



Management Board's Report
on the activities
of ABC Data Capital Group
for the 2014 financial year

Warsaw, 19 March 2015

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1 Introduction

The consolidated periodic report of ABC Data S.A. Capital Group for 2014 includes Management Board's report on the activities of ABC Data Capital Group in the first half of 2014 that presents information in accordance with requirements of Article 92.1.4 of the Ordinance of the Minister of Finance of 19 February 2009 on current and periodic information [...], [Ordinance], selected financial data referred to in Article 92.1.2 thereof and consolidated financial statements of ABC Data S.A. for the period from 1 January to 31 December 2014 prepared in accordance with Article 92.1.3b of the Ordinance.

Management Board's representation referred to in Article 92.1.5 and 92.1.6 and reports prepared by an entity authorized to audit financial statements, referred to in Article 92.1.7 thereof constitute appendices to the consolidated periodic report of ABC Data S.A. Capital Group for 2014.

The consolidated annual financial statements included in the consolidated annual report have been prepared in accordance with International Financial Reporting Standards (IFRS).

If not stated otherwise, financial data are expressed in PLN'000.

The financial statements have been prepared on the going concern basis as regards ABC Data S.A. Capital Group. As at the date hereof, there have been no circumstances that would indicate a threat to the Group's ability to operate as a going concern.

2 Organizational and capital relations of ABC Data S.A.

The ABC Data S.A. Capital Group comprises ABC Data S.A. and eight subsidiaries: ABC Data s.r.o. in the Czech Republic, ABC Data s.r.o. in Slovakia, UAB "ABC Data Lietuva" in Lithuania, ABC DATA Marketing Sp. z o.o. with the registered office in Warsaw, ABC Data Distributie SRL in Romania, ABC Data Hungary Kft. in Hungary, ABC Data GmbH in Germany and iSource S.A. with the registered office in Warsaw. On 8 August 2014 IT Power Solution was deleted from the Romanian register of commercial companies and ceased to exist.

As at 31 September 2014 and as at the date of publication hereof, all subsidiaries were subject to consolidation.

2.1 ABC Data Capital Group

Capital Group structure as at 31 December 2014:

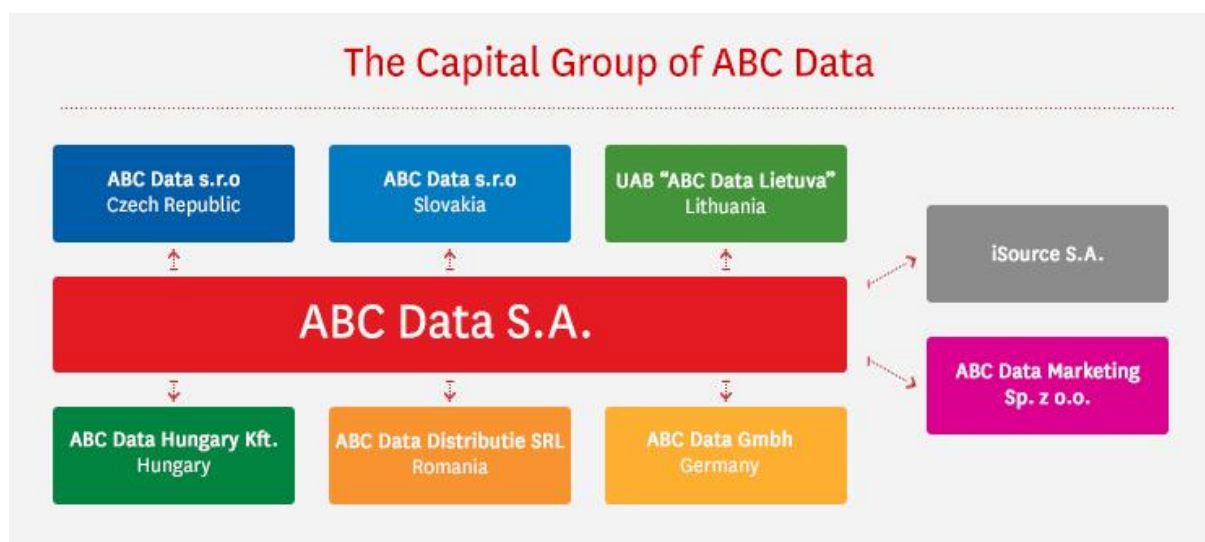
| Name | Registered office of the Company | Core business | Share of ABC Data S.A. in capital | Share of ABC Data S.A. in votes |
|-------------------------------|---|--|-----------------------------------|---------------------------------|
| ABC Data S.A. | ul. Daniszewska 14 03-230 Warsaw | Distribution of computer hardware and software | Parent | |
| ABC Data s.r.o. | Na Radosti 399 155 21 Praha 5 Czech Republic | Distribution of computer hardware and software | 100% | 100% |
| ABC Data s.r.o. | Palisady 33, 811 06 Bratislava Slovakia | Distribution of computer hardware and software | 100% | 100% |
| UAB "ABC Data Lietuva" | Jogailos g.4 LT-01116 Vilnius, Lithuania | Distribution of computer hardware and software | 100% | 100% |
| ABC Data Marketing Sp. z o.o. | ul. Daniszewska 14 03-230 Warsaw | Marketing services, trademark management | 100% | 100% |
| ABC Data Hungary Kft. | 1077 Budapest, Kéthly Anna tér 1., Hungary | Distribution of computer hardware and software | 100% | 100% |
| ABC Data Distributie SRL | Str. Halelor, nr. 7, et. 3, sector 3, 030118, Bucharest, Romania | Distribution of computer hardware and software | 100% *) | 100% *) |

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| | | | | |
|--------------------------|--|---|------|------|
| ABC Data Germany GmbH | Lindberghstr. 5 82178 Puchheim b. München Germany | Distribution of computer hardware and software | 100% | 100% |
| iSource S.A. | ul. Daniszewska 14 03-230 Warsaw | Distribution of computer hardware and software | 100% | 100% |

**) ABC Data S.A. directly holds 99% of shares and votes and the remaining 1% of shares and votes has been acquired by ABC Data Marketing Sp. z o.o. (a subsidiary).*



iSource S.A. has been a member of the ABC Data capital group as of 30 May 2014. The information about the assumption of control over iSource S.A. was given in the current report no. 23/2014 of 30 May 2014.

2.2 ***Changes in the organization and management rules applicable in the Company and the Capital Group***

In the reporting period and in the period until the publication hereof, there were no changes in the organization and management of ABC Data S.A. and its Capital Group.

2.3 ***Other significant relations***

Apart from the capital relationships described in point 2.1 above, resulting from ABC Data S.A. interests in these entities, there are other material relationships between ABC Data S.A. and MCI Management S.A. Capital Group, arising from the ownership structure of shares in ABC Data S.A.

MCI Capital Towarzystwo Funduszy Inwestycyjnych S.A. indirectly holds 77,060,378 shares representing 61.52% of the share capital of ABC Data S.A. through MCI PrivateVentures Fundusz Inwestycyjny Zamknięty with separated sub-fund MCI.EuroVentures 1.0 and through MCI Venture Projects Sp. z o.o. VI S.K.A. The Company published information regarding the shareholding structure in the current report 176/2014 of 19 December 2014 and 180/2014 of 30 December 2014.

2.4 ***Branches and permanent establishments***

In 2014, the Company did not have any permanent establishments or branches. Its head office is located in Warsaw at ul. Daniszewska 14. The Company's warehouses are located in Warsaw and Sosnowiec.

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3 Operations of the Capital Group

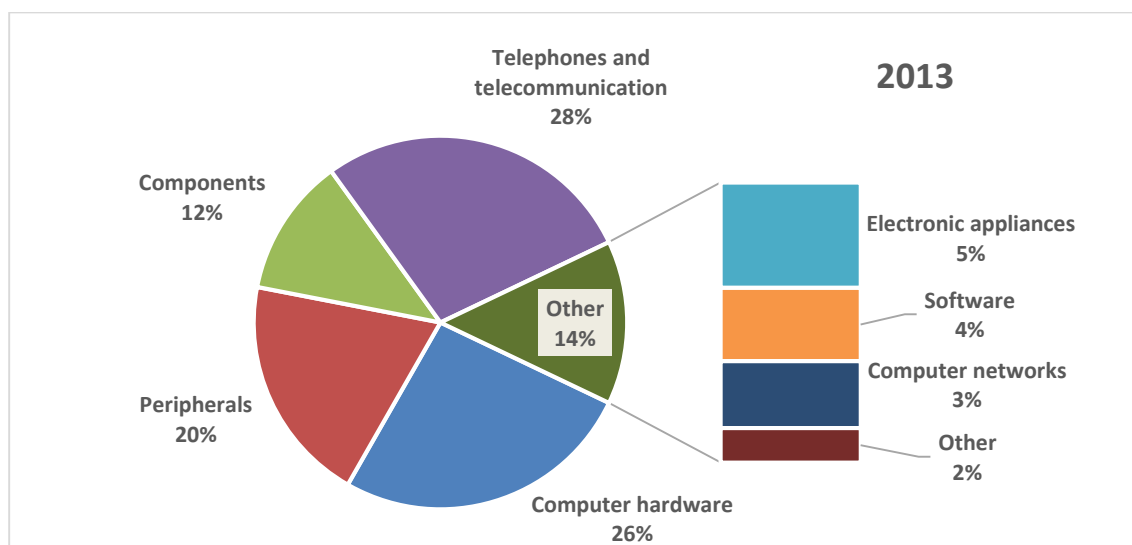
3.1 Information on key products, services and goods

ABC Data Group is the leading distributor of computer hardware and software in Central and Eastern Europe, operating directly in Poland, the Czech Republic, Slovakia, Lithuania, Latvia, Estonia, Hungary, Romania and Germany. The offer of the Company and its subsidiaries comprises over 73 thousand products and is among the largest in the region. Key classes of products offered by ABC Data include hardware (computers, peripherals, components, network equipment and accessories), software, operating materials, as well as telecom devices, tablets and electronic appliances. On the IT market, ABC Data Group acts as an agent between hardware manufacturers and resellers, whose role involves supplying products to end users. When selling goods, ABC Data offers related services, from simple installation to complex integration of IT systems.

The core business of ABC Data Marketing Sp. z o.o. is offering marketing support for ABC Data SA, its business partners and clients. Its purpose is to establish a continuously evolving portfolio of services to allow implementation of complementary marketing strategies for business partners.

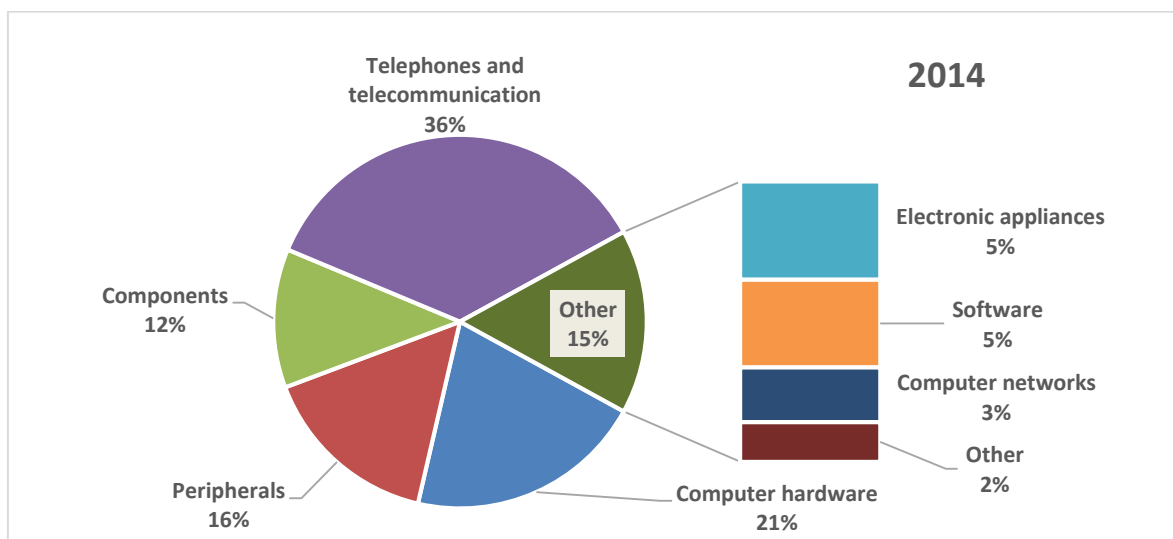
Phones, smartphones, computers, peripherals, consoles and components had the biggest share in the sales of goods (by value) in 2014. A significant increase in the sales of phones was a direct result of establishing GSM Department in 2012 and developing the Export Department. The following charts illustrate the product sales structure by type of last two years.

Sales of individual products vs. sales of goods and products in 2013 and 2014



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3.2 Sales markets

ABC Data Group sells goods to the following groups of clients:

- traditional IT companies, SME segment;
- e-shops;
- retail networks;
- system integrators providing comprehensive IT services to large institutions;
- wholesalers and sub-distributors;
- telecom operators;
- foreign clients.

For over fifteen years, communication of the ABC Data Group companies with their clients has been developed through Internet platforms. As a result, the Capital Group companies hold leading positions on their domestic markets in terms of online client service. InterLink system, developed in Poland, localized and adapted in all markets in which the ABC Data Capital Group operates, remains a referential B2B solution not only in the IT industry. The system allows for comprehensive transaction support to include placing orders, checking inventory levels, controlling order status, obtaining information regarding payments and trade credits available or the status of pending complaints. It supports clients operating in various countries, in local languages and trading in local currencies under an integrated logistic system. InterLink has been subject to continuous development, resulting in improved functionality and work comfort. Its market success and popularity with clients in a variety of countries has been proved with over 85% of orders to the Capital Group being submitted via Internet.

The head office and the logistic center of ABC Data S.A. are located in Warsaw. At present, the Company has two warehouses in Poland (in Warsaw, of 20 thousand sq. m and in Sosnowiec, of 11.5 thousand sq. m).

In January 2015 we have commenced cooperation with a logistic partner in Romania, which has provided us with 10 thousand sq. m of warehouse space that can be flexibly adjusted to our logistic needs (at present, we use just a small percentage of the available space, incurring only the costs of the occupied area). Such a model ensures minimized fixed costs, while variable expenses arise from actual warehouse related needs.

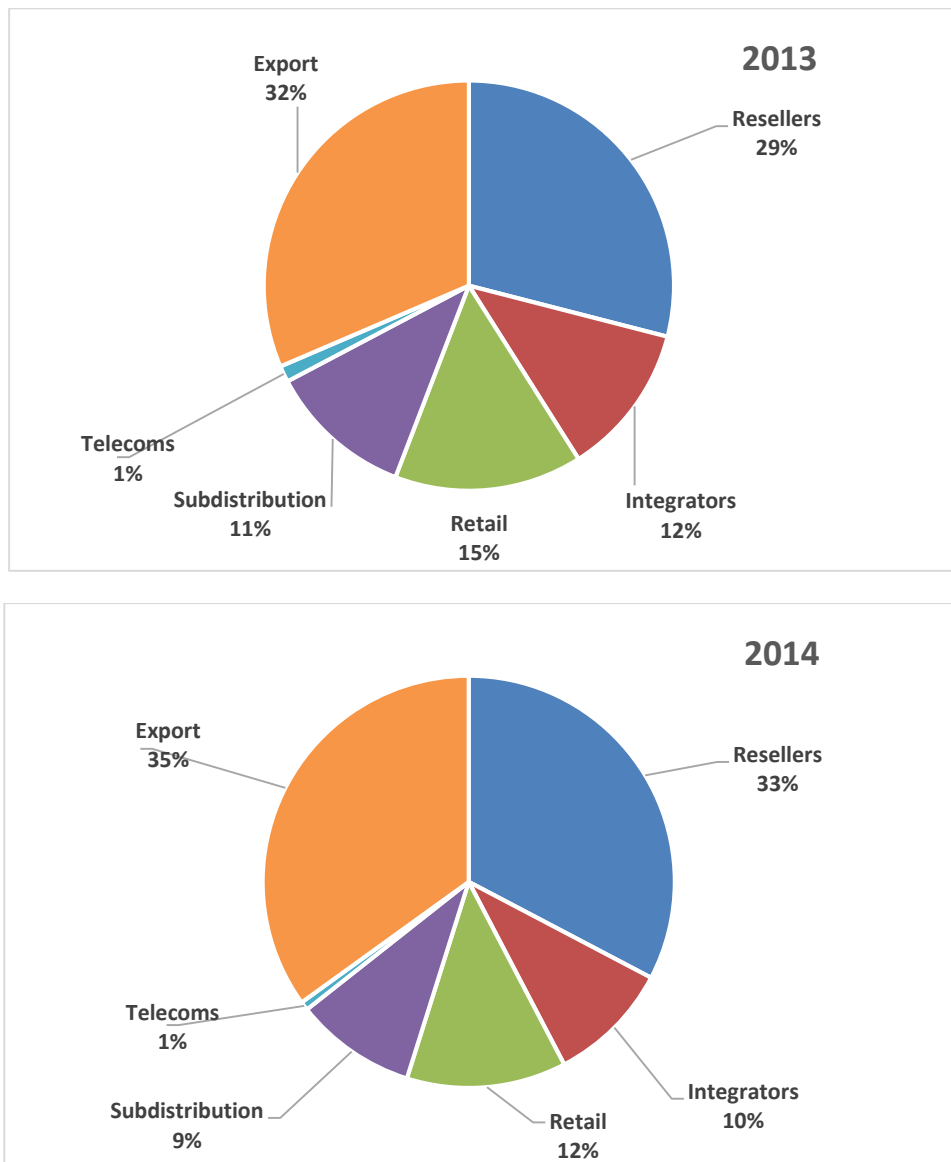
Organization of the sales system allows supplying the entire territory of buyers of the ABC Data Capital Group from domestic warehouses.

Logistic efficiency of a distributor, who has to supply the ordered goods to its clients within 24 hours via courier mail, is a key criterion for both suppliers and buyers. ABC Data S.A. not only fulfils the condition, but delivers goods on the same day in Warsaw, Kraków and Katowice agglomerations. ABC Data cooperates with e-shops, for which the ability to deliver products directly to end-users is of key importance.

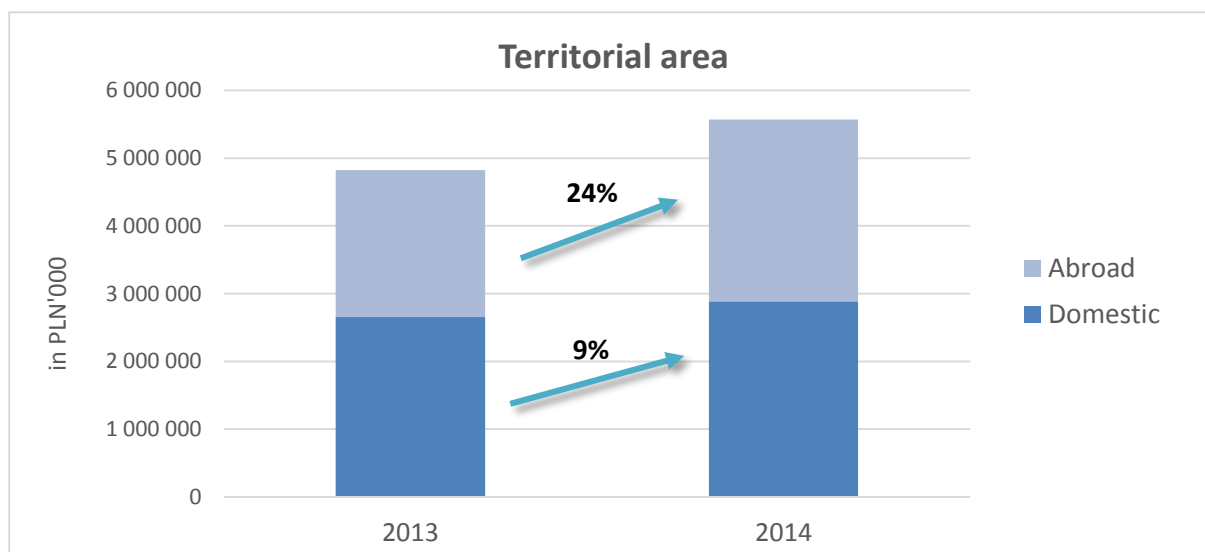
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The Group's sales structure in 2013 and 2014 by buyer group:



Sales revenue structure by territory in 2013 and 2014:



No single buyer reaches 10 per cent of the total sales revenue. Since 2011 the Group has rapidly developed export to the other markets.

3.3 Suppliers

The Group cooperates with world's IT industry manufacturers. Most contracts have been concluded by ABC Data S.A., the parent, due to the centralized warehousing and supplying system. The highest share in the total sales is generated by manufacturers of computers, peripherals and components. The Capital Group's supplier structure is quite dispersed (over 430 suppliers).

3.4 Major R&D achievements

The Company continuously develops its IT tools including those related to Interlink, i.e. the key tool processing on-line trade contracts with clients. For many years, tool development has been an evolutionary process and it has not resulted in any significant one-off capital expenditure.

3.5 Environmental issues

Environmental issues related to ABC Data S.A. stem from regulations concerning:

- waste electrical and electronic equipment;
- batteries;
- packages and wastes, including package wastes;
- substances and chemicals.

Under regulations on waste electrical and electronic equipment, ABC Data S.A., being an entity introducing products to the market, is obliged to organize and finance collecting waste equipment and ensure processing, including recycling and disposing of used equipment from households and non-household users. Moreover, the first marketer of the equipment is obliged to collect a certain annual minimum level of equipment from households and carry out public educational campaigns. The Company has transferred its obligations under the Act on waste electrical and electronic equipment of 29 July 2005 to ElektroEko Organizacja Odzysku Sprzętu Elektrycznego i Elektronicznego S.A. by way of concluding an appropriate agreement. The Company declares to follow regulations on waste electrical and electronic equipment.

The Company has transferred its obligations under the Act on batteries of 24 April 2009 and the Act amending the act on batteries and certain other acts of 29 August 2014 to Polski System Recyklingu Organizacja Odzysku

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SA to the extent possible. The obligations transferred covered in particular collection, processing, recycling and disposal of used batteries. The Company declares to follow regulations on batteries.

Waste and packaging management has been regulated in several acts of law, in particular in:

- Act on waste of 14 December 2012;
- Act on packaging and packaging waste of 13 June 2013;
- Act on obligations of entrepreneurs covering management of selected wastes and product and deposit fees of 11 May 2001.

The Company has transferred its obligations under the acts specified above to Polski System Recyklingu Organizacja Odzysku SA to the extent possible. The Company declares to follow regulations on recycling of packaging and waste, including packaging waste. In particular, the Company reduces the volume and negative impact on the environment of industrial waste produced in the course of its business operations and it ensures disposal of waste which could not have been avoided or recycled, in line with environmental protection regulations.

The Parent and its subsidiaries performed a thorough analysis and assessment of their operations against the requirements of the Act on chemical substances and mixtures of 25 February 2011 and REACH Regulation. The Group requested its suppliers to provide information on their products' compliance with REACH Regulation in order to mitigate a trade risk related to registration of chemical substances and the obligation to provide information on product characteristic and their safe application. By the end of 2012, the Group had received declarations from the majority of its suppliers stating that products supplied do not contain any chemical substances which could be produced intentionally during standard or predictable use. The Group has been collecting all documents required from its suppliers for substances of very high concern, the candidate list of which was published by the European Chemicals Agency on 28 October 2008. In view of the requirements in question the Company does not intend to limit the availability of any products offered.

3.6 *Employment*

The Group's headcount in FTEs as at the end of the financial year has been presented below:

| | Year ended 31 December 2014 | Year ended 31 December 2013 |
|---|--------------------------------|--------------------------------|
| Management Board of the Parent* | 2 | 3 |
| Management Board of entities within the Group | 9 | 6 |
| Administration | 151 | 104 |
| Sales and marketing | 319 | 253 |
| Logistics | 125 | 110 |
| Total | 606 | 476 |

* The data covers all members of the Management Board regardless of the legal relation with the Company.

Average headcount in the Group in the years ended 31 December 2013 and 31 December 2014:

| | Year ended 31 December 2014 | Year ended 31 December 2013 |
|---|--------------------------------|--------------------------------|
| Management Board of the Parent* | 2 | 4 |
| Management Board of entities within the Group | 9 | 5 |
| Administration | 146 | 96 |
| Sales and marketing | 284 | 227 |
| Logistics | 123 | 105 |
| Total | 564 | 437 |

* The data covers all members of the Management Board regardless of the legal relation with the Company.

The headcount has increased due to the extension of the product portfolio, higher potential of the sales force and expanding operations of subsidiaries supervised by the Warsaw head office.

Staff turnover in the Company has remained moderate. Employees are offered training to improve their professional qualifications. Additional health care services are provided to all employees.

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4 Agreements significant for the business activities of ABC Data S.A. Capital Group

According to the Group, equity is not considered a criterion determining significance of an agreement concluded. It classifies a given contract as important if the contractual amount has reached 10% of the sales revenue generated in the last four reporting quarters.

During the period covered by the report the Group concluded no new significant agreements, as classified based on the criterion above. In accordance with Article 3.2 of the Ordinance the Group presents additional information ensuring a complete, true and fair view of the position of the Company and the Capital Group.

4.1 Trade contracts

The Group did not enter into any significant trade contracts during the reporting period.

4.2 Shareholders' agreements

The Group is not aware of any agreements concluded by and among its shareholders.

4.3 Insurance contracts

Trade Credit Insurance Policy with a Collection of Receivables Option 2004 No. 701266 concluded by ABC Data S.A. and Towarzystwo Ubezpieczeń Euler Hermes Spółka Akcyjna with the registered office in Warsaw dated 10 February 2014 with annexes and CAP Europe Insurance Policy No. 200567 based thereon and concluded on 6 March 2014 with annexes

Pursuant to the agreement T.U. Euler Hermes SA has provided the Company with insurance coverage for receivables from clients, arising from sale of goods and services with a deferred payment terms in case of their insolvency or permanent delay in payment. Clients are covered by the insurance on a case by case basis in line with the decision of the insurance company or under internal control procedures, if the requirements defined in the insurance policy have been met.

The policy period covers receivables that occurred in the period from 1 January 2014 to 28 February 2015 (14 months). The policy covers receivables with deferred payment terms due to sales of subsidiaries: ABC Data s.r.o. Slovakia, UAB "ABC Data Lietuva", ABC Data Hungary Kft., ABC Data Distributie S.R.L. and ABC Data Germany GmbH as policyholders. The maximum claim amount has been set at 40 times the amount of premium paid in a given policy period. Pursuant to the policy the Company is obliged to inform the Insurer of past due receivables from clients on specific dates, where not meeting such information requirements may result in losing the right to claim payment.

On 10 February 2014 Trade Credit Insurance Policy with a Collection of Receivables Option 2004 No. 701266 was concluded for the subsequent insurance year from 1 March 2015 to 29 February 2016 (12 months). General Terms of Trade Credit Risk Insurance with a Collection of Receivables Option 2004 constitute an integral part of the agreement. The policy is automatically extended for the following year if it is not terminated by either party two months before the end of the insurance period at the latest.

Trade Credit Insurance Policy No. 7020005 concluded by ABC Data s.r.o. in Prague and Hermes Europe SA, organizační složka with the registered office in Prague on behalf of Euler Hermes Europe SA in Brussels

Pursuant to the agreement Euler Hermes has provided the Company with insurance coverage for receivables from clients, arising from sale of goods and services with a deferred payment terms in case of their insolvency or permanent delay in payment. The policy period covers receivables occurred in two subsequent insurance periods: from 1 January 2014 to 31 December 2014 and from 1 January 2015 to 31 December 2015 (two years). The policy includes insurance subject to individual decisions of the Insurer for higher credit limits and for lower limits, an option to insure receivables from clients within own control procedures.

The maximum claim amount has been set at 40 times the amount of premium paid in a given policy period.

Pursuant to the policy the Company is obliged to inform the Insurer of past due receivables from clients on specific dates, where not meeting such information requirements may result in losing the right to claim payment.

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Trade Credit Insurance Policy concluded by Isource SA and Towarzystwo Ubezpieczeń Euler Hermes Spółka Akcyjna with the registered office in Warsaw dated on 17 March 2014 and CAP Europe Insurance Policy No. 201076 based thereon and concluded on 17 June 2014 with subsequent annexes

Pursuant to the agreement Euler Hermes has provided the Company with insurance coverage for receivables from clients, arising from sale of goods and services with a deferred payment terms in case of their insolvency or permanent delay in payment. The policy period covers receivables occurred in the period from 1 January 2014 to 31 March 2015. The policy includes insurance subject to individual decisions of the Insurer for higher credit limits and for lower limits, an option to insure receivables from clients within own control procedures.

The maximum claim amount has been set at 40 times the amount of premium paid in a given policy period.

Pursuant to the policy the Company is obliged to inform the Insurer of past due receivables from clients on specific dates, where not meeting such information requirements may result in losing the right to claim payment.

4.4 Related party transactions

The Company entered into related party transactions during the reporting period, usually acting as the parent.

During the reporting period the Company did not enter into transactions with related parties carrying out operations uncharacteristic for its core business. Related party transactions were concluded on arm's length basis.

Nature and terms of related party transactions resulted from the current operating activities of the Company. Related party transactions concluded under standard operating activities included: sale of goods and services offered by the Company as a part of its core business (i.e. distribution of electronic devices and hardware, software and household appliances), marketing services, services related to the central financial management, accounting and logistic services.

Related party transactions have been discussed in detail in Note 30 to the financial statements.

4.5 Credit facilities, loan and factoring agreements

The Group's sources of financing are short-term and medium-term credit facilities in banks and factoring facilities for selected clients. Also, intercompany short-term interest-bearing loan agreements are concluded.

Overdraft agreement No. BDK/KR-RB/000803558/0356/08 concluded among ABC Data SA in Warsaw, ABC Data Marketing Sp. z o.o. in Warsaw, and Bank Handlowy in Warsaw on 21 October 2008 with subsequent annexes

Under the agreement the Bank granted a revolving overdraft in PLN, EUR, USD, CZK and RON to ABC Data SA in Warsaw and an overdraft in PLN to ABC Data Marketing Sp. z o.o. in Warsaw for financing their current operations and repayment of a temporary loan No. BDK/KR-P/000803558/0042/10 granted to ABC Data SA in Warsaw.

The facility limit was flexible and amounted to:

- PLN 70 million from 8 December 2011 to 28 February 2012
- PLN 50 million from 29 February 2012 to 21 October 2012
- PLN 70 million from 22 October 2012 to 28 February 2013
- PLN 50 million from 1 March 2013 to 24 March 2013
- PLN 70 million from 25 March 2013 to 30 July 2013
- PLN 90 million from 31 July 2013 to 29 July 2016.

The limit of PLN 90 million was allocated in the following manner: PLN 88 million - to ABC Data SA in Warsaw and PLN 2 million - to ABC Data Marketing Sp. z o.o. in Warsaw

Maximum amount used for foreign currencies:

- USD 0.5 million
- EUR 5.0 million
- CZK 200 million

RON 3 million.

The agreement may be terminated at each anniversary of the agreement date. The interest on the loan is floating and it is based on WIBOR 1M, LIBOR 1M, EURIBOR 1M, PRIBOR 1M depending on the currency used plus the Bank's margin.

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The collateral is a statement of submission to enforcement and an authorization to debit the Company's accounts at the Bank.

Liability limit agreement No. CRD/L/5287/00 concluded between ABC Data SA in Warsaw and Raiffeisen Bank Polska SA on 18 September 2000 with subsequent annexes

Pursuant to the agreement the Bank extends a liability limit for high risk bank products for financing current operations of the Company. Available products include:

- overdraft facility denominated in PLN, EUR, USD and CZK to be used in the form of payment orders made by the Company at the Bank,
- PLN revolving loan used in the form of disbursements made by the Bank upon request of the Company.

The agreement limit amounted to PLN 40 million and it will be available until 6 September 2016.

The interest on the loan is floating and it is based on WIBOR 1M, LIBOR 1M, EURIBOR 1M, PRIBOR 1M depending on the currency used plus the Bank's margin.

The collateral is a statement of submission to enforcement and an authorization to debit the Company's accounts at the Bank.

Multi-currency credit facility agreement No. 7026/14/M/04 concluded between ABC Data SA in Warsaw and Bank Pekao S.A. in Warsaw on 29 April 2014

Pursuant to the agreement the Bank extended a PLN overdraft for financing current operations of the Company. The facility limit amounts to:

PLN 60 million until 28 April 2017.

The agreement may be terminated at each anniversary of the agreement date.

The interest on a loan equals WIBOR 1M, EURIBOR 1M, LIBOR 1M plus the Bank's margin.

The collateral is a statement of submission to enforcement and an authorization to debit the Company's accounts at the Bank.

Credit Limit Agreement concluded between ABC Data SA in Warsaw and ING Bank Śląski S.A. on 9 October 2013

Pursuant to the agreement the Bank extends a liability limit for high risk bank products for financing current operations of the Company, securing its agreements and settlement of payments among ABC Data S.A. and its counterparties. Available products include:

- overdraft facility denominated in PLN, EUR, USD and CZK to be used in the form of payment orders made by the Company at the Bank up to PLN 80 million,
- guarantees and letters of credit in PLN, EUR and USD in the form of payment orders up to PLN 10 million.

In the reporting period the limit amounts to PLN 80 million and is available until 8 October 2023. The agreement may be terminated at each anniversary of the agreement date.

Maximum amounts available for foreign currencies:

EUR equivalent of PLN 25 million

CZK equivalent of PLN 10 million

USD equivalent of PLN 5 million.

The interest on the loan is floating and it is based on WIBOR 1M, LIBOR 1M, EURIBOR 1M, PRIBOR 1M depending on the currency used plus the Bank's margin.

The collateral is a statement of submission to enforcement and an authorization to debit the Company's accounts at the Bank.

On 16 March 2015 a tripartite Credit Facility Agreement was concluded among ING Bank Śląski S.A., ABC DATA S.A. and iSource S.A.

Pursuant to the Agreement, the Bank provides funding in the amount of PLN 98.2 million.

Following the conclusion of the Loan Agreement, the Surety Agreement concluded with iSource for the amount of PLN 21.84 million has expired.

Credit Limit Agreement No. 2013/2014/DF concluded between ABC Data SA in Warsaw and Bank Pekao S.A. on 18 December 2013

Under the agreement the Bank granted a revolving overdraft in PLN, EUR and USD for financing the Company's current operations. The general financing limit of PLN 60 million will be available until 15 December 2016 and may be early terminated by each party as at each anniversary of the agreement date upon a 30-day notice.

Maximum amounts available for foreign currencies:

EUR 4 million

USD 3 million.

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The interest on the loan is floating and it is based on WIBOR 1M, LIBOR 1M, EURIBOR 1M, depending on the currency used plus the Bank's margin. The collateral is a statement of submission to enforcement up to the facility amount and an authorization to debit the Company's accounts at the Bank.

Factoring agreement No. CRD/F/28959/08 concluded between ABC Data SA in Warsaw and Raiffeisen Bank Polska SA on 15 September 2008 with subsequent annexes

According to the Agreement, the Factor determined a floating limit for the reporting period amounting to:

PLN 80 million from 22 October 2013 to 31 October 2014

PLN 85 million from 1 November 2014 to 28 November 2014

PLN 105 million from 29 November 2014

to include full non-recourse factoring for a selected counterparty. The agreement has been concluded for an unlimited period subject to the condition that the Counterparty limit will be renewed on an annual basis.

It is collateralized with a statement of submission to enforcement.

Factoring agreement No. 1505 concluded between ABC Data SA in Warsaw and Bank Millennium SA on 19 April 2010 with subsequent annexes

According to the Agreement, the Factor determined a floating limit for the reporting period amounting to:

PLN 10 million until 26 March 2013 and PLN 20 million since 27 March 2013, to include full non-recourse factoring with regard to a selected counterparty. The agreement has been concluded for an unlimited period subject to the condition that the Counterparty limit will be renewed on an annual basis. The limit will expire on 11 March 2015. The agreement has been concluded for a non-defined period. The collateral is a statement of submission to enforcement and an authorization to debit the Company's accounts at the Bank. A relevant annex thereto should be concluded soon.

Factoring agreement No. 100/2010 concluded between ABC Data SA in Warsaw and Pekao Faktoring Sp. z o.o. in Lublin on 20 December 2010 with subsequent annexes

According to the Agreement, the Factor determined a floating limit for the reporting period amounting to:

PLN 40 million from 20 December 2012 to 31 January 2013

PLN 30 million from 1 February 2013 to 12 December 2013

PLN 35 million from 13 December 2013 to 31 May 2014

PLN 30 million from 1 June 2014 to 17 June 2014

PLN 43 million from 18 June 2014

to include full non-recourse factoring for a selected counterparty. The agreement has been concluded for an unlimited period subject to the condition that the Counterparty limit will be renewed on an annual basis.

The Agreement is secured with authorization to debit a bank account in PEKAO SA, blank promissory note issued by the Company along with a promissory note agreement and assignment of rights arising from Trade Credit Insurance Agreement with a Collection of Receivables Option 2004 No. 701266 concluded with TU Euler Hermes SA.

Reverse factoring agreement No. 2355 concluded between ABC Data SA in Warsaw and Bank Millennium Polska SA on 24 April 2013 with subsequent annexes

According to the Agreement, the Factor determined a floating limit for the reporting period amounting to PLN 20 million from 24 April 2013 to 23 October 2013 and to PLN 34 million from 24 October 2013 to 23 April 2016, available in PLN, EUR and USD.

The limit concerns reverse factoring regarding selected suppliers of the Company. The agreement may be terminated at each anniversary of the conclusion date.

It is collateralized with a blank promissory note with a promissory note agreement issued by the Company.

Master agreement on repayment of trade receivables No. SFR/ABC/19/2013 concluded between ABC Data SA in Warsaw and Bank Handlowy in Warsaw on 12 December 2013 with subsequent annexes

According to the Agreement, the Factor determined a limit of PLN 20 million for the reporting period available in PLN, EUR and USD until 24 November 2016.

The limit concerns reverse factoring regarding selected suppliers of the Company. The agreement may be terminated at each anniversary of the conclusion date.

It is collateralized with a statement of submission to enforcement.

Factoring agreement No. 134/2013 concluded between ABC Data SA in Warsaw and ING Commercial Finance Polska S.A. on 26 June 2013 with subsequent annexes

According to the Agreement, the Factor determined a floating limit for the reporting period amounting to:

PLN 60 million until 26 June 2013 and from 12 December 2013, PLN 80 million

PLN 100 million from 18 June 2014

PLN 90 million from 9 October 2014

PLN 70 million from 2 December 2014

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PLN 90 million from 1 March 2015

for non-recourse factoring with regard to selected counterparties. The agreement has been concluded for a definite period until 25 June 2014 with an option of automated renewal for another year. The limit is available in PLN, EUR and USD.

The agreement is collateralized with two blank promissory notes with promissory note agreements.

Loan agreement No. 4 concluded between ABC Data SA in Warsaw and ABC Data Marketing Sp. z o.o. in Warsaw on 13 February 2013

According to the agreement, on the conclusion date, ABC Data Marketing Sp. z o.o. granted the Company with a loan of PLN 3 million until 13 February 2014. The interest on a loan equals the average WIBOR 1M rate plus a margin and is paid on a monthly basis.

The loan was fully repaid on 13 February 2014.

Loan agreement No. 1/2013 concluded between ABC Data SA in Warsaw and ABC Data Marketing Sp. z o.o. in Warsaw on 27 May 2013

According to the agreement, ABC Data Marketing Sp. z o.o. committed to grant the Company a revolving facility of PLN 70 million maturing on 26 May 2017. The interest on a loan equals the average WIBOR 1M rate plus a margin and is paid on a monthly basis. As at 31 December 2014 the outstanding amount was PLN 36.4 million.

Factoring agreement No. 94/2014 concluded between ABC Data SA in Warsaw and Pekao Faktoring Sp. z o.o. in Lublin on 18 December 2014

According to the Agreement, the Factor determined a limit of PLN 40 million for non-recourse factoring with regard to selected counterparties. The agreement was concluded for an indefinite period of time.

The Agreement is secured with authorization to debit a bank account in PEKAO SA and assignment of rights arising from Trade Credit Insurance Agreement with a Collection of Receivables Option 2004 No. 701266 concluded with TU Euler Hermes SA.

Short-term Credit Agreement No. 2014/026 concluded with Societe Generale Spółka Akcyjna on 23 September 2014

Under the agreement the Bank granted funding in the form of an overdraft amounting to PLN 38 million. The expiry date is 31 July 2015.

The credit bears interest calculated as WIBOR 1M, LIBOR 1M, EURIBOR 1M plus the Bank's margin.

Credit facility agreement concluded between iSource SA in Warsaw with ING Bank Śląski SA on 25 August 2014

Under the agreement the Bank granted a credit facility in PLN in the form of an overdraft facility and a letter of credit for financing the Company's current operations. The general financing limit is PLN 18.2 million and has been availed for 12 months and may be automatically extended for subsequent 12 months if the parties do not make statements of termination 35 days before the maturity date.

The maximum amount used:

PLN 3 million in the form of the revolving loan

PLN 15.2 million in the form of the letter of credit and guarantee.

The interest on the loan equals WIBOR 1M plus the Bank's margin. The limit is collateralized with a statement of submission to enforcement up to the facility amount and an authorization to debit the Company's accounts at the Bank and a surety granted by ABC Data SA up to the facility amount.

Factoring agreement No. 29/2013 concluded between iSource SA in Warsaw and ING Commercial Finance Polska S.A. on 8 February 2013 with subsequent annexes

According to the Agreement, the Factor determined a floating limit for the reporting period amounting to:

PLN 11.6 million until 31 January 2014

PLN 16 million from 1 February 2014 to 23 September 2014

PLN 30 million from 24 September 2014 to 5 December 2014

PLN 50 million from 6 December 2014

PLN 30 million from 1 March 2015

to include full non-recourse factoring up to the coverage amount for a selected counterparty. The agreement was concluded for the period of 12 months to be automatically extended for subsequent annual periods. The agreement is collateralized with a blank promissory note and authorization to debit the Company's bank account in ING Bank Śląski SA.

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4.6 Sureties and guarantees

On 16 March 2015 the Company concluded a tripartite overdraft facility agreement with ING Bank Śląski and iSource S.A., a subsidiary of the Company. According to the agreement, the Company and iSource shall bear joint and several liability for amounts payable to the bank.

The Company has also extended a guarantee for liabilities of iSource S.A. to one of its suppliers up to USD 15,000 thousand.

5 Analysis of financial data

5.1 Selected consolidated financial data

The following tables present selected consolidated financial data for the twelve months ended 31 December 2014 and 31 December 2013, respectively and selected financial data for the 12 months ended 31 December 2014 and 31 December 2013.

Selected consolidated financial data:

- derived from the statement of comprehensive income and from the statement of cash flows for the period from 1 January to 31 December of a given year have been translated into EUR at the average rate calculated as an arithmetic average of exchange rates published by the National Bank of Poland at the last day of a month in a given year: for the period from 1 January to 31 December 2014 at 4.1893 and at 4.2110 for the year 2013,
- derived from the balance sheet, have been translated at the average exchange rate of the National Bank of Poland as at 31 December 2013 and 31 December 2014, amounting to 4.1472 and 4.2623, respectively.

| SELECTED FINANCIAL DATA | Period | | Period | |
|---|-------------|-------------|-------------|-------------|
| | 01.01.2014 | 01.01.2013 | 01.01.2014 | 01.01.2013 |
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| | in PLN '000 | in PLN '000 | in EUR '000 | in EUR '000 |
| Consolidated statement of comprehensive income | | | | |
| Sales revenue | 5 573 430 | 4 822 468 | 1 330 396 | 1 145 207 |
| Profit on operating activities | 60 548 | 77 158 | 14 453 | 18 323 |
| Profit before tax | 48 587 | 68 022 | 11 598 | 16 153 |
| Net profit on continuing operations | 33 282 | 59 135 | 7 945 | 14 043 |
| Basic earnings per share on continued operations (PLN/share or EUR/share) | 0.27 | 0.48 | 0.06 | 0.11 |
| Weighted average number of ordinary shares (items) | 124 043 000 | 123 888 000 | 124 043 000 | 123 888 000 |
| Diluted earnings per share on continued operations (PLN/share or EUR/share) | 0.27 | 0.48 | 0.06 | 0.11 |
| Discontinued operations | | | | |
| Net profit (loss) on discontinued operations | 0 | 50 | 0 | 12 |
| Net profit | 33 282 | 59 185 | 7 945 | 14 055 |
| Basic earnings per share (not in '000) | 0.27 | 0.48 | 0.06 | 0.11 |
| Diluted earnings per share (not in '000) | 0.27 | 0.48 | 0.06 | 0.11 |
| Consolidated cash flows | | | | |
| Net cash flows from operating activities | 157 942 | 36 378 | 37 701 | 8 639 |
| Net cash flows from investing | (15 705) | (1 194) | (3 749) | (284) |

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| | | | | |
|--|-----------|----------|----------|---------|
| activities | | | | |
| Net cash flows from financing activities | (125 135) | (31 869) | (29 870) | (7 568) |
| Total net cash flows | 17 102 | 3 315 | 4 082 | 787 |

| SELECTED FINANCIAL DATA | As at | As at | As at | As at |
|----------------------------|-------------|------------|-------------|------------|
| | 31.12.2014 | 31.12.2013 | 31.12.2014 | 31.12.2013 |
| | in PLN '000 | | in EUR '000 | |
| Consolidated balance sheet | | | | |
| Assets | 948 364 | 916 521 | 222 501 | 220 998 |
| Non-current liabilities | 1 304 | 901 | 306 | 217 |
| Current liabilities | 648 471 | 599 908 | 152 141 | 144 654 |
| Equity | 298 589 | 315 712 | 70 053 | 76 127 |
| Share capital | 125 267 | 125 252 | 29 390 | 30 202 |

5.2 Principles of preparation of the consolidated financial statements

The Management Board of the Parent is responsible for internal controls of the Capital Group and their efficiency in the process of preparing the financial statements and periodical reports drawn up and published in line with the Ordinance.

The consolidated financial statements of the Group are prepared by the management of the Financial and Accounting Division of the Parent supervised by the Parent's CFO in charge of the financial function.

The consolidated financial statements and periodic reports are prepared based on financial data from the separate financial statements of the Parent and subsidiaries derived from the underlying accounting records. Individual companies prepare their financial statements in accordance with a template prepared by the Parent, in compliance with the Group's accounting policy based on International Financial Reporting Standards. Information from the management reporting systems and data provided directly by the Management of the Parent and subsidiaries, as well as by the Group's legal counsel is used in the preparation of the financial statements.

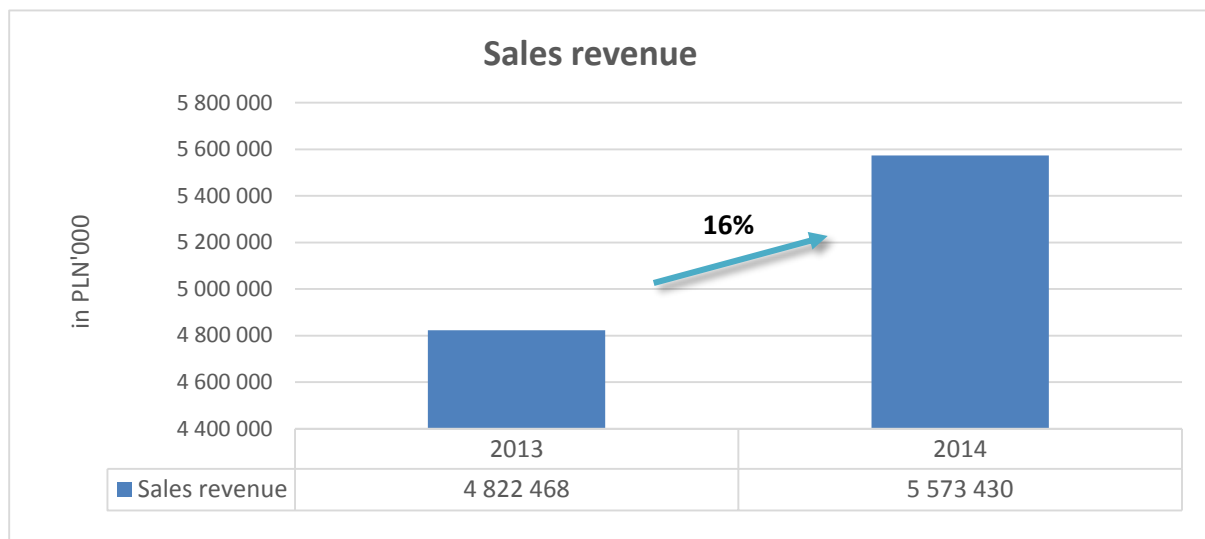
The monthly management reporting system regarding individual companies and the entire Group is a crucial element of the data quality and correctness control. Performance analysis is referred both to the budget approved for a given year and to previous periods.

The consolidated financial statements are reviewed and pre-approved by the Chief Accountant and presented to the CFO for final approval. Before their final approval for publication they are provided to the Audit Committee of the Supervisory Board.

Annual and semi-annual consolidated financial statements are reviewed and audited by a certified auditor of the Parent. Audit and review recommendations are presented to the Audit Committee. Audit Committee representatives analyze audit and review results during meetings with the Group's certified auditor including those not attended by the Management Board.

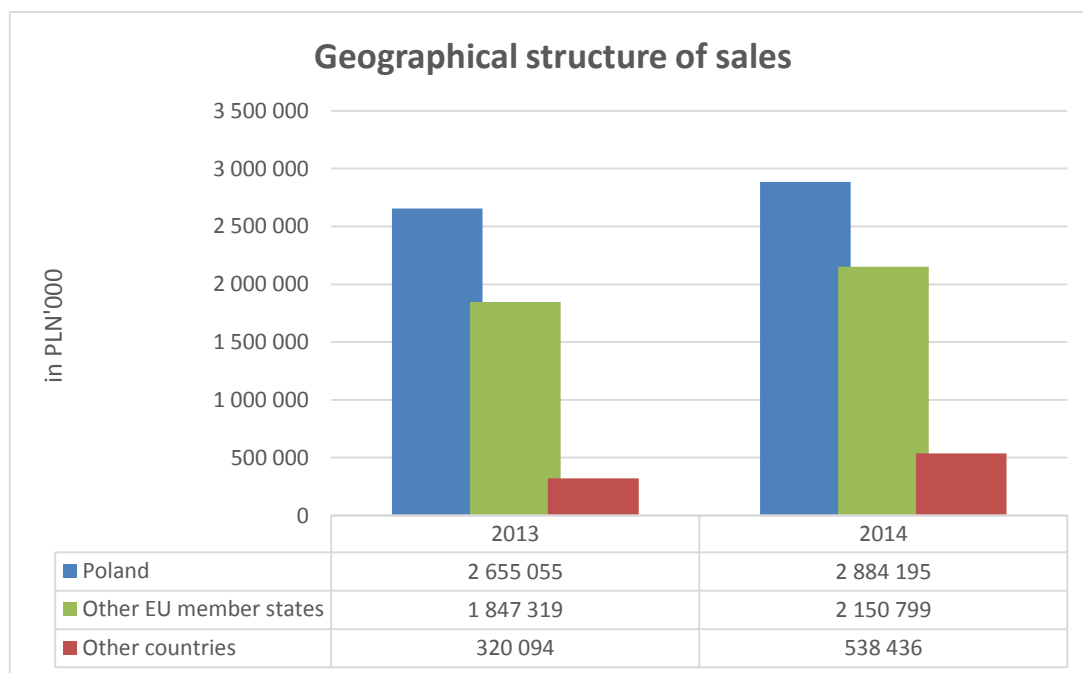
5.3 Analysis of the financial position

5.3.1 Consolidated statement of comprehensive income



In 2014 the Group recorded an over 16% increase in sales revenue versus the previous year. The significant growth in revenue resulted from an increase in sales of ABC Data SA in Poland along with its export operations, sales performed by iSource acquired in 2014, rapid business growth in Lithuania with continuing expansion to the Latvian and Estonian market, as well as development of operations in Romania.

The geographical structure of sales revenue in 2014 against comparable period data:

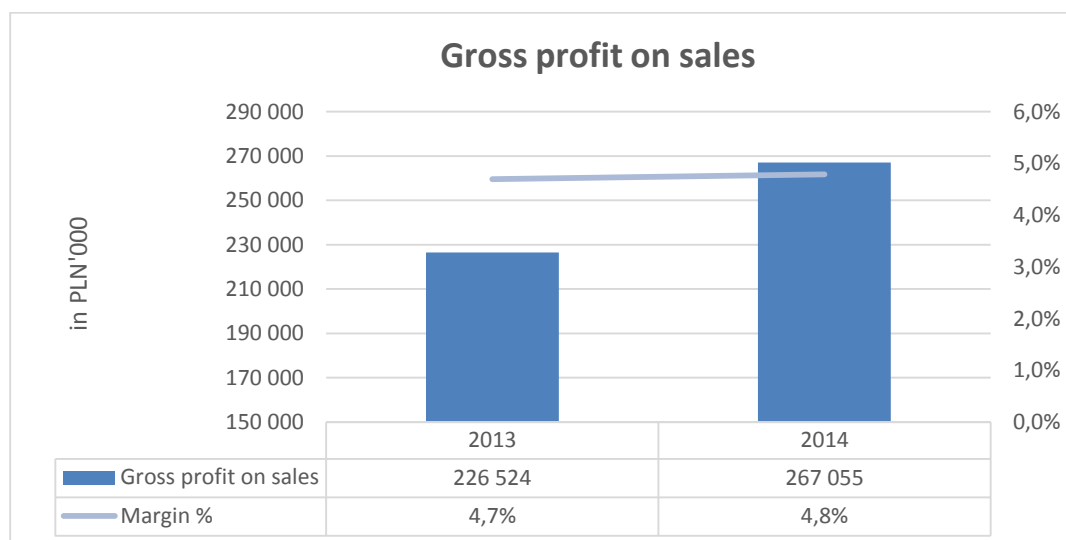


The biggest growth in sales (by value) was seen in the countries where the Group has established subsidiaries.

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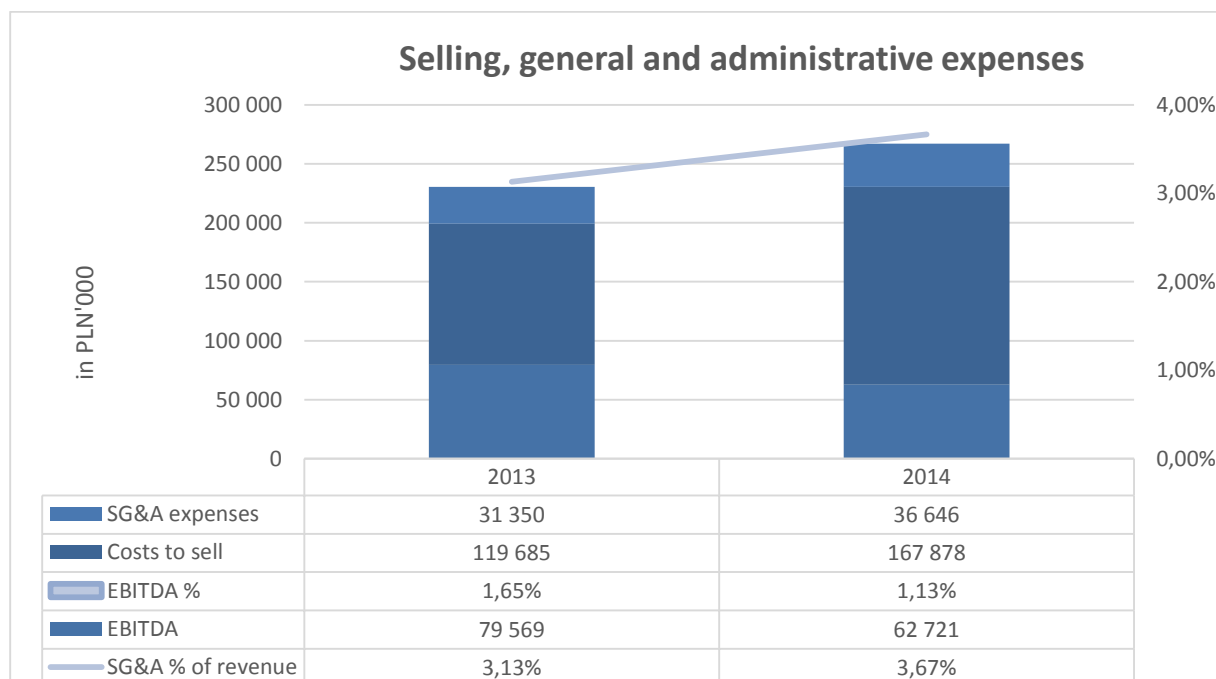
Gross profit on sales by value and as a percentage of sales:



Consolidated gross profit on sales for 2014 was PLN 40.5 million higher than in the previous year, which means a 18% increase y-o-y. One-off events recognized in gross margin, i.e. revised methodology and assumptions of estimating provisions for fees to organizations managing copyrights and the related rights and revaluation of current assets have not significantly affected the profitability level.

5.3.2 Consolidated statement of financial position

5.3.2.1 Costs to sell and general and administrative expenses



In 2014 selling expenses amounted to PLN 204,524 thousand and increased vs. the prior year by 35%. The increase has resulted mostly from higher costs to sell related to rapid growth in sales, sales force development outlays made in 2014 and one-off events to include revaluation of trade receivables approximating

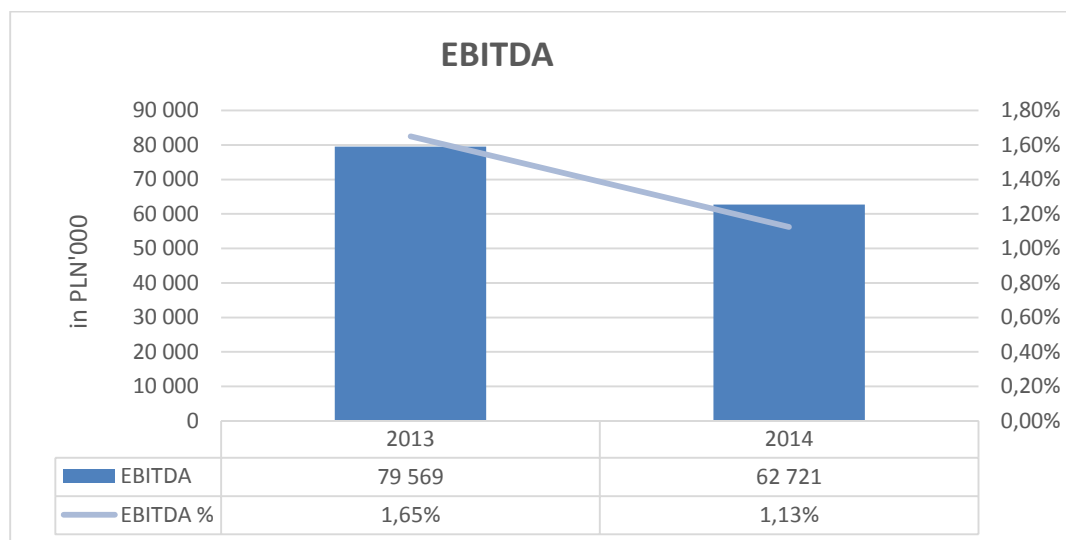
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PLN 15.1 million. The increase in costs to sell adjusted for this one-off event was 28%. The increase in the general and administrative expenses by 17% results mainly from the growing range of operations.

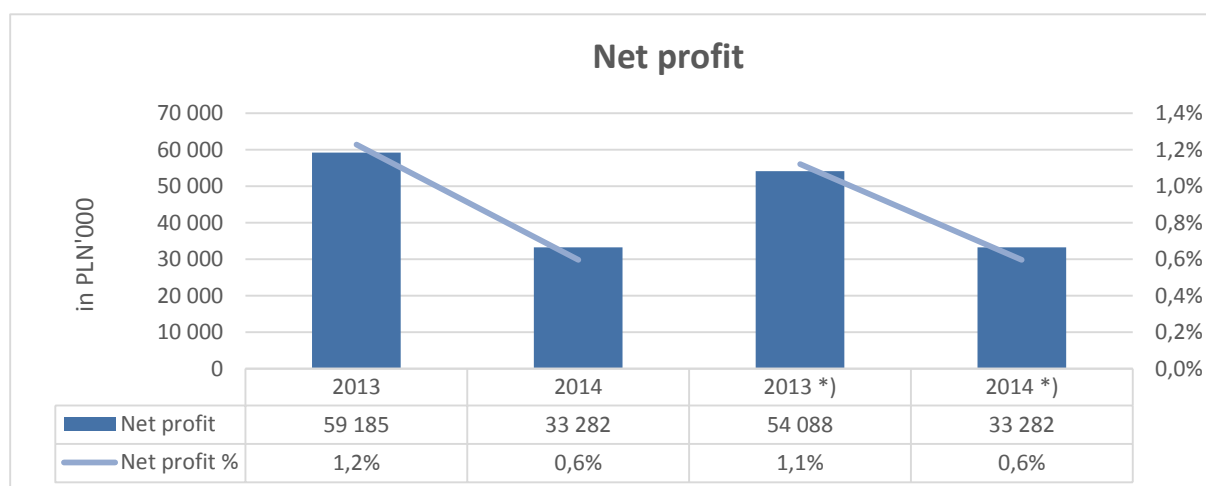
The total share of selling, general and administrative expenses compared to the sales volume grew slightly to 3.57% (adjusted by one-off events 3.4%).

5.3.2.2 Financial performance



EBITDA is calculated as operating profit plus depreciation/amortization.

Consolidated EBITDA for 2014 amounted to PLN 62,722 thousand and was PLN 16,847 thousand lower than in the prior year. EBITDA profitability calculated in relation to revenue was 1.1%. EBITDA adjusted for the effects of one-off events discussed above amounted to PLN 77,888 thousand.



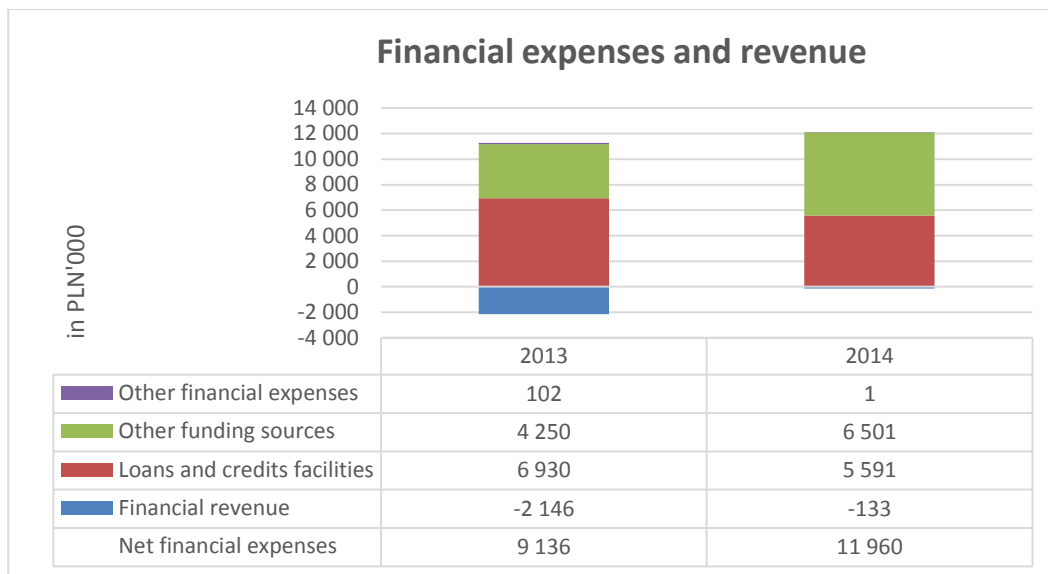
**) Net profit adjusted by events related to transactions with SCOP Computers.*

In 2014, Group's net profit on continuing operations decreased by over PLN 20.8 million year on year as a result of the above factors.

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5.3.2.3 Net financial expenses



Consolidated financial expenses of the Group increased by over PLN 2.8 million compared to the previous year. It resulted mainly from a one-off transaction recognized in the previous year and related to the revenue of PLN 2,115 thousand due to the sale of financial assets.

5.3.3 Consolidated statement of cash flows

| Item (PLN'000) | Period 01.01.2013 - 31.12.2013 | Period 01.01.2014 - 31.12.2014 |
|--|--------------------------------|--------------------------------|
| Net cash flows from operating activities | 36 378 | 157 942 |
| Net cash flows from investing activities | (1 194) | (15 705) |
| Net cash flows from financing activities | (31 869) | (125 135) |
| Total cash flows | 3 315 | 17 102 |
| Cash opening balance | 13 499 | 16 814 |
| Cash closing balance | 16 814 | 33 916 |

In 2014, the Group generated positive cash flows on operating activities. This resulted mostly from accumulated gains and reduced demand for working capital. The collected funds were used mainly for dividend payment, acquisition and repayment of credit facilities.

5.3.4 Financing structure

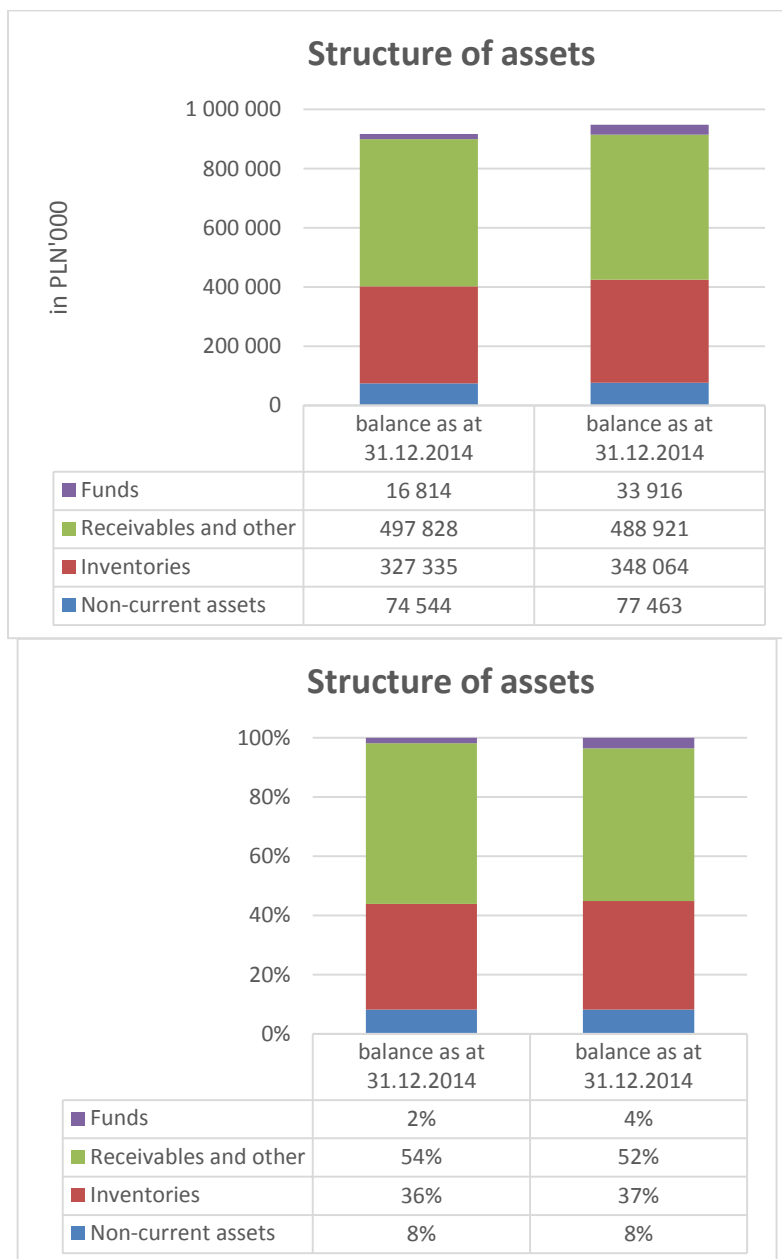
| Item (PLN'000) | Balance as at 31.12.2013 | Balance as at 31.12.2014 |
|---------------------------|-----------------------------|-----------------------------|
| Equity | 315 712 | 298 589 |
| Cash and cash equivalents | 16 814 | 33 916 |
| Long-term bank loan | 0 | 0 |
| Short-term bank loan | 140 828 | 80 594 |

As at 31 December 2014, equity decreased by PLN 17,123 thousand compared to 31 December 2013. The change results mostly from dividend payment and accumulation of gains.

As at 31 December 2014, the cash level was sufficient in terms of the Group's operating needs. Liquidity is ensured through overdraft facilities available.

Bank debt decreased by PLN 60 million, mainly due to the reduced demand for working capital.

5.4 Description of the structure of assets, equity and liabilities of ABC Data Capital Group



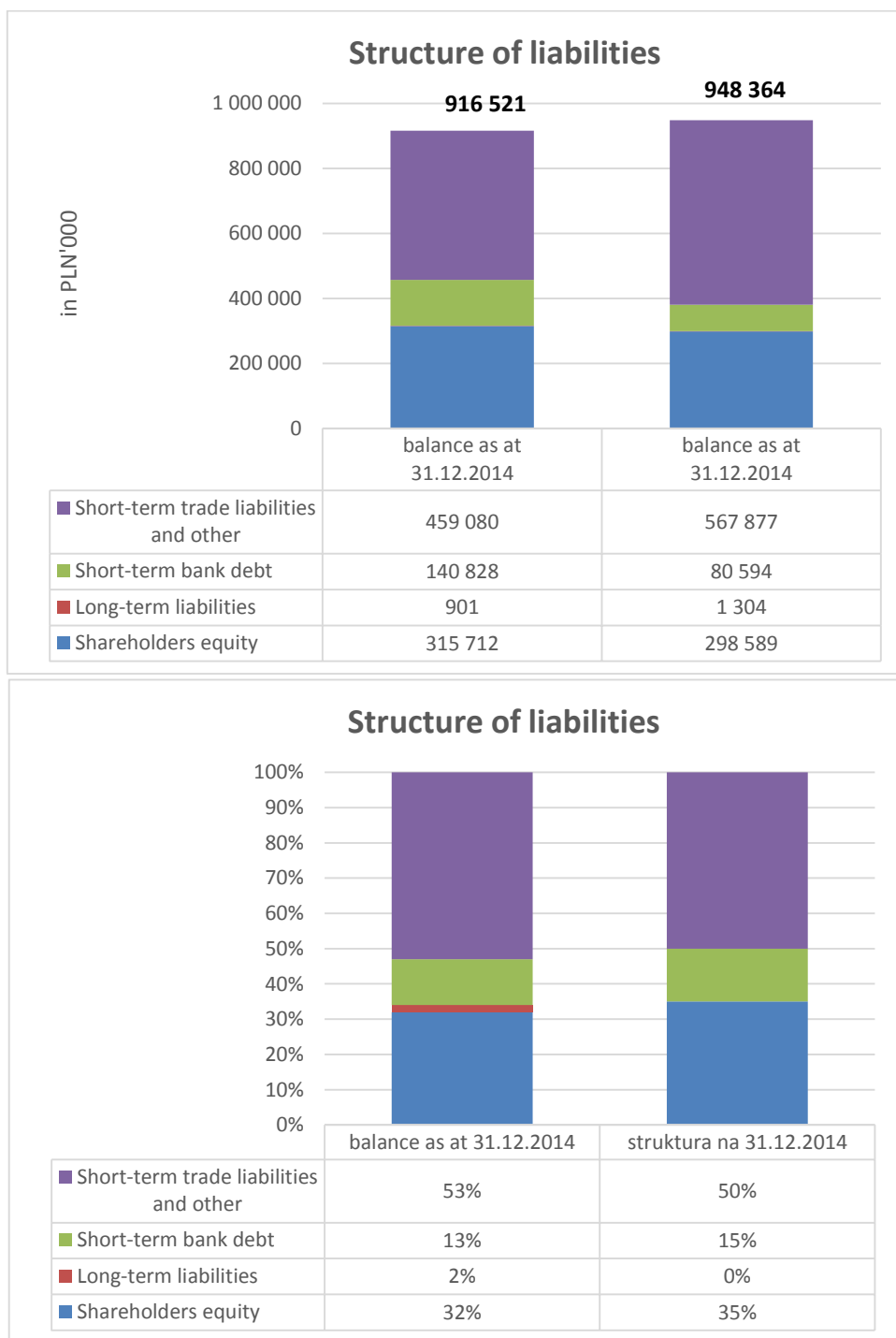
The structure of assets reflects the specifics of the industry, with current assets, in particular inventories and short-term trade receivables accounting for majority of assets.

At the end of 2014 current assets constituted 92% of the balance sheet total and their share was comparable to that from the end of the previous year. Current assets included mostly inventories and short-term receivables, accounting for 37% and 52% of the balance sheet total, respectively. A decrease in the share of receivables in the balance sheet total as at 31 December 2014 compared to the end of the previous year resulted from a change in the structure of sales and increase in export sales with shorter payment deadlines.

Non-current assets include mainly goodwill and deferred tax asset.

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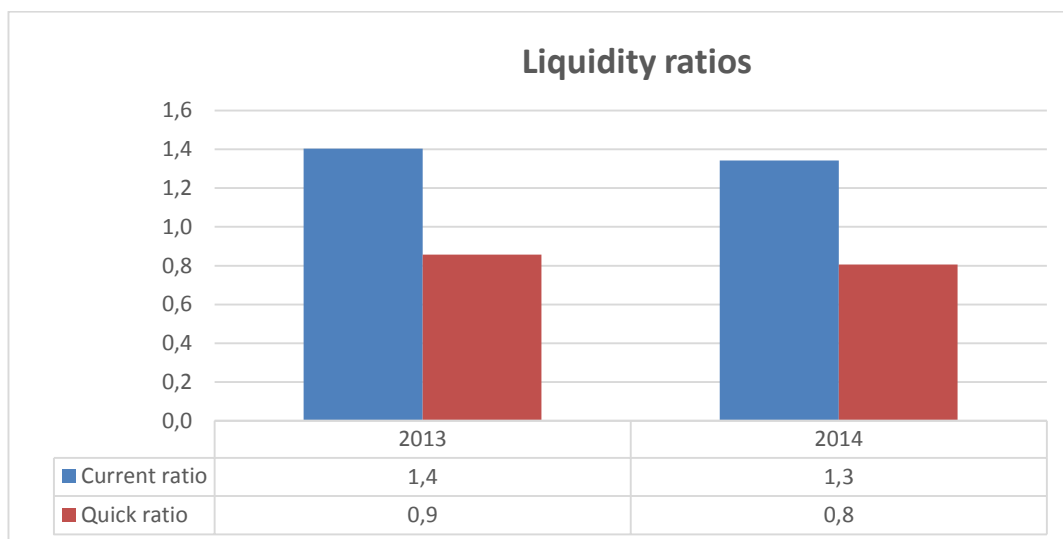
Equity constituted 31% of the total equity and liabilities and funded all non-current and a portion of current assets. Current assets were mainly funded with trade credits granted by suppliers (60% of the total equity and liabilities) and short-term bank borrowings (8% of the total equity and liabilities).

5.5 Ratio analysis

5.5.1 Liquidity ratios

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In 2014, Group's liquidity ratios remain close to those of the previous year. According to the Management Board, they have been safe and allow payment of liabilities within deadlines based on current assets.

5.5.2 Working capital management

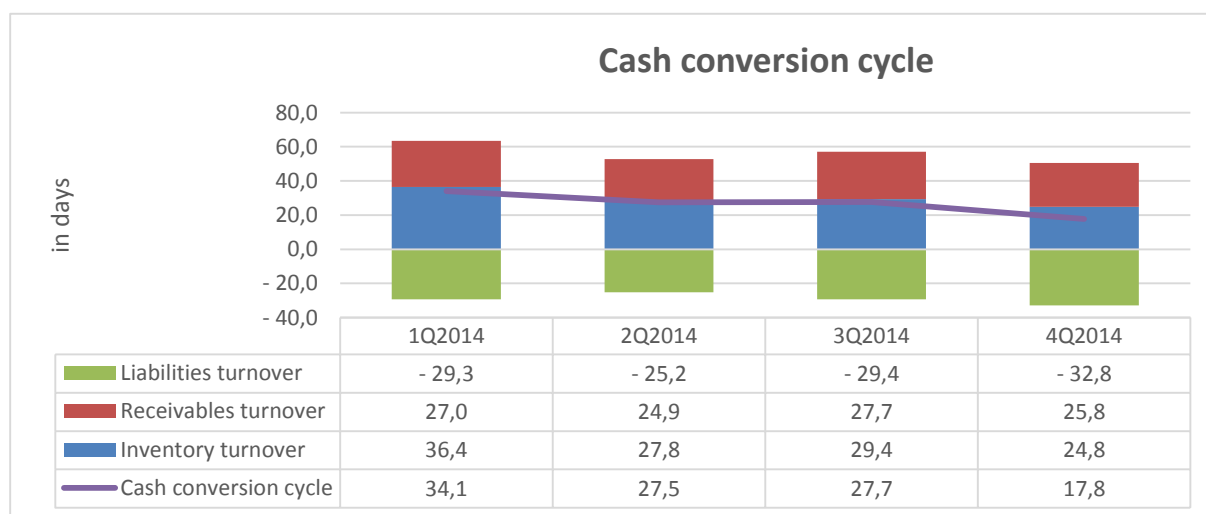
Effective management of working capital is one of key objectives of the ABC Data Group. In 2014, the average cash conversion cycle has improved year on year. Extending the payment deadlines regarding suppliers, increase in non-recourse factoring and reverse factoring and changes in the sales structure were the key factors reducing the cash conversion cycle.

The following data have been derived from management accounting records.

Comparison of ratios per period is presented in the table below.

| Current assets | 2013 | 2014 |
|------------------------------|-------------|-------------|
| Inventory turnover in days | 30.0 | 29.6 |
| Receivables turnover in days | 25.2 | 26.4 |
| Liabilities turnover in days | 25.9 | 29.2 |
| Cash conversion cycle | 29.3 | 26.8 |

Data regarding changes in the cash conversion cycle in 2014 are presented below.

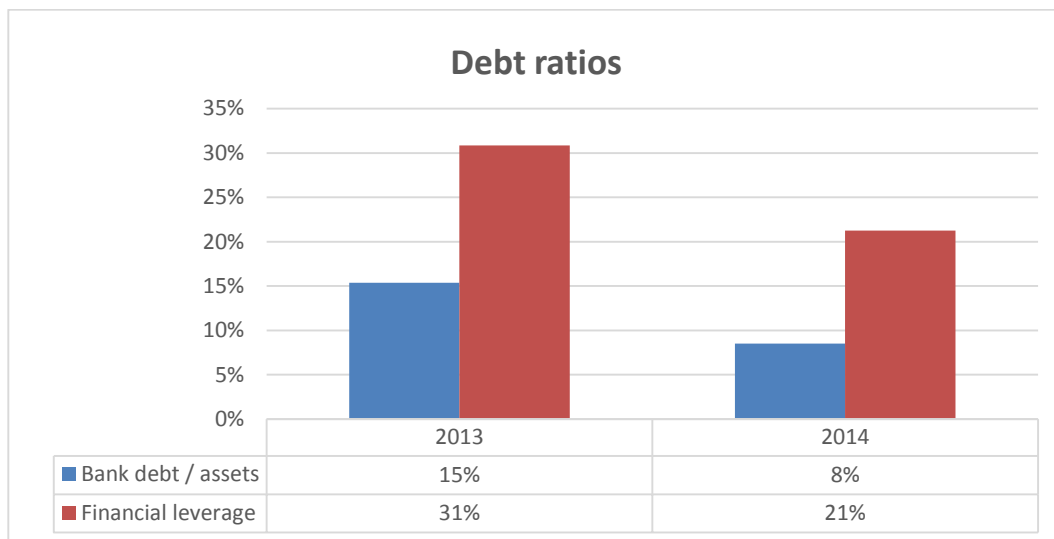


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CCC is presented as the arithmetical average of monthly ratios for a given period. The monthly ratios have been defined as the total of receivables and inventory turnover in days less liabilities turnover in days. Each component of the monthly ratio has been calculated as a relation between the level of relevant balance sheet items at month-end multiplied by 30 days and referred to revenue of the month increased by VAT on sales (for amounts receivable), to selling expenses of the month (for inventories) and to costs of sales in the month increased by VAT on purchases of goods (for liabilities).

5.5.3 Debt ratios



Debt ratios have decreased year on year and remain safe.

The financial leverage has been determined as the relation of bank debt to the total book value of equity plus this debt.

5.6 Structure of key capital deposits and investments

Neither the Parent or its Capital Group companies hold material capital deposits.

5.7 Major events exerting a significant effect on the capital group's operations and financial performance in the financial year or the effects of which may be observed in the following years

In 2014, one-off events exerting material impact on the financial performance of the Group included revaluation of trade receivables from counterparties of approx. PLN 15.1 million (which was charged to selling expenses). As a result, the Management Board of the Capital Group analyzed and updated credit risk management procedures (in particular with regard to credit risk concentration).

5.8 Projections vs. actual performance

On 12 May 2014, the Management Board published the current report no. 20/2014 including projections of the performance of ABC Data Capital Group for 2014. The projection was adjusted on 10 November 2014 with the current report no. 142/2014 and then on 17 March 2015 with the current report no. 53/2015.

The sales revenue projected for the Group was PLN 5,573,430 thousand and the consolidated EBITDA PLN 62,722 thousand. The projection included sales volume, costs and revenue structure based on historical data, market experience and estimated standing of the markets where the ABC Data Capital Group operates. When developing the projection adjustment, the Management Board of ABC Data S.A. included higher than assumed cost basis and annual measurement of working capital, consisting mainly of inventories.

5.9 Untypical factors and events that affect the performance and description of the Group's economic position

In 2014, no such factors or events occurred according to the Management Board.

5.10 Evaluation of the management of financial resources

In the period included in the financial statements, the Group demonstrated full solvency.

It funded its current operations using own funds, short- and long-term credit facilities, loans from ABC Data Marketing Sp. z o.o. in Warsaw, a subsidiary, and discounted receivables from selected clients under factoring agreements concluded. In order to ensure funding the current operations, the Group continued a diversified policy towards banks as funding sources, obtaining its borrowings from six banks providing it with short-term credit facilities, five banks providing factoring facilities regarding receivables and two providing reverse factoring facilities. The list of loan and factoring agreements is provided in section 4.5. Credit facility and loan agreements.

During the financial year, all material financial ratios of the Group, including the debt ratios, remained on a good level. Thanks to sufficient funding limits provided by the banks, the Group was prepared to cover the growing demand for working capital and no problems regarding payment of its trade liabilities occurred.

In the subsequent financial year, further steps will be taken to provide the Group with optimized funding sources allowing the performance of sales plans for 2015.

Additional information about risks related to financial resources is presented in section 6.4 Debt risk.

5.11 Financial instruments

Description of selected risks (among others, price, credit, material interruptions to cash flow, liquidity) to which the Group is exposed and information about objectives and methods of financial risk management adopted by the Group, to include hedging of material transactions under hedge accounting, are presented in section 6.4 *Risks and threats*

5.12 Significant off-balance sheet items

Off-balance sheet items are presented in section 4.6 Sureties and guarantees.

5.13 Proceeds from issues of shares

On 21 February 2014 the share capital of the Company was increased by PLN 7,598 to PLN 125,259,301 following assumption of 7,598 I series shares by holders of G series subscription warrants. The increase in the share capital was related to the exercise of rights arising from subscription warrants by incentive scheme participants.

On 20 June 2014 the share capital of the Company was increased by PLN 7,598 to PLN 125,266,899 following assumption of 7,598 I series shares by holders of G series subscription warrants. The increase in the share capital was related to the exercise of rights arising from subscription warrants by incentive scheme participants.

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The total number of votes resulting from all shares issued is 125,266,899.

6 Growth perspectives and development factors

6.1 *Implementation of the Group's strategy*

The Company has consistently developed its platform allowing effective sales and logistic support (including improved warehousing processes) through implementation of system and procedure integration in the Company and on the Group level.

Apart from operations performed through local companies, ABC Data has been rapidly developing exports, treated both as extension and diversification of its current business activities through improved sales performance and utilizing differentiated product prices on these markets, as well as through winning clients and surveying foreign markets prior to the planned entry.

Having analyzed four years of marketing Colorovo, its own brand, the Company has been working on the definition of the new structure of its product portfolio.

6.2 *Development perspectives for the Company and the Capital Group*

One of the key objectives of the Company is to grow sales in the Czech Republic, Romania, Slovakia, Lithuania, Estonia, Latvia, Germany and Hungary. To this aim, the Company expands its product offer and the client base, in particular in the SME, retail, system integrator and telecommunication operator sectors.

Another development driver is intensifying works aimed at opening fully functional online shops managed by the Company's Trade Partners. Further, B2B tools (BiznesLink) and B2B2C (PC Link and ResellerWEB) made available to all clients will be continuously developed.

Cooperation with telecom operators and adding telecom products to the offer remains one of the most promising development directions of the Company. The Company has undertaken measures aimed at continuous cooperation with telecom operators through conclusion of individual high-volume transactions, still the growth potential of the cooperation is high. Similarly as in distribution of telecom devices (GSM and smartphones), manufacturers have just begun to notice opportunities and benefits arising from cooperation with IT distributors, especially those succeeding in cooperation with demanding clients, such as large retail networks. Further growth of sales in the consumer electronics, household appliances, computer game software and hardware markets is gaining importance as well.

6.3 *Development factors material for the operations of the Capital Group*

6.3.1 Macro-economic environment influencing operations of the Group; IT industry standing

The key factors to shape the Group's operations in the reporting period and in the following year are:

- continuous increase in the IT market in the countries of the Group's direct presence, stimulated by economic growth and development of CE countries but slower than in previous years;
- growing role of Polish enterprises in Central and Eastern Europe that stimulates exports;
- strong pricing competition in most IT product groups;
- growing market share of the largest IT distributors;

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- uncertain standing of markets where ABC Data Group operates due to possible negative effects of events taking place in the Eurozone on the macro-economic standing of the region, in particular of less developed countries.

6.4 *Risks*

Risk related to macro-economic standing of Poland and other countries where the Group operates

Growth of the IT sector is closely related with the general economic standing of Poland and other countries, in which the Group carries out its operations. Polish economy is sensitive to the global economic situation, in particular to the EU standing. Possible rapid market break may have substantial adverse impact on the financial performance of the Company and the entire Group.

GDP growth in each country, IT expense level, pay level, investment in enterprises, inflation and foreign exchange rates are the key factors influencing the Group's financial performance. There is a risk that a slowdown in economic growth of the Group's markets, reduced investment and public procurement level or an inflation increase may negatively impact operations and financial standing of the Parent and subsidiaries, their performance and development perspectives.

The political situation in Ukraine has no material impact on the sales of the ABC Data Capital Group. In particular it did not result in any major problems with insolvency of the Clients of the Company's Capital Group. The Companies in the ABC Data Group have not carried out any major sales projects in the Ukrainian market.

Margin reduction risk

All markets on which ABC Data Group operates are highly competitive. Growing competition arising from new market entries, increasing saturation with IT products and aggressive pricing may result in trade margin reductions.

Margin control including all key factors that contribute to its amount, active response to margin drops and substantial diversification of the Group's offer allow significant risk mitigation.

Foreign exchange risk

A significant portion of products offered by the Company come from foreign suppliers. Settlement of foreign currency transactions concluded with suppliers and clients gives rise to the risk of revenue and expense fluctuation caused by changes in forex rates, which may negatively affect the Company's performance.

The purchase structure of the Group is generally centralized in ABC Data S.A. in Warsaw. Then, the goods are sold to local clients by subsidiaries located in the Czech Republic, Slovakia, Lithuania, Hungary and Germany (which, except of Romania, do not have separate warehouses). Very few goods are purchased directly by subsidiaries. Since deliveries from the head office to the subsidiaries are denominated in the currency used by these companies when selling to their clients, their forex risk is very small, and the entire risk management process lies with ABC Data S.A., the parent.

The Parent attempts to mitigate the negative effect of forex rate changes through pro-active forex risk management. For this purpose, ABC Data S.A. applies solutions involving daily indexing prices of the offered products in foreign currencies. Such a pricing policy allows, on the one hand, flexible adjustment of domestic currency prices to the current exchange rates, and on the other hand, the use of inventory of goods expressed in foreign currencies as a natural hedge against the forex risk arising from foreign currency liabilities.

The purpose of parent's currency position management is to maintain a balanced asset and liability position in each currency including the inventory level. Spot, forward and currency swap transactions are the key financial instruments used to hedge currency positions. In 2014, the Group did not use currency options as forex risk hedges.

The parent has implemented hedge accounting involving hedging of the future cash flows from trading operations with regard to the pricing system and the relevant forex risk policy, as well as in order to mitigate financial effects of rapid forex rate changes and their impact on the Group's performance. This allows allocating forex differences to periods they actually pertain to, and thus limiting the risk of incidental misstatement of financial profit/loss in a given period.

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Interest rate risk

During the reporting period the Group's liabilities included short-term bank loans and factoring facilities with interest rates based mostly on monthly base rates for a given currency increased by bank's margin. Since intercompany deliveries of purchases for Poland, Slovakia, Czech Republic, Lithuania, Hungary, Romania and Germany, are centralized in ABC Data S.A. in Warsaw, the parent is the one to finance most operations. Purchases made by its distribution subsidiaries are funded through trade liabilities to the Parent.

A significant increase of market interest rates may adversely impact the financial performance of the Company. Risk mitigation and prevention measures involve continuous monitoring of the money market standing and active managing of balance sheet items that impact working capital, although do not include financial instruments hedging against forex rate risk.

Business acquisition risk

Accelerating business growth by acquiring other entities is an important element of the strategy adopted by the ABC Data Group. The Company may be forced to withdraw from investing in certain entities it has been negotiating with since potential targets, formerly evaluated as attractive, will generate too much risk or the transaction price expected by their owners will render them unviable. Also, if transactions are concluded, future financial performance of acquirees and the presumed synergy effect may be lower than planned.

Price risk

Continuous reduction of product prices arising from their progressing technical obsolescence and launch of new products is characteristic of the IT market. The Parent purchases goods directly from IT hardware manufacturers for further distribution. During pre-sale storage, prices of individual products may drop following reductions introduced by manufacturers.

Price protection clauses included in contracts concluded with key supplies, i.e. manufacturers of goods and market practice protect against the risk. They allow for obtaining a refund of a portion of the cost of unsold goods if the sales price to Group's clients decline. Manufacturer bearing full responsibility for price changes of goods held in distributor's warehouse is the standard distribution market practice.

The Company does not store high volumes of goods purchased from distributors in order to avoid the risk of a price drop. Such transactions are usually concluded based on specific orders of the Company's buyers. Nevertheless, in order to limit the price risk, the Group focuses on maximizing inventory turnover.

Debt risk

During the reporting period the Group used borrowings in the form of short- and long-term loans, intercompany loans and factoring facilities. The Parent is the one charged with funding of the Group's operations as it operates the central warehouse supplying products for sale by distribution subsidiaries.

The Group uses services of six banks providing loans to fund the Parent's operations and five separate factoring facilities for selected clients of ABC Data S.A. in Warsaw for the purpose of discounting receivables from these clients on an ongoing basis.

Due to the commercial nature of the operations of the Company and Capital Group, the amount of funding closely depends on the level of sales and working capital management quality (turnover of receivables, liabilities and inventory). Receivables, liabilities and inventory turnover is monitored on an ongoing basis in order to limit the amount of borrowings, at the same time optimizing product availability and attractiveness of trade credits offered to the Company's clients. Apart from planning the demand for borrowings in its annual budget, the Company keeps monitoring its debt and cash flows to be able to undertake relevant measures aimed at obtaining more funds necessary to ensure paying its trade liabilities within contractual deadlines if necessary.

According to the Management Board, the current limits cover the potential demand for working capital both in the Company and Capital Group, and the risk that the banks that provide the funding will be not willing to extend the funding agreements is limited.

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Supplier risk

The Company's operations are based on cooperation with key IT hardware suppliers. According to the Management Board, there are no suppliers so important that disruption in cooperation with them would have a material negative impact on the sales performance of the Company. A broad portfolio of products allows efficient management of relationships with suppliers and offering clients with alternative solutions if temporary shortages or price fluctuations occur.

IT and telecom system risk

Due to its operational specifics, the Company's efficiency closely depends on data flow and processing speed. Therefore, continuous improvement and uninterrupted operation of IT tools supporting communication and management is crucial. The Group has been systematically extending and improving its IT infrastructure supporting business management processes. Despite being modern and efficient, the risk of IT system breakdown cannot be excluded, nor can be the future threat of its reduced efficiency due to growing scale of operations or other factors, including those beyond the Group's control. Any reduction in efficiency of the IT infrastructure used by the Group may have an adverse effect on business management, development strategy implementation and financial performance.

The Group regularly monitors the efficiency of its IT solutions, improves them and extends to match the Group's growth. Additionally, the Group has a team of IT specialists able to promptly repair potential breakdowns. The Group has implemented a system ensuring data control and recovery in crisis situations.

Risk related to loss of key employees

Operations of the Group and its development perspectives depend on the knowledge, experience and qualifications of Management Board members and other key managers. Strong demand for IT specialists and competitors' activities may result in key personnel leaving the company and slow down the recruitment of new hires with relevant background and skills. There is a risk that the losing of key employees will negatively impact the operations and financial standing of the Group, its financial performance and growth perspectives. Please note, though, that employee turnover in the Group is small. Further, the Group has been monitoring the labor market on an ongoing basis and adjusting to its trends in order to limit the risk, also in terms of the salary and incentives offered, including stock options for top management.

Risk related to trade credits granted

The Company offers trade credits to its business partners and therefore it is exposed to the risk of losing receivables due to potential insolvency of their counterparties.

The risk is limited with group or individual insurance policies for trade receivables concluded by all Group companies. Insurance decisions determine internal decisions regarding trade credit limits for Group clients. In most cases, such limits do not exceed the level of coverage granted by the insurer.

The companies within the Group use an internal integrated CRM system allowing analysis of risk related to clients, including the history of contracts, value of orders and timeliness of payment, as well as analysis, approval and management of credit limits for individual clients.

Receivables from clients are monitored on an ongoing basis. In case of overdue payments, sales are suspended and immediate collection measures are implemented.

The efficient procedure of trade credit granting, verifying and monitoring, bad debt level has remained flat.

Risk related to the seasonality of sales

The Group's sales are seasonal, which involves the sales level exceeding the average in Q4. Capital expenditure of institutional clients and increased purchases of retail clients over the Christmas period contribute most to the trend.

There is a risk that a growth in sales in Q4 may result in an increased demand for working capital in the period.

Risk related to damage or loss of goods in warehouse following force majeure

Gathering goods of substantial value in one place gives rise to a risk of exposing it to force majeure, such as fire, flood etc. Please note that all Company's assets (including inventories) are insured, as well as a potential loss of income.

The above events may substantially limit or even suspend operations of the Company and Capital Group companies. This in turn may temporarily disrupt trade relations with clients and may damage their trust in ABC Data as a supplier.

Major shareholder risk

As at 31 December 2014, MCI Group companies held jointly 61.52% of shares in the share capital, corresponding to 61.52% of votes at the General Shareholders' Meeting. As at the date of publishing the financial statements, MCI Group companies held jointly 61.52% of shares in the share capital, corresponding to 61.52% of votes at the General Shareholders' Meeting. In the reporting period, the total share of MCI Group companies in the interest (expressed in percent) decreased from 61.54% to 61.52% following the share capital increase. At the same time during the reporting period and by the date of publication of this report, the number of the Company's shares held by the entities in the MCI Group did not change.

The impact of MCI Group, as the majority shareholder, on decisions made by General Shareholders' Meeting of the Parent, may be substantially stronger than the impact of minority shareholders.

6.5 Planned investments

The Company shall focus on investments in improved warehouse service systems, further development of the IT infrastructure for warehousing and logistics purposes, necessary to ensure efficient e-trade in B2B and B2B2C areas. The Company is able to finance such investments.

The Company will consistently implement its investment plans, in particular regarding geographical expansion in Central and Eastern Europe.

7 Bodies of the companies in ABC Data Group

7.1 Composition

7.1.1 Management Board

Composition of the Management Board of ABC Data S.A. as at 31 December 2014:

- Norbert Biedrzycki — President of the Management Board
- Ilona Weiss — Vice-President of the Management Board for finance and operations

In the reporting period, the composition of the Management Board of the Company changed.

On 24 April 2013 Dobrosław Wereszko resigned the position of the Management Board Member. Relevant information was included in the current report no. 17/2014 of the same date.

On 6 October 2014, the Supervisory Board decided to appoint Juliusz Niemoćko Vice-President of the Board effective as of 1 January 2015 for the three-year office. The relevant information was published in the current report no. 115/2014 of 7 October 2014.

On 7 October 2014 Norbert Biedrzycki resigned the office of the President effective 31 December 2014.

At the same time, on 7 October 2014, the Company's Supervisory Board appointed Ilona Weiss, a former Vice-President for Finance and Operations, to the position of the President of the Management Board effective as of 1 January 2015. The relevant information was published in the current report no. 115/2014 on the same day.

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Composition of the Management Board of ABC Data S.A. as at the date of the report:

- Ilona Weiss – President of the Management Board
- Juliusz Niemotko – Vice-President of the Management Board

7.1.2 Supervisory Board

Composition of the Supervisory Board of ABC Data S.A. as at 31 December 2014:

- Ulrich Kottmann — President
- Mirosław Godlewski – Vice-President
- Nevres Erol Bilecik, Member
- Fabian Bohdziul – Member, related to MCI Management S.A.
- Tomasz Czechowicz — Member, associated with MCI Management S.A.
- Maciej Piotr Kowalski – Member, related to MCI Management S.A.
- Cezary Smorszczewski — Member, associated with MCI Management S.A.

Changes in the composition of the Supervisory Board during the reporting period have been described in section 7.2 hereof.

By the date of publication of this report, composition of the Supervisory Board has not changed.

7.2 *Changes in the composition of the Company's Management and Supervisory Boards*

On 2 January 2014, the Management Board of the Company was informed that MCI Management S.A., acting pursuant to Article 14.3 of the Articles of Association of ABC Data S.A., appointed Fabian Bohdziul a member of the Supervisory Board for the three-year office term, effective as of 1 January 2014. The relevant information was published in the current report no. 1/2014 of 2 January 2014.

On 23 June 2014, GSM dismissed Mirosław Godlewski and Marek Sadowski from the Supervisory Board and appointed them for the new three-year term. The relevant information was published in the current report no. 37/2014 of 23 June 2014.

On 4 July 2014, Member of the Supervisory Board, Mr. Marek Sadowski, passed away. On the same day the Company published relevant information in a current report no. 49/2014.

On 27 August Supervisory Board appointed Mirosław Godlewski its President. The relevant information was published in the current report no. 90/2014 of 28 August 2014.

On 5 December 2014, the Management Board was informed that as of 5 December 2014, MCI Management S.A., acting pursuant to Article 14.3 of the Articles of Association of ABC Data S.A., appointed Maciej Piotr Kowalski a member of Supervisory Board of ABC Data S.A. for the three-year office term. The relevant information was published in the current report no. 166/2014 of 5 December 2014.

7.3 *Agreements concluded between the Company and its management members*

As at the date hereof, no agreements have been concluded by the company with members of its management, projecting compensation in cases they resign or are dismissed without a valid reason or when dismissed or laid off due to combination through acquisition.

7.4 *Remuneration of members of the Company's Management and Supervisory Boards*

| Company's body | Short-term employee benefits | |
|--|--|--|
| | Period 1.01.2014 -31.12.2014 (PLN '000) | Period 1.01.2013 -31.12.2013 (PLN '000) |
| Management Board of the parent | | |
| Norbert Biedrzycki, President of the Management Board (until 31 December 2014) | 1 443 | 1 306* |
| Ilona Weiss – President of the Management Board (until 31 December 2014 Vice-President for Finance and Operations) | 1 133 | 769** |
| Dobrosław Wereszko, Member of the Management Board (until 24 April 2014) | 140 | 717*** |
| Wojciech Łastowiecki – Deputy Chairman of the Management Board (until 6 December 2013) | - | 1 158**** |
| Tomasz Zatorski – Member of the Management Board (until 6 March 2013) | - | 209 |

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| Supervisory Board of the Parent | | |
|---|--------------|--------------|
| Ulrich Kottmann, President | 120 | 80 |
| Tomasz Czechowicz – Member | 15 | 30 |
| Hans-Dieter Kemler – Member (until 23 June 2014) | 8 | 16 |
| Mirosław Godlewski, Member (since 28 June 2014, Vice-President) | 19 | 21 |
| Marek Sadowski – Vice President (until 4 August 2014, Member) | 16 | 29 |
| Nevres Erol Bilecik, Member | 12 | 8 |
| Hans-Peter Ständer – Member | - | 4 |
| Ryszard Warzocha – Member (until 10 June 2013) | - | 11 |
| Fabian Bohdziul (since 1 January 2014) | 15 | - |
| Cezary Smorszczewski, Member (since 23 June 2014) | 8 | - |
| Maciej Piotr Kowalski (since 5 December 2014) | 1 | - |
| Management Boards of subsidiaries | 4 853 | 2 004 |

* Including 614 Income from participation in the option scheme

** Including 205 Income from participation in the option scheme

*** Including 153 Income from participation in the option scheme

**** Including 461 Income from participation in the option scheme

Members of the supervisory and management bodies receive no other remuneration related to their positions held in the Capital Group companies.

7.5 Management and supervisory bodies members holding shares in the Company or its related parties

| Name and surname | Position | Balance as at 31 December 2014 | | Balance as at 19 March 2015 | |
|---------------------|--|-----------------------------------|---|-----------------------------------|---|
| | | Number of shares/votes at the GSM | % interest in the share capital / votes | Number of shares/votes at the GSM | % interest in the share capital / votes |
| Norbert Biedrzycki | President of the Management Board (until 31 December 2014) | 86 700 | 0.069% | - | - |
| Ilona Weiss | President of the Management Board (since 1 January 2015) | 56 500 | 0.045% | 56 500 | 0.045% |
| Ulrich Kottmann * | President of the Supervisory Board | 229 692 | 0.183% | 229 692 | 0.183% |
| Nevres Erol Bilecik | Member of the Supervisory Board | 1 252 222 | 1% | 1 252 222 | 1% |

** Dejavu Fashion Sp. z o.o. controlled by Ulrich Kottmann holds 49,579 shares in ABC Data S.A.

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Ulrich Kottmann, Supervisory Board President, held 7,598 G series subscription warrants issued under the Company's incentive program in 2011 to members of its Supervisory Board. In the reporting period, the above subscription warrants were converted to shares in the Company.

Other members of management and supervisory bodies do not hold Company's shares or subscription warrants.

On 27 November 2014, Ulrich Kottmann and the company controlled by him, Dejavu Fashion Sp. z o.o., notified about a purchase and sales transaction on the Company's shares. The transaction involved the purchase of 200,000 shares in the Company by Ulrich Kottmann from Dejavu Fashion Sp. z o.o. The transaction was concluded in Warsaw based on a civil law agreement.

8 Shares and shareholding structure of the Parent

8.1 Share capital structure of ABC Data S.A.

8.1.1 Total number and nominal value of all shares

As at 31 December 2014, the Company's share capital totaled PLN 125,266,899.00 (PLN one hundred twenty five million two hundred sixty six thousand eight hundred ninety nine) and was divided into 125,266,899 (one hundred twenty five million two hundred sixty six thousand eight hundred ninety nine) equal and indivisible shares with the par value of PLN 1 (one) each. The amount paid prior to the registration to cover the share capital was PLN 125,000 (one hundred twenty five thousand).

The share capital structure is the following:

- 500,000 ordinary A series bearer shares with sequential numbers from 000 001 to 500 000;
- 54,972,000 ordinary B series bearer shares with sequential numbers from B 00 000 001 to B 54 972 000;
- 44,000,000 ordinary C series bearer shares with sequential numbers from C 00 000 001 to C 44 000 000;
- 2,878,869.00 ordinary D series bearer shares with sequential numbers from D 0 000 001 to D 2 878 869;
- 291.584 ordinary E series bearer shares with sequential numbers from E 000 001 to E 291 584;
- 304,625 ordinary F series bearer shares with sequential numbers from F 000 001 to F 304 625;
- 304,625 ordinary G series bearer shares with sequential numbers from G 000 001 to G 304 625;
- 22,000,000 ordinary H series bearer shares with sequential numbers from H 00 000 001 to H 22 000 000;
- 15,196 ordinary I series bearer shares with sequential numbers from I 00 001 to I 15 196.

In the reporting period the share capital was increased by the total of PLN 15,196 in the form of two increases of PLN 7,598 each. The relevant information was published in the current report no. 11/2014 of 24 February 2014 and no. 32/2014 of 20 June 2014.

8.1.2 Total number and par value of all shares in subsidiaries

| Related party | Number of shares | Share | Nominal value of shares |
|--------------------------------------|------------------|---------|-------------------------|
| ABC Data s.r.o. - the Czech Republic | - *) | 100% | CZK 44 000 000 |
| ABC Data s.r.o. - Slovakia | - *) | 100% | EUR 6 638.78 |
| UAB "ABC Data Lietuva", Lithuania | 260 000 | 100% | LTL 260 000 |
| ABC Marketing Sp. z o.o. | 2 424 100 | 100% | PLN 121 205 000 |
| ABC Data Hungary Kft. | - *) | 100 % | Ft 34 870 000 |
| ABC Data Distributie SRL | 100 | 99% **) | RON 889 680 |
| ABC Data Germany GmbH | 250 000 | 100% | EUR |
| iSource S.A. | 81 632 653 | 100% | PLN 8 163 265.30 |

*) In accordance with the local law if 100% of shares in a company are held, the share capital is not divided into shares

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****) ABC Data S.A. directly holds 99% of shares and votes and the remaining 1% of shares and votes has been acquired by ABC Data Marketing Sp. z o.o.**

8.2 Shareholding structure of ABC Data S.A.

| Shareholder | Balance as at 31 December 2014 | | Balance as at 19 March 2015 | |
|---|-----------------------------------|---------------------------------------|-----------------------------------|---------------------------------------|
| | Number of shares/votes at the GSM | % interest in the share capital/votes | Number of shares/votes at the GSM | % interest in the share capital/votes |
| MCI Venture Projects sp. z o.o. VI S.K.A. | 77 060 378 | 61.52% | 77 060 378 | 61.52% |
| OFE PZU "Złota Jesień" | 11 624 678 | 9.28% | 11 624 678 | 9.28% |
| Aviva OFE Aviva BZ WBK | 8 741 426 | 6.98% | 8 741 426 | 6.98% |
| BZ WBK Asset Management S.A. | 6 307 838 | 5.04% | 6 192 289* | 4.94%* |
| Other shareholders | 21 532 579 | 17.18% | 21 648 128 | 17.28 |
| Total | 125 266 899 | 100.00% | 125 266 899 | 100.00% |

* As per communication submitted on 5 March 2015.

In the period from 10 November 2014 (the date of publication of the latest periodic report of the Company, i.e. the adjusted extended consolidated report for Q3 2014), until the publication date hereof, the following changes occurred in the number of shares held by the major shareholders of the Company.

Pursuant to communications received on 18 December 2014, ABCD Management Sp. z o.o. spółka jawna with the registered office in Warsaw and MCI Venture Projects Sp. z o.o. VI S.K.A. concluded a transaction outside the regulated market, based on a civil law agreement concluded with a broker house in Warsaw on 12 December 2014. Under the transaction, ABCD Management Sp. z o.o. spółka jawna sold 4,700,000 ordinary bearer shares of the Company to MCI Venture Projects Sp. Z o.o. VI S.K.A. at the price of PLN 3.91 per share, i.e. for the total of PLN 18,377,000 (the current report no. 176/2014 of 19 December 2014).

Pursuant to communications received on 30 December 2014, ABCD Management Sp. z o.o. spółka jawna with the registered office in Warsaw and MCI Venture Projects Sp. z o.o. VI S.K.A. concluded a transaction outside the regulated market, based on a civil law agreement concluded with a broker house in Warsaw on 23 December 2014. Under the transaction, ABCD Management Sp. z o.o. spółka jawna sold 46,675,378 ordinary bearer shares of the Company to MCI Venture Projects Sp. Z o.o. VI S.K.A. at the price of PLN 3.88 per share, i.e. for the total of PLN 181,100,466.64 (the current report no. 180/2014 of 30 December 2014).

Pursuant to a communication received on 5 March 2015 from BZ WBK Asset Management Spółka Akcyjna with the registered office in Poznań, following the sale of shares effected on 2 March 2015, clients of that entity became the holders of shares being the equivalent of less than 5% of votes at the General Shareholders' Meeting of the Company. Before the share reduction referred to above, clients of BZ WBK Asset Management S.A. whose accounts are subject to management contracts held the total of 6,268,077 Company's shares which accounted for 5.00% shares in the share capital. The shares entitled to 6,268,077 votes at the General Shareholders' Meeting, i.e. 5.00% of the total number of votes at GSM. On 2 March 2015, clients of BZ WBK Asset Management S.A. whose accounts are subject to management contracts held the total of 6,192,289 shares, i.e. 4.94% of the share capital. The shares entitled to 6,192,289 votes at the General Shareholders' Meeting, i.e. 4.94% of the total number of votes at GSM (the current report no. 44/2015 of 5 March 2015).

The Company's Management Board also uses information on asset structure published by open-ended pension funds to analyze changes in the period since the date of providing of the most recent periodic report.

8.3 Agreements which may lead to changes in the proportion of shares held by the existing share- and bondholders

The incentive scheme and its performance have been presented in Note 20.1 to the financial statements.

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8.4 *Treasury shares*

On 23 June 2014, the General Shareholders' Meeting adopted resolution no. 31 to authorize the Management Board of ABC Data S.A. to buy back shares for further resale or redemption. Pursuant to the resolution the total number of acquired shares will not exceed 5% of the shares of the Company traded on a regulated market. The total cost of shares will not exceed PLN 20,000,000, Individual price of the shares will be at least PLN 1 and not more than PLN 6 and the buyback will end by 30 March 2015.

On 24 June the Company launched the buyback of shares in accordance with the authorization given by the General Shareholders' Meeting based on Regulations of Buyback approved by the Management Board of the Company (current report no. 38/2014 of 24 June 2014). Since 24 June to the day preceding the publication of this report, the Company bought back the total of 2,242,835 shares which accounted for 1.79 % share in the share capital and votes at the General Shareholders' Meeting of the Company.

On 6 August 2014 the Company ordered the transfer of 1,351,853 treasury shares to those selling to the Company shares in iSource S.A., in accordance with the investment agreement of 23 December 2013 (current report no. 47/2013 of 23 December 2013). The Company published relevant information in current report no. 71/2014 of 6 August 2014. The shares had been bought in the buyback scheme carried out pursuant to resolution no. 5 of the General Shareholders' Meeting of 30 September 2011 authorizing the Management Board of ABC Data S.A. to buy back shares and later resell them or redeem.

8.5 *Employee stock control system*

Supervisory Board is the body authorized to set parameters and principles of employee stock granting. It determines the financial parameters for a reporting period and controls their performance.

9 Additional information to the Management Board's Report on the Activities of SBC Data Capital Group

9.1 *Court proceedings*

In 2014 no proceedings were pending or instituted before courts, arbitration authorities or public administration authorities with regard to liabilities or receivables of ABC Data S.A. or its subsidiaries, with the claim value constituting at least 10% of the Company's equity, both for an individual case and a number of proceedings analyzed jointly.

9.2 *Entity authorized to audit financial statements*

On 1 July 2013 the Company concluded an agreement with Deloitte Polska Sp. z ograniczoną odpowiedzialnością Sp. k. with the registered office in Warsaw, at al. Jana Pawła II 19 concerning audit of separate and consolidated annual financial statements and review of mid-year separate and consolidated financial statements for the years 2013 and 2014.

The following list presents the services provided by Deloitte Polska Sp. z ograniczoną odpowiedzialnością Sp. k. along with the fee for the services for the financial year ended 31 December 2014.

Remuneration of the entity authorized to audit financial statements paid or due for the year ended 31 December 2014 and 31 December 2013 by service:

| Service | Year ended 31 December 2014 | Year ended 31 December 2013 |
|---|--------------------------------|--------------------------------|
| Statutory audit and review of the Parent's financial statements | 209 | 202 |
| Tax advisory services | 42 | 45 |
| Other services | 42 | 11 |
| Services regarding subsidiaries | 350 | 120 |
| Total | 643 | 378 |

In 2014 and 2013, the above services were provided by Deloitte Group companies. Deloitte Group carried out statutory audit in all companies of ABC Data S.A. Capital Group for 2014.

9.3 *Characteristics of the internal control and risk management system with respect to the preparation of separate and consolidated financial statements*

The Management Board of the Company is responsible for internal controls of the Company and their efficiency in the process of preparing the financial statements and periodic reports drawn up and published in line with the Ordinance.

The financial statements of the Company are prepared by the management of the Financial and Accounting Division supervised by CFO in charge of the Company's finance.

The financial statements and periodic reports are prepared based on financial data from the financial and accounting system, registered in line with the Company's accounting policy approved by the Management Board and compliant with the International Financial Reporting Standards. Information from the management reporting systems and data provided directly by the Management or the Legal Department are used in the preparation of the financial statements.

The financial statements are reviewed and pre-approved by the Chief Accountant and presented to the CFO for final approval. Before their final approval for publication they are provided to the Audit Committee of the Supervisory Board.

Annual and semi-annual financial statements are reviewed and audited by an independent certified auditor of the Company. Audit and review recommendations are presented to the Audit Committee. Audit Committee representatives analyze audit and review results during meetings with the Company's certified auditor including those not attended by the Management Board.

9.4 *Significant shareholdings (direct or indirect)*

Shareholders controlling over 5% of shares in ABC Data S.A. have been presented in point 8.2 hereof.

9.5 *Holders of securities giving special control rights with respect to the Company and a description of such rights*

None of the holders of securities have any special control rights.

9.6 *Limitations on exercising the voting rights*

No limitations regarding the exercising of the voting rights exist, except for the Company's treasury shares described in section 8.4 hereof (the Company cannot exercise the voting rights arising from these shares).

9.7 Limitations on the right to transfer the ownership title to the Company's securities

According to the best knowledge of the Management Board, as at the date hereof, no such limitations occur.

9.8 Principles regarding appointment and dismissal of managerial staff and their authorization

The Management Board of ABC Data S.A. has the statutory empowerment to manage the Company's business and represent it before third parties. It operates in accordance to the valid legal regulations, in particular the Code of Commercial Companies and Accounting Act, as well as the Company's Articles of Association. The Management Board exercises its statutory rights subject to the valid corporate governance principles.

The Board is led by its President. Its activities include current business operations of the Company, management and representation before third parties. The Management Board is responsible for all tasks related to the day-to-day running of the business, which have not been delegated to members of other governing bodies under the applicable laws or provisions of the Company's Articles of Association.

The Management Board consists of one to five members, including the President. The term of office of the Board members takes three years. The number of the Management Board members is determined by the Supervisory Board.

The Supervisory Board appoints Management Board members, determines and modifies their tasks and responsibilities, dismisses and suspends them. The mandates of members of the Management Board expire as of the date of the General Meeting approving the financial statements, balance sheet and income statement for the last full financial year of their office term.

Two members of the Management Board acting jointly or one member with a proxy may make statements of will or sign documents on behalf of the Company. A proxy may represent the Company only jointly with a Management Board member.

Management Board resolutions are required among others for issues in excess of ordinary management of the Company. The resolutions of the Management Board are adopted with an absolute majority of votes of all members present. In the event of a tied vote, the President has the deciding vote.

The Management Board is not authorized to make decisions concerning the issue or redemption of shares.

9.9 Changes in the Company's Articles of Association

In accordance with Article 22 (i) of the Company's Articles of Association any changes thereto must be approved in the form a resolution of the General Shareholders' Meeting.

Changes in the Company's Articles of Association result from Article 430 of the Code of Commercial Companies.

9.10 Principles applied to the General Meeting and its powers. Shareholder rights and the way in which they are exercised

The General Shareholders' Meeting of ABC Data S.A. is an authority determining key issues for the Company's business operations. The General Shareholders' Meeting of ABC Data S.A. acts in line with the Code of Commercial Companies, the Company's Articles of Association and the Regulations of the General Shareholders' Meeting dated 30 June 2011. The full text of the Company's Articles of Association detailing the competencies of the GSM and Regulations of the GSM are available at the Company's premises and its website www.abcddata.eu.

The General Shareholders' Meeting may be either ordinary or extraordinary.

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The Ordinary Shareholders' Meeting is convened by the Management Board and held within six months of the end of the financial year. It may also be convened by the Supervisory Board if the Management Board does not convene it within six months of the end of the financial year.

The Management Board convenes an Ordinary Shareholders' Meeting to analyze urgent issues:

- a) at its own initiative;
- b) at a written request of the Supervisory Board (may be filed electronically);
- c) at a written (or electronic) request of shareholders, jointly representing at least 5% (five per cent) of the share capital.

The Management Board convenes an Extraordinary Shareholders' Meeting within 14 days of filing a request. The Supervisory Board may convene an Extraordinary Shareholders' Meeting if the Management Board fails to do so or if it finds it appropriate.

Shareholders representing at least 50% of the share capital or at least 50% of votes in the Company may also call an Extraordinary Shareholders' Meeting. The shareholders appoint the chairman of the meeting. If the shareholders convene an Extraordinary Shareholders' Meeting, as mentioned above, the Company's Management Board will be obliged to promptly carry out activities referred to in Articles 402¹-402³ of the Code of Commercial Companies and relating to calling a General Shareholders' Meeting.

The General Meeting is convened at least twenty six days before the planned date of the shareholders' meeting through an announcement published on the Company's website in a manner specified for communicating current information, in line with the regulations concerning public offering, conditions governing the introduction of financial instruments to organized trading, and public companies.

The announcement of the general shareholders' meeting of a public company should include:

- 1) date, time and venue of the general shareholders' meeting and a detailed agenda,
- 2) detailed description of procedures concerning participation in the general shareholders' meeting and exercising voting rights, in particular information on:
 - a) shareholders' right to request specified issues in the meeting agenda;
 - b) shareholders' right to present resolution drafts concerning issues on the agenda of the general shareholders' meeting and issues to be added to the agenda before the meeting date;
 - b) shareholders' right to present resolution drafts concerning issues added to the agenda during the general shareholders' meeting;
 - d) method of exercising the voting rights through a proxy, in particular in templates used in the voting through a proxy at the general shareholders' meeting and the method of notifying the company of appointing a proxy, using electronic communication;
 - e) the possibility and method of participating in a general shareholders' meeting using electronic communication;
 - f) the method of voicing one's opinion at a general shareholders' meeting using electronic communication;
 - g) the method of exercising the voting right by mail or using electronic communication;
- 3) general meeting attendee registration date;
- 4) information that in order to participate in the general meeting, one has to be the company's shareholder at the general meeting attendee registration date,
- 5) indicating where and how a given person authorized to participate in the general shareholders' meeting may gain access to the full text of the documentation to be presented to the general meeting and resolution drafts or, if no resolutions are planned to be adopted, comments of the management board or the supervisory board concerning issues on the agenda of the general shareholders' meeting and issues to be added to the agenda before the meeting date;
- 6) specification of the website address where information concerning the general meeting will be published.

Moreover, from the date of calling the general meeting the following information will be available at the Company's website:

- 1) the announcement of convening a general meeting;
- 2) information on the total number of shares in the company and votes related to the shares on the announcement day, and in case of various types of shares – information on share distribution to individual types and number of votes attributable to individual types of shares,
- 3) documentation to be presented to the general meeting,
 - b) resolution drafts or, if no resolutions are planned to be adopted, comments of the management board or supervisory board, concerning issues on the agenda of the general shareholders' meeting and issues to be added to the agenda before the meeting date;
- 5) templates authorizing to exercise the voting right by a proxy or by mail, if not directly sent to all shareholders.

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The Management Board of the Company may agree on participation in the General Shareholders' Meeting using electronic communication, in particular:

- a) real-time transmission of general meetings;
- 2) real-time two-way communication where shareholders may take the floor during a general meeting from a location other than the venue of the general meeting;
- 3) the possibility to exercise the voting right during a general meeting either in person or through a proxy.

In accordance with Article 22 of the Company's Articles of Association, the competencies of the General Shareholders' Meeting include:

- a) reviewing and approving Management Report on the activities of the Company, reviewing and approving Supervisory Board's report, reviewing and approving the financial statements of the Company and the consolidated financial statements of the capital group for the previous financial year and discharging members of the Company's governing bodies;
- b) all decisions concerning claims to cure damages related to incorporation of the Company or its management or supervision;
- c) disposal or lease of the Company's enterprise or establishing a usufruct right to the enterprise;
- d) sale of the real estate of the Company;
- e) issue of bonds including senior convertible bonds and issues of subscription warrants;
- f) redemption of Company's shares;
- g) business combination or spin-off of the Company;
- h) profit distribution or loss absorption, determining the dividend record date and the payment date;
- i) amending the Company's Articles of Association;
- j) increasing or decreasing the share capital of the Company;
- k) approving the Regulations of the Supervisory Board amendments thereto;
- m) appointing and dismissing members of the Supervisory Board;
- n) adopting Regulations of the General Shareholders' Meeting.

The Company's Shareholders exercise their rights in a manner and within limits specified by generally applicable law, the Company's Articles of Association and Regulations of the General Shareholders' Meeting. Shareholders may exercise their voting right during General Shareholders' Meetings in person or through a proxy. All shares are ordinary bearer shares. Each share entitles to one vote. There are no limitations concerning transfer of rights to shares of the Company or exercising voting rights attributable to shares of the Company, other than those resulting from generally applicable law. The Company did not issue securities that would give special control rights with respect to the Company.

9.11 *Composition and changes in the Company's governing and supervisory bodies and their Committees during the last reporting period*

9.11.1 Management Board

Composition of the Management Board of ABC Data S.A. as at 31 December 2014:

- Norbert Biedrzycki — President of the Management Board
- Ilona Weiss — Vice-President of the Management Board for finance and operations

Changes in the composition of the Management Board during the reporting period have been described in section 7.1.1 of hereof.

Composition of the Management Board of ABC Data S.A. as at the date of the report:

- Ilona Weiss – President of the Management Board
- Juliusz Niemotko – Vice-President of the Management Board

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The Management Board's responsibilities include managing current operations of the Company and current supervision over subsidiaries, representing the Company outside and managing the Company's assets.

In particular the Management Board is responsible for:

- 1) developing, updating and implementing the strategy and key operational objectives of the Company and supervision over developing and updating strategies of subsidiaries;
- 2) developing and implementing annual budgets of the Company and the Capital Group, preparing quarterly operational plans and performance monitoring;
- 3) performing duties of a shareholders' meeting/general shareholders' meeting and corporate governance and supervision over other governing bodies in subsidiaries;
- 4) approving financial liabilities not included in the Company's budget and not subject to approval of the Supervisory Board;
- 5) developing and implementing risk management principles in the Company and subsidiaries and monitoring operational processes compliance with procedures approved;
- 6) taking decisions on operational processes in the Company;
- 7) taking decision on payroll systems applied in the Company and changes thereto, in particular concluding and terminating managerial contracts and employment contracts in the scope not related to the Management Board of the Company,
- 8) concluding and terminating all trade contracts with the Company's contractors;
- 9) calling General Shareholders' Meetings and proposing their agendas;
- 10) filing requests and GSM's resolution drafts;
- 11) placing requests to convene a Supervisory Board's meeting with the President of the Supervisory Board;
- 12) preparing a balance sheet, income statement and report of the activities of the Company;
- 13) providing financial statements and reports of the activities of the Company with suggested profit distribution or loss absorption scheme to the Supervisory Board and the General Shareholders' Meeting of the Company;
- 14) analyzing assessments, audit and post-audit recommendations and their implementation;
- 15) carrying out activities related to registration and meeting information requirements of the Company;
- 16) developing media and investors relations procedures and principles and following a communication policy ensuring coherent and reliable communication about the Company and subsidiaries;
- 17) filing job descriptions of individual members of the Management Board with replacement plans for approval of the Supervisory Board

9.11.2 Supervisory Board

Composition of the Supervisory Board of ABC Data S.A. as at 31 December 2014:

- Ulrich Kottmann — President
- Mirosław Godlewski – Vice-President
- Nevres Erol Bilecik, Member
- Fabian Bohdziul – Member, related to MCI Management S.A.
- Tomasz Czechowicz — Member, associated with MCI Management S.A.
- Maciej Piotr Kowalski – Member, related to MCI Management S.A.
- Cezary Smorszczewski — Member, associated with MCI Management S.A.

Changes in the composition of the Supervisory Board during the reporting period have been described in section 7.2 hereof.

By the date of publication of this report, composition of the Supervisory Board has not changed.

The Supervisory Board provides continuous general supervision of all areas of the Company's operations in line with the Code of Commercial Companies, Articles of Association of the Company, Regulations of the Supervisory Board, resolutions of the General Shareholders' Meeting and acts of law. The competencies of the Supervisory Board have been specified in the Code of Commercial Companies and the Company's Articles of Association.

Specifically, the Supervisory Board is responsible for analyzing the statements and reports referred to in Article 395.2.1 of the Code of Commercial Companies to ensure that they are consistent with the accounting records, documents and facts and for reviewing Management Board's requests concerning profit distribution or loss coverage and providing the General Shareholders Meeting with an annual report on the results of such assessments.

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On 23 June 2014, the General Shareholders' Meeting of the Company passed a resolution approving amendments to the Regulations of the Supervisory Board.

9.11.3 Committees

Under Resolution 30/2010 of the Supervisory Board of ABC Data S.A. on 22 June 2010 the Company appointed an Audit Committee operating based on the binding provisions of law, in particular the Regulations of the Supervisory Board and the Act on statutory auditors and their self-governing bodies, entities authorized to audit financial statements and public supervision of 7 May 2009.

On 23 June 2014, the General Shareholders' Meeting of the Company passed a resolution approving amendments to the Regulations of the Supervisory Board. The introduced amendments included the operation of the Audit Committee.

In particular the Audit Committee is responsible for:

- 1) Supporting the Supervisory Board with regard to:
 - a. monitoring of the fairness of financial information presented by the Company, in particular in the form of review of appropriateness and consistency of application of the accounting principles adopted by the Company and its capital group;
 - b. at least once a year, reviewing of internal controls and risk management systems to ensure that key risks are correctly identified, managed and disclosed;
 - c. ensuring of effective operation of the internal audit function, in particular in the form of issuing recommendations on the selection, appointment, re-appointment and dismissal of the internal audit head and regarding the internal audit budget, as well as through monitoring of management's response to its findings and recommendations;
 - d. monitoring of financial operations of the Company and its capital group;
- 2) issuing of recommendations for the Supervisory Board regarding the selection, appointment, re-appointment and dismissal of an external auditor, as well as terms and conditions of its employment;
- 3) monitoring of independence of the external auditor and its objectivism, in particular in the form of the audit firm's complying with the valid guidelines regarding audit partner turnover, fees paid by the company and relevant regulatory requirements;
- 4) controlling of the nature and scope of non-audit services, in particular based on the total of all fees paid by the company and its capital group to the audit firm and its network, as disclosed by this audit firm, in terms of avoiding a conflict of interests;
- 5) reviewing of the effectiveness of external control and monitoring management's response to recommendations presented by external auditors in letters to the management;
- 6) analyzing of issues underlying the resignation from the services provided by an external auditor and issuing recommendations regarding activities that must be performed.

Composition of the Supervisory Board Audit Committee as at 31 December 2014 and as at the date of submitting this report:

As at 31 December 2014:

1. Fabian Bohdziul
2. Ulrich Kottmann

As at the date of submitting this report:

1. Fabian Bohdziul
2. Ulrich Kottmann
3. Maciej Kowalski

Changes in the composition of the Supervisory Board Audit Committee during the reporting period:

Under a Resolution of the Supervisory Board of 5 March 2014 Fabian Bohdziul was appointed a member of the Audit Committee.

On 4 July Marek Sadowski, Member of the Supervisory Board and Audit Committee, passed away.

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On 27 November 2014, under a Supervisory Board's resolution, Fabian Bohdziul was appointed the Chairman of Audit Committee.

Under a Resolution of the Supervisory Board of 13 January 2015 Maciej Kowalski was appointed a member of the Audit Committee.

Under Resolution 30/2010 of the Supervisory Board of ABC Data S.A. on 22 September 2010 the Company appointed a Remuneration Committee operating based on the binding provisions of law and Code of Best Practice for WSE Listed Companies.

On 23 June 2014, the General Shareholders' Meeting of the Company passed a resolution approving amendments to the Regulations of the Supervisory Board. The introduced amendments included the operation of the Remuneration Committee. It changed its name to "Nomination and Remuneration Committee".

The Nomination and Remuneration Committee is responsible for:

- 1) appointing and recommending candidates for vacant positions in the Management Board, to be approved by the Supervisory Board;
- 2) periodic evaluation of the structure, number of members, composition and performance of the Management Board and recommending changes to the Supervisory Board;
- 3) periodic assessment of skills and experience of each Management Board member and presenting the results to the Supervisory Board;
- 4) appropriate analysis of replacement planning issues;
- 5) reviewing the Management Board's policy in terms of selecting and appointing high level managers;
- 6) presenting proposals regarding remuneration of the Management Board members during the first meeting following the annual budget approval for Supervisory Board's acceptance;
- 7) presenting proposals regarding remuneration of each Management Board member to the Supervisory Board, ensuring their compliance with the remuneration principles adopted by the Company and with performance assessment of a given member;
- 8) presenting the Supervisory Board with proposals regarding appropriate form of agreements concluded with Management Board members;
- 9) supporting the Supervisory Board in the supervision of process ensuring compliance with the binding information obligations regarding remuneration (in particular, remuneration principles adopted and remuneration granted to the Management Board members);
- 10) on behalf of the Supervisory Board, carrying out negotiations with Management Board members regarding managerial contracts;
- 11) issuing general recommendations for Management Board members with regard to the level and structure of remuneration paid to high-level managers;
- 12) monitoring the level and structure of remuneration paid to high-level managers based on relevant information provided by Management Board members;
- 13) with regard to share options or other share-based incentive schemes available to directors, managers or other employees:
 - a. discussing general principles of implementing such systems, in particular share options, and presenting relevant proposals to the Supervisory Board;
 - b. reviewing the related information included in annual reports and presented at GSM, as appropriate;
 - c. presenting the Supervisory Board with proposals to choose between granting share subscription options or share purchase options, indicating the reasons and consequences of each solution;
- 14) carrying out a periodic review of the remuneration system adopted by the Company.

Composition of the Supervisory Board Nomination and Remuneration Committee as at 31 December 2014 and as at the date of submitting this report:

As at 31 December 2014:

1. Ulrich Kottmann
2. Tomasz Czechowicz
3. Cezary Smorszczewski

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As at the date of submitting this report:

1. Ulrich Kottmann
2. Tomasz Czechowicz
3. Maciej Kowalski

Changes in the composition of the Supervisory Board Nomination and Remuneration Committee during the reporting period:

On 23 June 2014, General Shareholders' Meeting dismissed and re-appointed Mirosław Godlewski to the Supervisory Board. Therefore, his membership in the Nomination and Remuneration Committee expired.

On 27 August 2014, the Supervisory Board passed resolutions appointing Ulrich Kottmann and Cezary Smorszczewski to the Nomination and Remuneration Committee. Further, Ulrich Kottmann was appointed the Chairman of the Committee.

On 17 August 2015 Cezary Smorszczewski resigned the position of the Nomination and Remuneration Committee member. On the same day, the Supervisory Board appointed Maciej Kowalski a member of the Nomination and Remuneration Committee.

10 Contact details

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Warsaw, 19 March 2015

Ilona Weiss
President of the Management Board

Juliusz Niemoćko
Vice-President of the Management Board