

ABC Data S.A. Capital Group

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENT
FOR THE 3-MONTH AND 9-MONTH PERIODS ENDED 30 SEPTEMBER 2017**



| | |
|---|----|
| Condensed Interim Consolidated Statement of Comprehensive Income | 2 |
| Condensed Interim Consolidated Statement of Comprehensive Income | 3 |
| Condensed Interim Consolidated Balance Sheet..... | 4 |
| Condensed Interim Consolidated Balance Sheet..... | 5 |
| Condensed Interim Consolidated Statement of Cash Flows | 6 |
| Condensed Interim Consolidated Statement of Cash Flows | 7 |
| Condensed Interim Consolidated Statement of Changes in Equity | 8 |
| Condensed Interim Consolidated Statement of Changes in Equity | 9 |
| Condensed Interim Consolidated Statement of Changes in Equity | 10 |
| Condensed Interim Consolidated Statement of Changes in Equity | 11 |
| Further explanatory notes..... | 11 |
| 1. General information | 12 |
| 2. Basis for preparation of the condensed interim financial statement | 12 |
| 3. Relevant accounting policies | 13 |
| 4. Seasonality of operations | 14 |
| 5. Information on the segments of business activity | 14 |
| 6. Cash and cash equivalents..... | 15 |
| 7. Dividends paid and proposed to be paid | 15 |
| 8. Income tax | 16 |
| 9. Tangible fixed assets | 16 |
| 9.1. Purchases and sales | 16 |
| 9.2. Financial leasing..... | 16 |
| 10. Intangible assets..... | 16 |
| 10.1. Purchases and sales | 16 |
| 11. Inventories | 16 |
| 12. Provisions | 17 |
| 13. Interest-bearing bank loans and credit facilities..... | 18 |
| 14. Other financial liabilities | 19 |
| 15. Equity | 19 |
| 16. Hedge accounting | 19 |
| 17. Capital management..... | 21 |
| 18. Contingent liabilities | 21 |
| 19. Related-party transactions..... | 22 |
| 20. Events after the balance sheet date..... | 23 |

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**
for the 3-month and 9-month periods ended 30 September 2017

| | | <i>3 months ended 30.09.2017</i> | <i>9 months ended 30.09.2017</i> | <i>3 months ended 30.09.2016</i> | <i>9 months ended 30.09.2016</i> |
|------------------------------------|--------------|--|--|--|--|
| | <i>Notes</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Revenues | 5 | 1 117 257 | 3 031 293 | 1 091 343 | 3 315 237 |
| Cost of sales | | (1 050 366) | (2 844 288) | (1 029 563) | (3 139 905) |
| Gross profit on sales | | 66 891 | 187 005 | 61 780 | 175 332 |
| Other operating income | | (46) | 3 907 | 1 248 | 9 720 |
| Selling expenses | | (41 377) | (130 819) | (47 276) | (133 260) |
| Administrative expenses | | (10 143) | (30 660) | (9 089) | (27 005) |
| Other operating expenses | | (1 022) | (2 484) | (355) | (1 157) |
| Gross profit on operations | | 14 303 | 26 949 | 6 308 | 23 630 |
| Financial income | | 2 | 113 | 3 | 10 |
| Financial expenses | | (2 218) | (6 770) | (2 146) | (6 005) |
| Net financial expenses | | (2 216) | (6 657) | (2 143) | (5 995) |
| Profit before tax | | 12 087 | 20 292 | 4 165 | 17 635 |
| Income tax | 8 | (2 838) | (6 288) | (1 310) | (4 533) |
| Net profit | | 9 249 | 14 004 | 2 855 | 13 102 |
| Net profit , attributed to: | | | | | |
| Parent shareholders | | 8 848 | 14 004 | 2 855 | 13 102 |
| Non-controlling interest | | (64) | (465) | - | - |

| | | | | |
|--|---|---|---------------------------|---|
| Ilona Weiss | Andrzej Kuźniak | Maciej Kowalski | Konrad Pyrz | Ewa Gawryszewska |
| <i>President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Financial Director</i> | <i>Financial Statement prepared by:</i> |

Warsaw, 09 November 2017

Further explanatory notes to the Condensed Interim Financial Statement on pages 12 to 23 form an integral part thereof
form an integral part thereof

CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the 3-month and 9-month periods ended 30 September 2017

| | | 3 months ended 30.09.2017 | 9 months ended 30.09.2017 | 3 months ended 30.09.2016 | 9 months ended 30.09.2016 |
|---|----|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <i>Notes</i> | | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Net profit | | 9 249 | 14 004 | 2 855 | 13 102 |
| Items that may be subsequently reclassified to profit or loss | | | | | |
| Exchange differences on foreign operations translation | | 315 | 157 | (292) | 246 |
| Net change in fair value of cash flow hedges | 16 | (2 892) | 170 | 4 351 | 1 284 |
| Income tax on other comprehensive income | | 550 | (32) | (827) | (244) |
| Total other comprehensive income | | (2 027) | 295 | 3 232 | 1 286 |
| TOTAL COMPREHENSIVE INCOME FOR THE PERIOD | | 7 222 | 14 299 | 6 087 | 14 388 |
| Total comprehensive income, attributed to: | | | | | |
| Parent shareholders | | 6 821 | 14 299 | 6 087 | 14 388 |
| Non-controlling interest | | (64) | (465) | - | - |
| Profit (loss) per share in PLN: | | | | | |
| – basic profit for the reporting period | | 0,08 | 0,11 | 0,02 | 0,11 |
| – diluted profit for the reporting period | | 0,08 | 0,11 | 0,02 | 0,11 |

| | | | | |
|--|---|---|---------------------------|---|
| Ilona Weiss | Andrzej Kuźniak | Maciej Kowalski | Konrad Pyrz | Ewa Gawryszewska |
| <i>President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Financial Director</i> | <i>Financial Statement prepared by:</i> |

Warsaw, 09 November 2017

Further explanatory notes to the Condensed Interim Financial Statement on pages 12 to 23 form an integral part thereof
form an integral part thereof

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

as at 30 September 2017

| | | 30.09.2017 | 30.06.2017 | 31.12.2016 | 30.09.2016 |
|-------------------------------|------|------------------|----------------|------------------|------------------|
| | Noty | (unaudited) | (unaudited) | | (unaudited) |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 9 | 9 728 | 9 556 | 10 229 | 5 344 |
| Intangible assets | 10 | 73 941 | 72 530 | 72 352 | 47 644 |
| Long term investments | | - | - | - | 6 383 |
| Deferred tax assets | | 19 548 | 21 874 | 22 960 | 24 183 |
| | | 103 217 | 103 960 | 105 541 | 83 554 |
| Current assets | | | | | |
| Inventories | 11 | 433 591 | 418 898 | 421 995 | 491 144 |
| Short-term financial assets | | 563 | 412 | 5 | 237 |
| Income tax receivables | | 8 466 | 7 070 | 7 439 | 4 964 |
| Trade and other receivables | | 536 962 | 392 588 | 626 964 | 515 154 |
| Cash and cash equivalents | 6 | 45 770 | 28 989 | 90 951 | 57 273 |
| | | 1 025 352 | 847 957 | 1 147 354 | 1 068 772 |
| TOTAL ASSETS | | 1 128 569 | 951 917 | 1 252 895 | 1 152 326 |

| | | | | |
|--|---|---|---------------------------|---|
| Ilona Weiss | Andrzej Kuźniak | Maciej Kowalski | Konrad Pyrz | Ewa Gawryszewska |
| <i>President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Financial Director</i> | <i>Financial Statement prepared by:</i> |

Warsaw, November 9, 2017

Further explanatory notes to the Condensed Interim Financial Statement on pages 12 to 23 form an integral part thereof
form an integral part thereof

CONDENSED INTERIM CONSOLIDATED BALANCE SHEET

as at 30 September 2017

| | | 30.09.2017 <i>(unaudited)</i> | 30.06.2017 <i>(unaudited)</i> | 31.12.2016 <i>(unaudited)</i> | 30.09.2016 <i>(unaudited)</i> |
|---|----|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| EQUITY AND LIABILITIES | | | | | |
| Share capital | 17 | 125 267 | 125 267 | 125 267 | 125 267 |
| Share premium | | 39 825 | 39 825 | 39 825 | 39 825 |
| Treasury shares | | (10 065) | (10 065) | (10 065) | (10 065) |
| Other reserve capital | | (1 271) | 1 068 | (1 070) | 1 089 |
| Exchange differences on translation of foreign operations | | 2 042 | 1 727 | 1 885 | 1 544 |
| Retained profit | | 128 702 | 119 378 | 114 222 | 110 189 |
| Equity (attributable to parent shareholders) | | 284 500 | 277 200 | 270 064 | 267 849 |
| Non-controlling interest | | 4 640 | 4 704 | 5 105 | - |
| Total equity | | 289 140 | 281 904 | 275 169 | 267 849 |
| Long-term liabilities | | | | | |
| Provisions for employee benefits | | 651 | 651 | 651 | 446 |
| Other financial liabilities | 14 | 289 | 375 | 505 | 61 |
| Provisions | 12 | 441 | 444 | 535 | 558 |
| | | 1 381 | 1 470 | 1 691 | 1 065 |
| Short-term liabilities | | | | | |
| Current portion of interest-bearing bank borrowings | 13 | 154 599 | 119 716 | 148 949 | 153 875 |
| Liabilities due to employee benefits | | 10 557 | 13 190 | 13 870 | 10 665 |
| Other financial liabilities | 14 | 4 029 | 4 105 | 4 570 | 234 |
| Income tax liabilities | | 1 361 | 1 997 | 2 615 | 2 178 |
| Trade and other liabilities | | 665 207 | 527 253 | 803 212 | 713 806 |
| Provisions | 12 | 2 295 | 2 282 | 2 819 | 2 654 |
| | | 838 048 | 668 543 | 976 035 | 883 412 |
| Total liabilities | | 839 429 | 670 013 | 977 726 | 884 477 |
| TOTAL EQUITY AND LIABILITIES | | 1 128 569 | 951 917 | 1 252 895 | 1 152 326 |

| | | | | |
|--|---|---|---------------------------|---|
| Ilona Weiss | Andrzej Kuźniak | Maciej Kowalski | Konrad Pyrz | Ewa Gawryszewska |
| <i>President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Financial Director</i> | <i>Financial Statement prepared by:</i> |

Warsaw, 09 November 2017

Further explanatory notes to the Condensed Interim Financial Statement on pages 12 to 23 form an integral part thereof
form an integral part thereof

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

for the 3-month and 9-month periods ended 30 September 2017

| | 3 months ended 30.09.2017 | 9 months ended 30.09.2017 | 3 months ended 30.09.2016 | 9 months ended 30.09.2016 |
|--|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Notes | (unaudited) | (unaudited) | (unaudited) | (unaudited) |
| Cash flow from operating activities | | | | |
| Gross profit from continuing operations | 12 087 | 20 292 | 4 165 | 17 635 |
| Gross loss from discontinued operations | | | | |
| Adjusted by: | 1 358 | 3 867 | 581 | 1 792 |
| Amortization / Depreciation | 3 | 11 | 19 | 49 |
| Share base expenses | (3) | (19) | 5 | (16) |
| (Profit)/loss on investing activities | (143 962) | 90 002 | (48 659) | 22 497 |
| (Increase)/ decrease in receivables | (14 693) | (11 596) | (32 191) | (69 109) |
| (Increase)/ decrease in inventories | 137 954 | (138 005) | 123 512 | 61 051 |
| Increase/ (decrease) in liabilities, except for borrowings | (2) | (113) | (3) | (10) |
| Financial income | 2 218 | 6 770 | 2 146 | 6 005 |
| Financial expenses | (2 633) | (3 313) | (492) | (1 523) |
| Increase/(decrease) in liabilities to employees | 12 10 | (618) | (918) | (1 373) |
| Change in provisions | (1 945) | (5 213) | (677) | (7 085) |
| Income tax paid | (3 767) | (915) | 4 109 | (4 533) |
| Other /* | (13 375) | (38 850) | 51 597 | 25 380 |

* The item named "other" includes changes in the fair value of cash flow hedges, changes in the fair value of FX futures and differences in the foreign currency exchange rate resulting from the conversion of balance sheet items of foreign subsidiaries. Furthermore, the period of 9 months ended 30 September 2016 includes an adjustment for valuation of intangible assets issued in exchange for shares in BiznesLinCO company."

| | | | | |
|--|---|---|---------------------------|---|
| Ilona Weiss | Andrzej Kuźniak | Maciej Kowalski | Konrad Pyrz | Ewa Gawryszewska |
| <i>President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Financial Director</i> | <i>Financial Statement prepared by:</i> |

Warsaw, 09 November 2017

Further explanatory notes to the Condensed Interim Financial Statement on pages 12 to 23 form an integral part thereof
form an integral part thereof

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

for the 3-month and 9-month periods ended 30 September 2017

| | <i>3 months ended 30.09.2017</i> | <i>9 months ended 30.09.2017</i> | <i>3 months ended 30.09.2016</i> | <i>9 months ended 30.09.2016</i> |
|--|--|--|--|--|
| <i>Notes</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Cash flow from investing activities | | | | |
| Sales of property, plant and equipment and intangible assets | 9,10 | (3) | 46 | 20 |
| Acquisition of property, plant and equipment and intangible assets | 9,10 | (2 476) | (4 712) | (2 564) |
| Interest received | | 2 | 112 | 3 |
| Net cash flow from investing activities | | (2 477) | (4 554) | (2 541) |
| Cash flow from financing activities | | | | |
| Bank borrowing received | | 9 838 | 11 580 | - |
| Repaid finance lease liabilities | | (40) | (232) | (11) |
| Dividends paid | | - | - | (47 812) |
| Change in overdrafts | 13 | 31 625 | 11 612 | 25 303 |
| Bank borrowing re-paid | | (6 580) | (17 542) | - |
| Interest paid | | (2 210) | (7 196) | (2 217) |
| Other financial inflows | | - | 1 | - |
| Net cash flow from financing activities | | 32 633 | (1 777) | (24 737) |
| Net increase/(decrease) in cash and cash equivalents | | 16 781 | (45 181) | 24 319 |
| Opening balance of cash | | 28 989 | 90 951 | 32 954 |
| Closing balance of cash | 6 | 45 770 | 45 770 | 57 273 |

| | | | | |
|--|---|---|---------------------------|---|
| Ilona Weiss | Andrzej Kuźniak | Maciej Kowalski | Konrad Pyrz | Ewa Gawryszewska |
| <i>President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Financial Director</i> | <i>Financial Statement prepared by:</i> |

Warsaw, 09 November 2017

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 3-month period ended 30 September 2017

| <i>Notes</i> | <i>Share capital</i> | <i>Share premium</i> | <i>Treasury shares</i> | <i>Exchange differences on foreign operations translation</i> | <i>Other reserve capital</i> | <i>Retained profit</i> | <i>Net profit</i> | <i>Total</i> | <i>Non-controlling interest</i> | <i>share capital total</i> |
|---|----------------------|----------------------|------------------------|---|------------------------------|------------------------|-------------------|--------------|---------------------------------|----------------------------|
| 3 months 2017 | | | | | | | | | | |
| As at 1 July 2017 | 125 267 | 39 825 | (10 065) | 1 727 | 1 068 | 114 222 | 5 156 | 277 200 | 4 704 | 281 904 |
| Correction of opening balance | - | - | - | - | - | 11 | - | 11 | - | 11 |
| As at 1 July 2017 | 125 267 | 39 825 | (10 065) | 1 727 | 1 068 | 114 233 | 5 156 | 277 211 | 4 704 | 281 915 |
| Net profit for the period | - | - | - | - | - | - | 9 313 | 9 313 | (64) | 9 249 |
| Other net comprehensive income for the period | - | - | - | 315 | (2 342) | - | - | (2 027) | - | (2 027) |
| Comprehensive income for the period | - | - | - | 315 | (2 342) | - | 9 313 | 7 286 | (64) | 7 222 |
| Share-based payments | - | - | - | - | 3 | - | - | 3 | - | 3 |
| Dividend payment | - | - | - | - | - | - | - | - | - | - |
| As at 30 September 2017 | 125 267 | 39 825 | (10 065) | 2 042 | (1 271) | 114 233 | 14 469 | 284 500 | 4 640 | 289 140 |

Ilona Weiss
President of the Management Board

Andrzej Kuźniak
Vice-President of the Management Board

Maciej Kowalski
Vice-President of the Management Board

Konrad Pyrz
Financial Director

Ewa Gawryszewska
Financial Statement prepared by:

Warsaw, 09 November 2017

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 9-month period ended 30 September 2017

| <i>Notes</i> | <i>Share capital</i> | <i>Share premium</i> | <i>Treasury shares</i> | <i>Exchange differences on foreign operations translation</i> | <i>Other reserve capital</i> | <i>Retained profit</i> | <i>Net profit</i> | <i>Total</i> | <i>Non-controlling interest</i> | <i>share capital total</i> |
|---|----------------------|----------------------|------------------------|---|------------------------------|------------------------|-------------------|----------------|---------------------------------|----------------------------|
| 9 months 2017 | | | | | | | | | | |
| As at 1 January 2017 | 125 267 | 39 825 | (10 065) | 1 885 | (1 070) | 114 222 | - | 270 064 | 5 105 | 275 169 |
| Correction of opening balance | - | - | - | - | - | 11 | - | 11 | - | 11 |
| As at 1 January 2017 | 125 267 | 39 825 | (10 065) | 1 885 | (1 070) | 114 233 | - | 270 075 | 5 105 | 275 180 |
| Net profit for the period | - | - | - | - | - | - | 14 469 | 14 469 | (465) | 14 004 |
| Other net comprehensive income for the period | - | - | - | 157 | 138 | - | - | 295 | - | 295 |
| Comprehensive income for the period | - | - | - | 157 | 138 | - | 14 469 | 14 764 | (465) | 14 299 |
| Share-based payments | - | - | - | - | 11 | - | - | 11 | - | 11 |
| Reclassification to profit or loss | - | - | - | - | (350) | - | - | - | - | - |
| Dividend payment | - | - | - | - | - | - | - | - | - | - |
| As at 30 September 2017 | 125 267 | 39 825 | (10 065) | 2 042 | (1 271) | 114 233 | 14 469 | 284 500 | 4 640 | 289 140 |

Ilona Weiss
*President of
the Management Board*

Andrzej Kuźniak
*Vice-President of
the Management Board*

Maciej Kowalski
*Vice-President of
the Management Board*

Konrad Pyrz
Financial Director

Ewa Gawryszewska
*Financial Statement
prepared by:*

Warsaw, 09 November 2017

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY for the 12-month period ended 31 December 2016

| <i>Notes</i> | <i>Share capital</i> | <i>Share premium</i> | <i>Treasury shares</i> | <i>Exchange differences on foreign operations translation</i> | <i>Other reserve capital</i> | <i>Retained profit</i> | <i>Net profit</i> | <i>Total</i> | <i>Non-controlling interest</i> | <i>share capital total</i> |
|---|----------------------|----------------------|------------------------|---|------------------------------|------------------------|-------------------|---------------------|---------------------------------|-----------------------------------|
| 12 months 2016 | | | | | | | | | | |
| As at 1 January 2016 | 125 267 | 39 825 | (10 065) | 1 298 | - | 144 899 | - | 301 224 | - | 301 224 |
| Net profit for the period | - | - | - | - | - | - | 17 135 | 17 135 | 79 | 17 214 |
| Other net comprehensive income for the period | - | - | - | 587 | (1 131) | - | - | (544) | - | (544) |
| Comprehensive income for the period | - | - | - | 587 | (1 131) | - | 17 135 | 16 591 | 79 | 16 670 |
| Acquisition of a subsidiary | - | - | - | - | - | - | - | - | 5 026 | 5 026 |
| Share-based payments | - | - | - | - | 61 | - | - | 61 | - | 61 |
| Dividend payment | - | - | - | - | - | (47 812) | - | (47 812) | - | (47 812) |
| As at 31 December 2016 | 125 267 | 39 825 | (10 065) | 1 885 | (1 070) | 97 087 | 17 135 | 270 064 | 5 105 | 275 169 |

Ilona Weiss
*President of
the Management Board*

Andrzej Kuźniak
*Vice-President of
the Management Board*

Maciej Kowalski
*Vice-President of
the Management Board*

Konrad Pyrz
Financial Director

Ewa Gawryszewska
*Financial Statement
prepared by:*

Warsaw, 09 November 2017

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the 9-month period ended 30 September 2016

| | <i>Notes</i> | <i>Share capital</i> | <i>Share premium</i> | <i>Treasury shares</i> | <i>Exchange differences on foreign operations translation</i> | <i>Other reserve capital</i> | <i>Retained profit</i> | <i>Net profit</i> | <i>Total</i> | <i>Non-controlling interest</i> | <i>share capital total</i> |
|---|--------------|----------------------|----------------------|------------------------|---|------------------------------|------------------------|-------------------|----------------|---------------------------------|----------------------------|
| 9 months 2016 | | | | | | | | | | | |
| As at 1 January 2016 | | 125 267 | 39 825 | (10 065) | 1 298 | - | 144 899 | - | 301 224 | - | 301 224 |
| Net profit for the period | | - | - | - | - | - | - | 13 102 | 13 102 | - | 13 102 |
| Other net comprehensive income for the period | | - | - | - | 246 | 1 040 | - | - | 1 286 | - | 1 286 |
| Comprehensive income for the period | | - | - | - | 246 | 1 040 | - | 13 102 | 14 388 | - | 14 388 |
| Share-based payments | | - | - | - | - | 49 | - | - | 49 | - | 49 |
| Dividend payment | 7 | - | - | - | - | - | (47 812) | - | (47 812) | - | (47 812) |
| As at 30 September 2016 | | 125 267 | 39 825 | (10 065) | 1 544 | 1 089 | 97 087 | 13 102 | 267 849 | - | 267 849 |

Ilona Weiss
*President of
the Management Board*

Andrzej Kuźniak
*Vice-President of
the Management Board*

Maciej Kowalski
*Vice-President of
the Management Board*

Konrad Pyrz
Financial Director

Ewa Gawryszewska
*Financial Statement
prepared by:*

Warsaw, 09 November 2017

FURTHER EXPLANATORY NOTES

1. General information

ABC Data S.A. Capital Group (the "Group") consists of ABC Data S.A. (the "parent company", "the Company") and its subsidiaries. The Interim Condensed Financial Statement of the Group covers the 3-month and 9-month periods ended 30 September 2017. The total income statement and the cash flows statement as well as notes to the total income statement cover figures for the 3-month and 9-month periods ended 30 September 2017 and comparative figures for the 3-month and 9-month periods ended 30 September 2016. The comparative figures in the balance sheet include the balance as at December 31 2016, as at September 30 2016 and June 30 2017. The statement of changes in equity presents as comparative figures the data for the 9-month period ended 30 September 2016 and for the full year 2016.

The parent company was established by a notarial deed dated 25 July 2007 under the name ABC Data Holding S.A. Since 4 January 2010, the Company has been operating under the name ABC Data S.A.

The Company is entered in the Register of Entrepreneurs of the National Court Register kept by the District Court, 13th Commercial Division of the National Court Register, under number KRS 0000287132. The Company was assigned the following statistical number REGON: 141054682.

The duration of the parent company and the members of the Capital Group is indefinite.

The Group's core business includes:

- wholesale of computers, peripherals and software,
- wholesale of electronic and telecommunication equipment,
- manufacture of computers and peripherals,
- software-related activities,
- data processing, hosting and similar activities,
- repair and maintenance of computers and peripherals,
- other IT and computer services,
- IT equipment administration,
- other non-school forms of education,

The superior parent company of the Group ABC Data S.A. is MCI Capital S.A., which controls the Group through its subsidiary: MCI Venture Projects Limited Liability Company VI Limited Liability Joint Stock Company (MCI Venture Projects Spółka z ograniczoną odpowiedzialnością VI Spółka komandytowo-akcyjna).

On 9 November 2017, the present condensed interim consolidated financial statement of the Group for the 3-month and 9-month periods ended September 30, 2017 was approved for publication by the Management Board.

The interim financial result may not fully reflect the realizable financial result for the financial year.

2. Basis for preparation of the condensed interim financial statement

This condensed interim consolidated financial statement has been prepared in accordance with the International Accounting Standard 34 approved by the EU. As at the date of approval of these financial statement for publication, considering the IFRS implementation process taking place in the EU and the activities carried out by the Company, as regards the accounting principles applied by the Company, the IFRS which came into force do not differ from those endorsed by the EU.

IFRS consist of standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC").

This condensed interim consolidated financial statement has been presented in Polish zlotys (PLN) and all figures are in PLN thousand, unless stated otherwise.

This condensed interim consolidated financial statement has been prepared based on the assumption that the Group companies will continue as a going concern in the foreseeable future. As at the date of approval of this

financial statement, there were no circumstances found that would indicate a risk to the Company's ability to continue as a going concern.

The condensed interim consolidated financial statement does not include all the information and disclosures required for the annual consolidated financial statement and it should be read together with the Company's consolidated financial statement for the year ended December 31, 2016.

3. Relevant accounting policies

The accounting policies followed when preparing the financial statement are consistent with those applied when in the preparation of the Group's financial statement for the year ending on 31 December 2016.

Amendments to existing standards first applied in the Group's financial statement for 2017

No amendments have been made to the existing standards that have been issued by the IASB and approved for use in the EU and which should first enter into force in the Group's financial statement for 2017.

New standards and amendments to existing standards that have already been issued by the IASB and approved by the EU, but which have not yet entered into force

The following new standards have been issued by the IASB and approved for use in the EU without yet entering into force:

- **IFRS 9 „Financial Instruments”** – approved in the EU on 22 November 2016 (applicable to annual periods starting on or after 1 January 2018),
- **IFRS 15 „Revenue from the Contracts with Clients”** and amendments to IFRS 15 „Effective Date of IFRS 15” – approved in the EU on 22 September 2016 (applicable to annual periods starting on or after 1 January 2018).

New standards and amendments to existing standards issued by the IASB, but not yet approved for use in the EU

Currently, the IFRS in the form approved by the EU do not significantly differ from the regulations issued by the International Accounting Standards Board (IASB), except for new standards, amendments to standards and new the interpretation as below, which have not yet been approved for use in the EU as at the date of publication of this financial statement (the effective dates below relate to the standards in their full version).

- **IFRS 14 „Deferred Budget Balance of Regulated Activities”** (applicable to annual periods starting on or after 1 January 2016) – the European Commission has decided not to initiate the approval process of this provisional standard for use inside the EU pending the issuance of the final IFRS 14,
- **IFRS 16 „Leasing”** – (applicable to annual periods starting on or after 01 January 2019),
- **IFRS 17 „Insurance Contracts”** – (applicable to annual periods starting on or after 01 January 2021),
- **Amendments to IFRS 2 „Share-based payments”** – Classification and valuation of share-based payments (applicable to annual periods starting on or after 01 January 2018),
- **Amendments to IFRS 4 „Insurance Contracts”** – Application of IFRS 9 „Financial Instruments” together with IFRS 4 „Insurance Instruments” (applicable to annual periods starting on or after 1 January 2018 or at the time of the first application of IFRS 9 „Financial Instruments”),
- **Amendments to IFRS 10 „Consolidated Financial Statements” and IAS 28 „Investments in Associated Companies and Joint Ventures”** – Sale or transfer of assets between the investor and its associated company or joint venture and subsequent amendments (the effective date of the amendments has been deferred until the investigation of the equity method is completed),
- **Amendments to IFRS 15 „Revenue from Contracts with Clients”** – Clarification to IFRS 15 “Revenue from Contracts with Clients (applicable to annual periods starting on or after 01 January 2018),
- **Amendments to IAS 7 „Cash Flow Statement”** – Initiative concerning disclosures (applicable to annual periods starting on or after 01 January 2017),
- **Amendments to IAS 12 „Income Tax”** – Recognition of assets for deferred income tax on unrealized loss (applicable to annual periods starting on or after 01 January 2017),

- **Amendments to IAS 40 „Investment Property”** – Transfers of investment property (applicable to annual periods starting on or after 01 January 2018),
- **Amendments to various standards „Amendments to the IFRSs (the 2014-2016 cycle)”** – amendments implemented as part of the procedure of the introduction of yearly amendments to the IFRSs (IFRS 1, IFRS 12 and IAS 28) aimed in particular at resolving inconsistencies and clarifying vocabulary (amendments to IFRS 12 are applicable to annual periods starting on or after 1 January 2017, while amendments to IFRS 1 and IAS 28 are applicable to annual periods starting on or after 1 January 2018),
- **Interpretation of IFRIC 22 „Transactions in Foreign Currencies and Advance Payments”** – (applicable to annual periods starting on or after 01 January 2018),
- **Interpretation of IFRIC 23 „Uncertainty regarding Income Tax Accounting”** – (applicable to annual periods starting on or after 01 January 2019),

According to the Group's estimates, the new standards listed above, amendments to existing standards and their interpretation would have no significant impact on the financial statement if applied by the Company at the balance sheet date.

The hedge accounting of the financial assets and liabilities portfolio, whose rules have not been approved for use in the EU remain external to the regulations approved by the EU.

According to the Group's estimates, the application of the hedge accounting of the financial assets and liabilities portfolio in accordance with **IAS 39 „Financial Instruments: Recognition and valuation”** would have no significant impact on the financial statement if applied for use at the balance sheet date.

The Group has not opted for an early application of any standard, interpretation or amendment that has been published, but has not yet entered into force.

4. Seasonality of operations

Sales of computers and electronic appliances are subject to seasonal fluctuations. Higher revenue and operating profit is usually generated in the second half of the year. The sales level is the highest in November and December. This cycle directly translates into trade receivable amounts and the use of bank loans and credit facilities.

5. Information on the segments of business activity

The operating segments have been identified by the Group to be the Parent company and its subsidiaries operating as distributors in the Czech Republic, Slovakia, Lithuania, Poland, Romania, Germany and Hungary. These segments meet the merger criteria specified in the IFRS 8.12, that is to say they have similar economic characteristics, they offer the same assortment of goods, they sell to the same customer category, and they use the same distribution methods.

Information on geographic areas

Sales revenue by the country of particular clients:

| | <i>3 months ended 30.09.2017 (unaudited)</i> | <i>9 months ended 30.09.2017 (unaudited)</i> | <i>3 months ended 30.09.2016 (unaudited)</i> | <i>9 months ended 30.09.2016 (unaudited)</i> |
|------------------------|--|--|--|--|
| Poland | 760 834 | 2 100 843 | 731 051 | 2 131 995 |
| Sales markets /* | 268 892 | 667 725 | 255 993 | 784 851 |
| Other EU Member States | 78 378 | 225 405 | 72 392 | 289 963 |
| Other countries | 9 153 | 37 320 | 31 907 | 108 428 |
| | <u>1 117 257</u> | <u>3 031 293</u> | <u>1 091 343</u> | <u>3 315 237</u> |

/* Czech Republic, Slovakia, Lithuania, Hungary, Germany, Romania

6. Cash and cash equivalents

For purposes of the condensed interim consolidated statement of cash flows, cash and cash equivalents include the following:

| | <i>30.09.2017 (unaudited)</i> | <i>30.09.2016 (unaudited)</i> |
|--------------------------|-----------------------------------|-----------------------------------|
| Cash at bank and in hand | 45 380 | 57 273 |
| Other cash | 390 | - |
| | <u>45 770</u> | <u>57 273</u> |

7. Dividends paid and proposed to be paid

The General Meeting of Shareholders of the parent company on 28 June 2017, passing a resolution on the distribution of profit for 2016, resolved to retain the entire profit within the Company.

On 31 May 2017, the Management Board of the parent company passed a resolution (the "Resolution") on conditional payment of an advance towards the expected dividend for 2017. If the conditions specified in the Resolution are met, an advance of PLN 10,021 thousand PLN (PLN 0.08 per share) will be paid by 31 December 2017.

The dividend from ordinary shares for 2015 was paid on 11 July 2016 and amounted to PLN 47,812 thousand . The dividend per share paid for 2015 was PLN 0.39.

8. Income tax

Key tax charge components in the profit or loss account are as follows:

| | <i>3 months ended 30.09.2017 (unaudited)</i> | <i>9 months ended 30.09.2017 (unaudited)</i> | <i>3 months ended 30.09.2016 (unaudited)</i> | <i>9 months ended 30.09.2016 (unaudited)</i> |
|---|--|--|--|--|
| Current income tax charge | 65 | (2 923) | (4 678) | (6 772) |
| Deferred income tax | (2 903) | (3 365) | 3 368 | 2 239 |
| Income tax charged to net profit for the current period | (2 838) | (6 288) | (1 310) | (4 533) |

9. Tangible fixed assets

9.1. Purchases and sales

Over the 9 months' period ended 30 September 2017, the Group purchased tangible fixed assets with a value of PLN 1,970 thousand (over the 9 months' period ended 30 September 2016 it was PLN 1,852 thousand).

Over the 9 months' period ended 30 September 2017, the Group sold or liquidated tangible fixed assets with a net value of PLN 27 thousand (over the 9 months' period ended 30 September 2016 it was PLN 55 thousand).

9.2. Financial leasing

Over the 9 months' period ended 30 September 2017, the Group concluded a financial leasing agreement. The contract relates to a passenger car with the value of 93 thousand PLN. Over the 9 months' period ended 30 September 2016, the Group did not conclude any new financial leasing agreements.

10. Intangible assets

10.1. Purchases and sales

Over the 9 months' period ended 30 September 2017, the Group purchased intangible assets with a value of PLN 2,742 thousand (over the 9 months' period ended 30 September 2016 it was PLN 1,815 thousand).

Over the 9 months' period ended 30 September 2017, the Group did not sell any intangible assets. It was also the case for the 9 months' period ended 30 September 2016.

11. Inventories

As at 30 September 2017, the value of write-down of inventories to net realizable selling prices amounted to PLN 12,861 thousand PLN (as at 31 December 2016: PLN 13,866 thousand and as at 30 September 2016: PLN 13,611 thousand). Changes in the provision amount are recognized in "Costs of goods sold".

12. Provisions

| | <i>Guarantee costs</i> | <i>Onerous contracts</i> | <i>Other provisions</i> | <i>Total</i> |
|-------------------------------------|----------------------------|------------------------------|-----------------------------|--------------|
| Amount as at 1 January 2017 | 2 832 | 522 | 0 | 3 354 |
| Recognized | 7 | 322 | 45 | 374 |
| Derecognized | (454) | (522) | - | (976) |
| Exchange differences on translation | (16) | - | - | (16) |
| Amount as at 30 September 2017 | 2 369 | 322 | 45 | 2 736 |
| Long-term portion | 441 | - | - | 441 |
| Short-term portion | 1 928 | 322 | 45 | 2 295 |

| | <i>Guarantee costs</i> | <i>Onerous contracts</i> | <i>Other provisions</i> | <i>Total</i> |
|-------------------------------------|----------------------------|------------------------------|-----------------------------|--------------|
| Amount as at 1 January 2016 | 4 063 | 380 | 142 | 4 585 |
| Recognized | 37 | - | - | 37 |
| Derecognized | (1 264) | (12) | (145) | (1 421) |
| Exchange differences on translation | 7 | - | 4 | 11 |
| Amount as at 30 September 2016 | 2 843 | 368 | 1 | 3 212 |
| Long-term portion | 558 | - | - | 558 |
| Short-term portion | 2 286 | 368 | - | 2 654 |

Warranty costs

The Group recognizes a provision for costs of complaints related to warranties and guarantees given for the goods sold. The provision is estimated based on the sales volume, duration of warranty periods, historical data regarding faulty goods and the associated losses as well as current operating costs of the service department. According to the estimations of the Group, the provision of PLN 1,928 thousand is going to be used up within 12 months by 30 September 2018, while the remaining portion will be used up after 30 September 2018.

Onerous contracts

Also, the Group recognizes a provision related to goods purchase orders pending at the balance sheet date, which will be fulfilled at prices higher than the realizable net selling price. The Group estimates the volume of the provision based on a detailed analysis of goods sales price trends after the balance sheet date. Both the creation and termination of the provision are recognized under other operating expenses. The Group expects that the total provision will be used up by 2017.

Interest-bearing bank loans and credit facilities

Information on loans and changes in their balances in particular banks is provided in the table below:

| in thousand PLN | Currency | Interest | Maturity date | 30.09.2017 | 31.12.2016 | 30.09.2016 |
|---|----------|---------------------------|---------------|----------------|----------------|----------------|
| Overdraft facility - Bank Polska Kasa Opieki S.A. | PLN | Wibor 1M+margin | 15.12.2017 | 4 918 | 4 433 | 44 232 |
| Overdraft facility - Bank Polska Kasa Opieki S.A. | EUR | Euribor 1M+margin | 15.12.2017 | 33 632 | 414 | 6 160 |
| Overdraft facility - Bank Polska Kasa Opieki S.A. | USD | Libor 1M+margin | 15.12.2017 | 132 | 638 | - |
| Overdraft facility - Bank Millennium S.A. | PLN | Wibor 1M+margin | 28.04.2018 | 297 | 12 553 | 20 876 |
| Overdraft facility - Bank Millennium S.A. | EUR | Euribor 1M+margin | 28.04.2018 | - | 1 899 | 12 613 |
| Overdraft facility - Bank Millennium S.A. | USD | Libor 1M+margin | 28.04.2018 | 224 | 1 318 | 483 |
| Credit facility- cash pool account -Bank ING Bank Śląski S.A. | PLN | Wibor 1M+margin | 09.10.2025 | 6 083 | - | 1 248 |
| Overdraft facility - Bank ING Bank Śląski S.A. | EUR | Euribor 1M+margin | 09.10.2025 | 22 176 | 12 912 | 3 725 |
| Overdraft facility - Bank ING Bank Śląski S.A. | USD | Libor 1M+margin | 09.10.2025 | 3 058 | 9 764 | - |
| Overdraft facility - Bank ING Bank Śląski S.A. | CZK | Pribor 1M+margin | 09.10.2025 | 2 469 | - | 5 989 |
| Overdraft facility -Societe General SA | PLN | Wibor 1M+margin | n/d | - | 42 252 | 4 116 |
| Overdraft facility -Societe General SA | EUR | Euribor 1M+margin | n/d | - | 455 | 30 908 |
| Overdraft facility -Societe General SA | USD | Libor 1M+margin | n/d | - | 9 309 | - |
| Overdraft facility -Societe General SA | HUF | Bubor 1M+margin | n/d | - | 3 322 | 2 |
| Overdraft facility -BGŻ BNP Paribas | PLN | Wibor 1M+margin | 01.12.2025 | 5 151 | 6 583 | 896 |
| Overdraft facility -BGŻ BNP Paribas | EUR | Euribor 1M+margin | 01.12.2025 | 12 680 | 14 426 | 17 381 |
| Overdraft facility -BGŻ BNP Paribas | USD | Libor 1M+margin | 01.12.2025 | - | 1 682 | 201 |
| Overdraft facility - Bank Handlowy w Warszawie S.A. | PLN | Wibor 1M+margin | n/d | - | 16 027 | 1 471 |
| Overdraft facility - Bank Handlowy w Warszawie S.A. | EUR | Euribor 1M+margin | n/d | - | - | 3 574 |
| Credit facility - Bank Handlowy w Warszawie S.A. | PLN | Wibor 3M+margin | n/d | - | 10 962 | - |
| Overdraft facility - mBank S.A. | PLN | Wibor overnight +margin | 13.07.2018 | 41 411 | - | - |
| Overdraft facility - mBank S.A. | EUR | Euribor overnight +margin | 13.07.2018 | 4 | - | - |
| Credit facility - mBank S.A. | EUR | Euribor 1M+margin | 26.06.2018 | 5 000 | - | - |
| Overdraft facility - Alior Bank S.A. | PLN | Wibor 3M+margin | 23.11.2017 | 9 005 | - | - |
| Overdraft facility - Credit Agricole Bank Polska S.A. | PLN | Wibor 1M+margin | 15.06.2018 | 8 359 | - | - |
| Total | | | | 154 599 | 148 949 | 153 875 |

Bank loan guarantees take form of a written statement on submission to enforcement under Art. 97 sections 1-2 of the Banking Act together with the authorization for banks to issue a bank enforcement title or statement of submission to enforcement filed in the form of a notarial deed under Art. 777 § 1(5) of the Code of Civil Procedure or a blank promissory note with promissory note agreement.

Interest liabilities are usually settled monthly over the entire financial year.

13. Other financial liabilities

| | 30.09.2017 <i>(unaudited)</i> | 30.06.2017 <i>(unaudited)</i> | 31.12.2016 | 30.09.2016 <i>(unaudited)</i> |
|---------------------------------------|----------------------------------|----------------------------------|--------------|----------------------------------|
| Other long-term financial liabilities | | | | |
| Financial lease liabilities | 289 | 375 | 505 | 61 |
| Total | 289 | 375 | 505 | 61 |
| FX contracts | | | | |
| Financial lease liabilities | - | 39 | 97 | - |
| Other financial liabilities | 311 | 358 | 331 | 38 |
| Inne zobowiązania finansowe | 3 718 | 3 708 | 4142 | 196 |
| Total | 4 029 | 4 105 | 4 570 | 234 |

14. Equity

Share capital

As at 30 September 2017, the shareholding structure was as follows:

| | Number of shares | Number of votes at GSM | Percentage of votes held |
|---|--------------------|---------------------------|-----------------------------|
| MCI Venture Projects sp. z o.o. VI S.K.A. | 76 060 378 | 76 060 378 | 60,72% |
| OFE PZU "Złota Jesień" | 9 650 000 | 9 650 000 | 7,70% |
| Other shareholders | 39 556 521 | 39 556 521 | 31,58% |
| Total | 125 266 899 | 125 266 899 | 100,00% |

15. Hedge accounting

The parent company of the Group hedges the foreign currency risk associated with sales indexed to EUR and USD exchange rates and denominated in these currencies using foreign currency monetary items, i.e. trade liabilities less trade receivables and cash, and FX forwards and FX swaps relating to foreign currency sales/purchases plus/less the nominal value. The Company identifies designated foreign currency monetary items as hedging instruments in the cash flow hedge model and recognizes them in accordance with the hedge accounting principles.

The tables below present the key parameters of foreign currency monetary items allocated for hedging instruments, including periods where cash flows will occur arising from the cash flow hedges and where they will affect the financial result, as well as their fair value in PLN thousand as at 30 September 2017.

Hedging instruments – EUR

| Instrument type | Nominal amount | | Fair value* | | Expected maturity of hedged position | |
|------------------------------|------------------|------------------|-----------------|------------------|--------------------------------------|------------------------|
| | 30.09.2017 | 30.09.2016 | 30.09.2017 | 30.09.2016 | 30.09.2017 | 30.09.2016 |
| Trade liabilities | (124 586) | (198 775) | (124 586) | (198 775) | October/ November 2017 | October/ November 2016 |
| Trade receivables | 95 835 | 95 837 | 95 835 | 95 837 | October/ November 2017 | October/ November 2016 |
| Cash | (68 247) | (74 241) | (68 247) | (74 241) | October/ November 2017 | October/ November 2016 |
| FX Forward EUR | (20 037) | 6 468 | (16) | 7 | October/ November 2017 | October/ November 2016 |
| Total monetary items: | (117 035) | (170 711) | (97 014) | (177 172) | | |

Hedging instruments – USD

| Instrument type | Nominal amount | | Fair value* | | Expected maturity of hedged position | |
|------------------------------|----------------|-----------------|-----------------|-----------------|--------------------------------------|------------------------|
| | 30.09.2017 | 30.09.2016 | 30.09.2017 | 30.09.2016 | 30.09.2017 | 30.09.2016 |
| Trade liabilities | (43 696) | (92 331) | (43 696) | (92 331) | October/ November 2017 | October/ November 2016 |
| Trade receivables | 8 484 | 11 515 | 8 484 | 11 515 | October/ November 2017 | October/ November 2016 |
| Cash | (3 214) | (27) | (3 214) | (27) | October/ November 2017 | October/ November 2016 |
| FX Forward USD | 38 345 | 23 135 | 826 | 7 | October/ November 2017 | October/ November 2016 |
| Total monetary items: | (81) | (57 708) | (37 600) | (80 836) | | |

* For items other than FX forward derivative transactions, the carrying value has been presented. In the opinion of the Company, the carrying value of these items does not differ considerably from their fair value.

Changes in the fair value of cash flow hedges recognized in equity are presented below.

| | <i>9 months ended</i> 30.09.2017 | <i>9 months ended</i> 30.09.2016 |
|--|-------------------------------------|-------------------------------------|
| Opening balance | (1 467) | (71) |
| Effective portion of profit/loss on the hedging instrument | 14 606 | (1 903) |
| Amounts charged to profit or loss, including: | 14 436 | (3 188) |
| - Adjustment of sales revenue | 14 436 | (3 188) |
| - Adjustment arising from hedge ineffectiveness | - | - |
| Closing balance | (1 297) | 1 214 |

16. Capital management

The key objective of the Management Board is to maintain a capital structure to enable the Company's growth, guarantee return on investment for the shareholders, and ensure that the lenders' opinion on the Company is positive.

The Group monitors the capital structure on the basis of the net debt / EBITDA ratio.

Net debt includes credits and loans less the value of cash and cash equivalents. EBITDA is defined as the financial result determined in accordance with IFRS-EU, plus depreciation, impairment losses on tangible fixed asset and intangible assets, net financial costs and income tax.

As at 30 September 2017, the above ratio was as follows:

| | 30.09.2017 | 30.09.2016 |
|-----------------------|--------------------|--------------------|
| | <i>(unaudited)</i> | <i>(unaudited)</i> |
| Net debt | 109 429 | 96 602 |
| EBITDA* | 45 812 | 46 694 |
| Net debt ratio | 2.39 | 2.07 |

**/EBITDA for the 12 months' periods ended 30 September 2017 and 30 September 2016.*

The Group aims to maintain the ratio at the level of no more than 4.

The Management Board pro-actively shapes the ratio by implementing and enforcing procedures aimed at optimizing the demand for working capital loan. Furthermore, the ratio is adjusted by means of changing the dividend level or issuing shares.

Additionally, in accordance with the Code of Commercial Companies, the Company is obliged to create supplementary capital by appropriating at least 8% of profit for each financial year, until its balance corresponds to at least one third of the share capital.

17. Contingent liabilities

Pursuant to the Act on Copyright and the Related Rights of 4 February 1994, the Group, as an importer of copiers, scanners and other similar reprographic equipment enabling the copying of published works, as well as blank data carriers enabling the recording of works for personal use, pays fees to organizations dealing in collective management of copyrights or the related rights. Following an inspection carried out by an auditor appointed by these organizations, the latter have claimed significant additional amounts from the Parent company. According to the Company, the auditor's calculations include a number of errors, and the claims based thereon are groundless. Currently, a dispute of the Parent company with one of the organizations is pending. Due to doubts regarding the interpretation of legal regulations and discrepancies in previous court decisions, the Company has recognized a provision for the amount which, in its opinion, fully covers the risk related to the possibility of an unfavourable ruling.

Since the first quarter of 2016, an action for payment of PLN 19,206 thousands is pending filed by an organization dealing in collective management of copyrights. regarding fees allegedly due for the Company's sale of equipment and blank data carriers. According to the Company and a third-party legal adviser, the calculation methodology used in the suit contains a number of errors and the claims based thereon are groundless.

Tax returns of ABC Data S.A.

Corporate income tax for the fiscal year 2010

In 2011, inspection proceedings were instituted by the Director of the Tax Inspection Office in Warsaw against the Company with respect to corporate income tax for 2010. The proceedings were terminated by a decision issued on 5 June 2014, which determined the Company's corporate income tax liability for 2010. Despite the Company's appeal, the aforesaid decision was upheld by the Director of the Tax Chamber in Warsaw. The Company filed an appeal with the Regional Administrative Court in Warsaw, opposing the decision of the Director of the Tax Chamber in Warsaw in its entirety.

In its non-final judgement of 19 April 2016, the Regional Administrative Court in Warsaw repealed the decision that the Company appealed against. The Company agrees with the decision of the first-instance court, whereby the decision was repealed. However, it opposes the substantiation of the judgement in a number of respects. Therefore, on 12 July 2016, it filed a last resort appeal with the Supreme Administrative Court. The decision is pending.

Tax on goods and services for the 2nd quarter of 2014

In September 2014, inspection proceedings were instituted against the Company following the authorization of the Director of the Tax Inspection Office in Warsaw to examine the validity of the tax bases declared by the Company as well as correctness of calculation and payment of value added tax for the 2nd quarter of 2014. The proceedings has not been closed by the date of this statement.

Several years ago, the Company implemented strict quality and vendor control procedures aimed to minimize the risk of irregularities in its accounting. As the procedures are followed with due care, the Management Board finds that payments of public law liabilities are fulfilled as appropriate. Therefore, the probability of an unfavourable outcome of the inspections conducted is considered to be low and it is not necessary to estimate any associated provision.

18. Related-party transactions

The table below presents cumulative amounts of transactions concluded with related parties during the 9 months' periods ended 30 September 2017 and 30 September 2016, respectively, as well as balances of liabilities and receivables as at 30 September 2017 and 31 March 2016.

| <i>Related party</i> | | <i>Sales to related parties</i> | <i>Purchases from related parties</i> | <i>Receivables from related parties</i> | <i>Liabilities to related parties</i> |
|---|-------------|-------------------------------------|---|---|---|
| <u>MCI Capital S.A. Group companies</u> | | | | | |
| MCI Capital S.A. | <i>2017</i> | 7 | - | - | - |
| Morele Net Sp. z o.o. | <i>2017</i> | 76 411 | 2 943 | 14 445 | 379 |
| MCI Capital S.A. | <i>2016</i> | - | - | - | - |
| Morele Net Sp. z o.o. | <i>2016</i> | 58 326 | 6 503 | 15 039 | 353 |

Remuneration paid to the Management and Supervisory Board members

| | <i>9 months ended 30.09.2017 (unaudited)</i> | <i>9 months ended 30.09.2016 (unaudited)</i> |
|--|--|--|
| <u>Management Board of the Parent Company</u> | | |
| Short-term employee benefits | 2 909 | 3 179 |
| <u>Supervisory Board of the Parent Company</u> | | |
| Short-term employee benefits | 262 | 269 |
| | 3 171 | 3 448 |
| <u>Management Boards of subsidiaries</u> | | |
| Short-term employee benefits | 4 382 | 2 927 |
| Total | 7 553 | 6 375 |

19. Events after the balance sheet date

No events that would have a material effect on this statement without being reflected herein occurred after the balance sheet date.

| | | | | |
|--|---|---|---------------------------|---|
| Ilona Weiss | Andrzej Kuźniak | Maciej Kowalski | Konrad Pyrz | Ewa Gawryszewska |
| <i>President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Vice-President of the Management Board</i> | <i>Financial Director</i> | <i>Financial Statement prepared by:</i> |

Warsaw, 09 November 2017