

RadiSys Poland Sp. z o.o.
Financial Statements
for the Year ended 31st December, 2018

Auditor's Report

Opinion

We have audited the accompanying annual financial statements of Radisys Poland Sp. z o.o. (the "Entity"), which comprise:

- the introduction to the financial statements;
- the balance sheet as at 31 December 2018;
- the profit and loss account for the period from 1 January to 31 December 2018;
- the supplementary information and explanations (the "financial statements").

In our opinion, the accompanying financial statements of the Entity:

- give a true and fair view of the financial position of the Entity as at 31 December 2018 and of its financial performance for the financial year then ended in accordance with the accounting act dated 29 September 1994 (Official Journal from 2019, item 351) (the "Accounting Act"), related bylaws and the adopted accounting policy;
- comply, in all material respects, with regard to form and content, with applicable laws and the provisions of the Entity's articles of association;
- have been prepared, in all material respects, on the basis of properly maintained accounting records in accordance with chapter 2 of the Accounting Act.

Basis for Opinion

We conducted our audit in accordance with:

- International Standards on Auditing as adopted by the National Council of Certified Auditors as National Standards on Auditing (the "NSA"); and
- the act on certified auditors, audit firms and public oversight dated 11 May 2017 (Official Journal from 2017, item 1089 with amendments) (the "Act on certified auditors").

Our responsibilities under those standards are further described in the Auditor's Responsibility for the audit of the financial statements section of our report.

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

Independence and Ethics

We are independent of the Entity in accordance with the Code of Ethics for Professional Accountants ("IFAC Code") issued by the International Ethics Standards Board for Accountants as adopted by the resolutions of the National Council of Certified Auditors, as well as other independence and ethical requirements, applicable to audit engagement in Poland. We have fulfilled all ethical responsibilities resulting from those requirements and IFAC Code. During our audit the key certified auditor and the audit firm remained independent of the Entity in accordance with requirements of the Act on certified auditors.

Other matter

The financial statements of the Entity as at and for the year ended 31 December 2017 were not audited.

Responsibility of the Management Board of the Entity for the financial statements

The Management Board of the Entity is responsible for the preparation, on the basis of properly maintained accounting records, of financial statements that give a true and fair view in accordance with the Accounting Act, related bylaws, the adopted accounting policy, the applicable laws and the provisions of the Entity's articles of association and for such internal control as the Management Board of the Entity determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Board of the Entity is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board of the Entity either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

According to the Accounting Act, the Management Board of the Entity is required to ensure that the financial statements are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility for the audit of the financial statements

Our objectives are 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with NSAs 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 scope of audit does not include assurance on the future viability of the Entity or on the efficiency or effectiveness with which the Management Board of the Entity has conducted or will conduct the affairs of the Entity.

As part of an audit in accordance with NSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board of the Entity;
- conclude on the appropriateness of the Management Board of the Entity's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report on the audit of the financial statements to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report on the audit of the financial statements. However, future events or conditions may cause the Entity to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Board of the Entity regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on activities

The other information comprise the report on activities of the Entity for the year ended 31 December 2018 (the "Report on activities").

Responsibility of the Management Board

The Management Board of the Entity is responsible for the preparation of the Report on activities in accordance with applicable laws.

The Management Board of the Entity is required to ensure that the Report on activities of the Entity for the year ended 31 December 2018 is in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our opinion on the financial statements does not cover the Report on activities.

In connection with our audit of the financial statements, our responsibility was to read the Report on activities and, in doing so, consider whether the Report on activities is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we performed, we conclude that there is a material misstatement in the Report on activities, we are required to report that fact.

In accordance with the Act on certified auditors our responsibility was to report if the Report on activities was prepared in accordance with applicable laws and the information given in the Report on activities is consistent with the financial statements.

Opinion on the Report on activities

Based on the work undertaken in the course of our audit of the financial statements, in our opinion, the accompanying Report on activities, in all material respects:

- has been prepared in accordance with applicable laws, and
- is consistent with the financial statements.

Furthermore, based on our knowledge about the Entity and its environment obtained in the audit of the financial statements, we have not identified material misstatements in the Report on activities.

On behalf of audit firm

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.

Registration No. 3546

Signed on the Polish original

Natalia Markowska

Key Certified Auditor

Registration No. 10853

Limited Partner, Proxy

Warsaw, 4 July 2019

INTRODUCTION TO FINANCIAL STATEMENTS

Company incorporation and activity

RadiSys Poland Sp. z o.o. with its seat in Gdańsku, at Cypriana Kamila Norwida 4 street, was incorporated on November 5, 2010 on the basis of the Company's Articles of Association. The entity was entered into the National Court Register on November 30, 2010 under KRS number 0000371885.

In 2018 the business activity of Company was limited and employees was dismissed. Radisys Poland Sp.zo.o. is a subsidiary of RadiSys Corporation, a leading provider of embedded wireless infrastructure solutions for telecom, aerospace, defense, and public safety applications.

RadiSys Poland Sp.zo.o. supplied technical support services for RadiSys Corporation customers covering Europe, Middle East and Africa geographies. Qualified senior level employees worked directly with customer's telecommunication infrastructure based on RadiSys hardware and embedded software.

Team was responsible for resolving both hardware and software related problems. Local ability to replicate customer environment allowed engineers to have reproduced and debugged reported problems in limited amount of time. Geographical location allowed providing immediate technical response to customer's requests coming from Europe, Middle East, Africa and India. RadiSys Poland staff cooperated with multiple groups inside of corporation like product marketing, customer management, engineering and validation. Team was responsible to present company interest on the front of geographically local customers.

In accordance with the Articles of Association, the company has been established for an indefinite period.

Presentation of financial statements

The financial statements cover the period from January 1, 2018 to December 31, 2018

It has been prepared in accordance with the Accounting Act of September 29, 1994, with subsequent amendments, and the Polish Companies Code of September 15, 2000, assuming the company will continue operations for the foreseeable future. Information on going concern is presented in note 29 in the Additional Information and Explanatory Notes to the Financial Statements.

The Company records expenses by type of expenditure and prepares its profit and loss account by type of expenditure. The financial statements of the Company have been prepared with the application of following exemptions provided for in the Accountancy Act in respect of entities that are not subject to auditing and publishing financial statements pursuant to Art. 64, sec.1.

The company does not prepare the cash flow statements (exemption based on Art 45 p.2 and 3 of the Accounting Act).

The entity refrained from determining deferred tax assets and provisions because, pursuant to the Accounting Act, it is not required to audit and publish financial statements.

Principal accounting policies

Monetary funds

Monetary funds are stated at their nominal value. Monetary funds in the form of foreign currencies in the reporting period, are valued at the following exchange rate:

- the one actually applied on that date, resulting from the nature of the transaction - in case of foreign currency sales or purchase transactions, as well as of the debt or liability payment transactions;
- average exchange rate announced for a given currency by the National Bank of Poland as on the date preceding transaction date - in case of the debt or liability payment transactions if the use of the exchange rate actually applied is considered unjustified, and also in the case of the remaining transactions.

Decrease of cash in the form of foreign currencies is recorded using the FIFO method.

Monetary funds expressed in foreign currencies as at the balance sheet date are valued at the average foreign exchange rate published by the National Bank of Poland for the given currency.

Arising foreign exchange differences are recognised appropriately as financial income or financial costs.

Accounts receivable

Accounts receivable are recorded at their nominal value within the year and as at the balance sheet date are valued at amounts due, taking into account the prudence principle, and disclosed net of write-downs.

Prepayments and deferred costs

Prepayments and deferred costs are recognised if costs incurred relate to future reporting periods.

Equity

Equity is reflected in the accounting books at its nominal value per category and in accordance with statutory regulations and the Articles of Association.

Share capital is stated at the value corresponding with the Articles of Association and entered in the National Court Register. Capital contributions declared but not made are recognised as share capital not paid up.

Supplementary (reserve) capital is set up from shareholder payments.

Provisions

Provisions are recognised against certain or very likely future liabilities and as at the balance sheet date these are valued at reliably estimated amounts. Provisions are charged to other operational costs, financial costs or extraordinary losses appropriately.

Liabilities

Liabilities are stated at their nominal value when raised. As at the balance sheet date these are valued at amounts due, with the exception of financial liabilities. Financial liabilities, whose contractual settlements are effected by an issue of financial assets other than cash or cash equivalents or by an exchange of a financial instrument, are stated at fair value.

If liability payment terms exceed one year from the balance sheet date, the balances of these liabilities, except for trade liabilities, are presented as long-term. Other balances are reflected as short-term.

Accruals

Accruals are recognised at amounts of probable liabilities, which relate to the current reporting period.

Current and deferred income tax

Current corporate income tax liabilities are calculated in accordance with applicable tax regulations.

The company does not recognise deferred tax provisions and does not determine deferred tax assets, as according to the Accounting Act, there is no obligation to audit and publish the financial statements.

Revenue recognition

Sales revenue represents likely due amounts or amounts actually received for services provided and are recognised in the appropriate periods, net of value-added tax.

Recognition of costs

The company records costs by nature of expense. All cost invoices are expensed in the period received, unless they concern a different period. In such cases they are matched with the respective revenue through appropriate prepayments or accrual accounts.

The financial result of the company is influenced additionally by:

- other operational costs and income related to the company's activity such as: profit or loss from the disposal of non-financial long-term assets, revaluation of non-financial assets, raising and reversal of provisions, fines, penalties, compensations and the receipt of or transferring of donations;
- financial income from interest and a surplus of foreign exchange gains over losses;
- financial costs from interest and a surplus of foreign exchange losses over gains;

Gross financial results are adjusted by current corporate income tax liabilities calculated in accordance with applicable tax regulations.

Valuation of foreign currency transactions

Business transactions denominated in foreign currencies shall be shown in account books as on the date they are effected at the following exchange rate:

- the one actually applied on that date, resulting from the nature of the transaction - in case of foreign currency sales or purchase transactions, as well as of the debt or liability payment transactions;
- average exchange rate published by the Polish Central bank for the given currency as on the date preceding transaction date if the actual rate is considered unjustified and also in the case of remaining transactions

As at the balance sheet date assets and liabilities expressed in foreign currencies are valued on the basis of the average foreign exchange rate published by the National Bank of Poland for the given currency for the given day.

Foreign exchange differences for assets and liabilities expressed in foreign currencies and arising from valuations or payment of receivables or liabilities, are classified as financial income or financial costs, or in justified cases, they adjust purchase price of goods or cost of manufacture of fixed assets or fixed assets under construction.

	31-12-2018	31-12-2017
EUR	4.3000	4.1709
USD	3.7597	3.4813

Financial Statements for the year ended 31st December, 2018

BALANCE SHEET

Currency : PLN

ASSETS

A. FIXED ASSETS	Note	<u>31/12/18</u>	<u>31/12/17</u>
I. Intangible fixed assets	-	-	-
II. Tangible fixed assets	1	-	-
TOTAL FIXED ASSETS	-	-	-
B. CURRENT ASSETS			
I. Inventory	-	-	-
II. Short-term receivables	4	524,449.72	862,489.52
1. Receivables from related parties:		449,069.22	697,054.18
a) Trade receivables, due:		449,069.22	697,054.18
- within 12 months		449,069.22	697,054.18
2. Receivables from other parties:			
3. Receivables from other parties:		75,380.50	165,435.34
a) Receivables in respect of taxation, subsidies, custom duties, social security, medical care and other benefits		71,035.89	125,291.14
b) Other		4,344.61	40,144.20
III. Short-term investments	5	226,972.69	98,764.52
1. Short-term financial assets		226,972.69	98,764.52
a) Cash and cash equivalents, and other monetary assets		226,972.69	98,764.52
- Cash on hand and in bank		226,972.69	98,764.52
IV. Short-term prepayments and deferred costs		-	-
TOTAL CURRENT ASSETS		751,422.41	961,254.04
C. SHARE CAPITAL PAID UP			
D. TREASURY SHARES			
<u>TOTAL ASSETS</u>		<u>751,422.41</u>	<u>961,254.04</u>

Nilesh Mehta
Management Board Member

Date: 3rd July, 2019

Robert Pippert
Management Board Member

Date: 3rd July, 2019

Financial Statements for the year ended 31st December, 2018

EQUITY AND LIABILITIES

Currency : PLN

A. EQUITY	Note	31/12/18	31/12/17
I. Share capital	5	5,000.00	5,000.00
II. Supplementary (reserve) capital	6	791,666.92	638,373.93
III. Revaluation reserve		-	-
IV. Other reserves		-	-
V. Retained earnings (accumulated loss) brought forward	9	66,579.00	66,579.00
VI. Net profit (loss) for the year	10	(154,823.51)	153,292.99
VII. Appropriation of net profit during the year (negative amount)		-	-
TOTAL EQUITY		708,422.41	863,245.92
B. LIABILITIES AND PROVISIONS			
I. Provisions	9	-	40,745.26
Other provisions		-	40,745.26
- Current		-	40,745.26
II. Long-term liabilities		-	-
III. Short-term liabilities	11	-	48,220.13
Liabilities from other parties:		-	48,220.13
a) Liabilities for taxation, customs duties, social security and other benefits		-	44,397.44
b) other		-	3,822.69
IV. Accruals and deferred income	11	43,000.00	9,042.73
Other accruals and deferred income		43,000.00	9,042.73
- Current		43,000.00	9,042.73
TOTAL LIABILITIES AND PROVISIONS		43,000.00	98,008.12
<u>TOTAL EQUITY AND LIABILITIES</u>		<u>751,422.41</u>	<u>961,254.04</u>

Nilesh Mehta
Management Board Member

Date: 3rd July, 2019

Robert Pippert
Management Board Member

Date: 3rd July, 2019

Financial Statements for the year ended 31st December, 2018

PROFIT AND LOSS ACCOUNT (By nature of expense)		Currency : PLN	
	Note	01/01/18 31/12/18	01/01/17 31/12/17
A. NET SALES AND SALES EQUIVALENTS			
- including from related parties		678,709.89	2,229,262.46
I. Net sales of finished products	12	678,709.89	2,229,262.46
TOTAL SALES AND SALES EQUIVALENTS		<u>678,709.89</u>	<u>2,229,262.46</u>
B. OPERATING EXPENSES			
I. Amortisation and depreciation		-	-
II. Materials and energy used		33,917.13	22,458.28
II. External services	14	206,014.99	329,511.29
V. Salaries		393,431.16	1,063,555.93
VI. Social security and other benefits		149,776.83	414,404.41
VII. Other expenses by nature		33,765.68	165,152.42
VIII. Cost of sales of goods for resale and materials		-	-
TOTAL OPERATING EXPENSES		<u>816,905.79</u>	<u>1,995,082.33</u>
C. PROFIT (LOSS) ON SALES		(138,195.90)	234,180.13
D. OTHER OPERATING INCOME			
TOTAL OTHER OPERATING INCOME		-	-
E. OTHER OPERATING EXPENSES			
III. Other		16,627.61	-
TOTAL OTHER OPERATING EXPENSES		<u>16,627.61</u>	<u>-</u>
F. OPERATING PROFIT (LOSS)		(154,823.51)	234,180.13
TOTAL FINANCIAL INCOME		-	-
H. FINANCIAL COSTS			
IV. Other		-	0.14
TOTAL FINANCIAL COSTS		<u>-</u>	<u>0.14</u>
I. PROFIT (LOSS) ON ORDINARY ACTIVITIES		(154,823.51)	234,179.99
J. NET EXTRAORDINARY GAINS (LOSSES)	15	-	80,887.00
K. PROFIT (LOSS) BEFORE TAX		-	-
M. OTHER MANDATORY PROFIT REDUCTIONS		-	-
N. NET PROFIT (LOSS)		(154,823.51)	153,292.99

Nilesh Mehta
Management Board Member

Date: 3rd July, 2019

Robert Pippert
Management Board Member

Date: 3rd July, 2019

Financial Statements for the year ended 31st December, 2018

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

Currency : PLN

1 Fixed assets

	Leaseholds improvements	Computer hardware	Total fixed assets
Cost at the beginning of the period	128,009.88	59,873.77	187,883.65
Cost at the end of the period	128,009.88	59,873.77	187,883.65
Accumulated depreciation as at the beginning of the period	128,009.88	59,873.77	187,883.65
Accumulated amortisation the end of the period	128,009.88	59,873.77	187,883.65
Net book value as at the beginning of the period	-	-	-
Net book value as at as at the end of the period	-	-	-

2 Non depreciated property, plant and equipment used under the basis of rental, hire or lease agreements

The Company did have non depreciated property, plant and equipment used under the basis of rental, hire or lease agreements as at 31 December 2018.

The Company leased office space in Gdansk at Cypriana Kamila Norwida 4 street. The agreement was terminated in 2018.

Financial Statements for the year ended 31st December, 2018

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

Currency : PLN

3 Short-term receivables and write down of receivables

	<u>31/12/18</u>	<u>31/12/17</u>
Receivables from related parties:		
- due within 12 months	449,069.22	697,054.18
Receivables from other parties:		
- receivables in respect of taxation, subsidies, custom duties, social security, medical care and other benefits	71,035.89	125,291.14
- from VAT	35,578.89	96,186.05
- from corporate income tax	35,457.00	29,105.09
- other	4,344.61	40,144.20
Total	<u>524,449.72</u>	<u>862,489.52</u>

4 Short-term investments

	<u>31/12/18</u>	<u>31/12/17</u>
Cash and cash equivalents, and other monetary assets		
- cash in bank and on hand	226,972.69	98,764.52
Total	<u>226,972.69</u>	<u>98,764.52</u>

5 Share capital

	<u>31/12/18</u>	<u>31/12/17</u>
As at the beginning of the period	5,000.00	5,000.00
As at the end of period	<u>5,000.00</u>	<u>5,000.00</u>

As at December 31, 2018 share capital comprised 100 shares each with a nominal value of 50 PLN.

The sole shareholder of the company is:

- RadiSys UK Limited , with its seat in United Kingdom, which holds 100 shares (100% share capital);

Financial Statements for the year ended 31st December, 2018

		Currency : PLN	
6	Supplementary (reserve) capital	<u>31/12/18</u>	<u>31/12/17</u>
	As at the beginning of the period	638,373.93	606,357.86
	Increases		
	- allocation of profit from previous years	<u>153,292.99</u>	<u>32,016.07</u>
	As at the end of period	<u>791,666.92</u>	<u>638,373.93</u>
	An annual Shareholders' General Meeting, which was held on August 30, 2018, adopted a resolution to allocate the profit for the financial year 2017 in the amount of PLN 153.92,99 PLN into reserve capital.		
7	Retained earnings/accumulated losses carried forward	<u>31/12/18</u>	<u>31/12/17</u>
	Retained earnings (loss) as at the beginning of the year	66,579.00	-
	- correction of fundamental errors		66,579.00
	- correction of fundamental error for 2016 year	-	66,579.00
	Retained earnings (loss) as at the beginning of the year after correction	<u>66,579.00</u>	<u>66,579.00</u>
	As at the end of year	<u>66,579.00</u>	<u>66,579.00</u>
8	Net financial result for the period – proposed of profit allocation	<u>31/12/18</u>	<u>31/12/17</u>
	Loss	<u>(154,823.51)</u>	<u>153,292.99</u>
		<u>(154,823.51)</u>	<u>32,016.07</u>

As the date of preparation of financial statements the Management Board did not take decision regarding to cover the losses for year 2018.

Financial Statements for the year ended 31st December, 2018

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

Currency : PLN

9 Provisions

	Other provision	Total provisions for liabilities
	Short-term provision for unused holiday	
As at the beginning of the year	40,745.26	40,745.26
Additions	55,801.34	55,801.34
Utilised	(66,851.68)	(66,851.68)
Reversed	(29,694.92)	(29,694.92)
As at the end of the year	-	-
10 Short-term liabilities	<u>31/12/18</u>	<u>31/12/17</u>
To other parties:	-	48,220.13
- liabilities for taxation, customs duties, social security and other benefits, including:	-	44,397.44
- personal income tax and social security	-	44,397.44
- other	-	3,822.69
Total	<u>-</u>	<u>48,220.13</u>
11 Accruals and deferred income	<u>31/12/18</u>	<u>31/12/17</u>
Other short term accruals and deferred income, including:		
a) accrued liabilities		
- provision for services	43,000.00	1,002.73
- provision for employees bonus	-	8,040.00
Total	<u>43,000.00</u>	<u>9,042.73</u>
12 Net sales of finished	<u>01/01/18</u>	<u>01/01/17</u>
	<u>31/12/18</u>	<u>31/12/17</u>
Net sales services:		
- sales outside of Poland	678,709.89	2,229,262.46
Total	<u>678,709.89</u>	<u>2,229,262.46</u>

Financial Statements for the year ended 31st December, 2018

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

Currency : PLN

13 External services

	<u>01/01/18</u>	<u>01/01/17</u>
	<u>31/12/18</u>	<u>31/12/17</u>
External services, including:		
- accounting and audit services	108,775.91	48,174.89
- rent services	46,382.75	166,262.65
- legal services	22,619.61	-
- energy	-	54,618.56
- telecommunication services	11,519.57	21,656.50
- handling of customs duties	10,778.25	27,814.34
- bank charges	4,098.90	5,093.78
- cleaning	1,840.00	5,841.80
- postage services	-	48.77
	<u>206,014.99</u>	<u>329,511.29</u>

14 Corporate income tax

	<u>01/01/18</u>	<u>01/01/17</u>
	<u>31/12/18</u>	<u>31/12/17</u>
Current income tax (refer note 15)	-	80,887.00
Total	<u>-</u>	<u>80,887.00</u>

15 Reconciliation of income tax base and profit / loss before tax

	<u>01/01/18</u>	<u>01/01/17</u>
	<u>31/12/18</u>	<u>31/12/17</u>
Profit (loss) before tax	(154,823.51)	234,179.99
Taxable costs	518.95	1,556.84
- tax depreciation	518.95	1,556.84
Non deductible costs, including:	136,629.10	306,624.63
- personal car expenses	52,680.00	184,380.00
- other non-taxable costs	98,265.05	45,119.25
- reversal provision for unused holiday	(40,745.26)	(45,801.20)
- reversal provision for commission	(8,040.00)	-
- employee travels	32,912.16	99,685.32
- entertainment expenses	1,129.52	3,841.38
- employee benefit	427.63	19,399.74
- exchange losses on revaluation	-	0.14
Costs not recognised as taxable costs in current year	10,666.74	-
- costs taxable in previous years	10,666.74	-
Taxable income (Tax loss)	(8,046.62)	539,247.78
Tax base	(8,046.62)	539,247.78
tax rate	0.15	0.15
Income tax	-	80,887.00

Financial Statements for the year ended 31st December, 2018

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

Currency : PLN

16 Liabilities secured by the Company's assets

As at 31 December 2018 as well as 31 December 2017 the Company did not have any liabilities secured by company's assets.

17 Contingent liabilities, guarantees and warranties

As at 31 December 2018 as well as 31 December 2017 the Company did not have any contingent liabilities.

18 Revenues, costs and results of activities discontinued in the financial year or to be discontinued in the following year.

In the period ended December 31st 2018, the employment in Radisys Poland Sp.zo.o.was reduced to 0. The company limited its activity on the territory of Poland in 2018. The company does not expect additional costs or losses related to the activities discontinued.

19 Non - consolidated joint ventures

The Company did not take part in any joint ventures in the financial year.

20 Related party transactions

Transactions with:

RadiSys Corporation

	<u>31/12/18</u>	<u>31/12/17</u>
Trade receivables	449,069.22	697,054.18
Revenue from sale servcies	678,709.89	2,229,262.46

21 List of enterprises in which company holds at least 20% shares

The company does not hold shares of any companies.

22 Average employment level

The Company did not employ persons as at 31 December 2018.

The Company employed 8 persons as at 31 December 2017.

23 Remuneration, including money paid to members of the board and supervisory board of capital companies from the distribution of profit.

The Company has not paid remuneration to board members or supervisory board members.

Financial Statements for the year ended 31st December, 2018

SUPPLEMENTARY INFORMATION AND EXPLANATIONS

Currency : PLN

24 Loans and other benefits paid to the board members and supervisory board

The Company has not granted any loans and has not entered into any transactions with the board members or supervisory board.

25 Remuneration for audit services

	<u>31/12/18</u>	<u>31/12/17</u>
- accrued not obligatory audit	43,000.00	-

26 Significant prior years events included in the financial statements

The Company has not reported such events.

27 Change in accounting policies and financial statements comparability

During the financial year the Company has not made any changes in the applied accounting policies and the method of preparation of the Financial Statements which would have a significant effect on its equity, financial position and the financial result.

28 Significant post balance sheet date events

In the period between the balance sheet date and the date of preparing the Financial Statements, there were no significant events occurring that affected the information presented in the Financial Statements.

Both current members of board resigned from their position of director as of March 6, 2019. The new directors Mr Nileshe Mehta and Mr. Robert Pippert were appointed as directors in their place effective March 6, 2019.

29 Going concern

In the period ended December 31, 2018, the Company ceased its operational activities and the employees of Radisys Poland Sp.zo.o. were dismissed. It is planned to open liquidation process of the company not earlier than in 2020.

The company does not anticipate additional costs and losses related to the discontinuation of operations and does not see the need to create additional provisions. In the company, there are no assets that would have to be overestimated if an alternative valuation method was adopted.

Nileshe Mehta
Management Board Member

Date: 3rd July, 2019

Robert Pippert
Management Board Member

Date: 3rd July, 2019