datalab

annual report 2014

Annual report and consolidated annual report of Datalab tehnologije, d. d. and its subsidiaries

for the period from 01 July 2013 to 30 June 2014

Ljubljana, October 2014

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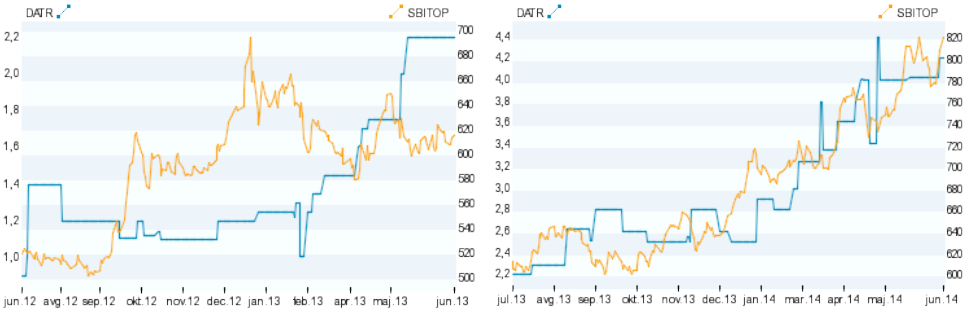
1 Key financial information and ratios

Key consolidated financial information	FY'14	FY'13	Index
Sales	5,281,140	4,672,915	113
Other operating revenue	2,012,895	1,962,618	103
Gross operating income	7,294,035	6,635,533	110
Operating profit/loss before taxes	515,957	517,206	100
Net operating profit/loss for the fiscal year	642,921	692,463	93
Net cash flow (profit + depreciation)	1,890,408	1,869,942	101
Balance sheet total	9,964,569	8,383,568	119
Fixed assets	7,428,117	6,508,489	114
Current assets	2,536,452	1,875,079	135
Equity	5,310,695	4,655,197	114
Long-term liabilities and provisions	2,626,776	2,051,883	128
Short-term liabilities and accrued costs and deferred revenue	2,027,098	1,676,488	121
RATIOS			
Total profit/operating revenue in %	7.07	7.79	91
Total profit/equity in %	9.72	11.11	87
Net profit/equity in %	12.11	14.88	81
Net profit/share in EUR	0.37	0.40	93
Equity/balance sheet total in %	53.30	55.53	96
Liquidity (short-term assets/short-term liabilities and accrued costs and deferred revenue) in %	125.13	111.85	112
Number of users	36,089	31,856	113
Number of companies	12,269	10,643	115
Number of consultants	515	493	104
Number of partner companies	308	267	115
Number of FULL-TIME employees	136	114	119
Number of employees in the Group	178	157	113

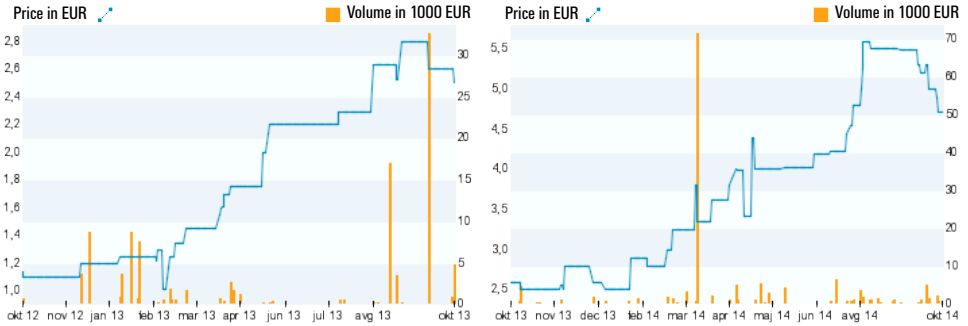
Information about shares

SHARE	30 June 2014	30 June 2013	Index
No. of issued common shares	**1,737,412**	**1,737,412**	100
of that purchased shares	12,652	30,547	41
Book value of share on the last day of the fiscal year in EUR (equity/no. of issued common shares)	**3.08**	**2.73**	113
Market price of share at the Ljubljana Stock Exchange			
All-year high in EUR	4.20	2.20	191
All-year low in EUR	2.20	0.9	244
Average share price in EUR	2.98	1.4	213
Share price on the last trading day in the year in EUR	4.20	2.20	191
Market value of equity in EUR (no. of issued common shares × share price on the last trading day in the year)	**7,297,130**	**3,822,306**	191
Return per share in the current year (share price on the last trading day of the current year/share price on the last trading day of the previous year)	**1.91**	**2.44**	78
Return per share in the current year in EUR (share price on the last trading day of the current year/share price on the last trading day of the previous year)	**2.00**	**1.3**	154
P/BV (share average market price/share book value)	**0.97**	**0.51**	190
P/E (share average market price/net profit per share in the fiscal year)	**8.37**	**3.67**	228

The price of Datalab share compared to the SBITOP index for the period from 1 July 2012 to 30 June 2013 and from 1 July 2013 to 30 June 2014. Source: LJSE.



Price of Datalab shares and trading volume In FY'13 and FY'14



ABRIDGED AND ADAPTED PROFIT AND LOSS STATEMENT OF THE GROUP

The table contains revenue and expenses by subsidiaries for this fiscal year (1 July 2013 to 30 June 2014) and the previous fiscal year in 1,000 EUR. #2 Revenue from RLGS remains with Datalab Tehnologije, d. d., to simplify accounting procedures, that is why it is included under revenue in Slovenia and added towards operating profit. The same goes for certification and services.

	SI			HR			BA		
	FY'14	FY'13	Index	FY'14	FY'13	Index	FY'14	FY'13	Index
A. Net revenue	**2,251**	**1,890**	**119**	**1,001**	**933**	**107**	**609**	**706**	**86**
1. Revenue from sales of products and services in domestic market	2,208	1,831	121	940	826	114	581	688	84
1. Net revenue from sales of products and services in domestic market, excluding rent	2,208	1,831	121	940	826	114	581	688	84
a. License fees	414	281	147	452	416	109	286	341	84
b. Software upgrades	1,102	1,045	105	380	328	116	202	245	82
c. Membership fees	39	39	100	17	16	105	11	11	94
d. Services	290	195	149	21	14	157	65	61	107
e. Marketing	28	3	933	25	23	109	13	21	63
f. Training and certification	34	45	76	20	9	221	3	9	37
g. Hosting services	302	205	147	11	2	468	0	0	
h. Other		0		14	18	80	1	0	549
2. Net revenue from rents		0		1	0	!	0	0	
III. Net revenue from sales of products and services in foreign markets	43	59	73	49	101	49	28	19	152
a. License fees	13	19	68	0	0		1	1	200
b. Software upgrades	18	16	113	0	0		0	0	
c. Membership fees		0		0	0		0	0	
d. Services	1	2	50	0	0		0	0	
e. Marketing	5	6	83	0	0		0	0	
f. Training and certification	6	15	40	0	0		0	0	
g. Work for the corporation		0		43	101	43	27	18	150
h. Other		0		6	0	5,045	0	0	
H. Expenses	**2,260**	**1,835**	**123**	**979**	**932**	**105**	**693**	**668**	**104**
I Cost of materials and services	1,380	1,136	121	699	680	103	499	477	105
1) License fees	179	85	211	139	124	112	113	94	120
2) Rents	42	46	91	16	14	116	12	17	72
4) Cost of services	354	343	103	268	265	101	195	188	104
j) of that cost of sales	100	84	119	121	119	101	93	88	105
II Labor costs	703	670	105	220	243	91	172	168	102
J. Financial revenue	**12**	**6**	**200**	**6**	**4**	**148**	**0**	**0**	**3**
K. Financial expenses	**7**	**11**	**64**	**6**	**4**	**145**	**1**	**0**	**3,931**
V. Net profit/loss for the period	**51**	**59**	**86**	**13**	**3**	**472**	**-78**	**41**	**-189**

*** Countries not using EUR as primary currency have their results calculated to EUR by average daily exchange rate.**
**** Information in the table below is for analytical purposes only and may differ from the information used in consolidation balance sheets of subsidiaries.**

SR			MN			MK			BG			AL			Total		
FY'14	FY'13	Index	FY'14	FY'13	Index	FY'14	FY'13	Index	FY'14	FY'13	Index	FY'14	FY'13	Index			
707	**674**	**105**	**285**	**244**	**117**	**513**	**453**	**113**	**82**	**71**	**115**	26			**5,474**	**4,971**	**110**
685	647	106	284	244	117	404	333	121	82	71	115	26			5,210	4,640	112
684	647	106	284	244	117	404	333	121	82	71	115	26			5,209	4,640	112
248	288	86	124	102	121	180	162	111	24	26	92	14			1,742	1,616	108
333	290	115	86	79	109	81	54	151	13	15	87				2,197	2,056	107
17	17	99	0	0	100	5	3	148	1	1	100				90	87	103
66	38	174	73	61	121	115	109	105	40	28	143	12			682	506	135
1	6	12	0	0		0	0		0	0					67	53	126
6	8	80	1	2	64	2	2	64	3	0					69	75	92
12	0	42743	0	0		22	2	925	0	1	0				347	210	165
0	0		0	0		0	0		0	0					15	18	83
1	0		0	0		0	0		0	0					2	0	
22	27	82	0	0	46	109	120	91	19	0					270	326	83
2	0	1,547	0	0		9	10	84	0	0					25	30	83
1	1	110	0	0		10	5	192	0	0					29	22	132
0	0		0	0		1	0	155	0	0					1	0	
0	0		0	0		18	24	77	0	0					19	26	73
0	0		0	0		0	0		0	0					5	6	83
0	0		0	0		0	0		0	0					6	15	40
18	26	71	0	0	46	68	73	93	0	0					156	218	72
2	5	45	0	0		2	0		0	0					10	5	200
729	**711**	**103**	**233**	**200**	**116**	**496**	**444**	**112**	**52**	**74**	**70**	**56**	**10**	**560**	**5,498**	**4,874**	**113**
481	520	93	120	106	113	280	250	112	19	15	127		9	0	3,478	3,193	109
105	101	104	77	68	114	149	123	121	11	8	138	3	0		776	603	129
22	19	118	10	7	144	18	16	111	6	0		2	2	100	128	121	106
114	136	84	32	30	109	105	104	100	1	7	14	24	6	400	1,093	1,079	101
47	72	65	0	0		41	37	111	0	5	0		1	0	402	406	99
233	179	130	113	93	121	203	187	109	30	60	50	26			1,700	1,600	106
3	**7**	**36**	**0**	**0**		**0**	**0**	**66**	**0**	**0**					**21**	**17**	**124**
15	**20**	**78**	**1**	**0**		**3**	**3**	**108**	**0**	**0**					**33**	**38**	**87**
-38	**-46**	**83**	**50**	**44**	**114**	**17**	**8**	**204**	**29**	**-6**	**-483**	**-29**	**-10**	**290**	**15**	**93**	**16**

Naziv Likvidnost podjetja
Privzeto
Področje
Osnovni kazalniki likvidnosti
Kazalnik
Vrednost
Kratkoročni koeficient
0,58
Pospešeni koeficient
0,37
Hitri koeficient
0,04
Ostali kazalniki likvidnosti
Kazalnik
Vrednost
Koeficient finančne stabilnosti
0,00
Kratkoročna sredstva proti vsem sredstvom
0,35
Neto obratna sredstva
-126.420,67
Kratkoročni koeficient podjetja za izbrano obdobje.
Razpon: 0-1, 1-2, 2-4
Pospešeni koeficient podjetja za izbrano obdobje.
Razpon: 0-0.5, 0.5-1, 1-2
Primerjava kazalnikov likvidnosti
Hitri koeficient
Pospešeni koeficient
Kratkoročni koeficient
0 0,05 0,1 0,15 0,2 0,25 0,3 0,35 0,4 0,45 0,5 0,55
Kazalniki likvidnosti po mesecih
1
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0,27
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2 Report of the Executive Director

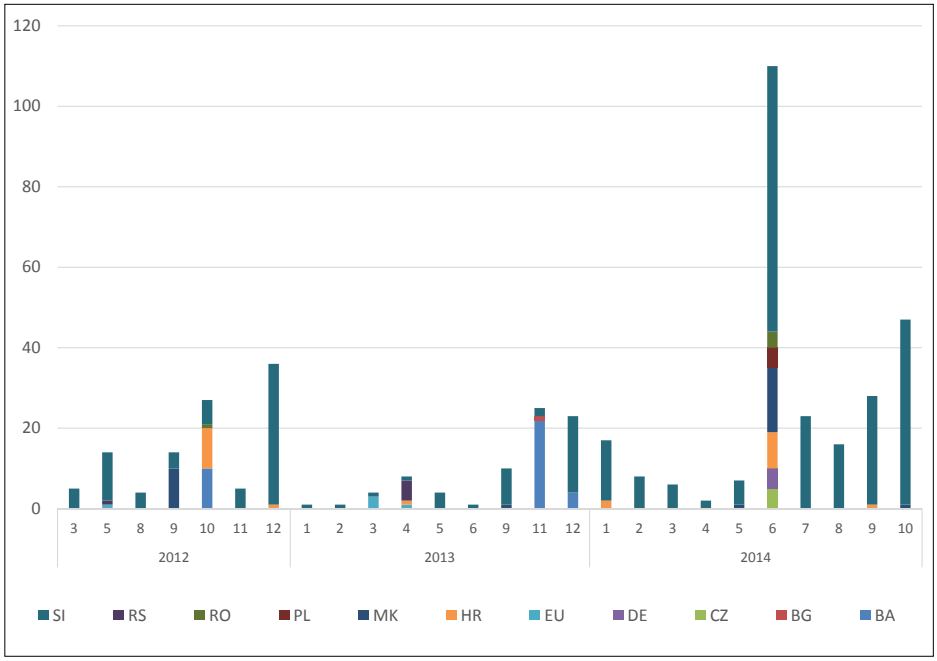
It is our mission to facilitate the use of a cost-efficient agricultural and business IT system on a worldwide level, and to provide this service to even the smallest businesses or farms, thereby simplifying their operations, helping them become more competitive, enhancing their chances for survival, and turning their data into profit.

The 2014 fiscal year (FY) was a year of continuation of the ongoing work. As part of our offer "PANTHEON in the cloud", we expanded our cooperation with Makedonski telekom by cooperation with Telekom Slovenije. In Croatia, Serbia and Montenegro, we offer the cloud by ourselves from rented datacenters. In existing markets (SI, MK, HR), the development of agricultural department continues. PANTHEON FA and along with it the whole PANTHEON family to a great extent as well has been complemented with market-important localizations for Albania and Romania, PA FA was translated into Ukranian, Polish, Czech and German.

We started the year with 27,347 users and ended it with 31,801. Gross operating income of the group is 7,294,035 EUR (+9%), revenues from sales 5,281,140 EUR (+13%).

Sale of licenses is growing in term of revenue as well, not only in terms of quantity, upgrade subscriptions grow generically. After a two-year "evangelization" of the market, the sales of PANTHEON Farming started. A completely renewed sales team was a great contribution to this in Slovenia, which communicates with farmers and sells to them directly. Based on the Slovenian example, we will intensify the forming our own sales-service capacities in the agricultural department in the coming year and name a sales-operational director for Agro on the level of the corporation.

Farming license sales

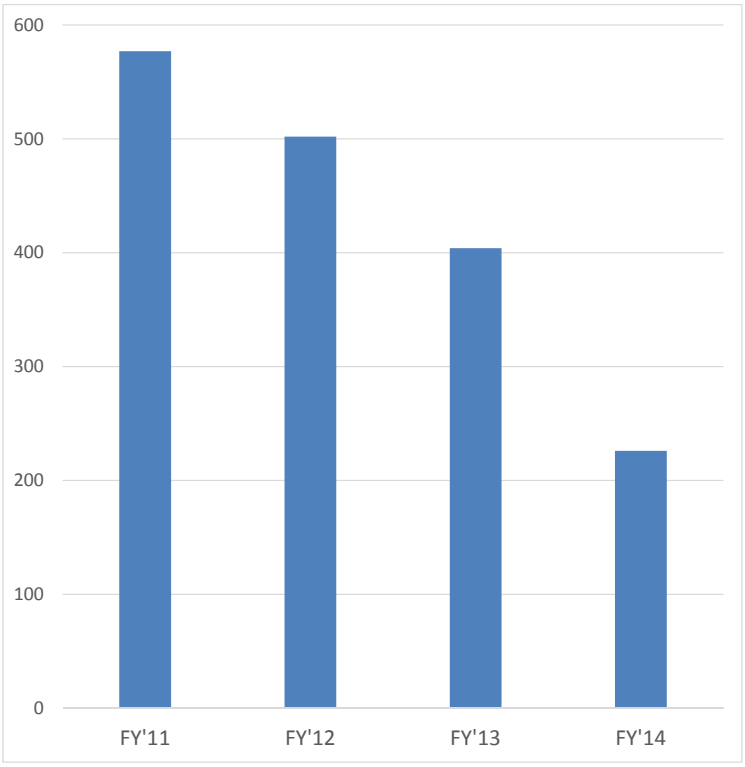


Cloud services in markets, where we collaborate with telecoms, are growing nicely; in FY'14, Croatia and Serbia were still below the potential due to the team's focus on one-time licensing and delays by telecoms regarding signing cooperation contracts. In FY'15, the influence and importance of cloud services within Datalab in these two countries will change drastically.

Due to increased expenses of localizations in the previous year, we had to increase the price of upgrades from 15% to 17%. Due to continuing development on these levels in FY'14, we also had to decrease the bonus from 5% to 3% per year. When we make changes to the pricing policy, we are very mindful of our customers' sentiments and we try to make changes where the rise is the most fair. For the new fiscal year we are preparing additional connector and OEM licenses that will facilitate PANTHEON licensing in more complex system solutions for our partners and bring us supplementary income.

In most markets, concluding of upgrade subscriptions increased, but we are noticing dying of companies. In the new fiscal year, we will start with tied selling of upgrade subscriptions, which will make the conclusion of an upgrade subscription obligatory upon purchase of a license.

The development continues with stabilization. Autotests are numerous and working. The greatest user complaints that "after an upgrade PANTHEON often does not work correctly" were practically annuled. A look at the chart on the right shows that the number of defects was more than halved in the last four years. A stable product is the greatest guarantee of satisfied users and with that of new sales and retention of revenue of several years from the existing customer base.



We are reducing other costs calculated per employee, but since we are growing, absolute numbers are 10% (costs of goods and services, 2,544,846 EUR), 11% (labour costs, 2,656,136 EUR) and 6% higher (amortisation, 1,247,487 EUR), respectively.

Net profit amounts to 642,921 EUR which is 7% less than last year. In comparison with FY'13, we increased the net cash flow (wastage) by 16% and it amounts to -111,195 EUR, but it is still significantly lower than in FY'12 when such wastage was -153,209 EUR.

Our shares continue to grow significantly. On 10 July 2014, we announced that the recapitalization was concluded successfully with a new issue of 250,000 shares totalling 1,062,500 EUR to institutional investors from Slovenia and Croatia. After the recapitalization, the price of the share gets a boost. Trading volumes are healthy.

Find more and in more detail on the following pages.

Andrej Mertelj,
Executive Director

Ljubljana, 22 October 2014

3 Report of the Chairman of the Board

From 1 July 2012 to 30 June 2013, the members of the Executive Board were Andrej Mertej, Lojze Zajc and Matt Mayfield. At a general assembly on 24 February 2014, Nedim Pašić, director of Datalab BA d.o.o., was named as the fourth member of the Executive Board. Executive Board member Matt Mayfield resigned due to personal reasons on 24 March 2014 and the Executive Board continued operating as a three-member body.

The Executive Board met on regular meetings, extended meetings, where all directors of subsidiaries were also present, and meetings by correspondence, where it mostly dealt with the material for an assembly, working material regarding further development and business expansion, recapitalization, economy plan for the fiscal year 2014 and measures regarding financial consolidation. The Executive Board reviewed the results of the fiscal year 2013 that ended on 30 June 2013, examined monthly and quarterly results, and on the basis of the provisions of the Ljubljana Stock Exchange Rules and applicable legislation of Datalab Tehnologije d.d., Ljubljana, published the quarterly and annual results on websites.

At a meeting by correspondence in the month of July 2014, the Board approved the amount of recourse, and at a meeting by correspondence in the month of November 2013, the change of business address due to resettlement.

At an assembly on 24 February 2014, the assembly was informed about the message of the Executive Board about the review and adoption of the annual report of Datalab Tehnologije d.d. for the fiscal year 2013 that lasted from 1 July 2012 to 30 June 2013. Upon the proposal of the Executive Board, a resolution was voted through that the distributable profit is 1,809,107 EUR, which is allocated in the amount of 93,467 EUR for the participation of employees on profit, and that 1,715,640 EUR remains unallocated. The Board was given a discharge and received a bonus. The auditing firm UHY, d.o.o., Vurnikova 2, Ljubljana, was named to audit financial statements for the fiscal year 2014. Datalab Tehnologije d.d. chose UHY d.o.o. because it already audited statements for fiscal years 2009, 2010, 2011, 2012 and 2013, it knows the company, is prompt and provides quality services. Furthermore, good corporate and auditing practice suggests not to change auditing firms. UHY also has experience with auditing publicly traded companies. As mentioned above, Nedim Pašić was elected member of the Executive Board at the assembly.

At its 41st regular meeting on 8 August 2013, the Board discussed business plans for the fiscal year that starts on 1 July 2013 and ends on 30 June 2014.

The Board met at its 42nd regular meeting that was also the constituent meeting of the Board in its new composition on 25 February 2014.

Important resolution of the 42nd meeting of the Executive Board are:

- *The Executive Board is set up in a new composition. An extended college was also named; beside the Executive Director, its members are the Head of development, Head of operations, Head of business development and Head of PfC (M&A).*
- *Andrej Brlečič took over the area of sales for the entire corporation and will regularly attend meetings of the Executive Board as a reporter.*

- *Mr Nedim Pašić was appointed vice-president of the Executive Board, and an audit commission was also established, Mr Zajc is its chairman and Mr Pašić and Mr Sikira are members. Mrs Hudnik was appointed secretary of the Executive Board.*
- *Minority shareholding in Datalab BA d.o.o. is exchanged for 55,584 DATR shares , so that DATALAB d.d. becomes a 100% owner of Datalab BA d.o.o.*
- *Datalab Agro CH AG is established, a company with head office in Schwyz (canton Schwyz, Switzerland) and initial capital of 200,000 CHF, in mixed ownership of Datalab d.d. and Mattig Management Partners AG. Datalab d.d. has a call option that enables it to launch a conversion of the equity share of MMP in Datalab Agro CH AG into DATR shares at share price on the day of the establishment and ownership consolidation. The company is planning further recapitalizations. Datalab Agro CH takes over the copyright over PANTHEON FA and global distribution of this product, but a determined license fee belongs to Datalab d.d. Mr Mertelj takes over the management of the company and also remains the Executive Director of Datalab d.d.*
- *A consent is given for the purchase of operations and intellectual property of Vinar by the company Datapoint from Nova Gorica. Datalab d.d. will acquire copyright over the program Vinar and incorporate it into PANTHEON FA as a "Vinery" module. We estimate that approximately 80% of the existing 73 users will pass over to PANTHEON.*
- *A consent is given for the purchase of operations and intellectual property of FruitDiscovery by the company Inventivna rešenja d.o.o. Datalab d.d. will acquire copyright over the program FruitDiscovery and incorporate it into PANTHEON FA as an "Orchard" module. We estimate that approximately 80% of the existing 300 users in the region will pass over to PANTHEON.*
- *A consent is given for the start of the process of issuing shares from the approved capital of approximately 150,000 EUR that will be used for MSOP, ESOP, stockswap Datalab BA, protection of the call option, purchases of intellectual property and return of borrowed shares.*
- *A consent is given for the start of talks with Alta d.d. about the expected secondary public offer of shares in the amount of 1,000,000 EUR at a price that is not lower than 4 EUR per share at a 75% threshold performance.*
- *A consent is given for the replacement of the director in Croatia. Mr Stričević is replaced by Mr Žunić.*
- *Mr Stričević is promoted to the post of PfC Manager on the corporate level and covers the operational domain of merging/purchasing/incorporating.*
- *The Executive Board is informed about the planned cash flows until the end of the calendar year 2014 (FY'14/Q4 and FY'15/H1). Despite the decline in payment discipline in all markets, we do not anticipate any significant shocks since we have succeeded in assuring a fresh liquidity (approximately 700,000 EUR) with the EU CIP project.*
- *The Executive Board is informed about the projection of revenue and ascertains that the company is safe and profitable if the revenue reaches at least 80% of planned revenue for FY'14/Q4 and FY'15/H1.*
- *The Executive Board ordered the implementation of a rule book about variable sa-*

laries and consequently employment contracts in the entire corporation including subsidiaries by 10 March 2014.

- *The Executive Board confirms policies for balancing and accounting monitoring of divisions and profit centers in the entire corporation and adopts supervisory procedures.*
- *The Executive Board took note of the situation in subsidiaries in Bosnia, Albania and Bulgaria, and adopted alternative operating scenarios.*

The Board met at a teleconference on 24 March 2014, during which it:

- *took note of the signing of the contract with the EC for the financing of the AgroIT project in the amount of 2,521,000 EUR;*
- *took note of the signing of the contract with Inovativna rešenja d.o.o., Zagreb, for the purchase of copyright over the solution FruitDiscovery for orchards and its inclusion into PANTHEON FA;*
- *took note of the signing of the contract with Telekom Slovenija for "PANTHEON in the cloud" and reviewed the results of the first few weeks of cooperation;*
- *took note of the beginning of negociations for the cooperation with the Kosovan and Serbian telecom operators regarding the offer of "PANTHEON in the cloud";*
- *took note of the resignation of Mr Matt Mayfield from the Executive Board of the company due to personal reasons. Since three members are needed for the functioning of the Executive Board and Mr Zajc, Mr Mertelj and Mr Pašić remain, the company will not seek replacement until further notice.*

On 12 May 2014, the Executive Board adopted a per rollam resolution about the assignment of a bonus to employees from the allocation for participation of employees on revenue and a resolution about a bonus for the employees of the subsidiary Datalab SI d.o.o.

On 14 May 2014, it adopted a per rollam resolution that Andrej Brlečič is appointed director of the company Datalab SI d.o.o. and Andrej Mertelj is appointed procurator.

At the 43rd regular meeting on 19 May 2014, it treated among others the assessment of the results of the third quarter, sales report, draft of partner contracts for the fiscal year 2015, planning procedures for the fiscal year 2015, reports about AGRO IT and NOVI POS projects and about procedures of the start of verification of interest of potential investors in the procedure of increasing share capital with cash payments.

Based on the resolution of the shareholders assembly about the approved capital on 18 February 2013 that was entered in the company register, the Executive Board adopted a per rollam resolution about an increase of the approved capital from the present 2,041,008.83 EUR for up to 159,590.89 EUR to up to 2,200,599.72 EUR.

On 20 May 2014 at a per rollam meeting, the Board accepted the planned operating results for FY'15-FY'17 and published them in the SEONet system and on the company websites.

Moreover, based on the resolution of the Board of 30 May 2014, it published a notification about the further financing of the development of Pantheon and the expansion of cooperation with telecom operators as follows:

On 26 May 2014, Datalab received the resolution on approval of the guarantee schema of the Slovene Enterprise Fund for the acquisition of a loan in the amount of 1,500,000 EUR from Banka Celje. The loan will be used to finance the further development of the PANTHEON platform. The loan will be spent until 31 December 2015 with a repayment period until 31 December 2022. The interest rate is 6m EURIBOR + 0% and is refinanced on the basis of a regulation of the European Commission. In addition,

we are informing the public about the beginning of talks with telecom operators in Albania, Kosovo and Bulgaria for the establishment of the PANTHEON Cloud platform and regarding joint-selling of these services.

The company management will also present both information at meetings with potential investors who were asked to disclose non-binding indicative interest for cooperation in the eventual process of recapitalizing the company.

On 4 June 2014, it adopted a concluding resolution about the success of a public offer of shares and on 9 June 2014, about the new amount of equity that is now 2,197,236.44 EUR and about the amount of recourse for Datalab d.d. and Datalab SI d.o.o.

Also, on 9 June 2014, the Executive Board adopted a per rollam resolution amout the Publication of the information about the collected interest of potential investors to cooperate in the process of increasing the share capital with cash payments as follows:

"DATALAB Tehnologije d.d., Koprska ulica 98, 1000 Ljubljana, (hereinafter: the company), on the basis of article 386 of the Financial Instruments Market Act, informs the public that on 6 June 2014, it concluded the process of verification of non-binding indicative interest of potential investors for entering and payment of between 200,000 and 250,000 new company shares that would be issued in the process of increasing the company share capital (with cash payments) on the basis of the approved capital and would be of the same type as other company shares (hereinafter: recapitalization).

Regarding the exceeding interest of interested potential investors for new company shares, the Executive Board decided to continue with the process of recapitalization of the company. The resolution of the Exective Board of the company about the increase of share capital with cash payments, from which the conditions of the increase of share capital will be evident, will be published in the SEOnet system of the Ljubljana Stock Exchange d.d. and on the company's websites, foreseeably in the last week of June 2014. The newly issued shares will be offered to up to 150 natural or legal persons in an individual member country. This fulfills the condition for a public offer of securities according to point 2, paragraph 1, article 49 of the FIMA that represents one of the types of securities offers to the public and is exempt from the obligation to publish a brochure; therefore, a brochure for the offer of shares to the public will not be published.

Solely for informative purposes, we are stating that in the beginning of the fiscal year 2015, the interest was exceeded and 250,000 new shares were issued at the price of 4.25 EUR, which was at that time over 5% over the stock price, and that the total emission value of the newly issued shares amounted to 1,062,500 EUR, from which 293,685.21 EUR was paid in the share capital and 768.9814,79 EUR in the capital reserves. Payments were realized in the beginning of July 2014.

Lojze Zajc
Chairman of the Executive Board and
President of the Audit Committee

Ljubljana, 23 October 2014

Naziv Dobičkonosnost poslovanja
Privzeto
Področje
Kazalniki marž
Kazalnik
Vrednost
Bruto marža
48,04
Neto marža I
48,04
Neto marža II
48,04
Kazalniki dobičkonosnosti sredstev in kapitala
Kazalnik
Vrednost
Dobičkonosnost sredstev ROA I
6,60
Dobičkonosnost sredstev ROA II
6,59
Bruto rentabilnost sredstev
6,60
Dobičkonosnost kapitala ROE
0,00
Bruto marža po mesecih
Neto marža po mesecih
Neto marža I
Neto marža II
Bruto rentabilnost sredstev po mesecih
ROA in ROE po mesecih
Dobičkonosnost sred. ROA I
Dobičkonosnost sred. ROA II
Dobičkonosnost kapitala ROE

4 Company presentation

4.1 GENERAL INFORMATION

Name

Short name: Datalab, d. d.
Long name: Datalab Tehnologije, družba za razvoj poslovno-informacijskih sistemov, d. d.

Registration

The company is registered at the District Court in Ljubljana under the number 03/06489 (Nov 21, 2003), application number 138651000.
Type of organization: Public Limited Company
Share Capital: 2,197,236.44 EUR
Company Registration Number: 1864629
Tax number: 87965399
Industry code: 58.290 – Other software publishing

Bank accounts

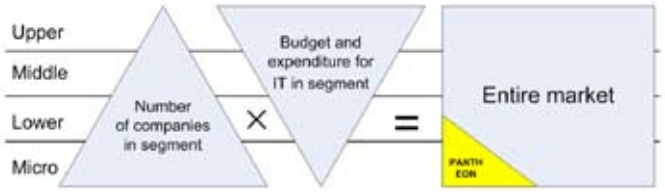
IBAN SI56 0201 0025 6382 412, NLB d. d.
IBAN SI56 0600 0010 0049 106, BANKA CELJE d. d.
IBAN SI56 0600 0110 0049 169, BANKA CELJE d. d.
IBAN SI56 0600 0210 0049 135, BANKA CELJE d. d.
IBAN SI56 0600 0310 0049 198, BANKA CELJE d. d.
IBAN SI56 0600 0410 0049 164, BANKA CELJE d. d.
IBAN SI56 2420 3906 2687 181, RAIFFEISEN BANKA d. d.

Address

Koprska ulica 98, 1000 Ljubljana, Slovenia
Telephone: +386 1 252 89 00
Fax: +386 1 252 89 10
E-mail: *info@datalab.si*
Website: *www.datalab.si*
www.datalab.eu

4.2 ABOUT THE COMPANY

Datalab is a Slovenia-based business software developer. It offers comprehensive business IT solutions for small and mid-size companies under the simple but telling slogan Turning data into profit. From 2000, when consulting and support activities were taken up by partner companies, to the present, we have grown to become a company that manages an entire ecosystem. Datalab develops and sells the software and manages implementation and the distribution of knowledge and experience through its Partner Channel. We view the future of the company in providing software as a service (SaaS) and managing a cluster of companies.



Datalab was founded in 1997, became a stock company in 2003 and started to be quoted on the Ljubljana Stock Exchange in June 2008. Subsidiary companies operate in Croatia, Serbia, Montenegro, Bosnia and Herzegovina, Macedonia and Bulgaria.

Key Products and Services

Our product – PANTHEON – contains a transaction system for processing orders, invoices, and financial and personnel data and manufacturing resource planning. It is based on MS SQL Server data structure, and has been developed for Windows environment. In the cloud mode, it functions as a fat-client with a data server in the data center. It supports e-business operations and digital archives, enhancing the competitiveness of those who use it.

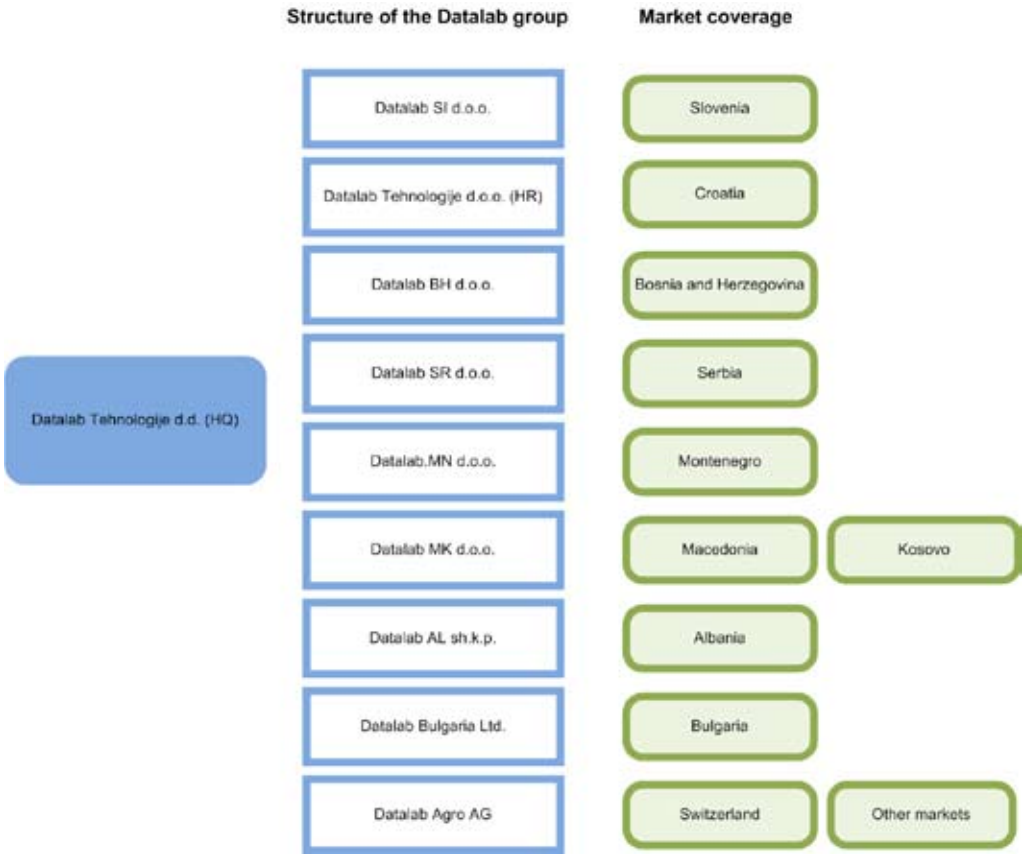
The development of PANTHEON Farming, a system for monitoring agricultural production, started in fiscal year 2011 and the product was first publicly released in June 2012. Market opportunities for the product are significant because of FADN requirements in all EU countries and candidates.

Marketing Strategy

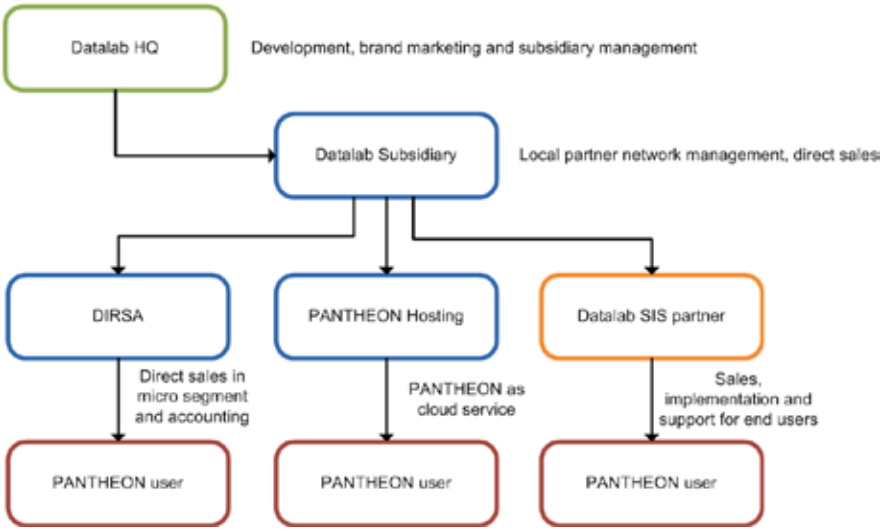
Parent company or HQ (headquarters).

SUB (subsidiary) - company in charge of managing the partner network. Partners are in charge of SIS (Sales, Implementation and Support) activities on the market.

The Datalab Group is made up of the parent company, Datalab Tehnologije, d. d., and its subsidiaries in other countries. In Slovenia, Datalab Tehnologije, d. d., transferred management of the partner channel to the subsidiary Datalab SI, d.o.o. in August 2010, as is the case in all other countries where Datalab is present. The business plan for the next five years reflects this; the parent company Datalab Tehnologije, d. d., sees to development, brand marketing and group management, while subsidiaries (SUBs) manage the partner channel in their respective countries. The Kosovo market is covered by Datalab's subsidiary in Macedonia, and the Albanian market is covered by a subsidiary in Tirana, founded in October 2012. Sales in those markets are presented in statements of DL MK as revenue in other markets. A subsidiary in Bulgaria was founded in September 2009 and is operational; in FY'11, we started the procedure of acquiring a 50% stake and on 19 September 2012 we paid in for the equity and capital increase. Datalab AGRO AG was founded on 1 April 2014 in order to trade with PANTHEON Farming in Switzerland and third markets (markets not covered with subsidiaries). Operations in Datalab AGRO will start towards the end of the calendar year 2014.



Relationship between management and sales in a market



Datalab has a number of sources of revenue.

- The primary source (after license fees and usage fees) are **upgrade fees** (subscriptions to software upgrades).
- The secondary source are **license fees** from newly sold PANTHEON licenses. Due to market pressure we are forced to grant discounts; another factor is the paradigm shift to cloud computing and we anticipate the trend of declining license sales will continue.
- The third source are **usage fees** (subscription for Hosting) that include license fees, upgrade fees and server resources. Users pay them to subsidiaries for the right to use PANTHEON and get upgrades.
- **Membership fees** are paid by registered consultants to Datalab in exchange for access to Datalab's tools and support (secondary revenue).
- Many users of Hosting use **ServiceDesk services** for quick help.

Other revenue includes:

- training conducted by the Datalab Academy (founded in 2007) is billed directly to participants (partners and end users); this includes the price of courses and certification;
- advertising on Datalab's websites (User Site) and in PANTHEON news, where partners, users and others can advertise their products and services;

- **Other revenue:** PANTHEON Conference (event for partners and users with the goal of exchanging information and best practices), revenue from interest on loans to subsidiaries.

Although the organization looks like franchising, Datalab does not collect a share of the revenue that customers pay to Datalab's partners.

Division of Tasks

Datalab has divided its operations into three levels, which also reflect cash flows.

Level 1: The parent company develops the software and related business practices and manages the entire network.

Level 2: Subsidiaries are responsible for localizing PANTHEON for their country. Localization includes translating the user interface and adapting the program to the legislative and business environment of the local markets. Subsidiaries provide support to Partners and form a link between consultants at Partner companies and developers at the parent company.

Each subsidiary must establish a local support center that provides support for sales, licensing, and smaller technical problems via telephone, online applications, and e-mail.

Level 3: Datalab's partners or Datalab's own ServiceDesk (provides support for direct customers and PANTHEON Hosting) provide support and activate subscriptions for users. Due to shortcomings of the partner channel, which was not prepared/trained to support micro companies and which lacked focus on accounting firms, in 2010, we began offering Datalab Direct sales and support via the Datalab ServiceDesk service. We further expanded this in FY'11 with direct sales of upgrade subscriptions and in FY'13 with forming a separate department for that with the purpose of correcting developments in the market.

Danica Starič,
Human Resources

4.3 PERSONNEL MAKE-UP

Datalab is trying to create a friendly and low-stress working environment for its employees, because employees are the company's key asset and the IT sector is rather stressful. Employees are encouraged to independent thinking and assuming responsibility; it is also desirable that employees actively participate in company management. Our employees are committed to their work, self-initiative, highly skilled, creative and professional. They expand their knowledge through continuous education and use of the latest technology. Our ranks were also joined by junior researchers and researchers from public research institutions with skills and competences. The interdisciplinary character of the team of empoyees contributes to reach high added value and product development based on the latest knowledge, technologies, research and innovation.

At the end of the fiscal year 2014, the Datalab group had 178 employees. In comparison with the end of the fiscal year 2013, the number of employees in the Group increased for 20 co-workers or by 12 percent.

Type of employment

The number of employees is constantly rising due to the development of an efficient business-IT system and increased activities in sales teams. The number of employees in the Group went up 12% in the last year. On the level of the Group, we have had the highest increase in the number of regular employments (20%) and the number of outworkers (50%), while the number of students and independent providers decreased.

Number of employees by type of employment and companies in the Datalab group

	DL	HQ	SI		HR		BA		SR		BG		MN		MK		CH		AL		DL group	
Type of employment	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	**30 June 2014**	**1 July 2013**
Full-time employees	43	39	20	15	15	11	15	16	18	9	0	0	6	7	18	17	1				136	114
Regular external contractors	13	9	4	5	1		1						2						3	2	24	16
Author contracts	3	1	1	1	1		1	2	1	6											5	10
Students	3		9	11		2		4													12	17
Total	62	49	**33**	**32**	**17**	**13**	**17**	**22**	**19**	**15**	0	0	**8**	**7**	**18**	**17**	**1**	**0**	**3**	**2**	**178**	**157**

Educational structure

Datalab is a growth and development oriented company, which also applies for key personnel. The main driver of our growth is an ambitious and highly motivated team, thanks to which the company is a leader in its field in target markets. We are investing into staff development, their knowledge, skills and formal education. We have formed interdisciplinary teams to facilitate knowledge exchange. We are trying to attract high-level professionals from public research institutions, students and junior researchers who, in connection with their professors and armed with new knowledge, enrich the company and improve the educational structure.

Intensive investments into development and building a competitive advantage demand highly skilled professionals in all fields. The number of employees with a university degree is rising and has reached 47% in the Group. At the end of FY 2014, 73 employees had a university degree, 10 a master's degree and 1 a doctor's degree.

Number of employees by level of education and companies in the Datalab group

	HQ		SI		HR		BA		SR		BG		MN		MK		MK		AL		DL group	
Level of education	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	30 June 2014	1 July 2013	**30 June 2014**	**1 July 2013**
Primary school																						
Vocational school					3	3	1	4													**4**	**7**
Four-year secondary school	18	20	21	25					8	4			4		1		1				**53**	**49**
Vocational college	18	8	3	3	4	3	2	2	6	6			3	3					1		**37**	**25**
University degree	22	17	7	3	10	7	13	15	5	5			1	3	13	14			2	2	**73**	**66**
Master's degree	3	2	2	1			1	1						1	4	3					**10**	**8**
Doctor's degree	1	2																			**1**	**2**
Total	**62**	**49**	**33**	**32**	**17**	**13**	**17**	**22**	**19**	**15**	**0**	**0**	**8**	**7**	**18**	**17**	**1**	**0**	**3**	**2**	**178**	**157**

Health and safety at work

We strive for the best possible working conditions for our employees. In this fiscal year, we organized a training for the employees about safety and health at work. In addition, we realized a program of preventive medical examinations and made an assessment of safety with the assessment of risk at the workplace.

Management styles, stress and burnout of employees study

Since we are trying to improve satisfaction at the workplace that would reduce fluctuation, improve affiliation (enthusiasm) and stimulate higher productivity, the Group is carrying out a study about management styles, stress and burnout of employees. In comparison with previous studies, this study shows a clear picture of the workplaces and departments that are the most prone to bigger stress and burnout at work. Based on the results, we are implementing measures to decrease stress and burnout at work. The participation of employees in the study is high, 82% of employees participated in the last study.

4.4 COMPANY GOVERNANCE HOLDERS

The management of the parent company Datalab d.d. takes place in accordance with the Companies Act, Ljubljana Stock Exchange Rules, company statute, internal acts and rule books. An important guidance in managing is also the Management code for publicly traded companies. Its provisions are almost entirely considered, any deviations are quoted in the statement about the business activity compliance with the Management code for publicly traded companies which is a constituent part of the annual report.

The management of the company operates under the one-tier system: the company is lead by the Executive Board, whose member is also the Executive Director.

The governance holders are the Shareholder assembly and the Executive Board.

Shareholder assembly

The Shareholder assembly is an organ of the company in which shareholders realize their rights in company matters. It is convened by the Executive Board of the company, as a rule once a year. The Executive Board can convene it on its own initiative, by request of the Executive Director or by request of shareholders that represent at least twenty percent of the company's share capital. The rightful claimant who requests a convocation of the assembly must, along with their request, also forward an explained and founded purpose and reason of the convocation to the Executive Board.

The most important matters that are addressed by the shareholders at the regular general assembly are split and usage of distributable profit, discharge to the Executive Board and Executive Director, and appointment of auditor for the current year. It may be attended by all shareholders or their authorized representatives who announce their participation in writing at least three days before the assembly.

The convocation of the assembly and other important matters needed for its realization are prescribed in the company statute, which is available on the websites of AJPES. The convocation of the assembly is published in the electronic information dissemination system of the Stock Exchange SEOnet, on the company websites, on the website of AJPES or in a journal that is published all over Slovenia.

At the 13th regular assembly that took place on 24 February 2014, shareholders discussed the Annual report for the fiscal year 2013 and adopted resolutions about the usage of distributable profit, discharge to members of the Executive Board and to the Executive Director for the fiscal year 2013, appointment of a certified auditor for the fiscal year 2014, modification of the company statute, management bonuses and election of a member of the Executive Board. All proposed resolutions were accepted. The adopted resolutions wer published in SEOnet and on the website of Datalab d.d.

Executive Board of the company

The Executive Board of Datalab d.d. has three members, and according the Statute of the company it has three to six members. Members are nominated by the assembly for a term of up to 6 years with the possibility to be re-elected, if not otherwise provided at nomination. The chairman of the Executive Board prepares a report of the Executive Board in which he describes in more detail the main activities and operating of the Executive Board in the past fiscal year.

The Executive Board makes decisions at meetings and has to be convened at least once in a quarter of a year. The meeting is convened by the chairman on his own initiative or on the initiative of any member.

The Board met on 25 February 2014, a day after the appointment of Nedim Pašić at the shareholders assembly as a member of the Executive Board of the company, at its 42nd regular meeting that was also the constituent meeting of the Executive Board in its new composition. At the specified meeting of the Executive Board, among other things, the following resolutions were adopted:

- an extended college was named; beside the Executive Director, its members are the Head of development (Dare Rihter), Head of operations (Matija Kešpret), Head of business development (Sašo Jovanovski) and Head of PfC or M&A (Tihomir Stričević).
- Andrej Brlečič took over the domain of sales for the entire group and will regularly attend meetings of the Executive Board as a reporter.
- Mr Nedim Pašić was appointed as the Vice-President of the Executive Board.
- An audit commission was also established in the following composition: Mr Lojze Zajc (chairman), Mr Nedim Pašić (member) and Mr Elmir Sikira (member).
- Mrs Hudnik was appointed secretary of the Executive Board.

The chairman of the Executive Board receives a compensation for performance of the function in the Executive Board, all members, including the chairman, are eligible for bonuses, the resolution for which is adopted by the shareholders assembly.

Executive Board of the company is made up of

Full name	Beginning of current mandate	End of current mandate	Function in the Executive Board
Lojze Zajc	18 June 2013	17 June 2019	chairman of the Executive Board
Andrej Mertelj	18 June 2013	17 June 2019	member of the Executive Board and Executive Director
Nedim Pašić*	24 February 2014	17 June 2019	member of the Executive Board, vice-president of the Executive Board

*g. Nedim Pašić is also the Managing Director of Datalab BH d.o.o.

Andrej Mertelj – Executive Director

The best way to describe Andrej is as a serial businessman with a passion for information technology. When he finished mathematical high school, he enrolled in the Faculty of Computer Science which he left right before achieving his degree for business. At the age of sixteen, he published his first expert article, followed by many others in the following years. Almost thirty years of experience in information science and twenty-five in business represent a unique mixture of information and business knowledge that he transfers to PANTHEON, the leading business program in Southeastern Europe, as the Executive Director of Datalab. At the moment, he is passionate about building services in the cloud for small and medium-sized enterprises with telecoms, as well as bringing the advantages of modern information tools to farmers.

Andrej is the chairman of the Association of software developers of Slovenia KODA.SI, he was the chairman of the Association for Information Science and Telecommunications at the Chamber of Commerce and Industry of Slovenia, as well as member of numerous standardization bodies. He was the advisor of many governments in the introduction of the euro, value added tax and certified cash registers. He is one of the most ardent opponents of the European Software Patents Directive and the ACTA Agreement. He often a mentor at start-up events, CEED and business workshops.

Lojze Zajc – Chairman of the Executive Board

Lojze Zajc was born on 13 February 1954 in Dorfarje near Škofja Loka. He finished elementary school and high school in Vič, Ljubljana, and he graduated from Faculty of Economics, foreign trade course, in 1978. Moreover, he passed most of the exams of the postgraduate specialist study of management. He is fluent in English and he also speaks German and Italian (colloquially). He received additional education at London Business School of Economics, he completed a seminar for assessors of company value, as well as many trainings in banks in Italy and Germany.

He got his first job in Jugotekstil-impex where, in 1985, he took over the management and control of financial operations of companies abroad and performed internal audits of companies owned by Jugotekstil-impex. In 1995, he was appointed acting Director General, and in 1996, he was appointed chairman of management of the company IBN-JT, d. d.

In 2001, he was employed in a construction company as internal auditor and later as Executive Director for the economic area. In the last year of employment in this company, he successfully controlled the implementation of PANTHEON. He has been cooperating with Datalab since March 2009.

Nedim Pašić – Vice-President of the Executive Board

Nedim has been with Datalab BA since its establishment. With PANTHEON, he was one of the first to approach the ICT sector and small and medium-sized enterprises in BiH. In 2004, he graduated in Management of information systems at the Faculty of Economics in Sarajevo. He has been active in enterpreneurship since 1997. Besides IT with emphasis on business programs, with which he still works with enthusiasm and full of new business challenges, he found business experience in management, business counselling, marketing and market research.

At the 42nd meeting of the Executive Board of Datalab d.d., Nedim Pašić was appointed Vice-President of the Executive Board.

Company management

Datalab d.d. is managed by the Executive Board that appoints one or more executive directors of the company for the period of six years, of whom at least one is chosen among the Executive Board members. The Executive Director represents the company independently. The Executive Board may transfer to the Executive Director tasks of managing regular duties, registration of entries and presentation of documents to the register, taking care of keeping books and drawing-up of the report, to which the auditor's report is added. In performing his duties, the Executive Director must comply with instructions and limitations imposed by the Shareholder assembly, Executive Board and statute.

Management in the Group

The Datalab Group is made up of the parent company, Datalab d.d. and its subsidiaries in other countries. In Slovenia, DATALAB Tehnologije, d.d., transferred management of the partner channel to the subsidiary Datalab SI, d.o.o. in August 2010, as is the case in all other countries where Datalab is present. The business plan for the next five years reflects this; the parent company Datalab d.d. sees to development, brand marketing and group management, while subsidiaries (SUBs) manage the partner channel in their respective countries – Croatia, Bosnia, Serbia, Macedonia and Montenegro. The Kosovo market is currently under the management of the subsidiary in Macedonia (sales in Kosovo are presented in statements of Datalab MK d.o.o. as revenue in other markets). The parent company has a 51% share in subsidiaries in Croatia and Montenegro, and a 100% share in all other subsidiaries.

All companies abide by uniform rules for management, organization and operation. As the parent company, Datalab d.d. determines strategic policies and operational goals to all companies in the Group and monitors the realization of plans.

Internal control system

Quality accounting information is one of the foundations for responsible business decision making. The Executive Board of the company is responsible for assuring accounting information, and we assure it by taking into consideration accounting standards, appropriate accounting policies, unified accounting policy at the level of the Datalab Group, timely and adequate preparation of data, reports and analyses, and regular annual control of the accounting process in audit procedures.

We manage risks with internal controls, i. e. different policies and procedures that we implement on different levels. Thus we ensure efficiency and successfulness of operations, reliability of accounting reporting and compliance with current legislation and regulations. Accounting controls are closely linked to controls in the department of information technology, which, among other things, ensures limitations and control of the access to network, data and applications, as well as entirety and accuracy of data acquisition and processing.

The accounting service prepares regular periodic reports for individual business features that provide useful information for users to make business decisions. We pay special attention to sales information, accumulated added value, productivity of profit centers and financial statements. Financial statements are monitored by individual profit centers that are uniformly designed for the entire Group.

External audit

The external audit is performed by a certified audit company that also discloses professional warnings and instructions for the improvement of the internal control system and for the management of risks of all types.

For the fiscal year 2014, the external audit for Datalab d.d. was performed by the audit company Uhy Revizija in svetovanje d.o.o., Vurnikova ulica 2, Ljubljana. The audit company cooperates in auditing financial statements and annual reports. The cost of auditing financial statements for the fiscal year 2014 amounted to 15,000 EUR. The audit company Uhy Revizija in svetovanje d.o.o. cooperates with audit companies that audit financial statements of subsidiaries outside the territory of the Republic of Slovenia.

4.5 COMPANY GOVERNANCE

4.5.1 Statement of compliance of business activity with the Management code for publicly traded companies

The Executive Board and the Executive Director of Datalab d.d. state that in the fiscal year 2014, they complied with the provisions of the Management code for publicly traded companies, changes and amendments of which were adopted on 8 December 2009, except regarding provisions cited hereinafter. The text of the code is publicly available on the website of the Ljubljana Stock Exchange, http://www.ljse.si.

Chapter: COMPANY GOVERNANCE FRAME

1 The basic goal of a public limited company that performs a gainful activity is to maximize the value of the company. This and other goals that the company follows in performing its activity, such as long-term creating of value for shareholders and taking into consideration social and environmental aspects of operations to ensure sustainable development of the company, are stated in the company statute.

Throughout, company organs operate in compliance with the basic goal, i. e., maximizing the value for buyers, employees and owners. The general goals of the company are stated in the medium-term and the yearly annual plan, and the strategic goals are stated on the official company website and in annual reports.

2 The Management, together with the Supervisory Board, forms and accepts the company management policy, in which it defines main policies of company management with regard to the set long-term goals of the company, and it presents it to all shareholders by publishing it on company websites.

2.1 In forming the management policy, the Management cooperates with the Supervisory Board. Development needs of the company and specific features of the company, such as its size and activity, must be taken into consideration. For each fiscal year, the Supervisory Board forms a plan of its own activities and defines contents, such as the required frequency and type of communication with the Management, role of the Supervisory Board in the estimation of the risk management system and procedure of forming resolution suggestions of the assembly, especially suggestions for the appointment of supervisory boards' members. In forming the management policy, it can refer to other publicly available documents.

Datalab d.d. has a one-tier system of managing the company. Therefore, this provision is, in accordance with this code, regarded by the Executive Board and the Executive Director instead of the Supervisory Board.

2.2 Management policy is accepted with a validity for a determined future period and is updated so frequently that it always complies with current directives of corporate governance. It includes the date of the last update and is available on company websites.

Datalab d.d. does not have a document Company management policy. The Executive Board manages the company in accordance with applicable legislation, Management code for publicly traded companies and values that were accepted on the Group level.

Chapter: SUPERVISORY BOARD

6 The composition of the Supervisory Board should ensure responsible supervision and decision-making in the interests of the company. When the Supervisory Board is being composed, professional knowledge, experience and skills that complement each other among individual Supervisory Board members should be considered.

Datalab d.d. has a one-tier system of managing the company. Therefore, this provision and other subordinated provisions in the chapter "Supervisory Board" are, in accordance with this code, regarded by the Executive Board and the Executive Director instead of the Supervisory Board.

Chapter: MANAGEMENT

14 The company is lead by the Management that with its work, knowledge and experience pursues long-term success of the company by ensuring optimal leadership, and risk assessment and management. The Management defines and determines company values, business strategy and is organized in a way that enables efficient performing of its tasks. The Management achieves optimal operation by ensuring adequate management personnel and human and financial resources.

Datalab d.d. has a one-tier system of managing the company. The company is lead by the Executive Board that appoints an Executive Director. The Executive Director represents the company independently. The Executive Board may transfer to the Executive Director tasks of managing regular duties, registration of entries and presentation of documents to the register, taking care of keeping books and drawing-up of the report, to which the auditor's report is added. In performing

his duties, the Executive Director must comply with instructions and limitations imposed by the Shareholder assembly, Executive Board and statute.

Chapter: TRANSPARENCY OF OPERATIONS

20.2 The Management is responsible for the making and implementing of a company communication strategy that prevents a situation which would enable trade of securities on the basis of inside information (abuse of inside information). The Management adopts a policy – company communication strategy.

The company does not have a document that would govern the rules of company communication with investors or the public. Basic communication needs are defined by laws and rules of the Stock Exchange.

20.3 The company determines rules about the restrictions concerning the trade of company shares with which it governs the rules about the trading restrictions, the time-frame of trading restrictions (closed trading windows) and disclosure of trading with company shares and associated company shares for members of company organs, related natural and legal persons and other persons to whom inside information is accessible.

The field of restrictions and reporting about trading with company shares to persons who have access to inside information is regulated by the Securities Market Agency's Decision on special rules for inside information and investment recommendation reporting. The company informed everyone who have access to inside information and are also recorded on a special list about the decision and reporting duties; the management of inside information is partially defined by employment contracts and other legal and internal regulations.

21.3 The company ensures that public notices are also issued in the language that is usually used in international financial circuits; the Annual report is also prepared in that language.

Annual report is translated into English, but other public notices are only issued in Slovene due to the very small percent of foreign shareholders. Interested potential investors can acquire information about operation in annual reports, on company websites or by directly contacting the company representatives.

The text of the Management code for publicly traded companies is available on the website of the Ljubljana Stock Exchange, http://www.ljse.si.

The company will continue to consider recommendations of the code in the future. If it turns out that the company will not be able to consider any provision, the Executive Board and the Executive Director will prepare a founded explanation.

4.6 INFORMATION IN ACCORDANCE WITH PROVISIONS OF PARAGRAPH SIX, ARTICLE 70 OF THE COMPANIES ACT

As a company bound to use a law that manages takeovers, in accordance with provisions of paragraph six, article 70 of the Companies Act, Datalab states the information as of the last day of the fiscal year and all necessary explanations.

4.6.1 Structure of share capital

The share capital of the company is divided into 1,737,412 common registered freely transferable no-par value shares with voting rights and are not equivalent to a nominal amount. All shares are one class shares. They are issued in book-entry form and give owners the right to participate in company management, right to a part of the profit (dividends) and the right to an appropriate part of the remaining assets after liquidation or bankruptcy.

4.6.2 Restrictions on share transfer

All company shares are freely transferable.

4.6.3 Important direct or indirect ownership of securities of Datalab d.d.

At the end of the year, there were three important owners of securities of Datalab d.d. that achieved the qualifying holding as defined by the Takeovers Act (equity holding higher than 5%): Andrej Mertelj, Raiffeisen bank International (fiduciary account), Nepremičnine Noviforum d.o.o. The information about the number of shares and equity holding as of 30 June 2014 is stated in the chapter Equity, subchapter Ownership structure of Datalab d.d. as of 30 June 2014.

4.64 Owners of securities that provide special control rights

The company did not issue any securities that provide special control rights.

4.65 Share schema for employees

By a resolution of the Shareholder assembly, a part of net profit of the fiscal year of Datalab d.d. is intended for participation of employees on revenue every year. The schema applies to Datalab d.d. and is being established in subsidiaries as well.On the basis of the adoption of the annual report by the Executive Board of Datalab d.d., employees acquire the right to the sum due of the net profit in accordance with the Financial Participation Act.

According to the Financial Participation Act, in this way, at the most 20% of net profit of an individual fiscal year can be paid out to employees and payments must not exceed 10% of the annual gross amout of salaries. The participation on distributable profit of the company is paid to employees in the form of shares (Employee Stock Ownership Plan or ESOP). The individual distribution of profit is regulated by the Contract about the participation of employees on revenue that is concluded with employees independetly for every fiscal year and has to be approved each time by the Ministry of Economic Development and Technology and entered in the register. The number of shares is determined with regard to the employee's salary, to the amount of hours that the employee has worked in the fiscal year and to the individual assessment of the employee's performance. The emission or sales value of a share is determined in accordance with Article 15 of the Financial Participation Act which states that the price for buying shares issued on the basis of a share schema must not be lower than the last market price of previously issued company shares whereby as the last market price the average price of previously issued shares, with which the shares issued on the basis of a share schema will form the same class, is considered; the average price that was achieved by operations with these shares in an organized market in the last 12 months before the acquisition of the right to sum due.

Thus the employees are encouraged to such a behaviour in the company that their quality work contributes to the product value added which contributes to the rise of the value of the DATR share, with which the employee is rewarded as a company shareholder.

4.6. 6 Restrictions of voting shares

There is no voting right restriction.

4.67 Agreements between shareholders that may cause constraint of transfer of shares or voting rights

The company has no knowledge of agreements between shareholders that may cause constraint of transfer of shares or voting rights.

4.6. 8 Company rules

- about the appointment and change of members of management or supervisory organs

Datalab d.d. has a one-tier system of managing the company. The company is lead by the Executive Board that appoints an Executive Director. The Executive Director represents the company independently. The Executive Board may transfer to the Executive Director tasks of managing regular duties, registration of entries and presentation of documents to the register, taking care of keeping books and drawing-up of the report, to which the auditor's report is added. In performing his duties, the Executive Director must comply with instructions and limitations imposed by the Shareholder assembly, Executive Board and statute.

Members of the Executive Board of the company are nominated by the assembly for a term of up to 6 years with the possibility to be re-elected, if not otherwise provided at nomination. The Executive Board elects a chairman and deputy chairman among its members, but the chairman of the Executive Board cannot be the Executive Director of the company.

The Executive Board appoints one or more Executive Directors of the company for a term of six years, among them at least one of the members of the Executive Board; simultaneously with the resolution on the appointment of an individual Executive Director, the manner of their representation and the range of representation rights are also determined, while any restrictions of conferring rights in an internal relation do not have legal effect against third persons.

/.../ the conditions of recalling members of the Supervisory Board who represent the employees, are determined by the works council with its general instrument.

- about statute changes

The Shareholder assembly decides about statute changes with a three-quarter majority while concluding the represented share capital.

4.6. 9 Authorization of management members, particularly regarding own shares

At a meeting on 18 February 2013, the Shareholder assembly authorized the Board to increase the company's share capital five years after the statute change was entered into the company register by issuing new no-par value shares for in-cash or in-kind contributions for up to 1,020,504.41 EUR. The capital increase is performed by issuing a corresponding number of new common registered no-par value shares, that give holders the same rights as previously issued shares; the capital increase can be performed with in-cash or in-kind contributions.

New shares can be issued to gain new capital, for management bonuses, for employee profit sharing schemes, for management stock options, to gain new shareholders, to purchase or access a strategic partner, for converting convertible bonds, or for other purposes in accordance with the law.

Existing shareholders have pre-emptive rights for new shares proportional to their share in share capital. This right can be exercised within 15 days.

The Board may revoke the pre-emptive right for each case.

After a capital increase and issuing new shares from approved capital, the Board is authorized to update the company statute to reflect the new situation after the capital increase.

4.6. 10 Important agreements that come into effect, change or terminate on the basis of changed control in the company that results from a public takeover bid

The company has no knowledge of such agreements.

4.6. 11 Agreements between the company and members of its management or supervisory organ or employees that envisage compensation if they, due to the bid as defined by the Takeovers Act, resign, are dismissed without valid grounds or their employment relationship terminates

In case of resignation, the Executive Board or Executive Director is not entitled to severance pay; in case of dismissal and termination of employment contract without valid grounds, the Executive Board or Executive Director is entitled to severance pay.

4.7 INFORMATION ABOUT OPERATING OF THE COMPANY ASSEMBLY

The information is presented in the chapter Company presentation, in the section Company governance holders.

Lojze Zajc,
chairman of the Executive Board

4.8 COMPANIES IN THE DATALAB GROUP – SUBSIDIARIES

SLOVENIA

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www.datalab.si
Managing Director: David Čeplak until May 2013

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Managing Director: Tihomir Stričević

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www.datalab.rs
Managing Director: Danko Obradović

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www.datalab.rs
Managing Director: Aleksandar Bukumirovič

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Managing Director: Nedim Pašić

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www.datalab.com.mk
Managing Director: Irina Rizinska

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Managing Director: Marussia Margaritova

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Fax: +381 11 214 01 83
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www.dl-automotive.rs/
Managing Director: Persida Pandurović

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Managing Director: Kreshnik Qorraj

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Fax: +41 55 415 5401
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www.datalab.ch
Managing Director: Andreas Mattig

Ekološki vidik poslovanja
Stroški električne energije
07/12
08/02
08/04
08/06
08/08
Stroški električne energije letos lani
Lani
Letos
600
500
400
300
200
100
0
01
02
03
04
05
06
07
08
09
Stroški električne energije letos v primerjavi s stroški lani po mesecih. V primarni valuti.
Zaposleni
Franc Referent
Sandra Lešnik
Lili Novak
Petere Pari
Laura Lotrič
Vili Kotnik
Simon Jug
Andrej Referent
Andrej Šef
Maja Novak
Zaposleni po številu kilometrov, ki so jih opravili v zadnjem letu.
Stroški porabljenega goriva
Stroški porabljenega goriva letos lani
Lani
Letos
6.000
5.000
4.000
3.000
2.000
1.000
0
01
02
03
04
05
06
07
08
09
Promet na prepotovan kilometer
Obdobje
KM
Promet EUR
EUR na KM
2008/09 5596 502.154,00 89,73
2008/08 3603 261.397,65 72,55
2008/07 3804 279.251,64 73,41
2008/06 6021 424.721,34 70,54
2008/05 6204 387.998,16 62,54
2008/04 5147 207.063,81 40,23
2008/03 4601 322.622,12 70,12
2008/02 3958 269.618,96 68,12
2008/01 4025 238.763,00 59,32
2007/12 4412 243.586,52 55,21
Prihodki na prepotovan kilometer po mesecih v zadnjem letu.

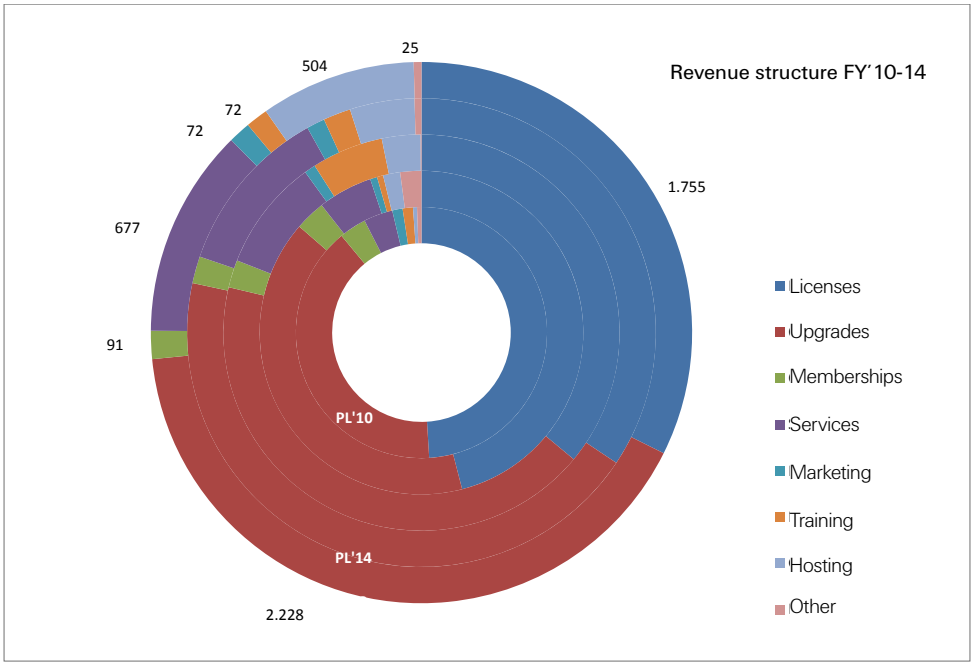
5 Business report

5.1 SALES IN THE FISCAL YEAR 2014

There is no sense in talking about the general state of economy in the region.

Total sales of the Group are up 13% to 5.3 million EUR. Discounting of sales has slowed down, a transition to cloud computing (where revenue is distributed over longer periods) is visible; another factors are users reviewing and optimizing their licenses, which is why there is more pressure on revenue from software upgrades. We successfully combat those trends by pushing sales and marketing communications in general. Let us have a look at each segment:

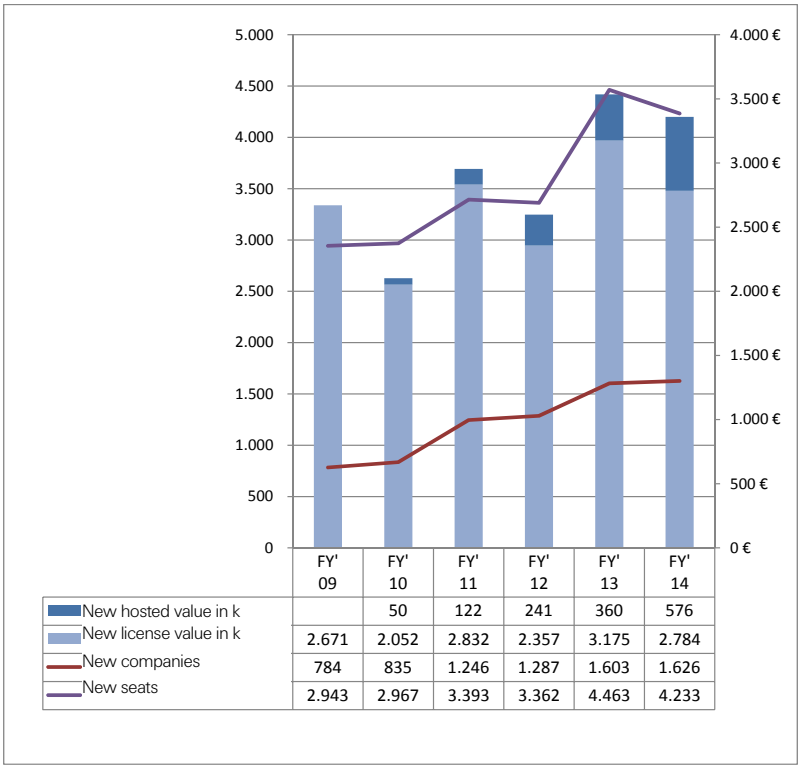
GROUP	
Net revenue from sales:	+13%
Sales of licenses:	+7%
Revenue from upgrades:	+7%
Services:	+32%
Hosting:	+65%
Marketing revenue:	+22%
Training:	-17%



The sales structure is persistently moving from licenses (one-off revenues), which formed 50% or more of sales in the past, toward upgrade supscriptions and hosting and of course the share of services (repeatable revenue).

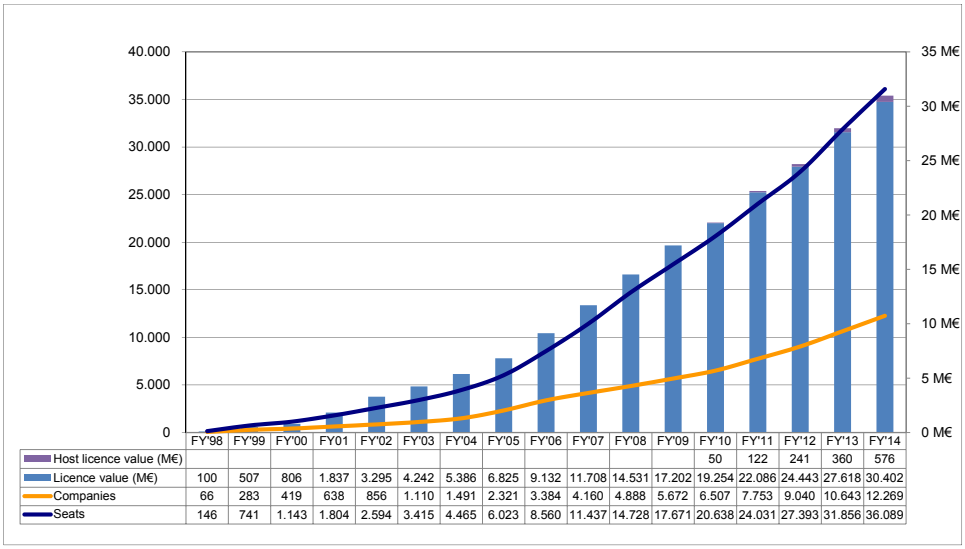
In the following tables, we consider license accrual as new licenses, that is the delta between activated and deactivated (returns, contract interrupts ...) users (licenses), value and companies.

License sales are up 7% to 1.77 million EUR (1.64 millon EUR last year) in the Group. The value of installed licenses amounts to 2.7 million EUR, which equals 88% of last year's increase. A large part of the decrease of net rebate can also be attributed to the decreased range of PfC realisation in FY'14, since the associations from FY'14 will show results only in the coming fiscal year.

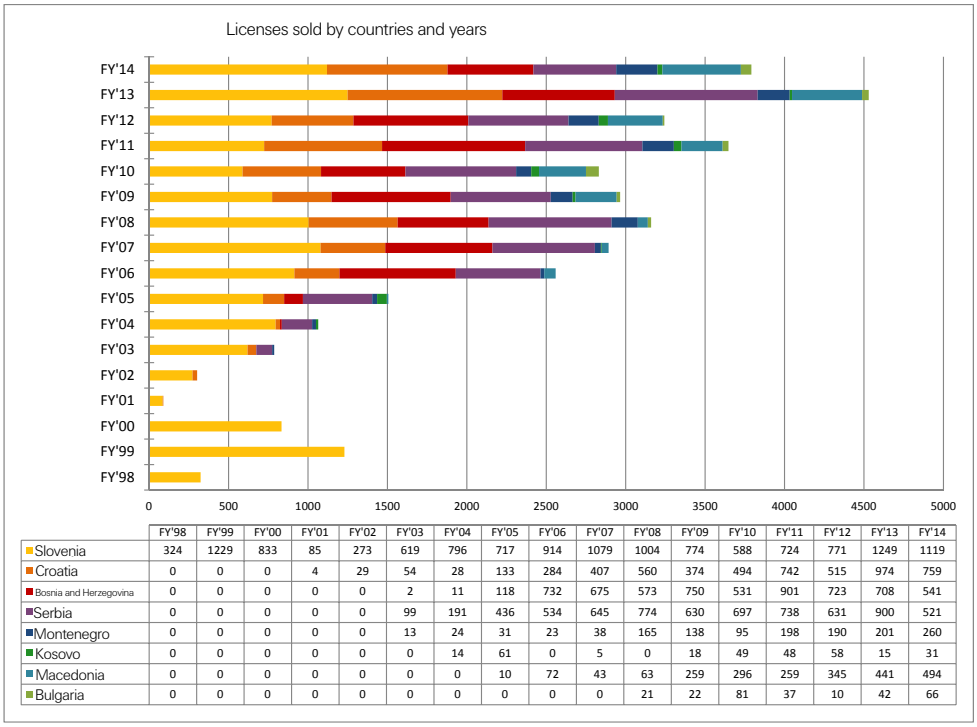


	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14
New hosted value in k		50	122	241	360	576
New license value in k	2.671	2.052	2.832	2.357	3.175	2.784
New companies	784	835	1.246	1.287	1.603	1.626
New seats	2.943	2.967	3.393	3.362	4.463	4.233

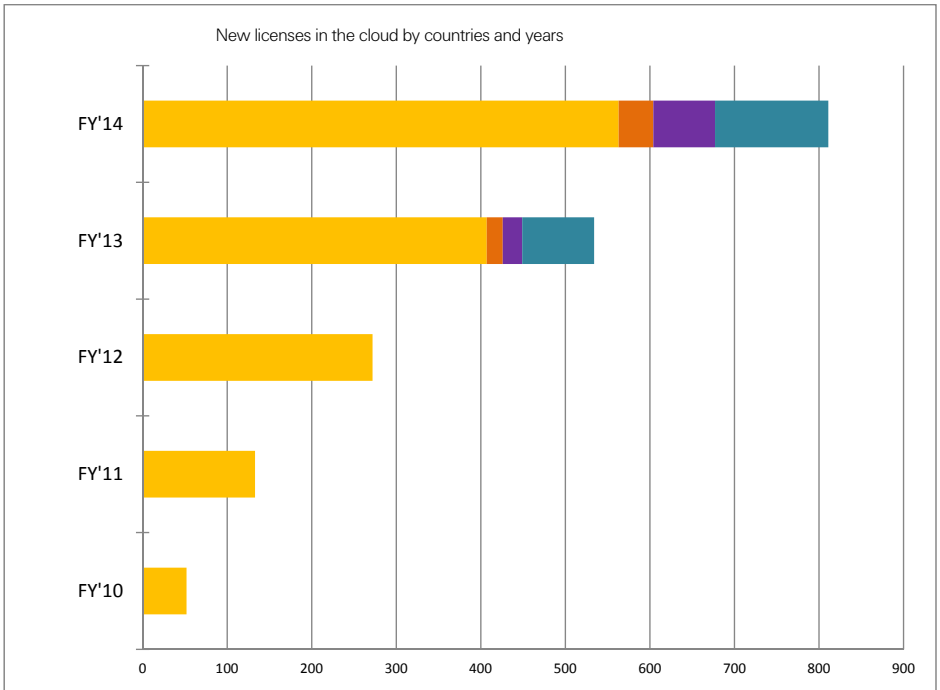
We sold a bit more new customers than last year. On the other hand, companies are buying less licenses - the average has slipped from last year's 2.99 to this year's 2.94 users per company (peak 3.17 in FY'10). That is also the reason that the increase of the installed value of licenses is a bit smaller than last year. Nevertheless, a trend can be noticed: what was lost by the sale of OTC licensing (license + upgrade), the cloud service brought in.



	FY'98	FY'99	FY'00	FY01	FY'02	FY'03	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14
Host licence value (M€)													50	122	241	360	576
Licence value (M€)	100	507	806	1.837	3.295	4.242	5.386	6.825	9.132	11.708	14.531	17.202	19.254	22.086	24.443	27.618	30.402
Companies	66	283	419	638	856	1.110	1.491	2.321	3.384	4.160	4.888	5.672	6.507	7.753	9.040	10.643	12.269
Seats	146	741	1.143	1.804	2.594	3.415	4.465	6.023	8.560	11.437	14.728	17.671	20.638	24.031	27.393	31.856	36.089



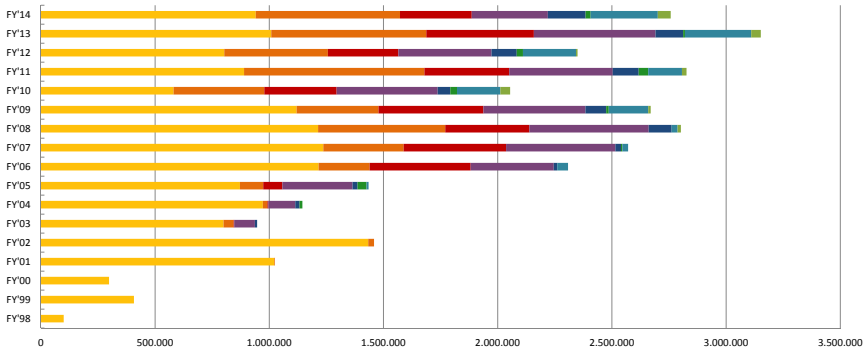
	FY'98	FY'99	FY'00	FY'01	FY'02	FY'03	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14
Slovenia	324	1229	833	85	273	619	796	717	914	1079	1004	774	588	724	771	1249	1119
Croatia	0	0	0	4	29	54	28	133	284	407	560	374	494	742	515	974	759
Bosnia and Herzegovina	0	0	0	0	0	2	11	118	732	675	573	750	531	901	723	708	541
Serbia	0	0	0	0	0	99	191	436	534	645	774	630	697	738	631	900	521
Montenegro	0	0	0	0	0	13	24	31	23	38	165	138	95	198	190	201	260
Kosovo	0	0	0	0	0	0	14	61	0	5	0	18	49	48	58	15	31
Macedonia	0	0	0	0	0	0	0	10	72	43	63	259	296	259	345	441	494
Bulgaria	0	0	0	0	0	0	0	0	0	0	21	22	81	37	10	42	66



	FY'10	FY'11	FY'12	FY'13	FY'14
Slovenia	52	133	272	407	563
Croatia	0	0	0	19	41
Serbia	0	0	0	23	73
Macedonia	0	0	0	85	134

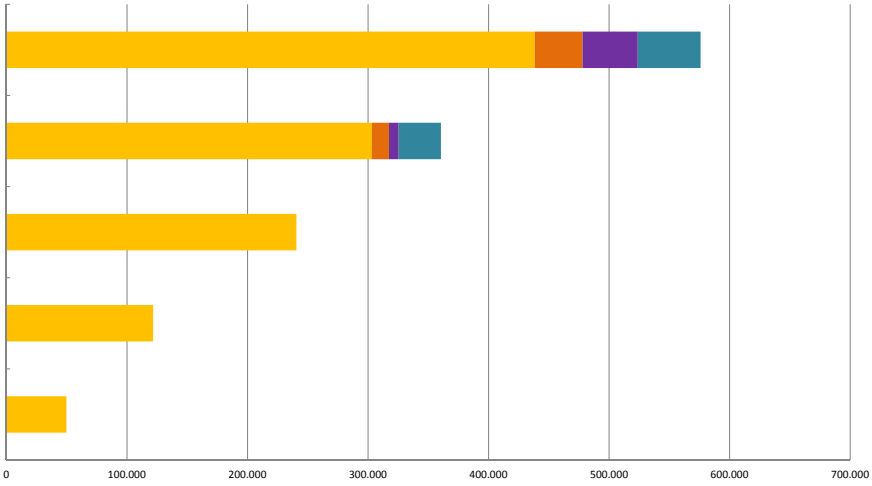
The sale of licenses is falling with regard to last year, but remains higher than two years ago. However, the activation is moving from sold licenses to licenses in the cloud.

Value of licenses sold by years and countries

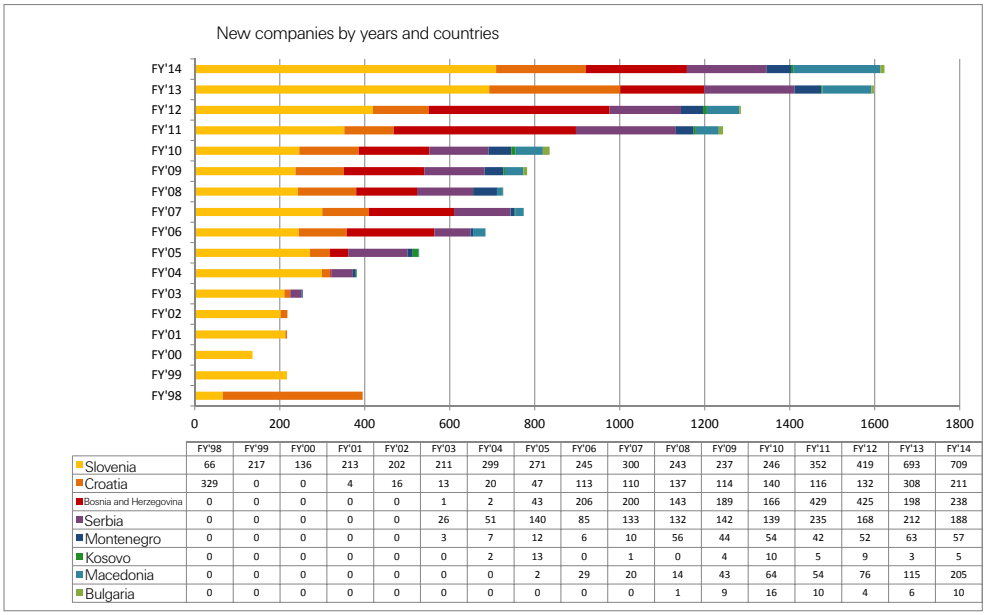


	FY'98	FY'99	FY'00	FY'01	FY'02	FY'03	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14
Slovenia	99.782	407.330	298.525	1.021.964	1.433.059	799.680	971.611	871.307	1.215.913	1.236.396	1.213.771	1.119.392	580.805	889.680	803.032	1.008.606	940.644
Croatia	0	0	0	3.075	25.637	44.150	19.978	102.319	223.426	351.745	556.652	358.676	397.493	789.528	453.284	678.831	631.648
Bosnia and Herzegovina	0	0	0	0	0	2.598	4.243	83.560	442.139	448.687	368.167	459.420	316.639	371.226	308.687	470.774	314.132
Serbia	0	0	0	0	0	90.687	117.935	307.302	363.695	478.221	522.489	446.551	442.126	453.091	407.948	532.563	333.140
Montenegro	0	0	0	0	0	9.738	18.927	22.032	15.389	24.837	100.201	90.922	55.414	113.675	110.477	121.099	165.214
Kosovo	0	0	0	0	0	0	12.145	38.980	0	5.720	0	11.114	29.405	41.928	27.004	7.786	22.144
Macedonia	0	0	0	0	0	0	0	9.065	47.468	25.359	26.325	172.855	189.930	147.727	232.359	290.171	293.997
Bulgaria	0	0	0	0	0	0	0	0	0	0	14.365	10.742	42.765	19.820	6.890	42.228	56.525

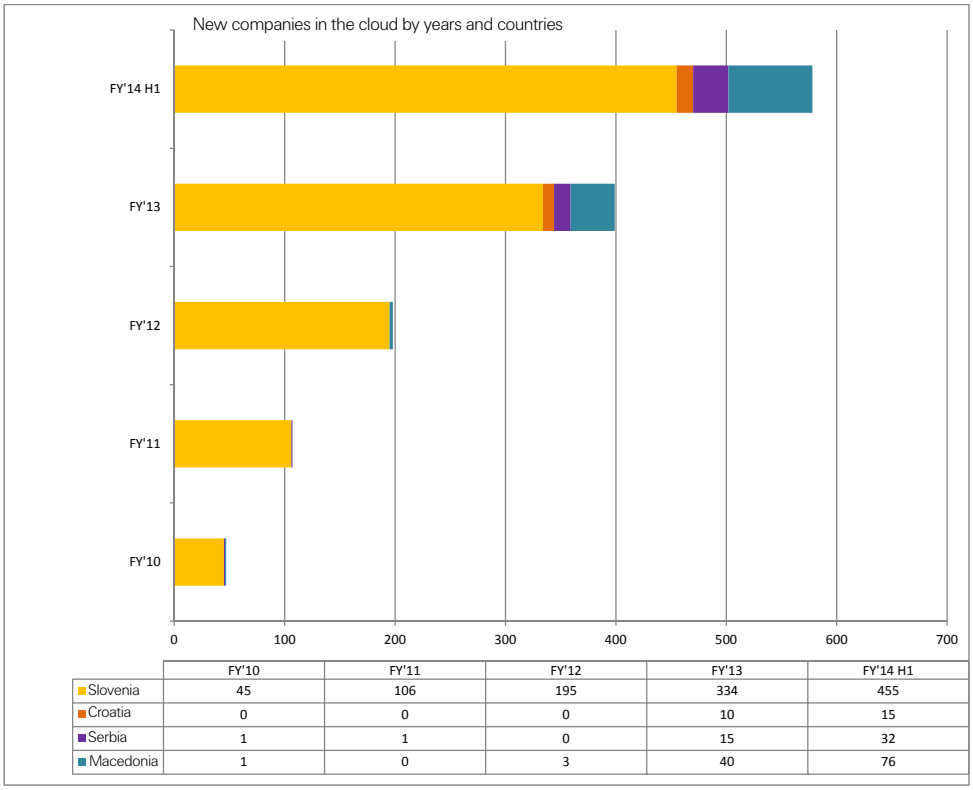
Value of new licenses in the cloud by years and countries



	FY'10	FY'11	FY'12	FY'13	FY'14
Slovenia	49.749	121.635	240.525	303.228	438.256
Croatia	0	0	0	14.081	39.743
Serbia	0	0	0	8.083	45.758
Macedonia	0	0	0	35.050	52.106



	FY'98	FY'99	FY'00	FY'01	FY'02	FY'03	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14
Slovenia	66	217	136	213	202	211	299	271	245	300	243	237	246	352	419	693	709
Croatia	329	0	0	4	16	13	20	47	113	110	137	114	140	116	132	308	211
Bosnia and Herzegovina	0	0	0	0	0	1	2	43	206	200	143	189	166	429	425	198	238
Serbia	0	0	0	0	0	26	51	140	85	133	132	142	139	235	168	212	188
Montenegro	0	0	0	0	0	3	7	12	6	10	56	44	54	42	52	63	57
Kosovo	0	0	0	0	0	0	2	13	0	1	0	4	10	5	9	3	5
Macedonia	0	0	0	0	0	0	0	2	29	20	14	43	64	54	76	115	205
Bulgaria	0	0	0	0	0	0	0	0	0	0	1	9	16	10	4	6	10



	FY'10	FY'11	FY'12	FY'13	FY'14 H1
Slovenia	45	106	195	334	455
Croatia	0	0	0	10	15
Serbia	1	1	0	15	32
Macedonia	1	0	3	40	76

The revenue from the service in the cloud (hosting) increased by 65% to 0.35 million EUR. We are starting to offer services in all countries. We are offering hosting in Macedonia in collaboration with Makedonski Telekom (subsidiary of Deutsche Telekom since December 2012), in Slovenia in collaboration with Telekom Slovenije (since 2014), on the principle of income sharing. In Serbia and Croatia, we offer hosting from the subsidiary company for the time being. Cooperation with telecoms is extremely interesting since it brings a marketing acceleration (the basic positioning

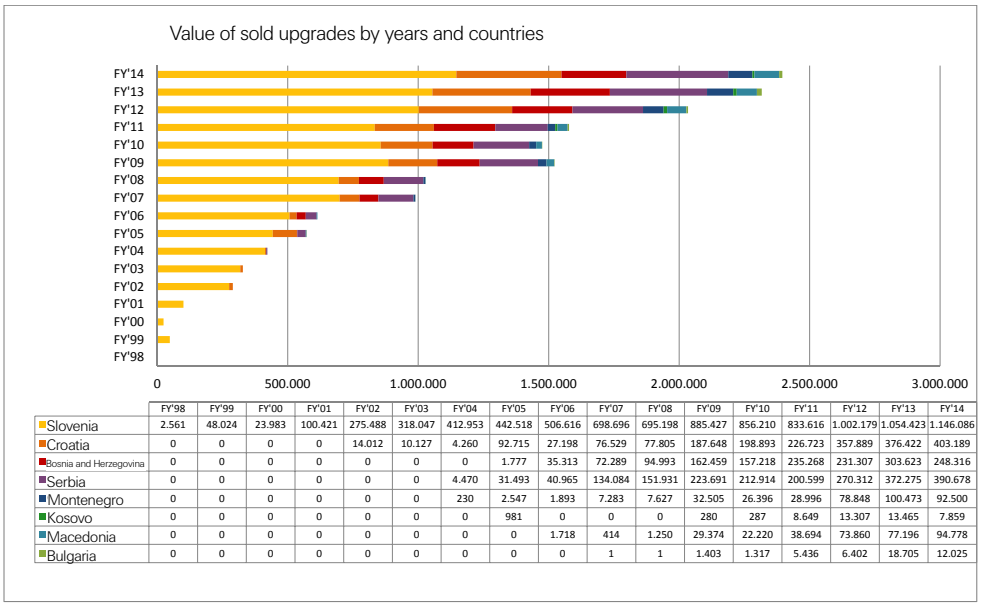
of the service is marketed by the telecom), variabilization of the datacenter costs and a fundamentaly more recognizable position on the market. In the following years, we will intensify our cooperation with telecoms in the area of hosting.

The churn (user cancellations) is rather small, on average, it amounts to 22% in FY'14 (five-year average 19%). Considering that we entice users to hosting with free first months, this number is so much more thrilling (with hosting as well as with licenses, we only consider the net increase in these charts and tables).

Telesales has advanced from being merely a lead generator to a full-fledged sales department for micro companies responsible for the whole sales process. In Slovenia, this area was transformed from an unprofitable department to a lucrative and scalable operation. In FY'14, micro companies continue to shift from purchasing licenses to subscribing for PANTHEON Hosting. This can be attributed to the convenience of cloud computing, PANTHEON's performance improvements, clients' greater care of where they put their money, and a good sales argument (low initial cost).

The effect of the NSA tapping data communications is not yet reflected in an increased skepticism towards cloud computing (hosting); a contributing factor is partially also the fact that the datacenters are local and thus subject to local legislation which is substantially more repressive than legislation regulating global, mostly US-domiciled, providers.

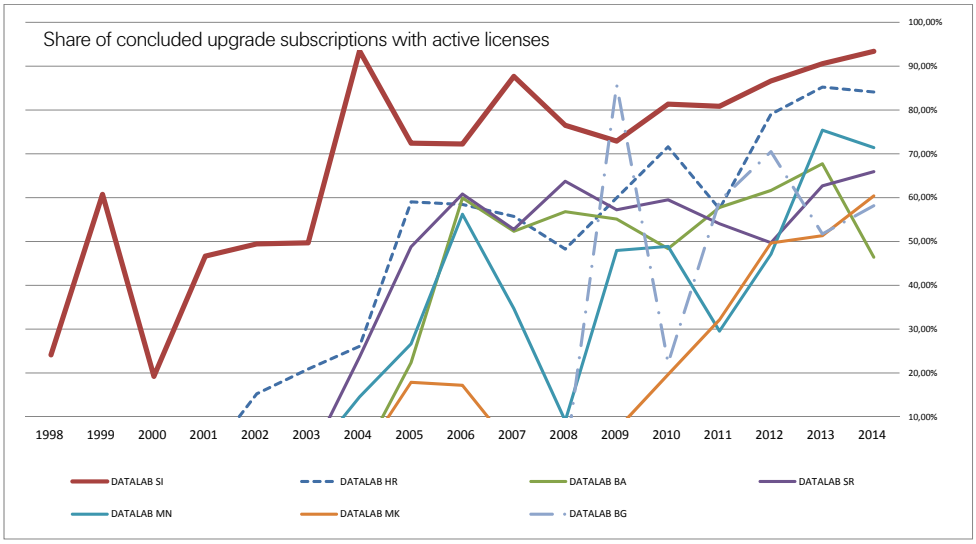
Net revenue from software upgrades are up 7% and are 2.23 million EUR. In FY'13, we raised the price of upgrade subscriptions from 15% to 17% of the license value; this was the first price change in this area in five years. The discount (bonus) system was changed in FY'14 - annual bonus was decreased from 5% to 3%.



	FY'98	FY'99	FY'00	FY'01	FY'02	FY'03	FY'04	FY'05	FY'06	FY'07	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14
Slovenia	2.561	48.024	23.983	100.421	275.488	318.047	412.953	442.518	506.616	698.696	695.198	885.427	856.210	833.616	1.002.179	1.054.423	1.146.086
Croatia	0	0	0	0	14.012	10.127	4.260	92.715	27.198	76.529	77.805	187.648	198.893	226.723	357.889	376.422	403.189
Bosnia and Herzegovina	0	0	0	0	0	0	0	1.777	35.313	72.289	94.993	162.459	157.218	235.268	231.307	303.623	248.316
Serbia	0	0	0	0	0	0	4.470	31.493	40.965	134.084	151.931	223.691	212.914	200.599	270.312	372.275	390.678
Montenegro	0	0	0	0	0	0	230	2.547	1.893	7.283	7.627	32.505	26.396	28.996	78.848	100.473	92.500
Kosovo	0	0	0	0	0	0	0	981	0	0	0	280	287	8.649	13.307	13.465	7.859
Macedonia	0	0	0	0	0	0	0	0	1.718	414	1.250	29.374	22.220	38.694	73.860	77.196	94.778
Bulgaria	0	0	0	0	0	0	0	0	0	1	1	1.403	1.317	5.436	6.402	18.705	12.025

Gross value of sold software upgrades by years and countries.

The whole region is seeing a wave of bankruptcies which directly affects revenue from existing users because the installed base is shrinking. There are also a lot of company takeovers by multinational companies which usually leads to dropping PANTHEON and transition to the corporate system. Software upgrades are also under price pressure as users are cutting costs wherever possible. We are responding to the pressure by offering more under the software upgrade subscription. For example, in some markets data subscriptions are included; guaranteed bug fixes free of charge are available in all markets. The income from upgrade subscriptions is also increased by raising awareness and dedicated sales (profit center) which shows in the increase of the percent of upgrade subscriptions in all markets.



The value of charged membership fees has increased for the first time, namely by 5% to 91,000 EUR. For a monthly membership fee of 50 EUR in Slovenia or 30 EUR in other countries, certified Team members at our Partners are entitled to technical support and to use the support tools on Datalab's Partner Site. There is a notable decrease in memberships because partners are rationalizing and cutting costs; there are also many "grey" consultants – they offer the usual support services, but are not registered with Datalab, are not eligible for direct support (they usually request support through registered colleagues) and don't pay membership fees.

Payable escalations (substantiated Help Desk incidents) and revenue from services have increased by 32% to 701,000 EUR and continue to rise sharply in all markets.

Marketing revenue was in previous years mostly generated from PANTHEON Conferences; this year it increased by 26% to 72,000 EUR. Events that bring in a larger sum at once have been organized in most major markets. Revenue from ad spaces and smaller events is generated by all subsidiaries.

Andrej Brlečič, Managing Director of Datalab SI

5.2 SALES AND COMMENTS BY COUNTRIES

5.2.1 Slovenia

In Slovenia, a total of 13,010 licenses are used (+2% compared to the previous fiscal year) in 5,553 active companies (+8% compared to the previous fiscal year). Moreover, there are 1,201 users of the HOST PANTHEON service in 868 companies. In total, there are 14,211 users in 6,421 companies.

In the fiscal year 2014, Datalab SI d.o.o. made

2,255,967 EUR of gross operating income, which means that the growth index is 122.5 compared to the previous fiscal year.

Of the 2,255,967 EUR, the sales of:

- licenses: amount to 426,807.17 EUR and growth index 150 in comparison with the last fiscal year
- partner channel: amount to 241,798 EUR and growth index 142
- UC upgrades: amount to 1,120,003.90 EUR and growth index 110,6 in comparison with the last fiscal year
- hosting services HOST: amount to 275,555 EUR and growth index 149, which is a little lower than expected due to the influence of transition to TS
- services: amount to 284,920 EUR and growth index 156.

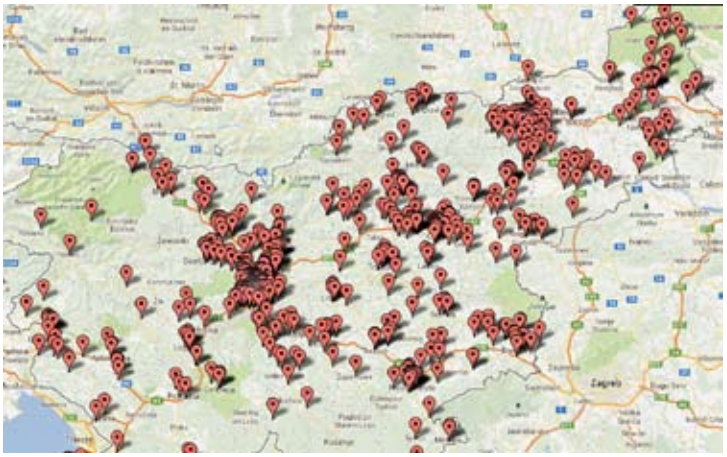
Despite aggravated economic circumstances, the company assured a two-figure growth in practically all areas. The sale of licenses was successful in all segments except PfC. Besides the partner channel, which achieved a satisfactory growth of 42%, direct sale to customers was also successful.

In the fiscal year 2014, the company succeeded in consolidating and forming a team of experts for carrying out implementation services and partner and customer support, which is also reflected in a substantially greater sale of services.

An important milestone in doing business is the signing of the contract on business cooperation at providing "PANTHEON service" with TS. A significant growth, by 34%, can be seen in the sale of cloud services despite the change to TS infrastructure which means a relatively lower realization in absolute numbers. Instead of buying licenses and upgrades, more and more buyers decide to lease cloud services.

In the last quarter, we began with an intensive sale of the Farming line, and we expect the first important results in the next fiscal year. Operating expenses amounted to 2,207,856 EUR and are 20% higher than in the last fiscal year.

Operating profit/loss before taxes therefore amounts to: 49,162.00 EUR and growth index 633 in comparison with the last fiscal year.



	FY'14	FY'14	Index
Abridged profit/loss statement			
Sales	2,247,006	1,835,314	122,43
Total revenue	2,264,355	1,850,118	122,39
Expenses	2,216,251	1,842,518	120,28
Operating profit/loss	48,104	7,600	632,95
Net financial profit/loss (difference between financial revenue and financial expenses)	-1,117	-4,772	23,41
Taxes	9,021	-1,488	
Net profit/loss	40,140	5,930	676,90

Fixed assets	FY'14	FY'14	Index
ASSETS			
Fixed assets	88,326	103,598	85,26
Current assets (short-term assets)	645,073	450,837	143,08
- of that receivables	628,438	427,650	146,95
LIABILITIES			
Equity	71,571	31,432	227,70
Liabilities	606,606	582,237	104,19
Long-term	3,905	5,665	68,93
Short-term	602,701	576,572	104,53

Tihomir Stričević, Managing Director of Datalab HR

5.2.2 Croatia

In FY'14 797 licenses were sold, of that 654 to new users. 179 companies have new users. On average, 3.65 licenses were sold per new user. The total value of sold licenses in FY'14 amounts to 520,724 EUR (after LP).

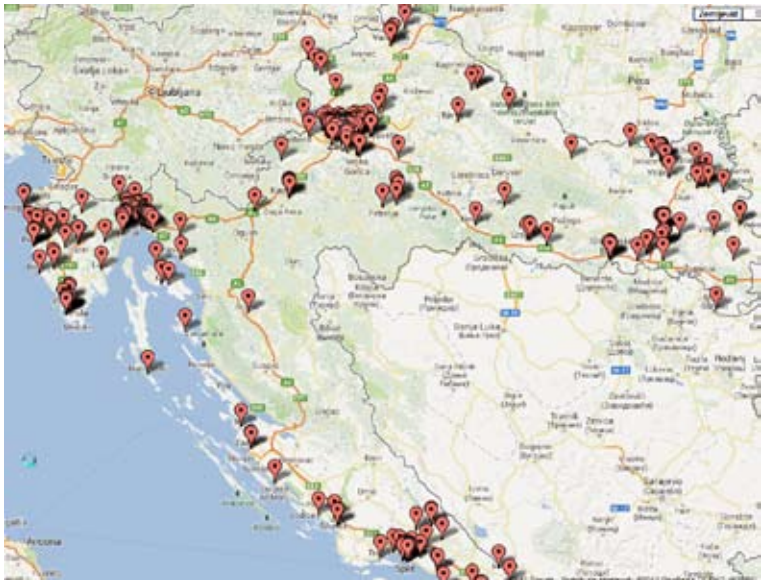
The total number of installed licenses in 1,458 companies in Croatia is 5,443. The total value of licenses on the Croatian market amounts to 4,508,489 EUR.

The total income growth index during FY'14 amounts to approximately 107 in comparison with FY'14. Revenue from sales growth index amounts to 114. Excluding the item of working for the corporation, the growth index amounts to 123.

The sales of new licenses index during FY'14 is 115, UC contracts index is 117, and so all the other income items reached growth (membership fees 105, services 157, host 469, marketing 109, education and certification - Academy 221).

A considerable decrease of general interest in ERP was noticed already in H1 in comparison with the situation of FY'14 (fiscalization). This was replaced by better organization and additional sales activities (call center, personalized advertising ...). In H2, we used segmented direct mailing to stimulate interest for PANTHEON at using non-refundable funds (contest of Ministry of Economic Development and Technology and EU funds). A large part of these funds was destined to medium and small (not micro) enterprises and we oriented our activites in accordance with that. We generated great interest, but we managed to transform only a part of it into income, as far as the potential in further treatment of existing potential buyers remained characteristic for FY'15.

We concluded the period with a total of 21 partners, of which 7 are Premium partners and 14 Senior Experts. The most important DEV partner are e-Invoices with whom we are starting an expected profitable project in FY'15. Of EDU partners, Algebra is still the most active being present on the entire Croatian market.



Excerpt from the Auditor's Report

In our opinion, the financial statements show the real and objective financial situation of the company Datalab Tehnologije, d.o.o., from Pula as of 30 June 2014 and the results of the company's operation in the period from 1 July 2013 to 30 June 2014, all in accordance with Croatian financial reporting standards, the accepted accounting principles, applicable laws and professional practice in Croatia.

Certified auditors:

Eduard Werkmann

	FY'14	FY'13	Index
ASSETS			
Fixed assets	20,398	31,348	65
Current assets (short-term assets)	385,911	313,544	123
- of that receivables	313,034	261,060	120
LIABILITIES			
Equity	87,530	76,361	115
Liabilities	307,948	258,417	119
Long-term	10,439	2,849	366
Short-term	297,509	255,568	116

Abridged profit/loss statement	FY'14	FY'14	Index
Revenue			
Sales	984,450	918,955	107
Total revenue	996,945	931,750	107
Expenses	973,756	927,908	105
Operating profit/loss	16,955	3,842	441
Net financial profit/loss (difference between financial revenue and financial expenses)	-676	-264	256
Taxes	3,927	959	409
Net profit/loss	13,094	2,763	474

Nedim Pašić, Managing Director of Datalab BA

5.2.3 Bosnia and Herzegovina

The total number of companies that use PANTHEON in Bosnia and Herzegovina is 2,304 (+14%). The total number of license users is 6,454 (+13%).

The total income index for 2014 in comparison with last year is 0.86. Except for the first two months, we registered a negative trend in all other months regarding the plan. Unfortunately, we ended the year with loss.

The main circumstances that affected a lower income are: extremely unfavorable macroeconomic conditions, market saturation and decreased demand in general.

Compared to last year, license sales index dropped to 0.84. License sales amount to 285,589 EUR. The main reason is a negative trend in the partner channel.

Compared to last year, upgrade subscription sales index dropped to 0.82. The reason is in few legal changes. Sales of upgrade subscriptions amount to 201,920 EUR.

In comparison with last year, the index of income from services towards partners is 0.94, and towards users 1.07. Income from services towards partners amounts to 10,589 EUR, and towards users 65,170 EUR. The part of income from upgrade subscriptions concluded with 76 users amounts to 0.64 of last year's.

The marketing income index is 0.63 in comparison with last year. The total marketing income amounts to 13,151 EUR. After analyzing data on our user sites, we set ourselves a goal to create additional contents, inprove quality, communicate with users via forum, entrepreneurship encyclopedia, video gallery and updating information in the What's new section.

The index of income from the DL Academy is 0.37. The total income amounts to 3,414 EUR. To mitigate the negative trend in DLA, 60% of the capacity is transferred to support of upgrade subscription and license sales.

At the end of the year, we had a total of 19 partners, of which 4 are Premium partners and 15 Senior Experts. Altogether, we have 27 consultants who pay membership fees. Traditional partner channel reached the maximum and shifted focus to services. Their sales activities are minimized. The reason for this are unfavorable conditions on the market for the sales of new licenses, insufficient focus on the partner channel, lack of certification by which quality of work is controlled and collaboration is improved.

In 2014, we started activites that focus on the development of the accounting ACC partner channel. We successfully executed planned actions for the development of the channel which, in addition to the impact on sales, also had a positive effect on PR aimed at accountants. We are concluding the year with 100 accounting services and 30 ACC partners.

We finished the year with 15 (last year 16) full-time employees, 7 of whom work at the UNIFIED SERVICE DESK department.

Independent Auditor's Report

Based on the execution of all prescribed audit tasks, there are realistic grounds for the statement that financial reports for Datalab BH d.o.o. Sarajevo, for the period from 1 July 2013 to 30 June 2014, are presented in accordance with relevant decrees and instructions of International Financial Reporting Standards (IFRS) and International Accounting Standards, and a positivie audit opinion of a certified auditor can be issued.

Amra Rizvan, certified auditor

	FY'14	FY'13	Index
ASSETS			
Fixed assets	12,476	18,546	67
Current assets (short-term assets)	66,964	155,732	43
- of that receivables	50,436	77,080	65
LIABILITIES			
Equity	6,756	84,168	8
Liabilities	92,390	127,131	73
Long-term	0	0	
Short-term	92,390	127,131	73

Abridged profit/loss statement	FY'14	FY'13	Index
Sales	608,682	706,009	86
Total revenue	615,455	706,049	87
Expenses	691,273	664,799	104
Operating profit/loss	-75,831	41,250	
Net financial profit/loss (difference between financial revenue and financial expenses)	-499	27	
Taxes	0	0	
Net profit/loss	-78,220	41,277	

Aleksandar Bukumirović, Managing Director of Datalab SR

5.2.4 Serbia

The total number of sold licenses in FY'14 in Serbia is 663 (6.7% growth compared to 621 licenses in FY'13). In FY'14, 229 new companies chose PANTHEON as their software!

The total income growth during FY'14 is approximately 5%, of which the index from the sales of new licenses during FY'14 amounted to 87%. The trend of new license sales indicates growth of the number of new users, but at the same time also a decline in total income (absolute value of created turnover) due to necessary discounts on account of adaptation to market conditions and liquidity problems of companies in Serbia. On the other hand, this trend caused an increase in the number of upgrade subscriptions (UC) which leads to income growth of the company in the group.

Despite the crisis that hit all areas of economy, Datalab put in extra efforts into improving the quality of PANTHEON as a product and into new sales/service capacities through direct sales via DL.SR and direct support to customers via ServiceDesk. ServiceDesk had excellent results in FY'14; turnover improved by 74% in comparison with last year.

The partner network remains unchanged and encompasses 47 consultants in 23 partner companies. (75 partners including Premium, Senior Expert, Accounting, Development and Educational partners).

Towards the end of FY'13, we started with sales of cloud services which brought to an income in the amount of 12,000 EUR in FY'14, or 35.68% of planned. This view of the offer should contribute to the wide range of use of PA ERP solution mainly for micro-clients as well as for a certain number of accounting agencies

During FY'14, the number of employees in Datalab SR increased by 6. The increase of the profit cost in comparison with the same period in FY'13 by 30% is not only a result of the increase of the number of employees. A substantial amount in costs is the revenue of the managment personnel that exceeded the budget in the transitional period 07/2013-09/2013 for approximately 11,000 in comparison with normal operation.

In addition, we are planning an increase in the quality of knowledge of the entire channel in the following period.

Abstract of the Auditor's Report

In our opinion the financial reports in all materially essential questions show the objective and realistic financial situation of the company as of 30 June 2014, the results of their business, changes in equity and cash flow for the period from 1 July 2013 to 30 June 2014 in accordance with the Accounting Act and Auditing Act of the Republic of Serbia and with the International Financial Reporting Standards (IFRS).

Belgrade, 30 August 2014, Prof. Dr. Milivoj Cvetinović, certified auditor

	FY'14	FY'13	Index
ASSETS			
Fixed assets	178,351	170,978	104
Current assets (short-term assets)	181,883	196,792	92
- of that receivables	68,505	91,940	75
LIABILITIES			
Equity	-24,196	10,163	
Liabilities	361,605	339,823	106
Long-term	64,357	80,732	80
Short-term	297,248	259,091	115

Abridged profit/loss statement	FY'14	FY'13	Index
Sales	710,730	683,319	104
Total revenue	714,650	690,683	103
Expenses	736,812	716,684	103
Operating profit/loss	-24,809	-26,001	95
Net financial profit/loss (difference between financial revenue and financial expenses)	-12,871	-12,670	102
Taxes	0	0	
Net profit/loss	-37,699	-46,035	82

Persida Pandurović, Datalab Automotive

5.2.5 Serbia – Datalab Automotive, d. o. o.

The situation in Serbian automobile industry and the market conditions induced our withdrawal from the distribution of the ICAR DMS system. We replaced it with Vector system that prevails in the region. In addition, we integrated the TecDOC catalogue aimed at companies that sell car parts and independent car repair shops. A bidirectional integration of PANTHEON and Quantum WebShop has also been made, and a module Car repair shop for micro repairers is in production.

At the conclusion of the fiscal year 2013, we still only had a 25% stake in the company Datalab Automotive; its revenue represents a negligible share, which is why its financial data was not consolidated or audited.

Danko Obradović, Managing Director of Datalab MN

5.2.6 Montenegro

In Montenegro, there are 1,376 users (+29%) in 417 companies (+19%). The total value of those licenses is 0.85 million EUR (+24%).

In comparison with FY'13, the turnover of the company has an over 16% growth. The method and system of operation were the same as last year.

On the Montenegro market, the company operates independently, without a partner channel. A possible reason for the non-development of a partner network is the size of the market.

We finished the year's operation on a positive note with greater income than planned. Revenue of Datalab MN amounted to 45,590 EUR before taxation.

As regards UC, the results of the actions that we performed were positive and the value of UC sales increased by 9% compared to FY'13, revenue amounted to 85,532 EUR. We realized a total sales of licenses in the amount of 124,003 EUR, which is a 21% increase in comparison with FY'12.

The company Datalab MN has 8 employees. Rented business premises, surface 100 m2, are situated on a very good location. Preentations for up to 10 participants can be organized there.

In FY'15, a 10% growth is planned. We intend to realize the business plan an we are trying to position PANTHEON as well as possible as the leading business IT system in MN. Moreover, one of the main tasks will also be the continuation of the activity of signing as many upgrade subscriptions as possible and start offering cloud services.

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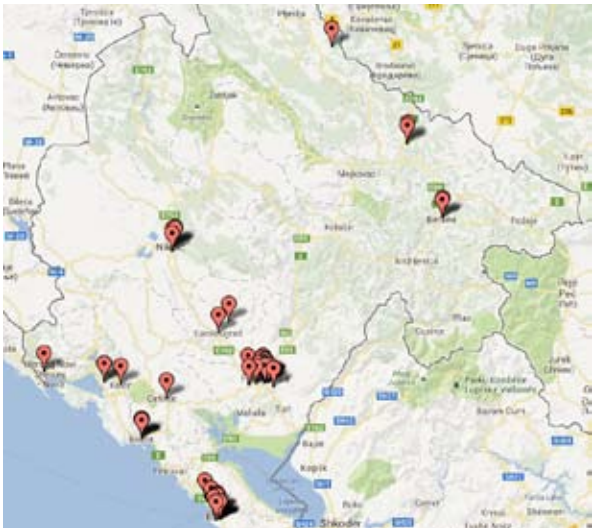


Abstract of the Auditor's Report

In our opinion, the individual financial statements represent the truthful financial state of the company as of 30 June 2014 and the results of operations and cash flows for the period from 1 July 2013 to 30 June 2014, which are prepared in accordance with the Accounting and Auditing Act of the Republic of Montenegro (Official Journal of Montenegro, no. 80/2008) and International Financial Reporting Standards.

Podgorica, 20 August 2014, Prof. Dr. Milivoj Cvetinović, certified auditor

Abridged profit/loss statement	FY'14	FY'13	Index
Revenue from sales	**285,283**	**244,070**	**117**
Total revenue	285,283	244,070	117
EXPENSES	**235,505**	**199,813**	**118**
Operating profit/loss	49,778	44,258	112
Net financial profit/loss (difference between financial revenue and financial expenses)	-188	541	-35
Taxes	4,463	0	
Net profit/loss	45,126	43,717	103

BALANCE SHEET	FY'14	FY'13	Index
ASSETS			
Fixed assets	5,795	1,075	539
Current assets (short-term assets)	136,084	102,973	132
- of that receivables	88,778	104,048	85
EQUITY	**88,415**	**71,147**	**124**
Liabilities	53,464	32,901	162
Long-term	0	0	
Short-term	53,464	32,901	162

Irina Rizinska, Managing Director of Datalab MK

5.2.7 Macedonia

In Macedonia, there are 1,863 installed licenses (+38%) in 459 companies (+50%). The total value of those licenses is 0.9 million EUR (+41%).

DLMK is at 93% of the realization of the plan for FY'14. In comparison with last year, we achieved a 15% growth. This result was caused by the following reasons (positive and negative):

- a stable an mature sales team in DLMK enabled that Dirsa Sales not only achieved the expected results but also exceeded them by 7%. For this reason and because of the partner sales, the total income from licenses in MK amounts to 100.86%. Even thought the micro sales stagnated, the Dirsa Solution sales strengthened a lot as a result of the experience of the sales team and their good sales skills.
- the partner channel in MK achieved 85% of planned because only a few partners cooperated in active sales. The rest stagnated because they were only doing subscription support and eventual upgrade of sales to existing users.
- In the first half of the year, the support department was excellent because we still had experienced consultants in DLMK and Emillija Petkovska. Despite preparing for her maternity leave and departure of another experienced consultant, the results dropped in the second half of the year. It turned out that junior consultants are very young and unexperienced and that they cannot achieve the expected scope of chargeable hours an quality of their services. Emilija Petkovska took maternity leave, Ema Toševska focused on ServiceDesk management. We finished the year with a 90% attaining of the plan.

- UC sales during FY'14 are 2% lower than in FY'13. We will of course continue with regular and systematic sales of UC in 2013. The 2% decrease in comparison with last year was caused by the transition of customers to the cloud and with it the transfer of yearly upgrades which is included in the monthly lease of hosting.
- DLA also experienced stagnation due to the fact that Ema Toševska was overburdened; she was the coordinator and organizer of this sector. In September, Ema will return to her post, and we plan to dedicate our attention to a renewed launch of the Academy department and generate greater income via trainings.
- We did not focus as much on the sales of micro licenses, but we redirected to Dirsa Solution (larger and more complex sales). Another reason for this is also the lack of PA in retail trade in comparison with competitors (the new POS came late and is still not fully functional). Retail trade is currently still an unattainable market because we cannot offer quality and suitable solutions.
- We managed to keep costs at 94%; the largest part of costs (except from overheads and salaries) being investment in the cloud and PA Farming:
    - We extended the investment into the cloud (which is shown in costs) and continued with focus. We believe that the cloud is the future, but at the same time we must be careful to be liquid and successful this year as well. Realization is at 72.6% of planned due to the harmonization of the annex about the sharing of income and marketing with MKT that lasted a couple of months.
    - We started with PA Farming in MK. A new colleague (an experienced consultant from a competitive company) took over this part and successfully finished his sale. He showed his support in Agro IT in MK with the first 15 farms and he is active in development of further projects. Realization is at 80%.

Revenue from operation for FY'14 amounts to 14,249 EUR which is 72% of planned. Without corporate burden for non-performance in the amount of 10,468 EUR that refers to FY'13, DLMK would have 30,520 EUR of revenue from operation which would be 109% of planned.

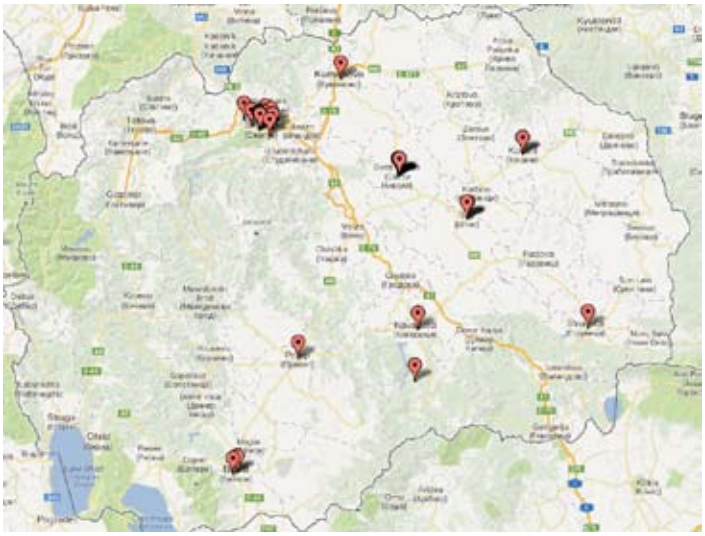
Abstract of the Auditor's Report

In our opinion, the financial statements are a realistic and objective review of the financial situation of the company for planning and development of IT systems Datalab MK d.o.o. from Skopje for the fiscal year that ended on 30 June 2014. Operation results and cash flow for the then ended fiscal year are in accordance with generally accepted standards of accounting reporting in Macedonia.

Kumanovo, 12 September 2014, Dejan Velikovski, certified auditor

BALANCE SHEET	FY'14	FY'13	Index
Revenue from sales	**508,555**	**451,882**	**113**
Total revenue	512,556	452,585	113
EXPENSES			
Expenses	497,456	443,412	112
Operating profit/loss	14,249	9,173	155
Net financial profit/loss (difference between financial revenue and financial expenses)	-3,225	-11,491	28
Taxes	0	1,490	
Net profit/loss	11,024	6,900	160

BALANCE SHEET	FY'14	FY'13	Index
ASSETS			
Fixed assets	18,917	25,489	74
Current assets (short-term assets)	196,067	163,724	120
- of that receivables	171,493	139,631	123
LIABILITIES			
Equity	78,327	69,435	113
Liabilities	126,164	100,155	126
Long-term	11,833	11,350	104
Short-term	114,331	88,805	129



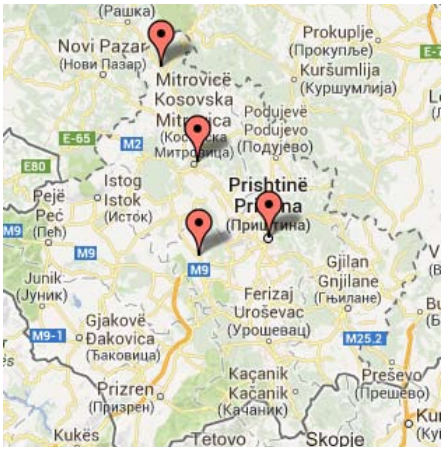
5.2.8 Kosovo

Irina Rizinska, Managing Director of Datalab MK, in charge of KO

In Kosovo, there are 268 installed licenses (+6%) in 49 companies (+9%). The total value of those licenses is 0.2 million EUR (+5%).

Kosovo has a 85% realization with regard to the previous year. The partner network fell apart due to internal conflicts in companies. Only 25% of the plan is made. We gained some new partners but we do not have their results yet. It is rather difficult to acquire partners from Macedonia who would work in the area of Kosovo. I believe that it would be best to open a local office in Priština.

Kosovo is consolidated via DATALAB MK.



Marussia Margaritova, Datalab BG

5.2.9 Bulgaria

In Bulgaria, 213 (+25%) licenses have been sold to 50 (+14%) companies in a total value of 137,000 EUR (+45%).

The economic crisis hit Bulgaria very hard and except for a small beat brought about with the subvention scheme, the ERP market in Bulgaria stagnated. Due to the small scope of operation, we froze the subsidiary and transferred operations to a Bulgarian co-owner in order to decrease costs. The company operated within the company Kontrax Ltd. the entire year.

The number of small enterprises increased and they bough one or two LX, LT or RE licenses.

DLBG realized several different projects - integration with hospital IT system and implementation of PANTHEON in a company that deals with electric power.

In comparison with last year, better results were achieved. The sales of licenses amounted to 26,000 EUR, and upgrades to 15,000 EUR. Income growth was small, although we expected better results on the existing market.

Partners: 3 SIS partners complemented by the partner network of subsidiaries of Kontrax and one EDU partner - University of Veliko Tarnovo. At the opening of a new education hall, we equipped the university with 17 PANTHEON work posts.

Datalab BG is frozen and operates within the company of co-owners; its revenue represents a negligible part of the total, which is why its financial data was not consolidated or audited.

Kreshniq Koraj, Managing Director of Datalab AL

5.2.10 Albania

In Albania, 25 licenses are installed in 3 companies. The total value of sold licenses amount to 14,000 EUR.

We are still at the beginning in this difficult market and along with beginnings, some problems also occur. We started with 3 employees, but due to personal crises, typical for Albania, we now only have one employee left.

But not everything is negative:

- we have a localized product - PANTHEON is localized and ready for the Albanian market. VAT books, VAT report, payroll system, official payroll report, localization of invoice tables, calculation of fixed assets and depreciation are included in PANTHEON in accordance with the Albanian legislation. Retail reports and fiscal printers are in the process of localization and are expected to be finished soon.
- The DL.AL team is prepared to implement PANTHEON into small enterprises (that are not production type). DL.AL is targeting retail trade, wholesale trade and service companies - we can provide them with the work of the DL.AL team. For PA in small and large companies, we have to hire more experienced foreign teams.

- PANTHEON is translated into Albanian. Translation of the new website is finished. Initial phase of translation of the user server is finished.
- Monthly accounting reports follow DL procedures.
- Translation of textbooks for basic training is finished.
- The first sale campaign in the period from November 2013 to March 2014 increased the recognisibility of the product, but did not increase sales yet.

From the financial point of view, Datalab Albania did not operate positively in 2014. We will continue to develop the DATALAB AL office and increase PFC in order to create an effective team more quickly.

Revenue of Datalab AL represents a negligible part of the total, which is why its financial data was not consolidated or audited.

BALANCE SHEET	FY'14	FY'13	Index
ASSETS			
Fixed assets	17,758		
Current assets (short-term assets)	15,842		
- of that receivables	11,624		
EQUITY	**10,000**		
Liabilities	59,939		
Long-term	0		
Short-term	59,939		

BALANCE SHEET	FY'14	FY'13
Revenue from sales	**26,173**	
Total revenue	26,173	
EXPENSES		
Expenses	55,651	
Operating profit/loss	-29,478	
Net financial profit/loss (difference between financial revenue and financial expenses)	-29,478	
Taxes	0	
Net profit/loss	-29,478	

5.2.11 Switzerland

Andrej Mertelj, Managing Director of Datalab Agro CH

In April, we founded Datalab Agro AG in Pfaeffikon, canton of Schwyz, together with Mattig Management Partners AG, with whom we already have a company in Albania and we are establishing a company in Romania. Share capital is 200,000 CHF of which Datalab d.d. and MMP each paid one half. Datalab d.d. has a call option on the MMP's stake with which it can convert MMP's capital in Datalab Agro AG into Datalab d.d. shares at the rate of 2.63 EUR/share, which was the stock exchange quotation at the moment of payment of capital into Datalab AGRO AG.

In the first half of FY'15, we will transfer copyrights over Farming to the non-listed company domiciled in Switzerland and then recapitalize it in a closed bid. We chose Switzerland as the home for agricultural operations of the Datalab group because of the following reasons: easier access to more demanding markets, safety and protection of intellectual property, well functioning legal system and easy access to capital.

There was no revenue of Datalab AGRO yet, the costs represent a negligible part of the total (<50,000 EUR), which is why its financial data was not consolidated or audited. We anticipate that the company will start to be consolidated and included in the second half of the fiscal year 2015.

5.2.12 Other markets

We finished Romanian localizations of PANTHEON, including FA.

We are inspecting other European markets with PANTHEON Farming. We translated the program into Polish, Czech, Ukranian, Russian and German.

In the fiscal year 2014, there were no substantial sales to markets outside subsidiaries.

5.3 PARTNER NETWORK

5.3.1 Sales and Implementation Partners

The partner network remains stable. But staying still is not good in this case. Most partners have switched to survival mode; they cut costs and focused on providing services to existing users. The number of partners who fulfill the requirements for Premium Partner status remains stable; this status mostly requires sales capacity. This means that existing partners do not understand the need for intensifying their sales and adapting to the changed market conditions.

Partner from Competitor activities remain a good source for recruiting motivated partners. Partner sales in Bosnia and Croatia have had great results with this approach this year. Technology-oriented partners (implementation and support) are strong and growing and are, in general, well adapted to the market.

	Total number of Partners					Number of all registered Partner consultants				
Country	FY'10	FY'11	FY'12	FY'13	FY'14	FY'10	FY'11	FY'12	FY'13	FY'14
SI	59	51	55	64	70	156	5	147	155	165
HR	24	29	34	41	42	69	4	88	95	96
BA	74	120	107	98	137	80	7	119	105	123
SR	45	36	34	40	36	120	9	99	102	95
MN	2	3	3	4	4	9	112	9	9	9
MK	5	7	8	14	14	4	108	8	18	20
KO	1	2	1	2	1	3	75	3	3	1
BG	5	4	3	4	4	6	145	5	6	6

*Contract terminated, a certain transition of users is still possible, but not encouraged with special campaigns due to a lawsuit in process

The table shows the change in the number of partners and their consultants by countries in FY'10-14. The total number of all partners includes Sales & Implementation Partners, Development Partners, and EDU Partners (companies that train end users and Implementation Partners). We estimate that the total number of Partners in the market is actually about 20% higher than the one shown in the table, as the latter only includes those Partners who pay a monthly membership fee.

5.3.2 Partner from Competitor (PfC)

Our theory that the recession is slowing down most investments into ERP systems, which is evident from lower license sales across the region, is proving to be valid and increasing. Most affected are smaller competitors with outdated technology who had trouble selling event before the recession. Their user base is eroding, driving up the cost of maintaining existing software. Users will in the following years reach the point of no return with some vendors. Our goal is reaching those competitors while they still have good relations with their users. We offer them to join the PANTHEON ecosystem and give their business a new boost. For ex-competitors and current partners (this programme is internally called "PfC - Partners from Competitors")

In Slovenia, Serbia, Croatia and Macedonia, the program is becoming action. Datalab's idea is visionary; consolidation is becoming the logical future and self-evident mindset of ERP vendors. The idea is becoming somewhat of a template for some other competitors with similar ambitions. It must be stressed that Datalab is the only ERP vendor in the region with a business model and ecosystem structure suitable for such a market consolidation.

In FY'14, an initially promising Optime project turned rather sour because of user cancellations due to problems with the transition. The second PfC in Slovenia - MC was not successful. The company went bankrupt, copyrights are unresolved - the procedure will drag on. We agreed with the debtor's proposition to undo the agreement and return copyrights into the bankruptcy estate. We are more successful in other countries. In Croatia, Tihomir Stričević sets a good example - in FY'15, he will become PfC administrator at the level of the management of the parent company for the entire region. In Macedonia, small "current account book with the general ledger" continue to associate.

MARKET	SIGNED IN RECENT YEARS		SIGNED IN FY'14		TALKS IN PROGRESS	
	Company	Potential/Achieved	Company	Potential/ Achieved	Type of company	Potential
SI	MC ii Ljubljana ('13)	860,000 EUR/127,000 EUR	Vinar Datapoint ('14)	35,000 EUR/2,500 EUR	Specialists for larger midsize companies	2,000,000 EUR
	C-Ring Šempeter ('12)	35,000 EUR			Smaller POS company	200,000 EUR
HR	Compa Đakovo ('13)	85,000 EUR/40,000 EUR	Fruit Discovery ('14)	45,000 EUR/	Larger midsize companies	800,000 EUR
	DataLink Zagreb ('13)	105,000 EUR/32,000 EUR			Larger midsize companies	570,000 EUR
	Excel Osijek ('10)	45,000 EUR/230,509 EUR			Midsize companies	300,000 EUR
					Software for micro companies	80,000 EUR
RS	BlueSoft Beograd ('10)	1,200,000 EUR/161,000 EUR				
	Sinus Plus ('09)	84,000 EUR/35,000 EUR				
MK	SoftMaki ('09)	3,000 EUR/10,000 EUR	Infosoft Skopje	50,000EUR	Software for micro companies	30,000EUR
	Anel Štip ('13)	50,000 EUR/1,000 EUR	ITC S	80,000 EUR/14,725 EUR	Software for micro companies	15,000 EUR
	Infosoft Skopje ('13)	50,000 EUR			Software for midsize companies	60,000 EUR
	MegaSoft ('09)	30,000 EUR/50,000 EUR				
	SoftMaki ('09)	3,000 EUR/10,000 EUR				

SNS ('09)	20,000 EUR/30,000 EUR	
Gord Sistemi ('09)	20,000 EUR/50,000 EUR	
TrakonNet Veles	40,250 EUR/6,700 EUR	
Quttro Tetovo	20,000 EUR/2,000 EUR	

Saving competitors (and their users) from the way to the downfall, from problems and unnecessary costs is a difficult, time and energy consuming task. But when it works out, it is one of the fastest ways to grow PANTHEON's user base as well as save and grow established companies, now partners.

5.3.3 DEV Partner Program

The PANTHEON Developer Program encourages cooperation with companies which develop their own software solutions to supplement the features of the PANTHEON ERP system.

By making information available on our websites and through regular training provided by the Datalab Academy, independent software producers receive support for the development of their solutions.

Partner solutions cover specific and niche business processes at companies. Vertical applications find their use in all aspects of business, from B2B/B2C web portals, barcode solutions, access control systems, machinery control, project management, etc.

Combining PANTHEON and partner-developed solutions provides users with comprehensive solutions for all their business processees.

In FY'14, we expanded the program with special OEM licensing for our DEV partners and we have the first two applications licensed that way. We perfected information support for ordering and parametrization and connected it to CRM.

In FY'15, we will offer OEM licenses in OTC (One-time concurrent) - one-time purchase + upgrades - as well as in Perpetual (monthly payments). Moreover, we are introducing the "Connector license" for development partners that receive commission upon selling them (more in Plans for FY'15).

5.3.4 EDU Partner Program

The PANTHEON EDUcational Partner program is intended for cooperation with institutions where PANTHEON is used in the educational process. Through the program, educational institutions are outfitted free of charge with PANTHEON licenses, and also acquire the right to use Datalab Academy materials. In FY'12, we started setting up partnerships for PANTHEON FA training. We started in Slovenia and are now expanding regionally.

Slovenia

- Faculty of Organizational Sciences
- Faculty of Economics and Business Maribor
- Faculty of Economics - University of Ljubljana
- Graduate School of Accounting, Ljubljana
- Biotechnical Faculty, University of Ljubljana
- Biotechnical School Rakičan
- Biotechnical Center Naklo
- School of Agriculture Grm and Biotechnical Middle School, Novo mesto
- The Rakmo Institute, Ljubljana
- Azura – Adult Education Center, Pula

Croatia

- Faculty of Economics, University of Split
- Algebra – IT Education and School for Computer Science
- College for Information Technologies, Zagreb
- People's university Morana, Zagreb
- Excel Educa, adult education center, Osijek
- Adult Education Center, Split
- Consultants Center, Split
- People's Open University, Pula

Bosnia and Herzegovina

- School of Economics and Business Sarajevo
- Banja Luka College, Banja Luka
- Vitez University, Travnik
- University Sarajevo School of Science and Technology, Sarajevo
- Pan-European University Apeiron, Banja Luka
- University of Zenica

Serbia

- Graduate Vocational School of Accounting and Stock Exchange Operations, Belgrade
- Graduate Vocational School of electrical Engineering and Computer Science, Belgrade
- Economics and Trading School Šabac
- Association "National Parliament" Leskovac

Macedonia

- Faculty of Economics - Ss. Cyril and Methodius University, Skopje
- Goce Delcev Universita, Štip
- Faculty of Mechanical Engineering - Ss. Cyril and Methodius University, Skopje

More information:*http://www.datalab.si/partnerji/edu-partnerji*

5.4 DIRECT SALES AND SERVICE DESK

We established channels for direct user contact in order to correct the market situation.

Datalab has traditionally been selling through partners. In FY'11, we started with direct sales in the micro segment in Slovenia, which proved that we are able to profitably sell in a segment where partners are not will or not able to operate. A side effect of our direct sales activities is increased partner activity and professionalism. Because we are selling in very fragmented markets (we are below 20% market penetration in all markets), the risk of cannibalization is relatively low, despite two sales channels (direct and through partners).

In FY'14, we continued to build departments.

5.4.1 DIRSA – Direct Sales

Investing more into direct sales and own implementation services (or outsourced to partners) is the logical next step for compensating sales capacity in the partner network and its unwillingness to invest into their own sales capacity. New internal sales processes (pre-sales technical support, preparing offers, implementation quality control, performance-based pay) and new, improved partner relations (teaming and subcontracting) will be the focus of our efforts.

The successful investment into the call center of direct sales for the micro segment in Slovenia from FY'13 was profesionalized with codified procedures and metrics and applied in other countries (Croatia, Bosnia, Serbia). In FY'14, this department was established in Macedonia too.

The "Solutions" department is established in Slovenia. It takes care of coordination on large projects between a partner (usually) or ServiceDesk - performer and user. It had a special role in (PfC) transition of MeCen users to Pantheon because it managed all communication and took care of an optimal engagement of our partners. Before the end of the year, departments in Croatia and Serbia were also established; Macedonia, Bosnia and Montenegro either already function in that way (MK, BA) or there is no need (MN).

5.4.2 ServiceDesk

A Service Desk department was established in each subsidiary. The purpose of the Service Desk is support for users who:

- are left without a partner, or
- have had several negative experiences with partners, or
- are too small for on-site consulting and need optimized remote support.

Service Desk is not meant to be a competitor to partners, but supplement their offer in segments where it is ineffective or not available.

Service Desk tries to cover its costs with Service Desk contracts, but most of its work is still ad-hoc consulting billed in 15-minute intervals.

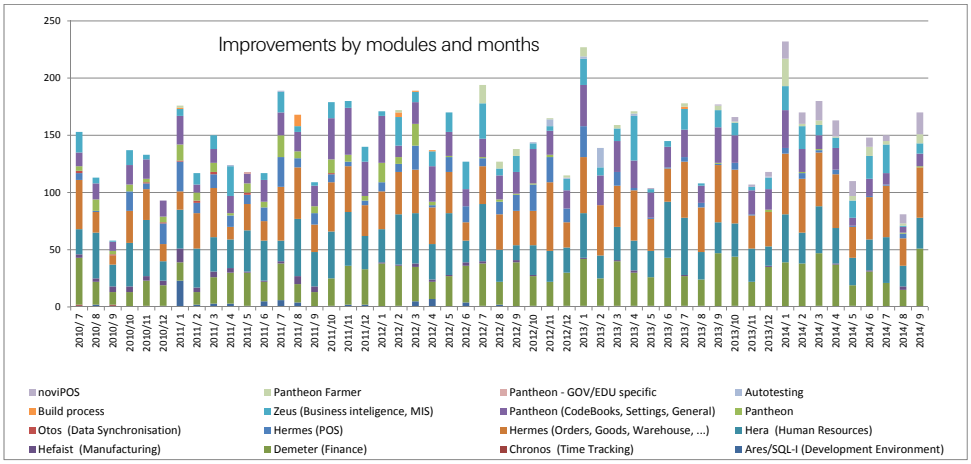
In this fiscal year, we learned to distribute tasks and record events correctly. The average utilization (part of invoiced hours as part of all working hours) is still low (approx. 35%), but we are raising it to profitability with process optimization.

Dare Rihter, CDO

5.5 SOFTWARE DEVELOPMENT IN THE FISCAL YEAR 2014

Primary orientation: make PANTHEON more stable and faster, thus ensuring a better user experience. We continued with the optimization of individual larger parts of the SQL programming code that was still not sufficiently optimized in some areas. The faster operating is the most visible in the cloud where an enormous number of databases must operate on the same server, as well as with big users where there is a smaller number of big databases.

As every year, improvements are the most important part of development. A significant part of improvements were due to legislation by individual localizations, and the rest bring an enhanced user experience, including a greater stability of the program, faster operating and easier maintenance of the programming code. The chart below shows the improvement structure; and later on, we will present the structure of legislative improvements and changes - this is the work for individual localizations.



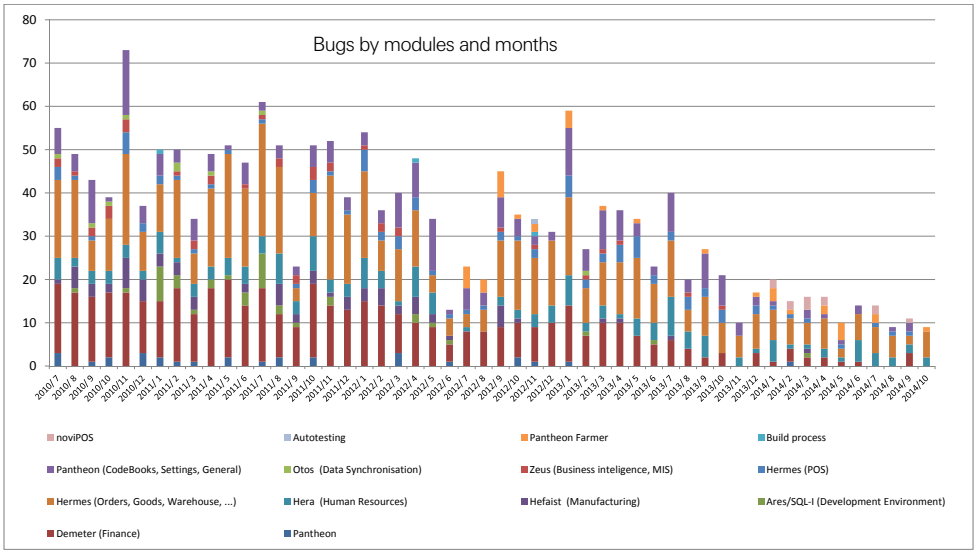
We continued with the good practice of acquiring quality information about the wishes and needs of users via web forum, directly from partners and in the area of localizations from SUBs, with whom we met on regular weekly meetings.

A lot of activities in development were connected with the preparation and installation of systems for electronic exchange of documents that began to gain momentum also with demands from state institutions for exclusively electronic way of exchange within these institutions. Independently from that, first implementations of electronic exchange were under way in foreign localizations (Croatian My e-Invoice).

For quite some time, a transition to more modern, Unicode-supported development instruments is preparing in the background, invisible to users. A parallel system of making PANTHEON was established in a new development environment (Delphi XE3) which already underwent testing and autotesting in this fiscal year. First, extensive adaptations to the new environment were necessary, especially to new components brought along by a substantially newer version of a development environment. It is a sizeable project, on which the development takes place in a way that does not disturb the usual cycle of issuing new versions of PANTHEON and does not represent a disturbance for users in a production environment.

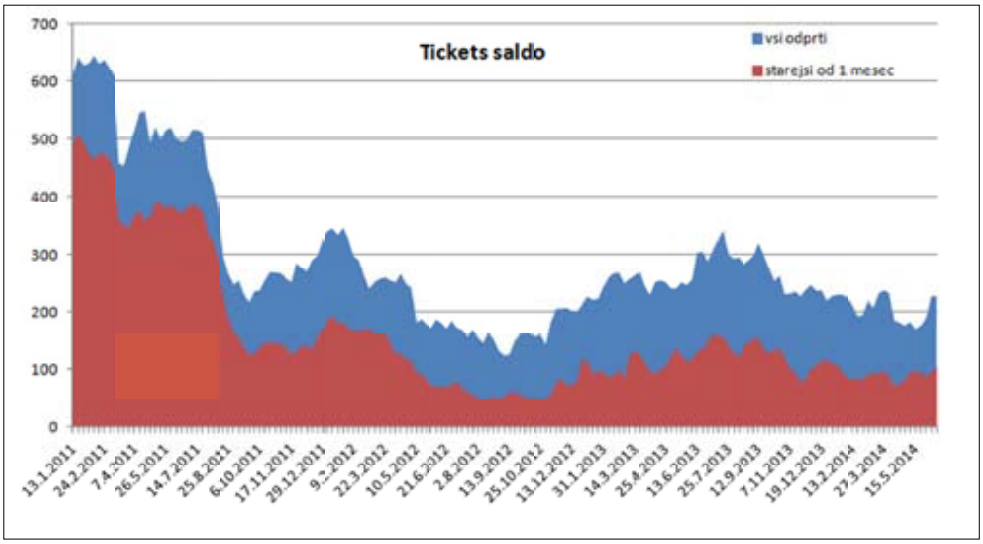
In the area of software quality assurance, we upgraded the software that executes automated tests (TestComplete ver. 10). Thus we acquired new useful features for better testing on the production branch of PANTHEON, and at the same time we started with automatic tests on the Unicode version that was not supported by the previously installed version of TestComplete. All

databases that are subject to everyday testing were upgraded from MSSQL server 2008 to MS-SQL server 2012 that became the primary platform for production testing.



By pursuing the distribution of PA FA, we also had to customize the existing build system that automatically builds everything necessary to issue new versions of PANTHEON in all existing and newly included localizations (translation of PA into all supported languages with a new localization program, speeding up of making all program files for all localizations and installation programs for new installations of PA on all supported localizations).

Number of open issues with development by month

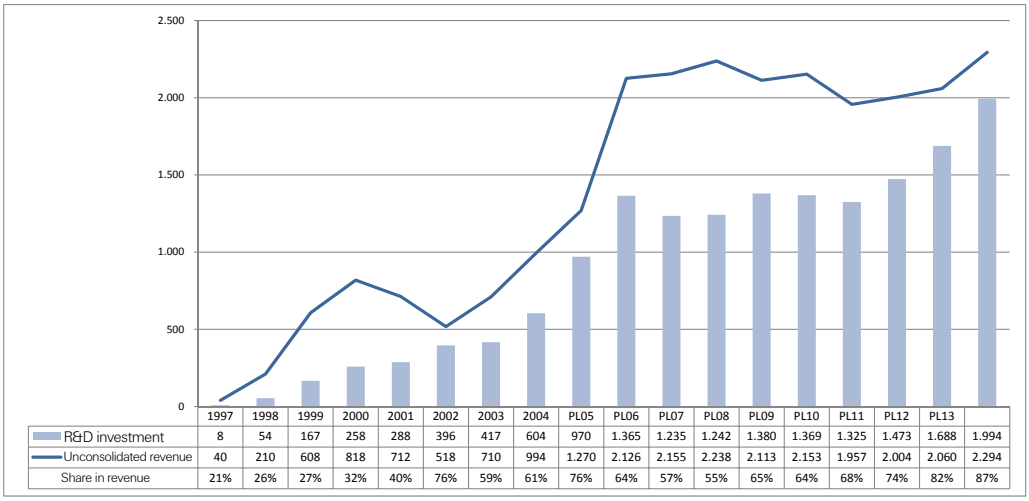


Investments in development 1997–FY'14 in 000 EUR. In FY'11, there is a notable drop in non-consolidated revenue of Datalab Tehnologije, d. d. (the parent company), because a subsidiary, Datalab SI, was established to assume operations in Slovenia.

5.5.1 Investment in Software Development

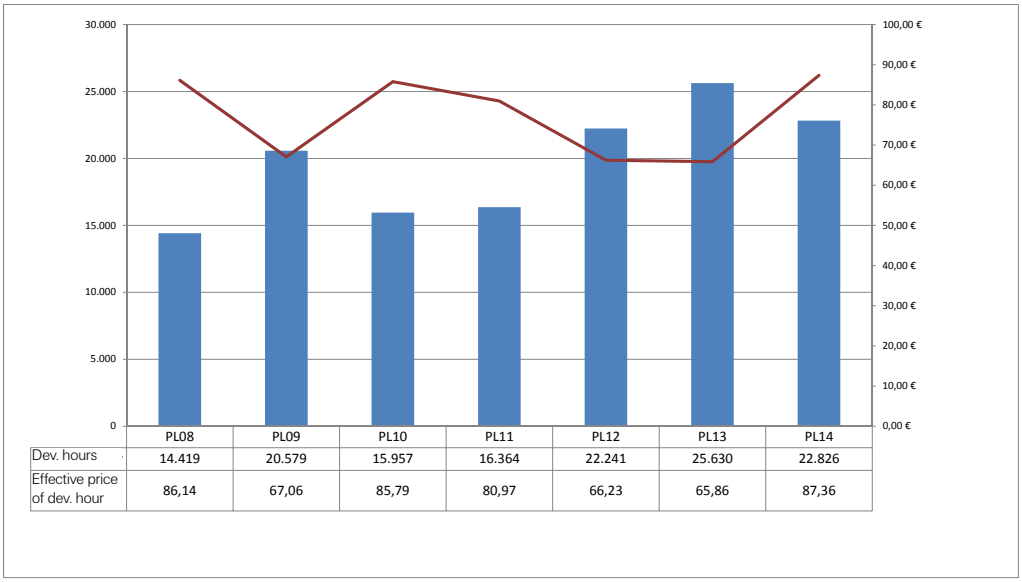
We invested 1,86 million EUR into the development of PANTHEON in FY'14 (compared to 1,69 million EUR in the previous year). The production value of PANTHEON as of 30 June 2014 was 16.10 EUR (carrying value of 6,253,000 EUR in financial statements).

The value of this intangible asset was determined using the Hierarchy of Valuation Standards and other applicable valuation models.*

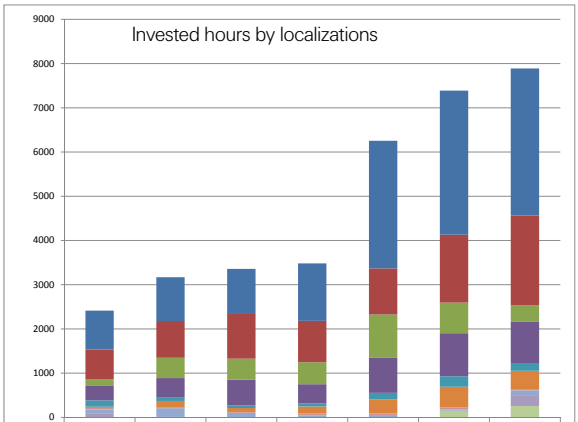


	1997	1998	1999	2000	2001	2002	2003	2004	PL05	PL06	PL07	PL08	PL09	PL10	PL11	PL12	PL13	
R&D investment	8	54	167	258	288	396	417	604	970	1.365	1.235	1.242	1.380	1.369	1.325	1.473	1.688	1.994
Unconsolidated revenue	40	210	608	818	712	518	710	994	1.270	2.126	2.155	2.238	2.113	2.153	1.957	2.004	2.060	2.294
Share in revenue	21%	26%	27%	32%	40%	76%	59%	61%	76%	64%	57%	55%	65%	64%	68%	74%	82%	87%

It is also interesting to monitor hour contribution into the making of localizations - for the most part legisative changes that must be maintained to preserve the intended purpose of the product on a certain market. After an 18% increase in FY'13 (80% in FY'12), the scope of legislation changes in Balkan coutries remained at last year's level. The 7% increase in the number of hours is due to the support of two new localizations - Albanian and Romanian.



	PL08	PL09	PL10	PL11	PL12	PL13	PL14
Dev. hours	14.419	20.579	15.957	16.364	22.241	25.630	22.826
Effective price of dev. hour	86,14	67,06	85,79	80,97	66,23	65,86	87,36



	FY'08	FY'09	FY'10	FY'11	FY'12	FY'13	FY'14
SI	881	990	999	1.300	2.886	3.258	3.324
HR	667	829	1.032	937	1.041	1.535	2.034
BA	156	461	476	496	982	691	372
RS	326	442	581	435	791	975	930
ME	143	75	59	68	144	237	176
MK	28	153	89	160	321	465	431
KS	35	10	20	47	38	50	12
BG	98	198	101	39	51	27	127
RO	80	10	1				226
AL						150	258

The effective price of a development hour is calculated by dividing gross (2. coverage = labor, space, training costs ...) development costs by the number of hours put in the development of a new feature (development hours = all hours - support - overhead hours). General cost suppression influences the decrease of the efective price in the denominator, and decrease of the necessary support and ineffective work influences it in the counter.

Due to the preparation for transition to XE3 and increased investment into automatic testing, the number of hours committed to the development of new features decreased. However, the costs of acquiring copyrights (additionally purchased autotesting system, other equipment ...) increased which is why in this FY the cost of an effective hour increased to 87.36 EUR.

Boštjan Artnik, Product Manager

5.5.2 Development of PANTHEON 5.5 in FY'14

5.5.2.1 PANTHEON – Registers and LT Edition

In the module PANTHEON - Registers, different user improvements and novelties were made, as well as other technical system upgrades. Some of the most important improvements are as follows:

- Elaboration of the module Documentation for e-exchange between companies with an integrated ZZi channel
- Transfer of basic classification plan of storage of web documents for the use in exchange and storage of e-documentation
- List of e-mails of subject contact persons for the purpose of e-mailing business partners (mailing list)
- Pre-set shelf labels (stickers) according to Zweckform standard labels for subjects
- Elaborated option to use capacity control of individual warehouses
- In the subject register, Google map is available for Cyrillic alphabet and various other localizations
- Elaboration of a converter of units of measure for items and further use related to commodity documentation
- Possibility of entering a date period for a special offer discount from and to, also for separate calculation price lists

- Simple import of items from Excel, updated with the possibility of calculating the code and with the update of purchase prices
- Pre-set shelf labels (stickers) according to Zweckform standard labels for items for stickers on A4 paper or for continuous paper
- Possibility of determining different obligatory fields when entering items
- Conversion of item prices through classification register considering excise duties from the register
- Opening Warehouse card through the menu Inventory in the item register
- New logos for starting windows of programs from the Datalab family (PANTHEON, Farming, Clotho ...)
- Updated user seed in the administrator console with a possibility to seed via contact persons of the subject register
- Fast upgrading enabled regarding the number of chosen databases of the user
- Possibility of importing reports regarding the number of chosen databases of the user
- At upgrade, possibility of reducing the logo and the size of upgraded database
- At transfer of a local base to host, an automatic change of collation of the base regarding the host server is enabled

Mateja Korelc, Product Manager

5.5.2.2 Hermes Module – Orders, Goods, VAT, Customs and Service Modules

In the fiscal year 2012/13, 314 improvements were realized on Hermes module, of those some were more extensive.

We put a lot of work into the optimization of the code in order to improve speed at work. We completely renovated the forms of ordinary and collective adding. The same goes for some other parts of the code.

A brand new module Forecasting was made this year; its purpose is to automatically create orders to suppliers based on past realized sales and expected sales growth. Moreover, a new option "Order" was added to order documents of buyers where based on an individual order for the buyer, the program checks the quantity in stock and in the case of insufficient stock automatically creates an order for the supplier for that amount.

New forms of reports were also made: Recurring invoicing report for an easier monitoring of invoices created from Recurring invoicing, Inter-warehouse transfers report and Turnover in excise warehouse report. The option to choose more warehouses at the same time was also added to reports. The information about invoiced excise duty in issue documents was added to the panel Sales calculation for each individual item. The panel Tax recapitulation for an easier review and control was also added to issue documents.

One of the greater novelties that the users missed is the possibility to choose more texts for issue documents and orders from buyers from the existing Text register that are consequently written on invoices and offer documents.

The functionality of the existing feature of dividing by dividing key (in order documents and documents of goods) was expanded: we added an option that the dividing key is copied to the entire document, it enters and deletes, and the divided items are shown under the original item that was divided. We open them by clicking on the "+" at the beginning of the line. To this end, we also created some new document reports and adapted invoices accordingly.

On the documents of goods and order documents, we added an option Transfer of items into contact prices, with which we can quickly and easily transfer terms of sale defined in the document into contract prices.

For an easier and faster input of starting supply status, we added an option of Import starting supply status from Excel file to takeover documents.

We added an option of automatic allocation of superrebate to the amount of the document. When a certain amount on the document is exceeded, the option enters the according percent of rebate into the superrebate.

Regarding serial numbers, we added the option of automatic creation of a serial number based on the number and date of the document; now it is also possible to automatically read the appropriate item and its product variant with a reader by entering the EAN code.

We also added an option of allocating authorizations to individual statuses on order documents and documents of goods. With regard to authorization, I would like to mention two new ones: Authorization for purchase calculation and for selling calculation.

An option of duplicating invoices was added to issue and takeover documents that duplicates the existing invoice, but only in the case that it is a service invoice.

In hard reservations of quantities on order documents an option of reserving only a partial quantity was added. An option of simplified entry of a new subject on documents was also added.

A new report was created on issue documents: Invoice in English. In case that, at the level of the entire company, we choose the option "For subject name, use Name 2", the second name of the subject will automatically be written on report of modules Goods and Orders.

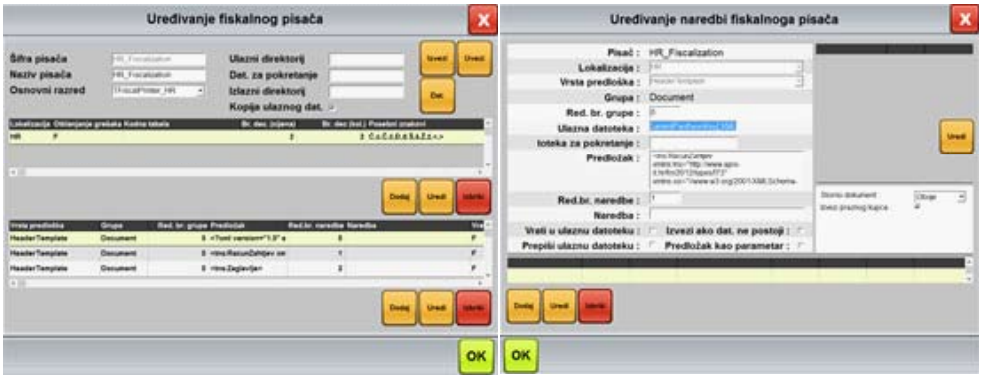
On the purchase page, an option of dividing transport costs was added: By quantity. A panel was added to Service order: Takeover from supplier, so that the Service order is now complete and we can monitor a warranty claim from the customer's receipt through the supplier and back to the customer. An option of automatic invoice creation for the needs of cash discount.

5.5.2.3 Hermes Module - POS

Robert Knez, Product Manager

In the fiscal year 13/14, the main policy of development of the POS product was to transfer all basic features of PANTHEON into a new cash register interface POS. At the same time, improvements were under way in the area of synchronization robustness and operating speed. Some important updates of the cash register interface POS.

In the area of localization, we managed to make a universal user interface, where we can create templates for various fiscal printers in different countries with settings and parameters. In addition to TXT files used in fiscal printers, the interface can create XML files as well that are used in HR. With the user interface, localization templates were prepared for RS, MN, BA, MK, KO and HR.



A new type of synchronization through webservices was added to the user interface. This ensured to our users on the Datalab cloud the use of a cash register that functions independetly even without internet connection. When the connection is reestablished, information sychronizes with the central base.

In the area of inventories, transfer of all types of serial numbers was supported, including their combinations. The transfer of serial numbers operates on one central database or more separated databases, where information synchronizes via a connected server or via webservices to the Datalab cloud.

To simplify the transition from the old POS interface to the new one, we prepared a transition assistant. The assistant leads you step by step and helps you perform all basic settings for the transition and work on a remote cash register for all types of connections. We also enabled the continuation of numbering by type of document.

We added subject transfer from the AJPES database to the cash register interface. Now you can enter a tax ID number in a remote cash register and transfer information from the AJPES database and thus avoid incorrect entries of your customers. All these customers will synchronize into the central base where you can further edit them.

The POS cash register now takes into account all price combinations of the item, separated by warehouses, special offer discounts at company level and at warehouse level. Contract prices of subject type and from subjects are enabled.

All text prints and related reports were parametrized because of different locations, which enables translations of text prints as well. We also enabled graphic print of documents where prints can be edited with a previously known print editor.

5.5.2.4 Demeter Module - financials

Simon Klemen, Product Manager

In this fiscal year, we made 159 major and minor program improvements on the Demeter module. Some of the more important ones follow.

The possibility of exporting annual reports, which was until now available for Slovenian, Croatian and Bosnian localization, was included also in the Serbian and Macedonian localization. Now the users of these two localizations can export balance information to submit to corresponding institutions directly into XML or Excel.

Criteria in invoice reports and prints were complemented with the possibility of choosing different accounts, subject types and Standard Classification of Institutional Sectors (SKIS) labels. Quite a few invoice reports and prints were improved performance-wise, for example, the general journal report, accounting review, print of ledger balance of customers and suppliers etc.

We sped up the performance of work on the modul of accounting entry of invoices, including by reducing the number of clicks that the user has to do to record invoices.

The import of receipts was complemented with new features, for example the recognition of combined payments at the import of receipts, we added new formats for the import of receipts for the MK localization etc. Import of receipts was transformed into a separated type of documents and enabled users to divide the work of users on the new module with authorizations and settings.

We are still developing an accounting console, above all on the basis of propositions made by users from the PANTHEON conference and ideas at the implementation of the console.

In March 2014, Katja Kovačič joined our team, an experienced accountant, who has been helping with preparing the execution of novelties in the program, testing and documenting the program from the very beginning. With her help, we reviewed and completed online help of our module.

In addition to manual testing, we put a lot of work into the making of autotests. In this fiscal year, we increased the number of autotests, performed for our module, by more than 300. For the Demeter module, around 1080 groups of tests are performed on a daily basis.

To conclude, here are some other improvements:

- insight into the initial state, turnover and end state that has been present at the accounting of receipts was added to cash register documents as well,
- in balance formulas, we enabled the entry of SQL phrases and enabled users to include any information into balance reports that they can get from the database of the program,
- nested formula control was added to balance reports, which tells users precisely where there is an error in the formula,

- automatic accounting was complemented with legislative changes by individual localizations (accounting by procedures for tourist agencies for the Croation localization etc.),
- due to legislative changes, we re-formed the module for the preparation of the report Statistics of financial invoices for the Slovenian localization.

5.5.2.5 Hera Module – Personnel, Payroll, Travel Management

In FY'14, the development of the Hera module was based mainly on legislative improvements because quite a lot of laws and rules were adopted that greatly influenced the personnel part as well as the payroll system including reporting on various forms. The program had to be harmonized with:

Mateja Cejan, Product Manager

Tina Berden, Product Manager

- Rules amending the Rules on the content and form for calculating withholding tax and on the method for submitting forms to the tax authority where REK forms are together with XML.
- Complement for reporting information about:

o exercising the rights to reliefs of different kinds (general, increased general, maintenance payment relief ...),

o paid reimbursements and other income from employment relationship that are not included in taxable amount (transportation, nutrition, long-service benefits ...) where a new field was added to Type of earnings for reporting on iREK and a new window to prepare travel forms on the iREK form,

o information about real property with added panel Real property in the personal folder,

o information about the type of given benefits with separate reporting about the most common benefits, such as the use of company personal vehicle for private purposes, which is why the panel Vehicles was added to the personal folder;

- Pension and Disability Insurance Act in the following articles, to which an additional 3JP report was added for better transparency:

o article 145: automatically calculates exemptions from pension and disability insurance contributions for the self-employed who made their first entry in the register after 1 July 2013,

o article 156: automatically calculates pension and disability insurance contributions reliefs of the employer for employees who reached 60 years or fulfill the age condition for early retirement benefit,

o article 157: automatically calculates pension and disability insurance contributions reliefs of the employer for first employment of young people of up to 26 years and for mothers who take care of a child of up to 3 years;

- Act on Emergency Measures in the field of Labour Market and Parental Care, article 2: automatically calculates exemptions from contributions of the employer for a permanent employment of an unemployed person if they are younger than 30 years;
- Labour Market Regulation Act, article 27.a: with an added contribution for duties from temporary and periodical work of pensioners to report on the REK-2 form;
- changes to the Rules on the forms for calculating social security contributions where OPS-VL and OPSVZ forms were harmonized;
- changes for GE license in the field of the ISPAP file reporting and on wage bills;
- Rules on reports in the field of health and safety at work where new forms for reporting a dangerous phenomenon, occupational disease and accidents at work were added including new forms;
- Rules on the reporting of the vacancy or the type of work where a new window and PDM-1 form were added.

In addition to legislative changes, I would like to mention some new features suggested by users:

rounding up of wages for individual workers, exclusive treatment of wages with a possibility to choose separately by type of document, choosing working post in the tab Preparation of wage calculation, on prints of cadre records and wages for the criteria: department, working post, employee, cost center, payment center, type of earnings and type of document we added a multiselect option, import of employee information from an Excel file to a personal folder, possibility to control minimal leave determined in the Administrator console.

5.5.2.6 Hefaist Module – Manufacturing

The module has not been further developed.

Borut Puklavec, Product Manager

5.5.2.7 Zeus Module – business intelligence

In the fiscal year 2014, we continued with the trend from previous years and developed Zeus mainly in the direction of adapting to user needs. Based on user suggestions, we additionally expanded the usability of Zeus analyses, namely with added new dimensions to OLAP cubes. The most important among the new dimensions are Optional item field and Optional subject field that are sensibly added to most OLAP cubes and additionally support the possibility of adapting to specific user needs. Moreover, we added Delivery, Type of primary supplier, Days of the week, Time of issue and Type of item to the sales cube; the latter also for purchase analyses. Optimizations and with them speeding up of processing must also be mentioned.

- Zeus analysis can now be added as an annex to the report of the control panel and can thus be automatically exported at desired times either to e-mail or to a specific folder on the computer's disk. In a similar way, analysis of comparison planned/realized from Planning can be added to the report.
- Other improvements in that area are mainly those suggested by users. In Planning we upgraded the Plan of inflow and outflow tab, added the possibility to use SQL queries in finance planning formulas, possibility to multi-analyse and more parameters in columns of sales analysis, possibility to choose items with the help of superior classifications in the Plan generator, and realized many other smaller changes.
- We renovated SQL editor built into PANTHEON, which is now much more efficient and transparent and more user friendly. The latter was achieved primarily by integrating a tool for composing SQL queries without the knowledge of SQL language, called Query Builder. We also added the possibility of "sending" PANTHEON reports to SQL editor. Upon the use of this option, the query transfers from the report to the SQL editor where we can expand it or change it in some other way so that it returns the desired information which do not figure on the report.
- We paid a lot of attention to upgrading the Ad-hoc analyses. We fine-tuned the user interface, differentiated between different types of authorizations (reading, writing ...), enabled saving settings and last but not least, introduced the option of adding Calculated Members at any dimension - for example, adding an optional index between years etc. We also enabled the transfer of ad-hoc analyses via webservice, which currently includes two sample analyses, namely the Sales analysis and Gross balance analysis. Ad-hoc analyses got an additional value with the connection to other parts of PANTHEON. It is possible to send a query of the building block of the control panel or any report to Ad-hoc analyses and further analyze them there.
- To conclude, let us mention the Promotional video Zeus that we recorded and published on our websites in order to bring business intelligence closer to future and existing users and make their first steps of using it easier.

Dare Rihter,
CDO

5.5.2.8 Ares Module

Most of our activities in the fiscal year 2014 were focused on implementing concrete solutions, mainly on the module Documentation and its preparation for objective calling and universal development of ARES plug-ins for it. Consequently, the development of new features of Ares was in a smaller scope, mainly for the needs of new system implementations for electronic exchange and with it for universal support of different data formats that are used by these systems (Documentation, DMS) to exchange information with service providers.

I would like to mention the following improvements:

- systematic support for hyperthread programming in Ares
- expansion of support for WebService that brings a very simple use of webservices within the Ares environment
- in addition to XML support, added support for JSON format (unified method for all formats), in the implementation of these formats also a completely adjustable templates (with inside registers, the use of PA information at exchange with e-Exhcange and document systems providers)
- refinements in the area of HTTP(S) protocol used by some providers of electronic exchange services
- further expansion of the abstract interface of drivers for Documentation (electronic exchange) in Mnemo (document/archive systems) due to the needs of new providers of these services (ZZi in Slovenia, My e-Invoice in Croatia)
- some adjustments of the Ares IDE development environment as support for activities in introducing new Unicode-supported Delphi development environment (wizards for mass check-ups of Ares procedures, measuring speed of executing procedures)

In addition, we made rather extensive adjustments of the Ares environment for the coming change to the Unicode development environment which brings quite a few substantial changes in the manner of registering features in the Ares environment and related extensive manual and automated testing.

Klavdija Kopač
Zagožen,
PA FA Product
Manager

5.5.3 PANTHEON FA – Farming

In the fiscal year 2014, the PANTHEON Farming team prepared the following novelties:

- In addition to the register for cattle, small cattle and pigs, we enabled a register for hoofed animals in the program. It is another branch that is developing and expanding in farming.
- After last year's development of crop cycles and task recording, we also enabled user to make a fertilization plan. If they participate in EFP (Environmental Farm Plan), users (farmers) must have a five-year fertilization plan. Now they can make it in our program.
- On of the greater gains in the last fiscal year was the Import of information from the portal govedo.si. In the program, users can record milk production and milk composition. To make this recording easier, we enabled the import of information from the portal govedo.si. On the portal, each user can export information in a TXT file and import them into PANTHEON Farming. Thus we saved time and, which is the most important, we assured that no mistakes are made at copying.
- For the needs of accounting work, we adjusted the program so that we enabled booking each FADN type in their own book type. This ensured less mistakes regarding whether the crop was booked to the right account or not, and a more transparent state of what we produced, what is the value of animals of a certain age ...
- We prepared some reports, for instance: reports by animal criteria, reports for ECO production, crop reports.

- Until now, the program was mostly based on livestock and crop farming; in June, we also offered part of management for winegrowers in the program. First, we enabled the entry of winegrowing cycles and tasks. In the next fiscal year, wine-cellar records and tasks will follow (last third of 2014).
- In the time of program development, we were also present at fairs such as:

- CeBIT,
- AGROFOOD Macedonia,
- Agriculture and Food Fair AGRA - we received a gold medal for the PANTHEON Farming program,
- AGRITEHNICA Hannover,
- and we attended international conferences on the subject of agriculture and received the EUROCLOUD award for Best service in the cloud in Slovenia, and fourth in the EU.

In the future, our priority is to pay attention to our users and take into account their ideas, suggestions and opinions, and successfully place them in the program. And of course, develop the program in a direction that will give users some added value and will help them decide about further development of their farm.

Kristjan Bratuša

5.5.4 PANTHEON Autotesting

In the past year, even more effort has been placed into program testing in order to:

- improve the quality of PANTHEON,
- improve user satisfaction with the program,
- lower the costs of manual testing,
- reduce cost incurred from bugs.

The testing system was improved because of the growing number of testing scenarios (from 3934 to 5043 in the fiscal year 2014) as well as to achieve a larger throughput of tests and a more robust autotesting system.

Capacity of the system was increased from 350 to 720 tests per hour and so, as opposed to the old system, we get the results in the morning before the start of the working day.

For a presentation go to https://usersite.datalab.eu/Player/TabId/130/VideoId/100/Avtotestiranje-V-PANTHEONu.aspx.

The autotesting system depends also on other related systems. Its integrity is crucial; that is why we will continue to ensure optimal conditions for test recording and test execution, but we will also work on decreasing the influence of other subsystems (like it was the case with the build system) or improving their integration. On the other hand, the autotesting system detects any errors/events in other processes (build, upgrade) and we will continue to improve the system of notifications about those errors/events to process owners.

Thanks to the autotesting system, we successfully introduced a new optimized system for translating PANTHEON into foreign localizations.

Before the transition to SQL Server 2012, we simultaneously tested PANTHEON to get a picture of the state in the new version of SQL Server; thus we successfully eliminated errors before the production that would otherwise appear at the replacement of MSSQL server version in the cloud.

Currently, we also have a simultaneous testing of PANTHEON translated for the production with Delphi 2007 in XE3 (Unicode, under preparation), where the same tests are simultaneously carried out in the production and development environment and thus effectively discover and remedy anomalies in the new Unicode platform in the very early stage before production.

In the previous years, we counted individual tests, now we count rounded up entireties - scenarios that usually include more (up to 50) tests.

An overview of recorded scenarios by months and fields (5043 scenarios in FY'14, 2119 in FY'13: +29 % more than in FY'12)

	Zeus	Pantheon	Ares	POS	Hermes	FA	Hera	Demeter	Hefaist	Total
2010	41	98	8	43	143	11	66	36	45	491
2011	27	47	30	32	98	8	16	86	13	357
2012	146	242	4	95	754	54	280	333	137	2,054
2013	62	19	2	62	453	4	316	447	1	1,366
2014	392	440	44	250	2,088	145	980	1,362	205	5,818
Total	**668**	**846**	**88**	**482**	**3,536**	**222**	**1,658**	**2,264**	**401**	**10,086**

This investment will help us lower our costs, which is especially important in these troubled times.

5.5.5 Internal IT

Matija Kešpret, VP operations

Luka Levstek, Head of Internal Development

PANTHEON Hosting

In FY'14, we signed a contract with the largest operator Telekom Slovenije. For customers of Telekom Slovenije and our existing customers, that means that they spend less time for red tape every month. Customers now get a joint invoice by Telekom Slovenije for PANTHEON and other Telekom services, and at the same time they can profit from the advantages of the Telekom network, such as: simpler customer support, free data transfer for PANTHEON in mobile 3G/LTE network, easier communication, the best response time of the application etc.

Our web portals

In the past year, we implemented the following essential features into our systems:

- complete renovation of the partner commission system, development of partner quota system, development of the new UC system for FY'15
- complete renovation of the HostingOne system that enables us and our customers uniform and simple management of PANTHEON Hosting
- fine-tuning of sales processes with new products and related logic in the background: FA Light, HM/MOB products, changes of RE classification, renovation of FA process and development of OEM license model
- in cooperation with Agito company, we developed a new MS Project Server 2013 for the complete support of implementation projects from conception, preliminary invoice, project planning and monitoring
- we renovated the internal web portal site that offers a working platform to all departments in the company, namely the Microsoft SharePoint 2013 platform. We designed AgroIT team site and public website on the same platform.
- Numerous web services were developed. These are some of the most important ones: WS for Telekom Slovenije, WS DMS Shakespeare, WS PANTHEON HostingOne, WS PANTHEON upgrade, WS Ajpes PRS
- We renovated WIKI pages, one part was moved to the SharePoint platform
- We developed an invoicing and sales system of payable video courses with support statistics

Architecture and systems

In FY'14, Datalab moved to a new location. IT department moved the entire server infrastructure to a new location and took care of the migration of all other related systems (network, electronick locks, working hours recording device, UPS power supply systems, employee infrastructure etc.).

We started talks on PANTHEON Hosting in three new countries and set up test environments.

In the past year, we also developed the following support mechanisms:

- automatization of the environment for Datalab Classroom that supplier the entire lecture room and course environment automatically every night
- automatic procedure of changing Collation customer databases upon transfer of PANTHEON databases to Hosting
- internal SCCM control/support system and warehouse were established
- secondary server for outage support of the main cluster

5.6 MARKETING AND COMMUNICATIONS

5.6.1 Strategic policies

In their strategic conception, market communication activites of Datalab are mostly aimed at enterprise public since we wish to present the concept of business IT system to companies of different sizes and activities as simply and clearly as possible. It is essential that companies realize that what they need for a successful business is a software that enables management, review over operations, legal regulation coverage and possibility to analyze data that they can then turn into profit. This is where Datalab's motto comes from: "Turning data into profit".

Positioning of the PANTHEON brand is separated into PANTHEON Basic for micro companies and those who do not do their own accounting and PANTHEON Professional for midsize and large companies that are aware which data is key for a successful business. Market communication for the two sub-brands takes place separately because it is easier to segment target groups this way. We put important emphasis on affordability of the program, localizations for nine countries, constant compliance with current legislation within each country and suitability for companies of all sizes and acitivities. Datalab's "ecosystem" brings together over 100 Partner companies throughout the region on a daily basis; they see to sales, consulting, implementation, the development custom solutions, and technical support for end users of the PANTHEON ERP system.

5.6.2 Marketing as Active Sales Support

Positioning and strengthening the brands Datalab® and PANTHEON™ are the clear goals of all marketing activities conducted in the Adriatic region. We have secured the rights to both names with the Slovenian Intellectual Property Office for all target countries.

In Slovenia and other countries where Datalab is present, we have set up call centers whose main task is to generate new sales opportunities. All other marketing activities are also aimed at acquiring new users; throughout the year, we conduct ATL (above the line) and BTL (below the line) campaigns and activities through which we optimize resources and mode of communication every year.

We advertise mostly in media that deal with the areas of economy, entrepreneurship, and finance. Advertising for specific activities also appears in relevant industry-specific media (for example, accounting services, manufacturing, etc.). An important partner at the communication of the service PANTHEON Hosting is Telekom Slovenije; provider of the service in the cloud Customized Office that also includes PANTHEON program. Our annual marketing plan includes ATL marketing, attending events, sale-oriented campaigns coordinated via call center and presence of our product in Telekom's stores.

Our partner channel is an excellent platform to organize common campaigns aimed at generating new users. In the area of sales lead generation and management, this year as well as every year, we have upgraded our approach to potential users. All potencial buyers are subject to

a more exacting classification, which is a great help for the sales department. At the same time, from the very beginning, we have been working on establishing a closer and more genuine relationship between Datalab and the customer – via in-depth telephone conversations and contact via e- and classic mail with the aim of providing potential users with essential information. We use an internally developed CRM tool (Datalab's Partner Site) to manage these kinds of customer relations; the Partner Site is constantly enhanced and upgraded to ensure an optimal overview of the individual statuses of all potential customers.

Marketing campaigns based on direct contact with potential users (through mail and e-mail and telephone calls) see the ever more intensive inclusion of Implementation Partners, as only in this way is it possible to achieve the loyalty of the members of their sales teams. Through joints actions of this kind, we can offer solutions tailor-fitted to the needs of target users – some development an implementation partners have developed custom solutions for specific corporate and industrial branches. Sector-specific solutions greatly increase the value of our product, as, in line with our goal of achieving the greatest possible degree of usability of our solution, PANTHEON is not tailored to the needs of any specific sector or type of user.

We organize group presentations for potential users. The presentations combine a general presentation of PANTHEON with a focus on the specific fields in which participants have expressed interest. The presentations are aimed primarily at companies who are looking to replace their current IT system or to purchase a new system, and who are collecting information from potential providers.

We are advertising mostly special offers and events. Advertisements are published at our web sites (corporate and product web site, User Site), at various portals (e.g. of the newspaper Finance or magazine Računalniške novice, racunovodja.com, etc.), in print (e.g. newspapers Finance, Delo, Dnevnik, etc.), sometimes even on the radio.

We inform customers about special offers by e-mail and/or direct mail. Several campaigns were conducted in cooperation with partners, usually offering a package of the software and additional services at a reduced price, for example PANTHEON hosting bundled with accounting services, or PANTHEON bundled with a new computer.

In the past year, we have been working very hard on marketing PANTHEON Farming; we also renewed our websites for it. In FY'14, we renewed or rebuilt our Slovenian, English and German version, and we are planning to renew other Farming subpages for all language versions.

5.6.3 Advertising Examples by Country

Datalab Slovenia

Datalab Croatia

Datalab Serbia

Datalab Macedonia

Datalab Bosnia and Herzegovina

Datalab Montenegro

5.6.4 User 2 User – recommend Pantheon

We reward users who recommend PANTHEON to their business partners, friends, etc. All users who share their experiences with PANTHEON by recommending the system to others will be awarded 10% of the value of the PANTHEON licenses installed at the new user's company. For recommending PANTHEON Hosting, for every new license sold, we assign two monthly fees of the customer as credit upon leasing the program in the next year when every month a direct proportionate share is accounted.

5.6.5 Events and Sponsorships

- In August, under the auspices of the Chamber of Agriculture and Forestry of Slovenia, Datalab attended the Fair of Agriculture and Food AGRA in Gornja Radgona. We presented our new product PANTHEON Farming, intended for farm management, to many visitors, mainly from Slovenia, Austria, Italy and Hungary. We also received the Gold medal 2013 for A/1 ERP PANTHEON Farming.
- Datalab was once again present at the 15th Congress of Accounting Firms in Laško as a Platinum sponsor.
- On 19 November 2013, the 23rd Statistical day took place at Brdo pri Kranju, titled Statistics, partner of companies, where Borut Puklavec attended a round table with the title Challenges and traps of statistical disburdening of companies. He represented Datalab's views as a provider of information systems for small and medium-sized companies.
- On 26 November 2013, Kolosej in Ljubljana hosted an event destined for accounting services, titled "PANTHEON e-Accounting in the Cloud". Datalab and Telekom Slovenije representatives introduced new features in e-Accounting to participants and took them into the "cloud" as a service.
- In March, Datalab presented itself in Hannover, Germany, at an international fair CeBIT with PANTHEON Farming, a comprehensive information solution for farms. We took this opportunity mainly to look for new partners from across the globe and networking.
- With PANTHEON Farming, Datalab attended the biggest farming fair in Central Europe Techagro in Brno, Czech Republic, where participants from almost 40 countries presented the latest trends in farming technology.
- In April, Datalab presented PANTHEON Farming at a traditional spring Agricultural and Trade Fair in Komenda.
- In May, the AgriFuture Days 2014 Conference took place in Villach, Austria; Datalab was among the participants with PANTHEON Farming.
- In June, the 8th traditional PANTHEON Conference took place, organized by Datalab Tehnologije d.d. and Datalab SI d.o.o. Together, we realized it on 5 June in Hotel Mons in Ljubljana. More than 300 participants attended, and the main theme of the conference was e-Business.
- On 18 and 19 June, Paris hosted the Smart AgriMatics Conference 2014, the theme was the use of ICT robotics in farming and food industry in the future. Among experts from fields of enterpreneurship, governmental organizations, research institutes and software and hardware companies, Dr Rok Rupnik, Product Manager for mobile applications also attended the conference on behalf of Datalab.

5.6.6 Informing target public

5.6.6.1 PANTHEON News

Every other month, we send an e-circular to our users, Partners, employees, and other interested parties. PANTHEON Novice (PANTHEON News) presents the most important events of the previous months, news, program enhancements, tips and new features, presentations of Partner companies, and other interesting news collected from throughout the Datalab community. Once a year we make a print version of PANTHEON News.

The archive of all news is available at: *http://www.datalab.si/o-podjetju/medijsko-sredisce/arhiv-e-novic*

5.6.6.2 Corporate and partners update

We prepare a Weekly and Partners Update each week. The Corporate Update keeps all Datalab employees at HQ and all subsidiaries informed about what's going on in the company and provides other important information. Through our Partner's Update, DEV and Implementation Partners receive up-to-the-minute information about new features, improvements, and upgrades in PANTHEON, as well as important information about events at Datalab and within the broader Datalab ecosystem. The goal of the Updates is to keep all employees at Datalab and our Partner companies throughout the Adriatic region informed about actual events within the company and in PANTHEON.

5.6.6.3 Information for Investors

We have a website section dedicated to information for investors, *www.datalab.si/vlagatelji,* where results, plans and other information related to the company is published. The basic communications tool for informing stakeholders are releases on SeoNet, which are outfitted with more in-depth information on our website.

At *http://www.datalab.si/vlagatelji/analize*, we are publishing quarterly analyses of Datalab and its stock, prepared by the financial group Alta, d.d. Twice a year (along with annual and half-year results), longer analyses will be published, containing an overview and comments of the results as well as an investment thesis, investment risks, relative valuation and discounted cash flow valuation. Shorter analyses will be published along with the results of the first and third quarters, containing an overview of the results and comments of relative valuation.

5.6.6.4 User Site

The PANTHEON User Site's purpose is engaging PANTHEON users and other interested parties in sharing their knowledge and experience with others. Crowdsourcing is

creating a knowledge base from which the whole Datalab ecosystem can draw from easily and above all free of charge.

The reason why we started considering to provide means of self-support and community support is the limited number of consultants in partner companies. Paying for support is significantly more expensive than those two methods, which decreases the cost of ownership and usage of PANTHEON for users. Users can find much useful information that will aid them in solving their issue (documentation, video, developer information) or they can ask the community for help (forum, remote support).

Under the motto "Join the Tribe", the members of PANTHEON's online community range from Datalab employees to partners, users, accountants, entrepreneurs, etc.

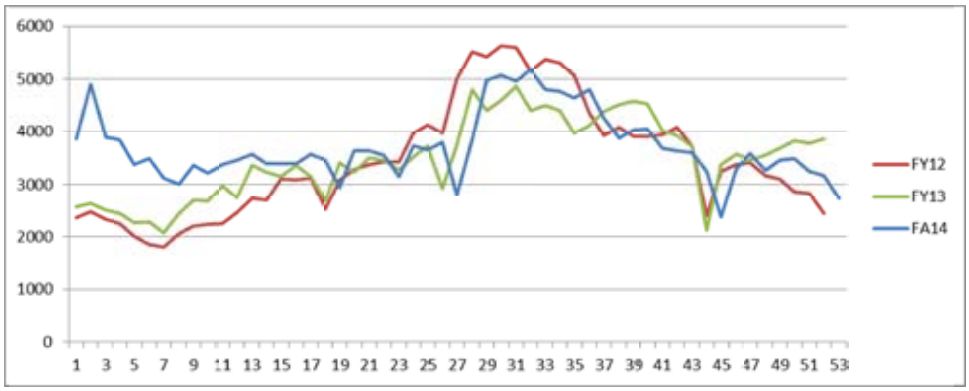
The User Site contains news about the program and related contents (entrepreneurship, legislature, events, etc.), and offers users multiple ways to access support (official support via Help Desk and telephone, unofficial support via the forum), videos (PANTHEON TV), comprehensive documentation on the site's Wiki (which means that every visitor can edit the contents), an encyclopedia of entrepreneurship (featuring content by guest authors). All of this content is interlinked in a system which can detect what a user is reading or viewing and guide them to similar contents that may be of interest. This leads users from the problem to the solution, making not only support more efficient, but also operations in general.

The User Site is not an ordinary portal that offers only a forum for user communication about working with PANTHEON. Our ambitions are way higher; we have created an information portal for SMEs with complex foundations but easy to use. It offers useful and interesting information for businesses about fields like marketing, leadership, management, accounting, etc.

The User Site offers PANTHEON users numerous features related to content and usability; we are also glad to see that one of our key goals is getting fulfilled – the forum has become an additional free channel of support, where users can help out each other.

On the "Marketplace", our partners can offer and sell their PANTHEON-based or PANTHEON-integrated solutions. We will expand the offer to many more industries and make products available in all countries; users will thus have more contacts for their projects and PANTHEON will be more usable.

The following charts show unique visitors across all local User Sites in FY'11 and FY'12 as well as the number of published matter (news, post, etc.) and their views in those two years.



The User Site opened to the general public in Slovenia on 2 November 2010, that is why statistics are measured from then onwards. The first peak of visits was in March 2010 and can be attributed to opening the User Site in other countries. A significant drop in visits occurred around the holidays for Christmas and the first of May. Statistics also show a drop in the summer months, but otherwise the trend of growth and decline is similiar every year. The numbers of unique visits range from 3,000 to 5,000 per week, approximately there are 196,000 visitors to the U-site per year.

Satisfaction with PANTHEON

5.6.7 CUSTOMER SATISFACTION INDEX

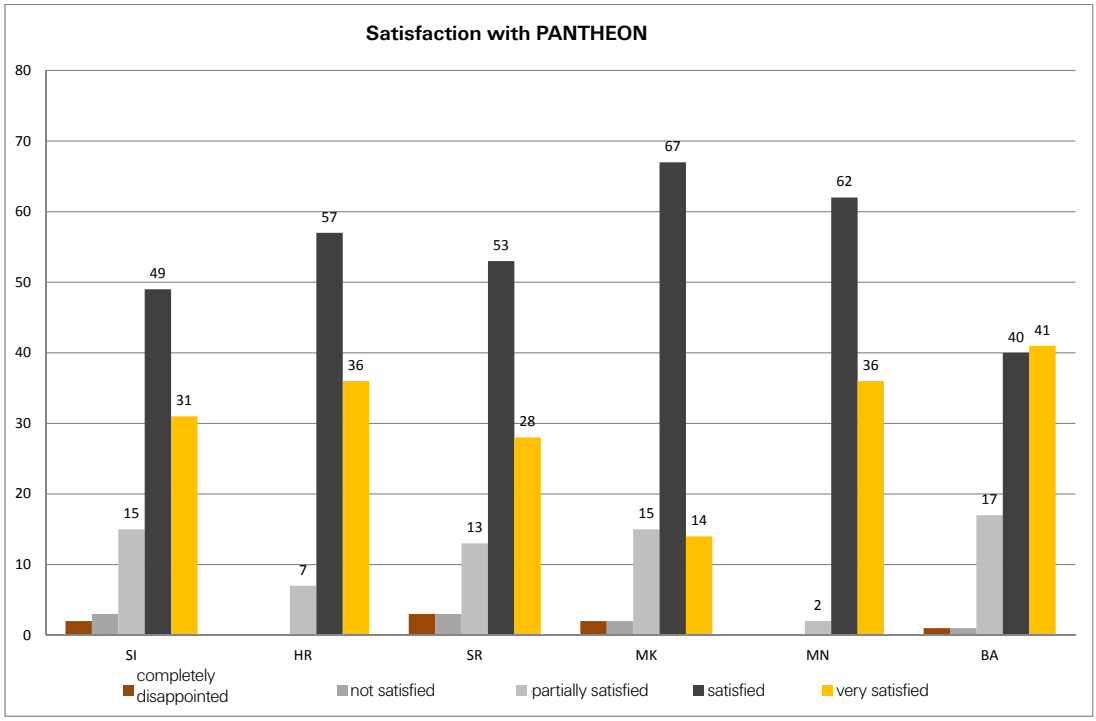
For the fiscal year 2014, we conducted a CSI (Customer Satisfaction Index) survey of user satisfaction with PANTHEON in Slovenia as well as in Serbia, Montenegro, Macedonia, Bosnia and Herzegovina and Croatia.

Included in the survey were 470 users in Slovenia, 238 in Serbia, 42 in Montenegro, 94 in Macedonia, 394 in Bosnia, and 374 in Croatia; 1,612 total. The survey contained 20 questions in the following categories:

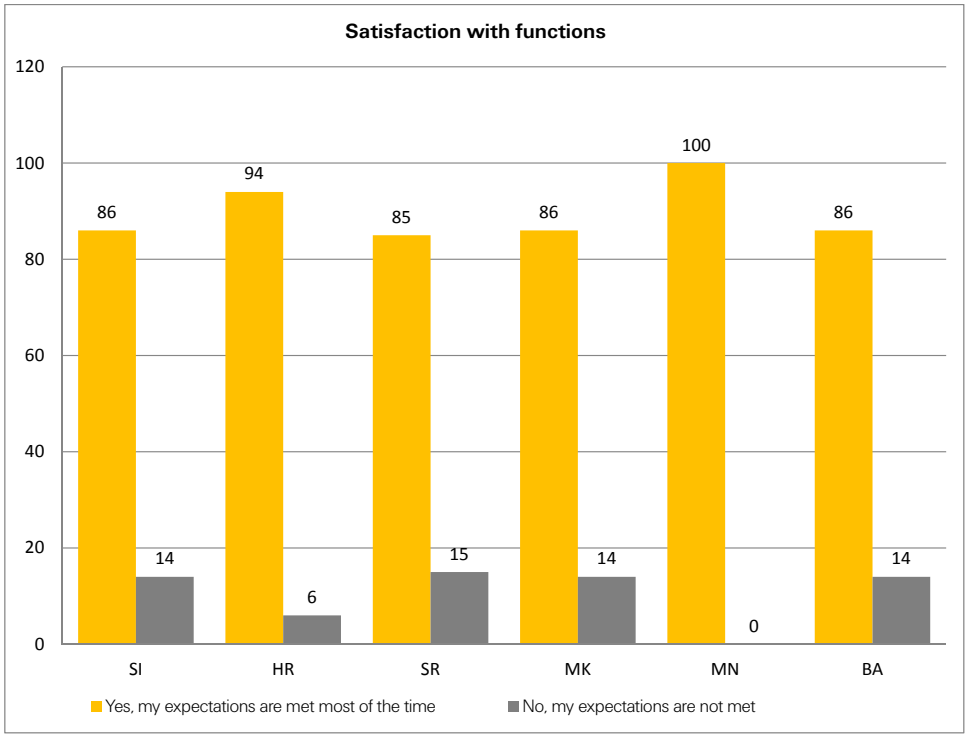
- satisfaction with PANTHEON software and its features,
- questions about marketing,
- satisfaction with customer support and assistance,
- satisfaction with documentation and support mechanisms.

Below, a summary of the results by countries (all numbers are percentages).

The majority of users is very satisfied with PANTHEON. The most satisfied and extremely satisfied users of PANTHEON are in Montenegro (98%) and Croatia (93%).

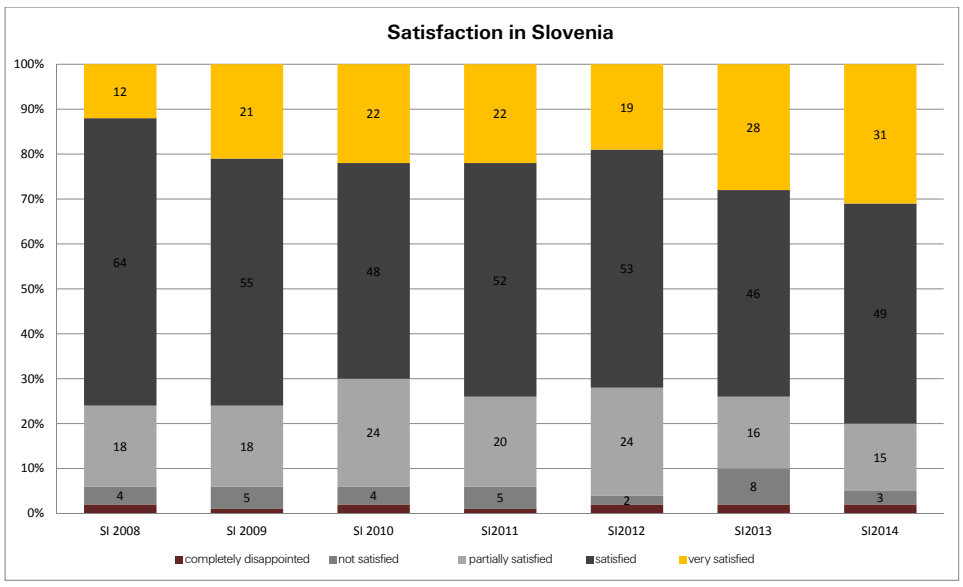


On average, PANTHEON fulfills expectations of 89% of all users. Those for whom the program does not fulfill their expectations, listed complexity and difficulties with software upgrades as most common reasons.

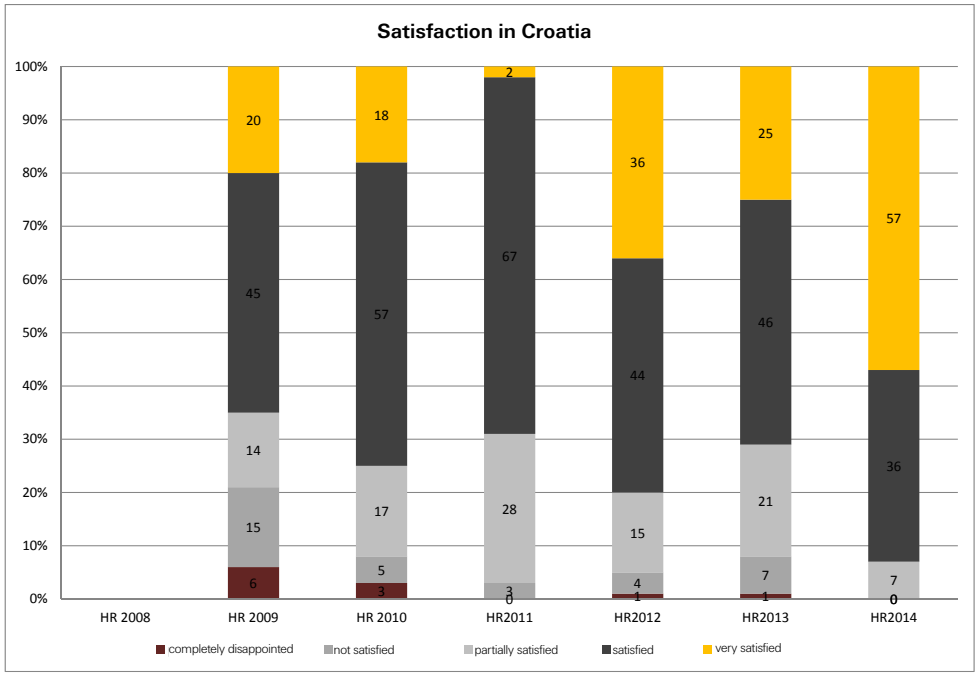


Excellent work of the entire Datalab team is reflected in the fact that 92.67% of all users would recommend PANTHEON to their business partners and friends in all countries where they are present.

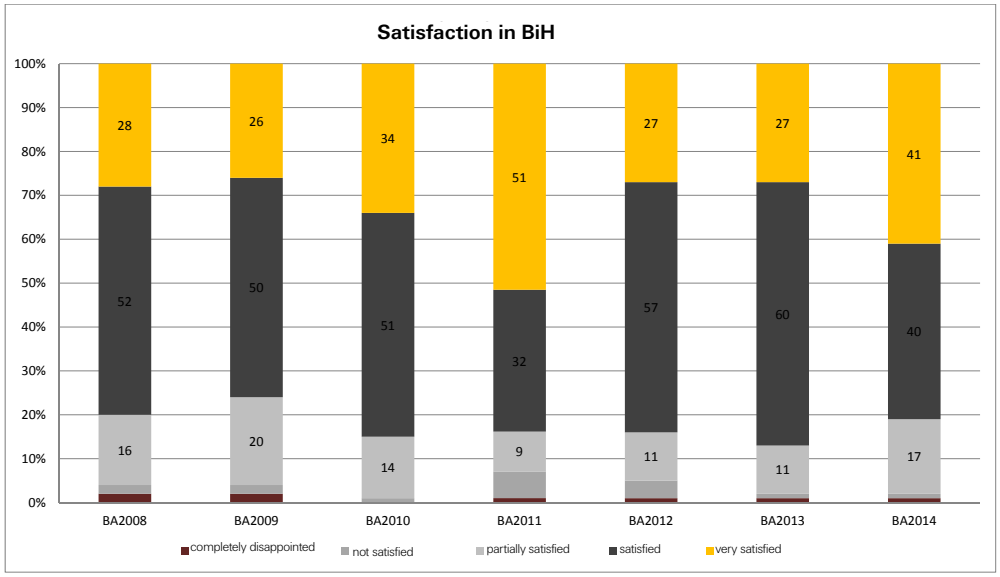
User satisfaction through the years 2008–2014 for those countries where a CSI survey was conducted in all 7 years:



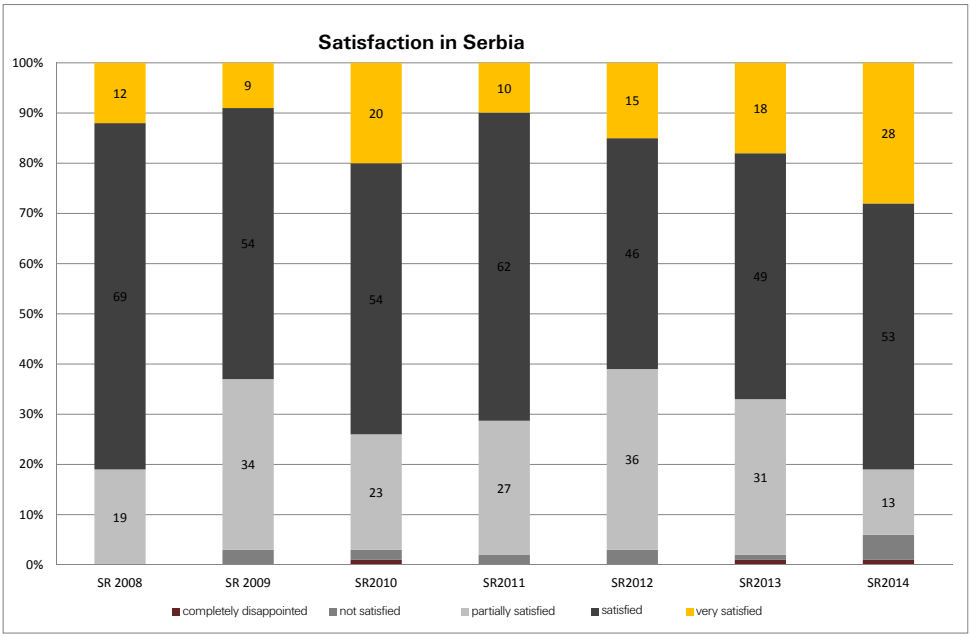
From 2008 to 2013, satisfaction with PANTHEON in Slovenia remained between 70 and 76%; in 2014, satisfaction of users who are satisfied or extremely satisfied with the program climbed to 80%.



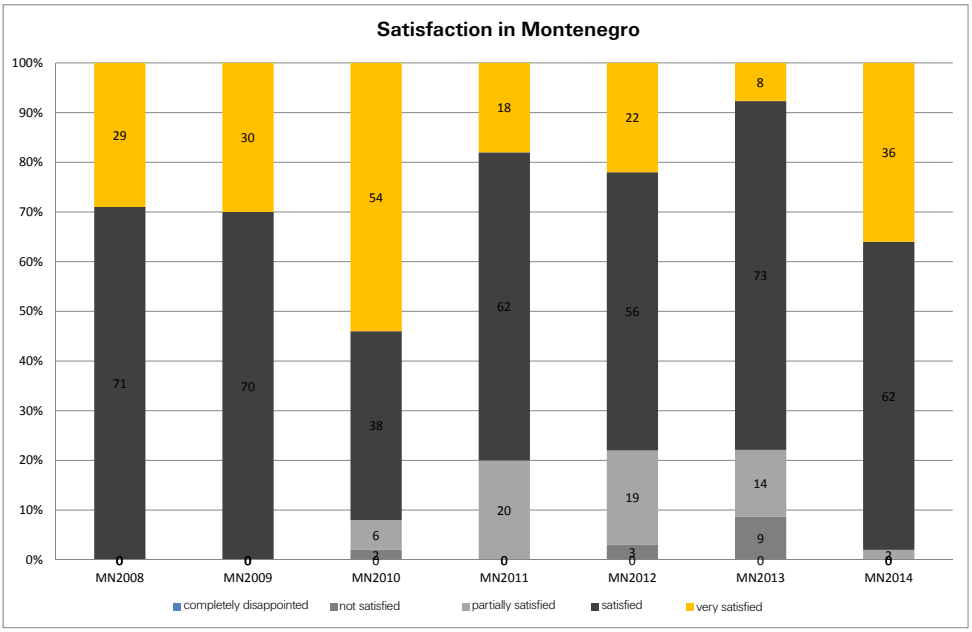
The movement of user satisfaction with PANTHEON in HR has increased extremely from 2009 to 2014. In the last year, satisfaction of users who expressed the opinion that they are satisfied and extremely satisfied with the program increased by 22 percentage points to 93%.



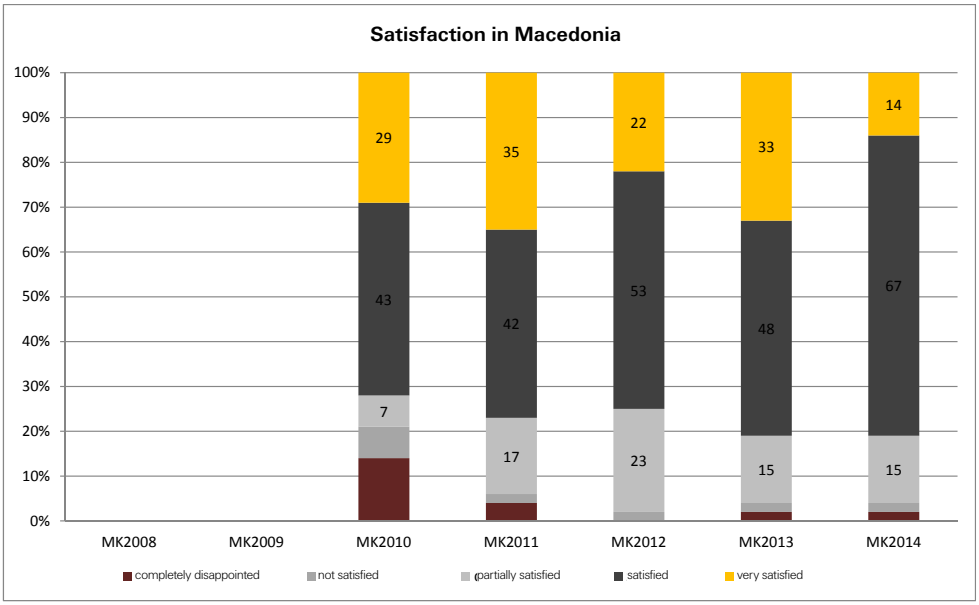
Since 2008, the movement of user satisfaction with PANTHEON (satisfied and extremely satisfied) in BiH ranges from 76% to 87% at the most (in 2013). But from 2013 to 2014 the share of extremely satisfied users increased substantially: by 14 percentage points to a total of 41%.



In 2014, the percentage of extremely satisfied PANTHEON users in Serbia increased by 10 percentage points compared to 2013. Altogether, we are recording an increase of satisfied and extremely satisfied users: a 14 percentage point increase compared to last year.



In Montenegro, the percentage of extremely satisfied and satisfied users increased by 17 percentage points to a total of 98% which show excellent work of the entire Montenegrin team, sales as well as support.



The satisfaction of PANTHEON users in MK remains for the second year in a row at 81% of satisfied and extremely satisfied users, only the share within these groups changed, namely, the number of satisfied users increased by 19 percentage points and the number of extremely satisfied users decreased by the same amount.

5.6.8 New rewards in the fiscal year 2014

For the second year in a row, we received the Gold medal at the 52nd Fair of Agriculture and Food AGRA in the category (new) products of domestic production for PANTHEON Farming Mobile.

This time, an expert commission granted the flattering award in the category of the best use of cloud services in the economy to Datalab for PANTHEON Farming or for the innovative use of the mobile application PANTHEON Farming Mobile. As a category winner of the Slovenian competition, we won 4th place in the competition for the European EuroCloud Award.

In February 2014, Datalab received the FENIKS award that Bisnode awarded for the first time at the 8th sales conference Sales Summit to companies that had some trouble due to the financial crisis and managed to rise nevertheless from the ashes.

5.7 TRAINING – DATALAB ACADEMY

5.7.1 Mission of the Datalab Academy

Datalab Academy formally started work in June 2007 (FY'08). The Academy provides training and certification to Partners and end-users. Training courses are carried out in Datalab Academy classrooms as classical frontal teaching, in the form of free and payable webinars (web learning), as well as in the form of individual training. Training and certification is lead by service center technologists, product managers, certified outside lecturers and experts from the fields of accounting, finances, enterpreneurship, IT etc.

Community-based mechanisms for self-learning are another active and free of charge method. You can access free and payable online videos, written material (PANTHEON user guides) and active forums (intended to build the knowledge base and active user community collaboration).

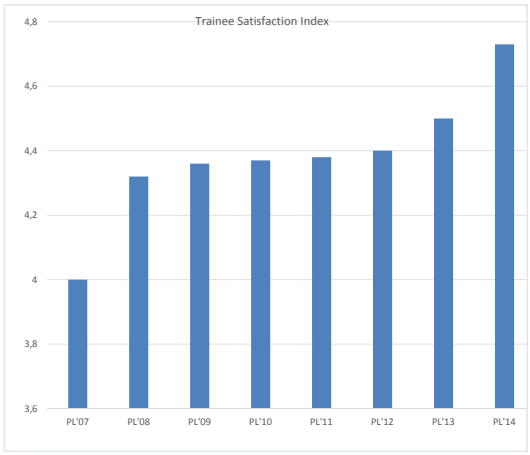
At the Academy, we strive to boost and strengthen the PANTHEON community with all forms of training. This way we also encourage trust in the PANTHEON brand so that it does not only represent a good and high-performance business information system but it includes a variety of quality and low-cost services.

5.7.2 Training activities by individual countries

5.7.2.1 Slovenia

Training of users and development and support partners

In FY 2014, the Academy carried out regular training courses (workshops, seminars/events) which were attended by 1,288 participants. Courses were carried out from July 2013 (on a monthly basis) to June 2014. Altogether, 110 workshops/seminars/events were carried out.



The Datalab Academy put great emphasis on the quality of its educational services. That is, a record of trainee satisfaction index is kept by handing out surveys after each training course. The participants assess quality of the course with marks from 1 (unsatisfactory) to 5 (excellent). The obtained results show that we managed to increase the quality of services from an average mark below 4.0 in 2007 to 4.73 in FY'14.

In FY'14, we continued with carrying out free of charge training for new PANTHEON users with the aim of increasing the number of new participants, boosting general knowledge and in particular user satisfaction. All new users (who expressed a wish) were included in intensive and free of charge introductory training sharing key information and best possible overview of options PANTHEON has got to offer. At the same time, we tried to help partners with product implementation with customers. In addition, we wanted to help customers in their attempts to set up their business operations and cooperate with support partners. Of the total number of participants in the frame of regular training courses, 468 were given a free of charge introduction.

Datalab Academy, invitation to training, Cadres and Salaries and current legislation

Besides carrying out regular training, we tried to bring activities even closer to new requirements (regarding the development of new verticals) and to internal training of the Datalab Team. In FY'14, we carried out 17 special training sessions for PANTHEON Farming, attended by 132 participants, and an in-house training for ProjectServer and NoviPOS, attended by 32 employees.

In FY'14, we invested a lot into development and training of our development and support partners. Through training activities, we wanted to raise the quality of services for users to the highest level and enable users to choose an adequately trained consultant for a specific field of PANTHEON. In addition to especially designed webinars, we also carried out multiple free training and presentations for new products like NoviPOS and PANTHEON Farming.

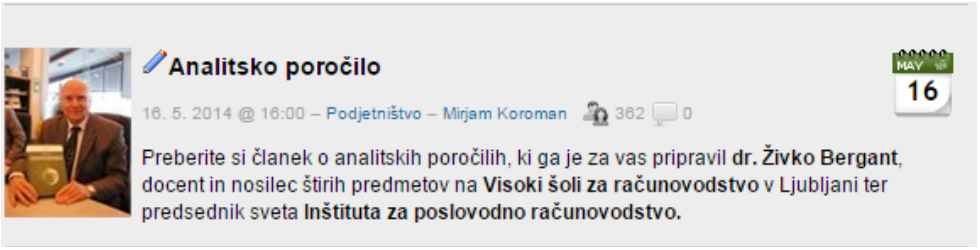
Connecting with professional institutions

We cooperated with various external experts, organizations and EDU partners at educational events to provide our users with more access to knowledge. They enrich our user community by contributing into the Entrepreneurship Encyclopedia at the User Site or carry out courses in cooperation with the Academy.

In FY'14, we would like to point out cooperation with:

- the company Inspiris and its owner Mrs Nataša Tovornik, who contributed articles into the Entrepreneurship Encyclopedia,
- the Institute for Management Accounting: articles in the Entrepreneurship Encyclopedia, presentations at the PANTHEON Conference and the Academy's courses in the fields accounting, finance and taxes,
- the company Zeus that contributed articles into the Entrepreneurship Encyclopedia and presentations at the PANTHEON Conference on the topic of accounting,
- the private Gea College that had a speaker at the PANTHEON Conference on the topic of business communication and entrepreneurship,
- Mint International House that had a speaker at the PANTHEON Conference on the topic of business English,
- the Tax Administration of the Republic of Slovenia that had a speaker at the PANTHEON Conference on the topic of current legislation on e-Invoices,
- the Chamber of Commerce and Industry of the Republic of Slovenia that had a speaker at the PANTHEON Conference and presented the National forum for e-Invoice,
- Public Payments Administration of the Republic of Slovenia, lectures within PANTHEON Conference, presentation of UJP activites in the field of e-Invoices, and many other institutions ...

Datalab Academy, announcement of an article by Dr Živko Bergant as part of the cooperation with the Institute of Management Accounting

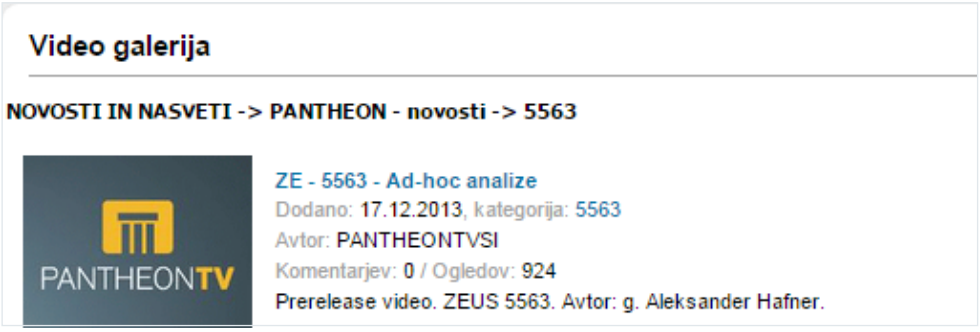


PANTHEON TV

Video content is constantly being updated so that a comfortable self-learning is possible 24 hours a day, 7 days a week.

Video instructions added monthly bridge a gap for those users which cannot personally visit our regular training courses or want to invest as little money and energy in them. At the end of the fiscal year 2014, the video library had over 500 video instructions, over 600 recorded courses and conferences, over 500 videos about new PANTHEON features and tips, and over 50 videos about entrepreneurship. Some videos have achieved over 4,000 views in FY'14 which confirms that the community is accepting them and that we are heading in the right direction.

Datalab Academy, PANTHEON TV, video material for a program upgrade ver. 5563



Educational events

At the 8th traditional PANTHEON Conference, organized by Datalab Tehnologije d.d. and Datalab SI d.o.o. and realized on 5 June in Hotel Mons in Ljubljana, guests: Mr Dušan Zupančič, managing director of the Association for Information Science and Telecommunications at the Chamber of Commerce and Industry of Slovenia, mag. Aleksandra Miklavčič, managing director of the Public Payments Administration of the Republic of Slovenia, and Mrs Alenka Kovač Arh, secretary of GDU, Tax Supervision and International Information Exchange in Register Sector, presented "What is the path to a maximum expansion of the use of e-Invoices in Slovenia?" in the introduction. In the continuation of the introductory part of the conference, the Executive Director of Datalab, Andrej Mertelj together with consultants and partners demonstrated a comprehensive model of e-Business of a small company and accounting service on examples. In the conclusion of the introductory part, Mr Tadej Smogavec, Segment Head of our general partner Telekom Slovenije d.d., presented comprehensive telecommunication solutions for service companies.

A round table for accounting services followed: "Are you ready to invest with us into a better tomorrow?", facilitated by Maja Fujan, Head of Marketing, Datalab Tehnologije d.d., and Mr Anton Rems, representative of the general partner Telekom Slovenije d.d., with guest Mrs Daniela Roj, managing director of accounting service Avista Biro d.o.o.

In this most important business and educational event of Datalab Tehnologije d.d. and Datalab SI d.o.o., the Conference continued with presentations about working with PANTHEON and many other fields, including accounting, manufacturing, business, taxes, sales, etc. The Conference was finance, material and content-wise supported by more than 20 sponsors and partners. Sponsors

presented themselves within the framework of advisory workshops, their demonstration stands, short presentations, and in the form of expert articles on the website of the Conference. With their help, we attracted more than 300 participants of the Conference to e-Business and information technology.

Datalab Academy, 8th PANTHEON Conference, 5 June 2014, Mons, Ljubljana, photos

5.7.2.2 Bosnia and Herzegovina

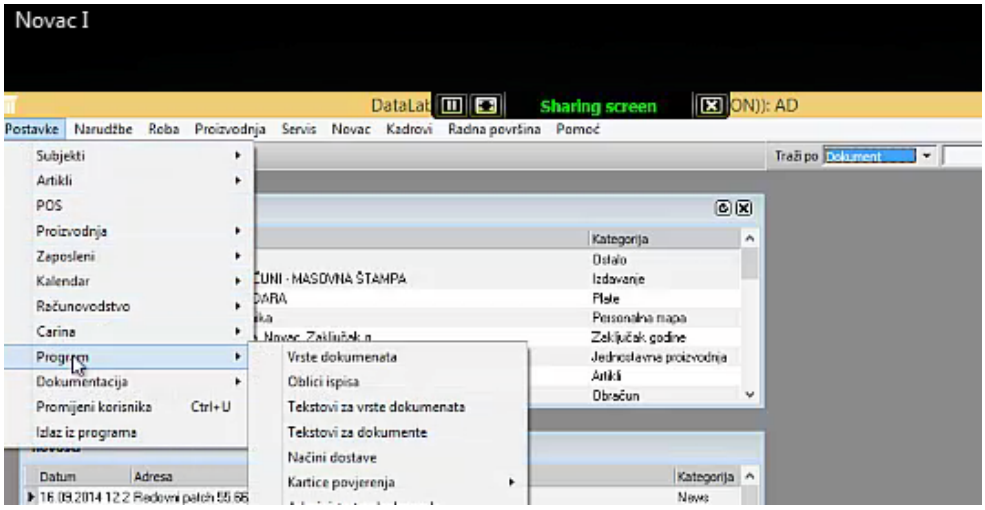
Training of users and support and development partners

Datalab Academy from Bosnia and Herzegovina set a clear goal in FY'14: import as much knowledge as possible in the user community. Knowledge influences user satisfaction and expansion of PANTHEON community.

As every year, we analyzed user needs and designed content and form of training accordingly. We offered individual training, classical training, web learning (webinars), sales webinars (online PANTHEON presentations) and instructional videos.

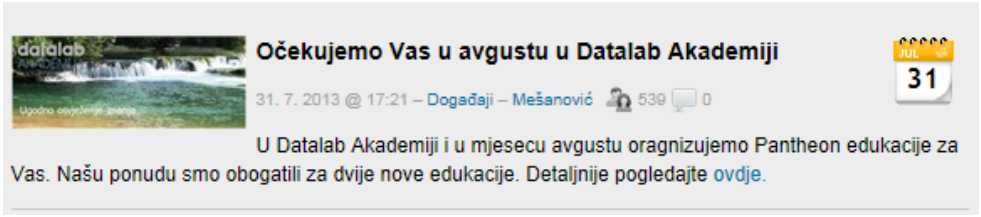
In FY'14, webinar (as a specific of the BiH market) turned out to be the most effective mode of training. In addition to many other advantages of this form, users and partners save a lot of time due to the abolishment of loss of time for the unnecessary drive to the locationof training.

Webinar demonstration; Modul Novac I



In the fiscal year 2014, we carried out 53 different training courses that had 546 participants. From the listed training courses, 2 workshops were carried out individually, 7 presentations of PA took place as a support to sales processes. 73 participants attended the sales presentations. The participants gave an average mark of 4.7 for courses (1 - unsatisfactory and 5 - excellent).

Example of an invitation/news at the User Site of Bosnia and Herzegovina, Sarajevo



Connecting with professional institutions

In FY'14, we actively cooperated with educational institutions. A contract of cooperation was signed with "Agricultural and Food Faculty in Sarajevo and Veterinary Faculty in Sarajevo.

Signing of contracts between Datalab BiH and Agricultural and Food Faculty in Sarajevo.

Upon connecting with these two institutions, Datalab Academy BiH enabled students - future farmers, agriculturists and veterinaries - a simple way of farm management with Pantheon Farming.

Educational events

Within the framework of cooperation with the Faculty of Economics of the University of Sarajevo, Datalab Academy participated at CEO (Career and Entrepreneurship Opportunities) Conference that took place on 7 and 8 December 2013. The Conference was visited by 300 participants. Using a proactive approach to enterpreneurship and career development, Datalab Academy contributed manuals and training courses for PANTHEON.

PANTHEON TV

At the end of the fiscal year 2014, the video library of PANTHEON TV BA had over 140 video instructions, over 51 recorded courses and conferences, and over 265 videos about new PANTHEON features and tips.

Example content of the video library, PANTHEON TV, BiH

In the video gallery, we would like to point out a series of promotional videos created in the fiscal year 2014 in collaboration with the accounting agency ROMIPAX. With promotional videos, Datalab Academy wanted to present the advantages of PANTHEON in establishing an accounting service.

5.7.2.2 Serbia

Training of users and support and development partners

In FY'14, Datalab Academy Serbia conducted training courses for users in the period from December 2013 to May 2014. In addition to standard modules and training courses, they introduced new thematic training courses and training adjusted to legislative changes. We generated the most applications in December and January 2013 due to a legislative change in the field of payroll. Altogether, we conducted 2 training sessions per month with a total of 70 participants. From December to February, we also carried out certifications of potential partners. A total of 13 partners attended on 12 appointed dates.

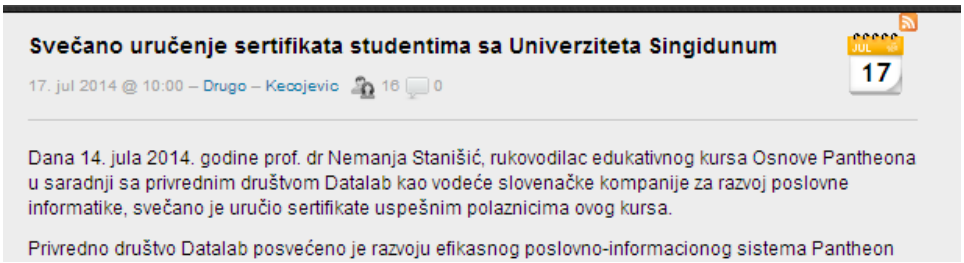
Example of sending training notices on the User server and example of notices for partner certifications

Connecting with professional institutions

In FY'14, Datalab Academy and University Singidium conducted professional training for payroll in PANTHEON and VAT.

Students also participated in a training about the basics of PANTHEON which was presented by professor Nemanija Stanišič and assistant Nada Arežina. Students also passed certification.

Solemn handing over of certificates to the students of the Singidium University



PANTHEON TV

At the end of the fiscal year 2014, the video library of PANTHEON TV Serbia had over 330 video instructions, over 50 recorded courses and conferences, and over 300 videos about new PANTHEON features and tips.

In the video gallery, we would like to point out 60 new instructional videos in FY'14 for new features of PANTHEON in upgrades 5562 to 5565.

Published video news for PA 5564, Datalab Academy Serbia

5.7.2.3 Croatia

Training of users and support and development partners

In FY'14, Datalab Academy Croatia conducted a series of training sessions and events for existing and potencial users of PANTHEON. Altogether, there were 40 courses/workshops/presentations/events attended by 278 participants.

Training (courses and workshops) was organized for groups of 10 to 30 participants. Training for bigger groups took place in IT classrooms of the largest EDU partner ALGEBRA; smaller groups attended training at the company headquarter in Zagreb.

In FY'14, the participants gave an average mark of 4.8 for courses (1 - unsatisfactory and 5 - excellent).

Connecting with professional institutions

In FY'14, Datalab Academy established a professional connection with the EDU partner ALGEBRA from Zagreb. ALGEBRA included practical work on the PANTHEON platform into its regular curriculum of Head of bookkeeping, accounting and finances. Within this cooperation, we combined experience of both companies - ALGEBRA as a long standing performer of training with international presence and Datalab as an international company experienced in implementation of PANTHEON information system.

Cooperation with EDU partner Algebra Zagreb

Educational events

Since Croatia joined the EU, there are a lot of investments into harmonization and adapting the legislation. In accordance with this, there are a lot of legislative changes in PANTHEON. One of them are e-Invoices. Owing to this, Datalab Academy in collaboration with My e-Invoice and Chamber of Commerce and Industry organized 11 educational events. The goal of these educational events was to introduce e-Invoices to Croatian economists, enterpreneurs and craftsmen.

Photos from lectures at the event My e-Invoice, Datalab Academy Croatia

In May 2014, Datalab Academy participated at the 21st International Wine Fair Vinistri in Poreč. The goal of this collaboration was to present PANTHEON Farming, focusing on wine-growing and conducting educational activities for the visitors of the event. We organized 6 specialized training sessions, attended by 23 visitors.

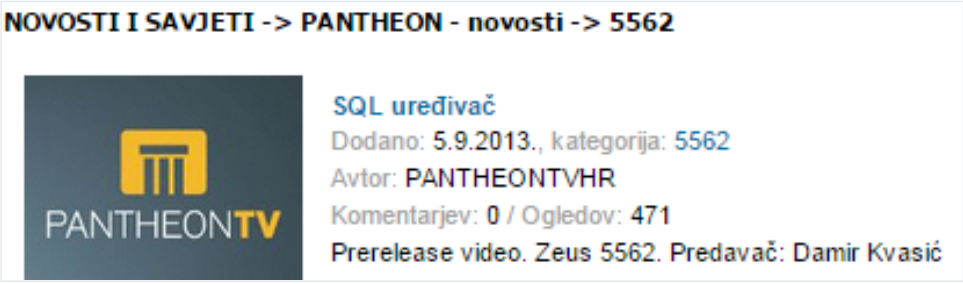
Invitation to Vinistra event

PANTHEON TV

At the end of the fiscal year 2014, the video library of PANTHEON TV Croatia had over 120 video instructions and over 200 videos about new PANTHEON features and tips.

In the video gallery, we would like to point out 83 new instructional videos in FY'14 for new features of PANTHEON in upgrades 5562 to 5565.

Published video news for PA 5564, Datalab Academy Croatia



5.7.2.4 Macedonia

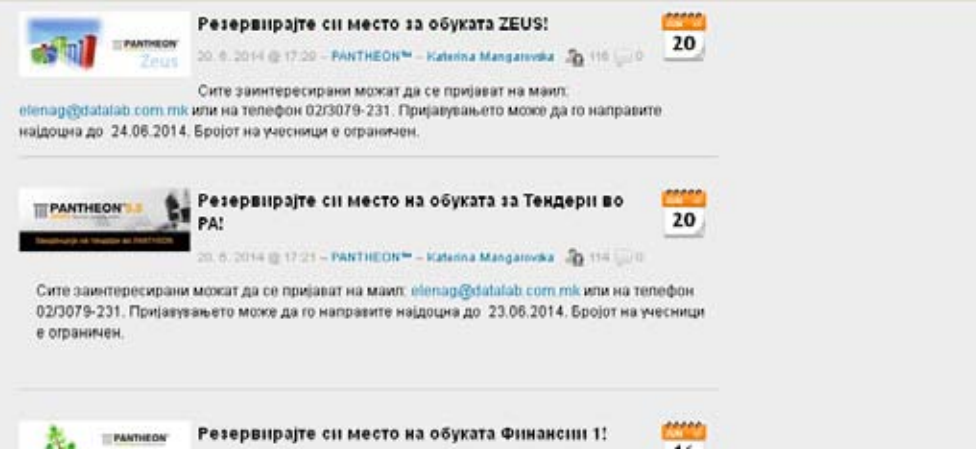
Training of users and support and development partners

In FY'14, we thematically designed and organized two cycles of PANTHEON training according to the needs of buyers and partners in Macedonia. Training took place in the Datalab Academy classroom in Skopje. We conducted 40 different training sessions, attended by 320 participants. The participants gave an average mark of 4.1 for courses (1 - unsatisfactory and 5 - excellent).

Educational events

In FY'14, Datalab Academy Macedonia organized special events twice a week (Tuesday and Thursday), called "Oped Days for PANTHEON". The mini events "Open Days for PANTHEON" took 2 hours. In FY'14, we organized 10 such events, attended by a total of 50 guests.

Published invitation to training and "PANTHEON Open Days" on the user server

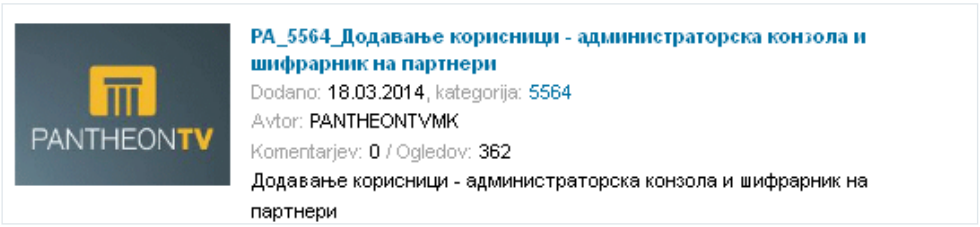


PANTHEON TV

At the end of the fiscal year 2014, the video library of PANTHEON TV Macedonia had over 80 video instructions and over 150 videos about new PANTHEON features and tips.

In the video gallery, we would like to point out 38 new instructional videos in FY'14 for new features of PANTHEON in upgrades 5562 to 5565.

Published video news for PA 5564, Datalab Academy Macedonia



5.8 NOTABLE EVENTS IN THE FISCAL YEAR 2014 (1 JULY 2013 TO 30 JUNE 2014)

JULY 2013

On 16 July 2013, Datalab received the confirmation of the European Commission that the project "AgroIT - Increasing the efficiency of farming on open standards based AgroIT platform", which the company as the leading partner and head of consortium entered in May, was accepted to negociations within a financial scheme Pilot Type B. In the next 31 months, the company and its consortium partners (Slovenia, Portugal, Poland, Macedonia, Denmark, Austria, Romania) should receive 2.5 m EUR of which 1 m EUR is intended for development of Datalab's farming applications.

AUGUST 2013

Personnel changes: The Managing Director post in Datalab RS d.o.o. that was occupied by Miodrag Ranisavljević until August, is taken over by Aleksandar Bukumirović.

In August, under the auspices of the Chamber of Agriculture and Forestry of Slovenia, Datalab attended the Fair of Agriculture and Food AGRA in Gornja Radgona. We presented our new product PANTHEON Farming, intended for farm management, to many visitors, mainly from Slovenia, Austria, Italy and Hungary. We also received the Gold medal 2013 for A/1 ERP PANTHEON Farming.

SEPTEMBER 2013

On 20 September 2013, Datalab Tehnologije d.d. received a visit from mag. Alenka Bratušek, Prime Minister of Slovenia, and dr. Algirdas Butkevičius, Prime Minister of Lithuania, who was visiting Slovenia while presiding over the EU council. During the visit, we presented our vision of the future with linked up farms that ensure better traceability, greater profitability and a more transparent use of subventions. Both Prime Ministers expressed interest. Cooperation talks are supposed to continue in Lithuania with the intention to include business companies and research institutions from both coutries.

We successfully defended AgroIT at negociations in Luxembourg.

OCTOBER 2013

Melita Podlipec became the head of Service Desk in Slovenia. Before that, Melita managed the center for customer support at SRC SI d.o.o. with over 15,000 users.

Datalab was present at the 15th Congress of Accounting Firms in Laško as a Platinum sponsor.

Datalab SI and Telekom Slovenije harmonize the bid to offer cloud services and common projects in 2014.

This year, Datalab once again participated in the "Embrace of the Sea" campaign of the Sonček Association and made it possible for children to go on vacation in cooperation with the Center for school and after-school activities (CŠOD).

At the 19th conference on business analysis, where the central theme was the support of business decision-making, Borut Puklavec, Product Manager of the Zeus module, used practical examples from PANTHEON to present a contribution entitled The role of information technology in decision-making in associations.

NOVEMBER 2013

Datalab d.d. and Datalab SI d.o.o. move to Koprska 98, 1000 Ljubljana. A welcome change: lower expenses. An unwelcome one: lack of space.

On 19 November 2013, the 23rd Statistical day took place at Brdo pri Kranju, titled Statistics, partner of companies, where Borut Puklavec attended a round table with the title Challenges and traps of statistical disburdening of companies. He represented Datalab's views as a provider of information systems for small and medium-sized companies.

On 26 November 2013, Kolosej in Ljubljana hosted an event destined for accounting services, titled "PANTHEON e-Accounting in the Cloud". Datalab and Telekom Slovenije representatives introduced new features in e-Accounting to participants and took them into the "cloud" as a service.

DECEMBER 2013

Cankarjev dom hosted the 21st Manager Concert to which Datalab also contributed.

FEBRUARY 2014

Datalab received the Feniks award. Within the 8th sales conference Sales Summit, organized by the Business Academy of the newspaper Finance, the company for media and business and benefit information Bisnode granted for the first time the Feniks award; it is designed for companies that were almost ruined by the financial crisis, but thanks to adequate strategy and successful business decisions managed to rise from the ashes.

The Board met at its 42nd regular meeting that was also the constituent meeting of the Board in its new composition. Andrej Brlečič took over the domain of sales for the entire corporation and will regularly attend meetings of the Executive Board as a reporter. Mr Nedim Pašić was appointed vice-president of the Executive Board, and an audit commission was also established, Mr Zajc is its chairman and Mr Pašić and Mr Sikira are members. Datalab Agro CH AG is established, a company with head office in Schwyz (canton Schwyz, Switzerland) and initial capital of 200,000 CHF, in mixed ownership of Datalab d.d. and Mattig Management Partners AG. Mr Stričević is promoted to the post of PfC Manager on the corporate level and covers the operational domain of merging/purchasing/incorporating.

MARCH 2014

Datalab presented itself in Hannover, Germany, at an international fair CeBIT with PANTHEON Farming, a comprehensive information solution for farms. We took this opportunity mainly to look for new partners from across the globe and networking.

With PANTHEON Farming, Datalab attended the biggest farming fair in Central Europe Techagro in Brno, Czech Republic, where participants from almost 40 countries presented the latest trends in farming technology.

Upon invitationof Dr Mojca Batavž, Datalab paid a visit to Masters students of the program Applied statistics at the Faculty of Electrical Engineering. Within the subject Data sources, the Product Manager for business intelligence Borut Puklavec presented business information and their management, especially from the point of view of companies using PANTHEON and of Datalab as the developer of business solution.

In March of this year, the big EU project AgroIT began and Datalab Tehnologije d.d. is its leading partner and coordinator that with this project only strengthens its role as one of the leading companies in Europe in introducing information technology in farming.

On 20 March, at the Slovenian embassy in Bratislava, Slovenian Foreign Minister Karel Erjavec welcomed members of a business delegation of 15 Slovenian companies that operate in Slovakia, among them was Datalab. In the conversation that followed, some important standpoints were formed; at this occasion, the Executive Director of Datalab Andrej Mertelj presented the initi-

ative for the establishment of a European competence center for farming information science.

APRIL 2014

Datalab Agro AG is created in Pfaeffikon, Switzerland.

In April, Datalab presented PANTHEON Farming at a traditional spring Agricultural and Trade Fair in Komenda.

In April, Datalab sponsored the event Electronic Invoice in Practice, organized by Tetradata company in the Crystal Palace in Ljubljana, BTC. A guest from Datalab, Brigita Meglič, presented and demonstrated the procedure of Automatic Takeover and sending an e-Invoice in PANTHEON.

The 35,000th PANTHEON license was sold on 8 April 2014. Institute for Public Health, our 35,000th user, bought PANTHEON in the subsidiary in Bosnia and Herzegovina and will be able to use the chosen license for free.

This year, once again, Datalab supported the student event University Programming Marathon 2014, where teams compete against each other in doing programming tasks, and the winning team will participate in the Central European Programming Contest ACM ICPC.

From the very beginning, Datalab respects social responsibility and takes care and responsibility toward people and environment in which we live. That is why we donated to the Association for Sustainable Development Duh časa in the scope of a humanitarian project Computers for the socially disadvantaged some computers, servers, casings and hard disks that will be used exclusively for socially beneficial purposes.

Datalab and Faculty of Economics and Business in Maribor are deepening their good cooperation. In addition to cooperation in research and development and using PANTHEON in the learning process, hosting of Datalab experts is the third branch of good cooperation between the faculty and Datalab.

MAY 2014

This year, six colleagues from Datalab attended the Three member team run at 12.5 km. Zvone, Robert and Danica made up the first team, Simon, Borut and Leonida made up the second one.

From 16 to 18 May 2014, the AgriFuture Days 2014 Conference took place in Villach, Austria; Datalab was among the participants with PANTHEON Farming.

This year, the 53rd IALB Days took place. The main topic of this year's congress was the Role of farming consultancy in the new CAP reform. The topic is very important for all member states of the European Union since the EU is implementing a new era of promoting agriculture. Datalab was present with PANTHEON Farming.

In May, Datalab again sponsored the event Electronic Invoice in Practice, organized by Tetradata company in the Crystal Palace in Ljubljana, BTC. A guest from Datalab, Brigita Meglič, presented and demonstrated the procedure of Automatic Takeover and sending an e-Invoice in PANTHEON.

JUNE 2014

In June, the 8th traditional PANTHEON Conference took place, organized by Datalab Tehnologije d.d. and Datalab SI d.o.o. Together, we realized it on 5 June in Hotel Mons in Ljubljana. More than 300 participants attended, and the main theme of the conference was e-Business.

On 18 and 19 June, Paris hosted the Smart AgriMatics Conference 2014, the theme was the use of ICT robotics in farming and food industry in the future. Among experts from fields of enterpreneurship, governmental organizations, research institutes and software and hardware

companies, Dr Rok Rupnik, Product Manager for mobile applications also attended the conference on behalf of Datalab.

In June, we prepared an event for all employees of Datalab and we relaxed at a picnic and went rowing along the Ljubljanica river.

On 18 June 2014, in the organization of the Chamber of Commerce and Industry - Export Breakthrough Section ZITex and EuroCloud Slovenia (Zavod e-Oblak), the EuroCloud Award was granted for the fourth time for the best services in the cloud on the Slovenian market. This time, an expert commission granted the flattering award in the category of the best use of cloud services in the economy to Datalab for PANTHEON Farming or for the innovative use of the mobile application PANTHEON Farming Mobile.

5.9 NOTABLE EVENTS IN THE FISCAL YEAR 2015 (AFTER 1 JULY 2014)

JULY 2014

On 10 July 2014, we announced that the recapitalization was concluded successfully with a new issue of 250,000 shares totalling 1,062,500 EUR or at 4.25 EUR per share (+1% over the exchange rate of the day). Alpen Invest, NLB Funds, SOP, KD funds, Alda funds and Unicredit funds Zagreb took part in the recapitalization.

On Friday, 11 July, and Saturday, 12 July 2014, PANTHEON Farming had a stand at the 5th National Black and White Breeding Animals Show "Slovenian Holstein Show" in Komenda. 73 breeders attended the exhibition. In cooperation with Telekom Slovenije, Datalab organized a prize competition for all participants.

AUGUST 2014

PANTHEON Farming and digital future of agriculture at the International Agriculture and Food Fair AGRA in Gornja Radgona. We took advantage of this year's presence for a detailed presentation of PANTHEON Farming and were one of the few who presented the digital future of agriculture by demonstrating many computer-supported novelties or trends that will feature ever more often at the farm and make work easier for farmers.

After last year's gold medal at AGRA for PANTHEON Farming, this year, Datalab received the gold medal in the category A - Products of Domestic Production (subgroup A/1, new products of domestic production) for PANTHEON Farming Mobile, mobile application for the management of farming businesses.

EAAE Congress of agricultural economists, which takes place every three years in one of the European countries, was hosted in Ljubljana from 26 to 29 August. PANTHEON Farming was the Golden sponsor of the congress, and Andrej Mertelj was one of the speakers who spoke to more than 800 visitors about trends in agriculture. He presented modern technologies, modern service in the cloud and technological instruments that completely shift the view of traditional farming.

SEPTEMBER 2014

Biro Bonus d.o.o., one of our oldest and most respected accounting partners, prepared a day of free tax and accounting advice, called BONUS DAY. Mrs Brigita Meglič from Datalab also attended the lectures and presented and demonstrated the procedure of Automatic Takeover and sending an e-Invoice in PANTHEON.

The Chamber of Commerce and Industry of the Republic of Slovenia continues with workshops for the promotion of e-Invoice. At the workshop in Kranj, Brigita Meglič from Datalab demonstrated Demo issue and receipt of e-Invoices in PANTHEON.

In September, Datalab once again organized a partner sailing in the Adriatic Sea, where 7 Datalab boats and almost 100 participants were sailing for a week.

Mr Torsti Pullola (ex Oracle, Compaq, DEC) joined Datalab Agro AG in Switzerland. In the corporate structure of Datalab, he holds the position of Vice-President for sales and operations of Datalab Farming across the globe and he answers directly to the Executive Board.

OCTOBER 2014

Between 3 and 5 October 2014, PANTHEON Farming was presented at the 19th Fall Agricultural and Trade Fair in Komenda.

After winning in the category of the best use of services in the cloud in business for the innovative use of the mobile application PANTHEON Farming Mobile at this year's 4th EuroCloud Slovenia Awards, the EuroCloud Europe Award only just slipped away from us: in the category "the best SaaS (software as a service) service on the market", we achieved 4th place with the comprehensive information solution for farms PANTHEON Farming.

Between 9 and 10 October 2014, Laško hosted the Congress of Accounting Firms again, this was the 16th edition. Together with Telekom Slovenije, we prepared consultancy, prize competition and lecture about e-Invoices and data protection for the visitors. Our partner Biro Bonus was the winner in the category of Large firms.

5.10 PLANS FOR THE FISCAL YEAR 2015

We are planning to introduce an additional source of revenue - licensing "Connector licenses" - connections to PANTHEON database and API via web, mobile and other interfaces. More and more users use PANTHEON outside a licensed Windows client which may cause a decrease of license revenue and with it of development budget in the face of growing demands. To neutralize this, we are inviting users to legalize such connections and uses (finally for the common good - long-term safe use of a modern tool), and we offer them particularly favourable conditions (the price of a "Connector license" amounts to 20% of the full license price). In addition to OTC licensing, licensing in Perpetual mode is also possible which enables DEV partners and their customers to reach a more adequate allocation of resources.

We are planning to launch a mobile POS cash register and one-stop-shop packages in cooperation with telecoms. Expansion of the features of PA FA Win and mobile client. Integration of POS sales point. We will develop a module for PANTHEON Farming for mobile (on-site) data capture/input and a feedback system to gather and implement user suggestions. Completion of bookkeeping and reporting schemes and continuation of the AgroIT project.

Final transfer of Datalab Farming operations to Datalab Agro AG. Continue to incorporate competitive or completing program companies. Expand market, professionalize sales and operations.

The number of users using the cloud e-accounting system will be increased with massive campaigns in Slovenia, Macedonia, Croatia and Serbia.

A 30-90% revenue growth in single segments in most of the markets is expected. We are expecting a decision about restarts in Bulgaria and Albania. We are glad to start sellling Datalab Farming program in Romania and we are looking ahead.

Competitive vendors will be joined to the organization, thus consolidating the market. Yesterday's competitors will become associates. Building upon development, accounting and education partnerships will continue. The coordination of these activities in all SUBs is the responsability of Mr Tihomir Stričević from DL.HR who reports directly to the management.

Finish the transition to UniCode and new developer tools. Refactoring will continue. We will try to be as current and proactive with legislation changes as possible.

5.10 RISK MANAGEMENT IN THE GROUP

Even though the group and the companies within it are small, risk management is one of the basic fields that every business must constantly develop. The most important and most likely risks have been identified and sorted by importance and probability. Internal control mechanisms have been revised, and risk monitoring and management methods have been devised. The objective of risk management is the identification of risks and using them to one's own advantage.

Risks have been divided into two groups, business risks and financial risks, as shown below.

5.10.1 Business risks

Area of risk	Description	Treatment	Exposure
Recession	Risk of small companies going out of business, thus reducing Datalab's installed base; smaller budgets.	Positioning: business intelligence as a tool for reducing costs. Increased consolidation of competitors into the group. Attract more users with e-accounting and hosting.	High
Intellectual property	Risk of software patents and legal actions.	Active participation against software patents.	Low
Development process	Risk of not bringing product development to a conclusion.	Project-oriented processes, supervision of development, process optimization.	Low
Reliability of suppliers and business partners	Risk of non-competitive or interrupted deliveries.	Constant supervision of contractual agreements.	Moderate
Competition	The emergence of new or strengthening of existing competitors.	Competitors drastically lowering their prices to keep their sales up. Monitoring the competition; constant improvements to the business model (e.g. installment plans for customers, partnership benefits) and products (not lowering the pace of software development). Shift from CAPEX to OPEX in PANTHEON Hosting. Cooperation with telecoms in the offering cloud services. Opening new markets for Datalab Farming and compensation of economies of scale through a common core.	High
Technological obsolescence	Risk of non-competitive product due to technological obsolescence	Constant development; new product generation roughly every four years.	Moderate
PfC partners fail to perform	PfC partner (see 5.2) does not achieve the contractually agreed goals	The PfC program is a variant of the so-called earn-out, where the partner gets a part of the revenue generated together. The risk for the company is usually just a flat sum in the amount of cca. 3-5% of planned revenue.	Low
Drop in capacity of the Partner Network	Drop in the number of partners or capacity overload due to existing projects.	Expanding the partner network; reducing the time spent for support and implementation. Establishing EDU partnerships with educational institutions. Liberalization of support services (accounting firms, self-employed consultants, peer support).	Moderate

5.10.2 Financial risks

Area of risk	Description	Treatment	Exposure
Drop in stock price	Lower demand for financial instruments due to financial crisis.	Intensifying communication with analysts and investors, presenting opportunities in the recession and emphasizing mid-term growth potential. Current shareholders not willing to sell below value.	Moderate
Insufficient loan sources	Risk of significantly reduced access to loans.	Selling long-term lease contracts; using other financial instruments (bonds) for refinancing lease sales. Taking advantage of the national loan guarantee scheme.	Moderate
Changing interest rates	Risk of changed conditions for taking out and financing loans.	Long-term loans with fixed interest rates.	Moderate
Credit risk	Risk of customers' non-payment.	Withdrawing services, blocking software use, debt collection, securing payments. Transfer of a considerable part of micro-invoicing to telecoms through cooperation in the cloud.	High
Reduced liquidity	Risk of not being able to settle current obligations.	Planning in monitoring liquidity and properly managing lines of credit. Reducing outstanding payments. Stricter monitoring of subsidiaries' debts.	Moderate
Property damage	Risk of fire, explosion, halted operations.	Proper insurance. Saving data in a remote digital locker on a daily basis.	Low

5.11 CORPORATE SOCIAL RESPONSIBILITY

For more information about Datalab's corporate social responsibility, visit our website at: http://www.datalab.si/o-podjetju/druzbena-odgovornost/.

A company's basic purpose is to create profit for its stakeholders. But among other things, we believe that the way in which it sets out to achieve this goal is also important. The effects of a company's activities must be positive for its clients, partners, employees and their families, and the community.

Datalab Tehnologije d.d. and other companies in the group respect the principles of corporate social responsibility:

- fair and equal treatment of all employees;
- ethical and fair business practice;
- respect of basic human rights;
- environmental consciousness;
- good relations with the local community and society in general;
- giving back and support to the community.
- In December 2013, Gallus hall of Cankarjev dom hosted the 21st Manager Concert. Datalab was among the numerous companies who supported this donor event for talented musicians.
- In April 2014, we donated to the Association for Sustainable Development Duh časa in the scope of a humanitarian project Computers for the socially disadvantaged some computers, servers, casings and hard disks that will be used exclusively for socially beneficial purposes.
- In March 2014, we helped Mr Boris Hebar buy a wheelchair for basketball so that he will be able to successfully continue with the sport that gives him a lot of motivation in life.
- This year, Datalab once again participated in the "Embrace of the Sea" campaign of the Sonček Association and made it possible for children to go on vacation in cooperation with the Center for school and after-school activities (CŠOD).
- In 2014, Datalab supported the student event University Programming Marathon 2014, where teams compete against each other in doing programming tasks, and the winning team will participate in the Central European Programming Contest ACM ICPC.

5.12 SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL POLICY

Datalab is very conscious of the environment. Even though its work takes place in a "clean" industry that does not directly produce huge amounts of pollutants, through a sound environmental policy, we can actively contribute to saving the planet.

We enable support at a distance and working from home, so we have to the greatest possible extent replaced the movement of atoms (people) with the movement of electrons.

In Datalab, we recycle paper and plastic packaging in order to contribute to preserving the environoment. Toners and waste electronic equipment are also properly disposed of. Employees are encouraged not to waste paper and energy.

5.13 PARTICIPATION IN ORGANIZATIONS

Datalab actively participates in various Slovenian and international organizations and standards bodies.

Andrej Mertelj, Executive Director of Datalab Tehnologije, d. d.:

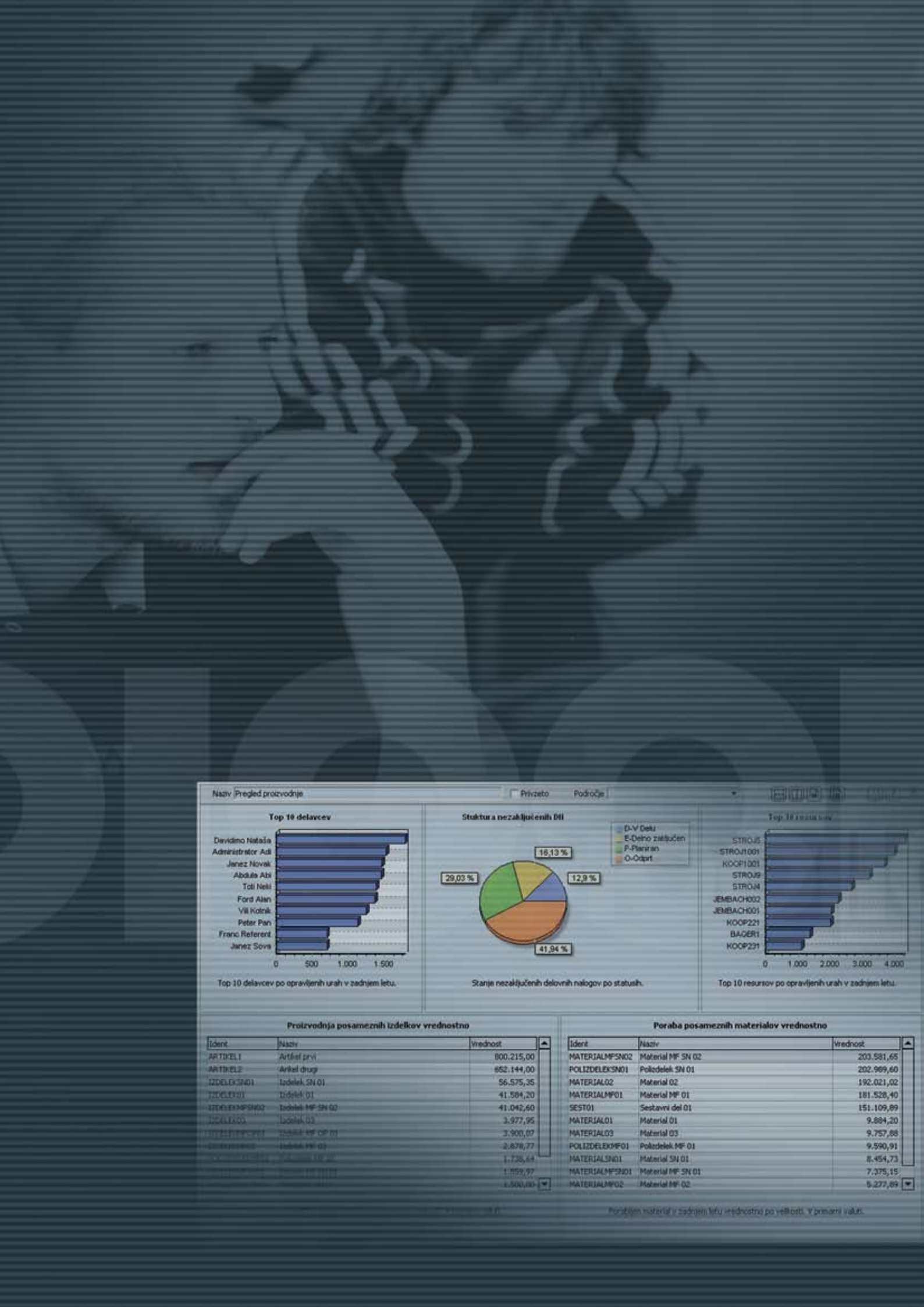
- consultant of DG CNECT for developing agro-information policies,
- member of the management of the Club of Ossiach that deals with the problems of agro-information science,
- member of the Executive Board of the ACM Association of Slovenia,
- member of the Technology Platform for Software and Services with NESSI's (Networked European Software & Services Initiative) Slovenia branch. Datalab is the organization's co-founder.

Andrej Brlečič, Managing Director of Datalab SI, is a board member of the Information and Communication Technologies Association at the Chamber of Commerce and Industry.

We are a member of the National Forum for e-Invoices in Slovenia that works on standardization and popularization of e-business between business and government institutions and is an active member of the parent EU association.

We successfully completed the project and set out new areas for future development as a test partner chosen by the Ministry of Public Administration in the project for further automation of the electronic submission of employee forms.

Datalab has got a seat in the ICT section of the Slovenian Standardization Institute.


Naziv Pregled proizvodnje
Privzeto
Področje
Top 10 delavcev
Davidimo Nataša
Administrator Adi
Janez Novak
Abdula Abi
Toti Neki
Ford Alan
Vili Kotnik
Peter Pan
Franc Referent
Janez Sova
0
500
1.000
1.500
Top 10 delavcev po opravljenih urah v zadnjem letu.
Stuktura nezaključenih DO
D-V Delu
E-Delno zaključen
P-Planiran
O-Odprt
16,13 %
29,03 %
12,9 %
41,94 %
Stanje nezaključenih delovnih nalogov po statusih.
STROJ5
STROJ1001
KOOP1001
STROJ9
STROJ4
JEMBACH002
JEMBACH001
KOOP221
BAGER1
KOOP231
0
1.000
2.000
3.000
4.000
Top 10 resursov po opravljenih urah v zadnjem letu.
Proizvodnja posameznih izdelkov vrednostno
Ident
Naziv
Vrednost
ARTIKEL1
Artikel prvi
800.215,00
ARTIKEL2
Artikel drugi
652.144,00
IZDELEKSN01
Izdelek SN 01
56.575,35
IZDELEK01
Izdelek 01
41.584,20
IZDELEKMFSN02
Izdelek MF SN 02
41.042,60
IZDELEK03
Izdelek 03
3.977,95
IZDELEKMFOP01
Izdelek MF OP 01
3.900,07
IZDELEKMF03
Izdelek MF 03
2.878,77
1.738,64
1.559,97
1.500,00
Poraba posameznih materialov vrednostno
Ident
Naziv
Vrednost
MATERIALMFSN02
Material MF SN 02
203.581,65
POLIZDELEKSN01
Polizdelek SN 01
202.989,60
MATERIAL02
Material 02
192.021,02
MATERIALMF01
Material MF 01
181.528,40
SEST01
Sestavni del 01
151.109,89
MATERIAL01
Material 01
9.884,20
MATERIAL03
Material 03
9.757,88
POLIZDELEKMF01
Polizdelek MF 01
9.590,91
MATERIALSN01
Material SN 01
8.454,73
MATERIALMFSN01
Material MF SN 01
7.375,15
MATERIALMF02
Material MF 02
5.277,89
Porabljen material v zadnjem letu vrednostno po velikosti. V primarni valuti.

6 Financial statements of the Datalab group of companies

Management board of Datalab Tehnologije, d.d. is responsible for drawing up annual report of the controlling company and Datalab Group and financial statements which give a true and honest picture of property balance and consolidated profit and loss account to the interested public for year 2014. The controlling company's management board declares:

- that the consolidated financial statement have been prepared under the assumption that Datalab Tehnologije, d. d., and its subsidiaries will continue their business in the future;
- that chosen accounting policies were adhered to; and any changes made to the accounting policies used have been disclosed accordingly;
- that accounting estimates have been prepared in a fair and well-considered manner and in accordance with the principles of precaution and sound governance;
- that consolidated financial statements for the Datalab group of companies and the notes to them have been prepared according to applicable laws and IFRS;
- that the business report contains a fair view of the development and results of the Group's operations and its financial standing, including a description of the risks that the companies included in the consolidation are exposed to as a whole.

The company management board is also responsible for proper accounting, adoption of appropriate measures for protection of property and prevention and detection of frauds, and other irregularities or illegal activity.

With this statement the controlling company's management board approves consolidated financial statements for year 2014 for publication.

Ljubljana, 30 October 2014

Executive Director
Andrej Mertelj

6.1. CONSOLIDATED COMPREHENSIVE INCOME OF THE DATALAB GROUP OF COMPANIES FOR THE PERIOD FROM 1 JULY 2013 TO 30 JUNE 2014

Item	Note	2014	2013
Sales	7	5,281,140	4,672,915
Other operating revenue	7	2,012,895	1,962,618
Gross operating income		**7,294,035**	**6,635,533**
Cost of materials, goods and services	8	2,544,846	2,318,106
Labor costs	9	2,656,136	2,399,632
Depreciation		1,247,487	1,177,479
Revalued operating expenses associated with intangible and fixed assets		684	69
Revalued operating expenses associated with current assets		173,611	89,302
Other operating expenses		51,797	41,813
Operating profit/loss		**619,474**	**609,132**
Financial revenue	10	50,040	63,011
Financial expenses	11	161,235	158,546
Net financial profit/loss	**12**	**-111,195**	**-95,535**
Other revenue		9,892	4,351
Other expenses		2,214	742
Tax on income	13	34,552	11,533
Deferred taxes	14	161,516	186,790
Net operating profit/loss for the fiscal year		642,921	692,463
Net operating profit/loss from continuing operations		642,921	692,463
Net operating profit/loss from discontinued operations		0	0
Change in surplus arising from revaluation of intangible and fixed assets		0	0
Change in surplus arising from revaluation of financial assets held for sale		0	0
Profit and loss arising from conversion of financial statements of foreign companies		0	0
Actuarial gains and losses of defined benefit plans		0	0
Other components of comprehensive income		0	0
Total comprehensive income for the period		642,921	692,463
Total comprehensive income for the period attributed to majority owner		614,393	651,544
Total comprehensive income for the period attributed to minority owners		28,528	40,919
Weighted average number of shares		1,717,618	1,724,401
Basic net profit/loss per share		0.37	0.40
Extended net profit/loss per share		0.37	0.40
Continuing operations			
Basic net profit/loss per share		0.37	0.40
Extended net profit/loss per share		0.37	0.40
Discontinued operations			
Basic net profit/loss per share		0.00	0.00
Extended net profit/loss per share		0.00	0.00

6.2 CONSOLIDATED BALANCE SHEET OF THE DATALAB GROUP OF COMPANIES AS OF 30 JUNE 2014

Item	Note	2014	2013
ASSETS			
Property, plant and equipment	15	277,534	307,161
Intangible Assets	16	6,422,823	5,681,481
Long-term financial investments	17	136,166	6,249
Long-term operating receivables	18	60,195	135,832
Long-term deferred costs and accrued revenue	19	4,241	12,123
Deferred tax assets	20	527,158	365,643
Fixed (non-current) assets total		**7,428,117**	**6,508,489**
Inventories	21	4,642	7,230
Short-term financial investments	22	233,615	210,191
Short-term operating receivables	23	1,673,659	1,333,627
Cash and cash equivalents	24	411,520	205,448
Short-term deferred costs and accrued revenue	25	213,016	118,583
Assets held for sale		0	0
Current assets total		**2,536,452**	**1,875,079**
Assets total		**9,964,569**	**8,383,568**
EQUITY	**26**		
Share capital		2,197,236	2,041,009
Capital surplus		425,463	313,825
Translation reserves		-126,527	1,960
Profit reserves		196,545	209,750
Retained net profit/loss		1,917,372	1,323,600
Net operating profit/loss for the fiscal year		614,393	651,544
Equity of minority owners		**86,213**	**113,509**
Total equity		**5,310,695**	**4,655,197**
LIABILITIES			
Long-term financial liabilities	27	1,863,434	1,691,514
Long-term operating liabilities		0	0
Allocations	28	39,016	47,810
Long-term accrued costs and deferred revenue	**29**	**724,326**	**312,559**
Long-term liabilities total		2,626,776	2,051,883
Short-term financial liabilities	30	744,392	604,676
Short-term operating liabilities	31	1,054,810	855,975
Accrued costs and deferred revenue	32	227,896	215,837
Liabilities held for sale		**0**	**0**
Short-term liabilities total		**2,027,098**	**1,676,488**
Liabilities total		**4,653,874**	**3,728,371**
Equity and liabilities total		**9,964,569**	**8,383,568**

6.3 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE DATALAB GROUP OF COMPANIES FOR THE PERIOD FROM 1 JULY 2013 TO 30 JUNE 2014

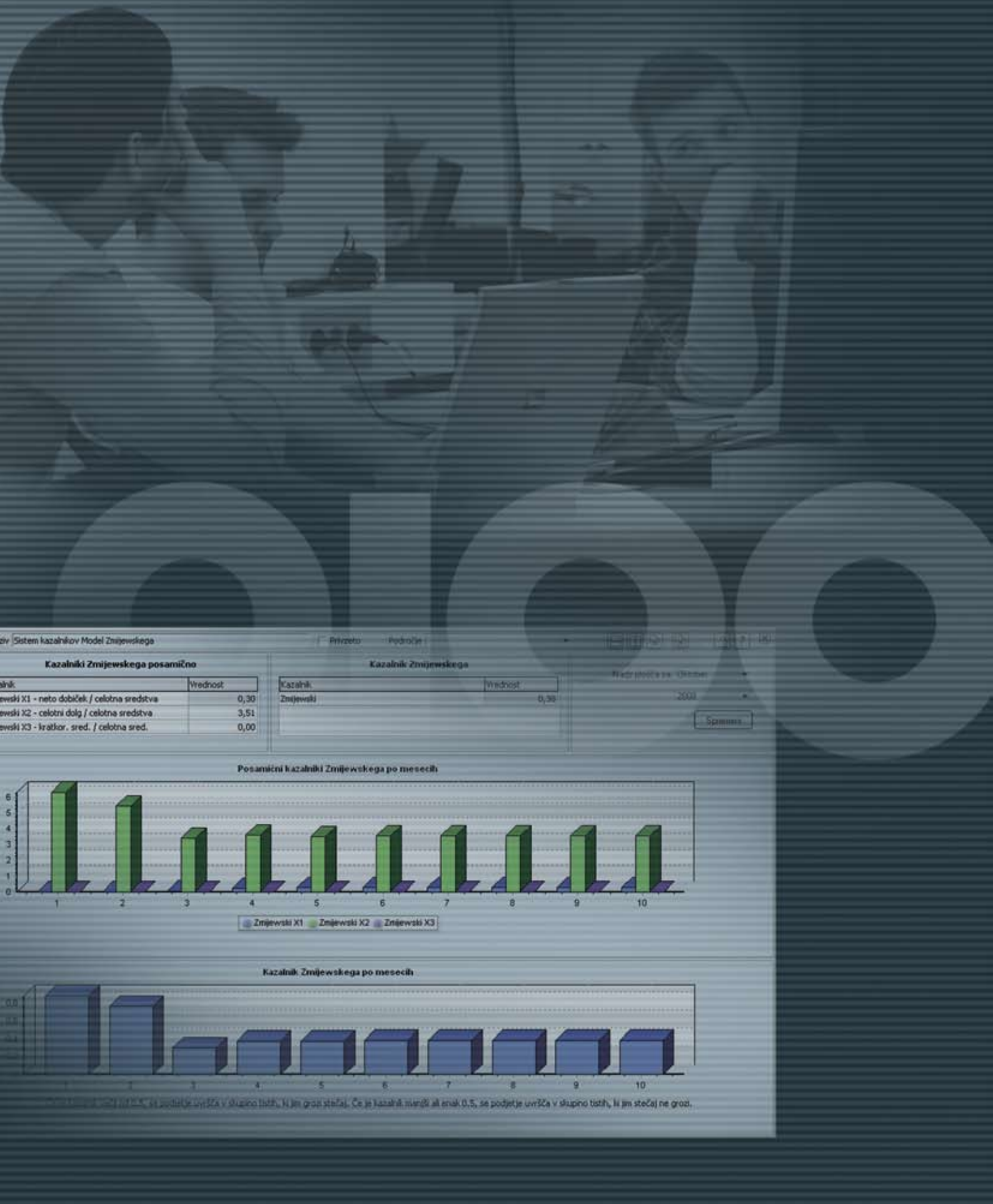
	Share capital	Capital surplus	Legal reserves	Reserves for own shares	Own shares and interests (as deduction item)	Tran-slation reserves	Retained net profit	Net profit for the fiscal year	Equity of minority owners	Total
A. Initial balance for the period	2,041,009	313,825	196,545	59,390	-46,185	1,960	1,323,600	651,544	113,509	4,655,197
B. Changes in equity – transactions with owners	156,227	111,638	0	0	23,961	213	-94,938	0	-55,824	141,277
a) Subscription of called-up share capital	156,227	163,798	0	0	0	0	0	0	0	320,025
b) Disposal or withdrawal of own shares and own interests	0	-52,160	0	0	66,570	0	0	0	0	14,410
c) Purchase of own shares and interests	0	0	0	0	-42,609	0	0	0	0	-42,609
d) Dividend payout	0	0	0	0	0	0	-94,938	0	-13,650	-108,588
e) Other changes in equity	0	0	0	0	0	213	0	0	-42,174	-41,961
C. Total comprehensive income for the period	0	0	0	0	0	-128,700	0	614,393	28,528	514,221
a) Net profit/loss for the period	0	0	0	0	0	0	0	614,393	28,528	642,921
b) Other components of comprehensive income for the period	0	0	0	0	0	-128,700	0	0	0	-128,700
D. Movements within equity	0	0	0	-30,791	-6,375	0	688,710	-651,544	0	0
a) Allocation of remaining part of net profit of the comparative reporting period to other components of equity	0	0	0	0	0	0	651,544	-651,544	0	0
b) Release of reserves for own shares and interests and their allocation to other components of equity	0	0	0	-30,791	-6,375	0	37,166	0	0	0
E. Closing balance for the period	2,197,236	425,463	196,545	28,599	-28,599	-126,527	1,917,372	614,393	86,213	5,310,695

6.4 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE DATALAB GROUP OF COMPANIES FOR THE PERIOD FROM 1 JULY 2012 TO 30 JUNE 2013

	Share capital	Capital surplus	Legal reserves	Reserves for own shares	Own shares and interests (as deduction item)	Translation reserves	Retained net profit	Net profit for the fiscal year	Equity of minority owners	Total
A. Initial balance for the period	2,041,009	315,153	196,545	44,075	-44,075	2,649	845,244	548,928	72,436	4,021,964
B. Changes in equity – transactions with owners	0	-1,328	0	0	-2,110	0	-55,257	0	154	-58,541
a) Subscription of called-up share capital	0	-1,328	0	0	0	0	0	0	0	-1,328
b) Disposal or withdrawal of own shares and own interests	0	0	0	0	26,231	0	0	0	0	26,231
c) Purchase of own shares and interests	0	0	0	0	-28,341	0	0	0	0	-28,341
d) Dividend payout	0	0	0	0	0	0	-55,257	0	0	-55,257
e) Other changes in equity	0	0	0	0	0	0	0	0	154	154
C. Total comprehensive income for the period	0	0	0	0	0	-689	0	651,544	40,919	691,774
a) Net profit/loss for the period	0	0	0	0	0	0	0	651,544	40,919	692,463
b) Other components of comprehensive income for the period	0	0	0	0	0	-689	0	0	0	-689
D. Movements within equity	0	0	0	15,315	0	0	533,613	-548,928	0	0
a) Allocation of remaining part of net profit of the comparative reporting period to other components of equity	0	0	0	0	0	0	548,928	-548,928	0	0
b) Allocation of part of net profit for the period to other components of equity by decision of bodies of management and control	0	0	0	0	0	0	0	0	0	0
c) Establishment of reserves for own shares and interests and their allocation to other components of equity	0	0	0	15,315	0	0	-15,315	0	0	0
E. Closing balance for the period	2,041,009	313,825	196,545	59,390	-46,185	1,960	1,323,600	651,544	113,509	4,655,197

6.5 CONSOLIDATED CASH FLOW STATEMENT OF THE DATALAB GROUP OF COMPANIES FOR THE PERIOD FROM 1 JULY 2013 TO 30 JUNE 2014

in EUR	FY 2014	FY 2013
Cash flow from operations		
Net profit/loss	642,921	692,463
Adjustments for:		
Revalued operating revenue and expense	94,239	60,097
Depreciation of property, plant and equipment	90,353	107,047
Depreciation of intangible assets	1,157,133	1,070,432
Net financial profit/loss	131,941	131,409
	2,116,587	2,061,448
Change in operating receivables, deferred costs and accrued revenue	-468,431	-228,517
Change in inventories	2,588	1,910
Change in short-term operating liabilities, accrued costs and deferred revenue	683,118	-20,355
Change in provisions	-8,794	7,403
Change in deferred tax assets	-161,515	-186,790
	2,163,553	1,635,099
Interest received	8,786	493
Interest paid	-133,744	-131,902
Paid tax on profit	-34,552	-11,533
Net cash flow from operating activities	**2,004,043**	**1,492,157**
Cash flow from investing activities		
Expenses for acquiring intangible assets	-1,898,474	-1,844,240
Expenses for acquiring property, plant and equipment	-68,971	-72,383
Expenses for acquiring investments	-296,284	-114,905
Cash receipts from investments		
Cash receipts from loans	135,960	46,222
Cash receipts from disposal of intangible assets		
Cash receipts from disposal of fixed assets	36,028	0
Net cash flow from investing activities	**-2,091,741**	**-1,985,306**
Cash flow from financing activities		
Cash receipts from issuing equity		
Expenses for repayment of capital	-2,745	-3,438
Expenses for dividend payouts and other profit shares	-15,121	-55,756
Cash receipts from long-term financial liabilities	926,807	1,179,837
Cash repayments of long-term financial liabilities	0	-22,551
Cash receipts from short-term financial liabilities	945,000	1,010,048
Cash repayments of short-term financial liabilities	-1,560,171	-1,572,887
Net cash flow from financing activities	293,770	535,253
Net change in cash and cash equivalents	206,072	42,104
Cash and cash equivalents at the beginning of the year	**205,448**	**163,344**
Cash and cash equivalents at the end of the year	**411,520**	**205,448**


Sistem kazalnikov Model Zmijewskega
Privzeto
Področje
Kazalniki Zmijewskega posamično
Kazalnik
Vrednost
ewski X1 - neto dobiček / celotna sredstva 0,30
ewski X2 - celotni dolg / celotna sredstva 3,51
ewski X3 - kratkor. sred. / celotna sred. 0,00
Kazalnik Zmijewskega
Kazalnik
Vrednost
Zmijewski 0,30
2008
Spremeni
Posamični kazalniki Zmijewskega po mesecih
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Zmijewski X1
Zmijewski X2
Zmijewski X3
Kazalnik Zmijewskega po mesecih
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7 Notes to the financial statements

7.1 REPORTING COMPANY

Datalab Tehnologije, d. d., Ljubljana, is a Slovenia-based publicly-traded company. It is listed at the Ljubljana Stock Exchange. Consolidated financial statements for the fiscal year ending 30 June 2014 include the company and its subsidiaries (hereinafter referred to as the Group).

The main objective of the Group is developing of a powerful and reliable ERP system for micro, small and midsize businesses, selling and implementing in international markets, and managing the partner network.

The Group's principal business activity is 58.290 – Other software publishing.

As of 30 June 2014, the Group had 136 employees.

The financial statements of the Group for the fiscal year ending 30 June 2014 have been approved by the management board on 29 October 2014.

7.2 BASIS FOR DRAWING UP THE STATEMENTS

7.2.1 Conformance statement

The financial statements have been drawn up in accordance with IFRS, as adopted by the European Community, and interpretations of IFRIC, as adopted by the International Accounting Standards Board (IASB).

New standards and notes, stated hereinafter, are not yet in effect and were not yet taken into account during the preparation of financial statements as of 30 June 2014:

IFRS 10, Consolidated financial statements, and IAS 27 (2011), Separate financial statements. Valid for annual financial periods, starting on 1 January 2014. The use before this date is permitted only in the case of early use of IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011). The standard is applied retrospectively if a change occurs in conclusions regarding control.

For the implementation of control analysis, IFRS 10 provides for a uniform model for all types of companies, including companies that are currently regarded as special purpose companies in the framework of SOP-12. IFRS 10 introduces new requirements regarding control assessment that differ from existing requirements as defined by IAS 27 (2008).

In accordance with the new model, the investor controls the recipient of the financial investment if:

- they are exposed or entitled to variable yield on involvement or companies in which they invest are,
- have the possibility to influence the yield in question based on their control of the company in which they invest or to influence the recipient of the financial investment, and
- there is a connection between power and yield.

The amended standard also includes disclosure requirements and requirements concerning preparation of consolidated financial statements. These requirements are transfered from IAS 27 (2008).

The influence of the initial use of changes depends on certain facts and circumstances of recipients of the financial investment within the Group on the day of initial use. Before initial use of changes, the Company/Group cannot prepare the analysis of their impact on financial statements.

IFRS 11, Joint agreements. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively and is subject to transitional periods. The use before this date is permitted only in the case of early use of IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011). IFRS 11, Joint agreements replace IAS 31, Investments into joint ventures.

IFRS 11 does not introduce essential amendments of the comprehensive definition of the agreement that is subject to joint control, but the definition of control and indirectly of joint control changes because of IFRS 10.

The new standard defines two types of agreements, each of them has its own accounting model:

- joint activity is a joint agreement where the parties controlling the agreement have rights to assets and obligations from liabilities related to the agreement,
- joint activity is a joint agreement where the parties controlling the agreement have rights to net assets.

IFRS 11 efficiently excluded from the provisions of IAS 31, Jointly controlled companies, the cases where the carrier of the joint agreement is separated from others, and in some cases, the separation turns out to be ineffective. These agreements are treated similarly as jointly controlled assets/operations in accordance with IAS 31 and are now called joint activities. Furthermore, IAS 31 cancels the possibility of free choice between equity method and proportional consolidation for jointly controlled companies or joint ventures. For consolidated financial reports, the equity method must be applied from now on.

The influence of the initial use of changes depends on certain facts and circumstances of joint agreements where the Company/Group is also a party on the day of initial use. The Company/Group presumes that this amendment will not substantially influence financial statements.

IFRS 12, Disclosure of shareholdings in other companies. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively and is subject to transitional periods. The use before this date is permitted.

IFRS 12 requires additional disclosures regarding important assessments and presumptions regarding the determination of shareholding types in companies or agreements, shareholdings in subsidiaries, joint agreements and associate companies as well as in non-consolidated structured companies. The Company/Group presumes that the new standard will not substantially influence financial statements.

IAS 27, Separate financial statements. Valid for annual accounting periods, starting on 1 January 2014; the use before this date is permitted only in the case of early use of IFRS 10, IFRS 11, IFRS 12 and IAS 28 (2011).

The existing disclosure requirements in separate financial statements were transfered from IAS 27 (2008) to IAS 27 (2011), but with minor instructions that clarify their use. The amended IAS 27 also includes existing requirements regarding separate financial statements from IAS 28 (2008) ans IAS 31. The standard no longer deals with the principle of control and requirements regarding the preparation of consolidated financial statements that are included in IFRS 10, Consolidated financial statements.

The Company presumes that the new standard IAS 27 (2011) will not substantially influence financial statements since accounting policies remain unchanged.

IAS 28 (2011), Financial investments in associated companies and joint ventures. Amendments are valid for annual financial periods, starting on 1 January 2014; they are used retrospectively. The use before this date is permitted only in the case of early use of IFRS 10, IFRS 11, IFRS 12 and IAS 27 (2011).

Amendments to IAS 28 (2008) include:

- Associated companies and joint ventures for sale. IFRS 5, Fixed assets for sale and discontinued operations, deals with an investment or part of an investment into an associated company or joint venture that fulfills criteria for classification among assets for sale. The part of the investment that is retained and not classified for sale is accounted by equity method until its disposal. After disposal, each retained or preserved part of the investment is accounted by equity method, providing that it is a shareholding in the associated company or joint venture.
- Changes of shareholdings in associated companies and joint ventures. Until now, IAS 28 (2008) and IAS 31 determined that, at the disposal of an important influence or joint control, it is in any case necessary to remeasure the retained shareholdings, even if the important influence was tranferred to the joint venture. The amended IAS 28 (2011) determines that in such cases, it is not necessary to remeasure retained shareholdings in the investment.

The Group presumes that this amendment to the standard will not substantially influence financial statements.

Amendment to IAS 32, Offsetting financial assets and financial liabilities. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively. The use before this date is permitted, but it is dependent on disclosures in accordance with the amendment to IFRS 7, Disclosures, Offsetting financial assets and financial liabilities.

The amendment does not introduce new requirements regarding offsetting financial assets and financial liabilities, but clarifies the criteria for the offset and deals with inconsistencies that occur. In accordance with the amendment, a company has an enforceble right to an offset if:

- the right is not dependent on a future event and
- the right is legally enforceable only the usual framework of business or in case of nonpayment or in case of insolvency or bankruptcy of one or all counterparties.

The Company/Group presumes that this amendment will not substantially influence financial statements since it does not perform offsetting financial assets and financial liabilities and does not conclude framework agreements on offset.

Amendment to IFRS 10, IFRS 12 and IAS 27, Investment companies. Valid for annual financial periods, starting on 1 January 2014; the use before this date is permitted, but is subject to transitional provisions.

The amendment offers an exception to consolidation requirements as defined by IFRS 10. In accordance with it, investment companies must measure their investments into controlling companies - and investments into associated and jointly controlled companies - by fair value through operating results, instead of consolidating them.

The exception to consolidation is obligatory (i.e. not optional), and all subsidiary companies that are treated as part of investment activities of the investmens company must still be included into consolidation.

A company is treated as an investment company if it fulfills all basic criteria. According to these criteria, an investment company is a company that:

- receives financial assets from one or more investors with the intention of ensuring management of financial investments services for this investor or investors,

- binds itself to its investor or investors that their business goal is to invest financial assets exclusively with the intention to achieve yields from long-term capital appreciation and revenue from investments or both, and
- measures and assesses the success of more or less all of its financial investments on the basis of fair value.

The amendment also requires certain disclosures by investment companies.

The Company/Group presumes that this amendment will not substantially influence financial statements since the company is not classified as an investment company.

Amendment to IAS 36, Disclosures of recoverable amount for non-financial assets. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively. The use before this date is permitted. A company must not pay regard to the amendment in the periods (including comparative periods) when it is not using IFRS 13.

The amendment states that a company must disclose recoverable amount for individual assets (including goodwill) or a cash-generating unit for which loss due to impairment is recognized or repealed in the period.

If the impairment of individual assets (including goodwill) or cash-generating units is recognized or repealed in the period and if the recoverable amount is based on fair value, less the costs of disposal, the company must disclose the following information:

- hierarchy of fair value level (IFRS 13), within which the measuring of fair value of the asset (cash-generating unit) is fully classified;
- measurings of fair value, classified to levels 2 and 3 of the hierarchy of fair value, description of technique or techniques of value assessment used for measuring; if a change of assessment technique occurs, the company discloses the change and reasons for it;
- measurings of fair value, classified to levels 2 and 3 of the hierarchy of fair value, description of all key presumptions (or presumptions to which the recoverable amount is the most sensitive), based on which fair value is determined, less the costs of disposal. The company must disclose discount rate(s) used at present and past measurings if the fair value, less the costs of disposal, is measured by the present value technique.

The Group presumes that this amendment will not substantially influence financial statements.

Amendment to IAS 39, Novation of executed financial instruments and continued hedge accounting. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively. The use before this date is permitted. A company must not pay regard to the amendment in the periods (including comparative periods) when it is not using IFRS 13.

The amendment enables continued hedge accounting in cases when an executed financial instrument that was labeled as a hedging instrument is transfered from one counterparty to the central counterparty in accordance with legislation or regulations, namely when the following conditions are met:

- if the transfer is a consequence of legislation or other regulations,
- if the clearing counterparty replaces the primary counterparty and becomes the new counterparty of the executed financial instrument,
- if the changes of hedging instrument are restricted to those necessary for the execution of such replacement of a counterparty.

The Company/Group presumes that this amendment will not substantially influence financial statements.

7.2.2 Basis for measurement

The consolidated financial statements have been drawn up considering the original value, except in the following cases, where a fair value has been considered:

- financial derivatives
- financial instruments at fair value through the operating results
- financial assets available for sale
- investment property
- liabilities for payments in shares settled with cash.

The methods used to measure fair value are described in note number 3.4.

7.2.3 Functional and presentational currency

All financial statements in this annual report are in whole euros. There might be slight discrepancies with totals because of rounding.

7.2.4 Estimates and assessments

When preparing financial statements in conformity with IFRS, the management is required to make estimates, assessments and assumptions that affect the use of accounting policies and the presented value of assets, liabilities, revenues and expenses. Actual figures may vary.

Estimates and assumptions have to be constantly reviewed. Corrections to accounting estimates are acknowledged for the period for which the estimates are being corrected and all future years that are affected by the correction.

Uncertainty evaluations and decisive assessments prepared by the management in line with the accounting policy that most significantly affect figures in the financial statements are:

- Note no. 19 – mergers;
- Note no. 11 – measuring obligations for certain earnings;
- Note no. 29 – provisions;
- Note no. 37 – valuation of financial instruments and their impairment.

7.2.5 Fiscal year

The Group's fiscal year starts on July 1 and ends on June 30 in the following year.

7.3 ACCOUNTING POLICIES

The accounting policies described below have been consistently applied for all periods that are presented in the financial statements herein.

With the exception of what is disclosed in notes to financial statements, the company did not change accounting policies with regard to last year. Some comparative amounts have been reallocated to ensure coherence with the current year. The comparative profit/loss statement is repeated so that is seems like operations have been interrupted during the year. The comparative profit/loss statement is shown for separately for each period to give a better overview.

7.3.1 Basis for consolidation

7.3.1.1 Subsidiaries

Subsidiaries are companies controlled by the Group. Controlling means that the Group is able to decide on financial and operational matters of a company to obtain benefits from its operation.

Any voting rights that can be exercised or traded are taken into account when assessing the extent of control. Subsidiaries' financial statements are included in consolidated financial statements from the day the control starts to the day it ends. Subsidiaries' accounting policies have been adapted to the Group's accounting policies where required.

7.3.1.2 Operations not included in consolidation

Balances and unrealized profit and loss from operations within the Group are not included in consolidated financial statements. Unrealized profits from operations with jointly controlled companies are excluded to the extent of the Group's stake in those companies. Unrealized loss is excluded in the same way, provided no proof of impairment exists.

7.3.2 Foreign currency

7.3.2.1 Foreign currency transactions

Foreign currency transactions are converted to the appropriate functional currency of the companies in the Group at the rate on the day of the transaction. Cash and liabilities expressed in foreign currency on the balance sheet date are converted to the functional currency at the going rate. Positive and negative exchange differences are differences between the amortized cost in the functional currency at the beginning of the period, adjusted for effective interest, and payments during the period and the amortized cost in foreign currency, converted at the rate at the end of the period. Non-monetary assets and liabilities expressed in foreign currency and measured at fair value are converted to the functional currency at the rate on the day when the fair value has been measured. Exchange differences are recognized in the operating results, but not differences from converting equity instruments held for sale, non-financial liabilities for insurance against risks, or cash flow insurance against risks that are recognized directly in equity.

7.3.2.2 Foreign companies

Assets and liabilities of foreign companies, including goodwill and adjustment to fair value at acquisition, are converted to euros at the rate on the balance sheet date. Income and expense of foreign companies, except companies in hyperinflation economies, are converted to euros at the rate on the day of the conversion.

Income and expense of foreign companies in hyperinflation economies are converted to euros at the rate on balance sheet date. Prior to converting financial statements of foreign companies in hyperinflation economies, financial statements are converted and thus changes in general purchasing power of the local currency are taken into account. The conversion is based on price indexes as of the balance sheet date.

Exchange differences from the conversion are directly recognized in equity. From the day of the transition to IFRS, these differences are recognized in foreign currency translation reserve (FCTR). If a foreign company is disposed (partially or completely), the amount in the foreign currency translation reserve is transferred into the profit/loss statement.

Foreign currency profit and loss, based on monetary items in the form of receivables from or liabilities to a foreign company and the payment of which is not planned or intended in the near future, is treated like a part of net financial investments into a foreign business unit and is recognized directly in equity and translation reserve.

Exchange rates used for the conversion of the statement items of the comprehensive income of companies in the group that are stated in foreign currency:

1 EUR = 1.95583 KM
1 EUR = 7.60600 HRK
1 EUR = 61.6380 MKD
1 EUR = 114.865 RSD

Exchange rates used for the conversion of the statement items of the financial situation of companies in the group that are stated in foreign currency:

1 EUR = 1.95583 KM
1 EUR = 7.5760 HRK
1 EUR = 61.585 MKD
1 EUR = 115.57 RSD

7.3.3 Financial instruments

The Datalab Group classifies its investments into the following categories: financial assets held for sale, financial assets at fair value through the operating results, and loans and receivables. The classification depends on the purpose for which the investment was acquired. In the fiscal year 2014, the Group did not have any financial assets for sale and financial assets at fair value through the operating results.

7.3.4 Non-derivative financial instruments

Non-derivative financial instruments include investments in capital and debt securities, operational and other receivables, cash and cash equivalents, received and given loans, and operational and other liabilities.

Non-derivative financial instruments are initially recognized at fair value, increased by (instruments that are not recognized at fair value through the operating results) cost that is directly related to a transaction. After the initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents consist of cash on hand and deposits on demand. Bank account overdrafts that can be settled on demand and are part of cash management in the Group are in the cash flow statement included in cash and cash equivalents.

Accounting of financial income and expense in described in 10. and 11.

7.3.5 Equity capital

7.3.5.1 Called-up capital

Called-up capital of Datalab Tehnologije, d. d., appears as equity capital that is nominally specified in the company's articles of association, registered at court, and paid in by its owners. Dividends for common stock are recognized in equity in the period for which they were approved by the shareholder assembly.

7.3.5.2 Reserves for own shares

If the parent company or its subsidiaries acquire a stake in the parent company, the paid amount including transaction fees without taxes is subtracted from equity as own shares, until those shares are withdrawn, re-issued or sold. If own shares are later sold or re-issued, all received payments excluding transaction fees and related taxes are included in equity.

7.3.6 Fixed assets

Fixed assets (property, plant and equipment) are kept at their original cost, decreased by cumulative depreciation and cumulative loss due to impairment, except for land, which is presented at original cost, decreased by any impairments. Original cost includes all costs that can be directly attributes to the acquisition of a fixed asset. Maintenance and repairs as well as replacement and improvement of minor significance are recognized as expenses in the period they occur. Larger amounts are depreciated over the remaining useful life of a fixed asset or to the day of the next

major renovations, whichever is sooner. The residual value and useful life of each fixed asset is checked annually and adjusted if necessary. The book value of a fixed asset is immediately partly written off to the recoverable amount, if the book value is greater than the estimated recoverable amount, and is recognized in the operating results.

Depreciation is calculated using straight-line depreciation, taking into account useful life as follows:

Assets	Depreciation rates in % since 1 July 2013	Depreciation rate in % before 30 June 2013
Buildings	2.5	-
Computers	20-50	20-50
Furniture and chairs	20	20
Vehicle equipment	20	20
Other equipment	10-30	10-30

Depreciation calculation starts when a fixed asset is ready for use; unfinished constructions are not depreciated.

Profit and loss from sale or deactivation of a fixed asset is determined by comparing sales revenue with book value. It is included in the operating results.

Fixed assets acquired through tenders are recognized as assets, but the amount of the subsidy is counted towards accrued costs and deferred revenue, which is then monthly decreased by the depreciation amount.

7.3.7 Intangible assets

7.3.7.1 Goodwill

Goodwill (or negative goodwill) is generated through acquisition of subsidiaries, affiliated companies and joint ventures.

7.3.7.2 Acquisitions from the day of the transition to IFRS onwards (including)

With acquisitions since 1 January 2006, goodwill pertains to the surplus or difference between the purchase cost and the Group's stake in the net fair value of determined assets, liabilities and contingent liabilities of the acquired company. If the surplus is negative (negative goodwill), it is directly recognized in the profit (loss) statement.

Intangible assets are initially measured at their original value.

7.3.7.3 Other intangible assets

Intangible assets acquired through tenders are recognized as assets, but the amount of the subsidy is counted towards accrued costs and deferred revenue – government grants, which is then monthly decreased by the depreciation amount. The depreciation rate for such assets is the same as for assets that the Group purchases with own funds.

7.3.7.4 Subsequent cost

Subsequent expenses related to intangible assets are capitalized only when they increase fu-

ture economic benefits which are derived from the asset to which the expenses pertain. All other costs, including trademarks and goodwill generated within the Group, are recognized in the operating results as expenses as soon as they occur.

7.3.7.5 Depreciation

Depreciation is calculated using straight-line depreciation, taking into account useful life of intangible assets (except goodwill) and beginning when the asset is ready for use. Estimated useful life for the current year and a comparable year:

Assets	Depreciation rates in % since 1 July 2013	Depreciation rate in % before 30 June 2013
Intangible asset – PANTHEON	10	10
Intangible asset – FENIKS	25	25
Material rights and copyrights	50	50

7.3.8 Leased assets

Leases where the Group assumes are major forms of risks and benefits related to asset ownership are regarded as financial leases. After initial recognition, a leased asset is presented in an amount equivalent to the fair value, or if it is less than that, the current value of the lowest total of lease payments. After initial recognition, assets are measures in accordance with accounting policies for such assets.

Other leases are treated as operating leases and, with the exception of investment property, leased assets are not recognized in the Group's balance sheet. Investment property under operating lease is presented in the Group's balance sheet at fair value.

7.3.9 Inventories

Inventories of goods are initially valued at their original cost, composed of purchase price, import duties and direct procurement costs. The purchase price is decreased by any discounts. Direct procurement costs are transport costs, handling costs, transport insurance, goods tracking, intermediation costs and similar costs to the first warehouse if borne by the customer, and non-refundable duties. Purchase price discounts include those specified in invoices as well as those granted subsequently that pertain to a certain delivery.

Decrease in value of inventories in materials and small tools is charged to the cost of materials, while the decrease in value of goods is charged to the relevant operating expenses. Consumption of goods is accounted on the basis of the average cost method.

The cost of inventories includes the purchase price, customs and other duties (excluding those that are subsequently refunded by tax authorities), transport cost, handling and other costs, that can be attributed directly to the acquired goods, materials or services. Trade discounts, rebates and other similar items are deducted in determining the cost of purchase.

Consumption of materials is accounted on the basis of the method of average cost in the period.

The net realizable value is the estimated sale price achieved in normal operation, minus estimated cost of finishing and estimated cost of selling.

7.3.10 Impairment of assets

7.3.10.1 Financial assets

The Group assesses the value of financial assets on the reporting date to determine if an objective sign of asset impairment exists. A financial asset is impaired if objective proof exists that one or more events led to a decrease in expected future cash flows from that asset.

Loss due to impairment related to a financial asset, presented at amortized cost, is calculated as the difference between the asset's carrying value and expected future cash flows, discounted at the original interest rate.

Trade receivables are presented at nominal value, decreased by proper adjustments for estimated unrecoverable amounts.

Receivables that are assumed not be settled on time or in full, are regarded as doubtful; if legal action has been initiated they are regarded as disputed.

Receivables are adjusted if the need arises, which is considered based on individual estimates of recoverability.

Loss due to impairment of financial assets held for sale is calculated according to an asset's current fair value.

For key financial assets, the estimation of impairment is performed individually. The impairment estimation of other financial assets is performed in groups according to common properties in risk exposure.

All impairment losses are presented in the Group's profit (loss) statement for the period. Any accrued loss related to financial assets held for sale that was recognized directly in equity is transferred to the operating results.

The loss due to impairment is derecognized if it can be objectively attributed to an event that occurred after the impairment has been recognized. For financial assets presented at amortized cost and financial assets held for sale, which are debt instruments, the derecognition of loss due to impairment is presented in operating results. Derecognition of financial assets held for sale that are equities are presented directly in equity by the Group.

7.3.10.2 Non-financial assets

On each reporting date, the Group checks the remaining carrying value of non-financial assets of the group, except biological assets, investment property, inventories and deferred tax assets, to determine any signs of impairment. If such signs exist, the asset's recoverable value is estimated. An estimate of the impairment of goodwill and intangible assets with an unspecified useful life that are not yet ready for use is performed on every reporting date.

The recoverable value of an asset or a cash-generating unit is its value in use or its fair value minus cost of selling, whichever is higher. When determining an asset's value in use, expected future cash flows are discounted to their current value at pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the asset. To test for impairment, assets are grouped into the smallest possible groups that generate cash flow from permanent use, largely independent from those from other assets or asset groups (cash-generating units). To test for impairment, goodwill obtained from mergers is distributed to cash-generating units that are expected to benefit from the synergy of merging.

Impairment of assets or cash-generating units is recognized if their book value is greater than their recoverable value. The impairment is presented in operating results. Loss that is recognized for cash-generating units due to impairment is allocated in such a way that first the book value of goodwill allocated to a cash-generating unit is decreased, and then to other assets of the unit (group of units) in proportion to the book value of each asset in the unit.

Loss due to impairment of goodwill is not derecognized. For other assets, the Group assesses

loss due to impairment in previous periods on the balance sheet date and thus determines is the loss has decreased or is not present at all. Loss due to impairment is derecognized if the assessments have changed based on which the Group determines an asset's recoverable value. Loss due to impairment is derecognized to the amount up to which the increased book value of an asset does not exceed the book value that would have been determined after subtracting depreciation, if no loss due to impairment had been recognized in previous years.

7.3.11 Employee benefits

7.3.11.1 Other long-term employee benefits – allocations for severance pays and long service rewards

The Group's net liability for long-term employee benefits is the sum of future benefits that employees have acquired for their services performed in the current and past periods. That amount of benefits is then discounted to determine its current value, and the decreased be the fair value of all related assets. The discount rate is the reported market yield of long-term government bonds, the reported return of AA rated bonds the maturity of which is roughly the same as the maturity of the Group's obligations. The calculation uses the projected unit credit method. Any actuarial gains and losses are recognized in the operating results of the period of their occurrence. The calculation uses the projected unit credit method. Any actuarial gains and losses are recognized in the operating results of the period of their occurrence.

7.3.11.2 Short-term employee benefits

Liabilities for short-term employee benefits are not discounted and are presented as expenses after an employee's work related to a given short-term benefit is complete.

Liabilities are presented in the amount for which payment is expected in the form of a premium, payable within twelve months of finishing work, or a profit sharing scheme if the Group has a current legal or indirect commitment for such payments due to past work of an employee and the liability can reliably be measured.

7.3.12 Allocations

Allocations are recognized when the Group has a current legal or indirect commitment due to past events, if it is likely that settlement will require fund outflow and that the amount can reliably be estimated.

7.3.12.1 Post-employment benefits

Employees are entitled to severance pay when they retire, which is recognized when they conclude their employment in accordance with the Employment Act. For severance pay upon retirement, the projected unit credit method (the method of imputing benefits in proportion to the performed work) is applied, and therefore the Group establishes provisions appropriate to the achieved length of service of employees. Actuarial valuation is performed on 30 June and is properly presented in operating results.

Severance pay upon retirement when due reduces the established provisions.

7.3.12.2 Other long-term benefits

Employees are entitled to long-term service rewards that are recognized when an employee reached a certain length of service. For severance pay upon retirement, the projected unit credit method (the method of imputing benefits in proportion to the performed work) is applied, and therefore the Group establishes provisions appropriate to the achieved length of service of emplo-

yees. Actuarial valuation is performed on 30 June and is properly presented in operating results. Long service rewards when due reduce the established provisions.

7.3.13 Revenue

7.3.13.1 Sales of products

Sales of products are recognized at fair value of the received payment or liability, decreased by refunds, rebates and quantity discounts. Revenue is presented when a customer assumes all major forms of risks and benefits related to asset ownership, when there is certainty about the ability to pay compensation and the related expenses or about the option for returning products, when the Group ceases to decide on sold products, and when the revenue amount can reliably be measured.

Transferring risks and benefits depends on the terms of the purchase contract. For goods sales, the transfer is generally made after the goods have arrived at the customer's warehouse, but for some international deliveries the transfer is made when the goods are loaded for transport.

7.3.13.2 Sales of services

Sales of services are recognized in operating results based on the service's stage of completion on the reporting date. The state of completion is assessed with a review of the completed tasks.

A majority of the Group's revenue is from sales of licenses and upgrade subscriptions. Apart from regular purchasing licenses outright, customers can also pay with a 5-year installment plan, or lease it for six years (hereinafter referred to as RLGS Agreements). Revenue from RLGS Agreements is composed of license fees, upgrades and financing.

Income from tenders, subsidies or grants is recorded by the Group at the signing of the contract and in the moment when their occurrence becomes certain.

Uncertainty evaluations and decisive assessments prepared by the management in line with the accounting policy that most significantly affect figures in the financial statements are:

- explanation on allocations and contingent liabilities;
- valuation of assets.

7.3.13.3 Revenue from rents

Revenue from rents and investment property is recognized in revenue on a straight line basis over the term of the rent. Any given rent-related incentives are recognized as a part of total revenue from rents.

7.3.14 Government grants

Government grants are initially recognized in accounting statements as deferred revenue, if there is reasonable assurance that the Group will receive said grants and will fulfill the necessary requirements. Government grants received for covering costs are recognized strictly as revenue in the periods when said costs occur, that the grants should be covering. Grants related to assets are recognized in operating results strictly as other operating revenue in the useful life of an asset.

7.3.15 Financial leases

Payments from financial leases are recognized as revenues on a straight line basis over the lease term. Any received lease-related incentives are recognized as a part of total expenses for leases.

The minimum lease payments due are distributed among financial expenses and decrease of

outstanding debt. Financial expenses are distributed among periods over the lease term to get a fixed interest rate for the outstanding debt balance for each period. The Group presents contingent payments from financial leases in the amount that, when the lease is changed, the minimum lease payment for the remaining term is re-assessed.

Contingent payments from financial lease are presented when the contingent liability no longer exists and when the change in the financial lease's value is known, namely in the amount determined by reassessing the minimum lease payment in the remaining term of the lease.

7.3.16 Financial revenue and financial expenses

Financial revenue consists of interest from investment (including financial assets held for sale), dividend revenue, revenue from disposal of financial assets held for sale, changes in fair value of financial assets at fair value through operating results, and gains from instruments for insurance against risks, which are recognized in operating results. Revenue from interest is recognized in operating results upon its occurrence using the effective interest rate method. Dividend revenue is recognized in operating results on the day the shareholder's right to payment is exercised, which is for listed companies generally the date when the right to current dividends ceases to be related to the share.

Financial expenses consist of borrowing costs, differences from recalculating allocation discounts, dividends from preferred shares presented among liabilities, changes in fair value of financial assets at fair value through operating results, loss due to impairment of financial assets, and loss from instruments for insurance against risks, which is recognized in operating results. Borrowing costs are recognized in operating results using the effective interest rate method.

Profit and loss from exchange differences are presented in net amounts.

7.3.17 Tax on profit

The tax on profit or loss in the fiscal year consists of current tax and deferred tax. The tax on profit is presented in operating results, except for the part pertaining to items that are presented directly in equity and is therefore presented in equity.

Current tax is the tax expected to be paid from taxable profits for the fiscal year, using the tax rates that have been enacted or substantively enacted by the reporting date, and any adjustments to tax liabilities related to past fiscal years.

Deferred tax is presented using the balance sheet liabilities method, whereby temporary differences between asset and liability book value for financial statements and amounts for tax reporting are taken into account. The following temporary differences are not included: initial recognition of assets or liabilities in transactions other than mergers that have no effect on accounting profits or taxable profits, and differences related to investments in subsidiaries and jointly-controlled companies in the amount that is likely not to be derecognized in the foreseeable future. Furthermore, the deferred tax is not presented if there are taxable temporary differences at the initial recognition of goodwill. Deferred tax is presented in the amount that is expected to be payable upon derecognition of temporary differences based on laws enacted or substantively enacted by the reporting date. The Group sets off deferred tax assets liabilities, if it has a legally enforceable right to set off recognized current tax assets and liabilities and if they pertain to the tax on profit levied by the same taxation authority in connection with the same taxable unit; or different taxable units that either intend to settle current tax liabilities and tax assets with a difference, or simultaneously recover assets and settle liabilities.

Deferred tax assets are recognized in the amount for which it is likely that a future taxable profit will be available that might be used to cover the deferred asset. Deferred tax assets are reduced by the amount for which it is not likely that asset-related tax reliefs can be claimed.

7.3.18 Earnings per share (EPS)

For regular shares, the Group presents basic earnings per share and adjusted earnings per share. Basic earnings per share are calculated by dividing profit or loss belonging to common shareholders with the weighted average number of shares in the fiscal year. Adjusted earnings per share are calculated by adjusting profit or loss belonging to common shareholders and the weighted average number of shares in the fiscal year for the effect of all dilutive potential common stock, which represents convertible bonds and employee stock options.

7.3.19 Reporting by segments

A segment is a distinct part of the Group that deals with products and services (industry segment) or products and services in a given environment (geographical segment) and is subject to risks and yield different from other segments. Information by segments is presented by the Group's industry and geographical segments. The Group's report by segments is based on industry segments. The Group's industry segments are based on the Group's management and its internal reporting structure.

The prices of inter-segment transfers are measured on an arm's-length basis.

Operating results, assets and liabilities by segments contain items that can directly be attributed to a segment, and also those that can justifiably be allocated to a segment. Unallocated items mostly pertain to: investments (except investment property) and all related revenue, received and given loans and their related expenses, common assets (primarily company headquarters) and expenses of the headquarters, and profit tax assets and liabilities.

A segment's investments in long-term assets consist of the total costs in the current fiscal year from the acquisition of fixed assets and intangible assets, excluding goodwill.

7.4 DETERMINING FAIR VALUE

Considering the Group's accounting policies and breakdowns, many times a fair value of financial and non-financial assets and liabilities must be determined. The fair values of single asset groups for the purpose of measuring or reporting are determined herein. Additional explanations regarding assumptions for determining fair value are given along individual breakdowns of the Group's assets or liabilities.

Hierarchy of fair value

With recognition and disclosure of fair value of financial instruments by the use of valuation technique, the next hierarchy was used:

1st category: determining fair value directly by referencing the officially listed price on the active market,

2nd category: other fair value determining techniques on the basis of assumptions with significant impact on fair value which are in accordance with noticeable current market transactions in the same instruments, whether directly or indirectly,

3rd category: other fair value determining techniques on the basis of assumptions with significant impact on fair value which are not in accordance with noticeable current market transactions in the same instruments.

Assets measured by fair value

	in EUR	in EUR
Short-term operating liabilities	**30 June 2014**	**30 June 2013**
1st category	76,104	0

2nd category	0	0
3rd category	0	0

7.4.1 Fixed assets

The fair value of fixed assets from business combinations is equal to their market value. The market value of immovable property is equal to the estimated value at which the property could be sold by a willing seller to a willing buyer at arm's length on the day of the valuation and after appropriate marketing. The market value of plant, equipment, furniture and fixtures is based on the offered market price of similar objects.

7.4.2 Intangible assets

The fair value of patents and trademarks acquired through business combinations is based on the estimated discounted future value of royalties, which will not need to be paid because the patent or trademark is already owned. The fair value of other intangible assets is determined by taking the current value of estimated future cash flows that are expected from their use or potential sale.

7.4.2.1 Operating and other receivables

The fair value of operating and other receivables is calculated as the current value of future cash flows, discounted at market interest rates on the reporting date.

7.4.2.2 Non-derivative financial liabilities

The fair value is for reporting purposes calculated based on the current value of future payouts of the principal and interest, discounted at the market interest rate on the reporting date. In connection with the portion of liabilities from convertible bonds, the market interest rate is determined by comparing with similar liabilities that cannot be converted to equity. For financial leases, the market interest rate is determined by comparing with similar lease contracts.

7.5 FINANCIAL RISK MANAGEMENT

The company does not use financial instruments. The company assesses financial risks within the following groups:

- credit risk,
- reduced liquidity,
- market risk.

This chapter discusses the company's exposure to said risks, its goals, policies and procedures for measuring and managing risks, and its handling of capital. Other quantitative disclosures can be found in the continuation of the Notes to the financial statements.

The management is fully responsible for establishing the company's framework for risk management. The finance and accounting department deals with risk measurement and management. The person responsible for finance and accounting reports to the executive director about activities in this field.

Risk management policies are designed to define and analyze risks that threaten the company, based on which proper restrictions and controls are set up, risks monitored and restrictions respected. Risk management policies and systems are regularly checked to reflect changes in market conditions and the company's activities. With training as well as standards and procedure for risk management, the company endeavors to develop a disciplined and constructive enviro-

nment where all employees are aware of their roles and responsibilities.

The executive board ensures that risk management policies and procedures are respected, and assesses the suitability of the risk management framework for the risks that the company faces.

7.5.1 Credit risk

Credit risk is the risk that the Group will suffer financial loss if a client or a contracting party in a financial instrument agreement fails to fulfill its contractual obligations. Credit risk arises primarily from the Group's receivables from clients and investment securities.

7.5.2 Operating and other receivables

The Group's exposure to credit risk depends largely on the characteristics of individual clients. Client demographics and risk of non-payment with regard to the industry or country of a client do not have a significant effect on credit risk. Geographically speaking, there is no concentrated credit risk.

The finance and accounting department assesses each new client's creditworthiness before it is given standard terms of payment and delivery. The assessment factors in external ratings if they exist, and is some cases also bank references. The credit limit is set in the form of a maximum outstanding amount that need not be approved and is client-specific; credit limits are checked every four months. Clients that do not meet the Group's standard creditworthiness are required to make payments in advance.

The Group makes adjustments for impairments that represent estimated losses from operating and other receivables and investments. The main elements of adjustments are the special part of the loss, which pertains to single major risks, and the common part of loss, which is for groups of similar assets due to losses that have occurred but have not yet been identified. The adjustment for total loss is determined by factoring in historical data that pertains to statistics of payments for similar financial assets.

7.5.3 Guarantees

In line with its policies and financial capacity, the Group issues financial guarantees only to wholly-owned subsidiaries.

7.5.4 Reduced liquidity

Liquidity risk is the risk that the Group might not be able to settle its financial obligations when due. The Group maintains maximum liquidity by having sufficient liquid assets to settle obligations in time, both in normal and troubled circumstances, without incurring unacceptable loss or reputation damage.

The Group has several credit lines for ensuring liquidy where it can draw from if the need arises. In the table below, a review of financial and operating liabilities by maturity of the debt is shown .

FY 2014	Up to 3 months	3 to 12 months	1 to 5 years	over 5 years	Total in EUR
Financial liabilities	211,667	532,725	1,863,434		2,607,826
Operating liabilities	1,054,810				1,054,810
Total	1,266,477	532,725	1,863,434	0	3,662,636

FY 2013	Up to 3 months	3 to 12 months	1 to 5 years	over 5 years	Total in EUR
Financial liabilities	136,683	467,993	1,691,514		2,296,190
Operating liabilities	855,975				855,975
Total	992,658	467,993	1,691,514	0	3,152,165

7.5.5 Market risk

Market risk is the risk that fluctuations in market factors, such as interest rates, exchange rate and equity instruments, will affect the Group's revenue or value of financial instruments. The objective of market risk management is the control over exposure to market risks to a reasonable degree, while optimizing profits.

7.5.6 Currency risk

The Group is exposed to currency risk when buying, selling, lending and borrowing, specifically when making transactions in currencies other that the functional currency. The Group operates mostly with euros.

The significance of the key currency pair has changed since the introduction of the euro, because no currency pair fits into this category, but due to unbalanced foreign currency positions, some of the more important currency pairs have been identified that are geographically related to the company's subsidiaries: EUR/Croatian kuna, EUR/Macedonian denar and EUR/Serbian dinar. The company attempts to reduce currency risks by factoring them into markups, by balancing purchases and sales, with well-timed foreign currency coverage of inflows with outflows, and by taking out loans in the local currency.

7.5.7 Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate due to variable interest rates. The majority of the Group's debt instruments is bound to a fixed interest rate, therefore operations are not exposed to interest rate risk. Interest rate risk is reduced by adapting interest rates for assets to interest rates for liabilities; furthermore, simulations are performed on the balance sheet in regard to absorption of financing in relation to interest rate fluctuation.

7.5.8 Equity risk

The executive board decided to keep equity large in order to build the trust of investors, creditors and the market, and to facilitate the Group's sustainable growth. The executive board monitors the capital gains that the Group defined as net operating revenue, divided by the total shareholder's equity, excluding non-redeemable preferred shares and minority stakes. Also monitored is the dividend amount paid to common shareholders.

The Group endeavors to keep a balance between high yields supported by large loans and the benefits and security of a strong equity position.

The Group monitors the movement of equity by using the leverage ratio, calculated by dividing net liabilities with the total amount of liabilities and the total amount of equity, as shown in the table below.

Item	2014	2013
Financial liabilities = FL	2,607,826	2,296,190
Operating liabilities = OL	1,054,810	855,975
Cash and short-term deposits = C	411,520	205,448
Net liabilities = FL + OL - C	3,251,116	2,946,717
Equity	5,310,695	4,655,197
Equity + net liabilities	8,561,811	7,601,914
Financial leverage ratio	38%	39%

The Group occasionally buys own shares, depending on the current market price of the share. In general, such shares are intended for profit sharing schemes. The decision for buying and selling shares is made by the risk management committee separately for each transaction. The Group does not have a special plan for buying own shares.

The Group did not change its equity management policies in this fiscal year.

Neither the parent company nor its subsidiaries are subject to equity requirements set by external entities.

7.6 REPORTING BY SEGMENTS

The Group considers that risks and returns from various activities in selling the ERP system PANTHEON are alike in their principal characteristics, that is why there is only one industry segment and two geographical segments. The primary reporting segment of the Group is the geographical segment. The two geographical segments are the Slovenian market and other foreign markets.

	Slovenia		Other markets		Consolidated	
	FY'14	FY'13	FY'14	FY'13	FY'14	FY'13
Revenue	4,269,006	3,802,381	3,084,961	2,900,514	7,353,967	6,702,895
Assets of the segment	8,683,174	7,166,258	1,281,395	1,217,310	9,964,569	8,383,568
Cost of fixed assets	13,605,033	11,636,629	389,796	351,167	13,994,829	11,987,796

Details about key business performance items by companies in the Group

in EUR	Datalab, d. d.	Datalab SI	Datalab HR	Datalab SR	Datalab MK	Datalab BA	Datalab MN
Revenue	4,348,254	2,264,355	996,945	716,650	512,556	615,455	285,283
Depreciation	1,209,512	4,042	9,789	7,867	8,575	6,993	618
Net profit/loss	655,789	40,140	13,094	-37,699	11,024	-78,220	45,126
% of net profit or loss/revenue	15.08%	1.77%	1.31%	-5.26%	2.15%	-12.71%	15.82%

Details about the stakes of the parent company in companies in the group (by companies and equity held)

	Share	Investment value of Datalab, d. d., as of 30 June 2014	Capital of the individual company as of 30 June 2014
Investment into Datalab Tehnologije d.o.o. – Croatia	51%	123,000	87,530
Investment into Datalab BA d.o.o. – Bosnia and Herzegovina	100%	161,717	6,756
Investment into Datalab MK d.o.o. – Macedonia	100%	38,832	78,327
Investment into Datalab SR d.o.o. – Serbia	100%	5,000	-27,559
Investment into Datalab MN d.o.o. – Montenegro	51%	0	88,415
Investment into Datalab SI d.o.o. – Slovenia	100%	7,500	71,571
Subsidiaries total		**336,049**	**305,040**
Investment into Datalab Automotive d. o. o. – Serbia	24.99%	1,249	
Investment into Datalab Bulgaria, Ltd. – Bulgaria	50.00%	0	
Investment into Datalab AL Sh.p.k. - Albania	50.00%	5,000	
Investment into Datalab Agro AG - Switzerland	50.00%	82,440	
Other companies total		**88,689**	

7.7 OPERATING REVENUE

In EUR	FY 2014	FY 2013
Sales	5,281,140	4,672,915

Sales consist largely of sales of licenses, software subscriptions and cloud services (Hosting). A minor part of sales include sales of implementations, training, certification, promotional services and membership fees.

In EUR	FY 2014	FY 2013
Other operating revenue	2,012,895	1,962,618

The majority of other operating revenue are capitalized own products and services in the amount of 1,747,780 EUR, of which 1,426,680 EUR represents the development of PANTHEON and 321,100 EUR the development of the Farming program.

Subsidies, grants, allowances, compensations and other revenue associated with products and services include the subsidy of the Slovenian Ministry of Higher Education and Technology for developing an ecosystem for e-business in SMEs (project Feniks) in the amount of 57,000 EUR and funds received from the same ministry as part of co-funding for the improvement of development teams in the amount of 130,784 EUR. In addition to the listed subsidies, we also received a subsidy from the Slovene Human Resources Development and Scholarship Fund in the amount of 375 EUR, and a subsidy from the SPIRIT agency in the amount of 2,936 EUR.

This income was financed in the proportional amount of the cost of depreciation of the Feniks project. The subsidiary in Slovenia was granted a subsidy for employment in the amount of 460 EUR, in Bosnia and Herzegovina in the amount of 6,121 EUR, and in Croatia in the amount of 5,417 EUR.

Other operating revenue in the fiscal year 2014 is composed of revalued revenue from the derecognition of impairment of operating receivables in the amount of 3,700 EUR, revalued revenue from the disposal of fixed assets in the amount of 33,965 EUR, derecognition of allocations in the amount of 7,439 EUR, and write-off of eventual but time-barred liabilities in the amount of 2,919 EUR, and other extraordinary operating revenue in the amount of 13,999 EUR.

7.8 COST OF MATERIALS, GOODS AND SERVICES

The cost of materials is the quantity of direct materials consumed. Costs of materials are not revalued to account for a change in the purchasing power of the relevant currency. Costs of services are costs that do not count as costs of materials, depreciation or labor, but costs of transportation services, production stages performed by others, utility and telecommunication services, rentals, payment services, and similar. Costs of services include work contracts costs, author's contract costs and costs associated with other legal relations, except employment relationships with private individuals.

The Group has changed the way it records loan banks' processing fees for loans; now they are no longer included in costs of payment and banking services. It has also changed the recording of guarantees for granted loans that are no longer recorded as costs of other services. Both are now shown in financial expenses for loans received from banks. The table below is adjusted accordingly also for the previous fiscal year.

The total cost of materials, goods and services is composed as follows.

in EUR	FY 2014	FY 2013
Cost of materials, goods and services	**2,544,846**	**2,318,106**
Cost of materials	69,025	66,052
Cost of services	2,475,821	2,252,054

7.9 LABOR COSTS

Labor costs are composed as follows:

in EUR	FY 2014	FY 2013
Labor costs	**2,656,136**	**2,399,632**
Cost of wages and salaries	1,907,754	1,679,944
Cost of other social insurances	475,986	439,456
Other labor costs	272,396	280,232

7.10 FINANCIAL REVENUE

in EUR	FY 2014	FY 2013
Financial revenue	**50,040**	**63,011**
Financial revenue from loans given to others	8,786	493
Financial revenue from operating receivables	41,254	62,518

Most of the financial revenue from operating receivables has been made from the crediting of lease and subscription (RLGS) agreements. In the fiscal year 2014, this amounted to 31,271 EUR. Other revenue consists of exchange differences, interest on deposits, and default interest from clients' late payments.

7.11 FINANCIAL EXPENSES

in EUR	FY 2014	FY 2013
Financial expenses	**161,235**	**158,546**
Financial expenses due to impairment and write-offs of investments	6,982	
Financial expenses for loans received from banks	133,745	131,474
Financial expenses for other financial liabilities	0	428
Financial expenses for operating liabilities to others	20,508	26,644

The Group has changed the way it records loan banks' processing fees for loans; they are no longer included in costs of payment and banking services. It has also changed the recording of guarantees for granted loans that are no longer recorded as costs of other services. Both are now shown in financial expenses for loans received from banks.

7.12 NET CASH FLOW

in EUR	FY 2014	FY 2013
Financial revenue	50,040	63,011
Financial expenses	161,235	158,546
Net financial profit/loss	**-111,195**	**-95,535**

7.13 TAX ON INCOME

The corporate income tax is accounted based on the income and expense that are included into the operating statement according to the applicable tax rate in each country of the Group and legislation of each respective country.

The tax liability of companies in the Group amounts to 34,552 EUR.

in EUR	FY 2014	FY 2013
Gross operating profit or loss before taxes	515,957	517,206
Tax on profit	-34,552	-11,533
Deferred taxes	161,516	186,790
Net profit/loss of the Group	642,921	692,463

Taxes by companies in the Group

in EUR	Datalab, d. d.	Datalab SI	Datalab HR	Datalab SR	Datalab MK	Datalab BA	Datalab MN
Operating profit/ loss before taxes	511,415	49,161	17,021	-37,699	11,024	-78,220	49,589
Tax on profit		26,162	3,927				4,463
Deferred taxes	144,374	17,141					
Net operating profit/loss for the period	655,789	40,140	13,094	-37,699	11,024	-78,220	45,126

7.14 REVENUE FROM DEFERRED TAXES

Revenue from deferred taxes represents an increase in deferred tax assets in the amount of 161,515 EUR as the difference between write-offs and impairments not recognized for tax purposes in this fiscal year, write-offs and impairments recognized for tax purposes in future years pertaining to profit sharing under the Financial Participation Act, and unused tax reliefs for investments into development. Due to larger write-offs and impairments not recognized for tax purposes, the subsidiary from Slovenia acceded to the report of deferred taxes beside the parent company.

7.15 PROPERTY, PLANT AND EQUIPMENT

The subsidiary Datalab SR owns one piece of immovable property. Computers and computer equipment represent the majority of other fixed assets.

Property, plant and equipment for the period from 1 July 2013 to 30 June 2014.

in EUR	Real property	Other plant and equipment	Total
COST			
Balance as of 1 July 2013	176,537	657,949	834,486

Acquisition, activation	0	68,971	68,971
Disposal, write-off		74,814	74,814
Downward revaluation of fixed assets	-4,354	-1,485	-5,839
Balance as of 30 June 2014	**172,183**	**650,621**	**822,804**
VALUE ADJUSTMENT			**0**
Balance as of 01 July 2013	11,769	515,556	527,325
Disposal, write-off		72,410	72,410
Depreciation	4,014	86,341	90,355
Downward revaluation of fixed assets		0	0
Balance as of 30 June 2014	**15,783**	**529,487**	**545,270**
CARRYING VALUE			**0**
Balance as of 01 July 2013	164,768	142,393	307,161
Balance as of 30 June 2014	**156,400**	**121,134**	**277,534**

7.16 INTANGIBLE ASSETS

An intangible asset is an asset used for long-term production or supply of goods or services, for rental to others, or for administrative purposes, but without physical substance. The Group presents material rights and copyrights at their carrying value, being the difference between the cost and the value adjustment.

Intangible assets in the value of 5,590,259 EUR represent the value of purchased components and other copyrights pertaining to PANTHEON, and various licenses that allow normal work of the PANTHEON development team. The largest part of intangible assets is the capitalization of the software PANTHEON.

In the fiscal year 2014, the Group continued to develop Farm Accounting program and it is presented among intangible assets under preparation in the amount of 712,323 EUR. In this fiscal year, the group already put into use a number of the so-called test licenses of this program. Marketing of the program is planned for the next fiscal year, when the program will be ultimately tested and put into general use first in the Slovenian market, and after the localizations will be finished, in other EU markets and other markets of Southeastern Europe.

The Group presents goodwill of Datalab HR in the amount of 120,241 EUR among intangible assets. The management estimates that there are no indications of goodwill impairment.

The Group has no significant fully depreciated intangible assets.

Intangible assets for the fiscal year 2014

in EUR	Long-term property rights	Long-term property rights - under preparation	Total
COST			
Balance as of 1 July 2013	10,963,623	309,928	11,273,551
Acquisition, activation	1,496,079	402,395	1,898,474

Disposal, write-off			0
Upward revaluation of fixed assets	0		0
Balance as of 30 June 2014	12,459,702	712,323	13,172,025
VALUE ADJUSTMENT			
Balance as of 01 July 2013	5,592,070		5,592,070
Disposal, write-off	0		0
Depreciation	1,157,132		1,157,132
Upward revaluation of fixed assets			0
Balance as of 30 June 2014	6,749,202		6,749,202
CARRYING VALUE			
Balance as of 01 July 2013	5,371,553	309,928	5,371,553
Balance as of 30 June 2014	5,710,500	712,323	6,422,823

7.17 LONG-TERM FINANCIAL INVESTMENTS AND BUSINESS MERGERS

Long-term financial investments are part of long-term financial instruments and represent an item with maturity over one year.

(in EUR)	30 June 2014	30 June 2013
Long-term financial investments	136,166	6,249
Other long-term financial investments	88,689	6,249
Long-term loans	47,477	0

The Group presents the following long-term financial investments:

In EUR	Share	30 June 2014	30 June 2013
Investment into Datalab Automotive d.o.o. – Serbia	24.99%	1,249	1,249
Investment into Datalab Bulgaria Ltd. - Bulgaria	50%	0	0
Investment into Datalab AL Sh.p.k. - Albania	50%	5,000	0
Investment into Datalab Agro AG - Switzerland	**50%**	**82,440**	**0**
Other companies total		**88,689**	**6,249**

Long-term financial investments are valued using the cost method. In March 2014, the parent company and the Swiss company Mattig Management Partners AG (hereinafter: Mattig) founded Datalab Agro AG in Switzerland in which the parent company holds a 50% share. Regarding the ownership of Datalab Agro AG, Datalab d.d. and Mattig concluded an option contract (he-

reinafter: "Option contract"), according to which Datalab d.d. has a call option, and Mattig has a put option to purchase or sell shares of Datalab Agro AG in the holding of Mattig. According to the Option contract, instead of purchase price in cash, Mattig is guaranteed shares of Datalab d.d. at the price of 2.9 EUR per 1 DATR share, taking into consideration the value of Datalab d.d. in the amount of 4,200,000.00 EUR and the number of issued DATR shares in the amount of 1,700,000 (this information is based on publicly issued non-consolidated financial statements of the second trimester of the fiscal year 2014 as of 28 February 2014). In accordance with the provisions of the Option contract, the call or put option can be carried out in two-years time since the day of establishment of Datalab Agro AG or immediately in case of change of control over Datalab d.d.

Long-term financial investments in subsidiaries and affiliated companies

Acquisition of ownership stakes in subsidiaries and creations

Company	Date of purchase	Company's equity on the day of purchase	Acquired stake	Purchased part of equity	Payment for acquired stake	Goodwill at acquisition
Datalab Automotive d.o.o	8 September 2008	5,000 EUR	24.99%	1,249 EUR	1,249 EUR	0
Datalab Bulgaria Ltd.	19 September 2011	100,000 BGN = 51,130 EUR	50%	25,565 EUR	30,486 EUR	0
Datalab AL Sh.p.k.	26 February 2013	10,000 EUR	50%	5,000 EUR	5,000 EUR	
Datalab Agro AG	6 March 2014	200,000 CHF = 164,880 EUR	50%	82,440 EUR	82,440 EUR	

Long-term loans

Among long-term loans, the Group presents a loan given to Datalab AL Sh.p.k in the amount of 5,000 EUR, a loan to Andrej Mertelj in the amount of 41,341 EUR, and a long-term part of a loan to an employee in the amount of 1,136 EUR.

7.18 LONG-TERM OPERATING RECEIVABLES

Long-term operating receivables are receivables arising from property and other legal relationships to claim the settlement of a debt or the payment for deliveries or rendered services in a period that is longer than 12 months. Long-term operating receivables are mostly receivables of products and services for hire-purchase. Below is a breakdown of long-term operating receivables by the type of agreement.

(in EUR)	30 June 2014	30 June 2013
LONG-TERM RECEIVABLES	60,195	135,832
Other long-term receivables		15,525
Long-term receivables from confirmed compulsory liquidations	4,915	4,916

Long-term receivables of products and services for hire-purchase	55,280	107,905
Long-term oper. rec. from leases (L20 and L30)		5,265
Long-term oper. rec. from lease upgrades (L20 and L30)		2,158
Long-term oper. rec. from subscriptions (S30)		31
Long-term oper. rec. from subscription upgrades (S30)		32

7.19 LONG-TERM DEFERRED COSTS AND ACCRUED REVENUE

in EUR	30 June 2014	30 June 2013
Long-term deferred costs and accrued revenue	4,241	12,123

Long-term deferred costs and accrued revenue include long-term deferred costs.

7.20 DEFERRED TAX ASSETS

(in EUR)	30 June 2014	30 June 2013
Deferred tax assets	527,158	365,643
- from establishing provisions	1,613	1,604
- from unused tax reliefs for development	434,591	283,774
- from deferral of entitlement to the use of tax relief from the financial participation of employees	34,831	41,309
- from revaluation of receivables and financial investments	56,123	38,956

Deferred tax assets are amounts of the tax on profit that will be returned to the taxpayer in future tax periods with lower tax amounts in the future, when the assets can be claimed.

Deferred tax assets in the Group are receivables from the state for value adjustments of receivables and investments in the amount of 56,123 EUR, receivables from unused tax reliefs due to employee profit sharing under the Financial Participation Act in the amount of 34,831 EUR, unused reliefs for investment in R&D in the amount of 434,594 EUR, and established provisions for severance pays and long service awards in the amount of 1,613 EUR.

7.21 INVENTORIES

in EUR	30 June 2014	30 June 2013
Inventories	4,642	7,230

Materials	3,763	4,196
Goods	715	1,631
Advances for inventories	164	1,403

The Group shows low inventoriey of materials and goods.

7.22 SHORT-TERM FINANCIAL INVESTMENTS

(in EUR)	30 June 2014	30 June 2013
Short-term financial investments	**233,615**	**210,191**
Other short-term financial investments	98,238	112,522
Other short-term loans	135,377	97,669

Short-term financial investments in 2014 consisted of short-term loans in the amount of 135,377 EUR and other short-term financial investments in the amount of 98,238 EUR. Short-term loans bear interest at an annual interest rate of 7 to 8%.

7.23 SHORT-TERM OPERATING RECEIVABLES

Short-term operating receivables are receivables arising from property and other legal relationships to claim the settlement of a debt or the payment for deliveries or rendered services. They represent short-term operating receivables and paid advances. Breakdown of operating receivables:

(in EUR)	30 June 2014	30 June 2013
Short-term operating receivables	**1,673,659**	**1,333,627**
Short-term operating receivables from customers	1,326,588	1,141,926
Short-term operating receivables from others	347,071	191,701

Trade receivables are presented at nominal value, decreased by proper adjustments for estimated unrecoverable amounts. Receivables are revalued due to impairment if their book value exceeds their fair value, that is their realizable value.

Short-term receivables are collectible. Services to problematic customers are rendered only against an advance payment. Short-term receivables to foreign customers are converted at the rate of the Bank of Slovenia as of 30 June 2014. The effects of changes in exchange rates on the balance sheet date increase ordinary financial revenue or expenses as exchange differences.

Short-term operating receivables from others include receivables for paid advances to suppliers, receivables for paid collaterals to executors, receivables for input VAT, and receivables for overpaid corporate income tax.

It is estimated that short-term receivables are collectible, except for receivables whose value has been adjusted.

Receivables by maturity

Receivables	Gross value on 30 June 2014	Value adjustment on 30 June 2014	Net value on 30 June 2014	Gross value on 30 June 2013	Value adjustment on 30 June 2013	Net value on 30 June 2013
Total	1,937,987	264,328	1,673,659	1,456,453	122,826	1,333,627
Not overdue	1,217,298	0	1,217,298	934,397	0	934,397
Overdue 0 to 30 days	171,429	5,699	165,730	170,052	198	169,854
Overdue 31 to 180 days	261,382	44,489	216,893	172,676	13,837	158,839
Overdue 181 to 365 days	154,169	116,266	37,903	57,238	7,018	50,220
Overdue over one year	133,708	97,874	35,834	122,090	101,773	20,317

Item	FY 2014	FY 2013
Balance as of 1 July 2013	122,826	169,463
Value adjustments within the year	173,611	44,311
Deactivation of value adjustments due to completion of procedures	-32,109	-90,948
Balance as of 30 June 2014	**264,328**	**122,826**

7.24 CASH

On 15 March 2011, the company increased its share capital by 1,500,000.00 EUR and on 28 March 2011 carried out a share split at a ratio of 1:15.

In EUR	30 June 2014	30 June 2013
Cash	411,520	205,448
Cash on hand	765	675
Cash in bank accounts	410,755	204,773

7.25 SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE

In EUR	30 June 2014	30 June 2013
Short-term deferred costs and accrued revenue	213,016	118,583

Short-term deferred costs and accrued revenue include deferred costs for partner commissions for RLGS agreements, annual leave bonuses, and other short-term deferred costs and short-term accrued revenue.

7.26 EQUITY

7.26.1 Share capital

The shareholder meeting on 5 May 2003 decided to issue 6,150 shares with a total nominal value of 6,150,000 SIT (25,663 EUR). Another 225 shares were issued on 5 April 2005 with a total nominal value of 225,000 SIT (938.9 EUR). The nominal value per share for the first two issues was 1,000 SIT (4.17 EUR) and they were for cash. 95,050 no-par value shares were issued on 17 August 2007; the issue was carried out from carried over profits and overpaid share capital. On 15 February 2008, another 5,094 no-par value issues were issued for cash. The fifth issue of shares was registered at the central securities register on 29 December 2010, specifically 5,020 no-par value shares in a total nominal value of 20,947.97 EUR. The last shares were registered at the central securities register on 26 June 2012, specifically 64,327 no-par value shares in a total nominal value of 75,567.55 EUR. On 20 June 2014, District court in Ljubljana registered a recapitalization, the entry of which took place in May 2014, and an increase of the number of shares from 1,737,412 to 1,870,401 no-par DATR shares. After that, the company's share capital* amounts to 2,197,236.44 EUR. This issue of shares wes successfully registered at the central securities register only after the end of our fiscal year 2014, on 4 July 2014.

All shares are common, registered and issued in non-material form. All shares had been paid in full by the shareholders before the shares were entered in the company register.

7.26.2 Weighted average number of shares

	FY'14	FY'13
Initial number on 1 July	1,737,412	1,737,412
Minus own shares	30,547	20,034
Adjusted initial number	1,706,865	1,717,378
New issue		
Split		
Acquisition of own shares	19,020	16,434
Sales of own shares	36,915	11,923
Adjusted final number on 30 June	1,724,760	1,729,301
Weighted average number	**1,717,618**	**1,724,401**

7.26.3 Own Shares

As of 30 June 2014, the company owned 12,652 own shares. Their cost is presented in the amount of 28,599 EUR. The Group devised the reserves for the purchase of own shares in the amount of 28,599 EUR. The group buys own shares for the distribution of profits to employees as employee stock ownership scheme. The fair value of own shares on 30 June 2014 was 53,138 EUR.

7.26.4 Capital surplus

Capital surplus consists of capital increase payments above the share's par value and amounts

to 425,463 EUR. Due to the effects of disposals of own shares, the capital reserves were decreased for the amount of 15,920 EUR in the current fiscal year, and due to revaluation of 18,120 borrowed own shares to market value as of 30 June 2014, they were further decreased for 36,240 EUR.

Accounting standards require that the company separately discloses operating results calculated on the basis of revaluation in order to maintain of capital based on the growth of consumer prices.

7.26.5 Translation reserve

Upon acuisition of the non-controlling interest in Datalab BA, negative translation reserves were formed in the fiscal year 2014 in the amount of 128,700 EUR. The rest of translation reserves (2,173 EUR) represent exchange differences arisen at the conversion of equity items from functional currency to reporting currency.

Item (in EUR)	Capital amount	% growth	Calculated effect	Reduced net operating result
Capital (excl. profit of the current year)	4,610,089	0.8	36,881	577,512

7.26.5 Ownership structure of Datalab d. d., as of 30 June 2013

Category	First name	Last name	Percentage	No. of shares
10 largest			83.12%	
	Andrej	Mertelj	39.40%	684,460
	Raiffeisen bank International (fiduciary account)		19.62%	340,890
	Nepremičnine Noviforum d.o.o.		9.65%	167,636
	Lojze	Zajc	3.90%	67,729
	NLB Skladi - Slovenija delniški		2.80%	48,647
	Moreno	Rodman	1.84%	31,920
	ADVAL d.o.o.		1.76%	30,540
	Vanja	Varl	1.71%	29,655
	Valerija	Ažman	1.37%	23,865
	Aleš	Golob	1.08%	18,747
Others			16.88%	
	Members of the management board (others*)		0.68%	11,760
	Members of the management board (together**)		45.14%	763,949
	Other employees		4.20%	72,963
	Former employees		1.96%	33,969

Partner companies	1.70%	29,574
Other shareholders	8.35%	145,057
Total	**100.00%**	**1,737,412**

* excluding Andrej Mertelj, Lojze Zajc **all members of the management board

7.27 LONG-TERM FINANCIAL LIABILITIES

On 15 December 2010, the company signed a loan contract with Nova Ljubljanska banka, d.d., for a 5-year loan of 860,000.00 EUR (long-term part 80,000 EUR and short-term part 180,000 EUR as of 30 June 2014). The loan was taken out under the Republic of Slovenia Guarantee Scheme (in the previous fiscal year, an annex was concluded with the bank with which the guarantee of the Republic of Slovenia is withdrawn) and is in its entirety meant for the repayment of short-term loans. The loan is additionally collateralized with some of the company's long-term and short-term receivables totallin at 694,977 EUR.

On 31 July 2012, Datalab signed a long-term 2 million EUR loan contract with the SID bank for financing the project PANTHEON Feniks III which is insured with the PANTHEON trade mark and the establishment of trade mark rights on intangible copyrights deriving from the source code of the Datalab Pantheon program, Version 5.5. Up to 30 June 2014, the loan is used in the amount of 1,882,074 EUR. In the long-term part, the loan is presented in the amount of 1,423,729 EUR.

In the previous fiscal year, Datalab d.d. was granted a long-term loan by Banka Celje d.d. with a subsidized interest rate of the Slovene Enterprise Fund, for the purchase and finishing the program for cash operations POS in the amount of 300,000 EUR. 60% of the credit is insured by the Slovene Enterprise Fund, the rest is insured by the trade mark of Datalab. Up to 30 June 2014, the loan is used in the amount of 276,686 EUR.

In the fiscal year 2011, the subsidiary Datalab SR d.o.o., has taken out two loans with Banca Intesa, Belgrade, in a total amount of 150,000 EUR (status on 30 June 2014: 55,939 EUR) for purchasing real property. Of that, 100,000 EUR have a maturity of seven years.

In addition to that mentioned above, two subsidiaries show long-term loans balance in the total amount of 18,662 EUR.

In November 2013, Datalab SR bought a personal vehicle under the financial leasing and as of 30 June 2014, the company still shows a liability in the amount of 8,418 EUR.

in EUR	30 June 2014	30 June 2013
Long-term financial liabilities	1,863,434	1,691,514
Long-term loans from domestic banks	1,855,016	1,689,866
Other long-term financial liabilities	8,418	1,648

Interest rates are tied to 6 month and 3 month Euribor and have an additional fixed interest rate between 3% and 6% per year. The repayment term is up to 7 years.

The sum of approved loans that were not drawn until 30 June 2014 amounts to 141,240 EUR.

7.28 LONG-TERM PROVISIONS

Long-term provisions are provisions for long service rewards and severance pays upon retirement in accordance with IAS 19 in the amount of 18,979 EUR. In 2014, the group did not use the provisions for long service awards and severance pays in the amount of 460 EUR.

Due to the unfounded use of immovable property owned by Datalab SR d.o.o., legal action is being taken against the company Blue Soft. A provision in the amount of 20,037 EUR is established for that purpose.

(in EUR)	30 June 2014	30 June 2013
Long-term provisions	39,016	47,810
Long-term provisions for long service rewards and severance pays	18,979	19,439
Other long-term provisions	20,037	28,371

7.29 LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE

Long-term accrued costs and deferred revenue in the amount of 23,128 EUR represent long-term deferred revenue from upgrades and financing.

Long-term accrued costs and deferred revenue in the amount of 157,674 EUR are for potentially lost lawsuits.

In this fiscal year, the Group formed additional delineations for received subsidies for the MAK project (mobile applications for Farm Accounting) so that they amount to 187,041 EUR as of 30 June 2014. In case of selling the program, the Group will present the entire sum within one year. In case that the company keeps the Farm Accounting program, the company will start to account depreciation when the program will be put to use and will show these reservations in the proportionate share of the depreciation.

In the fiscal year 2014, the parent company signed a contract with the European Commission for the financing of the AgroIT project whose goal is to establish a pilot platform AgroIT that will be tested in a number of European countries (Denmark, Poland, Macedonia, Romania). On that basis, the Group already received an advance in the amount of 356,483 EUR from European funds; the project started on 1 March 2014. For the parent company, it represents further development of Farm Accounting (accounting for farms). In case of selling the program, the Group will present the entire sum within one year. In case that the parent company keeps the Farm Accounting program, the company will start to account depreciation when the program will be put to use and will show these reservations in the proportionate share of the depreciation.

in EUR	30 June 2014	30 June 2013
Long-term accrued costs and deferred revenue	724,326	312,559
- allocations for partner commissions for RLGS agreements		1,579
- for deferred revenue from upgrades	23,128	25,893
- for potentially lost lawsuits	157,674	150,267

- received subsidies for the Feniks project	0	57,000
- received subsidies for the MAK project	187,041	77,820
- received subsidies for the AgroIT project	356,483	0

7.30 SHORT-TERM FINANCIAL LIABILITIES

Short-term liabilities are recognized obligations associated with the financing of own assets with the settlement expected sooner than in one year. They are divided into short-term financial liabilities and short-term operating liabilities.

(in EUR)	30 June 2014	30 June 2013
Short-term financial liabilities	744,392	604,676
Short-term financial liabilities to banks	744,392	600,237
Other short-term financial liabilities		4,439

Received short-term loans of the Group from banks by currencies and interest rates:

Item	Amount in currency	Amount in EUR	Minimum interest rate	Maximum interest rate
EUR	744,392	744,392	EURIBOR+2%	EURIBOR+6%

As of 30 June 2014, the Group has short-term liabilities to banks in the amount of 744,392 EUR.

This item also includes the part of the long-term loans with Nova Ljubljanska banka (status on 30 June 2014: 180,000 EUR), Banka Celje (status on 30 June 2014: 83,333 EUR) nans SID banka (status on 30 June 2014: 458,344 EUR) that are repayable within one year. Loans are collateralized with blank bills of exchange, pledges of trademarks and personal surety.

In addition to the loans stated above, the company concluded the following loan agreements:

- Revolving loan in the amount of 223,000 EUR from Raiffeisen banka d.d. As of 30 June 2014, the loan is used only in the amount of 10,000 EUR.
- Framework loan for financing buyers up to the amount of 100,000 EUR from Banka Celje d.d. Repayment of the loan is collateralized with vinculation of insurance policy for underlying assets toward buyers. As of 30 June 2014, the loan is used in the amount of 12,715 EUR.

7.31 SHORT-TERM OPERATING LIABILITIES

(in EUR)	30 June 2014	30 June 2013
Short-term operating liabilities	**1,054,810**	**855,975**
Other short term liabilities to suppliers	370,117	329,969
Other short-term operating liabilities	684,693	526,006

Short-term operating liabilities to suppliers consist of obligations for rendered services (rent, administrative costs, costs of advertising and promotion, commissions), purchased materials (office supplies) and fixed assets.

Other short-term operating liabilities consist of obligations to the state from employee and employer contributions and taxes, VAT obligations, obligations to employees for wages and salaries, received collaterals, and other liabilities.

7.31.1 Liabilities by maturity

Liabilities	Gross value on 30 June 2014
Total	1,054,810
Not overdue	882,049
Overdue 0 to 30 days	72,446
Overdue 31 to 180 days	66,699
Overdue 181 to 365 days	14,013
Overdue over one year	19,602

7.32 ACCRUED COSTS AND DEFERRED REVENUE

(in EUR)	30 June 2014	30 June 2013
Short-term accrued costs and deferred revenue	227,896	215,837

Accrued costs and deferred revenue are costs accrued or revenue deferred for a short-term of up to 12 months, and are presented separately.

Accruals and deferrals occur in accounting because of the need to evenly distribute costs that are expected, but have not occurred yet. Short-term deferred revenue occurs when services have already been invoiced or paid, but not rendered yet. The total value of accruals and deferrals as of 30 June 2014 was 227,896 EUR.

Accrued costs and deferred revenue include deferred revenue from lease and subscription agreements, short-term accrued costs for partner commissions, and accrued costs for contractual work, commissions and auditing costs for the fiscal year 2014.

7.33 INVESTMENT INTO RESEARCH AND DEVELOPMENT

The Group is extremely development-oriented; most of its expenses consist of development costs of the ERP system PANTHEON and the FARM Accounting program.

Type of cost	FY'14	FY'13
Internal R&D activities	1,346,952	1,247,245
Purchased R&D services	400,828	440,663
Total	**1,747,780**	**1,687,908**

Type of cost	FY'14	FY'13

Labor costs	1,061,073	1,007,703
Purchase of R&D equipment	77,017	77,925
Cost of material	208,862	161,616
Cost of R&D services and cost of external specialists and researchers	400,828	440,664
Total	**1,747,780**	**1,687,908**

7.34 TRANSACTIONS WITH RELATED PARTIES

Shown below are transactions between related parties in the Group for the last two years. There were no other transactions than the ones shown below.

Other affiliated companies

in EUR	FY 2014	FY 2013
Sales (receivables)		
Datalab AL	2,189	1,846
Datalab Bulgaria	**0**	**15,451**
Purchases (payables) in EUR		
Datalab AL	0	0
Datalab Bulgaria	**0**	**0**
Outstanding receivables in EUR		
Datalab AL	4,137	1,846
Datalab Bulgaria	**0**	**8,549**
Outstanding payables in EUR		
Datalab AL	0	0
Datalab Bulgaria	0	0

in EUR	FY 2014	FY 2013
Loans to related parties	**164,152**	**108,112**
Datalab MK	3,608	59,600
Andrej Mertelj	41,341	41,296
Lojze Zajc	52,203	0
Datalab SI	67,000	0

The listed transactions were in line with market prices, or the prices charged for assets or services to related parties are compared to prices charged for assets or services to non-related parties in comparable circumstances.

7.33.1 Exclusions from consolidated statements

Exclusions are taken into account for the following items in the consolidated statements for the fiscal year 2014.

Item in Comprehensive Income	FY 2014
Sales	2,357,607
Other operating revenue	0
Cost of materials, goods and services	2,358,683
Other operating expenses	3,197
Financial revenue	25,918
Financial expenses	15,310

Item in balance sheet	FY 2014
ASSETS	
Goodwill	120,241
Long-term deferred costs and accrued revenue	6,737
Long-term financial investments, excluding loans	-336,050
Long-term loans	1,202
Long-term operating receivables	10,904
Short-term financial investments	75,779
Short-term operating receivables	856,107
Short-term deferred costs and accrued revenue	9,689
Assets total	**744,609**
EQUITY	
Equity (all other items)	-295,651
Equity of minority owners	86,213
LIABILITIES	
Allocations and long-term accrued costs and deferred revenue	6,737
Long-term financial liabilities	3,607
Long-term operating liabilities	3,905
Short-term financial liabilities	67,000
Short-term operating liabilities	863,109
Short-term accrued costs and deferred revenue	**9,689**
Equity and liabilities total	**744,609**

7.34.2 Earnings of the Management

The figures in the tables below include labor costs and compensations borne by the employer, other labor costs (annual leave bonuses, other remuneration, net reimbursements, benefits), and reimbursement of work-related expenses. The figures are for the fiscal year 2014.

Attendance fees for the executive board include cost of attendance fees and reimbursements for internal and external members of the executive board. In other additional payments, compensations for personal sureties of members for received loans of the parent company are shown.

Subsidiaries in the Datalab Group are supervised by the board for economic and strategic questions. For their work in the board for economic and strategic questions, members receive payments directly from subsidiaries.

	Fixed earnings	Other bonuses	Reimbursements	Other additional payments	Total earnings in Datalab Tehnologije, d.d. and subsidiaries
Lojze Zajc	29,963	12,193	0	0	**42,156**
Andrej Mertelj	65,023	0	5,995	5,333	**76,351**
Matt Mayfield	0	3,657	0	0	**3,657**

7.35 FINANCIAL INSTRUMENTS

7.35.1 Financial assets

Item (in EUR)	Book value on 30 June 2014	Fair value on 30 June 2014	Book value on 30 June 2013	Fair value on 30 June 2013
Long-term financial investments	136,166	136,166	6,249	6,249
Long-term operating receivables	60,195	60,195	135,832	135,832
Short-term financial investments	233,615	233,615	210,191	210,191
Short-term operating receivables	1,673,659	1,673,659	1,333,627	1,333,627
Cash and cash equivalents	411,520	411,520	205,448	205,448
Total	**2,515,155**	**2,515,155**	**1,891,347**	**1,891,347**

7.35.2 Financial liabilities

Item (in EUR)	Book value on 30 June 2014	Fair value on 30 June 2014	Book value on 30 June 2013	Fair value on 30 June 2013
Long-term financial liabilities	1,863,434	1,863,434	1,691,514	1,691,514
Short-term financial liabilities	744,392	744,392	604,676	604,676
Short-term operating liabilities	1,054,810	1,054,810	855,975	855,975
Total	**3,662,636**	**3,662,636**	**3,152,165**	**3,152,165**

7.36 AUDIT COSTS

The cost of auditing financial statements and the annual report for the fiscal year 2014 for Datalab by the audit firm UHY, d.o.o., amounted to 15,000 EUR.

7.37 POTENTIAL LIABILITIES FROM LAWSUITS

7.37.1 Datalab Tehnologije, d. d., as Defendant

Plaintiff	Value in EUR	Reference number, court	Status
E-POS GROUP d.o.o.	707,422.00	5 Pg 139/2007, District court in Ljubljana	In progress – first level
RR & CO d.o.o.	238,417.68	VI P 134/2014	In progress
MC ii d.o.o. – in liquidation	300,000.00	XI Pg 2165/2014	In progress

I. Case V Pg 139/2007 E-POS Group, d.o.o., against Datalab, d. d., valued at 707,422 EUR

The former partner E-POS Group, d.o.o., with which Datalab Tehnologije, d.d., ceased to co-operate because of failure to fulfill contractual obligations of the partnership contract (above all selling and allowing to use illegal licenses and improper attitude towards users), filed a lawsuit for damages incurred due to the terminated cooperation for an amount equal to lost profits and damages paid due to contract termination, as this prevented it from finishing started projects.

According to the lawsuit and related documentation, Datalab Tehnologije, d. d., considers itself not responsible for the damages, which is also its official answer. Currently, it is not possible to anticipate the outcome, therefore the provisions are reasonable.

No first-level verdict has been returned yet.

157,674 EUR are allocated for potential compensations from lawsuits.

II. Case VI P 134/2014 RR & CO d.o.o against Datalab d.d., valued at 238,417.68 EUR

The plaintiff filed a lawsuit for payment on the basis of a Contract on consulting in acquiring non-refundable funds. Due to the lack of clarity of contractual provisions that each party interprets in their own way, it is impossible to predict the outcome of this lawsuit.

III. Case XI Pg 2165/2014 MC ii d.o.o. – in liquidation against Datalab d.d. as first defendant and a POT d.o.o. as second defendant

The plaintiff filed a lawsuit because of challenging legal acts in liquidation and return of copyrights over the Mecen package into the bankruptcy estate, to which Datalab, in recognition of costs that it had, does not object.

7.37.2 Debt Execution by Court against Datalab Tehnologije, d. d.

***The company's enforced claims are recorded (established provisions) and shown on balance sheets in the amount the company recognizes.**

Plaintiff – creditor	Value in EUR	Reference number, court	Status
KPMG Slovenija	16,672.92	VL 20939/2010, LOCAL COURT IN LJUBLJANA, Central Office for Debt Execution on the Basis of Authentic Documents	After appealing, the litigation continues

Comment:

A writ of execution was issued, to which an objection was filed, and the case was directed to the path of a lawsuit. On 11 March 2013, the defendant received the verdict by which the court rejected the claim. The plaintiff appealed against the verdict.

The claims of the listed debt executions have justifiable grounds, but not in the full value*.

7.37.3 Datalab Tehnologije, d. d. as Plaintiff

Company	Value in EUR	Reference number, court	Status
E-POS GROUP d.o.o., Ljubljana	111,620.93	Pg 2522/2007, District court in Ljubljana	In progress – first level

I. Case Pg 2522/2007 Datalab, d. d., against E-POS Group, d.o.o., valued at 111,620 euros

Datalab Tehnologije, d. d., terminated cooperation with its former partner E-POS Group, d.o.o. because of failure to fulfill contractual obligations of the partnership agreement (allowing use and selling illegal licenses, improper attitude towards users), and has filed a lawsuit for payment of debt for license fees, software upgrades, subscription charges, membership fees, and a penalty.

On 1 February 2012, a verdict was reached: the defendant must pay 43,584.58 EUR and interest on arrears from 16 June 2006 under the terms of compulstory liquidation (30% of the amount is 13,075.37 EUR).

Both sides appealed the verdict. On 28 November 2013, the plaintiff received the verdict of the Higher Court, which granted the application and the case was returned to a retrial that will decide whether the claim, the subject of this dispute, was withdrawn from the company Sigma Sistemi d.o.o. and it will be necessary to comply with the alternative application that the claim is paid to Sigma Sistemi d.o.o.

7. 37.4. Datalab Tehnologije, d.d., and Datalab SR, d.o.o., as Plaintiffs

Defendant	Value in EUR	Reference number, court	Status
Bluesoft d.o.o., Belgrade	36,071.98	VII Pg 1974/2012, District court in Ljubljana	In progress – first level

Case VII Pg 1974/2012, Datalab, d.d., and Datalab SR, d.o.o., against Blue Soft, d.o.o., valued at 36,071.98 euros

On 8 May 2012, a lawsuit was filed for the refund of the payment made based on the terminated cooperation agreement and the payment for the usage of an apartment in Serbia. On 14 May 2013, the Higher Court stated that the court in Ljubljana has the jurisdiction to solve the claim of repayment of 34,071.98 EUR, but does not have the jurisdiction to decide about the user fee in the amount of 3,000.00 EUR. On 3 June 2014, a verdict was issued in which the court stated that the claim of the plaintiff to the defendant is valid and it granted the offset objection of the defendant; each party bears its own costs of the proceeding.

AUDITOR'S REPORT FOR THE DATALAB GROUP OF COMPANIES

UHY Revizija in svetovanje d.o.o.
Revizijska družba / Certified Auditors

UHY Revizija in svetovanje d.o.o.
Vurnikova ulica 2
1000 Ljubljana, Slovenija
tel.: +386 1 300 00 40
fax: +386 1 300 00 50
e-mail: uhy@uhy.si

Delničarjem družbe
DATALAB Tehnologije d.d.
Ljubljana

POROČILO NEODVISNEGA REVIZORJA

Revidirali smo priložene konsolidirane računovodske izkaze gospodarske družbe **DATALAB Tehnologije d.d., Ljubljana in njenih odvisnih družb**, ki vključujejo konsolidiran izkaz finančnega položaja na dan 30. junija 2014, konsolidiran izkaz celotnega vseobsegajočega donosa, konsolidiran izkaz sprememb lastniškega kapitala in konsolidiran izkaz denarnih tokov za tedaj končano leto ter povzetek bistvenih računovodskih usmeritev in druge pojasnjevalne informacije. Pregledali smo tudi poslovno poročilo.

Odgovornost poslovodstva za računovodske izkaze
Poslovodstvo je odgovorno za pripravo in pošteno predstavitev teh računovodskih izkazov v skladu z mednarodnimi standardi računovodskega poročanja in za tako notranje kontroliranje, kot je v skladu z odločitvijo poslovodstva potrebno, da omogoči pripravo računovodskih izkazov, ki ne vsebujejo pomembno napačne navedbe zaradi prevare ali napake.

Revizorjeva odgovornost
Naša odgovornost je izraziti mnenje o teh računovodskih izkazih na podlagi naše revizije. Revizijo smo opravili v skladu z Mednarodnimi standardi revidiranja. Ti standardi zahtevajo od nas izpolnjevanje etičnih zahtev ter načrtovanje in izvedbo revizije za pridobitev sprejemljivega zagotovila, da računovodski izkazi ne vsebujejo pomembno napačne navedbe.
Revizija vključuje izvajanje postopkov za pridobitev revizijskih dokazov o zneskih in razkritjih v računovodskih izkazih. Izbrani postopki so odvisni od revizorjeve presoje in vključujejo tudi ocenjevanje tveganj pomembno napačne navedbe v računovodskih izkazih zaradi prevare ali napake. Pri ocenjevanju teh tveganj prouči revizor notranje kontroliranje, povezano s pripravljanjem in poštenim predstavljanjem računovodskih izkazov družbe, da bi določil okoliščinam ustrezne revizijske postopke, ne pa, da bi izrazil mnenje o uspešnosti notranjega kontroliranja družbe. Revizija vključuje tudi ovrednotenje ustreznosti uporabljenih računovodskih usmeritev in utemeljenosti računovodskih ocen poslovodstva kot tudi ovrednotenje celotne predstavitve računovodskih izkazov.

Verjamemo, da so pridobljeni revizijski dokazi zadostni in ustrezni kot osnova za naše revizijsko mnenje.

Mnenje
Po našem mnenju so konsolidirani računovodski izkazi v vseh pomembnih pogledih resničen in pošten prikaz finančnega položaja družbe **DATALAB Tehnologije d.d., Ljubljana in njenih odvisnih družb** na dan 30. junija 2014 ter njenega celotnega vseobsegajočega donosa in denarnih tokov za tedaj končano leto v skladu z mednarodnimi standardi računovodskega poročanja, kot jih je sprejela EU.

Poslovno poročilo je skladno z revidiranimi računovodskimi izkazi.

UHY Revizija in svetovanje d.o.o.

Franci Žgajnar
pooblaščeni revizor

Ljubljana, 30.10.2014

matična številka: 2060167, ID za DDV: SI62702670, št. transakcijskega računa: DBS d.d., 1910 0001 0161 677, št. registrskega vložka: 1/41215/00 pri Okrožnem sodišču v Ljubljani, št. vpisa v register revizijskih družb: RD-A-073/05

UHY Revizija in svetovanje d.o.o. je član Urbach Hacker Young International Limited, podjetja v Združenem Kraljestvu, in je del mednarodnega združenja neodvisnih računovodskih in svetovalnih podjetij UHY. UHY je blagovna znamka mednarodnega združenja UHY. Storitve, ki jih nudi UHY Revizija in svetovanje d.o.o., niso storitve UHY ali kateregakoli drugega člana. UHY ali katerikoli drugi član ne odgovarja za storitve drugih članov.

Prevzeto Področje

Dolgi zapadle terj. po dolžnikih in razredih zap.

	90 - 120 dni	121 - 180 dni	nad 180 dni	Skupaj
r Ltd.	0,00	0,00	200.110,00	200.110,00
ner x	15.000,00	11.000,00	1.500,00	36.500,00
pany Big	0,00	0,00	30.000,00	30.000,00
d.d.	0,00	0,00	25.148,00	25.148,00
c d.o.o.	2.320,00	0,00	0,00	2.320,00
r Novak	1.558,80	0,00	0,00	1.558,80
etje d.o.o.	0,00	1.500,00	0,00	1.500,00
etje za izobraževanje	0,00	1.000,00	0,00	1.000,00
upec EU d.o.o.	500,00	0,00	0,00	500,00
upec Ltd.	0,00	0,00	500,00	500,00
d.o.o.	0,00	0,00	500,00	500,00
I PINARELLO SPA	0,00	450,00	0,00	450,00
Doe	0,00	0,00	450,00	450,00

Dolgo zapadle terjatve po dolžnikih in razredih zapadlosti.

Stanje odprtih in zap. terjatev za zadnjih 12 mes.

Terjatve do kupcev

Subjekt	Zapadlo	Odprto
Buyer Ltd.	200.110,00	200.110,00
Partner x	36.500,00	386.500,00
Company Big	30.000,00	30.000,00
Last d.d.	25.148,00	25.148,00
Kupec d.o.o.	2.320,00	7.946,57
Peter Novak	1.558,80	1.558,80
Podjetje d.o.o.	1.500,00	8.400,00

Seznam dolžnikov po velikosti zapadlih terjatevdo posameznega subjekta. V primarni valuti.

Stanje terjatev skupaj

	Vrednost
Zapadlo	302.320,00
Odprto	431.957,45

Skupno stanje odprtih terjatev do kupcev.

Struktura terjatev

Struktura zapadlih terjatev do kupcev po razredih zapadlosti. V dnevih.

Kazalniki obračanja in dnevi vezave terjatev

Kazalnik	Vrednost
Dnevi vezave terjatev I	250,81
Dnevi vezave terjatev II	250,83
Obračanje terjatev I	1,46
Obračanje terjatev II	1,46

8 Financial statements of Datalab tehnologije, d. d.

Statement of the Management of the Controlling Company

The management of Datalab Tehnologije, d. d., is responsible for drawing up the annual report of the controlling company as well as preparing financial statements in a manner that gives interested parties a true and fair view of the financial standing and operating results of Datalab Tehnologije, d. d., and its subsidiaries in 2013.

The management hereby states:

- that the consolidated financial statement have been prepared under the assumption that Datalab Tehnologije, d. d., will continue its business in the future;
- that the chosen accounting policies have been applied consistently and that any accounting policy errors have been disclosed;
- that accounting estimates have been prepared in a fair and well-considered manner and in accordance with the principles of precaution and sound governance;
- that financial statements for Datalab, d. d., and the Datalab group of companies, and the notes to them have been prepared according to applicable laws and IFRS;
- that the business report contains a fair view of the development and results the company's operations and its financial standing, including a description of the risks that the company is exposed to as a whole.

The management of the company is also responsible for proper accounting, adopting measures for preserving property and preventing and detecting fraud and other irregular or illegal activities.

The management hereby approves the financial statements to be published.

Ljubljana, 30 October 2014

Executive Director
Andrej Mertelj

8.1. COMPREHENSIVE INCOME OF DATALAB TEHNOLOGIJE, D. D., FOR THE PERIOD FROM 1 JULY 2013 TO 30 JUNE 2014

Item	Note	FY'14	FY'13
Sales	6	2,293,639	2,060,414
Other operating revenue	7	1,993,736	1,949,000
Gross operating income		4,287,375	4,009,414
Cost of materials, goods and services	8	1,136,232	987,432
Labor costs	9	1,312,558	1,242,561
Depreciation of fixed assets		52,379	76,819
Depreciation of intangible assets		1,157,133	1,069,920
Other operating expenses	10	35,645	85,516
Operating profit/loss		593,428	547,166
Financial revenue	11	60,879	61,791
Financial expenses	12	142,892	140,677
Net financial profit/loss		-82,013	-78,886
Operating profit/loss before taxes		511,415	468,280
Tax on income	13	0	0
Deferred taxes	14	144,374	180,467
Net operating profit/loss for the fiscal year		655,789	648,747
Change in surplus arising from revaluation of intangible and fixed assets		0	0
Change in surplus arising from revaluation of financial assets held for sale		0	0
Profit and loss arising from conversion of financial statements of foreign companies		0	0
Actuarial gains and losses of defined benefit plans		0	0
Other components of comprehensive income		0	0
Total comprehensive income for the period		655,789	648,747

8.2. BALANCE SHEET OF DATALAB TEHNOLOGIJE D. D. AS OF 30 JUNE 2014

Item	Note	2014	2013
ASSETS			
Property, plant and equipment	15	36,637	72,440
Intangible Assets	16	6,302,582	5,561,240
Long-term financial investments	17	424,739	181,105
Long-term loans	18	47,543	3,608
Long-term operating receivables	19	23,311	58,622
Long-term deferred costs and accrued revenue		0	10,149
Deferred tax assets	20	503,694	359,320
Fixed (non-current) assets total		**7,338,506**	**6,246,484**
Inventories	21	0	1,631
Short-term financial investments	22	203,236	153,506
Short-term operating receivables	23	1,209,081	964,394
Cash and cash equivalents	24	231,024	19,503
Short-term deferred costs and accrued revenue	25	96,659	39,478
Current assets total		**1,740,000**	**1,178,512**
Assets total		**9,078,506**	**7,424,996**
EQUITY	26		
Share capital		2,197,236	2,041,009
Capital surplus		425,463	313,825
Profit reserves		202,920	209,750
Retained net profit/loss		2,402,219	1,809,108
Total equity		**5,227,838**	**4,373,692**
LIABILITIES			
Long-term financial liabilities	27	1,780,415	1,599,820
Long-term operating liabilities		0	0
Long-term provisions	28	18,979	19,439
Long-term accrued costs and deferred revenue	29	707,934	296,154
Long-term liabilities total		**2,507,328**	**1,915,413**
Short-term financial liabilities	30	744,392	509,835
Short-term operating liabilities	31	527,270	389,974
Accrued costs and deferred revenue	32	71,678	236,082
Short-term liabilities total		**1,343,340**	**1,135,891**
Liabilities total		**3,850,668**	**3,051,304**
Equity and liabilities total		**9,078,506**	**7,424,996**

8.3 STATEMENT OF CHANGES IN EQUITY FOR DATALAB TEHNOLOGIJE, D. D., FOR THE PERIOD FROM 1 JULY 2013 TO 30 JUNE 2014

	Share capital	Capital surplus	Legal reserves	Reserves for own shares	Own shares and interests (as deduction item)	Retained net profit	Net profit for the fiscal year	Total
A. Initial balance for the period	**2,041,009**	**313,825**	**196,545**	**59,389**	**-46,185**	**1,160,361**	**648,746**	**4,373,690**
B. Changes in equity – transactions with owners	**156,227**	**111,638**	**0**	**0**	**23,961**	**-93,467**	**0**	**198,359**
a) Subscription of called-up share capital	156,227	163,798	0	0	0	0	0	320,025
b) Disposal or withdrawal of own shares and own interests	0	-52,160	0	0	66,570	0	0	14,410
c) Dividend payout	0	0	0	0	0	-93,467	0	-93,467
d) Purchase of own shares and interests	0	0	0	0	-42,609	0	0	-42,609
C. Total comprehensive income for the period	0	0	0	0	0	0	655,789	655,789
a) Net profit/loss for the period	0	0	0	0	0	0	655,789	655,789
D. Movements within equity	0	0	0	-30,790	0	679,536	-648,746	0
a) Allocation of part of the net profit for the period to other components of equity by decision of bodies of management and control	0	0	0	0	0	0	0	0
a) Allocation of remaining part of net profit of the comparative reporting period to other components of equity	0	0	0	0	0	648,746	-648,746	0
c) Release of reserves for own shares and interests and their allocation to other components of equity	0	0	0	-30,790	0	30,790	0	0
E. Closing balance for the period	2,197,236	425,463	196,545	28,599	-22,224	1,746,430	655,789	5,227,838
Distributable profit						1,746,430	655,789	2,402,219

8.4 STATEMENT OF CHANGES IN EQUITY FOR DATALAB TEHNOLOGIJE, D. D., FOR THE PERIOD FROM 1 JULY 2012 TO 30 JUNE 2013

	Share capital	Capital surplus	Legal reserves	Reserves for own shares	Own shares and interests (as deduction item)	Retained net profit	Net profit for the fiscal year	Total
A. Initial balance for the period	**2,041,009**	**315,153**	**196,545**	**44,075**	**-44,075**	**649,932**	**570,743**	**3,773,382**
B. Changes in equity – transactions with owners	**0**	**-1,328**	**0**	**0**	**-2,110**	**-44,999**	**0**	**-48,437**
a) Subscription of called-up share capital	0	0	0	0	0	0	0	0
b) Disposal or withdrawal of own shares and own interests	0	-1,328	0	0	26,231	0	0	24,903
c) Dividend payout	0	0	0	0	0	-44,999	0	-44,999
d) Purchase of own shares and interests	0	0	0	0	-28,341	0	0	-28,341
C. Total comprehensive income for the period	0	0	0	0	0	0	648,747	648,747
a) Net profit/loss for the period	0	0	0	0	0	0	648,747	648,747
D. Movements within equity	0	0	0	15,315	0	555,428	-570,743	0
a) Allocation of part of the net profit for the period to other components of equity by decision of bodies of management and control	0	0	0	0	0	0	0	0
a) Allocation of remaining part of net profit of the comparative reporting period to other components of equity	0	0	0	0	0	570,743	-570,743	0
c) Release of reserves for own shares and interests and their allocation to other components of equity	0	0	0	15,315	0	-15,315	0	0
E. Closing balance for the period	2,041,009	313,825	196,545	59,390	-46,185	1,160,361	648,747	4,373,692
Distributable profit						1,160,361	648,747	1,809,108

8.5 CASH FLOW STATEMENT FOR DATALAB TEHNOLOGIJE, D. D., FOR THE PERIOD FROM 1 JULY 2013 TO 30 JUNE 2014

in EUR	FY'14	FY'13
CASH FLOW FROM OPERATIONS		
Net profit/loss	655,789	648,747
Adjustments for:		
Revalued operating revenue and expense	-41,701	38,138
Depreciation of property, plant and equipment	52,379	76,819
Depreciation of intangible assets	1,157,133	1,069,919
Net financial profit/loss	111,281	120,827
	1,934,881	1,954,450
Change in operating receivables, deferred costs and accrued revenue	-259,031	13,914
Change in inventories	1,631	231
Change in short-term operating liabilities, accrued costs and deferred revenue	434,938	70,700
Change in provisions	-460	7,403
Change in deferred tax assets	-144,374	-180,467
	1,967,585	1,866,231
Interest received	22,396	332
Interest paid	-129,307	-121,159
Paid tax on profit		
Net cash flow from operating activities	**1,860,674**	**1,745,404**
CASH FLOW FROM INVESTING ACTIVITIES		
Expenses for acquiring intangible assets	-1,898,474	-1,844,240
Expenses for acquiring property, plant and equipment	-18,639	-51,692
Expenses for acquiring investments	-295,147	-116,763
Cash receipts from investments	0	0
Cash receipts from loans	114,672	0
Cash receipts from disposal of intangible assets	0	0
Cash receipts from disposal of fixed assets	36,028	0
Net cash flow from investing activities	**-2,061,560**	**-2,012,695**
CASH FLOW FROM FINANCING ACTIVITIES		
Paying-up of capital	0	0
Capital repayments	-2,745	-3,438
Expenses for dividend payouts and other profit shares	0	-44,999
Cash receipts from long-term financial liabilities	918,389	1,254,839
Cash receipts from short-term financial liabilities	945,000	1,436,747
Cash repayments of long-term financial liabilities		
Cash repayments of short-term financial liabilities	-1,448,237	-2,360,893
Net cash flow from financing activities	**412,407**	**282,256**
Net change in cash and cash equivalents	211,521	14,965
Cash and cash equivalents at the beginning of the year	19,503	4,538
Cash and cash equivalents at the end of the year	**231,024**	**19,503**

Prevzeto Področje

Dolgi zapadle terj. po dolžnikih in razredih zap.

	90 - 120 dni	121 - 180 dni	nad 180 dni	Skupaj
r Ltd.	0,00	0,00	200.110,00	200.110,00
ner x	15.000,00	11.000,00	1.500,00	36.500,00
pany Big	0,00	0,00	30.000,00	30.000,00
d.d.	0,00	0,00	25.148,00	25.148,00
c d.o.o.	2.320,00	0,00	0,00	2.320,00
r Novak	1.558,80	0,00	0,00	1.558,80
etje d.o.o.	0,00	1.500,00	0,00	1.500,00
etje za izobraževanje	0,00	1.000,00	0,00	1.000,00
upec EU d.o.o.	500,00	0,00	0,00	500,00
upec Ltd.	0,00	0,00	500,00	500,00
d.o.o.	0,00	0,00	500,00	500,00
I PINARELLO SPA	0,00	450,00	0,00	450,00
Doe	0,00	0,00	450,00	450,00

Dolgo zapadle terjatve po dolžnikih in razredih zapadlosti.

Stanje odprtih in zap. terjatev za zadnjih 12 mes.

Terjatve do kupcev

Subjekt	Zapadlo	Odprto
Buyer Ltd.	200.110,00	200.110,00
Partner x	36.500,00	386.500,00
Company Big	30.000,00	30.000,00
Last d.d.	25.148,00	25.148,00
Kupec d.o.o.	2.320,00	7.946,57
Peter Novak	1.558,80	1.558,80
Podjetje d.o.o.	1.500,00	8.400,00

Seznam dolžnikov po velikosti zapadlih terjatevdo posameznega subjekta. V primarni valuti.

Stanje terjatev skupaj

	Vrednost
Zapadlo	302.320,00
Odprto	431.957,45

Skupno stanje odprtih terjatev do kupcev.

Struktura terjatev

Struktura zapadlih terjatev do kupcev po razredih zapadlosti. V dnevih.

Kazalniki obračanja in dnevi vezave terjatev

Kazalnik	Vrednost
Dnevi vezave terjatev I	250,81
Dnevi vezave terjatev II	250,83
Obračanje terjatev I	1,46
Obračanje terjatev II	1,46

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Notes to the financial statements

1. REPORTING COMPANY

Datalab Tehnologije, d. d., Ljubljana, is a Slovenia-based publicly-traded company. It is listed at the Ljubljana Stock Exchange.

The main objective of the company is developing a powerful and reliable ERP system for micro, small and midsize businesses.

The company's principal business activity is: 58.290 – Other software publishing.

As of 30 June 2014, the company had 43 employees.

The financial statements of the company for the fiscal year ending 30 June 2014 have been approved by the management board on 29 October 2014.

2. BASIS FOR DRAWING UP THE STATEMENTS

a) Conformance Statement

The financial statements have been drawn up in accordance with IFRS, as adopted by the European Community, and interpretations of IFRIC, as adopted by the International Accounting Standards Board (IASB).

New standards and notes, stated hereinafter, are not yet in effect and were not yet taken into account during the preparation of financial statements as of 30 June 2014:

IFRS 10, Consolidated financial statements, and IAS 27 (2011), Separate financial statements. Valid for annual financial periods, starting on 1 January 2014. The use before this date is permitted only in the case of early use of IFRS 11, IFRS 12, IAS 27 (2011) and IAS 28 (2011). The standard is applied retrospectively if a change occurs in conclusions regarding control.

For the implementation of control analysis, IFRS 10 provides for a uniform model for all types of companies, including companies that are currently regarded as special purpose companies in the framework of SOP-12. IFRS 10 introduces new requirements regarding control assessment that differ from existing requirements as defined by IAS 27 (2008).

In accordance with the new model, the investor controls the recipient of the financial investment if:

- they are exposed or entitled to variable yield on involvement or companies in which they invest are,
- have the possibility to influence the yield in question based on their control of the company in which they invest or to influence the recipient of the financial investment, and
- there is a connection between power and yield.

The amended standard also includes disclosure requirements and requirements concerning preparation of consolidated financial statements. These requirements are transfered from IAS 27 (2008).

The influence of the initial use of changes depends on certain facts and circumstances of

recipients of the financial investment within the Group on the day of initial use. Before initial use of changes, the Company/Group cannot prepare the analysis of their impact on financial statements.

IFRS 11, Joint agreements. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively and is subject to transitional periods. The use before this date is permitted only in the case of early use of IFRS 10, IFRS 12, IAS 27 (2011) and IAS 28 (2011). IFRS 11, Joint agreements replace IAS 31, Investments into joint ventures.

IFRS 11 does not introduce essential amendments of the comprehensive definition of the agreement that is subject to joint control, but the definition of control and indirectly of joint control changes because of IFRS 10.

The new standard defines two types of agreements, each of them has its own accounting model:

- joint activity is a joint agreement where the parties controlling the agreement have rights to assets and obligations from liabilities related to the agreement,
- joint activity is a joint agreement where the parties controlling the agreement have rights to net assets.

IFRS 11 efficiently excluded from the provisions of IAS 31, Jointly controlled companies, the cases where the carrier of the joint agreement is separated from others, and in some cases, the separation turns out to be ineffective. These agreements are treated similarly as jointly controlled assets/operations in accordance with IAS 31 and are now called joint activities. Furthermore, IAS 31 cancels the possibility of free choice between equity method and proportional consolidation for jointly controlled companies or joint ventures. For consolidated financial reports, the equity method must be applied from now on.

The influence of the initial use of changes depends on certain facts and circumstances of joint agreements where the Company/Group is also a party on the day of initial use. The Company/Group presumes that this amendment will not substantially influence financial statements.

IFRS 12, Disclosure of shareholdings in other companies. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively and is subject to transitional periods. The use before this date is permitted.

IFRS 12 requires additional disclosures regarding important assessments and presumptions regarding the determination of shareholding types in companies or agreements, shareholdings in subsidiaries, joint agreements and associate companies as well as in non-consolidated structured companies. The Company/Group presumes that the new standard will not substantially influence financial statements.

IAS 27, Separate financial statements. Valid for annual accounting periods, starting on 1 January 2014; the use before this date is permitted only in the case of early use of IFRS 10, IFRS 11, IFRS 12 and IAS 28 (2011).

The existing disclosure requirements in separate financial statements were transfered from IAS 27 (2008) to IAS 27 (2011), but with minor instructions that clarify their use. The amended IAS 27 also includes existing requirements regarding separate financial statements from IAS 28 (2008) ans IAS 31. The standard no longer deals with the principle of control and requirements regarding the preparation of consolidated financial statements that are included in IFRS 10, Consolidated financial statements.

The Company presumes that the new standard IAS 27 (2011) will not substantially influence financial statements since accounting policies remain unchanged.

IAS 28 (2011), Financial investments in associated companies and joint ventures. Amendments are valid for annual financial periods, starting on 1 January 2014; they are used retrospectively.

The use before this date is permitted only in the case of early use of IFRS 10, IFRS 11, IFRS 12 and IAS 27 (2011).

Amendments to IAS 28 (2008) include:

- Associated companies and joint ventures for sale. IFRS 5, Fixed assets for sale and discontinued operations, deals with an investment or part of an investment into an associated company or joint venture that fulfills criteria for classification among assets for sale. The part of the investment that is retained and not classified for sale is accounted by equity method until its disposal. After disposal, each retained or preserved part of the investment is accounted by equity method, providing that it is a shareholding in the associated company or joint venture.
- Changes of shareholdings in associated companies and joint ventures. Until now, IAS 28 (2008) and IAS 31 determined that, at the disposal of an important influence or joint control, it is in any case necessary to remeasure the retained shareholdings, even if the important influence was tranferred to the joint venture. The amended IAS 28 (2011) determines that in such cases, it is not necessary to remeasure retained shareholdings in the investment.

The Group presumes that this amendment to the standard will not substantially influence financial statements.

Amendment to IAS 32, Offsetting financial assets and financial liabilities. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively. The use before this date is permitted, but it is dependent on disclosures in accordance with the amendment to IFRS 7, Disclosures, Offsetting financial assets and financial liabilities.

The amendment does not introduce new requirements regarding offsetting financial assets and financial liabilities, but clarifies the criteria for the offset and deals with inconsistencies that occur. In accordance with the amendment, a company has an enforceble right to an offset if:

- the right is not dependent on a future event and
- the right is legally enforceable only the usual framework of business or in case of non-payment or in case of insolvency or bankruptcy of one or all counterparties.

The Company/Group presumes that this amendment will not substantially influence financial statements since it does not perform offsetting financial assets and financial liabilities and does not conclude framework agreements on offset.

Amendment to IFRS 10, IFRS 12 and IAS 27, Investment companies. Valid for annual financial periods, starting on 1 January 2014; the use before this date is permitted, but is subject to transitional provisions.

The amendment offers an exception to consolidation requirements as defined by IFRS 10. In accordance with it, investment companies must measure their investments into controlling companies - and investments into associated and jointly controlled companies - by fair value through operating results, instead of consolidating them.

The exception to consolidation is obligatory (i.e. not optional), and all subsidiary companies that are treated as part of investment activities of the investmens company must still be included into consolidation.

A company is treated as an investment company if it fulfills all basic criteria. According to these criteria, an investment company is a company that:

- receives financial assets from one or more investors with the intention of ensuring management of financial investments services for this investor or investors,
- binds itself to its investor or investors that their business goal is to invest financial assets exclusively with the intention to achieve yields from long-term capital appreciation and revenue from investments or both, and
- measures and assesses the success of more or less all of its financial investments on the basis of fair value.

The amendment also requires certain disclosures by investment companies.

The Company/Group presumes that this amendment will not substantially influence financial statements since the company is not classified as an investment company.

Amendment to IAS 36, Disclosures of recoverable amount for non-financial assets. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively. The use before this date is permitted. A company must not pay regard to the amendment in the periods (including comparative periods) when it is not using IFRS 13.

The amendment states that a company must disclose recoverable amount for individual assets (including goodwill) or a cash-generating unit for which loss due to impairment is recognized or repealed in the period.

If the impairment of individual assets (including goodwill) or cash-generating units is recognized or repealed in the period and if the recoverable amount is based on fair value, less the costs of disposal, the company must disclose the following information:

- hierarchy of fair value level (IFRS 13), within which the measuring of fair value of the asset (cash-generating unit) is fully classified;
- measurings of fair value, classified to levels 2 and 3 of the hierarchy of fair value, description of technique or techniques of value assessment used for measuring; if a change of assessment technique occurs, the company discloses the change and reasons for it;
- measurings of fair value, classified to levels 2 and 3 of the hierarchy of fair value, description of all key presumptions (or presumptions to which the recoverable amount is the most sensitive), based on which fair value is determined, less the costs of disposal. The company must disclose discount rate(s) used at present and past measurings if the fair value, less the costs of disposal, is measured by the present value technique.

The Group presumes that this amendment will not substantially influence financial statements.

Amendment to IAS 39, Novation of executed financial instruments and continued hedge accounting. Valid for annual financial periods, starting on 1 January 2014; it is used retrospectively. The use before this date is permitted. A company must not pay regard to the amendment in the periods (including comparative periods) when it is not using IFRS 13.

The amendment enables continued hedge accounting in cases when an executed financial instrument that was labeled as a hedging instrument is transfered from one counterparty to the central counterparty in accordance with legislation or regulations, namely when the following conditions are met:

- if the transfer is a consequence of legislation or other regulations,
- if the clearing counterparty replaces the primary counterparty and becomes the new counterparty of the executed financial instrument,
- if the changes of hedging instrument are restricted to those necessary for the execution of such replacement of a counterparty.

The Company/Group presumes that this amendment will not substantially influence financial statements.

b) Basis for measurement

The financial statements have been drawn up considering the original value, except in the following cases, where a fair value has been considered:

- financial derivatives
- financial instruments at fair value through the operating results
- financial assets available for sale
- investment property
- liabilities for payments in shares settled with cash.

The methods used to measure fair value are described in note number 4.

c) Functional and presentational currency

Slovenia introduced the euro (€/EUR) as its functional currency on 1 January 2007. In accordance with IFRS 21.37, all assets, liabilities and equity in Slovenian economic subjects have been converted to euros at a SIT:EUR rate of 239.64:1, and revenue and expenses for 2007 were all already expressed in euros. All financial statements in this annual report are in whole euros. There might be slight discrepancies with totals because of rounding.

d) Estimates and assessments

When preparing financial statements in conformity with IFRS, the management is required to make estimates, assessments and assumptions that affect the use of accounting policies and the presented value of assets, liabilities, revenues and expenses. Actual figures may vary.

Estimates and assumptions have to be constantly reviewed. Corrections to accounting estimates are acknowledged for the period for which the estimates are being corrected and all future years that are affected by the correction.

Uncertainty evaluations and decisive assessments prepared by the management in line with the accounting policy that most significantly affect figures in the financial statements are:

- Note no. 17 – long-term financial investments
- Note no. 9 – measuring obligations for certain earnings
- Note no. 29 – provisions;
- Note no. 37 – valuation of financial instruments and their impairment.

e) Fiscal year

Datalab's fiscal year starts on July 1 and ends on June 30 in the following year.

3. ACCOUNTING POLICIES

The accounting policies described below have been consistently applied for all periods that are presented in the financial statements herein.

With the exception of what is disclosed in notes to financial statements, the company did not change accounting policies with regard to last year. Some comparative amounts have been reallocated to ensure coherence with the current year. The comparative profit/loss statement is repeated so that is seems like operations have been interrupted during the year. The comparative profit/loss statement is shown for separately for each period to give a better overview.

a) Foreign currency

Foreign currency transactions are converted to the appropriate functional currency of the companies in the Group at the rate on the day of the transaction. Cash and liabilities expressed in foreign currency on the balance sheet date are converted to the functional currency at the going rate. Positive and negative exchange differences are differences between the amortized cost in the functional currency at the beginning of the period, adjusted for effective interest, and payments during the period and the amortized cost in foreign currency, converted at the rate at the end of the period. Non-monetary assets and liabilities expressed in foreign currency and measured at fair value are converted to the functional currency at the rate on the day when the fair value has been measured. Exchange differences are recognized in the operating results, but not differences from converting equity instruments held for sale, non-financial liabilities for insurance against risks, or cash flow insurance against risks that are recognized directly in equity.

b) Financial instruments

Datalab Tehnologije, d. d., classifies its investments into the following categories: financial assets held for sale, financial assets at fair value through the operating results, and loans and receivables. The classification depends on the purpose for which the investment was acquired. In 2014, the company did not have any financial assets for sale and financial assets at fair value through the operating results.

Non-derivative financial instruments

Non-derivative financial instruments include investments in capital and debt securities, operational and other receivables, cash and cash equivalents, received and given loans, and operational and other liabilities.

Non-derivative financial instruments are initially recognized at fair value, increased by (instruments that are not recognized at fair value through the operating results) cost that is directly related to a transaction. After the initial recognition, non-derivative financial instruments are measured as described below.

Cash and cash equivalents consist of cash on hand and deposits on demand. Bank account overdrafts that can be settled on demand and are part of cash management in the Group are in the cash flow statement included in cash and cash equivalents.

Accounting of financial income and expense in described in 11. and 12.

c) Equity capital

i) Called-up capital

Called-up capital of Datalab Tehnologije, d. d., appears as equity capital that is nominally specified in the company's articles of association, registered at court, and paid in by its owners. Dividends for common stock are recognized in equity in the period for which they were approved by the shareholder assembly.

ii) Reserves for own shares

If the company acquires a stake in the parent company, the paid amount including transaction fees without taxes is subtracted from equity as own shares, until those shares are withdrawn, re-issued or sold. If own shares are later sold or re-issued, all received payments excluding transaction fees and related taxes are included in equity.

d) Fixed assets

Fixed assets (property, plant and equipment) are kept at their original cost, decreased by cu-

mulative depreciation and cumulative loss due to impairment, except for land, which is presented at original cost, decreased by any impairments. Original cost includes all costs that can be directly attributes to the acquisition of a fixed asset. Maintenance and repairs as well as replacement and improvement of minor significance are recognized as expenses in the period they occur. Larger amounts are depreciated over the remaining useful life of a fixed asset or to the day of the next major renovations, whichever is sooner. The residual value and useful life of each fixed asset is checked annually and adjusted if necessary. The book value of a fixed asset is immediately partly written off to the recoverable amount, if the book value is greater than the estimated recoverable amount, and is recognized in the operating results.

Depreciation is calculated using straight-line depreciation, taking into account useful life as follows v %

Assets	Depreciation rates in % since 1 July 2013	Depreciation rate in % before 30 June 2013
Computers	50	50
Furniture and chairs	20.25	20.25
Vehicle equipment	12.5	12.5
Other equipment	20.25	20.25

Depreciation calculation starts when a fixed asset is ready for use; unfinished constructions are not depreciated. Profit and loss from sale or deactivation of a fixed asset is determined by comparing sales revenue with book value. It is included in the operating results.

Fixed assets acquired through tenders are recognized as assets, but the amount of the subsidy is counted towards accrued costs and deferred revenue, which is then monthly decreased by the depreciation amount.

ii) Intangible assets

Intangible assets are initially measured at their original value.

i) Other intangible assets

Intangible assets acquired through tenders are recognized as assets, but the amount of the subsidy is counted towards accrued costs and deferred revenue – government grants, which is then monthly decreased by the depreciation amount. The depreciation rate for such assets is the same as for assets that the company purchases with own funds, except for the Feniks project, where a 25% rate is used because it is a new project and as such exposed to changes.

ii) Subsequent cost

Subsequent expenses related to intangible assets are capitalized only when they increase future economic benefits which are derived from the asset to which the expenses pertain. All other costs, including trademarks and goodwill generated within the company, are recognized in the operating results as expenses as soon as they occur.

iii) Depreciation

Depreciation is calculated using straight-line depreciation, taking into account useful life of intangible assets (except goodwill) and beginning when the asset is ready for use. Estimated useful life for the current year and a comparable year:

Assets	Depreciation rate in % since 1 July 2013	Depreciation rate in % before 30 June 2013
Intangible asset – PANTHEON	10	10
Intangible asset – FENIKS	25	25
Material rights and copyrights	10.50	50

f) Leased assets

Leases for which the company assumes are major forms of risks and benefits related to asset ownership are regarded as financial leases. After initial recognition, a leased asset is presented in an amount equivalent to the fair value, or if it is less than that, the current value of the lowest total of lease payments. After initial recognition, assets are measures in accordance with accounting policies for such assets.

Other leases are treated as operating leases and, with the exception of investment property, leased assets are not recognized in the company's balance sheet. Investment property under operating lease is presented in the company's balance sheet at fair value.

g) Inventories

Inventories of goods are initially valued at their original cost, composed of purchase price, import duties and direct procurement costs. The purchase price is decreased by any discounts. Direct procurement costs are transport costs, handling costs, transport insurance, goods tracking, intermediation costs and similar costs to the first warehouse if borne by the customer, and non-refundable duties. Purchase price discounts include those specified in invoices as well as those granted subsequently that pertain to a certain delivery.

Decrease in value of inventories in materials and small tools is charged to the cost of materials, while the decrease in value of goods is charged to the relevant operating expenses. Consumption of goods is accounted on the basis of the average cost method.

The cost of inventories includes the purchase price, customs and other duties (excluding those that are subsequently refunded by tax authorities), transport cost, handling and other costs, that can be attributed directly to the acquired goods, materials or services. Trade discounts, rebates and other similar items are deducted in determining the cost of purchase.

Consumption of materials is accounted on the basis of the method of average cost in the period.

The net realizable value is the estimated sale price achieved in normal operation, minus estimated cost of finishing and estimated cost of selling.

h) Impairment of assets

i) Financial assets

The company assesses the value of financial assets on the reporting date to determine if an objective sign of asset impairment exists. A financial asset is impaired if objective proof exists that one or more events led to a decrease in expected future cash flows from that asset.

Loss due to impairment related to a financial asset, presented at amortized cost, is calculated as the difference between the asset's carrying value and expected future cash flows, discounted at the original interest rate.

Trade receivables are presented at nominal value, decreased by proper adjustments for estimated unrecoverable amounts. Receivables that are assumed not be settled on time or in full, are regarded as doubtful; if legal action has been initiated they are regarded as disputed. Receivables are adjusted if the need arises, which is considered based on individual estimates of recoverability.

Investments in subsidiaries are valued at their original cost.

Investments are adjusted if the need arises, and considered based on individual estimates.

Loss due to impairment of financial assets held for sale is calculated according to an asset's current fair value.

For key financial assets, the estimation of impairment is performed individually. The impairment estimation of other financial assets is performed in groups according to common properties in risk exposure.

All impairment losses are presented in the profit/loss statement for the period. Any accrued loss related to financial assets held for sale that was recognized directly in equity is transferred to the operating results.

The loss due to impairment is derecognized if it can be objectively attributed to an event that occurred after the impairment has been recognized. For financial assets presented at amortized cost and financial assets held for sale, which are debt instruments, the derecognition of loss due to impairment is presented in operating results. Derecognition of financial assets held for sale that are equities are presented directly in equity by the company.

ii) Non-financial assets

On each reporting date, the company checks the remaining carrying value of non-financial assets of the company, except biological assets, investment property, inventories and deferred tax assets, to determine any signs of impairment. If such signs exist, the asset's recoverable value is estimated. An estimate of the impairment of goodwill and intangible assets with an unspecified useful life that are not yet ready for use is performed on every reporting date.

The recoverable value of an asset or a cash-generating unit is its value in use or its fair value minus cost of selling, whichever is higher. When determining an asset's value in use, expected future cash flows are discounted to their current value at pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the asset. To test for impairment, assets are grouped into the smallest possible groups that generate cash flow from permanent use, largely independent from those from other assets or asset groups (cash-generating units). To test for impairment, goodwill obtained from mergers is distributed to cash-generating units that are expected to benefit from the synergy of merging.

Impairment of assets or cash-generating units is recognized if their book value is greater than their recoverable value. The impairment is presented in operating results. Loss that is recognized for cash-generating units due to impairment is allocated in such a way that first the book value of goodwill allocated to a cash-generating unit is decreased, and then to other assets of the unit (group of units) in proportion to the book value of each asset in the unit.

Loss due to impairment of goodwill is not derecognized. For other assets, the company assesses loss due to impairment in previous periods on the balance sheet date and thus determines is the loss has decreased or is not present at all. Loss due to impairment is derecognized if the assessments have changed based on which the company determines an asset's recoverable value. Loss due to impairment is derecognized to the amount up to which the increased book value of an asset does not exceed the book value that would have been determined after subtracting depreciation, if no loss due to impairment had been recognized in previous years.

i) Employee benefits

i) Other long-term employee benefits – allocations for severance pays and long service rewards

The company's net liability for long-term employee benefits is the sum of future benefits that employees have acquired for their services performed in the current and past periods. That amount of benefits is then discounted to determine its current value, and the decreased be the fair value of all related assets. The discount rate is the reported return of AA rated bonds the maturity of which is rougly the same as the maturity of the company's obligations. The calculation uses the projected unit credit method. Any actuarial gains and losses are recognized in the operating results of the period of their occurrence.

ii) Short-term employee benefits

Liabilities for short-term employee benefits are not discounted and are presented as expenses after an employee's work related to a given short-term benefit is complete.

Liabilities are presented in the amount for which payment is expected in the form of a premium, payable within twelve months of finishing work, or a profit sharing scheme if the company has a current legal or indirect commitment for such payments due to past work of an employee and the liability can reliably be measured.

j) Allocations

Allocations are recognized when the company has a current legal or indirect commitment due to past events, if it is likely that settlement will require fund outflow and that the amount can reliably be estimated.

i) Post-employment benefits

Employees are entitled to severance pay when they retire, which is recognized when they conclude their employment in accordance with the Employment Act. For severance pay upon retirement, the projected unit credit method (the method of imputing benefits in proportion to the performed work) is applied, and therefore the Group establishes provisions appropriate to the achieved length of service of employees. Actuarial valuation is performed on 30 June and is properly presented in operating results.

Severance pay upon retirement when due reduces the established provisions.

ii) Other long-term benefits

Employees are entitled to long-term service rewards that are recognized when an employee reached a certain length of service. For severance pay upon retirement, the projected unit credit method (the method of imputing benefits in proportion to the performed work) is applied, and therefore the Group establishes provisions appropriate to the achieved length of service of employees. Actuarial valuation is performed on 30 June and is properly presented in operating results. Long service rewards when due reduce the established provisions.

k) Revenue

i) Sales of products

Sales of products are recognized at fair value of the received payment or liability, decreased by refunds, rebates and quantity discounts. Revenue is presented when a customer assumes all major forms of risks and benefits related to asset ownership, when there is certainty about the ability to pay compensation and the related expenses or about the option for returning products, when the company ceases to decide on sold products, and when the revenue amount can reliably be measured.

Transferring risks and benefits depends on the terms of the purchase contract. For goods sales, the transfer is generally made after the goods have arrived at the customer's warehouse, but for some international deliveries the transfer is made when the goods are loaded for transport.

ii) Sales or services

Sales of services are recognized in operating results based on the service's stage of completion on the reporting date. The state of completion is assessed with a review of the completed tasks.

A majority of the company's revenue is from sales of licenses and upgrade agreements. Apart from regular purchasing licenses outright, customers can also pay with a 5-year installment plan, or lease it for six years (hereinafter referred to as RLGS Agreements). Revenue from RLGS Agreements is composed of license fees, upgrades and financing.

Income from tenders, subsidies or grants is financed by the company at the signing of the contract and in the moment when their occurrence becomes certain. In cases where the company is granted funds through tenders for the development of intangible assets, such funds are counted towards the item accrued costs and deferred revenue – government grants, which is then monthly depreciated by the proportional amount.

Uncertainty evaluations and decisive assessments prepared by the management in line with the accounting policy that most significantly affect figures in the financial statements are:

- explanation on allocations and contingent liabilities;
- valuation of assets.

iii) Revenue from rents

Revenue from rents and investment property is recognized in revenue on a straight line basis over the term of the rent. Any given rent-related incentives are recognized as a part of total revenue from rents.

l) Government grants

Government grants are initially recognized in accounting statements as deferred revenue, if there is reasonable assurance that the company will receive said grants and will fulfill the necessary requirements. Government grants received for covering costs are recognized strictly as revenue in the periods when said costs occur, that the grants should be covering. Grants related to assets are recognized in operating results strictly as other operating revenue in the useful life of an asset.

m) Financial leases

Payments from financial leases are recognized as revenues on a straight line basis over the lease term. Any received lease-related incentives are recognized as a part of total expenses for leases.

The minimum lease payments due are distributed among financial expenses and decrease of outstanding debt. Financial expenses are distributed among periods over the lease term to get a fixed interest rate for the outstanding debt balance for each period. The company presents contingent payments from financial leases in the amount that, when the lease is changed, the minimum lease payment for the remaining term is re-assessed.

Contingent payments from financial lease are presented when the contingent liability no longer exists and when the change in the financial lease's value is known, namely in the amount determined by reassessing the minimum lease payment in the remaining term of the lease.

n) Financial revenue and financial expenses

Financial revenue consists of interest from investment (including financial assets held for sale), dividend revenue, revenue from disposal of financial assets held for sale, changes in fair value of financial assets at fair value through operating results, and gains from instruments for insurance against risks, which are recognized in operating results. Revenue from interest is recognized in operating results upon its occurrence using the effective interest rate method. Dividend revenue is recognized in comprehensive income on the day the shareholder's right to payment is exercised, which is for listed companies generally the date when the right to current dividends ceases to be related to the share.

Financial expenses consist of borrowing costs, differences from recalculating allocation discounts, dividends from preferred shares presented among liabilities, changes in fair value of financial assets at fair value through operating results, loss due to impairment of financial assets, and loss from instruments for insurance against risks, which is recognized in comprehensive income. Bor-

rowing costs are recognized in comprehensive income using the effective interest rate method.

Profit and loss from exchange differences are presented in net amounts.

o) Tax on income

The tax on profit or loss in the fiscal year consists of current tax and deferred tax. The tax on income is presented in comprehensive income, except for the part pertaining to items that are presented directly in equity and is therefore presented in equity.

Current tax is the tax expected to be paid from taxable profits for the fiscal year, using the tax rates that have been enacted or substantively enacted by the reporting date, and any adjustments to tax liabilities related to past fiscal years.

Deferred tax is presented using the balance sheet liabilities method, whereby temporary differences between asset and liability book value for financial statements and amounts for tax reporting are taken into account. The following temporary differences are not included: initial recognition of assets or liabilities in transactions other than mergers that have no effect on accounting profits or taxable profits, and differences related to investments in subsidiaries and jointly-controlled companies in the amount that is likely not to be derecognized in the foreseeable future. Furthermore, the deferred tax is not presented if there are taxable temporary differences at the initial recognition of goodwill. Deferred tax is presented in the amount that is expected to be payable upon derecognition of temporary differences based on laws enacted or substantively enacted by the reporting date. The company sets off deferred tax assets liabilities, if it has a legally enforceable right to set off recognized current tax assets and liabilities and if they pertain to the tax on profit levied by the same taxation authority in connection with the same taxable unit; or different taxable units that either intend to settle current tax liabilities and tax assets with a difference, or simultaneously recover assets and settle liabilities.

Deferred tax assets are recognized in the amount for which it is likely that a future taxable profit will be available that might be used to cover the deferred asset. Deferred tax assets are reduced by the amount for which it is not likely that asset-related tax reliefs can be claimed.

4. DETERMINING FAIR VALUE

Considering the company's accounting policies and breakdowns, many times a fair value of financial and non-financial assets and liabilities must be determined. The fair values of single asset groups for the purpose of measuring or reporting are determined herein. Additional explanations regarding assumptions for determining fair value are given along individual breakdowns of the company's assets or liabilities.

Hierarchy of fair value

With recognition and disclosure of fair value of financial instruments by the use of valuation technique, the next hierarchy was used:

1st category: determining fair value directly by referencing the officially listed price on the active market,

2nd category: other fair value determining techniques on the basis of assumptions with significant impact on fair value which are in accordance with noticeable current market transactions in the same instruments, whether directly or indirectly,

3rd category: other fair value determining techniques on the basis of assumptions with significant impact on fair value which are not in accordance with noticeable current market transactions in the same instruments.

Assets measured by fair value

	in EUR	in EUR
Short-term operating liabilities	**30 June 2014**	**30 June 2013**
1st category	76,104	0
2nd category	0	0
3rd category	0	0

i) Fixed assets

The fair value of fixed assets from business combinations is equal to their market value. The market value of immovable property is equal to the estimated value at which the property could be sold by a willing seller to a willing buyer at arm's length on the day of the valuation and after appropriate marketing. The market value of plant, equipment, furniture and fixtures is based on the offered market price of similar objects.

ii) Intangible assets

The fair value of patents and trademarks acquired through business combinations is based on the estimated discounted future value of royalties, which will not need to be paid because the patent or trademark is already owned. The fair value of other intangible assets is determined by taking the current value of estimated future cash flows that are expected from their use or potential sale.

iii) Operating and other receivables

The fair value of operating and other receivables is calculated as the current value of future cash flows, discounted at market interest rates on the reporting date.

iv) Non-derivative financial liabilities

The fair value is for reporting purposes calculated based on the current value of future payouts of the principal and interest, discounted at the market interest rate on the reporting date. In connection with the portion of liabilities from convertible bonds, the market interest rate is determined by comparing with similar liabilities that cannot be converted to equity. For financial leases, the market interest rate is determined by comparing with similar lease contracts.

5. FINANCIAL RISK MANAGEMENT

The company does not use financial instruments. The company assesses financial risks within the following groups:

- credit risk,
- reduced liquidity,
- market risk.

This chapter discusses the company's exposure to said risks, its goals, policies and procedures for measuring and managing risks, and its handling of capital. Other quantitative disclosures can be found in the continuation of the Notes to the financial statements.

The management is fully responsible for establishing the company's framework for risk management. The finance and accounting department deals with risk measurement and management. The person responsible for finance and accounting reports to the executive director about activities in this field.

Risk management policies are designed to define and analyze risks that threaten the com-

pany, based on which proper restrictions and controls are set up, risks monitored and restrictions respected. Risk management policies and systems are regularly checked to reflect changes in market conditions and the company's activities. With training as well as standards and procedure for risk management, the company endeavors to develop a disciplined and constructive environment where all employees are aware of their roles and responsibilities.

The executive board ensures that risk management policies and procedures are respected, and assesses the suitability of the risk management framework for the risks that the company faces.

Credit risk

Credit risk is the risk the the company will suffer financial loss if a client or a contracting party in a financial instrument agreement fails to fulfill its contractual obligations. Credit risk arises primarily from the company's receivables from clients and investment securities.

Operating and other receivables

The company's exposure to credit risk depends largely on the characteristics of individual clients. Client demographics and risk of non-payment with regard to the industry or country of a client do not have a significant effect on credit risk. Geographically speaking, there is no concentrated credit risk.

The finance and accounting department assesses each new client's creditworthiness before it is given standard terms of payment and delivery. The assessment factors in external ratings if they exist, and is some cases also bank references. The credit limit is set in the form of a maximum outstanding amount that need not be approved and is client-specific; credit limits are checked every four months. Clients that do not meet the company's standard creditworthiness are required to make payments in advance.

The company makes adjustments for impairments that represent estimated losses from operating and other receivables and investments. The main elements of adjustments are the special part of the loss, which pertains to single major risks, and the common part of loss, which is for groups of similar assets due to losses that have occurred but have not yet been identified. The adjustment for total loss is determined by factoring in historical data that pertains to statistics of payments for similar financial assets.

Guarantees

In line with its policies, the company issues financial guarantees only to wholly-owned subsidiaries.

Reduced liquidity

Liquidity risk is the risk that the company might not be able to settle its financial obligations when due. The company maintains maximum liquidity by having sufficient liquid assets to settle obligations in time, both in normal and troubled circumstances, without incurring unacceptable loss or reputation damage.

The company has several credit lines for ensuring liquidy where it can draw from if the need arises.

FY 2014	Up to 3 months	3 to 12 months	1 to 5 years	over 5 years	Total in EUR
Financial liabilities	211,667	532,718	1,780,422		2,524,807
Operating liabilities	527,270				527,270
Total	738,937	532,718	1,780,422	0	3,052,077

FY 2013	Up to 3 months	3 to 12 months	1 to 5 years	over 5 years	Total in EUR
Financial liabilities	136,683	251,424	1,721,548		2,109,655
Operating liabilities	389,974				389,974
Total	526,657	251,424	1,721,548	0	2,499,629

Market risk

Market risk is the risk that fluctuations in market factors, such as interest rates, exchange rate and equity instruments, will affect the company's revenue or value of financial instruments. The objective of market risk management is the control over exposure to market risks to a reasonable degree, while optimizing profits.

Currency risk

The company is exposed to currency risk when buying, selling, lending and borrowing, specifically when making transactions in currencies other that the functional currency. The company operates mostly with euros.

The significance of the key currency pair has changed since the introduction of the euro, because no currency pair fits into this category, but due to unbalanced foreign currency positions, some of the more important currency pairs have been identified that are geographically related to the company's subsidiaries: EUR/Croatian kuna, EUR/Macedonian denar and EUR/Serbian dinar. The company attempts to reduce currency risks by factoring them into markups, by balancing purchases and sales, with well-timed foreign currency coverage of inflows with outflows, and by taking out loans in the local currency.

Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate due to variable interest rates. The majority of the company's debt instruments is bound to a fixed interest rate, therefore operations are not exposed to interest rate risk. Interest rate risk is reduced by adapting interest rates for assets to interest rates for liabilities; furthermore, simulations are performed on the balance sheet in regard to absorption of financing in relation to interest rate fluctuation.

Equity risk

The management board decided to keep equity large in order to build the trust of investors, creditors and the market, and to facilitate the company's sustainable growth. The management board monitors the capital gains that the company defined as net operating revenue, divided by the total shareholder's equity, excluding non-redeemable preferred shares and minority stakes. Also monitored is the dividend amount paid to common shareholders.

The company endeavors to keep a balance between high yields supported by large loans and the benefits and security of a strong equity position.

The company monitors the movement of equity by using the leverage ratio, calculated by dividing net liabilities with the total amount of liabilities and the total amount of equity, as shown in the table below.

Item	2014	2013
Financial liabilities = FL	**2,524,807**	**2,109,655**
Operating liabilities = OL	527,270	389,974

Cash and short-term deposits = C	231,024	19,503
Net liabilities = FL + OL - C	**2,821,053**	**2,480,126**
Equity	5,227,838	4,373,692
Equity + net liabilities	**8,048,891**	**6,853,818**
Financial leverage ratio	**35%**	**36%**

The company occasionally buys own shares, depending on the current market price of the share. In general, such shares are intended for profit sharing schemes. The decision for buying and selling shares is made by the risk management committee separately for each transaction. The company does not have a special plan for buying own shares.

The company did not change its equity management policies in this fiscal year.

Neither the parent company nor its subsidiaries are subject to equity requirements set by external entities.

6. REVENUE FROM SALES

In EUR	FY 2014	FY 2013
REVENUE FROM SALES	**2,293,639**	**2,060,414**
Sales in the domestic market	1,061,079	882,963
Sales of products and services, excluding leases	1,060,283	872,964
Revenue from leases, subscriptions	796	9,999
Sales of goods and materials		
Sales in the EU	415,120	15,451
Sales of products and services in the EU	415,120	15,451
Sales outside the EU	817,440	1,162,000
Sales of products and services	817,440	1,162,000

Datalab licenses its software suite PANTHEON™ also with leases and subscriptions. Since 1 July 2009, when such a licensing agreement is entered into, the company immediately records the value of the license, and revenue from software upgrades and financing is recorded monthly until the agreement expires.

Besides, revenue from sales of annual upgrades are presented immediately.

7. OTHER OPERATING REVENUE

The majority of other operating revenue are capitalized own products and services in the amount of 1,747,780 EUR, of which 1,426,680 EUR represents the development of PANTHEON and 321,100 EUR the development of the Farming program.

Subsidies, grants, allowances, compensations and other revenue associated with products and services include the subsidy of the Slovenian Ministry of Higher Education and Technology for developing an ecosystem for e-business in SMEs (project Feniks) in the amount of 57,000

EUR and funds received from the same ministry as part of co-funding for the improvement of development teams in the amount of 130,784 EUR. In addition to the listed subsidies, we also received a subsidy from the Slovene Human Resources Development and Scholarship Fund in the amount of 375 EUR, and a subsidy from the SPIRIT agency in the amount of 2,936 EUR. This income was financed in the proportional amount of the cost of depreciation of the Feniks project.

Other operating revenue in the fiscal year 2014 is composed of revalued revenue from the derecognition of impairment of operating receivables in the amount of 3,700 EUR, revalued revenue from the disposal of fixed assets in the amount of 33,965 EUR, derecognition of allocations in the amount of 7,439 EUR, and write-off of eventual but time-barred liabilities in the amount of 2,919 EUR. Other operating revenue also includes extraordinary revenue in the amount of 6,838 EUR.

8. COST OF GOODS, MATERIALS AND SERVICES

The cost of materials is the quantity of direct materials consumed. Costs of services are costs that do not count as costs of materials, depreciation or labor, but costs of transporation services, production stages performed by others, utility and telecommunication services, rentals, payment services, cost of partner commissions, and similar. Costs of services include work contracts costs, author's contract costs and costs associated with other legal relations, except employment relationships with private individuals.

The total cost of materials, goods and services is composed as follows.

in EUR	FY 2014	FY 2013
Cost of materials, goods and services	**1,136,232**	**987,432**
Cost of goods sold		
Cost of materials	43	
Cost of energy	14,588	14,876
Other costs of materials	3,291	3,057
Cost of services for making products and rendering services	6,807	11,213
Transport services	24,226	19,035
Cost of services related to maintenance of fixed assets	37,515	35,048
Rents	73,961	89,800
Reimbursement to employees for work-related expenses	31,010	22,170
Cost of payment services, banking services and insurance premiums	9,771	9,867
Cost of intellectual and personal services	437,652	283,806
Cost of exhibitions, advertising, promotion and entertainment	128,437	83,376
Cost of services of private individuals	147,216	111,895
Cost of other services	216,113	303,289
Bonuses to trainees and students	5,602	0

Other costs of materials consist mostly of office supplies and reference books. The costs of intellectual and personal services and other services are mostly the services of external contractors related to creating, updating and further developing the software suite PANTHEON 5.5.

The company has changed the way it records loan banks' processing fees for loans; in this and previous fiscal year, they are no longer included in costs of payment and banking services. It has also changed the recording of guarantees for granted loans that are no longer recorded as costs of other services. Both are now shown in financial expenses for loans received from banks.

Costs by functional group	in EUR	Share
Production costs (development and support)	2,884,961	78,24%
Cost of selling (marketing and sales)	148,047	4,01%
Cost of administration (management)	654,450	17,75%
Total	**3,687,458**	**100**

Production costs include the cost of the development team; selling costs include the cost of the marketing and sales teams. Cost of administration include common company activities (accounting, administration, Academy, training, HR, etc.).

9. LABOR COSTS

Labor costs and reimbursements to employees are accounted in accordance with applicable laws, collective agreements, internal company regulations, or employment contracts. Accounted labor costs correspond to related short-term liabilities until settled. Liabilities for salaries and wages are represented as liabilities to individual employees in their net amounts and as withheld obligations for taxes, included in their gross salaries. Also presented are obligations and taxes that are accounted on the basis of gross payments and which are not part of them. Voluntary supplementary pension insurance for employees is otherwise arranged with a collective pension insurance at a pension plan operator that is certified for voluntary supplementary pension and disability insurance, but is currently suspended.

in EUR	FY 2014	FY 2013
Labor costs	**1,312,558**	**1,242,561**
Cost of wages and salaries	1,003,256	934,680
Cost of pension insurance	89,266	83,730
Cost of other social insurances	72,718	67,256
Other labor costs	147,318	156,895

Earnings of the Management

The figures in the tables below include labor costs and compensations borne by the employer, other labor costs (annual leave bonuses, other remuneration, net reimbursements, benefits), and reimbursement of work-related expenses. The figures are for the fiscal year 2014.

Attendance fees for the executive board include cost of attendance fees and reimbursements for internal and external members of the executive board. In other additional payments, compensations for personal sureties of members for received loans of the parent company are shown.

Subsidiaries in the Datalab Group are supervised by the board for economic and strategic questions. For their work in the board for economic and strategic questions, members receive payments directly from subsidiaries. These payments are not shown in the table below, however, earnings of these members are stated in the consolidated part of the financial statement.

	Fixed earnings	Other bonuses	Reimbursements	Other additional payments	Total earnings in Datalab Tehnologije, d. d.
Lojze Zajc	21,967	12,193			34,160
Andrej Mertelj	57,027		5,995	5,333	68,355
Matt Mayfield		3,657			3,657

10 OTHER OPERATING EXPENSES

in EUR	FY 2014	FY 2013
Other operating expenses	**35,645**	**85,516**
Other costs	29,323	21,735
Revalued operating expenses for intangible ans fixed assets	0	69
Revalued operating expenses associated with current assets	6,322	63,712

Other operating expenses in the fiscal year 2014 include expenses for contributions for promoting employment of people with disabilities in the amount of 10,860 EUR, court fees in the amount of 5,184 EUR, cost of scholarships in the amount of 11,450 EUR, and rounding differences and other expenses in the amount of 1,829 EUR.

Revalued operating expenses of current assets consist of value adjustments related to short-term operating receivables in the amount of 6,322 EUR.

11. FINANCIAL REVENUE

in EUR	FY 2014	FY 2013
Financial revenue	60,879	61,791
Financial revenue from shares and interests in companies in the group	12,737	
Financial revenue from loans given to others	8,786	
Financial revenue from loans given within the group	873	332
Financial revenue from operating receivables from others	31,247	54,233
Financial revenue from loans given within the group	7,236	7,226

Financial revenue from shareholdings in the group is revenue from profit-sharing in previous

years of the subsidiary Datalab d.o.o. Montenegro and are stated in the amount of 12,737 EUR.

Financial revenue from given loans are presented in the amount of 9.659 EUR.

Financial Revenue from Operating Receivables

In 2014, the company generated most of its financial revenue from operating receivables from leases and subscriptions. This amounted to 31,271 EUR in 2014 and to 54,739 EUR in 2013. Other revenue consists of exchange differences, received discounts, interest on deposits, and default interest from clients' late payments.

12. FINANCIAL EXPENSES

in EUR	FY 2014	FY 2013
Financial expenses	142,892	140,677
Financial expenses for loans received from companies in the group		1,929
Financial expenses for loans received from banks	129,307	119,230
Financial expenses for other operating liabilities	9,215	19,518
Financial expenses due to impairment and write-offs of investments	4,370	

The company has changed the way it records loan banks' processing fees for loans; they are no longer included in costs of payment and banking services. It has also changed the recording of guarantees for granted loans that are no longer recorded as costs of other services. In 2014, the costs of guarantees for approved loans amounted to 51,051 EUR. In this fiscal year, the costs of compensations for banks for treatment and approval of credits amounted to 4,071 EUR. Both are now shown in financial expenses for loans received from banks.

The company impaired a given loan in the amount of 4,370 EUR because the company of the loan recipient was erased under a short procedure.

Net cash flow

in EUR	FY 2014	FY 2013
Financial revenue	60,879	61,791
Financial expenses	142,892	140,677
NET CASH FLOW	-82,013	-78,886

13. TAX ON INCOME

The corporate income tax is accounted based on the income and expense that are included into the profit/loss statement according to applicable law. The company had that many tax reliefs in 2014 that no tax on income had to be paid.

Receivables from unused tax reliefs in the amount of 144,374 EUR are posted as deferred tax assets.

Item	FY 2014	FY 2013
Accounted income tax – tax liability	0	0
Deferred tax assets	144,374	180,467
Total tax expense in operating results	-144,374	-180,467

Effective rate of the income tax for Datalab d.d.

Item	FY 2014	FY 2013
Gross operating profit or loss before taxes	511,416	468,280
Applicable tax rate	17.00%	17.50%
Tax amount at applicable rate before changes to tax basis	86,941	81,949
Expenses not recognized for tax purposes	54,524	71,086
Difference in recognition of income and expenses	-8,521	-115,424
Reliefs	-557,419	-423,942
Effective tax rate	0.00%	0.00%
Current tax	0.00%	0.00%

14. REVENUE FROM DEFERRED TAXES

Revenue from deferred taxes represents an increase in deferred tax assets in the amount of 144,374 EUR as the difference between write-offs and impairments not recognized for tax purposes in this fiscal year, write-offs and impairments recognized for tax purposes in future years pertaining to profit sharing under the Financial Participation Act, and unused tax reliefs for investments into development.

15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment in the amount of 36,637 euros consists of computers and computer equipment. All equipment acquired in 2014 was acquired with own funds.

Movement of fixed assets from 1 July 2013 to 30 June 2014.

COST	Other plant and equipment	Total
Balance as of 1 July 2013	492,879	492,879
Acquisition, activation	18,639	18,639
Disposal, write-off	73,773	73,773
Upward revaluation of fixed assets		0
Balance as of 30 June 2014	437,745	437,745

VALUE ADJUSTMENT		
Balance as of 01 July 2013	420,439	420,439
Disposal, write-off	71,710	71,710
Depreciation	52,379	52,379
Upward revaluation of fixed assets		0
Balance as of 30 June 2014	401,108	401,108
CARRYING VALUE		
Balance as of 01 July 2013	72,440	72,440
Balance as of 30 June 2014	36,637	36,637

16. INTANGIBLE ASSETS

An intangible asset is an asset used for long-term production or supply of goods or services, for rental to others, or for administrative purposes, but without physical substance. Datalab Tehnologije, d. d., presents material rights and copyrights at their carrying value, being the difference between the cost and the value adjustment.

Intangible assets in the value of 5,590,259 EUR represent the value of purchased components and other copyrights pertaining to PANTHEON, and various licenses that allow normal work of the PANTHEON development team. The largest part of intangible assets is the capitalization of the software PANTHEON.

The company has no significant fully depreciated intangible assets.

In the fiscal year 2014, the company continued to develop Farm Accounting program and it is presented among intangible assets under preparation in the amount of 712,323 EUR. In this fiscal year, the company already put into use a number of the so-called test licenses of this program. Marketing of the program is planned for the next fiscal year, when the program will be ultimately tested and put into general use first in the Slovenian market, and after the localizations will be finished, in other EU markets and other markets of Southeastern Europe.

Intangible assets for the fiscal year 2014

	Long-term property rights	Long-term property rights - under preparation	Total
COST			
Balance as of 1 July 2013	10,824,733	309,928	11,134,661
Acquisition, activation		0	0
Acquisition	1,496,079	402,395	1,898,474
Disposal, write-off	0	0	0
Upward revaluation of fixed assets	0	0	0

Balance as of 30 June 2014	12,320,812	712,323	13,033,135
VALUE ADJUSTMENT			0
Balance as of 01 July 2013	5,573,421	0	5,573,421
Disposal, write-off		0	0
Depreciation	1,157,132	0	1,157,132
Upward revaluation of fixed assets	0	0	0
Balance as of 30 June 2014	6,730,553	0	6,730,553
CARRYING VALUE			0
Balance as of 01 July 2013	5,251,312	309,928	5,561,240
Balance as of 30 June 2014	5,590,259	712,323	6,302,582

17. LONG-TERM FINANCIAL INVESTMENTS

Long-term financial investments are part of long-term financial instruments and represent an item with maturity over one year.

(in EUR)	30 June 2014	30 June 2013
Long-term financial investments	**424,739**	**181,105**
Shares and stakes in companies in the Group	336,050	174,856
Other long-term financial investments	88,689	6,249

The company presents the following long-term financial investments:

In EUR	Share	30 June 2014	30 June 2013
Investment into Datalab Tehnologije d.o.o. – Croatia	51%	123,000	123,000
Investment into Datalab BA d.o.o. – Bosnia and Herzegovina	100%	161,718	524
Investment into Datalab MK d.o.o. – Macedonia	100%	38,832	38,832
Investment into Datalab SR d.o.o. – Serbia	100%	5,000	5,000
Investment into Datalab MN d.o.o. – Montenegro	51%	0	0
Investment into Datalab SI d.o.o. – Slovenia	100%	7,500	7,500
Subsidiaries total		**336,050**	**174,856**
Investment into Datalab Automotive d.o.o. – Serbia	24.99%	1,249	1,249
Investment into Datalab Bulgaria Ltd. - Bulgaria	50%	0	0
Investment into Datalab AL Sh.p.k. - Albania	50%	5,000	5,000
Investment into Datalab Agro AG - Switzerland	**50%**	**82,440**	**0**
Other companies total		**88,689**	**6,249**

Long-term financial investments are valued using the cost method. In the fiscal year 2014, the company purchased a 49% share of Datalab BA d.o.o. in exchange for recapitalisation shares of Datalab Tehnologije d.d.

Long-term financial investments in subsidiaries and affiliated companies

In March 2014, the parent company and the Swiss company Mattig Management Partners AG (hereinafter: Mattig) founded Datalab Agro AG in Switzerland in which the parent company holds a 50% share. Regarding the ownership of Datalab Agro AG, Datalab d.d. and Mattig concluded an option contract (hereinafter: "Option contract"), according to which Datalab d.d. has a call option, and Mattig has a put option to purchase or sell shares of Datalab Agro AG in the holding of Mattig. According to the Option contract, instead of purchase price in cash, Mattig is guaranteed shares of Datalab d.d. at the price of 2.9 EUR per 1 DATR share, taking into consideration the value of Datalab d.d. in the amount of 4,200,000.00 EUR and the number of issued DATR shares in the amount of 1,700,000 (this information is based on publicly issued non-consolidated financial statements of the second trimester of the fiscal year 2014 as of 28 February 2014). In accordance with the provisions of the Option contract, the call or put option can be carried out in two-years time since the day of establishment of Datalab Agro AG or immediately in case of change of control over Datalab d.d.

18. LONG-TERM LOANS

Among long-term loans, the Group shows a loan given to a subsidiary Datalab MK d.o.o. whose long-term part is in the amount of 1,202 EUR, a loan given to Datalab AL Sh.p.k in the amount of 5,000 EUR and a loan given to Andrej Mertelj in the amount of 41,341 EUR.

19. LONG-TERM OPERATING RECEIVABLES

Long-term operating receivables are receivables arising from property and other legal relationships to claim the settlement of a debt or the payment for deliveries or rendered services in a period that is longer than 12 months. Below is a breakdown of long-term operating receivables by the type of agreement and type of receivable.

(in EUR)	30 June 2014	30 June 2013
LONG-TERM OPERATING RECEIVABLES	23,311	58,622
Long-term operating receivables from companies in the group	10,904	20,519
Long-term receivables of products and services for hire-purchase	7,492	25,701
Long-term receivables from confirmed compulsory liquidations	4,915	4,916
Long-term oper. rec. from leases (L20 and L30)	0	5,265
Long-term oper. rec. from lease upgrades (L20 and L30)	0	2,158
Long-term oper. rec. from subscriptions (S30)	0	31
Long-term oper. rec. from subscription upgrades (S30)	0	32

20. DEFERRED TAX ASSETS

(in EUR)	30 June 2014	30 June 2013
Deferred tax assets	503,694	359,320
- from establishing provisions	1,613	1,604
- from unused tax reliefs for development	434,591	283,774
- from deferral of entitlement to the use of tax relief from the financial participation of employees	34,352	40,844
- from revaluation of receivables and financial investments	33,138	33,098

Deferred tax assets are amounts of the tax on profit that will be returned to the taxpayer in future tax periods with lower tax amounts in the future, when the assets can be claimed.

Deferred tax assets in Datalab Tehnologije, d.d., are receivables from the state for value adjustments of receivables and investments in the amount of 33,138 EUR, receivables from unused tax reliefs due to employee profit sharing under the Financial Participation Act in the amount of 34,352 EUR and unused reliefs for investments in research and development in the amount of 434,591 EUR, and established provisions for severance pays and long service awards in the amount of 1,613 EUR.

21. INVENTORIES

In EUR	30 June 2014	30 June 2013
Inventories	0	1,631
Goods	0	1,631

According to balance as of 30 June 2014, the company has no recorded stocks

22. SHORT-TERM FINANCIAL INVESTMENTS

(in EUR)	30 June 2014	30 June 2013
Short-term financial investments	203,236	153,506
Short-term loans to companies in the group	69,405	61,805
Other short-term loans	133,831	91,701

In the fiscal year 2014, the company granted short-term loans in the amount of 69,405 EUR to subsidiaries. In the short-term part of granted loans to companies in the group is also presented the short-term part of the long-term loan in the amount of 2,405 EUR.

The increase of balance in other short-term loans refers mainly to the loan given to the chairman of the Executive Board, Mr Lojze Zajc in the amount of 52,203 EUR and will be offset with the obligation of the company to him from compensations for personal sureties to insure the long-term loan at the SID bank and from compensations for exercising a function in the Executive Board. As of 30 June 2014, the company states a total obligation to Mr Lojze Zajc in the amount of 52,179 EUR.

23. SHORT-TERM OPERATING RECEIVABLES

Short-term operating receivables are receivables arising from property and other legal relationships to claim the settlement of a debt or the payment for deliveries or rendered services. They represent short-term operating receivables and paid advances. Breakdown of operating receivables:

(in EUR)	30 June 2014	30 June 2013
Short-term operating receivables	**1,209,081**	**964,394**
Short-term operating receivables from companies in the group	812,248	690,340
Short-term operating receivables from customers	125,757	123,669
Short-term operating receivables from others	271,076	150,385

Trade receivables are presented at nominal value, decreased by proper adjustments for estimated unrecoverable amounts. Receivables are revalued due to impairment if their book value exceeds their fair value, that is their realizable value.

Short-term receivables are collectible. Services to problematic customers are rendered only against an advance payment. Short-term receivables to foreign customers are converted at the rate of the Bank of Slovenia as of 30 June 2014. The effects of changes in exchange rates on the balance sheet date increase ordinary financial revenue or expenses as exchange differences.

Short-term operating receivables from others include receivables for paid collaterals to executors in the amount of 892 EUR, receivables for paid advances in the amount of 16,258 EUR, receivables for input VAT in the amount of 2,876 EUR, receivables from the state for the outstanding subsidy for the improvements of development teams and MAK project in the amount of 226,793 EUR, receivables to the state for refunds from the Health Insurance Institute in the amount of 1,251 EUR, receivables from paid advances for travel costs in the amount of 4,205 EUR, receivables to employees in the amount of 12,807 EUR, receivables in the amount of 4,788 EUR, and other receivables in the amount of 1,206 EUR.

It is estimated that short-term receivables are collectible, except for receivables whose value has been adjusted.

Receivables by maturity

Receivables	Gross value on 30 June 2014	Value adjustment on 30 June 2014	Net value on 30 June 2014	Gross value on 30 June 2013	Value adjustment on 30 June 2013	Net value on 30 June 2013
Total	**1,285,480**	**76,399**	**1,209,081**	**1,038,171**	**73,777**	**964,394**
Not overdue	913,826	0	913,826	711,467	0	711,467
Overdue 0 to 30 days	89,502	0	89,502	118,238	0	118,238
Overdue 31 to 180 days	197,913	330	197,583	137,314	4,506	132,808

Overdue 181 to 365 days	7,783	1,694	6,089	1,660	514	1,146
Overdue over one year	69,492	68,757	735	165,532	141,293	24,239

Value adjustment of receivables

Item	FY 2014	FY 2013
Balance as of 1 July 2013	73,777	141,947
Value adjustments within the year	6,322	18,721
Deactivation of value adjustments due to completion of procedures	-3,700	-86,891
Balance as of 30 June 2014	**76,399**	**73,777**

24. CASH

In EUR	30 June 2014	30 June 2013
Cash	**231,024**	**19,503**
Cash on hand	378	137
Cash in bank accounts	30,646	19,366
Deposits in bank accounts	200,000	0

25. SHORT-TERM DEFERRED COSTS AND ACCRUED REVENUE

Short-term deferred costs and accrued revenue in the amount of 96,659 EUR consists of deferred costs for partner commissions for RLGS agreements in the amount of 513 EUR, annual leave bonuses in the amount of 21,792 EUR, deferred costs in the amount of 68,643 EUR, and short-term accrued revenue in the amount of 5,711 EUR.

26. EQUITY

Share capital

The shareholder meeting on 5 May 2003 decided to issue 6,150 shares with a total nominal value of 6,150,000 SIT (25,663 EUR). Another 225 shares were issued on 5 April 2005 with a total nominal value of 225,000 SIT (938.9 EUR). The nominal value per share for the first two issues was 1,000 SIT (4.17 EUR) and they were for cash. 95,050 no-par value shares were issued on 17 August 2007; the issue was carried out from carried over profits and overpaid share capital. On 15 February 2008, another 5,094 no-par value issues were issued for cash. The fifth issue of shares was registered at the central securities register on 29 December 2010, specifically 5,020 no-par value shares in a total nominal value of 20,947.97 EUR. The last shares were registered at the central securities register on 26 June 2012, specifically 64,327 no-par value shares in a total nominal value of 75,567.55 EUR. On 20 June 2014, District court in Ljubljana registered a recapitalization, the entry of which took place in May 2014, and an increase of the

*** On 15 March 2011, the company increased its share capital by 1,500,000.00 EUR and on 28 March 2011 carried out a share split at a ratio of 1:15.**

number of shares from 1,737,412 to 1,870,401 no-par DATR shares. After that, the company's share capital* amounts to 2,197,236.44 EUR. This issue of shares wes successfully registered at the central securities register only after the end of our fiscal year 2014, on 4 July 2014.

All shares are common, registered and issued in non-material form. All shares had been paid in full by the shareholders before the shares were entered in the company register.

Own shares

As of 30 June 2014, the company owned 9,754 own shares. Their cost is presented in the amount of 22,224 euros. The Group devised the reserves for the purchase of own shares in the amount of 28,599 EUR. Thanks to such reserves, the company can cover the purchase of shares of the parent company at the subsidiary Datalab SI d.o.o. The company buys own shares for the distribution of profits to employees as employee stock ownership scheme. The fair value of own shares on 30 June 2014 was 40,967 EUR.

Capital surplus

Capital surplus consists of capital increase payments above the share's par value and amounts to 425,463 EUR. Due to the effects of disposals of own shares, the capital reserves were decreased for the amount of 15,920 EUR in the current fiscal year, and due to revaluation of 18,120 borrowed own shares to market value as of 30 June 2014, they were further decreased for 36,240 EUR.

Accounting standards require that the company separately discloses operating results calculated on the basis of revaluation in order to maintain of capital based on the growth of consumer prices.

Item (in EUR)	Capital amount	% growth	Calculated effect	Reduced net operating result
Capital (excl. profit of the current year)	4,572,049	0.8	36,576	619,213

Ownership structure of Datalab, d. d., as of 30 June 2014

Category	First name	Last name	Percentage	No. of shares
10 largest			83.12%	
	Andrej	Mertelj	39.40%	684,460
	Raiffeisen bank International (fiduciary account)		19.62%	340,890
	Nepremičnine Noviforum d.o.o.		9.65%	167,636
	Lojze	Zajc	3.90%	67,729
	NLB Skladi - Slovenija delniški		2.80%	48,647
	Moreno	Rodman	1.84%	31,920
	ADVAL d.o.o.		1.76%	30,540
	Vanja	Varl	1.71%	29,655

	Valerija	Ažman	1.37%	23,865
	Aleš	Golob	1.08%	18,747
Others			16.88%	
	Members of the management board (others*)		0.68%	11,760
	Members of the management board (together**)		45.14%	763,949
	Other employees		4.20%	72,963
	Former employees		1.96%	33,969
	Partner companies		1.70%	29,574
	Other shareholders		8.35%	145,057
Total			**100.00%**	**1,737,412**

*** excluding Andrej Mertelj, Lojze Zajc **all members of the management board**

27. LONG-TERM FINANCIAL LIABILITIES

On 15 December 2010, the company signed a loan contract with Nova Ljubljanska banka, d.d., for a 5-year loan of 860,000.00 EUR (long-term part 80,000 EUR and short-term part 180,000 EUR as of 30 June 2014). The loan was taken out under the Republic of Slovenia Guarantee Scheme (in the previous fiscal year, an annex was concluded with the bank with which the guarantee of the Republic of Slovenia is withdrawn) and is in its entirety meant for the repayment of short-term loans. The loan is additionally collateralized with some of the company's long-term and short-term receivables totallin at 694,977 EUR.

On 31 July 2012, Datalab signed a long-term 2 million EUR loan contract with the SID bank for financing the project PANTHEON Feniks III which is collateralized with the PANTHEON trade mark and the establishment of trade mark rights on intangible copyrights deriving from the source code of the Datalab Pantheon program, version 5.5. Up to 30 June 2014, the loan is used in the amount of 1,882,074 EUR. In the long-term part, the loan is presented in the amount of 1,423,729 EUR.

In the previous fiscal year, the company was granted a long-term loan by Banka Celje d.d. with a subsidized interest rate of the Slovene Enterprise Fund, for the purchase and finishing the program for cash operations POS in the amount of 300,000 EUR. 60% of the credit is insured by the Slovene Enterprise Fund, the rest is insured by the trade mark of Datalab. Up to 30 June 2014, the loan is used in the amount of 276,686 EUR.

in EUR	30 June 2014	30 June 2013
Long-term financial liabilities	1,780,415	1,599,820
Long-term loans from domestic banks	80,000	357,440
Long-term loans from domestic banks – being used	1,700,415	1,240,732
Other long-term financial liabilities		1,648

Interest rates are tied to 6 month and 3 month Euribor and have an additional fixed interest rate between 2% and 6% per year.

The sum of approved loans that were not drawn until 30 June 2014 amounts to 141,240 EUR.

28. LONG-TERM PROVISIONS

Long-term provisions are provisions for long service rewards and severance pays upon retirement in accordance with IAS 19 in the amount of 18,979 euros. In 2014, the company did not use the provisions for long service awards and severance pays in the amount of 460 EUR.

29. LONG-TERM ACCRUED COSTS AND DEFERRED REVENUE

Long-term accrued costs and deferred revenue in the amount of 6,736 EUR represent long-term deferred revenue from upgrades and financing.

Long-term accrued costs and deferred revenue in the amount of 157,674 EUR are for potentially lost lawsuits.

In this fiscal year, the company formed additional delineations for received subsidies for the MAK project (mobile applications for Farm Accounting) so that they amount to 187,041 EUR as of 30 June 2014. In case of selling the program, the company will present the entire sum within one year. In case that the company keeps the Farm Accounting program, the company will start to account depreciation when the program will be put to use and will show these reservations in the proportionate share of the depreciation.

In the fiscal year 2014, the company signed a contract with the European Commission for the financing of the AgroIT project whose goal is to establish a pilot platform AgroIT that will be tested in a number of European countries (Denmark, Poland, Macedonia, Romania). On that basis, the company already received an advance in the amount of 356,483 EUR from European funds; the project started on 1 March 2014. For the company, it represents further development of Farm Accounting (accounting for farms). In case of selling the program, the company will present the entire sum within one year. In case that the company keeps the Farm Accounting program, the company will start to account depreciation when the program will be put to use and will show these reservations in the proportionate share of the depreciation.

in EUR	30 June 2014	30 June 2013
Long-term accrued costs and deferred revenue	**707,934**	**296,154**
- allocations for partner commissions for RLGS agreements	0	1,579
- for deferred revenue from RLGS agreements	6,736	9,488
- for potentially lost lawsuits	157,674	150,267
- received subsidies for the Feniks project	0	57,000
- received subsidies for the MAK project	187,041	77,820
- received subsidies for the AgroIT project	356,483	0

30. SHORT-TERM FINANCIAL LIABILITIES

(in EUR)	30 June 2014	30 June 2013
Short-term financial liabilities	**744,392**	**509,835**
Short-term financial liabilities to banks	744,392	506,715
Other short-term financial liabilities		3,120

Received short-term loans of the company from banks by currencies and interest rates

Item	Amount in currency	Amount in EUR	Minimum interest rate	Maximum interest rate
EUR	744,392	744,392	EURIBOR+2%	EURIBOR+6%

As of 30 June 2014, the company has short-term liabilities to banks in the amount of 744,392 EUR. This item also includes the part of the long-term loans with Nova Ljubljanska banka (status on 30 June 2014: 180,000 EUR), Banka Celje (status on 30 June 2014: 83,333 EUR) nans SID banka (status on 30 June 2014: 458,344 EUR) that are repayable within one year. Loans are collateralized with blank bills of exchange, pledges of trademarks and personal surety.

In addition to the loans stated above, the company concluded the following loan agreements:

- Revolving loan in the amount of 223,000 EUR from Raiffeisen banka d.d. As of 30 June 2014, the loan is used only in the amount of 10,000 EUR.
- Framework loan for financing buyers up to the amount of 100,000 EUR from Banka Celje d.d. Repayment of the loan is collateralized with vinculation of insurance policy for underlying assets toward buyers. As of 30 June 2014, the loan is used in the amount of 12,715 EUR.

31. SHORT-TERM OPERATING LIABILITIES

(in EUR)	30 June 2014	30 June 2013
Short-term operating liabilities	**527,270**	**389,974**
Short-term operating liabilities to companies in the group	43,859	15,408
Other short term liabilities to suppliers	127,606	99,997
Other short-term operating liabilities	355,805	274,569

Short-term operating liabilities to companies in the group consist of obligations for rendered services (agency and intermediation costs).

Short-term operating liabilities to suppliers consist of obligations for rendered services (rent, administrative costs, costs of advertising and promotion, commissions), purchased materials (office supplies) and fixed assets.

Other short-term operating liabilities consist of obligations to the state from employee and employer contributions and taxes, VAT obligations, obligations to employees for wages and salaries, obligations from compensations for personal sureties, obligations from unpaid bonuses, obligations from unpaid compensations for exercising functions in the Executive Board, obligations to return borrowed shares, received collaterals, compensations, and other liabilities.

Liabilities by Maturity

Liabilities	Gross value on 30 June 2014	Gross value on 30 June 2013
Total	**527,270**	**389,974**
Not overdue	462,151	342,410
Overdue 0 to 30 days	28,246	28,264
Overdue 31 to 180 days	32,320	15,607
Overdue 181 to 365 days	0	0
Overdue over one year	4,553	3,693

32. ACCRUED COSTS AND DEFERRED REVENUE

Accrued costs and deferred revenue are costs accrued or revenue deferred for a short-term of up to 12 months, and are presented separately.

Accruals and deferrals occur in accounting because of the need to evenly distribute costs that are expected, but have not occurred yet. Short-term deferred revenue occurs when services have already been invoiced or paid, but not rendered yet. The total value of accruals and deferrals as of 30 June 2014 was 71,678 EUR.

A part of accrued costs and deferred revenue consists of deferred revenue from lease and subscription agreements in a total value of 15,960 EUR, and short-term accrued costs for partner commissions in the amount of 4,427 EUR.

Another part of accrued costs and deferred revenue in the amount of 51,291 EUR consists of accrued costs of commissions and auditing for the fiscal year 2014.

33. INVESTMENT INTO RESEARCH AND DEVELOPMENT

The Group is extremely development-oriented; most of its expenses consist of development costs of the ERP system PANTHEON and the FARM Accounting program.

Development costs

Type of cost	FY'14	FY'13
Internal R&D activities	1,346,952	1,247,245
Purchased R&D services	400,828	440,663
Total	**1,747,780**	**1,687,908**

Type of cost	FY'14	FY'13
Labor costs	**1,061,073**	**1,007,703**
Purchase of R&D equipment	77,017	77,925
Cost of material	208,862	161,616
Cost of R&D services and cost of external specialists and researchers	400,828	440,664
Total	**1,747,780**	**1,687,908**

34. TRANSACTIONS WITH RELATED PARTIES

Sales (receivables) in EUR	FY 2014	FY 2013
Datalab SI	1,166,517	1,318,775
Datalab BA	288,259	262,989
Datalab SR	335,100	361,439
Datalab MN	81,557	67,647
Datalab MK	141,215	109,550
Datalab Tehnologije HR	394,402	390,248
Total	**2,407,050**	**2,510,648**
Purchases (payables) in EUR	**FY 2014**	**FY 2013**
Datalab SI	101,941	122,790
Datalab BA	26,067	16,305
Datalab SR	18,294	31,497
Datalab MN	0	123
Datalab MK	74,882	74,546
Datalab Tehnologije HR	45,692	102,148
Total	**266,876**	**347,409**
Outstanding receivables in EUR	**30 June 2014**	**30 June 2013**
Datalab SI	324,411	280,693
Datalab BA	78,768	72,374
Datalab SR	195,435	158,991
Datalab MN	28,540	14,433
Datalab MK	59,495	37,409
Datalab Tehnologije HR	136,503	145,546
Total	**823,152**	**709,446**
Outstanding payables in EUR	**30 June 2014**	**30 June 2013**
Datalab SI	23,997	9,895
Datalab BA	2,208	4,850
Datalab SR	1,419	1,480
Datalab MN	0	-1,677
Datalab Tehnologije HR	16,235	860
Total	**43,859**	**15,408**

The listed transactions were in line with market prices, or the prices charged for assets or

services to related parties are compared to prices charged for assets or services to non-related parties in comparable circumstances. The majority of transactions are sales of licenses, software upgrades and memberships in accordance with the general terms applicable to subsidiaries and foreign representatives.

in EUR	FY 2014	FY 2013
Loans to related parties	**180,151**	**108,112**
Datalab SI	67,000	59,600
Datalab MK	3,607	7,216
Andrej Mertelj	41,341	41,296
Lojze Zajc	52,203	0
Datalab AL	16,000	0

Other affiliated companies

in EUR	FY 2014	FY 2013
Sales (receivables)		
Datalab AL	2,189	1,846
Datalab Bulgaria	0	15,451
Purchases (payables) in EUR		
Datalab AL	0	0
Datalab Bulgaria	0	0
Outstanding receivables in EUR		
Datalab AL	4,137	1,846
Datalab Bulgaria	0	8,549
Outstanding payables in EUR		
Datalab AL	0	0
Datalab Bulgaria	0	0

The listed transactions were in line with market prices, or the prices charged for assets or services to related parties are compared to prices charged for assets or services to non-related parties in comparable circumstances.

35. FINANCIAL INSTRUMENTS

Financial assets

Item (in EUR)	Book value on 30 June 2014	Fair value on 30 June 2014	Book value on 30 June 2013	Fair value on 30 June 2013
Long-term financial investments	424,739	424,739	181,105	181,105
Long-term loans	47,543	47,543	3,608	3,608
Long-term operating receivables	23,311	23,311	58,622	58,622
Short-term financial investments	203,236	203,236	153,506	153,506
Short-term operating receivables	1,209,081	1,209,081	964,394	964,394
Cash and cash equivalents	231,024	231,024	19,503	19,503
Total	**2,138,934**	**2,138,934**	**1,380,738**	**1,380,738**

Financial liabilities

Item (in EUR)	Book value on 30 June 2014	Fair value on 30 June 2014	Book value on 30 June 2013	Fair value on 30 June 2013
Long-term financial liabilities	1,780,415	1,780,415	1,599,820	1,599,820
Short-term financial liabilities	744,392	744,392	509,835	509,835
Short-term operating liabilities	527,270	527,270	389,974	389,974
Total	**3,052,077**	**3,052,077**	**2,499,629**	**2,499,629**

There is no active market for financial instruments with the above listed financial instruments. The total value of financial assets is also the maximum credit risk.

36. AUDIT COSTS

The cost of auditing financial statements and the annual report for the fiscal year 2014 for Datalab by the audit firm UHY, d.o.o., amounted to 15,000 EUR.

37. POTENTIAL LIABILITIES FROM LAWSUITS

Datalab Tehnologije, d. d., as Defendant

Plaintiff	Value in EUR	Reference number, court	Status
E-POS GROUP d.o.o.	707,422.00	5 Pg 139/2007, District court in Ljubljana	In progress – first level
RR & CO d.o.o.	238,417.68	VI P 134/2014	In progress
MC ii d.o.o. – in liquidation	300,000.00	XI Pg 2165/2014	In progress

I. Case V Pg 139/2007 E-POS Group, d.o.o., against Datalab, d. d., valued at 707,422 EUR

The former partner E-POS Group, d.o.o., with which Datalab Tehnologije, d.d., ceased to co-operate because of failure to fulfill contractual obligations of the partnership contract (above all selling and allowing to use illegal licenses and improper attitude towards users), filed a lawsuit for damages incurred due to the terminated cooperation for an amount equal to lost profits and damages paid due to contract termination, as this prevented it from finishing started projects.

According to the lawsuit and related documentation, Datalab Tehnologije, d. d., considers itself not responsible for the damages, which is also its official answer. Currently, it is not possible to anticipate the outcome, therefore the provisions are reasonable.

No first-level verdict has been returned yet.

157,674 EUR are allocated for potential compensations from lawsuits.

II. Case VI P 134/2014 RR & CO d.o.o against Datalab d.d., valued at 238,417.68 EUR

The plaintiff filed a lawsuit for payment on the basis of a Contract on consulting in acquiring non-refundable funds. Due to the lack of clarity of contractual provisions that each party interprets in their own way, it is impossible to predict the outcome of this lawsuit.

III. Case XI Pg 2165/2014 MC ii d.o.o. – in liquidation against Datalab d.d. as first defendant and a POT d.o.o. as second defendant

The plaintiff filed a lawsuit because of challenging legal acts in liquidation and return of copyrights over the Mecen package into the bankruptcy estate, to which Datalab, in recognition of costs that it had, does not object.

Debt Execution by Court against Datalab Tehnologije, d. d.

Plaintiff – creditor	Value in EUR	Reference number, court	Status
KPMG Slovenija	16,672.92	VL 20939/2010, LOCAL COURT IN LJUBLJANA, Central Office for Debt Execution on the Basis of Authentic Documents	After appealing, the litigation continues

Comment:

A writ of execution was issued, to which an objection was filed, and the case was directed to the path of a lawsuit. On 11 March 2013, the defendant received the verdict by which the court rejected the claim. The plaintiff appealed against the verdict.

The claims of the listed debt executions have justifiable grounds, but not in the full value*.

*The company's enforced claims are recorded (established provisions) and shown on balance sheets in the amount the company recognizes.

Datalab, d. d., as Plaintiff

Defendant	Value in EUR	Reference number, court	Status
E-POS GROUP d.o.o., Ljubljana	111,620.93	Pg 2522/2007, District court in Ljubljana	In progress – first level

II. Case Pg 2522/2007 Datalab, d. d., against E-POS Group, d.o.o., valued at 111,620 EUR

Datalab Tehnologije, d. d., terminated cooperation with its former partner E-POS Group, d.o.o. because of failure to fulfill contractual obligations of the partnership agreement (allowing use and selling illegal licenses, improper attitude towards users), and has filed a lawsuit for payment of debt for license fees, software upgrades, subscription charges, membership fees, and a penalty.

On 1 February 2012, a verdict was reached: the defendant must pay 43,584.58 EUR and interest on arrears from 16 June 2006 under the terms of compulstory liquidation (30% of the amount is 13,075.37 EUR).

Both sides appealed the verdict. On 28 November 2013, the plaintiff received the verdict of the Higher Court, which granted the application and the case was returned to a retrial that will decide whether the claim, the subject of this dispute, was withdrawn from the company Sigma Sistemi d.o.o. and it will be necessary to comply with the alternative application that the claim is paid to Sigma Sistemi d.o.o.

Datalab Tehnologije, d.d., and Datalab SR, d.o.o., as Plaintiffs

Defendant	Value in EUR	Reference number, court	Status
Bluesoft d.o.o., Belgrade	36,071.98	VII Pg 1974/2012, District court in Ljubljana	In progress – first level

Case VII Pg 1974/2012, Datalab, d.d., and Datalab SR, d.o.o., against Blue Soft, d.o.o., valued at 36,071.98 euros

On 8 May 2012, a lawsuit was filed for the refund of the payment made based on the terminated cooperation agreement and the payment for the usage of an apartment in Serbia. On 14 May 2013, the Higher Court stated that the court in Ljubljana has the jurisdiction to solve the claim of repayment of 34,071.98 EUR, but does not have the jurisdiction to decide about the user fee in the amount of 3,000.00 EUR. On 3 June 2014, a verdict was issued in which the court stated that the claim of the plaintiff to the defendant is valid and it granted the offset objection of the defendant; each party bears its own costs of the proceeding.

AUDITOR'S REPORT FOR DATALAB TEHNOLOGIJE, D. D.

UHY Revizija in svetovanje d.o.o.
Revizijska družba / Certified Auditors

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Delničarjem družbe
DATALAB Tehnologije d.d.
Ljubljana

POROČILO NEODVISNEGA REVIZORJA

Revidirali smo priložene računovodske izkaze gospodarske družbe **DATALAB Tehnologije d.d., Ljubljana**, ki vključujejo izkaz finančnega položaja na dan 30. junija 2014, izkaz celotnega vseobsegajočega donosa, izkaz sprememb lastniškega kapitala in izkaz denarnih tokov za tedaj končano leto ter povzetek bistvenih računovodskih usmeritev in druge pojasnjevalne informacije. Pregledali smo tudi poslovno poročilo.

Odgovornost poslovodstva za računovodske izkaze
Poslovodstvo je odgovorno za pripravo in pošteno predstavitev teh računovodskih izkazov v skladu z mednarodnimi standardi računovodskega poročanja in za tako notranje kontroliranje, kot je v skladu z odločitvijo poslovodstva potrebno, da omogoči pripravo računovodskih izkazov, ki ne vsebujejo pomembno napačne navedbe zaradi prevare ali napake.

Revizorjeva odgovornost
Naša odgovornost je izraziti mnenje o teh računovodskih izkazih na podlagi naše revizije. Revizijo smo opravili v skladu z Mednarodnimi standardi revidiranja. Ti standardi zahtevajo od nas izpolnjevanje etičnih zahtev ter načrtovanje in izvedbo revizije za pridobitev sprejemljivega zagotovila, da računovodski izkazi ne vsebujejo pomembno napačne navedbe.
Revizija vključuje izvajanje postopkov za pridobitev revizijskih dokazov o zneskih in razkritjih v računovodskih izkazih. Izbrani postopki so odvisni od revizorjeve presoje in vključujejo tudi ocenjevanje tveganj pomembno napačne navedbe v računovodskih izkazih zaradi prevare ali napake. Pri ocenjevanju teh tveganj prouči revizor notranje kontroliranje, povezano s pripravljanjem in poštenim predstavljanjem računovodskih izkazov družbe, da bi določil okoliščinam ustrezne revizijske postopke, ne pa, da bi izrazil mnenje o uspešnosti notranjega kontroliranja družbe. Revizija vključuje tudi ovrednotenje ustreznosti uporabljenih računovodskih usmeritev in utemeljenosti računovodskih ocen poslovodstva kot tudi ovrednotenje celotne predstavitve računovodskih izkazov.

Verjamemo, da so pridobljeni revizijski dokazi zadostni in ustrezni kot osnova za naše revizijsko mnenje.

Mnenje
Po našem mnenju so računovodski izkazi v vseh pomembnih pogledih resničen in pošten prikaz finančnega položaja družbe **DATALAB Tehnologije d.d., Ljubljana** na dan 30. junija 2014 ter njenega celotnega vseobsegajočega donosa in denarnih tokov za tedaj končano leto v skladu z mednarodnimi standardi računovodskega poročanja, kot jih je sprejela EU.

Poslovno poročilo je skladno z revidiranimi računovodskimi izkazi.

UHY Revizija in svetovanje d.o.o.

Franci Žgajnar
pooblaščeni revizor

Ljubljana, 30.10.2014

matična številka: 2060167, ID za DDV: SI62702670, št. transakcijskega računa: DBS d.d., 1910 0001 0161 677, št. registrskega vložka: 1/41215/00 pri Okrožnem sodišču v Ljubljani, št. vpisa v register revizijskih družb: RD-A-073/05

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