

KOMPUTRONIK S.A.
POZNAŃ, UL. WOŁCZYŃSKA 37

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2013

WITH
AUDITOR'S OPINION
AND
AUDIT REPORT

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**FINANCIAL STATEMENTS OF KOMPUTRONIK S.A.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

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**REPORT ON THE ACTIVITIES OF KOMPUTRONIK S.A.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

AUDITOR'S OPINION

To the Shareholders and Supervisory Board of Komputronik S.A.

We have audited the attached financial statements of Komputronik S.A. (hereinafter "the Company") with its registered office in Poznań at Wolczyńska 37 Street, including balance sheet prepared as of 31 March 2013, income statement and statement of comprehensive income, statement of changes in equity, statement of cash flows prepared for the financial year from 1 April 2012 to 31 March 2013 and notes comprising a summary of significant accounting policies and other explanatory information.

Preparation of financial statements and a report on the activities in line with the law is the responsibility of the Management Board of the Company.

The Management Board of the Company and members of its Supervisory Board are obliged to ensure that the financial statements and the report on the activities meet the requirements of the Accounting Act of 29 September 1994 (Journal of Laws of 2013, item 330 as amended), hereinafter referred to as the "Accounting Act".

Our responsibility was to audit and express an opinion on compliance of the financial statements with the accounting principles (policy) adopted by the Company and whether the financial statements present fairly and clearly, in all material respects, the financial and economic position as well as the financial result of the Company and on the correctness of the underlying accounting records.

Our audit of the financial statements has been planned and performed in accordance with:

- section 7 of the Accounting Act,
- national auditing standards, issued by the National Council of Statutory Auditors in Poland.

We have planned and performed our audit of the financial statements in such a way as to obtain reasonable assurance to express an opinion on the financial statements. Our audit included, in particular, verification of the correctness of the accounting principles (policy) and material estimates applied by the Company, verification – largely on a test basis – of the accounting evidence and records supporting the amounts and disclosures in the financial statements, as well as overall evaluation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the audited financial statements in all material respects:

- present fairly and clearly the information material to evaluate the economic and financial position of the Company as of 31 March 2013 as well as its profit or loss in the financial year from 1 April 2012 to 31 March 2013,
- have been prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and related interpretations published as Commission regulations and in all matters not regulated in the standards – in accordance with the provisions of the Accounting Act, secondary legislation to the Act and based on properly kept accounting records,
- comply with the provisions of law and the by-laws of the Company which affect the contents of the financial statements.

Without raising any qualifications to the financial statements, we would like to emphasize pending litigations between the Company and its subsidiary Contanisimo Limited with its registered office in Nicosia and Clean&Carbon Energy S.A. relating to realization of articles of investment agreement dated 24 July 2010 and to bills of exchange payment, described by the Company in details in note 4 and 12 to separate financial statements. Negative litigation settlement can significantly impact the Company's economic and financial position in a negative way.

The Report on the activities of the Company for the financial year ended 31 March 2013 is complete within the meaning of Article 49.2 of the Accounting Act and the Ordinance by issuers of securities and the rules of equal treatment of the information required by the laws of non-member states and consistent with underlying information disclosed in the audited financial statements.

.....
Piotr Waliński
Key certified auditor
conducting the audit
No. 4254

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

.....
Jacek Mateja
Deputy Chairman 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, 19 June 2013

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 KOMPUTRONIK S.A.
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013**

I. GENERAL INFORMATION

1. Details of the audited Company

The Company operates under the business name Komputronik S.A. The Company's registered office is located in Poznań at Wołczyńska 37 Street.

The Company operates as a joint stock company established by a transformation of limited liability company Komputronik Sp. z o.o. into a joint stock company based on the resolution of Extraordinary Shareholders Meeting dated 11 December 2006 (notarized deed on 11 December 2006 before Andrzej Adamski, Notary Public in Poznań - repertory A No. 10810/2006). The Company is recorded in the Register of Entrepreneurs kept by the District Court Poznań - Nowe Miasto and Wilda in Poznań, VIII Business-Registry Division, under KRS number 0000270885.

The Company's tax identification number NIP assigned by the First Tax Office in Poznań on 1 May 2004 is: 9720902729.

The REGON number assigned by the Statistical Office on 13 November 2002 is: 634404229.

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

In the audited period the scope of the Company's activities included mainly retail and wholesale trade of hardware and software as well as trade of electronics.

As of 31 March 2013, the Company's share capital amounted to PLN 957,234.90 and was divided into 9,572,349 shares with a face value of PLN 0.10 each.

As of 31 March 2013 the Company's shareholders included:

- | | |
|------------------------------|---------------|
| – Ewa i Krzysztof Buczkowscy | – 22% shares, |
| – WB Investments | – 20% shares, |
| – Wojciech Buczkowski | – 9% shares, |
| – EKB Investments | – 9% shares, |
| – Other Shareholders | – 40% shares. |

During the financial year ended 31 March 2013 no changes in the Company's share capital took place.

As of 31 March 2013, the Company's equity amounted to PLN 144,915 thousand.

The Company's financial year is period from 1 April to 31 March of the following year.

The Company has the following related parties:

- | | |
|---------------------------|--------------------|
| – Komputronik Biznes S.A. | – 100% subsidiary, |
| – Benchmark Sp. z o.o. | – 80% subsidiary, |
| – Contanisimo Limited | – 100% subsidiary, |

– KEN Technologie Informatyczne Sp. z o.o.	–	100% subsidiary,
– Idea Nord Sp. z o.o.	–	100% subsidiary,
– K24 International s.r.o.	–	100% subsidiary,
– Log Systems Sp. z o.o.	–	33% subsidiary,
– Komputronik API Sp. z o.o.	–	70% subsidiary,
– Movity Sp. z o.o.	–	70% subsidiary,
– KEN Komputer IV Sp. z o.o.	–	100% subsidiary,
– Signum Komputronik S.A. Sp.J.	–	99% subsidiary,
– Cogitary Sp. z o.o. Sp.k.	–	80% subsidiary.

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

- Wojciech Buczkowski – Chairman of the Management Board,
- Krzysztof Nowak – Member of the Management Board.

In the audited financial year and till the date of the opinion no changes in the composition of the Management Board took place.

2. Information about the financial statements for the prior financial year

The activities of the Company in the financial year ended 31 March 2012 resulted in a net profit of PLN 19,243 thousand (profit being approved, before prior year adjustment). The financial statements of the Company for 2011 were audited by a certified auditor. The audit was performed by authorized entity uprawniony Grant Thornton Frąckowiak Spółka z ograniczoną odpowiedzialnością Sp.k. On 14 June 2012 the certified auditor issued an emphasis of matter opinion on those financial statements, stating as follows:

1. “As at 31 March 2012 the Company presents in the financial statements two claims under promissory notes disputed by the debtor. The first one in the amount of PLN 5,000 arising from legally valid court payment order recognized in revenues in the previous financial year, increased by interest of PLN 2,443 thousand. Up to the date of the publication of the financial statements the Company realised the calculated claim in the total amount of PLN 2,235 thousand. The second promissory note claim of PLN 4,000 thousand was increased with interest of PLN 1,963 thousand. The principal claim of PLN 4,000 and interest in the total amount of PLN 4,406 thousand were reported by the Company in revenues of the current period. The Company holds mortgage collaterals for the above mentioned claims. The Management Board presented the status of court cases related to the above mentioned claims in note 12 of the additional notes and explanations to the financial statements. In the opinion of the Management Board the process of recovery of the promissory note claim will be finished with a success, however due to the specificity of the real estate collection process the date is difficult to estimate.
2. In the financial statements the Company presents investments in a subsidiary, Ken Technologie Informatyczne Sp. z o.o., valued at the acquisition price with the carrying amount of shares of PLN 15,389 thousand and a loan of PLN 2,057 thousand. The auditor issued an opinion on the financial statements of the company with emphasis of matter paragraphs. The audited draw attention to, among other things, the fact that net losses reported in the balance sheet exceed the sum of supplementary and reserve capital and a half of the share capital. In this situation, pursuant to Article 233 of the Code of Commercial Partnerships and Companies the Management Board of the Subsidiary convened for 3 July 2012 a General Meeting of Shareholders in order to adopt a resolution on a continued existence of Ken Technologie Informatyczne Sp. z o.o. and to adopt a resolution on recapitalisation of the Subsidiary by shareholders.

The Management Board presented an impairment test for the subsidiary, Ken Technologie Informatyczne Sp. z o.o. which identified no need for recording an impairment write-down for the value of shares. The success of Management Board plans depends on the accomplishments of business plans which constitute the basis for the financial forecasts. In the opinion of the Management Board these activities will be successful, however, there is no such certainty.

3. In the financial statements the Company presents investments in a subsidiary, Contanissimo LTD, valued at a acquisition price with the carrying amount of shares PLN 62,279 thousand. The largest asset of the Company is a claim of PLN 48,688 thousand which relates to the exercise of PUT option, i.e. a sale of shares of Clean&Carbon Energy S.A. as part of the performance of the investment agreement. The claim is disputed by the debtor. Contanissimo holds collateral in the form of compulsory mortgage on 2 properties an a seizure of cash from a sale of properties on assets of Texass Ranch Company Wizja P.S. as well as collateral granted pursuant to the decision of the Regional Court in Warsaw in the form of an order to establish compulsory mortgages on 6 properties belonging to Clean&Carbon Energy S.A. In Note 4 of the additional notes and explanations to the financial statements the Management Board presented the status of cases related to the recovery of this claim. In the opinion of the Management Board the process of recovery of the promissory note claim will be finished with a success, however due to specificity of the real estate collection process the date is difficult to estimate.

The Management Board presented an impairment test for the subsidiary, Ken Technologie Informatyczne Sp, z o.o. which identified no need for recording an impairment write-down for the value of shares. The success of Management Board plans depends on the accomplishments of business plans which constitute the basis for the financial forecasts. In the opinion of the Management Board these activities will be successful, however, there is no such certainty.

4. The financial statements were prepared under the assumption that the provisions of the investment agreement signed on 24 July 2010, described in note 4 of the additional notes and explanations to the financial statements, will be implemented. Up to the date of the opinion some provisions of the investment agreement are not implemented on the dates resulting from the agreement. In addition, the other party to the above mentioned agreement disputes some of its provisions. In note 4 to the additional notes and explanations to the financial statements the Management Board presented risks and the status of cases related to the performance of the agreement. In the opinion of Management Board the investment agreement will be implemented in full, however there is no such certainty.”

The General Shareholders’ Meeting which approved the financial statements for the financial year ended 31 March 2012 was held on 20 August 2012. The General Shareholders’ Meeting decided on the following distribution of the net profit for the financial year ended 31 March 2012:

- | | |
|---|------------------------|
| – dividends to shareholders | – PLN 3,446 thousand, |
| – transfer to the supplementary capital | – PLN 15,797 thousand. |

The financial statements for the financial year ended 31 March 2012 were submitted to the National Court Register (KRS) on 4 September 2012 and filed for publication in Monitor Polski B on 29 August 2012. They were published in Monitor Polski B No. 2993 on 19 November 2012.

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

The audit of the financial statements was performed based on the agreement of 27 August concluded between Komputronik S.A. and Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) with its registered office in Warsaw, al. Jana Pawła II 19, 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 Piotr Waliński, key certified auditor (No. 4254) in the registered office of the Company from 24 to 28 September 2012, from 12 to 23 November 2012, from 13 to 31 May 2013 as well as outside the Company's premises until the date of this opinion.

The entity authorized to audit the financial statements was appointed by the resolution of the Supervisory Board of 17 July 2012.

Deloitte Polska Spółka z ograniczoną odpowiedzialnością Sp. k. (formerly: Deloitte Audyt Sp. z o.o.) and Piotr Waliński, key certified auditor, confirm that they are authorized to carry out audits and meet the requirements of Article 56 of the Act on statutory auditors and their self-governing body, auditing firms and on public oversight (Journal of Laws of 2009, No. 77, item 649, as amended) to express an unbiased and independent opinion on the financial statements of Komputronik S.A.

4. Availability of data and management's representations

The scope of our audit was not limited.

During the audit, all 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 19 June 2013.

II. ECONOMIC AND FINANCIAL POSITION OF THE COMPANY

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

<u>Main items from the income statement (PLN '000)</u>	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
Sales revenue	1,226,561	1,002,454	863,473
Operating expenses	(1,217,336)	(985,138)	(861,525)
Other operating revenue	3,327	8,321	28,832
Other operating expenses	(2,443)	(4,692)	(5,472)
Financial revenue	3,197	10,953	10,697
Financial expenses	(7,854)	(11,680)	(24,510)
Income tax	(839)	(4,351)	(1,787)
Net profit	4,613	15,867	9,708
Total comprehensive income	4,613	15,867	9,708
<u>Profitability ratios</u>	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
– gross profit margin	0.8%	1.7%	0.2%
– net profit margin	0.4%	1.6%	1.1%
– net return on equity	3.3%	12.4%	8.1%
<u>Effectiveness ratios</u>	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
– assets turnover ratio	3.1	2.7	2.6
– receivables turnover in days	29	35	31
– liabilities turnover in days	45	45	40
– inventory turnover in days	25	24	25
<u>Liquidity/Net working capital</u>	<u>31.03.2012</u>	<u>31.03.2011</u>	<u>31.03.2010</u>
– debt ratio	64%	61%	61%
– net working capital (PLN '000)	3,236	3,659	5,274
– current ratio	1.0	1.0	1.0
– quick ratio	0.6	0.7	0.7

An analysis of the above figures and ratios indicated the following trends in the financial year ended 31 March 2013:

- decrease in profitability ratios,
- shortening of receivables turnover in days,
- increase in debt ratio,
- decrease in net working capital,
- the same level of liquidity ratio compared to prior years.

III. DETAILED INFORMATION

1. Evaluation of the accounting system

The Company has valid documentation required by Article 10 of the Accounting Act of 29 September 1994 (Journal of Laws of 2013, item 330 as amended), hereinafter referred to as the “Accounting Act”, referring in particular to: definition of the financial year and reporting periods thereof, methods of measuring assets and liabilities and determining the financial result, method of keeping the accounting records and the system of data and file protection. The documentation of the accounting policy was developed in line with the Accounting Act and with respect to the measurement of assets and liabilities plus equity as well as presentation of the financial statements – in line with IFRS and approved for use as of 1 January 2008 by a decision of the Chairman of the Management Board dated 10 February 2008 have been presented in the explanatory notes.

Accounting principles selected at the Company’s discretion pursuant to IFRS have been selected in a manner that correctly reflects specifics of its business operations, its financial standing and performance. The accounting principles have been applied in a continuous manner and unchanged compared to those applied to the accounting records and financial statements in the preceding financial year.

The Company uses MAXeBiznes 2.00.03.000_x671 produced by Max Elektronik S.A. located in Zielona Góra computerized accounting system to record all business transactions. The MAXeBiznes system is password-protected against unauthorized access and has functional access controls.

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.

As regards the opening balance, we have performed the required procedures to ensure that the balances are free from material misstatements. In the financial statements in the note “The basis of preparation and accounting principles – Adjustment of an error and change in the accounting principles” the Company disclosed errors relating to prior periods.

In the part we have audited, documentation of business transactions, accounting records and the relationships between accounting entries, documents and financial statements complied with the requirements of section 2 of the Accounting Act.

The accounting records and evidence, the documentation of the accounting system and the approved financial statements of the Company are stored in compliance with section 8 of the Accounting Act.

The Company performed a physical count of assets and liabilities within the scope, timing and frequency required by the Accounting Act. Identified differences have been recorded and settled in the accounting records for the audited financial year.

2. Information about the audited financial statements

The audited financial statements were prepared as of 31 March 2013 and include:

- balance sheet prepared as of 31 March 2013, with total assets and liabilities plus equity of PLN 400,631 thousand,

- income statement for the period from 1 April 2012 to 31 March 2013, with a net profit of PLN 4,613 thousand,
- statement of comprehensive income for the period from 1 April 2012 to 31 March 2013 with a total comprehensive income of PLN 4,613 thousand,
- statement of changes in equity for the period from 1 April 2012 to 31 March 2013, disclosing an increase in equity of PLN 1,167 thousand,
- cash flow statement for the period from 1 April 2012 to 31 March 2013, showing a cash inflow of PLN 1,492 thousand,
- notes, comprising a summary of significant accounting policies and other explanatory information.

The structure of assets and liabilities plus equity as well as items affecting the profit or loss has been presented in the financial statements.

3. Information about selected material items of the financial statements

Investments in subsidiaries

The Company's investments in subsidiaries included:

- shares in Contanisimo Ltd – PLN 62,279 thousand,
- shares in KEN Technologie Informatyczne Sp. z o.o – PLN 16,469 thousand,
- shares in Benchmark Sp. z o.o – PLN 2,000 thousand,
- shares in Komputronik Biznes S.A. – PLN 1,818 thousand,
- shares in Idea Nord Sp. z o.o . – PLN 1,500 thousand,
- shares in other companies – PLN 301 thousand.

Inventories

Inventories comprised mostly trade goods in the amount of PLN 97,219 thousand.

Trade and other receivables

Trade and other receivables included:

- trade receivables in the amount of PLN 87,670 thousand,
- tax receivables in the amount of PLN 32,062 thousand,
- other receivables in the amount of PLN 14,031 thousand.

Trade and other liabilities

Trade and other liabilities included:

- trade liabilities in the amount of PLN 168,427 thousand,
- tax liabilities in the amount of PLN 1,898 thousand,
- other financial liabilities in the amount of PLN 666 thousand,
- prepayments received in the amount of PLN 374 thousand.

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

The Company confirmed the validity of the going concern basis in preparation of the financial statements. The explanatory notes give a correct and complete description of measurement principles regarding assets, liabilities, profit or loss and principles of preparation of the financial statements.

Limitations imposed on individual assets disclosed in the balance sheet arising from security granted to creditors have been described.

The explanatory notes comprehensively describe the reporting items and clearly present the remaining data required by the IFRS.

The financial statements have been supplemented with the Management Board's report on the activities of the Company in the 2012 financial year. The report contains all 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. We have audited the report with respect to the disclosed information derived directly from the audited financial statements.

IV. CLOSING COMMENTS

Justification of the emphasis of matter opinion

Taking into consideration materiality relating to pending litigations between the Company and its subsidiary Contanisimo Limited with its registered office in Nicosia and Clean&Carbon Energy S.A. relating to realization of articles of investment agreement dated 24 July 2010 and to bills of exchange payment, described by the Company in details in note 4 and 12 to condensed interim separate financial statements we emphasized in the opinion that negative litigation settlement can significantly impact the Company's economic and financial position in a negative way.

Management Board's Representation

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

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Piotr Waliński
Key certified auditor
conducting the audit
No. 4254

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

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Jacek Mateja
Deputy Chairman 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, 19 June 2013