

# Auditor's report

passion

teamwork

quality

clarity





Accountants &  
business advisers

# Independent Auditor's report

on the annual  
financial statements of Talex S.A.  
with the registered office in Poznań  
for the year ended 31.12.2017



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*This document is a free translation of the report issued in Polish. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation to enhance understanding. The binding Polish original should be referred to in matters of interpretation.*

## **INDEPENDENT AUDITORS' REPORT**

### **To the General Meeting of Talex S.A.**

## **Report on financial statements**

### **Introduction**

We have audited the accompanying annual financial statements of Talex S.A., with its registered office in Poznań, Karpia St. 27D, for the financial year ended 31.12.2017, which comprise introduction to the financial statements, balance sheet as at 31 December 2017, the profit and loss account, the statement of changes in equity, the statement of cash flows for the financial year then ended and the supplementary information and explanations.

The annual financial statements have been prepared in accordance with the Act dated 29 September 1994 on accounting (Journal of Laws from 2018, item 398 with amendments), hereinafter referred to as the Accounting Act.

### **Responsibility of the Management Board and members of the Supervisory Board for the Financial Statements**

The Management Board of Talex S.A. is responsible for the preparation of financial statements that give true and fair view in accordance with Accounting Act and other applicable laws and regulations, as well as keeping the accounting records in accordance with the Accounting Act. The Management Board is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Under the Accounting Act the Management Board and members of the Supervisory Board are required to ensure that the financial statements are prepared in accordance with the Accounting Act.

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## Auditor's Responsibility

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

We conducted our audit in accordance with National Standards on Auditing, being International Standards on Auditing as adopted in Poland (resolution No 2783/52/2015 dated 10 February 2015 of the National Board of Certified Auditors with amendments), hereinafter referred to as National Standards on Auditing, and the Act dated 11 May 2017 on statutory auditors, audit firms and the public oversight (Journal of Law from 2017, item 1089), hereinafter referred to as the Act on statutory auditors, and Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (OJ EU L 158, 27 May 2014, p. 77 and OJ EU L 170, 11 June 2014, p. 66), hereinafter referred to as Regulation 537/2014. Those standards and regulations 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.

The purpose of an audit is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes the auditor's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with those standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error as fraud may involve collusion, forgery, deliberate failure to record transactions, intentional misrepresentations or override of controls and may involve any area of law and regulation not just those directly affecting the financial statements.

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 entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Our audit does not involve any assurance on the future viability of the Company nor the efficiency nor effectiveness with which the Management Board of the Company has conducted and will conduct the affairs of the Company.

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

Under the Act on statutory auditors we are also required to express an opinion on whether financial statements comply, as to the form and content, with applicable laws as well as the Company's articles of associations and have been prepared based on the properly kept accounting records. We report on these matters based on the work undertaken in the course of the audit.

### The most significant assessed risks of material misstatement

The significant risks of material misstatement are identified and assessed risks of material misstatement that, in our judgement, require special audit consideration.

We have not identified significant risks of material misstatement.

### Opinion on financial statements

In our opinion, the financial statements of Talex S.A.:

- give true and fair view of the financial position of Talex S.A. as of 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Accounting Act and applied accounting policies,
- comply, in all material respects, as to the form and content with Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of non-Member States (Journal of Law 2014 r. item 133 with amendments), hereinafter referred to as the decree on the information to be provided by issuers of securities, IFRS EU and with the provisions of the Company's articles of association that apply to the financial statements,
- have been prepared, in all material respects, based on the properly kept accounting records in accordance with the Chapter 2 of the Accounting Act.

## Report on Other Legal and Regulatory Requirements

### Other information

Other information include financial and non-financial information other than the financial statements and our report. Our opinion on financial statements does not cover the other information and, except to the extent otherwise explicitly stated in Report on Other Legal and Regulatory Requirements below, we do not express any form of assurance conclusion thereon. Furthermore, scope of our work related to the other information conducted in the course of our audit and related assurance conclusion is only as we describe below.

### Report on activities

The annual report contains the report on the Company's activities for the financial year ending 31 December 2017. The Management Board is responsible for preparation of that report and for corporate governance statement included therein. The Management Board and members the Supervisory Board are required to ensure that the report on activities comply with the decree on the information to be provided by issuers of securities and the Accounting Act.

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Under the Act on statutory auditors and the decree on the information to be provided by issuers of securities we are required to express an opinion on whether the report on activities and corporate governance statement has been prepared in accordance with legal regulations and whether it is consistent with the audited financial statements.

Furthermore, we are also required to state, whether, in the light of the knowledge and understanding of the Company and its environment obtained during the course of the audit, we have not identified material misstatements in the report on the activities, and report on these misstatements if noted.

We have read the report on the activities, including the corporate governance statement. We considered whether it discloses the information required by these laws and whether the information is consistent with the audited financial statements. For some information included the corporate governance statement, we analysed whether the information is consistent with applicable laws and regulations. Reading the report on activities we also considered whether, in the light of the knowledge and understanding of the Company and its environment obtained during the course of the audit, it does not include material misstatements.

### Opinion on report on activities

In our opinion, based on the work undertaken in the course of the audit, the accompanying report on the activities of the Company discloses, in all material respects, the information required by the decree on the information to be provided by issuers of securities and Article 49 of the Accounting Act and the information is consistent with information in the audited annual financial statements.

In the light of the knowledge and understanding of the Company and its environment obtained during the course of the audit we have not identified material misstatements in the report on the activities.

### Opinion on the corporate governance statement

The Management Board and members the Supervisory Board are responsible for preparation of corporate governance statement in accordance with law.

In our opinion, based on the work undertaken in the course of the audit the corporate governance statement discloses the information required by paragraph 91 subparagraph 5 point 4 letter a, b, g, j, k and l of the decree on the information to be provided by issuers of securities, and the information required by paragraph 91 subparagraph 5 point 4 letter c-f, h and i of this decree is consistent with the applicable laws and the audited financial statements.

### Information and statements required by Regulation 537/2014

#### Independence

During the course of the audit we have been independent of the Company in accordance with the Act on statutory auditors, Regulation 537/2014 and code of ethics adopted by the National Board of Statutory Auditors.

#### Prohibited non-audit services

To the best of our knowledge and belief we declare that we have not provided any non-audit services prohibited by the Article 5 (1) of Regulation 537/2014 in the applicable periods.

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#### Appointment of the audit firm and the period of total uninterrupted engagement

We were appointed as auditor by Supervisory Board in the resolution dated 30 May 2017. We have audited the Company's financial statements as a public interest entity constantly, including renewals and reappointments, for 3 consecutive years.

#### Consistency of our opinion on financial statements with the additional report to the Audit Committee

Our opinion on financial statements is consistent with the additional report to the Audit Committee required by the Regulation 537/2014.

*Signed on the Polish original*

Krzysztof Blimel  
Statutory Auditor No. 13 112

Key Statutory Auditor  
on behalf of PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.  
audit firm number 477

Orzycka 6 lok. 1B  
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20.03.2018, Poznań