

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENT

FOR THE PERIOD OF SIX MONTHS ENDING ON SEPTEMBER 30TH, 2015

DRAWN UP IN ACCORDANCE WITH INTERNATIONAL STANDARDS OF FINANCIAL
REPORTING

Capital Group LIVECHAT SOFTWARE SA

Wrocław, November 24th, 2015

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1. SELECTED FINANCIAL DATA

Title	PLN		EUR	
	01.04.2015 - 30.09.2015	01.04.2014 - 30.09.2014	01.04.2015 - 30.09.2015	01.04.2014 - 30.09.2014
I. Net revenues from sales of products, goods and materials	23 679 029	14 284 328	6 320 981	3 423 953
II. Profit (loss) on operational activity	15 764 462	9 460 451	4 208 233	2 267 670
III. Gross profit (Loss)	15 856 199	9 367 359	4 232 722	2 245 356
IV. Net profit (Loss)	12 711 811	7 479 603	3 393 345	1 792 861
V. Net cash flow from operating activities	13 286 921	8 290 037	3 546 868	1 987 122
VI. Net cash flow from investing activities	(1 141 461)	(790 286)	(304 706)	(189 432)
VII. Net cash flow from financial activities	(18 282 500)	(9 527 500)	(4 880 409)	(2 543 312)
VIII. Net cash flow total	(6 137 040)	(2 027 749)	(1 638 248)	(486 051)
IX. Total assets	16 449 457	11 579 649	4 357 010	2 773 326
X. Liabilities and provision for liabilities	2 282 738	2 907 793	604 635	696 416
XI. Long-term liabilities	-	3 754	-	899
XII. Short-term liabilities	2 282 738	2 907 552	604 635	696 359
XIII. Equity	14 166 719	8 671 856	3 752 376	2 076 909
XIV. Share capital	515 000	515 000	136 409	123 343
XV. Number of shares	25 750 000	25 750 000	25 750 000	25 750 000
XVI. Profit (loss) per single ordinary share(in PLN/ EUR)	0,49	0,29	0,13	0,07
XVIII. Net book value per single share (in PLN/ EUR))	0,55	0,34	0,15	0,08

Please state the exchange rate of PLN/EUR for calculating balance sheet figures

	0,2649	0,2395
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Please state the exchange rate of PLN/EUR for calculating the statement figures of the total revenues and cash flow statement

	0,2669	0,2397
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2. INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL STANDING

STATEMENT OF FINANCIAL STANDING

Specification	Note	Balance as at	Balance as at	Balance as at
		30.09.2015	31.03.2015	30.09.2014
FIXED ASSETS		4 551 264	3 930 849	3 547 586
Tangible fixed assets	4	473 949	354 878	383 226
Investment real property		-	-	-
Goodwill		-	-	-
Other intangible assets	3	3 154 402	3 056 959	2 744 266
Shares and stocks		-	-	-
- including: investments accounted for using equity method		-	-	-
Long-term receivables	5	52 503	47 271	-
Other long-term financial assets		-	-	-
Deferred tax assets	15	158 842	125 855	89 247
Other fixed assets	8	711 568	345 886	330 846
CURRENT ASSETS		11 898 194	17 357 280	8 032 063
Inventory		-	-	-
Trade receivables	6	521 130	438 694	462 249
Receivables for current income tax		-	-	-
Other receivables	6	2 174 197	1 703 002	1 359 272
Other financial assets		-	-	-
Cash and its equivalents	7	9 021 040	15 158 080	6 199 029
Prepayments and accruals	8	181 826	57 504	11 513
ASSETS CLASSIFIED AS INTENDED FOR SALE		-	-	-
Tangible fixed assets intended for sale		-	-	-
Other assets classified as intended for sale		-	-	-
Total assets :		16 449 457	21 288 128	11 579 649

Wrocław, November 24th, 2015.

Mariusz Ciepły, President of the Board

Urszula Jarzębowska, member of the Board

STATEMENT OF FINANCIAL STANDING

Specification	Note	Balance as at	Balance as at	Balance as at
		30.09.2015	31.03.2015	30.09.2014
EQUITY		14 166 719	19 738 883	8 671 856
Share capital	9	515 000	515 000	515 000
Called up share capital		-	-	-
Supplementary capital from issuance of shares		-	-	-
Supplementary capital from retained earnings and transactions of mergers under common control	9	787 907	621 016	621 016
Exchange rate differences after calculation	9	(4 509)	(3 034)	4 954
Revaluation reserve for employee benefits		-	-	-
Reserve capital		-	-	-
Hedging reserve		-	-	-
Figures recognised directly in capital related to financial assets classified as available for sale		-	-	-
Undistributed result from previous years	9	156 510	48 762	51 283
Net profit (loss) of the business year	5	12 711 811	18 557 139	7 479 603
Equity attributable to shareholders of the parent company		14 166 719	19 738 883	8 671 856
Equity attributable to non-controlling shares		-	-	-
LONG-TERM LIABILITIES			3 754	241
Reserve due to deferred income tax			3 754	241
Provision for pension benefits and similar		-	-	-
Other provisions/ reserves		-	-	-
Credits and loans		-	-	-
Other financial liabilities		-	-	-
Other long-term liabilities		-	-	-
SHORT-TERM LIABILITIES		2 282 738	1 545 491	2 907 552
Credits and loans		-	-	-
Other financial liabilities		-	-	-
Trade liabilities	10	1 273 077	363 882	868 358
Tax payables	10	972 440	592 725	-
Provision for pension benefits and similar		-	-	-
Other short-term provisions/reserves		-	-	-
Other liabilities	10	37 221	588 884	2 039 195
Accrued income		-		
LIABILITIES DIRECTLY RELATED TO FIXED ASSETS CLASSIFIED AS INTENDED FOR SALE				
Total liabilities :		16 449 457	21 288 128	11 579 649

Wrocław, November 24th, 2015.

Mariusz Ciepły, President of the Board

Urszula Jarzębowska, member of the Board

3. INTERIM CONDENSED CONSOLIDATED STATEMENT OF THE FINANCIAL RESULT AND TOTAL INCOME (by-function format)

CONSOLIDATED STATEMENT OF FINANCIAL RESULT AND TOTAL INCOME (by-function format)			
Spesification	Note	For period 01.04.2015 31.09.2015	For period 01.04.2014 - 30.09.2014
Continued activity			
Revenues from sales	11	23 679 029	14 284 328
Prime costs of sale	12	3 586 094	2 223 731
GROSS POFIT (LOSS) ON SALES		20 092 934	12 060 597
Sales expenses	12	2 255 690	1 444 383
General and administrative costs	12	2 075 048	1 161 724
POFIT (LOSS) ON SALES		15 762 196	9 454 490
Other operating revenues	13	4 265	7 229
Other operating expenses	13	2 000	1 268
PROFIT (LOSS) ON OPERATING ACTIVITY		15 764 462	9 460 451
Financial revenues	14	91 765	70 511
Financial expenses	14	28	163 603
Profit on sales of shares to an associated company		-	-
Profit sharing in associated companies		-	-
PROFIT (LOSS) BEFORE TAX		15 856 199	9 367 359
Income tax		3 144 388	1 887 756
PROFIT (LOSS) ON CONTINUED ACTIVITY		12 711 811	7 479 603
Profit (loss) on discontinued activity		-	-
NET PROFIT (LOSS)		12 711 811	7 479 603
Other total revenues			
Other comprehensive income items that will not be reclassified into profit or loss		-	-
Other comprehensive income items that, after meeting certain requirements, will be reclassified into profit or loss		-	-
Hedge accounting		-	-
Translation differences on foreign operations		-	-
Effects of revaluation of financial assets available for sale		-	-
Other profit sharing in associated companies		-	-
Income tax related to other total income		-	-
Other total income		-	-
Total income		12 711 811	7 479 603

Wrocław, November 24th, 2015.

Mariusz Ciepły, President of the Board

Urszula Jarzębowska, member of the Board

4. NET EARNINGS PER SINGLE ORDINARY SHARE (PLN)

Earnings per single share (in zł/gr per single share)	For period: 01.04.2015- 30.09.2015	For period: 01.04.2014 - 30.09.2014
On continuing and discontinued activity		
Ordinary	0,49	0,29
Diluted	0,49	0,29
On continuing activity		
Ordinary	0,49	0,29
Diluted	0,49	0,29
Profit (loss) on continuing and discontinued activity	12 711 811	7 479 603
Profit (loss) on continuing activity	12 711 811	7 479 603
Weighted average number of shares	25 750 000	25 750 000
Weighted average diluted number of ordinary shares	25 750 000	25 750 000

5. INTERIM CONDENSED CONSOLIDATED REPORT ON CHANGES IN EQUITY

CONSOLIDATED REPORT ON CHANGES IN EQUITY FOR THE PERIOD : 01.04.2015 - 30.09.2015	Equity attributable to the owners of the parent company							Total equity
	Share capital	Called up share capital and own shares	Supplementary capital	Capital arising from application of hedge accounting	Currency translation profit/loss of a subsidiary	Undistributed profit (loss) from previous years	Profit (loss) of the business year	
Balance on 01.04.2015	515 000		621 016		(3 034)	48 762	18 557 139	19 738 883
Settlement of the result of a subsidiary						107 748	(107 748)	
Balance after adjustments	515 000	-	621 016	-	(3 034)	156 510	18 449 391	19 738 883
Transfer of the financial result to capital			166 891				(166 891)	
Dividend paid							(18 282 500)	
Total transactions with owners	-	-	166 891	-	-	-	(18 449 391)	-
Net profit/loss in the period:							12 711 811	
Exchange rate differences from revaluation of entities operating abroad					(1 474)			
Income tax that refers to items of other total income								
Total comprehensive income	-	-	-	-	(1 474)	-	12 711 811	-
Transfer to retained earnings (sale of reevaluated fixed assets)								-
Balance as of 30.09.2015	515 000	-	787 907-	-	(4 509)	156 510	12 711 811	14 166 719

6. INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

Specification	For period: 01.04.2015 - 30.09.2015	For period: 01.04.2014 - 30.09.2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit	12 711 811	7 479 603
Total adjustments	575 111	810 434
Depreciation and amortisation	559 853	348 613
Foreign exchange gain (loss)	-	-
Interest and profit sharing (dividend)	-	-
Profit (loss) on operating activity	-	-
Profit on sale of shares in the associate	-	-
Ineffective part of cash flows hedges	-	-
Changes in working capital	150 774	731 426
Change in provisions	-	-
Change in inventories	-	-
Change in receivables	(82 436)	(5 206)
Change in short-term liabilities – excluding financial liabilities	357 532	712 886
Change in prepayments and accruals	(124 322)	23 745
Other adjustments	(135 516)	(269 605)
Net cash flows from operating activity	13 286 921	8 290 037
CASH FLOWS FROM INVESTING ACTIVITIES		
Expenses on acquisition of intangible assets	(912 734)	(790 287)
Proceeds (inflows) from sale of intangible assets	-	-
Expenses on acquisition of tangible fixed assets	(228 727)	-
Proceeds (inflows) from sale of tangible fixed assets	-	-
Expenses on acquisition of investment property	-	-
Proceeds (inflows) from sale of investment property	-	-
Expenses on acquisition of financial assets available for sale	-	-
Proceeds (inflows) from sale of financial assets available for sale	-	-
Expenses on acquisition of financial assets intended for trading	-	-
Proceeds (inflows) from sale of financial assets intended for trading	-	-
Expenses on acquisition of subsidiaries (decreased by assets taken over)	-	-
Proceeds (inflows) from sale of subsidiaries	-	-
Loans granted	-	-
Repayment of granted loans and other financial assets	-	-
Interest received	-	-
Dividends received	-	-
Net cash flows on investment activities	(1 141 461)	(790 287)
CASH FLOWS FROM FINANCIAL ACTIVITY		
Net proceeds from issuance of shares	-	-
Buy back	-	-
Proceeds from issuance of debt securities	-	-
Redemption of debt securities	-	-
Proceeds from incurred credits and loans	-	-
Repayment of credits and loans	-	-
Payment of liabilities arising from financial leasing	-	-
Dividend paid	(18 282 500)	(9 527 500)
Interest paid	-	-

Net cash flows from financial activity		(18 282 500)	(9 527 500)
NET TOTAL CASH FLOWS		(6 137 040)	(2 027 750)
BALANCE CHANGE OF CASH, INCLUDING		(6 137 040)	(2 027 750)
- change in cash due to exchange rate gains or losses		-	-
OPENING BALANCE OF CASH		15 158 080	8 226 779
CLOSING BALANCE OF CASH (F +/- D), including		9 021 040	6 199 029

Wrocław, November 24th, 2015.

Mariusz Ciepły, President of the Board

Urszula Jarzębowska, member of the Board

7. FURTHER INFORMATION AND EXPLANATORY NOTES

1. General

a) Information on the parent company

The interim condensed consolidated financial statement of the Capital group of LIVECHAT SOFTWARE SA (“Capital group”, “Group”) contains:

1. Interim condensed consolidated financial statement made on September 30th, 2015, which presents the total balance of assets, equity and and liabilities in the amount of 16 449 457 PLN.
2. Interim condensed consolidated statement on the financial result and comprehensive/total income for the period from April 1st, 2015 until September 30th, 2015 which presents the income of 12 711 811 PLN,
3. Interim condensed consolidated statement of changes in equity for the business period of from April 1st, 2015 until September 30th, 2015 presenting equity capital decrease by amount of 5 572 164 PLN,;
4. Interim condensed consolidated statement of cash flows for the period from April 1st, 2015 until September 30th, 2015 presenting a decrease of net cash flows by 6 137 040 PLN,;
5. Further information

b) Capital group

The parent company of LIVECHAT SOFTWARE Joint Stock (hereinafter referred to as the “Capital group”, “Group”) is LIVECHAT SA (hereinafter referred to as “Parent Company”).

The Parent Company was established by virtue of a Notarial deed of September 10th, 2007. Its particulars are entered into the register of entrepreneurs of the National Court Register kept by the Regional Court of Wrocław- Wrocław Fabryczna – VI Economic Division under the number KRS 0000290756. The Parent Company was granted the statistical number REGON 932803200.

The Company's head office is located at 3 Dębowa Street in Wrocław (postal code: 53-134) which is also the basic location of the activities run by the Capital Group.

c) Composition of the Management Board and the Supervisory Board

The Management Board of the Parent Company as of the day of approving the financial statement for publishing was composed of:

- * Mariusz Ciepły – President of the Management Board
- * Urszula Jarzębowska – member of the Management Board

During the reporting period the composition of the Management Board of the Parent Company did not change.

The Supervisory Board of the Parent Company as of September 30th, 2015 was composed of:

- Andrzej Różycki - member of the Supervisory Board
- Grzegorz Bielowski – member of the Supervisory Board
- Maciej Jarzębowski - member of the Supervisory Board
- Jakub Sitarz – member of the Supervisory Board
- Piotr Sulima – member of the Supervisory Board

The Composition of the Management Board as well as of the Supervisory Board did not change on the day of approving the report.

d) Principal activity of the Group

The principal activity run by the Parent Company and its subsidiaries is, according to the Polish Classification of Businesses, computer programming activities and other services in information and computer technology

e) Information on the Capital group

The Consolidated financial statement of the Capital group of LIVECHAT SOFTWARE SA comprised the subsidiary LiveChat Inc based in Wilmington, New Castle county, Delaware (USA) with its office in Chapel Hill, Northern Carolina (USA), in which the Parent company holds 100% of shares.

f) Approval for publication

The present interim financial statement was made for the period from April 1st, 2015 until September 30th, 2015 (including the comparable data) and was approved for publishing by the Company's Management Board on November 24th, 2015.

g) Translation of figures presented in a foreign currency and translation into the presentation currency
The Company translated as of September 30th, 2015 its accounts presented in USD using the exchange rate of 1USD = 3,7754 PLN

2. Basis for preparation of financial statements and accounting principles applied

a) Declaration on compliance

The present interim condensed consolidated financial statement was prepared in accordance with accounting principles contained in the International Financial Reporting Standards (IFRS), especially with the International Financial Reporting Standard no 34 and the IFRS adopted by the European Union. Taking into account the process continuing in the European Union to introduce the IFRS as well as the activity run by the Group, there are no significant differences in terms of the principles of accounting applied by the Group between the IFRS in force and the standards approved by the European Union.

IFRS cover standards and interpretations accepted by the Council for the Financial Reporting Standards (CIFRS) and the Committee for Interpretation of the International Financial Reporting (CIIFR).

The present interim condensed consolidated financial statement is presented in PLN.

The statement was prepared assuming that the companies in the group will continue to operate in the foreseeable future. As at the date of approving the consolidated financial statement there is no

evidence indicating that the companies of the group may not be able to continue its operations.

The interim condensed consolidated financial statement does not comprise all the information and disclosures required for an annual consolidated financial statement and should be read along with the consolidated financial statement of the Group for the year ended on March 31st, 2015.

c) Effect of amendments in the standards or interpretations

During the reporting period the voluntarily applied standards and interpretations were not changed.

d) principles of accounting

The statement was prepared according to the principle of historical cost.

Presentation of financial statements

The financial statement is presented in accordance with IAS 1.

In case of retrospective entering of amendments to accounting principles or error adjustments, the Company presents the report on its financial standing prepared additionally for the beginning of the reference period.

Consolidation

The consolidated financial statement comprises a consolidated financial statement of the parent company as well as a consolidated financial statement of the company controlled by the Group, that is its subsidiary, made as at September 30th, 2015. Control means the ability to influence financial and operating policy of a subsidiary in order to obtain economic benefits from the subsidiary's activities.

Financial statements of the parent company and the subsidiary comprised by the consolidated financial statement are prepared as at the same balance sheet day, namely September 30th, 2015. Where it is necessary, adjustments are made into the financial statement of the subsidiary in order to standardise the accounting principles used by the company to adapt to the principles used by the Capital group.

The subsidiary is covered by consolidation using the full consolidation method.

The full method of consolidation means combining financial statement of a parent company and its subsidiary by summing up the full amounts, particular items of assets, liabilities, equity, revenues and expenses. In order to present the Capital Group as a single economic entity, the following exclusions are made:

* at the moment of acquiring control the company's goodwill or profit are recognised according to ISFR 3,

* non-controlling interests and shares are presented separately,

* intra Capital Group balances (revenues, expenses, dividends) are eliminated in full,

* profits or losses from intra Capital Group transactions that are recognised in the balance value of assets such as inventories and fixed assets, are eliminated. Losses from intra Group transactions are analysed in terms of asset impairment loss from the Group perspective,

* the deferred tax due to temporary differences resulting from eliminating profits and losses on intra Capital group transactions is recognised (according to IAS 12).

Transactions in foreign currencies

The consolidated financial statement is presented in PLN which is also the functional currency of the parent Company.

Transactions in other than PLN currencies are translated into Polish zloty using the exchange rate on the date of the transaction (spot exchange rate).

On the balance sheet day the financial items in foreign currencies are translated into Polish zloty at the closing exchange rate at the end of the reporting period, that is the average exchange rate fixed for a particular foreign currency by the National Bank of Poland.

Non-monetary items are measured in terms of historical cost in a foreign currency and shown at the historical cost value on the transaction day.

Non-monetary items in the consolidated financial statement measured at their fair value presented in a foreign currency are evaluated at the exchange rate on the date the fair value is determined, that is the average rate fixed for a particular foreign currency published by the National Bank of Poland.

Exchange rate differences resulting from recalculations or translations of monetary items other than derivatives, are recognised in the other revenues or operating expenses in the net value, excluding exchange rate differences capitalised in the assets in cases defined by accounting principles.

Intangible assets

Intangible assets cover patents and licences, software, R&D expenses and the other intangible assets that meet the criteria of IAS 38.

The intangible assets are presented on the balance sheet day at their acquisition cost or manufacture cost lowered by a depreciable amount and an impairment write-off/ allowance.

Intangible assets with finite useful life are amortised using straight-line method over the period of their economic useful life. Periods of use of particular intangible assets are verified annually and, when necessary, adjusted from the beginning of the next business year.

Expected useful life period for particular intangible asset groups is:

Group	Rate
R&D	20 – 30%

Maintenance cost of software incurred in the following periods is recognised as the cost of the period at the time it was incurred.

R&D investments are recognized in the profit and loss account at the moment they are incurred.

R&D expenses are recognised as intangible assets only if the criteria below are met:

- * completion of an intangible asset is feasible from the technical point of view so that it can be intended for use or sale,
- *The group intends to complete an asset and its use or sale,
- *the group is able to use or sell the intangible asset,
- * the intangible assets will bring economic benefits, and the group can prove such benefits, for example by the existence of such an item in the market or its usability for the Group needs,
- * the Group is provided with technical, financial or other sources necessary for completing R&D works for a single intangible asset,
- * investments made during R&D works can be fairly evaluated and assign to a particular intangible asset.

Investments made on R&D conducted as part of a single project are carried forward onto the next period, if it is possible, it would be advisable to state that they can be recovered in future. Evaluation

of future benefits is made in accordance with the principles referred to in IAS 36.

After the investments are initially recognised in R&D the historical cost model is applied according to which assets are recognised at their acquisition cost or manufacture cost lowered by accumulated amortisation and accumulated impairment write-offs/allowances. Completed R& D are amortised using a straight-line method over the foreseen period of their economic useful life, which, on the average, is 3 years.

Profit and loss on disposal of intangible assets is defined as a difference between revenues from sale and the net value of those fixed assets and are recognised in the profit and loss account of the other revenue or operating expense.

Tangible assets

Tangible assets are initially recognised at the acquisition costs or manufacture costs. The acquisition cost is increased by all the costs directly attributable to bringing the asset to use.

After initial recognition of tangible assets, excluding land, they are then presented at their acquisition cost or manufacture cost lowered by depreciation and impairment loss. Tangible assets during the manufacture process are not amortised until the construction or installation is completed and the tangible asset is commissioned.

Fixed assets are amortised with straight-line method over the estimated period of a given asset useful life, which for particular fixed asset groups is:

Group	Rate
Computers	30%

Depreciation starts in a month following the month in which the fixed asset becomes ready for use. Economic useful life and depreciation methods are verified once a year and may result in a possible depreciation adjustment made in the years to come.

Fixed assets are divided into elements being items of a significant value, to which a separate useful life period can be assigned. A fixed asset element can also be the cost of a major inspection as well as significant spare parts and equipment, if they are used over a period longer than one year. Current expenses incurred after a fixed asset commissioning, such as maintenance and repair costs are recognised in the profit and loss amount on the day they are incurred.

A fixed asset item can be cancelled from the balance sheet after it is sold or if it is not expected that further use of such an item can bring economic benefits. Profit or loss on sale, liquidation or stopping to use fixed assets are determined as a difference between revenues from sale and the net value of these fixed assets and are recognised in the profit and loss account in the other revenues or operating expenses.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

A financial asset or a financial liability is presented in the balance sheet when the Group becomes a party to such an instrument contract. Standardised contracts of purchase and sale of financial assets and liabilities are recognised as at the day the transaction is made.

A financial asset is derecognized from the balance sheet in case the rights to economic benefits as well as the risk arising from a concluded contract have been exercised, ceased or the Group has waived them.

The Group derecognizes from its statement a financial liability only when it expired, that means when the obligation specified in the contract was discharged, expired or cancelled.

On the acquisition day the Group measures a financial asset or liability at its fair value, that is at the fair value of the transaction cost (payment made or received). The Group classifies the transaction costs as the initial value of all the financial assets and liabilities, except for assets and liabilities evaluated at their fair value through profit and loss statement.

On the balance sheet day financial assets or liabilities are measured according to the principles shown below:

Financial assets

For the purpose of evaluation after initial recognition, the Group classifies financial assets other than hedging derivatives divided into:

- * loans and receivables
- * available-for-sale assets

The above categories are defined by accounting principles on the balance sheet day as well as by recognising revaluation profits or losses in the financial result or in other total income. Profits or losses recognised in the financial result are presented as financial revenues or expenses, except for write-offs to trade receivables, which are presented as the other operating expenses.

All financial assets, except for the assets presented at their fair value through the financial result, are measured on every balance sheet day due to the possibility of impairment loss. A financial asset is amortised if there is an objective evidence for its impairment loss. Impairment loss evidence is analysed for each category of financial assets separately, which is presented below.

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not quoted in an active market. Loans and receivables are measured at the amortised cost using the effective interest method. Measurement of short-term receivables is made in the value of the amount to be received due to insignificant discount effects.

Financial assets classified as loans and receivables are presented in the balance sheet as:

- * short-term assets in the items referred to "Trade receivables and other receivables" and "Cash and its equivalents".

Allowances for doubtful receivables are measured when receiving the full amount of receivables ceased to be probable. Significant balances of receivables are subject to individual evaluation in case of debtors that delay in payments or if there is an evidence that the debtor is not able to pay his dues (for example, his difficult financial standing, court proceedings instituted against him, negative changes in his economic surroundings). For receivables that are not subject to individual analysis, signs of impairment loss are analysed as parts of particular asset categories defined due to credit risk (resulting, for example, from a business branch, region or receivers). Thus, revaluation write-off factor for particular categories is based on observing trends related to date payment problems in a not remote past.

Available-for-sale assets are non-derivative financial assets which are designated as available for sale or are not classified as any of financial asset categories.

Under this category the Group recognises investments not held to maturity. Those assets are indicated in the balance sheet as "the other financial assets".

Available-for-sale financial assets are measured at fair value. Revaluation profits and losses are recognised as the other comprehensive income and are accumulated in the available-for-sale financial asset revaluation capital, excluding impairment losses and exchange rate differences on cash which are recognised in the financial result. The financial result also includes interest, which would have been recognised when measuring those financial assets at amortised cost using the effective interest rate method.

Impairment loss reversal concerning financial assets available for sale is recognised in the other comprehensive income, except for revaluation write-offs to debt securities, the reversal of which is recognised in the financial result, if an increase of the instrument value can be objectively linked with an event occurring after the impairment loss has been recognised.

At the moment an asset is eliminated from the balance sheet, accumulated profits and losses, previously recognised in other comprehensive income are transferred from equity to the financial result and are presented in the other comprehensive income as reclassification due to transferring to the financial result.

Financial liabilities

Financial liabilities other than hedging derivatives are presented in the following balance sheet items:

* trade liabilities and other liabilities

After the initial recognition the Group measures financial liabilities at amortised cost using the effective exchange rate method, excluding financial liabilities intended for sale or designated as measured at fair value through the financial result. The Group designates as financial liabilities measured at fair value through the financial result derivatives which are not designated as hedging instruments. Short-term trade liabilities are measured at the value of the amounts to be received due to insignificant discount effects.

Profits and losses on measurement of financial liabilities are recognised in the company's performance financial result.

Cash and its equivalents

Cash and its equivalents covers cash on hand and in bank accounts, as well as short-term investments of great liquidity, easily exchangeable for cash with low risk of changing value.

Equity

Share capital is presented at the nominal value of issued shares in accordance with the By-laws of the parent company and an entry in the National Court Register.

Shares of the parent company acquired and held by the parent company or consolidated subsidiaries decrease the equity. Own shares are measured at acquisition cost.

The capital from the sale of shares above their nominal value is created from the surplus of the issue price above the share nominal value decreased by the issuance cost.

The other capitals comprise retained earnings at the amount required by the Code of Commercial Companies.

Provisions, contingent liabilities and assets

Provisions are created when the Group has a present obligation (legal or constructive) as a result of past events and it is probable that settling this obligation will require an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. Date of incurring as well as the amount of the obligation can be uncertain.

Provisions for future operating losses are not made.

Provisions are recognised at the value of estimated investments necessary to settle the present obligation basing on the most probable evidence available on the day of preparing the consolidated financial statement, including risk and degree of uncertainty. In case money impact in time is significant, the provision amount is determined by discounting the prospected future cash flows to the current value using a discount rate reflecting current market assessments of money value in time and the possible risk related to a particular obligation. If the discounting method is applied, the increase of provisions with time is recognised as financial expenses.

If the Group expects that the expenses covered by the provision will be paid back, for example by virtue of an insurance contract, than the payment back is recognised as a separate element of assets, but only, when there is a sufficient indicator ensuring that such a payment back is likely to occur. However, the value of such an asset cannot exceed the amount of the provision.

In case outflow of resources for settling the present obligation is not possible, the contingent liability is not recognised in the balance sheet, except for contingent liabilities identified in the process of combining economic entities according to ISFR 3.

The company creates especially provisions for servers' maintenance costs due to the sale completed.

Revenues from sales

Sales revenues are recognised at fair value of payments received or due and represent product receivables (access services) obtained in the process of regular operations, decreased by discounts, VAT and other trade taxes (excise tax). The revenues are recognised at the amount at which it is probable that the economic benefits associated with a particular transaction will flow to the Group and when the revenue amount can be measured reliably.

Sales of services

Revenues from sales of services are recognised if the following conditions are met:

- * the group has transferred to the buyer the significant risks and rewards of ownership of the goods. The condition is regarded as met at the moment the access to the offered software is established for the user.
- * the amount of the revenue can be measured reliably,
- * it is probable that economic benefits associated with the transaction will flow to the group,
- * the costs incurred and that will be incurred due to the transaction can be measured reliably.

Interest and dividend

Revenues from interest are recognised successively as they grow using the effective exchange rate method. Dividends are recognised at the moment of establishing the shareholders' rights to dividends.

Operating expenses

Operating expenses are recognised in the profit and loss statement using the matching principle. In its consolidated financial statement the Group presents costs by-function.

Income tax (including deferred tax)

The tax charged to the financial result comprises current tax and deferred tax, which was not recognised in other comprehensive income or directly in equity.

Current tax is determined basing on the taxable profit for a given business year. Taxable profit (loss) differs from the gross profit (loss) presented in the books due to a temporary transfer of taxable revenues and costs being the cost of obtained revenues to other periods and due to excluding revenue and expense items which will never be subject to taxation. Tax charges are computed basing on tax rates in force in a given tax year.

Deferred tax is computed using a balance method as tax to be paid or refunded in future periods on differences between balance sheet values of assets and liabilities and the corresponding tax values used for calculating the taxable base.

Provision for deferred tax is created from all positive temporary differences subject to taxation, whereas an asset due to deferred tax is recognised up to the value at which it is probable, that it will be possible to decrease future taxable profits by the recognised negative temporary differences. Neither an asset nor provision is recognised if the temporary difference results from the initial recognition of assets or liabilities in a transaction which is not a business combination and which at the time of its occurrence does not have an impact either on the taxable or accounting result. Provision for deferred income is not recognised on goodwill which is not subject to amortisation according to tax law.

Deferred tax is measured using tax rates which will be in force when an asset item is realized or provision settled in accordance with regulations in force on the balance sheet day.

The value of an asset due to deferred tax is analysed for each balance sheet day, and in case the prospected taxable profits will not be sufficient to realize the asset or its part, a relevant write-off is made.

Significant values based on professional judgement and estimates

When preparing the consolidated financial statement the Management Board of the parent company follows judgement when making estimates and assumptions that affect the applied methods and the presented amounts of assets, liabilities, equity, revenues and expenses. The actual results may differ from the estimates of the Management Board. Information on the estimates and assumptions which are significant for the consolidated financial statement are presented below.

Periods of economic useful life of fixed assets

The Management Board of the parent company verifies annually (on the balance sheet day) periods of economic useful life of fixed assets subject to amortisation. As at ...31st, 2015 the Management Board estimates, that the economic useful life periods accepted by the Group for amortisation purposes reflect the expected period of receiving economic benefits by those assets in future. However, the real periods of receiving benefits by those assets in future may differ from the assumed ones, also due to technical ageing of the assets.

Provisions

The Management Board of the parent company assesses the cost related to maintenance of servers related to the sold accesses to the offered software.

Assets for deferred tax

Probability of settling an asset due to deferred tax with future taxable profits is based on the budget of the companies comprised by the Group approved by the Management Board of the parent company. If the prospected financial results show that the Group companies will reach the taxable income, the assets for deferred tax are recognised in the full amount.

Impairment loss of non-financial assets

In order to determine the use value the Management Board assesses the prospected cash flows and the rate with which the cash flows are discounted to the current value (see the section on impairment loss of non-financial assets). In the process of measuring the current value of the future cash flows the prospected financial results are assumed. The assumptions refer to future events and

circumstances. The actually realized values may differ from the estimated ones, which in the following reporting periods may cause adjustments in the value of the assets of the Group.

3. Intangible assets

3.1 – Intangible assets	As at	As at
	30.09.2015	31.03.2015
Goodwill	-	-
Patents and licenses	-	-
R&D expenses	3 154 402	3 056 959
Other intangible assets, including the value of intangible assets under implementation	-	-
TOTAL INTANGIBLE ASSETS:	3 154 402	3 056 959

3.2 Intangible assets in the reporting period from 1.04.2015 to 30.09.2015	Goodwill	Patents and licences	R&D expenses	Other intangible assets
Gross opening balance				
Acquisition	-	5 362	4 675 637	-
Reclassification (from long-term prepayments and accruals)	-	-	547 052	-
Decrease due to sales	-	-	-	-
Decrease due to liquidation	-	-	-	-
Transfer (reclassification) onto fixed assets intended for sale	-	-	-	-
Decrease and increase due to reclassification	-	-	-	-
Gross closing balance	-	5 362	5 222 689	-
Opening redemption balance	-	5 362	1 618 678	-
Amortisation increase for the period	-	-	449 609	-
Reclassification	-	-	-	-
Decrease due to sales	-	-	-	-
Decrease due to liquidation	-	-	-	-
Transfer (reclassification) onto fixed assets intended for sale	-	-	-	-
Decrease and increase due to reclassification	-	-	-	-
Gross closing balance	-	5 362	2 068 287	-
Opening revaluation write-offs	-	-	-	-
Increase over the period	-	-	-	-
Reclassification	-	-	-	-
Decrease due to sales	-	-	-	-
Decrease due to liquidation	-	-	-	-
Transfer (reclassification) onto fixed assets intended for sale	-	-	-	-
Release of write-offs	-	-	-	-
Closing revaluation write-offs	-	-	-	-
Closing net value	-	-	3 154 402	-

The most important intangible asset is the completed R&D related to subsequent versions of the

products offered by the Group.

4. Tangible assets

Tangible assets	As at	As at
	30.09.2015	31.03.2015
Land	-	-
Right to perpetual usufruct	-	-
Buildings and structures	-	-
Machinery and equipment	473 949	354 878
Vehicles	-	-
Other fixed assets	-	-
Fixed assets in the course of construction	-	-
Advances for fixed assets	-	-
TOTAL FIXED ASSETS:	473 949	354 878

The most important element of the other tangible assets is computer equipment. The value of the machinery purchased in the first half of the business year 2015/16 amounted to 228 727 PLN. As at September 30th, 2015 there were no significant liabilities related to the purchase of fixed assets.

4.2 Tangible fixed assets in the reporting period from 1.04.2015 to 30.09.2015	Land	Right to perpetual usufruct	Buildings and structures	Machinery and equipment	Vehicles	Other fixed assets	Fixed assets in the course of construction, advance payments
Opening gross balance	-	-	-	-	-	708 597	-
Carried from fixed assets under construction	-	-	-	-	-	-	-
Direct acquisition	-	-	-	-	-	228 727	-
Reclassification	-	-	-	-	-	-	-
Increase due to combination of businesses	-	-	-	-	-	-	-
Decrease due to sales	-	-	-	-	-	-	-
Decrease due to liquidation	-	-	-	-	-	-	-
Transfer onto fixed assets intended for sale	-	-	-	-	-	-	-
Decrease and increase due to reclassification	-	-	-	-	-	-	-
Gross closing balance	-	-	-	-	-	937 324	-
Opening redemption balance	-	-	-	-	-	353 719	-
Amortisation increase for the period	-	-	-	-	-	109 656	-
Increase due to combination of businesses	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Decrease due to sales	-	-	-	-	-	-	-
Decrease due to liquidation	-	-	-	-	-	-	-
Transfer onto fixed assets intended for sale	-	-	-	-	-	-	-
Decrease and increase due to reclassification	-	-	-	-	-	-	-
Gross closing redemption balance	-	-	-	-	-	463 375	-

Opening revaluation write-offs	-	-	-	-	-	-	-
Increase over the period	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
Decrease due to sales	-	-	-	-	-	-	-
Decrease due to liquidation	-	-	-	-	-	-	-
Transfer onto fixed assets intended for sale	-	-	-	-	-	-	-
Release of write-offs	-	-	-	-	-	-	-
Closing revaluation write-offs	-	-	-	-	-	-	-
Closing net value	-	-	-	-	-	473 949	-

5. Long-term receivables

Long-term receivables as at September 30th, 2015 mainly refer to the deposits made.

6. Trade receivables and other receivables

The majority of trade receivables concerns short-term receivables from payment agents and transfer of payments collected from customers. The other trade receivables mature at up to 30 days.

Trade receivables and the other receivables are measured at the amount of the amortised cost using the effective exchange rate method and taking into account the revaluation write-offs on receivables.

The accounting value of the receivables is close to their fair value. Trade receivables with maturity date of below 360 days following the date they became due are not subject to discounting.

6.1 Receivables	30.09.2015			31.03.2015		
	Value	Revaluation write-off	Balance sheet value	Value	Revaluation write-off	Balance sheet value
Trade receivables	577 995	56 865	521 130	495 559	56 865	438 694
Receivables due to the current income tax		-	-	-	-	-
Receivables due to the other taxes, duties, and social insurance	1 811 575	-	1 811 575	1 343 126	-	1 343 126
Other receivables	362 622	-	362 622	359 876	-	359 876
TOTAL RECEIVABLES:	2 752 192	56 865	2 695 327	2 198 561	56 865	2 141 696

As at September 30th, 2015 the Group had no overdue receivables not covered by provisions.

7. Cash and its equivalents

Cash comprises cash in hand and on bank accounts.

8. Prepayments and accruals

Long term prepayments and accruals mainly refer to uncompleted R&D.

Short-term prepayments and accruals refer to expenses settled over time (deferred costs).

9. Equity

9.1 Share capital

SHARE CAPITAL (STRUCTURE) – 30.09.2015								
	Share type	Type of share preference	Type of share right limits	Number of shares (in thousand items)	Series/issuance value by nominal value	Method of capital payment	Registration date	Dividend entitlement
Series A	Ordinary bearer's	no	no	25 000,00	500 000	Contribution in cash	18.12.2013	According to KSH
Series B	Ordinary bearer's	no	no	750	15 000	Contribution in cash	18.12.2013	According to KSH
Total shares				25 750,00				
Total share capital					515 000			
Nominal value of a single share= 0,02 zł								

Capital ownership structure as of September 30th, 2015

Shareholder	Share in the capital as at March 31st, 2014	Share in the capital as at March 31st, 2015	Share in the capital on the balance sheet day
Tar Heel Capital OS LLC	17,68%	13,61%	13,61%
MetLife OFE	5,41%	5,41%	-
Copernicus Capital TFI	17,10%	13,17%	13,17%
Mariusz Cieply	17,39%	17,39%	17,39%
Maciej Jarzębowski	12,70%	12,70%	12,70%
Jakub Sitarz	12,75%	12,75%	12,75%
Others	16,97%	24,97%	30,38%
Shares in public trading	100,00%	100,00%	100,00%
TOTAL	100,00%	100,00%	100,00%

9.2 Supplementary capital

Supplementary capital was formed by retaining a part of the Company's profits from previous years.

9.3 Undistributed result from previous years

The item undistributed result of previous years refers only to undistributed net result of previous years and does not contain any other economic events.

9.4 Dividends

Dividends	For business year	For business year
	2014/15	2013/14
Dividend paid	18 282 500,00	9 527 500,00

Number of shares	25 750 000	25 750 000
Dividend per single share	0,71	0,37

10. Trade and other liabilities

10.1 Trade and other short-term liabilities	As at	As at
	30.09.2015	31.03.2015
Trade liabilities	1 273 077	363 882
Taxes	-	-
Payroll	-	-
Other taxation, custom duties and social insurance	972 440	592 725
Accruals and other liabilities	37 221	588 884
TOTAL SHORT-TERM LIABILITIES:	2 282 738	1 545 491

10.2 Liabilities as at 30.09.2015 – Aging liabilities	Current	Up to 1 month	From 1-3 months	From 3 months to 1 year	From 1 year to 5 years	Total
Trade liabilities	1 273 077	1 273 077				1 273 077
Due to current income tax	-	-				-
Payroll	-					-
Other taxation, custom duties and social insurance	972 440	972 440				972 440
Accruals and other liabilities	37 221	37 221				37 221
Total	2 282 738	2 282 738	-	-	-	2 282 738

All liabilities are denominated in PLN.

11. Revenues from sales

11.1 Sales revenues (continued activity)	For period ended	Fore period ended
	30.09.2015	30.09.2014
Revenues from sales of products	-	-
Revenues from sales of services	23 679 029	14 284 328
Revenues from sales of goods	-	-
Revenues from sales of materials	-	-
TOTAL SALES REVENUES	23 679 029	14 284 328

Due to a uniform character of its operations the Company does not identify operating segments. Almost 95% of the consolidated revenues from sales is generated by the Company through its subsidy in USA.

12. Operating expenses

12.1 Cost by nature	For period ended	For period ended
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	30.09.2015	30.09.2014
Amortisation	559 853	348 613
Energy and materials used	310 275	42 123
External services	5 690 706	3 544 681
Taxes and charges	935	3 064
Cost of employee benefits	577 019	391 746
Other cost by nature	778 044	499 611
Value of materials and goods sold	-	-
TOTAL COST BY NATURE	7 916 832	4 829 838
Adjustments:	-	-
Change in stock	-	-
Own cost of sales	3 586 094	2 223 731
Cost of sales	2 255 690	1 444 383
Administrative expenses	2 075 048	1 161 724
TOTAL OPERATING EXPENSES	7 916 832	4 829 838

13. Other operating income and expenses

The other operating expenses basically comprise the revenues from sublease.

14. Financial income and costs

Financial income consists of the obtained interest on bank deposits and financial resources. Financial costs merely refer to the interest paid.

15. Deferred income tax

	01.04.2015 - 30.09.2015	01.04.2014 - 30.09.2014
Gross figure	15 856 199	9367359
Temporary and fixed differences	865 178,37	585 962
Taxable base	16 636 908,34	9 953 321
Income tax	3 144 388	1 887 756

Deferred tax was calculated only basing on temporary differences between the tax and balance valuation.

16. Financial instruments

16.1 -Financial instruments by category	As at 30.09.2015		As at 31.03.2015	
	Book value	Fair value	Book value	Fair value
Financial assets	11 716 368	11 716 368	17 299 776	17 299 776
Assets measured at fair value through profit and loss statement	-	-	-	-
Shares in subsidiaries measured at acquisition cost	-	-	-	-
Loans and own receivables measured at amortised cost	-	-	-	-
Own receivables measured at the nominal value	2 695 328	2 695 328	2 141 696	2 141 696
Assets held to maturity	-	-	-	-
Available-for-sale assets	-	-	-	-
Money	9 021 040	9 021 040	15 158 080	15 158 080
Financial liabilities	2 282 738	2 282 738	1 545 491	1 545 491
Liabilities measured at fair value through profit and loss statement	-	-	-	-
Liabilities measured at amortised cost	-	-	-	-
Liabilities at the nominal value	2 282 738	2 282 738	1 545 491	1 545 491
Financial guarantee agreements	-	-	-	-
Other financial liabilities	-	-	-	-

17. Benefits to the key managing staff (including remuneration to the members of the Management Board and the Supervisory Board)

Total amount of short-term employee benefits for the members of the Management Board was:

Name and surname	01.04.2015 – 30.09.2015	01.04.2014 – 30.09.2014
Mariusz Cieply	108 000,00	108 000,00
Urszula Jarzębowska	72 000,00	72 000,00
Total	180 000,00	180 000,00

Members of the Management Board did not receive any other remuneration nor have any entitlement thereto.

Remuneration to the Supervisory Board

Members of the Supervisory Board did not receive any remuneration.

Other benefits and unsettled loans and advance payments of the key managing staff

As at September 30th, 2015 the company has receivables due to advance payments amounting to:

- Mariusz Cieply – 98.719,48 PLN
- Urszula Jarzębowska – 67.846,10 PLN

All transactions with the key managing staff of the Company are made according to market conditions.

18. Contingent items, other off-balance sheet items and tax settlements

There were no such items.

19. Employment

Average employment by job positions	For the period ended	For the period ended
	30.09.2015	30.09.2014
Physical workers	-	-
Office workers	48	29
Total number of job positions	48	29

20. Description of factors and events, especially of non-typical character, having an impact on the financial results generated.

In the opinion of the Company's Management Board in the period from April 1st, 2015 until September 30th, 2015 there were no major events of non-typical character having an impact on the financial results generated by the Group.

21. Events after the balance sheet date

After the balance sheet date there were no events that might have an effect of the financial statement.

22. Transactions with related parties

Consolidated entities	Receivables	Liabilities	Sales	Purchase
LiveChat, Inc	2 173 557	-	23 218 904	3 877 449

23. Cyclicity and seasonality of the activities run

No cyclicity or seasonality of the sales can be observed in the capital group.

Wrocław, November 24th, 2015

Mariusz Ciepły, President of the Management Board
Urszula Jarzębowska, member of the Management Board