

Annual Report.

Company: CARLSON INVESTMENTS Spółka Akcyjna

Number: 19/2021

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Market types: Stock market of the Warsaw Stock Exchange

Title: CARLSON INVESTMENTS S.A.- Position of the Management Board together with the opinion of the Supervisory Board on the auditor's reservation to the audit opinion on the separate and consolidated financial statements for 2020

Content:

Position of the Management Board together with the opinion of the Supervisory Board on the auditor's reservation to the audit opinion on the separate and consolidated financial statements for 2020.

The Management Board of CARLSON INVESTMENTS S.A., with its registered office in Warsaw (the Issuer, the Company), in addition to the information contained in the Issuer's annual report for 2020, published in periodical reports in the EBI system No. 15/2021 of 31 May 2021 and No. 16/2021 of 7 June 2021, on the opinion with reservations expressed by the auditing firm in the report on the audit of the separate and consolidated annual financial statements, submits the attached position on the reservations formulated by the auditor. The Board of the Issuing Party explains, that the publication date of this report results from the necessity of providing the Supervisory Board members with explanations regarding the reservations formulated by the Expert Auditor, as well as from the time necessary for the Supervisory Board members to form an opinion in this field. The Board of the Issuer indicates that at the moment of publication of the annual report, it was not possible to obtain the opinion of the Supervisory Board on the reservations to the opinion formulated by the auditor due to a too short period of time between the date of issuing the opinion by the auditor and the date of publication of the standalone and consolidated annual report.

Legal basis: § 5 Section 6.1 point 8 and Section 7.1 point 8 of Exhibit 3 to the Alternative Trading System Rules "Current and periodic information provided within the alternative trading system on the NewConnect market"

Appendices:

Persons representing the company

Aleksander Gruszczyński, President of the
Management Board

POSITION OF THE MANAGEMENT BOARD
together with the opinion of the Supervisory Board
on the statutory auditor's objections to the audit opinion
separate financial statements
and
consolidated financial statement of the Issuer for the financial year 2020.

Audit Company "Eureka Auditing Sp. z o.o." with its registered office in Poznań, entered on the list of audit companies maintained by PANA under No. 137 in the Report of the independent auditor on the audit of the separate financial statements of Carlson Investments S.A and the consolidated financial statements of the Capital Group of Carlson Investments S.A. for the financial year 2020 issued an opinion with a reservation.

Content of the reservation:

"As at 31 December 2020, the Financial Statements (balance sheet assets liabilities) show under non-current financial assets an amount of PLN 8,309,285.00 representing 53.4% of total assets. It is our duty to make an analysis according to three equal criteria:

- to analyse and assess the value of the investments held according to the valuation adopted at the time of their acquisition with simultaneous reference in the Company's capital valuation;*
- to assess and recognise the efficiencies obtained from the investment values held in the Company's income for the financial year under review;*
- to obtain from the Company's Board of Directors a justification of the level of valuation of these values at the balance sheet date of 31 December 2020.*

The Company's Management Board performed an examination to confirm the value shown in the Report. The result of this examination was an adjustment for impairment of the shares in Polvent Sp. z o.o. for the amount of PLN 3,940.1 thousand, leaving the value of PLN 1,159.9 thousand as the current fair valuation. As regards the value of shares of GAUDI MANAGEMENT S.A. The Management Board upheld the valuation at PLN 7,143.4 thousand without making an impairment loss. We do not share the Management Board's view that this is correct. Given the relationship we have established that this income is generated from the shares held in GAUDI MANAGEMENT S.A. GAUDI MANAGEMENT S.A. itself generated recorded revenue of PLN 499.6 thousand. The above quoted historical financial data does not fully confirm the fair values. The Management Board estimated that there is no impairment, revenue from the sale of products by the audited entity in the amount of PLN 2,023.2 thousand, which we do not recognise and we express reservations about the realism of the fair value of the company GAUDI MANAGEMENT S.A. in the assets of Carlson Investments S.A.,

because the position of the Management Board is based on cash revenue in the future. The valuation assumptions have not been confirmed in the first year of operations.

We objectively state that our reasoned opinion with reservation relates to the level of valuation shown, and consequently relating to the Company's share capital and equity, affecting the level of capitalisation and therefore the valuation of the shares.

We consider our expressed opinion as not concerning the threat to going concern in the context of the forward-looking development assumptions presented by the Management Board in the Management Report of the Company in section 2.3."

In connection with issuing an opinion with reservation concerning the valuation of assets, the Management Board of Carlson Investments S.A S.A. informs that the conducted test for change in the value of assets showed the necessity to reduce the value of examined companies, as the last year affected by the effects of the COVID 19 pandemic and the global lockdown significantly slowed down the growth dynamics of companies. Nevertheless, the companies are counting on a disproportionately higher acceleration of economic activity, which can already be seen in the first quarter of 2021, but it is difficult to predict the further development of the global pandemic. The Management Board, guided by far-reaching caution despite optimistic forecasts for the coming years, decided to make a significant write-down of the value of a group of IT companies, that is Polvent Sp. z o.o. and Techvigo Sp. z o.o. According to the new strategy of Carlson Investments S.A. group, the aforementioned entities are currently a side branch of the group's activities. Planning to enter foreign stock markets, the Management Board decided to approach with caution the development plans of IT companies focusing on the development of investment activities.

Despite making the above write-down, the Management Board of Carlson Investments S.A. shares the arguments presented below giving a chance for Polvent sp. z o.o. and Techvigo Sp. z o.o. to return to the path of growth in the coming years. This is supported by the following arguments:

Techvigo Sp. z o.o. operates on the IT Services/ Software house market. Market multipliers for such industry entities are high and amount to approx. 12 x EBITDA. Prospects for the development of the market worldwide are promising. Historically, it has been one of the best growing economic sectors in the world in the last 10 years, although this applies mainly to the entertainment and services sector. The pace of development of the software market, connected with the unprecedented development of devices, forces the software to be constantly adjusted to the requirements of the developing hardware. Moreover, special support measures and subsidies are being created for the digitisation of institutions and the development of already existing software. It should be noted that since 2006, when the company was established, it has created and owns its own developed products and IT solutions. Revenues are geographically diversified and are not based on a single country like Poland. The business model based on the sale of software licenses results in the possibility of generating high revenues from each subsequent unit as the outlays have been incurred before. Over the years the company has gained many contacts and is able to acquire software for a wide group of customers, including industry, which after processing and adaptation can be offered for sale to its customers quickly generating a satisfactory margin. It must be acknowledged that 2020 placed a significant burden on COVID 19. The lower expenditure incurred on software, the lack of international mobility made it difficult to sell products and trade effectively. For this reason, the Management Board has decided to take an impairment charge, no less it believes in a rapid rebound which it plans to show in future years' reports.

As regards the assets in the form of the group of companies Gaudi Management S.A. and Carlson Capital Partners Sp. z o.o. (hereinafter also referred to as "CCP"), it should be noted that although a

slight slowdown could be observed, it was possible to maintain results similar to previous years, which shows that these companies were not affected by the recession, but only by a temporary slowdown in growth. Due to the complementary nature of the services provided and the same environment in which the subsidiaries operate, as well as the scope of activities converging with the Group's development strategy, on the basis of the performed asset impairment test the Management Board decided to maintain the value of the assets. This is supported in detail by the following arguments:

Carlson Capital Partners sp. z o.o., which is a direct subsidiary of Gaudi Management S.A. and an indirect subsidiary of the Issuer, operates on the financial services market of the brokerage/investment banking type. The market multipliers for this type of industry entities are very high and amount to approximately 20 x EBITDA due to the fact that the market growth prospects in this sector worldwide are very promising. The company has been active on the market for almost 20 years, which means that it has a strong brand name and therefore a flow of consulting projects. The references obtained over the years come from the largest companies in Poland and many foreign clients, thanks to which the company can participate in tender procedures for significant projects. The result for 2020 was significantly affected by the COVID 19 pandemic. Lack of international M&A transactions, uncertainty of clients about the future, very slow release of funds from the PFR for large companies are just some of the problems. The world's largest advisory firms have reported losses. 2021 and beyond will be significantly better in the Board's view. The COVID 19 pandemic will accelerate consolidation trends in the markets which will definitely have a positive impact on the number and size of advisory projects in the coming years. Operational assets held in the form of shares of the Issuer, about 180 thousand shares at approx. PLN 40 current market value exceeds the acquisition value many times over. Normally, transaction departments in banks and advisory companies are subsidised by other parts of the business due to the prestige of the group and the so-called cross sell. Thanks to our experience with CCP we have acquired an indirect fund from NCBIIR for 40 million PLN and thanks to our presence on the market we have access to a continuous flow of investment projects. Normally VC and PE funds spend significant resources on research projects whereas at Carlson Investments S.A. the flow of projects is continuous thanks to Carlson Capital Partners Sp. z o.o. For this reason CCP is an operating company and not an investment company in the Issuer's group. Acquisition of a company of the CCP type by another advisory entity from the market could result in taking over project flow and revenues without additional fixed costs. Acquisition of CCP by another PE/VC fund would mean a significant decrease in expenses of such fund on research projects, i.e. savings of several hundred thousand PLN annually.

The Supervisory Board shared the Management Board's view that:

- The Company tests selected assets for impairment in accordance with its accounting policies as at the balance sheet date of 31 December 2020. The test performed on the change in the value of assets took into account all the facts that occurred that affected the value of the assets, including the impact of the COVID-19 pandemic, and due to this, the Board reduced the value of the tested companies to a fair level.
- The reservation formulated by the auditor is not material to the current situation of the Company.
- The Supervisory Board expresses the opinion that the issue indicated by the auditor does not affect the financial result as of 31.12.2020, nor does it threaten the continuity of the activity, taking into account the actions carried out by the Management Board in 2020, devoted to building the capital, structures, updating the strategy and appropriate building the processes occurring in the Capital Group.

Furthermore, the Issuer's Management Board encloses the resolutions of the Issuer's Supervisory Board: resolution No. 7 of 31.05.2021 and resolution No. 3 of 08.06.2021 on the aforementioned opinions of the Supervisory Board on the reservations formulated by the auditor.

Resolution No. 7
of the Supervisory Board
of the Company under the business name CARLSON INVESTMENTS Spółka Akcyjna with its
registered office in Warsaw
of May 31, 2021

on: the Supervisory Board's opinion on the reservation of the independent auditor to audit the Company's separate annual financial statement for 2020.

Pursuant to § 21 section 1 letter g of the Company's Articles of Association, the Supervisory Board resolves as follows:

§ 1

1. The Supervisory Board acknowledges the auditor's reservation to the opinion on the audit of the annual separate financial statements of the Company for the financial year 2020. The reservation in question reads as follows:

"As at 31 December 2020, the Financial Statements (balance sheet assets liabilities) show under long-term financial assets an amount of PLN 8,309,285.00 representing 53.4% of the total assets. It is our duty to make an analysis according to three equal criteria:

- to analyse and assess the value of the investments held according to the valuation adopted at the time of their acquisition with simultaneous reference in the Company's capital valuation;
- to assess and recognise the efficiencies obtained from the investment values held in the Company's income for the financial year under review;
- to obtain from the Company's Board of Directors a justification of the level of valuation of these values at the balance sheet date of 31 December 2020.

The Company's Management Board performed an examination to confirm the value shown in the Report. The result of this examination was an adjustment for impairment of the shares in Polvent Sp. z o.o. for the amount of PLN 3,940.1 thousand, leaving the value of PLN 1,159.9 thousand as the current fair valuation. As regards the value of shares of GAUDI MANAGEMENT S.A. The Management Board upheld the valuation at PLN 7,143.4 thousand without making an impairment loss. We do not share the Management Board's view that this is correct. Taking into account the revenue from the sale of products by the audited Entity in the amount of 2,023.2 thousand PLN, we do not establish a link that this revenue is generated from the shares held in GAUDI MANAGEMENT S.A. GAUDI MANAGEMENT S.A. itself generated recorded revenue of PLN 499.6 thousand. The above quoted historical financial data does not fully confirm the fair values. The Management Board estimated that there is no impairment, which we do not recognise, and we express reservations regarding the realism of the fair value of GAUDI MANAGEMENT S.A. in the assets of Carlson Investments S.A., since the position of the Management Board is based on future cash income. The valuation assumptions have not been confirmed in the first year of operations.

We objectively state that our reasoned opinion with reservation relates to the level of valuation shown, and consequently relating to the Company's share capital and equity, affecting the level of capitalisation and therefore the valuation of the shares. We consider our expressed opinion as not concerning the threat to the going concern in the context of the future development assumptions presented by the Management Board in the Report on the Company's activities in chapter 2.3."

2. The Supervisory Board shares the position of the Management Board according to which:

(a) The Company performs an impairment test on selected assets in accordance with its accounting policies as at the balance sheet date of 31 December 2020. The test performed on the change in the value of assets took into account all the facts that have occurred that affect the value of assets, including the impact of the COVID-19 pandemic, and in view of this, the Board reduced the value of the tested companies to a fair level ,

b) the reservation formulated by the auditor is not material to the situation of the Company.

c) the Supervisory Board is of the opinion that the issue identified by the auditor does not affect the financial result as at 31-12- .2020 or threaten the continuity of the business, given the actions carried out by the Management Board in 2020 dedicated to building capital, structures, updating the strategy and appropriately building the Group's processes

§ 2

1. The resolution comes into force as of the date of its adoption.

2. the resolution was adopted by voting through the means of direct communication over distance.

3. *5 votes "for", 0 votes "against" and 0 votes "abstaining" were cast for the resolution.*

4. the Supervisory Board authorises the Deputy Chairman of the Supervisory Board Mr. Paweł Szewczyk to sign the resolution on behalf of the Supervisory Board.

Resolution No. 3

of the Supervisory Board

CARLSON INVESTMENTS S.A.

of 8 June 2021

on the opinion of the Supervisory Board on the reservation of the auditor to audit the consolidated annual financial statements of the Company for 2020.

Pursuant to § 21.1(g) of the Company's Articles of Association, the Supervisory Board resolves as follows:

§ 1

1. The Supervisory Board acknowledges the auditor's reservation to the opinion on the audit of the consolidated annual financial statements of the Company for the financial year 2020. The reservation in question reads as follows:

"As at 31 December 2020, the Financial Statements (balance sheet assets liabilities) show under long-term financial assets an amount of PLN 8,309,285.00 representing 53.4% of the total assets. It is our duty to make an analysis according to three equal criteria:

- to analyse and assess the value of the investments held according to the valuation adopted at the time of their acquisition with simultaneous reference in the Company's capital valuation;*
- to assess and recognise the efficiencies obtained from the investment values held in the Company's income for the financial year under review;*
- to obtain from the Company's Board of Directors a justification of the level of valuation of these values at the balance sheet date of 31 December 2020.*

The Company's Management Board performed an examination to confirm the value shown in the Report. The result of this examination was an adjustment for impairment of the shares in Polvent Sp. z o.o. for the amount of PLN 3,940.1 thousand, leaving the value of PLN 1,159.9 thousand as the current fair valuation. As regards the value of shares of GAUDI MANAGEMENT S.A. The Management Board upheld the valuation at PLN 7,143.4 thousand without making an impairment loss. We do not share the Management Board's view that this is correct. Taking into account the revenue from the sale of products by the audited Entity in the amount of 2,023.2 thousand PLN, we do not establish a link that this revenue is generated from the shares held in GAUDI MANAGEMENT S.A. GAUDI MANAGEMENT S.A. itself generated recorded revenue of PLN 499.6 thousand. The above quoted historical financial data does not fully confirm the fair values. The Management Board estimated that there is no impairment, which we do not recognise, and we express reservations regarding the realism of the fair value of GAUDI MANAGEMENT S.A. in the assets of Carlsson Investment S.A., since the position of the Management Board is based on cash income in the future. The valuation assumptions have not been confirmed in the first year of operations.

We objectively state that our reasoned opinion with reservation relates to the level of valuation shown and consequently relating to the Company's share capital and equity, affecting the level of capitalisation and thus the valuation of the shares.

We consider our expressed opinion as not concerning the threat to the going concern in the context of the future development assumptions presented by the Management Board in the Report on the Company's activities in chapter 2.3."

2. The Supervisory Board shares the position of the Management Board according to which:

(a) the Company performs an impairment test on selected assets in accordance with the accounting principles it has adopted as at the balance sheet date of 31 December 2020; the test performed on the change in the value of assets took into account all the facts that have occurred that affect the value of assets, including the impact of the COVID-19 pandemic, and in view of this, the Management Board reduced the value of the companies tested to a fair level,

b) the reservation formulated by the auditor is not material to the situation of the Company,

c) the Supervisory Board is of the opinion that the issue identified by the auditor does not affect the financial result as at December 31, 2020, nor does it threaten the going concern, given the actions carried out by the Management Board in 2020 dedicated to building up capital, structures, updating the strategy and appropriately building up the Group's processes.

§ 2

1 The resolution comes into force as of the date of its adoption.

2. the resolution has been adopted by voting through the means of direct communication over distance.

3. the Supervisory Board authorises the Deputy Chairman of the Supervisory Board Mr. Paweł Szewczyk to sign the resolution on behalf of the Supervisory Board.

5 votes "for", 0 votes "against" and 0 votes "abstaining" were cast for the resolution.