QUARTERLY REPORT

QI 2015

Wrocław, 12.05.2015

THE MANAGEMENT BOARD`S LETTER

Dear Shareholders,

On behalf of the Executive Board Members, I hereby present the Quarterly Report.

During the first quarter of 2015 we finalized multiple action items connected with preparation to product launch. During recent quarters we have identified the target sectors and specific clients' needs through pilot system implementations. Basing on this experience and multiple months of evaluating the market in Europe and USA we have chosen to focus on selected applications of our technology, preparing the solution best fitting our technological capabilities into market practices and potential. We've created PiLab/BI next generation Business Intelligence platform, which overcomes limitations of traditional BI systems by enabling identification and analysis of connections between different data sets spread across multiple applications. Thus we enable companies to solve significant problems in the Data Discovery field.

In May, the Company executes a lot of the marketing events connected with product launch in Europe (new website, marketing materials, meetings with media, presentations and conferences, consulting with market analysts), communicating the following messages:

- *PiLab/BI is a tool that allows fast import of data from many sources and spreadsheets into one, analytical "Universe".*
- *Users will be able to make amazing discoveries by identifying hidden connection through easy and efficient 360-degree search and a drill-down capabilities on charts and graphs, where details of data and connections are visible.*
- *Unlike traditional Business Intelligence systems, PiLab/BI enables easy change of data sources and data model – without stopping the system work.*
- *PiLab/BI solves complex problems connected with identifying relationships between data in use-cases such as: fraud detection, risk management, process analysis and root cause identification.*

Although in the first quarter most of the Company efforts were directed towards product launch, simultaneously we conducted a series of negotiations with institutional investors, verifying parameters of potential fund raising for preparation for US product launch and market entry. PiLab received a number of proposals both from Polish investors (Mutual Funds, VCs and CVC), as well as from foreign, potentially strategic investors. The Executive team decided to accept offers from financial investors obtained in the first quarter. Significant oversubscription in quick book building process resulted in faster round closing, although the round was not increased in order to leave space for strategic investors participation in second part of the fund raising. Parallel to the investor stocks, the Company issued stock options for key team members (with two year lockup). Currently PiLab holds well over 6 M PLN on Company accounts and will use these proceeds to continue execution of the plan aimed at acquiring first enterprise class clients in the US market.

Since the beginning of the year significant effort was aimed on building up human resources, strengthening our team with specialist competences and experienced people in the system engineering and development departments.

Thank you very much for your continued support and we welcome your visits to our headquarters in Wroclaw.

With best regards,,

Wieczyński

Paweł Wieczyński

PiLab CEO

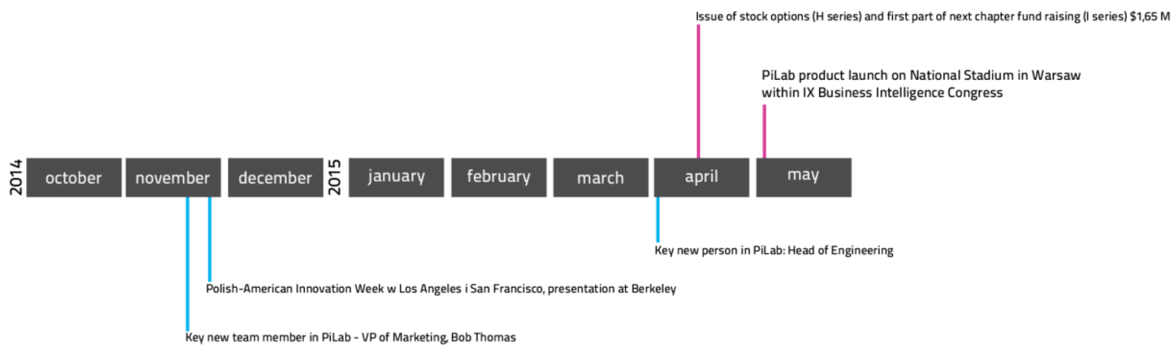
PiLab Spółka Akcyjna
ul. Rzeźnicza 32-33, 50-130 Wrocław | KRS: 0000405409, NIP: 894-303-43-18, REGON: 021737247 | Sąd rejestrowy: Sąd Rejonowy dla Wrocławia-Fabrycznej we Wrocławiu | VI Wydział Gospodarczy KRS | Kapitał zakładowy: 200.700 zł w całości wpłacony

1. BASIC INFORMATION ABOUT PiLab SA

Company Name:	PiLab SA
Company Address:	ul. Rzeźnicza 32-33, 50-130 Wrocław
Phone:	+48 71 707 21 74
Fax:	+48 71 707 22 73
E-mail:	biuro@pilab.pl
www:	www.pilab.pl

Source: Company

2. TIMELINE



Source: Company

3. FINANCIAL DATA

Balance Sheet for the period 1 October 2014 to 31 December 2014 with comparative results

	ASSETS	31.03.2015 PLN	31.03.2015 USD	31.03.2015 Euro	31.03.2014 PLN	31.03.2014 USD	31.03.2014 Euro
A	Fixed Assets	660 859,39	173 340,17	161 618,83	848 460,40	279613,89	203404,31
I.	Intangible assets	505 343,75	132 549,18	123 586,15	729 707,78	240478,44	174935,34
II.	Tangible fixed assets	155 515,64	40 790,99	38 032,68	118 752,62	39135,45	28468,97
III.	Long-term receivables	0,00	0,00	0,00	0,00	0,00	0,00
IV.	Long-term investments	0,00	0,00	0,00	0,00	0,00	0,00
V.	Long-term prepayments	0,00	0,00	0,00	0,00	0,00	0,00
B	Current Assets	2 040 802,48	535 292,45	499 095,74	2 275 569,02	749923,88	545529,94
I.	Inventory	0,00	0,00	0,00	0,00	0,00	0,00
II.	Short-term receivables	923 898,68	242 334,08	225 947,34	633 349,95	208723,29	151835,15
III.	Short-term investments	1 099 279,54	288 335,62	268 838,23	1 623 237,62	534945,17	389144,30
IV.	Short-term prepayments	17 624,26	4 622,76	4 310,16	18 981,45	6255,42	4550,49
	TOTAL ASSETS	2 701 661,87	708 632,62	660 714,57	3 124 029,42	1029537,77	748934,25
A	Equity	2 097 489,89	550 161,28	512 959,13	2 849 047,79	938916,36	683011,96
I.	Share capital	200 700,00	52 642,62	49 082,91	162 000,00	53387,82	38836,81
II.	Called up share capital (negative value)	0,00	0,00	0,00	0,00	0,00	0,00
III.	Own shares (negative value)	0,00	0,00	0,00	0,00	0,00	0,00
IV.	Suplementary capital	7 516 464,17	1 971 531,59	1 838 215,74	2 472 298,17	814756,84	592692,49
V.	Revaluation reserve	0,00	0,00	0,00	0,00	0,00	0,00
VI.	Other reserve capitals	0,00	0,00	0,00	1 966 016,00	647909,31	471319,73
VII.	Previous years' profit (loss)	-4 231 470,31	-1 109 893,85	-1 034 842,34	-1 255 185,26	-413651,88	-300909,85
VIII.	Net profit (loss)	-1 388 203,97	-364 119,07	-339 497,18	-496 081,12	-163485,74	-118927,22
IX.	Write-off on net profit during the financial year (negative value)	0,00	0,00	0,00	0,00	0,00	0,00
B	Liabilities and Provisions For Liabilities	604 171,98	158 471,34	147 755,44	274 981,63	90621,42	65922,29
I.	Provisions for liabilities	0,00	0,00	0,00	0,00	0,00	0,00
II.	Long-term liabilities	57 286,68	15 026,01	14 009,95	64 894,18	21386,17	15557,30
III.	Short-term liabilities	546 885,30	143 445,32	133 745,49	210 087,45	69235,25	50364,98
IV.	Accruals & Deffered Income	0,00	0,00	0,00	0,00	0,00	0,00
	TOTAL EQUITY & LIABILITIES	2 701 661,87	708 632,62	660 714,57	3 124 029,42	1029537,77	748934,25

Source: Company

Profit and loss account for the period 1 January 2015 to 31 March 2015 with comparative results

	PROFIT AND LOSS ACCOUNT	Q I 2015 PLN	Q I 2015 USD	Q I 2015 Euro	Q I 2014 PLN	Q I 2014 USD	Q I 2014 Euro
A	**Revenues from sales**	**76 412,15**	**20 524,90**	**18 212,45**	**64 982,92**	**21274,49**	**15529,06**
I.	Sales of products and services	76 412,15	20 524,90	18 212,45	64 982,92	21274,49	15529,06
II.	Change in work in progress	0,00	0,00	0,00	0,00	0,00	0,00
III.	Intercompany sales	0,00	0,00	0,00	0,00	0,00	0,00
IV.	Sales of goods and materials	0,00	0,00	0,00	0,00	0,00	0,00
B	**Operating costs**	**1 463 919,75**	**393 220,27**	**348 917,85**	**553 740,40**	**181286,76**	**132328,16**
I.	Depreciation	69 197,01	18 586,86	16 492,76	60 822,46	19912,41	14534,83
II.	Materials & energy	74 802,12	20 092,43	17 828,71	38 424,24	12579,55	9182,30
III.	Cost of services	717 644,03	192 764,79	171 046,82	183 023,59	59919,33	43737,42
IV.	Taxes and fees	10 701,28	2 874,45	2 550,60	10 737,50	3515,31	2565,96
V.	Salaries	348 570,49	93 628,75	83 080,01	201 158,12	65856,32	48071,05
VI.	Benefits	48 001,99	12 893,71	11 441,03	7 806,13	2555,62	1865,44
VII.	Other costs	195 002,83	52 379,28	46 477,94	51 768,36	16948,23	12371,16
VIII.	Cost of goods and materials sold	0,00	0,00	0,00	0,00	0,00	0,00
C	**Profit/Loss on sales (A-B)**	**-1 387 507,60**	**-372 695,37**	**-330 705,41**	**-488 757,48**	**-160012,27**	**-116799,09**
D	**Other operating incomes**	**6 292,84**	**1 690,31**	**1 499,87**	**0,48**	**0,16**	**0,11**
I.	Profit on sale of fixed assets	0,00	0,00	0,00	0,00	0,00	0,00
II.	Subsides	6 289,76	1 689,48	1 499,13	0,00	0,00	0,00
III.	Other operating incomes	3,08	0,83	0,73	0,48	0,16	0,11
E	**Other operating costs**	**12 564,39**	**3 374,89**	**2 994,66**	**6 437,49**	**2107,54**	**1538,38**
I.	Loss on sale of fixed assets	0,00	0,00	0,00	0,00	0,00	0,00
II.	Actualization of fixed assets	0,00	0,00	0,00	0,00	0,00	0,00
III.	Other operating costs	12 564,39	3 374,89	2 994,66	6 437,49	2107,54	1538,38
F	**Profit/Loss on activity (C + D - E)**	**-1 393 779,15**	**-374 379,96**	**-332 200,20**	**-495 194,49**	**-162119,66**	**-118337,35**
G	**Financial incomes**	**10 234,18**	**2 748,98**	**2 439,26**	**878,50**	**287,61**	**209,94**
I.	Dividends	0,00	0,00	0,00	0,00	0,00	0,00
II.	Interest incomes	1 739,99	467,37	414,72	878,50	287,61	209,94
III.	Profit on sold investments	0,00	0,00	0,00	0,00	0,00	0,00
IV.	Actualization of investments	0,00	0,00	0,00	0,00	0,00	0,00
V.	Other	8 494,19	2 281,61	2 024,55	0,00	0,00	0,00
H	**Financial costs**	**4 659,00**	**1 251,44**	**1 110,45**	**1 765,13**	**577,88**	**421,82**
I.	Interest expenses	4 659,00	1 251,44	1 110,45	1 354,50	443,44	323,69
II.	Loss on sold investments	0,00	0,00	0,00	0,00	0,00	0,00

III.	Actualization of investments	0,00	0,00	0,00	0,00	0,00	0,00
IV.	Other	0,00	0,00	0,00	410,63	134,43	98,13
I.	**Profit/Loss on total activity (F + G - H)**	**-1 388 203,97**	**-372 882,42**	**-330 871,38**	**-496 081,12**	**-162409,93**	**-118549,23**
J	**Result on extraordinary incidents (J.I. - J.II.)**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
I.	Extraordinary gains	0,00	0,00	0,00	0,00	0,00	0,00
II.	Extraoridinary losses	0,00	0,00	0,00	0,00	0,00	0,00
K	**Gross Profit/Loss (I +/- J)**	**-1 388 203,97**	**-372 882,42**	**-330 871,38**	**-496 081,12**	**-162409,93**	**-118549,23**
L	**Income tax**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
M	**Other statutory appropriations of the profit**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
N	**Net Profit/Loss (K - L - M)**	**-1 388 203,97**	**-372 882,42**	**-330 871,38**	**-496 081,12**	**-162409,93**	**-118549,23**

Source: Company

Cash flow for the period 1 January 2015 to 31 March 2015 with comparative results

	CASH FLOW	Q I 2015 PLN	Q I 2015 USD	Q I 2015 Euro	Q I 2014 PLN	Q I 2014 USD	Q I 2014 Euro
A. Cash flows from operating activities							
I.	**Net profit (loss)**	**-1 388 203,97**	**-372 882,42**	**-330 871,38**	**-496 081,12**	**-162409,93**	**-118549,23**
II.	**Total adjustments**	**26 552,87**	**7 132,31**	**6 328,74**	**-35 835,72**	**-11732,11**	**-8563,71**
III.	**Net cash flows from operating activities (I +/- II)**	**-1 361 651,10**	**-365 750,11**	**-324 542,64**	**-531 916,84**	**-174142,03**	**-127112,95**
B. Cash flows from investment activities							
I.	**Inflows**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**	**0,00**
II.	**Outflows**	**24 128,67**	**6 481,15**	**5 750,95**	**13 119,56**	**4295,16**	**3135,20**
III.	**Net cash flows from investment activities (I-II)**	**-24 128,67**	**-6 481,15**	**-5 750,95**	**-13 119,56**	**-4295,16**	**-3135,20**
C. Cash flows from financial activities							
I.	**Inflows**	**173 395,23**	**46 575,31**	**41 327,87**	**1 969 081,09**	**644649,24**	**470554,20**
II.	**Outflows**	**19 886,81**	**5 341,75**	**4 739,92**	**9 926,68**	**3249,85**	**2372,19**
III.	**Net cash flows from financial activities (I-II)**	**153 508,42**	**41 233,56**	**36 587,95**	**1 959 154,41**	**641399,38**	**468182,00**
D.	**Total net cash flows (A.III. +/- B.III +/- C.III)**	**-1 232 271,35**	**-330 997,70**	**-293 705,63**	**1 414 118,01**	**462962,19**	**337933,86**
E.	**Balance sheet change in cash, including:**	**-1 232 271,35**	**-330 997,70**	**-293 705,63**	**0,00**	**0,00**	**0,00**
F.	**Cash opening balance**	**2 331 550,89**	**626 272,77**	**555 713,34**	**209 119,61**	**68462,80**	**49973,62**
G.	**Closing balance of cash (F+/-D), including:**	**1 099 279,54**	**295 275,07**	**262 007,71**	**1 623 237,62**	**531424,99**	**387907,48**

Source: Company

Statement of changes in share equity (funds) for the period 1 January 2015 to 31 March 2015 with comparative results

	Statement of changes in share equity (funds)	Q I 2015 PLN	Q I 2015 USD	Q I 2015 Euro	Q I 2014 PLN	Q I 2014 USD	Q 2014 Euro
I.	Opening balance of equity	3 370 349,77	905 302,26	803 305,79	1 384 186,98	453163,20	330781,19
I.a.	Opening balance of equity after adjustments	3 370 349,77	905 302,26	803 305,79	1 384 186,98	453163,20	330781,19
II.	Closing balance of equity	2 097 489,89	563 402,16	499 926,09	2 849 047,79	932737,86	680841,13
III.	Equity including proposed profit distribution (loss coverage)	2 097 489,89	563 402,16	499 926,09	2 849 047,79	932737,86	680841,13

Source: Company

4. THE MANAGEMENT BOARD'S COMMENTS ON FACTORS AND EVENTS THAT AFFECT THE ACHIEVED FINANCIAL RESULTS

PiLab has officially finished the Beta test program in Europe with a product launch on 6th of May 2015. Company began the next chapter of a long-term development plan and will focus on both building up sales capabilities in Poland and market testing projects in USA. As the USA is a more expensive environment and requires significant ramp-up costs, the rate of investment will further increase in 2015 and 2016.

5. NOTES TO FINANCIAL DATA

The following exchange rates were applied:
Euro:

from	to	for Balance Sheet statement calculations	for profit and loss account	for cash flow
01.01.2014	**31.03.2014**	4,1713	4,1846	4,1846
01.01.2015	**31.03.2015**	4,0890	4,1956	4,1956

Source: NBP

USD:

from	to	for Balance Sheet statement calculations	for profit and loss account	for cash flow
01.01.2014	**31.03.2014**	3,0344	3,0545	3,0545
01.01.2015	**31.03.2015**	3,8125	3,7229	3,7229

Source: NBP

Balance Sheet applicable exchange rate represents the exchange rate as of the last day of the month ending the relevant period.

Profit and loss account and Cash flow exchange rate represents the average of exchange rates effective on the last day of each month within the relevant period.