Quarterly Report of UniDevice AG

IFRS consolidation

31.03.2018

Commercial register:	Berlin-Charlottenburg
Commercial register number:	HRB 190230 B

Content Page

The share

Nominal capital	15.050.000,00 EUR	
Classes of shares	Bearer shares	
WKN / ISIN	A11QLU / DE000A11QLU3	
Number of shares	15.050.000	
Stock symbol	UDC	
Listing	Munich stock exchange	Frankfurt stock exchange
Stock market segment	m:access	Open Market
First trading day	06.03.2018	07.03.2018
Designated Sponsor, Listing Partner, Specialist	mwb fairtrade Wertpapierhandelsbank AG	

Letter to the shareholders

Dear Shareholders,

dear Sir or Madam,

UniDevice AG acquired PPA International AG, an international wholesaler of electronic entertainment and communications equipment, with a commercial register entry on December 4, 2017, as part of a capital increase against contributions in kind.

The international wholesale of electronic entertainment and communication equipment developed dynamically in 2017. Equipment sales increased by 50% compared to the previous year. The traded premium equipment increased by 14% in unit price compared to the previous year. Sales increased by 70% in combination with these factors. Unfortunately, the cost of materials relative to Group sales increased from 98.49% in 2016 to 98.63% in 2017. The gross margin thus decreased from 1.51% in 2016 to 1.37%.

As a result of realized sales growth, personnel expenses fell from 0.35% of sales in 2016 to 0.26% of sales in 2017.

The net profit for the year therefore reached 0.26% of sales in 2017 compared to 0.27% of sales in 2016. In absolute terms, net income rose by 62.58% from EUR 369 thousand in 2016 to EUR 599 thousand in 2017.

In the first quarter of 2018, revenue growth was 34.6% compared to the same period of the previous year (EUR 71.24 million in Q1 2018 compared to EUR 52.93 million in Q1 2017). The net profit for the period amounted to EUR 223 thousand and 0.31% of sales. We expect to be able to further increase the quarterly results in the further quarters of 2018. Our goal in 2018 is to come as close as possible to the sales mark of € 300 million.

At this point I would like to thank the employees for their great commitment, which made it possible to achieve earnings growth. I thank the members of the Supervisory Board for the good cooperation.

Dr. Christian Pahl

(CEO)

April 2018

IFRS Consolidated Financial Statements

Q1 2018

I. Consolidated balance sheet - Assets

II. Consolidated balance sheet – Liabilities and Equity

III. Consolidated profit and loss summary account

Methodology:

In connection with a capital increase in kind carried out at UniDevice AG, which was entered in the commercial register on 04.12.2017, UniDevice AG acquired all shares of PPA International AG; initial consolidation took place on 31.12.2017. In order to present an economic picture for the 2017 financial year of the Group, consolidated financial statements have been prepared pro forma, which are shown below with the balance sheet and profit and loss summary account.

Consolidated Balance Sheet

(Accounting under IFRS)	unaudited	
		pro forma
ASSETS	**31.03. 2018** EUR	**31.12. 2017** EUR
Cash	495,753.81	1,432,156.95
Trade receivables	4,198,314.47	2,280,027.50
Inventory	3,117,763.17	1,751,014.00
Other short-term assets	1,027,566.22	578,808.43
Short-term assets	8,839,397.67	6,042,006.88
Company value	14,950,000.00	14,950,000.00
Tangible assets	61,717.80	61,640.99
Long-term assets	15,011,717.80	15,011,640.99
TOTAL ASSETS	**23,851,115.47**	**21,053,647.87**

Consolidated Balance Sheet

	unaudited 31.03. 2018	pro forma 31.12. 2017
L I A B I L I T I E S A N D E Q U i T Y	EUR	EUR
Accruals	329,472.68	258,030.20
Bank loan	608,379.39	44,662.25
Trade payables	1,579,018.82	701,766.48
Other short-term liabilities	696,452.73	150,411.22
Short-term liabilities	3,213,323.62	1,154,870.15
Management loan	4,750,825.27	4,235,000.00
Deferred tax	7,641.46	7,641.46
Long-term liabilities	4,758,466.73	4,242,641.46
Share capital	15,050,000.00	15,050,000.00
Legal reserve	5,000.00	5,000.00
Balance sheet profit	824,325.12	601,136.26
Equity	15,879,325.12	15,656,136.26
TOTAL LIABILITIES AND EQUITY	**23,851,115.47**	**21,053,647.87**

Group Consolidated Profit and Loss Summary Account

(Accounting under IFRS)		unaudited	pro forma
		31.03.	**31.12.**
		2018	**2017**
		EUR	EUR
1.	**Sales**	71,238,114.03	229,225,461.45
2.	Other operating income	15,203.43	35,375.58
3.	**Cost of materials**		
	a) Cost of purchased goods and services	-70,293,656.31	-226,107,928.98
4.	**Labour cost**		
	a) Salaries	-136,624.48	-516,913.85
	b) Social insurance contribution	-17,273.75	-76,177.93
		-153,898.23	-593,091.78
5.	Depreciation / Amortisation of intangible and tangible assets	-5,464.69	-17,098.45
6.	Other operational expenses	-401,366.69	-1,408,537.95
7.	**EBIT (earnings before interest and tax)**	**398,931.54**	**1,134,179.87**
8.	Interest and similar income	0.00	0.00
9.	Intererest and similar expenses	-69,079.81	-211,907.81
10.	**Financial result**	**-69,079.81**	**-211,907.81**
11.	EBT (earnings before tax)	329,851.73	922,272.06
12.	Income tax	-106,384.87	-321,919.07
13.	Other tax	-278.00	-873.00
14.	**Net profit**	**223,188.86**	**599,479.99**

Notes to the consolidated financial statements

As of 31st March 2018

UniDevice AG

Mittelstraße 7

12529 Schönefeld

Commercial register:	Berlin-Charlottenburg
Commercial register number:	HRB 190230 B

1 General information

UniDevice AG was founded on March 17, 2014. The company is registered in the commercial register of the district court Berlin-Charlottenburg under HRB 190230 B and has its seat in Berlin. The business address is in Mittelstr. 7, 12529 Schönefeld. UniDevice AG is a holding company. UniDevice AG is the parent company (100%) of PPA International AG, Schauenburg (district of Kassel). The consolidated financial statements for the period from 1 January to 31 December 2017 of UniDevice AG have been prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), as applicable in the European Union, and the in addition to § 315e para. 1 HGB applicable commercial law regulations, voluntarily set up. The quarterly financial statements as of 03/31/2018 were prepared using the same methodology. In connection with a non-cash capital increase carried out at UniDevice AG, which was entered in the commercial register on 12/04/2017, UniDevice AG acquired all shares of PPA International AG. The initial consolidation took place on 12/31/2017. PPA International AG is engaged in international wholesale of electronic entertainment and communication equipment. The share capital of PPA International AG amounts to EUR 50,000.00. PPA International AG has its own business as defined by IFRS 3. After deducting the identifiable net assets (assets less liabilities), goodwill of EUR 14,950 thousand resulted. The transferred consideration includes i.a. benefits from expected sales growth and future market developments. These benefits, which can not be accounted for separately from goodwill, are the sum of goodwill. The accounting and valuation was carried out under the assumption of going concern. The consolidated financial statements are prepared for the reporting date of the annual financial statements of the parent company, which is also the reporting date of all consolidated subsidiaries. The balance sheet of the UniDevice Group has been prepared according to maturity criteria, with assets and liabilities expected to be realized or redeemed within twelve months of the balance sheet date being classified as current in accordance with IAS 1. Deferred tax assets and deferred tax liabilities are fully disclosed under non-current assets or non-current liabilities in accordance with IAS 1.56. The income statement is prepared as part of the consolidated profit and loss summary account using the total cost method.

2 Consolidated group

In the consolidated financial statements for the financial year from January 1 to December 31, 2017 as well as the quarterly reporting period from January 1 to March 31, 2018 of UniDevice AG, PPA International AG, Schauenburg, was included in addition to UniDevice AG.

The consolidations carried out are as follows:

- PPA International AG (as of 31 December 2017, effective date of first-time consolidation)

In connection with a non-cash capital increase carried out at UniDevice AG, which was entered in the commercial register on 12/04/2017, UniDevice AG acquired all shares of PPA International AG. The share capital amounts to EUR 50,000.00.

PPA International AG has its own business as defined by IFRS 3. After deduction of the identifiable net assets (assets less liabilities), goodwill of EUR 14,950 thousand resulted. The transferred consideration includes i.a. benefits from expected synergies, revenue growth and future market developments. These benefits, which can not be accounted for separately from goodwill, add up to the Company Value.

The participation rates of UniDevice AG in the subsidiaries as of the reporting date are as follows:

Name and registered office of the company	Participation rate %
PPA International AG*, Schauenburg	100,00

* UniDevice AG holds all shares in PPA International AG.

3 Consolidation principles

The annual financial statements of all Group companies are prepared on the basis of uniform accounting and valuation methods as of the reporting date of UniDevice AG (parent company).

The acquisition of business operations is accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value. Costs associated with the business combination were recognized in profit or loss when incurred. The identifiable assets and liabilities acquired were measured at their fair values, with the exception of deferred tax assets and deferred tax liabilities. Deferred tax assets and deferred tax liabilities were recorded and measured in accordance with IAS 12 "Income Taxes". The goodwill represents the surplus of the sum of the consideration transferred, the amount of all non-controlling interests in the acquiree and the balance of the amounts of the identifiable assets acquired and the liabilities assumed at the date of acquisition.

Receivables and liabilities between the consolidated companies as well as intercompany sales, other intragroup income and related expenses are consolidated. Intermediate results are eliminated.

Deferred taxation was carried out in accordance with IAS 12 to consolidate profit or loss to the extent that the divergent tax expense is likely to be offset in later financial years.

4 Estimates and assumptions

The preparation of the consolidated financial statements requires estimates and assumptions that may affect the amounts of assets, liabilities and financial obligations as of the balance sheet date, as well as the income and expenses of the year under review. Actual amounts may differ from these estimates and assumptions.

When applying the accounting and valuation methods, the Management Board exercises discretionary decisions. In addition, the acquisition of shares in PPA International AG required the impairment test of the goodwill acquired as of the balance sheet date. In order to test the recoverability of goodwill, it is necessary to determine the value in use of the cash-generating unit to which the goodwill has been allocated. The calculation of the value in use requires the estimation of future cash flows from the cash-generating unit and a suitable discount rate for the present value calculation. The determination of the fair value of assets and liabilities is based on management judgments.

The bases used by management for assessing the appropriateness of allowances on receivables are the maturity structure of accounts receivable balances, the creditworthiness of customers, and changes in payment terms. In the event of a worsening of customers' financial position, the extent of the actual write-offs may exceed the amount of the expected write-offs.

For each taxable entity, the expected actual income tax must be calculated, and the temporary differences arising from the different treatment of certain balance sheet items between the IFRS consolidated financial statements and the tax statements have to be assessed. If there are temporary differences, these differences generally lead to the recognition of deferred tax assets and liabilities in the consolidated financial statements. Management must make judgments when calculating actual and deferred taxes. Deferred tax assets are recognized to the extent that they are likely to be used. The use of deferred tax assets depends on the ability to generate sufficient taxable income within the relevant tax type. To assess the likelihood of future use of deferred tax assets, various factors must be considered, such as: Earnings situation in the past, operational planning and tax planning strategies. If the actual results deviate from these estimates or if these estimates are adjusted in future periods, these could adversely affect the net assets, financial position and results of operations. If there is a change in the impairment test for deferred tax assets, the recognized deferred tax assets must be written down through profit or loss.

5 Information on the consolidated balance sheet including the accounting and valuation methods

When preparing the financial statements of the associated Group companies, transactions denominated in currencies other than the functional currency (EUR) of the Group company are translated at the exchange rates prevailing on the date of the transaction. All monetary items denominated in foreign currency are translated at the closing rate on the balance sheet date. Non-monetary items denominated in foreign currencies that are measured at fair value must be translated at the rates that were valid at the time of measurement at fair value.

5.1 Cash and bank balances

Cash and bank balances are valued at acquisition cost. They include cash on hand, on-demand bank deposits and other short-term, highly liquid financial assets that have a maximum term of three months at the time of acquisition.

5.2 Trade receivables

Trade receivables totaling EUR 4,198 thousand (12/31/2017: EUR 2,280 thousand) are valued using the effective interest method at amortized cost less any impairments. Impairment losses are recognized if there is an objective indication that the expected future cash flows have changed negatively as a result of one or more events that occurred after the initial recognition of the asset. The criteria that lead to an impairment of trade receivables are based on the probability of default of the receivable and the expected creditworthiness of the customers.

5.3 Inventory

Inventories totaling EUR 3,118 thousand (12/31/2017: EUR 1,751 thousand) include finished goods that were measured at acquisition and production costs. Under IAS 2, all costs incurred in connection with the acquisition of the respective assets were included. Borrowing costs to be capitalized were not incurred. The application of IAS 11 is not relevant.

5.4 Other current assets

Other current assets totaling EUR 1,028 thousand (12/31/2017: EUR 579 thousand) are amongst other things deductible input tax amounts, accruals and debit vendors in the following year. Income tax receivables are reimbursable trade and corporation tax including solidarity surcharge.

5.5 Fixed assets and company value

Property, plant and equipment totaling EUR 62 thousand (12/31/2017: EUR 62 thousand) as well as goodwill are recognized at cost using IAS 16 or IAS 38, but reduced by scheduled depreciation for temporary use. Where necessary, impairments reduce (amortized) acquisition cost. There was no revaluation of property, plant and equipment according to the option available under IAS 16.

Scheduled depreciation is linear. Depreciation corresponds to the course of consumption of the future economic benefit. Property, plant and equipment and intangible assets are depreciated on a straight-line basis over various useful lives (three to fifteen years).

In the event that the book value exceeds the expected recoverable amount, an impairment to this value is made in accordance with IAS 36. The recoverable amount is determined by the net sales proceeds or, if higher, the present value of the estimated future cash flows from the use of the asset.

Goodwill acquired in a business combination may not be amortized. Instead, the acquirer must allocate it to the Group's cash-generating units and, in accordance with IAS 36, test for impairment once or more frequently if events or changes in circumstances indicate that impairment may have occurred.

If the recoverable amount of a cash-generating unit is less than its carrying amount, the impairment loss is initially allocated to the carrying amount of the goodwill allocated to the unit and then pro rata to the other assets. Any impairment losses on goodwill are recognized directly in the income statement. An impairment loss recognized for goodwill may not be reversed in future periods. The goodwill of EUR 14,950 thousand reported in the consolidated balance sheet was fully allocated to the international wholesale trade in electronic entertainment and communication equipment of PPA International AG as a cash-generating unit.

5.6 Other accruals

Other accruals totaling EUR 329 thousand (12/31/2017: EUR 258 thousand) include accruals formed when the Group has a present, legal or actual obligation from a past event, the outflow of resources with economic benefits to fulfill that obligation is likely and a reliable estimate of the amount of the obligation is possible. Accruals are recognized at the amount that arises from the best estimate of financial expenses to meet the current obligation as of the balance sheet date.

5.7 Bank loan

Liabilities to banks total EUR 608 thousand (12/31/2017: EUR 45 thousand). As of the balance sheet date, operating credit lines of the UniCredit HVB house bank amounting to EUR 2,000 thousand were not fully utilized.

5.8 Trade payables

Trade payables, which totaled EUR 1,579 thousand (12/31/2017: EUR 702 thousand), are carried at amortized cost using the effective interest method.

5.9 Other short-term liabilities

The other short-term liabilities, which total EUR 696 thousand (12/31/2017: EUR 150 thousand), are stated at amortized cost using the effective interest method. These are essentially wage and sales tax liabilities.

5.10 Liabilities to management

Messrs. Hamed Sam Jam (member of the Management Board of PPA International AG, wholly owned subsidiary of UniDevice AG) and Peter Marggraff (deputy chairman of the UniDevice AG Supervisory Board) are economically lending PPA International AG loans to the amount of EUR 4,041 thousand as of 03/31/2018. The loans are unsecured and subordinated to the bank loan of UniCredit HVB, they yielded interest at 6% per annum. Dr. Christian Pahl (CEO of UniDevice AG and member of the Management Board of PPA International AG) granted PPA International AG various loans in 2017, which showed a balance of EUR 700 thousand on 12/31/2017 and EUR 710 thousand as of 03/31/2018. The loans are unsecured and subordinated to the bank loan of UniCredit HVB, they yielded interest at 6% per annum.

5.11 Deferred tax liabilities

Deferred taxes are calculated on the basis of the tax rates that are applicable at the expected time or are to be applied in the future when the deferred tax assets or liabilities are settled. Offsetting of deferred tax assets and liabilities is only made if there is a legal right to offset actual tax refund claims and actual tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same authority on the same taxable entity. As of the reporting date, deferred tax liabilities totaling EUR 8 thousand (12/31/2017: EUR 8 thousand) were reported.

5.12 Equity

The share capital of the company in the amount of EUR 15,050,000.00 is divided into 15,050,000 no-par-value shares with a nominal value of EUR 1.00 each.

Pursuant to a resolution of the Annual General Meeting on September 13, 2017, the Executive Board was authorized, with the approval of the Supervisory Board, to increase the share capital by 12 September 2022 by issuing new shares in return for non-cash or cash contributions, once or several times, up to a maximum of EUR 7,525,000.00 increase (authorized capital 2017).

Pursuant to a resolution passed by the Annual General Meeting on September 13, 2017, the Executive Board was authorized, with the approval of the Supervisory Board, to issue warrant or convertible bonds, profit participation rights or income bonds or combinations of these instruments in a total amount of up to EUR 7,525,000.00, one or more times until 12 September 2022, with or without a short-term maturity and to grant the holders or creditors of the respective, equally entitled bonds, option or conversion rights to bearer shares of the Company in a pro rata amount of the share capital or to grant or to impose a total of up to EUR 7,525,000.00 in accordance with the terms and conditions of the Notes. For this purpose, the share capital is conditionally increased by up to EUR 7,525,000.00 by issuing up to 7,525,000 new no-par-value bearer shares.

UniDevice AG does not hold any treasury shares as of the balance sheet date.

6 Contingent liabilities and other financial obligations

UniDevice AG together with PPA International AG is liable to UniCredit HVB in connection with a working capital credit line of EUR 2,000 thousand. This working capital credit line is available to PPA International AG.

We estimate the utilization of contingent liabilities to be low due to the current creditworthiness and the previous payment behavior of the beneficiaries. Recognizable clues that would require a different assessment are not available to us. The other financial obligations are within the scope of normal business dealings.

7 Notes to the profit and loss summary account

Principles of revenue recognition

Revenues from the sale of electronic entertainment and communications equipment are recognized in accordance with the contractual arrangements. Devices that are shipped result in revenue as soon as they have been handed over to the shipping company.

Segment reporting according to IFRS 8

Products and services that result in income from reportable segments

In accordance with IFRS 8, business segments are to be delineated on the basis of internal reporting on group divisions, which is regularly reviewed by the chief operating decision maker for decisions on the allocation of resources to these segments and the measurement of their profitability. Information reported to the Board of Directors as the primary decision-maker for the purpose of allocating resources to the business segments of the Group and measuring their profitability relates to the types of goods or services being manufactured or provided. The reportable segments of the Group acc. IFRS 8 is then the international wholesale trade in electronic entertainment and communications equipment. Consolidated revenue corresponds to the segment revenue and the consolidated result corresponds to the segment result. Group assets correspond to segment assets and Group liabilities correspond to segment liabilities.

Products and services

All products (various electronic devices from the areas of entertainment and communication) have been combined to form a group of comparable products. The presentation of product-related revenues is not useful due to the large number of existing devices and for lack of information is not possible. All sales shown in the profit and loss account essentially relate to the product group described above.

Geografic information

The Group operates worldwide.

Expenses and income of the financial year are taken into account - irrespective of the time of payment - when they have been realized. Proceeds from the sale of assets and proceeds from services are realized when the relevant opportunities and risks have been transferred and the amount of the expected consideration can be reliably estimated.

7.1 Revenues

Revenues mainly relate to revenue from the sale of electronic entertainment and communications equipment.

7.2 Other operating income

Other operating income totaled EUR 15 thousand (12/31/2017: EUR 35 thousand).

7.3 Cost of materials

The cost of materials item includes all expenses incurred in connection with the purchase of electronic entertainment and communication equipment.

7.4 Depreciation

Depreciation includes scheduled depreciation of property, plant and equipment and intangible assets in the amount of EUR 5 thousand (12/31/2017: EUR 17 thousand). Property, plant and equipment and intangible assets are depreciated on a straight-line basis over various useful lives (three to fifteen years).

7.5 Other operating expenses

Other operating expenses totaling EUR 401 thousand (12/31/2017: EUR 1,409 thousand) include a large number of individual items. These include, in particular, the costs of the premises, transport costs, insurance and contributions, repairs and maintenance, advertising and travel costs, legal and consulting fees and other various operating costs.

7.6 Interest and similar income

The interest results from the granting of loans or from the investment of cash and cash equivalents at German banks.

7.7 Interest and similar expense

The interest includes expenses for the interest on borrowed loans amounting to EUR 69 thousand (12/31/2017: EUR 212 thousand).

Messrs. Hamed Sam Jam (member of the Management Board of PPA International AG, wholly owned subsidiary of UniDevice AG) and Peter Marggraff (deputy chairman of the UniDevice AG Supervisory Board) are economically lending PPA International AG loans to the amount of EUR 4,041m as of 03/31/2018. The interest expense was EUR 44 thousand. Dr. Christian Pahl (CEO of UniDevice AG and member of the Management Board of PPA International AG) granted PPA International AG various loans amounting to TEUR 710 as of 03/31/2018 and an interest expense of TEUR 10.

8 Earnings per share

Earnings per share are calculated by dividing net income by the number of shares issued. In accordance with IAS 33.19, the calculation of basic earnings per share is based on the number of ordinary shares of the weighted average number of ordinary shares outstanding during the period. Dilution effects are not to be considered.

	Q1 2018	2017
	EUR	EUR
Profit of the year attributable to the shareholders of the parent company	223,188.86	599,479.99
Number of shares	15,050,000	15,050,000
Earnings per share	0.0148	0.039

9 Information on members of the corporate bodies

9.1 Management Board

Surname	First name	Position	Authority to act	Profession
Dr. Pahl	Christian	Board Member	Authority to act solely	Master of Business Administration

9.2 Supervisory Board

Surname	First name	Position	Profession
Jakob	Christoph	Chairman	Tax adviser
Marggraff	Peter	Deputy chairman	Businessman
Wielanek	Kamil	Member	Businessman

10 Number of employees

The UniDevice Group employed an average of 12 people during the reporting period.

11 Risk management policy and countermeasures

The aim of the UniDevice Group's risk management is to identify and record all significant risks and their causes in good time in order to avoid financial losses, debt losses or disruptions. The procedure ensures that suitable countermeasures for risk avoidance can be implemented. At the same time, the Management Board and the Supervisory Board are informed. Essentially, it is an early warning system by monitoring liquidity and earnings performance. The UniDevice Group is generally exposed to risks arising from changes in products, their prices and availability. The high turnover rate of the goods makes it possible, even in the event of sudden and unexpected changes, to minimize losses.

11.1 Borrowing and interest rate risk

The Group has used management loans for the operational implementation of its business model. Due to the fixed interest rate, there are no interest rate risks for management loans.
In 2017, bank borrowing was only marginally used. As of the quarterly reporting date, there were bank operating liabilities in the amount of EUR 608 thousand. Due to the low level of bank interest rates, interest rate risks currently exist only to a limited extent.

11.2 Fair values of financial instruments

11.2.1 Assets

31.12.2017 in kEUR	Short-term Trade receivables	Short-term Cash	Short-term Total book values	Fair value
Financial assets measured at amortised cost	2,280	1,432	3,712	3,712

31.03.2018 in kEUR	Short-term Trade receivables	Short-term Cash	Short-term Total book values	Fair value
Financial assets measured at amortised cost	4,198	496	4,694	4,694

For the instruments presented in the table above and below, the Executive Board considers the carrying amounts in the consolidated balance sheet to be a good approximation of their fair values.

11.2.2 Liabilities

31.12.2017 in kEUR	Short-term Bank loan	Short-term Trade payable	Short-term Other financial liabilities	Total book values	Fair value
Financial liabilities measured at amortised cost	45	702	4,235	4,982	4,982

31.03.2018 in kEUR	Short-term Bank loan	Short-term Trade payable	Short-term Other financial liabilities	Total book values	Fair value
Financial liabilities measured at amortised cost	608	1,579	4,751	6,938	6,938

11.3 Exchange rate risk

Exchange rate risks arise in financial instruments denominated in foreign currency, that means in a currency other than the functional currency (EUR). Certain business transactions (purchase of goods) in the Group are denominated in foreign currencies, therefore risks arise from exchange rate fluctuations. Due to the high turnover rate and fast transaction realization, the risks are limited.

11.4 Other price risks

Other price risks may arise from rising purchase prices. Long-term supply contracts and similar measures that could limit these risks currently do not exist. The conclusion of such contracts would negatively affect the necessary flexibility of the management in the compilation of the electronic equipment to be sold, which will be ordered on demand.

11.5 Risks arising from the default of receivables

The default risk of receivables from the sale of electronic equipment is recognized by appropriate individual and general bad debt allowances. As at the reporting date, there were off-balance-sheet receivables (receivables sold in factoring) in the amount of EUR 1,140 thousand (12/31/2017: EUR 3,617 thousand) for which trade credit insurance was concluded. These off-balance claims are protected against bad debts. The maximum default risk of the financial assets is limited by the value of the carrying amounts.

11.6 Liquidity risk

The Group manages liquidity risks by constantly monitoring forecast and actual cash flows and reconciling the maturity profiles of financial assets and liabilities.

The following tables present the expected future cash flows of the financial liabilities (undiscounted repayments) as of March 31, 2018 and December 31, 2017. The interest payments were not taken into account.

Financial liabilities valued at amortised acquisition costs	Book value 31.12.2017 kEUR	Cash flow up to 1 year kEUR	Cash flow > 1 year to 5 years kEUR	Cash flow > 5 years kEUR
Accruals	258	253	5	0
Interest-bearing financial liabilities	4,280	45	4,235	0
Non-interest-bearing financial liabilities	702	702	0	0

Financial liabilities valued at amortised acquisition costs	Book value 31.03.2018 kEUR	Cash flow up to 1 Jahr kEUR	Cash flow > 1 year to 5 years kEUR	Cash flow > 5 years kEUR
Accruals	329	324	5	0
Interest-bearing financial liabilities	5,359	0	5,359	0
Non-interest-bearing financial liabilities	1,579	1,579	0	0

Non-interest bearing financial liabilities of EUR 1,579 thousand (12/31/2017: EUR 702 thousand) are attributable to trade payables.

12 Information on relationships with related companies and persons

Related parties as defined by IAS 24 "Related Party Disclosures" are generally members of the Management Board and the Supervisory Board, their close family members and all companies included in the scope of consolidation of UniDevice AG. For the Management Board and the Supervisory Board we refer to section (9). These related parties were not involved in any unusual transactions with companies of the UniDevice Group. All transactions between the related companies and persons have been concluded on customary market terms, such as among third parties. The following transactions were made with related companies and persons:

Receivables / Liabilities / to closely associated companies and individuals	31.03.2018 kEUR	31.12.2017 kEUR
Liabilities to related parties	4,751	4,235

Transactions to closely associated companies and persons	31.03.2018 kEUR	31.12.2017 kEUR
Received deliveries and services	119	447

Berlin, April 16, 2018

Dr. Christian Pahl
(CEO)

Imprint

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Phone: +49 (0) 30 897 30 86-70 E-Mail: info@unidevice.de

Web: www.unidevice.de

Investor Relations: info@unidevice.de

Supervisory board: Chairman: Christoph Jakob

Deputy chairman: Peter Marggraff

Member: Kamil Wielanek

Management board: Dr. Christian Pahl

Registered office: Berlin, court Charlottenburg, HRB 190230 B

Conception, design and realization: UniDevice AG