

**ABC Data S.A.**

**ABRIDGED INTERIM FINANCIAL STATEMENTS  
FOR THE 3 MONTHS' PERIOD CLOSED ON 31 MARCH 2018**

The logo for ABC Data S.A. features the word "ABC DATA" in a bold, black, sans-serif font. A red diagonal line is positioned to the left of the letter "A", extending from the top left towards the middle of the letter.

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## ABRIDGED INTERIM STATEMENT OF COMPREHENSIVE INCOME for the 3 months' period closed on 31 March 2018

	<i>Notes</i>	<i>3 months ended 31.03.2018 (unaudited)</i>	<i>3 months ended 31.03.2017 (unaudited)</i>
Revenues		809 288	744 117
Cost of sales		(764 575)	(698 997)
<b>Gross profit on sales</b>		<b>44 713</b>	<b>45 120</b>
Other operating income		157	653
Selling expenses		(36 849)	(38 955)
Administrative expenses		(6 417)	(6 526)
Oter operating expenses		(481)	(63)
<b>Gross profit on operations</b>		<b>1 123</b>	<b>229</b>
Financial income	6	47	9 385
Financial expenses		(1 953)	(2 059)
<b>Net financial income</b>		<b>(1 906)</b>	<b>7 326</b>
<b>Profit before tax</b>		<b>(783)</b>	<b>7 555</b>
Income tax	9	(716)	236
<b>Net profit for the period</b>		<b>(1 499)</b>	<b>7 791</b>
Net chnage in fair value of cash flow hedges	17	(2 419)	6 238
Income tax on other comprehensive income		460	(1 185)
<b>Total other comprehensive income</b>		<b>(1 959)</b>	<b>5 053</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>(3 458)</b>	<b>12 844</b>
Profit per share in PLN:			
– basic profit for the reporting period		(0.01)	0.06
– diluted profit for the reporting period		(0.01)	0.06

Ilona Weiss  
*President*

Andrzej Kuźniak  
*Vice-President*

Arkadiusz Lew-Kiedrowski  
*Vice-President*

Krystyna Cybulska  
*Chief Accountant*

Warsaw, 29 May 2018

## ABRIDGED INTERIM BALANCE SHEET

### as at 31 March 2018

	Notes	31.03.2018 (unaudited)	31.12.2017 (restated)	31.03.2017 (unaudited) (restated)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	10	7 862	8 278	6 277
Intangible assets	10	34 431	33 659	30 279
Investments in subsidiaries		52 885	52 885	52 835
Deferred tax assets		10 238	10 495	11 649
		<b>105 416</b>	<b>105 317</b>	<b>101 040</b>
<b>Current assets</b>				
Inventories	9	342 755	320 763	301 869
Contract assets		19 851	32 114	30 770
Short-term financial assets	12	17 077	17 829	27 501
Income tax receivables		6 850	5 430	7 179
Trade and other receivables		349 785	551 782	265 065
Cash and cash equivalents	7	8 150	4 479	11 994
		<b>744 468</b>	<b>932 397</b>	<b>644 378</b>
<b>TOTAL ASSETS</b>		<b>849 884</b>	<b>1 037 714</b>	<b>745 418</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Share capital	16	125 267	125 267	125 267
Share premium		39 825	39 825	39 825
Treasury shares		(10 065)	(10 065)	(10 065)
Other reserve capital		(17)	1 942	3 992
Retained profit		101 378	102 877	85 359
		<b>256 388</b>	<b>259 846</b>	<b>244 378</b>
<b>Long-term liabilities</b>				
Long-term financial liabilities		420	452	-
Provisions for employee benefits		588	588	642
Other long-term liabilities		7 359	8 749	10 437
Provisions	13	452	452	416
		<b>8 819</b>	<b>10 241</b>	<b>11 495</b>
<b>Short-term liabilities</b>				
Current portion of interest bearing borrowings and debt instruments	14	117 448	117 917	110 997
Liabilities due to employee benefits		12 089	11 579	11 016
Other financial liabilities	15	27 584	22 676	23 685
Trade and other liabilities		425 329	613 227	341 659
Provisions	13	2 227	2 228	2 188
		<b>584 677</b>	<b>767 627</b>	<b>489 545</b>
<b>Total liabilities</b>		<b>593 496</b>	<b>777 868</b>	<b>501 040</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>849 884</b>	<b>1 037 714</b>	<b>745 418</b>

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Chief Accountant

Warsaw, 29 May 2018

Supplementary Explanatory Notes to the Abridged Interim Financial Statements on pages 6 to 19

form an integral part thereof

## ABRIDGED INTERIM STATEMENT OF CASH FLOWS

### for the 3 months' period closed on 31 March 2018

	<i>Notes</i>	<i>3 months ended 31.03.2018 (unaudited)</i>	<i>3 months ended 31.03.2017 (unaudited) (restated)</i>
<b>Cash flow from operating activities</b>			
Gross profit		(783)	7 555
Adjusted by:			
Amortization / Depreciation		963	765
Cost of share-based payments		-	9
(Profit) / loss on investing activities		5	(30)
(Increase)/decrease in receivables		201 997	226 713
(Increase)/decrease in inventories		(21 992)	44 997
(Increase)/decrease in contract assets		12 263	(7 987)
Increase/(decrease) in liabilities, except for borrowings		(189 288)	(287 660)
Financial income		(47)	(9 385)
Financial expenses		1 953	2 059
Increase /(decrease) in liabilities to employees		510	1 105
Change in provisions	13	(1)	(233)
Income tax paid		(1 419)	(2 132)
Other		(1 420)	5 005
<b>Net cash flow from operating activities</b>		<b>2 741</b>	<b>(19 219)</b>
<b>Cash flow from investing activities</b>			
Sales of property, plant, equipment and intangible assets	10	1	33
Acquisition of property, plant, equipment and intangible assets	10	(1 325)	(262)
Interest received		46	102
<b>Net cash flow from investing activities</b>		<b>(1 278)</b>	<b>(127)</b>
<b>Cash flow from financing activities</b>			
Change in overdrafts	14	(469)	(26 990)
Inflow due to cash pooling	15	4 803	2 275
Payments due to financial leasing		(30)	
Interest paid		(2 096)	(2 488)
<b>Net cash flow from financing activities</b>		<b>2 208</b>	<b>(27 203)</b>
Net increase / (decrease) in cash and cash equivalents		3 671	(46 549)
<b>Opening balance of cash</b>		<b>4 479</b>	<b>58 543</b>
<b>Closing balance of cash</b>	7	<b>8 150</b>	<b>11 994</b>

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Warsaw, 29 May 2018

## ABRIDGED INTERIM STATEMENT OF CHANGES IN EQUITY

for the 3 months' period closed on 31 March 2018

<i>Note</i>	<i>Share capital</i>	<i>Share premium</i>	<i>Treasury shares</i>	<i>Other reserve capital</i>	<i>Retained profit</i>	<i>Net profit</i>	<i>Total equity</i>
<b>3 months 2018 roku</b>							
<b>As at 1 January 2018</b>	<b>125 267</b>	<b>39 825</b>	<b>(10 065)</b>	<b>1 942</b>	<b>102 877</b>	<b>-</b>	<b>259 846</b>
Net profit for the period	-	-	-	-	-	(1 499)	(1 499)
Other comprehensive income for the period	-	-	-	(1 959)	-	-	(1 959)
Comprehensive income for the period	-	-	-	(1 959)	-	(1 499)	(3 458)
Share-based payments	-	-	-	-	-	-	-
<b>As at 31 March 2018</b>	<b>125 267</b>	<b>39 825</b>	<b>(10 065)</b>	<b>(17)</b>	<b>102 877</b>	<b>(1 499)</b>	<b>256 388</b>
<b>12 months 2017</b>							
<b>As at 1 January 2017</b>	<b>125 267</b>	<b>39 825</b>	<b>(10 065)</b>	<b>(1 070)</b>	<b>77 568</b>	<b>-</b>	<b>231 525</b>
Net profit for the period	-	-	-	-	-	35 117	35 117
Other comprehensive income for the period	-	-	-	3 000	-	-	3 000
Comprehensive income for the period	-	-	-	3 000	-	35 117	38 117
Share-based payments	-	-	-	12	-	-	12
Dividend paid	-	-	-	-	(9 808)	-	(9 808)
<b>As at 31 December 2017</b>	<b>125 267</b>	<b>39 825</b>	<b>(10 065)</b>	<b>1 942</b>	<b>67 760</b>	<b>35 117</b>	<b>259 846</b>

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Supplementary Explanatory Notes to the Abridged Interim Financial Statements on pages 6 to 19

form an integral part thereof

## **SUPPLEMENTARY EXPLANATORY NOTES**

### **1. General information**

ABC Data S.A. (the "Company") is a publicly traded joint-stock company with its registered office in Warsaw. The Consolidated Abridged Interim Financial Statements of the Company cover the 3-month period closed on 31 March 2018. The statement of comprehensive income and the statement of cash flows as well as notes to the statement of comprehensive income cover data for the 3-month period closed on 31 March 2018 and comparative data for the 3-month period closed on 31 March 2017. The comparative data in the balance sheet include the balance as at 31 December 2017 and as at 31 March 2017. The statement of changes in equity presents as comparative data the data for the full year 2017.

The Company was incorporated under Notarial Deed of 25 July 2007 under the business name ABC Data Holding S.A. Since 4 January 2010, the Company has been operating under the name ABC Data S.A.

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

The duration of the Company is indefinite.

The Company's core business includes:

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

On 29 May 2018, the present abridged interim financial statements of the Company for the 3-month period closed on 31 March 2018 was approved for publication by the Management Board.

The Company also prepared the consolidated abridged interim financial statements for the the 3-month period closed on 31 March 2018, which was approved for publication by the Management Board on 29 May 2018.

### **2. Basis for the preparation of the abridged interim financial statements**

These abridged interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), in particular in accordance with International Accounting Standard No. 34 and IFRSs approved by the EU. As at the date of approval of these financial statement for publication, considering the IFRS implementation process taking place in the EU and the activities carried out by the Company, as regards the accounting principles applied by the Company, the IFRS which came into force do not differ from those endorsed by the EU.

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

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

This condensed interim financial statement has been prepared based on the assumption that the Company will continue as a going concern in the foreseeable future. As at the date of approval of this financial statement, there were no circumstances found that would indicate a risk to the Company's ability to continue as a going concern.

The condensed interim financial statement does not include all the information and disclosures required for the annual financial statement and it should be read together with the Company's financial statement for the year closed on 31 December 2017.

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

### **3. Significant accounting principles (policy)**

The accounting principles (policy) used to draw up this financial statement are compliant with the ones which were applied when drawing up an annual financial statement of the Company for the year closed on 31 December 2017, except for using the following changes to the standards and new interpretations binding for the periods started on 1 January 2018.

#### **Influence of new and amended standards and interpretations**

As at 1 January 2018, the following standards endorsed by the EU have been applied by the Company:

- IFRS 15 "Revenue from Contracts with Clients" The standard was approved by the European Union on 22 September 2016

and applies to annual reporting periods beginning on 1 January 2018 or later;

- IFRS 9 "Financial instruments": The standard was approved by the European Union on 22 November 2016 and applies to annual reporting periods beginning on 1 January 2018 or later.

#### **First application of IFRS 15 "Revenue from the Contracts with Clients"**

The IFRS 15 "Revenue from Contracts with Clients" establishes a Five-Step Revenue Recognition Model for recognizing revenue arising from the contracts with clients. In accordance with IFRS 15, revenue is recognized in the amount of remuneration which, as expected, is due in exchange for the transfer of promised goods or services to the client. The new standard replaced all existing requirements regarding revenue recognition in accordance with IFRS.

The Company has analyzed specific categories of revenues and contracts in terms of the moment and the amount of recognizing revenues. Based on the analysis, the Company recognized that this standard does not affect in any way the financial statements of the Company.

Based on the analysis, the Company amended the presentation method of selected balance sheet items. Assets due to the Company's right to recover goods from the customers, formerly recognized in "Inventories", were reclassified as "Contractual assets". The above change is for demonstration purposes only, and it does not affect the balance sheet total of the Company. The Company applied the standard retrospectively in accordance with IFRS 15 item C3a. The comparative data in the Company's balance sheet and in the statement of cash flows has been restated accordingly.

The summary of amendments to the comparative data of the Company has been included in Note 4.

#### **First application of IFRS 9 "Financial instruments"**

The IFRS 9 "Financial Instruments" defines the requirements for recognition and measurement of financial assets, financial liabilities and certain sale agreements regarding non-financial items. It replaced IAS 39 Instruments: Recognition and Measurement standard.

The IFRS 9 replaces the "incurred loss" model defined in IAS 39 with the "expected credit loss" model (ECL).



According to the Company, the application of the standard did not significantly affect the method of valuation of held financial instruments. The Company did not identify significant changes in the classification of financial assets that would result in a changed method of their valuation.

As part of the implementation of IFRS 9, the Company developed a methodology for calculating the expected credit loss for trade receivables, which was presented in the financial statements for 2017.

#### 4. Data comparability

In the financial statements for the 3 months' period closed on 31 March 2017, the Company recognized a liability due to discounts from Company's property lessors received in advance for the whole term of long-term rental agreements, in full as other short-term liabilities.

In these statements, the data recognized in the balance sheet as at 31 March 2017 have been restated to ensure comparability with the data as at 31 March 2018 and as at 31 December 2017. The part to be repaid as at 31 March 2017 was presented correctly after 31 March 2018 as the remaining long-term liability.

The tables below present the restatement of the balance sheet as at 31 December 2017, 31 March 2017 and the statement of cash flows for the 3 months' period of 2017 resulting from the implementation of IFRS 15. The balance sheet as at 31 March 2017 also includes a change in the presentation of liabilities due to received discounts.

<u>Balance sheet as of 31.12.2017</u>	<i>31.12.2017</i> <i>(reported)</i>	<i>Presenatation</i> <i>change</i>	<i>31.12.2017</i> <i>(restated)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>105 317</b>	-	<b>105 317</b>
<b>Current assets</b>			
Inventories	352 877	(32 114)	320 763
Contract asstes	-	32 114	32 114
Short-term financial assets	17 829	-	17 829
Income tax receivables	5 430	-	5 430
Trade and other receivables	551 782	-	551 782
Cash and cash equivalents	4 479	-	4 479
	<b>932 397</b>	-	<b>932 397</b>
<b>TOTAL ASSETS</b>	<b>1 037 714</b>	-	<b>1 037 714</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 037 714</b>	-	<b>1 037 714</b>

<u>Balance sheet as of 31.03.2017</u>	<i>31.03.2017</i> <i>(reported)</i>	<i>Presenatation</i> <i>change</i>	<i>31.03.2017</i> <i>(restated)</i>
<b>ASSETS</b>			
<b>Non-current assets</b>	<b>101 040</b>	-	<b>101 040</b>
<b>Current assets</b>			
Inventories	332 639	(30 770)	301 869
Contract asstes	-	30 770	30 770
Short-term financial assets	27 501		27 501
Income tax receivables	7 179		7 179
Trade and other receivables	265 065		265 065
Cash and cash equivalents	11 994		11 994
	<b>644 378</b>	-	<b>644 378</b>
<b>TOTAL ASSETS</b>	<b>745 418</b>	-	<b>745 418</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>244 378</b>	-	<b>244 378</b>
<b>Long-term liabilities</b>			
Provisions for employee benefits	642	-	642
Other long-term liabilities	-	10 437	10 437
Provisions	416	-	416
	<b>1 058</b>	<b>10 437</b>	<b>11 495</b>
<b>Short-term liabilities</b>			
Current portion of interest bearing borrowings and debt instruments	110 997		110 997
Liabilities due to employee benefits	11 016		11 016
Other financial liabilities	23 685		23 685
Trade and other liabilities	352 096	(10 437)	341 659
Provisions	2 188		2 188
	<b>499 982</b>	<b>(10 437)</b>	<b>489 545</b>
<b>Total liabilities</b>	<b>501 040</b>	-	<b>501 040</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>745 418</b>	-	<b>745 418</b>
 <u>Cash flow statement</u>	 <i>3 months ended</i> <i>31.03.2017</i> <i>(reported)</i>	 <i>Presenatation</i> <i>change</i>	 <i>3 months ended</i> <i>31.03.2017</i> <i>(restated)</i>
<b>Cash flow from operating activites</b>	<b>7 555</b>	-	<b>7 555</b>
Gross profit			
Adjusted by:			
Amortization / Depreciation	765	-	765
Cost of share-based payments	9	-	9
(Profit) / loss on investing activities	(30)	-	(30)
(Increase)/decrease in receivables	226 713	-	226 713
(Increase)/decrease in inventories	37 010	7 987	44 997
(Increase)/decrease in contract assets	-	(7 987)	(7 987)
Increase/(decrease) in liabilities, except for borrowings	(287 660)	-	(287 660)
Financial income	(9 385)	-	(9 385)
Financial expenses	2 059	-	2 059
Increase/(decrease) in liabilities to employees	1 105	-	1 105
Change in provisions	(233)	-	(233)
Income tax paid	(2 132)	-	(2 132)
Other	5 005	-	5 005
<b>Net cash flow from operating activities</b>	<b>(19 219)</b>	-	<b>(19 219)</b>

## 5. Seasonality of operations

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

## 6. Financial revenue

	<i>3 months ended 31.03.2018 (unaudited)</i>	<i>3 months ended 31.03.2017 (unaudited)</i>
Bank interest income	1	102
Interest & commission on intercompany borrowing	46	-
Dividends from subsidiaries	-	9 283
	<b>47</b>	<b>9 385</b>

## 7. Cash and cash equivalents

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

	<i>31.03.2018 (unaudited)</i>	<i>31.03.2017 (unaudited)</i>
Cash at bank and in hand	8 150	11 994
Other cash	-	-
	<b>8 150</b>	<b>11 994</b>

## 8. Dividends paid and proposed to be paid

On 9 May 2018, the Management Board of the Company decided to recommend the Ordinary General Meeting of the Company's Shareholders to allocate the entire net profit for the financial year 2017 in the amount of PLN 35,117 thousand for shareholders' dividend.

Moreover, the Management Board recommended to allocate for dividend PLN 3716 thousand from the supplementary capital.

The total amount of dividend recommended for payment is PLN 38,833 thousand that is PLN 0.31 per share.

After excluding the advance on the estimated dividend in the amount of PLN 0.08 per share paid to shareholders on 8 December 2017, the remaining part is PLN 0.23 per share.

The Company did not pay dividend on profit for the financial year 2016.

## 9. Income tax

Main elements of tax burden in the profit and loss account are shown below:

	<i>3 months ended</i> <i>31.03.2018</i> <i>(unaudited)</i>	<i>3 months ended</i> <i>31.03.2017</i> <i>(unaudited)</i>
Current income tax	-	-
Deferred income tax	(716)	236
Income tax charged to net profit for the current period	<b>(716)</b>	<b>236</b>

## 10. Fixed tangible assets and intangible assets

### 10.1. Acquisition and sale of fixed tangible assets

Over the 3 months' period closed on 31 March 2018, the Company purchased tangible fixed assets with a value of PLN 162 thousand (over the 3 months' period closed on 31 March 2017, it was PLN 116 thousand).

Over the 3 months' period closed on 31 March 2018, the Company sold tangible fixed assets with a net value of PLN 6 thousand (over the 3 months' period closed on 31 March 2017, the Company sold tangible fixed assets with a net value of PLN 3 thousand).

### 10.2. Acquisition and sale of intangible assets

Over the 3 months' period closed on 31 March 2018, the Company purchased intangible assets with a value of PLN 1,163 thousand (over the 3 months' period closed on 31 March 2017 it was PLN 146 thousand).

Over the 3 months' period closed on 31 March 2018, and over the 3 months' period closed on 30 March 2017, the Company did not sell any intangible assets.

## 11. Inventories

As at 31 March 2018, the impairment loss on inventories up to net realizable selling prices amounted to PLN 12,468 thousand PLN (as at 31 December 2017: PLN 11,852 thousand, and as at 31 March 2017: PLN 12,145 thousand). Changes in the impairment losses are recognized in "Costs of sales".

## 12. Short-term financial assets

	<i>31.03.2018</i> <i>(unaudited)</i>	<i>31.12.2017</i>	<i>31.03.2017</i> <i>(unaudited)</i>
FX contracts	-	752	1 138
Borrowing granted to subsidiary	17 075	17 075	17 075
Receivable due to dividend from subsidiary	-	-	9 283
Other	2	2	5
	<b>17 077</b>	<b>17 829</b>	<b>27 501</b>

## 13. Provisions

	<i>Guarantee costs</i>	<i>Onerous contracts</i>	<i>Total</i>
Amount as at 1 January 2018	2 262	418	2 680
Recognized	-	-	-
Derecognized	(1)	-	(1)
Amount as at 31 March 2018	2 261	418	2 679
Long-term portion	452	-	452
Short-term portion	1 809	418	2 227

	<i>Guarantee costs</i>	<i>Onerous contracts</i>	<i>Total</i>
Amount as at 1 January 2017	2 315	522	2 837
Recognized	-	-	-
Derecognized	(233)	-	(233)
Amount as at 31 March 2017	2 082	522	2 604
Long-term portion	416	-	416
Short-term portion	1 666	522	2 188

### Warranty costs

The Company recognizes a provision for costs of complaints related to warranties and guarantees given with regard to goods sold. The provision is estimated based on the sales volume, duration of warranty periods, historical data regarding faulty goods and the associated losses, as well as current operating costs of the service department. According to the estimations of the Company, the provision of PLN 1,809 thousand is going to be used up within 12 months by 31 March 2019, while the remaining portion will be used up after 31 March 2019.

### Onerous contracts

Also, the Company recognizes a provision related to goods purchase orders pending at the balance sheet date, which will be fulfilled at prices higher than the realizable net selling price. The Company estimates the volume of the provision based on a detailed analysis of goods sales price trends after the balance sheet date. Both the creation and termination of the provision are recognized under other operating expenses. The Company expects that the total provision will be used up by 2018.

## 14. Interest-bearing bank loans and credit facilities

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

in thousand PLN	Currency	Interest	Maturity date	31.03.2018	31.12.2017	31.03.2017
Overdraft facility - Bank Polska Kasa Opieki S.A.	PLN	Wibor 1M+margin	15.12.2018	3 577	18 244	7
Overdraft facility - Bank Polska Kasa Opieki S.A.	EUR	Euribor 1M+margin	15.12.2018	19 431	656	10 013
Overdraft facility - Bank Polska Kasa Opieki S.A.	USD	Libor 1M+margin	15.12.2018	8 116	-	2 030
Overdraft facility - Bank Millennium S.A.	PLN	Wibor 1M+margin	28.04.2018	-	16 154	1 022
Overdraft facility - Bank Millennium S.A.	EUR	Euribor 1M+margin	28.04.2018	-	1 054	6 244
Overdraft facility - Bank Millennium S.A.	USD	Libor 1M+margin	28.04.2018	168	42	4
Credit facility - cash pool account -Bank ING Bank Śląski S.A.	PLN	Wibor 1M+margin	31.12.2025	-	-	3 462
Overdraft facility - Bank ING Bank Śląski S.A.	EUR	Euribor 1M+margin	31.12.2025	18 055	21 377	8 289
Overdraft facility - Bank ING Bank Śląski S.A.	USD	Libor 1M+margin	31.12.2025	6 074	-	3 274
Overdraft facility - Bank ING Bank Śląski S.A.	CZK	Pribor 1M+margin	31.12.2025	4 395	49	6 044
Overdraft facility - Bank ING Bank Śląski S.A.	RON	Robor 1M+margin	n/d	-	-	1
Overdraft facility - Bank Societe Generale	PLN	Wibor 1M+margin	n/d	-	-	163
Overdraft facility - Bank Societe Generale	EUR	Euribor 1M+margin	n/d	-	-	36 046
Overdraft facility - Bank Societe Generale	USD	Libor 1M+margin	n/d	-	-	21
Overdraft facility -BGŻ BNP Paribas	PLN	Wibor 1M+margin	01.12.2025	2 304	6 730	3 801
Overdraft facility -BGŻ BNP Paribas	EUR	Euribor 1M+margin	01.12.2025	15 336	11 237	29 382
Overdraft facility - Bank Handlowy w Warszawie S.A.	PLN	Wibor 1M+margin	n/d	-	-	1 194
Overdraft facility - mBank S.A.	PLN	Wibor overnight +margin	13.07.2018	22 508	42 165	-
Overdraft facility - mBank S.A.	EUR	Euribor overnight +margin	13.07.2018	6 647	209	-
Overdraft facility - mBank S.A.	USD	Libor overnight +margin	13.07.2018	10 837	-	-
				<b>117 448</b>	<b>117 917</b>	<b>110 997</b>

Bank loan guarantees take form of a written statement on submission to enforcement under Articles 97.1 and 97.2 of the Banking Act together with the authorization for banks to issue a bank enforcement title or statement of submission to enforcement filed in the form of a notarial deed under Art. 777 § 1(5) of the Code of Civil Procedure or a blank promissory note with promissory note agreement.

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

Supplementary Explanatory Notes to the Abridged Interim Financial Statements on pages 6 to 19

form an integral part thereof

## 15. Other financial liabilities

	31.03.2018 <i>(unaudited)</i>	31.12.2017	31.03.2017 <i>(unaudited)</i>
Other long-term financial liabilities			
Liability due to financial leasing	420	452	-
Total	<b>420</b>	<b>452</b>	<b>-</b>
Other long-term financial liabilities			
FX contracts	246	-	-
Liabilities due to cash pooling	26 949	22 146	23 425
Liability due to financial leasing	125	123	-
Accrued interest on factoring	264	407	260
Total	<b>27 584</b>	<b>22 676</b>	<b>23 685</b>

## 16. Equity

### Share capital

As at 31 March 2018, the shareholding structure was as follows:

	Number of shares	Number of votes	% of votes held
MCI Venture Projects sp. z o.o. VI S.K.A.	76 060 378	76 060 378	60.7%
OFE PZU "Złota Jesień"	9 650 000	9 650 000	7.7%
Other shareholders	39 556 521	39 556 521	31.6%
Total	<b>125 266 899</b>	<b>125 266 899</b>	<b>100.0%</b>

## 17. Hedging Accounting

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

The tables below present the key parameters of foreign currency monetary items allocated for hedging instruments, including periods where cash flows will occur arising from the cash flow hedges and where they will affect the financial result, as well as their fair value in PLN thousand as at 31 March 2018.

Hedging instruments – EUR

Instrument type	Nominal amount		Fair value*		Expected maturity of hedged position	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade liabilities	(73 129)	(74 961)	(73 129)	(74 961)	April/May 2018	April/May 2017
Trade receivables	58 379	83 437	58 379	83 437	April/May 2018	April/May 2017
Cash	(59 089)	(90 945)	(59 089)	(90 945)	April/May 2018	April/May 2017
FX Forward EUR	(29 460)	(42 684)	(24)	26	April/May 2018	April/May 2017
<b>Total monetary items</b>	<b>(103 299)</b>	<b>(125 153)</b>	<b>(73 863)</b>	<b>(82 443)</b>		

Hedging instruments – USD

Instrument type	Nominal amount		Fair value*		Expected maturity of hedged position	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Trade liabilities	(69 384)	(62 456)	(69 384)	(62 456)	April/May 2018	April/May 2017
Trade receivables	10 297	7 695	10 297	7 695	April/May 2018	April/May 2017
Cash	(25 134)	(4 793)	(25 134)	(4 793)	April/May 2018	April/May 2017
FX Forward USD	(13 656)	-	(4)	-	April/May 2018	April/May 2017
<b>Total monetary items</b>	<b>(97 877)</b>	<b>(59 554)</b>	<b>(84 225)</b>	<b>(59 554)</b>		

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

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

	3 months ended 31.03.2018	3 months ended 31.03.2017
Opening balance	2 237	(1 467)
Effective portion of profit/loss on hedging instrument	1 214	12 200
Amounts charged to profit or loss, including:	3 633	5 962
- Adjustment of sales revenue	3 633	5 962
- Adjustment arising from hedge ineffectiveness	-	-
<b>Closing balance</b>	<b>(182)</b>	<b>4 771</b>



## 18. Capital management

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

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

Net debt includes liabilities arising from loans and credit facilities, cash pool liabilities, less cash and cash equivalents. EBITDA is defined as the net financial result determined in accordance with IFRS-EU, plus depreciation and amortization, impairment losses on property, plant and equipment, and intangible assets, net financial expenses and income tax.

As at 31 March 2018, the above ratio was as follows:

	<i>31.03.2018</i> <i>(unaudited)</i>	<i>31.03.2017</i> <i>(unaudited)</i>
Net debt	137 547	122 688
EBITDA	29 938	8 487
<b>Net debt ratio</b>	<b>4.6</b>	<b>14.5</b>

*\*/EBITDA for the 12 months' periods ended 31 March 2018 and 31 March 2017.*

The Company aims to maintain the ratio at the maximum level of 4, calculated based on the consolidated data. The growth strategy adopted by the ABC Data Capital Group assumes an amplification of regional operations while maintaining the leading position of the Company when dealing with the suppliers. This will allow the Company to maximize benefits from the existing vendor contracts to which ABC Data S.A. is part, boosted by local resources depending on the needs or the perceived potential of a particular offer. Such an approach results in an increased demand for working capital at the Company, which, combined with the contribution of regional operations, results in maintaining a low level of the ratio as calculated based on consolidated data in accordance with the growth strategy pursued by the Group.

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

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

## 19. Contingent liabilities

### 19.1. Guarantees and sureties issued for the subsidiaries' liabilities

Under the multilateral loan agreement of 16 March 2015 including subsequent annexes concluded between ING Bank Śląski, ABC Data S.A., iSource S.A., S4E S.A. and ABC DATA Marketing Sp. z o.o., the borrowers are jointly and severally liable for the liabilities due to the bank.

ABC Data S.A. and its subsidiaries: ABC Data Marketing Sp. z o.o., iSource S.A and SPV Sail Sp. z o. o. are parties to the agreement of 30 September 2015, together with subsequent annexes, concluded with ING Bank Śląski SA for the provision of cash pooling services as daily limits. Pursuant to the provisions of the agreement, each Participant undertakes to repay the debt arising from non-payment of the daily limit by any of the Participants.

ABC Data S.A. issues guarantees and sureties for the liabilities of its subsidiaries to their suppliers and financial institutions. As at 31 March 2018, the contingent liabilities related to the above amounted to:

PLN 30,000 thousand and PLN 75,000 thousand for the liabilities of iSource S.A.;

USD 2,630 thousand , EUR 300 thousand and PLN 30,000 thousand for the liabilities of ABC Data Distributiv SRL;

PLN 36,000 thousand for the liabilities of ABC Data s.r.o in Czechia;

PLN 54,000 thousand for the liabilities of ABC Data Kft;

PLN 32,700 thousand and PLN 243,000 thousand for the liabilities of S4E S.A.;

Since 10 April 2018, the amount of surety for liabilities incurred by iSource S.A. has increased from 30,000 thousand USD to 45,000 thousand USD

## **19.2. Contingent liabilities for reprographic fees**

Pursuant to the Act on Copyright and the Related Rights of 4 February 1994, the Company, as an importer of copiers, scanners and other similar reprographic equipment enabling the copying of published works, as well as blank data carriers enabling the recording of works for personal use, pays fees to organizations dealing in collective management of copyrights or the related rights. Following an inspection carried out by an auditor appointed by these organizations, the latter have claimed significant additional amounts from the Company. According to the Company, the auditor's calculations include a number of errors, and the claims based thereon are groundless.

Currently, a dispute of the Company with three of the organizations is pending. Due to doubts regarding the interpretation of legal regulations and discrepancies in previous court decisions, the Company has recognized a provision for the amount which, in its opinion, covers the risk related to the possibility of an unfavourable ruling.

Currently, the actions for payment of PLN 27,068 thousand allegedly due for the Company's sale of equipment and blank data carriers are pending filed by the organizations dealing with collective management of copyrights. According to the Company and a third-party legal adviser, the calculation methodology used in the suit contains a number of errors, and the claims based thereon are groundless.

## **19.3. Tax returns**

### **Corporate income tax for the fiscal year 2010**

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

In its non-final judgement of 19 April 2016, the Regional Administrative Court in Warsaw repealed the decision that the Company appealed against. The Company agrees with the ruling of the first-instance court, whereby the decision was repealed. However, it opposes to the reasons for such ruling in a number of respects.

Therefore, on 12 July 2016, it filed a last resort appeal with the Supreme Administrative Court. The decision is pending.

### **Tax on goods for Q2 of 2014**

In September 2014, inspection proceedings were instituted against the Company following the authorization of the Director of the Tax Inspection Office in Warsaw to examine the validity of the tax bases declared by the Company as well as correctness of calculation and payment of value added tax for the Q2 of 2014. The proceedings have not been closed by the date of these statements.

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

## 20. Related-party transactions

The table below presents cumulative amounts of transactions concluded with related parties during the 3 months' periods closed on 31 March 2018 and 31 March 2017, respectively, as well as balances of liabilities and receivables as at 31 March 2018 and 31 December 2017.

<i>Related party</i>		<i>Sales to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>
<u>MCI Capital S.A. Group companies</u>					
MCI Capital S.A.	<i>2018</i>	-	-	-	-
Morele Net Sp. z o.o.	<i>2018</i>	26 078	1 192	14 864	286
MCI Capital S.A.	<i>2017</i>	4	-	-	-
Morele Net Sp. z o.o.	<i>2017</i>	24 049	1 255	20 962	196

<i>Related party</i>		<i>Sales to related parties</i>	<i>Purchases from related parties</i>	<i>Receivables from related parties</i>	<i>Liabilities to related parties</i>
<b><u>Subsidiaries</u></b>					
ABC Data Marketing Sp. z o.o.	2018	271	5 860	13	4 467
ABC Data s.r.o. - Czechy	2018	36 194	1 341	13 931	(669)
ABC Data s.r.o. - Słowacja	2018	23 021	-	12 284	-
UAB ABC Data Lietuva - Litwa	2018	61 720	15	16 139	15
ABC Data Hungary Kft.	2018	20 009	6	36 276	6
ABC Data Distributie SRL	2018	40 041	170	27 427	157
ABC Data GmbH - Niemcy	2018	-	-	2 013	-
iSource S.A.	2018	117	-	48	0
ABC Data Finanse Sp. z o.o.	2018	5	-	-	-
SPV Sail Sp. z o.o.	2018	-	-	-	-
S4E S.A.	2018	51	148	70	-
ABC Data Marketing Sp. z o.o.	2017	409	5 195	(195)	3 854
ABC Data s.r.o. - Czechy	2017	37 172	1 093	23 825	1 125
ABC Data s.r.o. - Słowacja	2017	19 619	-	17 838	11
UAB ABC Data Lietuva - Litwa	2017	53 114	-	20 112	-
ABC Data Hungary Kft.	2017	21 959	25	44 586	123
ABC Data Distributie SRL	2017	30 276	59	41 585	76
ABC Data GmbH - Niemcy	2017	(2)	-	1 995	-
iSource S.A.	2017	120	23	55	30
ABC Data Finanse Sp. z o.o.	2017	5	-	19	-
SPV Sail Sp. z o.o.	2017	-	-	-	-
S4E S.A.	2017	187	-	2 950	65

### Cash pooling transactions

<i>Related party</i>		<i>interest paid</i>	<i>interest received</i>	<i>receivables</i>	<i>liabilities</i>
<b><u>Subsidiaries</u></b>					
ABC Data Marketing Sp. z o.o.	2018	70	-	-	24 650
Isource S.A.	2018	-	-	-	2 299
SPV Sail Sp. z o.o.	2018	-	-	2	-
ABC Data Marketing Sp. z o.o.	2017	67	-	-	22 342
Isource S.A.	2017	1	-	-	1 083

### Loan granted to SPV Sail Sp. z o.o.

ABC Data S.A. has due receivable amounting to PLN 17,075 thousand levied for a loan granted to SPV Sail Sp. z o.o. for the purchase of shares of S4E S.A. The loan is interest-bearing at a fixed rate. SPV Sail is obliged to repay the loan with interest until 31 December 2018.

### Loan granted to S4E S.A.

In the reporting period, the Company granted a short-term loan to S4E S.A. in the amount of PLN 2,645 thousand for the financing of purchase and sale of IT equipment. The loan bore interest at a floating interest rate based on the Wibor 1M index. The borrower was also obliged to make the initial payment. The loan was repaid within the reporting period.

**Remuneration paid to the Management and Supervisory Board members**

	<i>3 months ended</i> <i>31.03.2018</i> <i>(unaudited)</i>	<i>3 months ended</i> <i>31.03.2017</i> <i>(unaudited)</i>
Management Board		
Short-term employee benefits	490	524
Supervisory Board		
Short-term employee benefits	112	75
	<b>602</b>	<b>599</b>

**Other transactions with the Management and Supervisory Board members**

Occasionally, Management Board members purchase goods offered by the Company on arm's length terms.

**21. Events after the balance sheet date**

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

Ilona Weiss  
*President*

Andrzej Kuźniak  
*Vice-President*

Arkadiusz Lew-Kiedrowski  
*Vice-President*

Krystyna Cybulska  
*Chief Accountant*

*Warsaw, 29 May 2018*