4
Total equity and liabilities	83 961	100.0	102 345	100.0	133 185	100.00

Item	1.01.2015- 31.12.2015	% of revenue	1.01.2014- 31.12.2014	% of revenue	1.01.2013- 31.12.2013	% of revenue
Revenue from sales	16 513	100.0	27 105	100.0	25 296	100.0
Operating costs	(16 515)	(100.0)	(25 310)	(93.4)	(22 421)	(88.6)
Result on sales	(2)	(0.0)	1 795	6.6	2 875	11.4
Selling costs and administrative expenses	(2 554)	(15.5)	(4 674)	(17.3)	(4 422)	(17.6)
Result on other operating revenues and costs	2 518	15.3	(4 809)	(17.7)	(1 298)	(5.1)
Result on financing activities	(3 121)	(18.9)	(5 932)	(21.8)	(9 118)	(36.0)
Gross financial result	(3 159)	(19.1)	(13 620)	(50.2)	(11 963)	(47.3)
Income tax	-	-	-	-	(85)	(0.3)
Net financial result	(3 159)	(19.1)	(13 620)	(50.2)	(12 048)	(47.6)

2. Key financial ratios

	2015	2014	2013
Profitability ratios			
Gross sales margin	(0.0%)	6.6%	11.4%
Gross sales margin	-19.1%	-50.2%	-47.6%
Return on assets	-3.8%	-13.3%	-9.0%
Liquidity ratios			
Liquidity ratio I	1.9	1.5	1.6
Liquidity ratio II	0.9	0.7	0.8
Turnover ratios			
Receivables turnover days	435	255	258
Debt ratios			
Payables turnover days	218	231	145
Debt ratio	54.7%	60.1%	68.4%

3. Commentary

- Non-current assets constituted 48.9% of total assets at the end of the audited period, and their share in balance sheet total grew from 43.7% in 2014;
- The main item of equity and liabilities are liabilities, the share of which in the balance sheet total decreased from 60.1% in the previous year to 54.7% in the audited period;
- Two profitability ratios improved. Although gross sales margin was 0.0% in the audited period, versus 6.6% in the previous year, net sales margin went up from -50.2% in 2014 to -19.1%, while return on assets reached -3.8% in 2015 from -13.3% in the previous year;
- Liquidity ratios I and II both improved in the audited period, reaching respectively 1.9 (vs. 1.5 in the previous year) and 0.9 (versus 0.7);
- Receivables turnover reached 435 days in 2015, versus 255 in the previous year;
- Payables turnover improved in 2015 to 218 from 231 days in 2014;
- Debt ratio was 54.7%, lower than in the previous year, when it reached 60.1%.

During the audit of the financial statements, we did not identify anything indicating that, should the Company cease or substantially limit its existing operations, it would no longer be able to continue operating over at least the next reporting period.

III. DETAILED PART OF THE REPORT

1. Assessment of the accounting system and internal control system

The Company holds documentation describing its adopted accounting principles, in compliance with art. 10 of the Accounting Act.

Accounting books are maintained at the Company's registered office. Accounting is conducted via computer, using Comarch ERP XL software.

During the audit, we carried out random checks of the accounting system's operation. The objective was to issue a comprehensive opinion on the system's operation.

During this work, we did not identify any errors in the accounting books that could have substantial impact on the audited financial statements. This covered in particular:

- appropriateness and continuity of accounting principles (policy), including correctness of the opening balance,
- reliability, completeness and transparency of documentation for economic transactions and their proper qualification for recognition in the accounts,
- methods for securing access to data and the data processing system,
- completeness, correctness and continuity of entries and their matching with accounting documents and financial statements,
- proper protection for accounting documentation, accounts and financial statements.

Inventory of assets and liabilities, carried out in the scope, schedule and frequency specified in the Accounting Act, can be considered as correct, and the identified differences were settled in accounts for the year being audited.

2. Information on selected significant items from the financial statements

The key items of the financial statements are described in notes to the Company's financial statements and management report.

3. Additional information

Information contained in the introduction to the financial statements and additional information was prepared in a complete and proper manner.

4. Management report on Company operations

The management report on the Company's activities is complete in the meaning of art. 49 of the Accounting Act and takes into considerations the provisions of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information disclosed by issuers of securities and the terms for recognising as equivalent information required by the laws of a non-member state (Polish Journal of Laws of 28 January 2014, item 133), and the information contained therein, derived from the audited financial statements, is compatible with the report.

5. Declaration of the entity's director

The Company's management submitted a written declaration to the effect that all data is fully recognised in accounting books, as are contingent liabilities and significant events that took place after the balance sheet date.

Warsaw, 21 March 2016

BDO Sp. z o.o.
ul. Postępu 12
02-676 Warsaw

Entity authorised to audit financial statements no. 3355

Lead statutory auditor conducting the audit:

Acting on behalf of BDO Sp. z o.o.:

Krzysztof Maksymik
Statutory Auditor
no. 11380

dr André Helin
President of the Management Board
Statutory Auditor register number
90004