

OEX S.A.

REPORT ON THE ACTIVITIES IN THE PERIOD FROM 1
JANUARY 2018 TO 31 DECEMBER 2018

Warsaw, 09 April 2019.

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1. Information about the Issuer;

Name:	OEX
Legal form:	Spółka Akcyjna (<i>Polish joint-stock company</i>)
Seat:	02-797 Warszawa, ul. Klimczaka 1
Registration authority:	District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register
Statistical number (REGON):	630822208

2. Principles of the preparation of the annual financial statements;

The principles governing the preparation of the annual financial statements were described in the Issuer's financial statements for 2018.

3. Information about basic products, goods or services, with a breakdown into volumes and value as well as the shares of particular products, goods and services (if they are material) or their groups in total sale of the issuer, changes in this respect during the year;

OEX S.A. carries out holding activity, providing for the benefit of companies from its Group, a number of services supporting their operational business such as, without limitation, HR and payroll services, legal and compliance support, strategic consulting, controlling, finance, and public relations.

a) Main income statement items:

	from 01/01 to 31/12/2018	from 01/01 to 31/12/2017
	<i>kPLN</i>	<i>kPLN</i>
Revenue from sales	6,217	5,036
Operating profit (loss)	-1,132	-249
Profit before taxes	10,314	7,283
Net profit	10,760	7,557

b) Main balance sheet items and their share in the structure:

ASSETS	31/12/2018		31/12/2017	
	<i>kPLN</i>		<i>kPLN</i>	
Fixed assets, including:	126,832	75.4%	125,311	86.9%
Interests in subsidiaries	125,158	74.4%	124,158	86.0%
Current assets, including:	41,343	24.6%	18,969	13.1%
Loans extended to subsidiaries	16,232	9.7%	10,635	7.4%
Trade receivables from subsidiaries	2,019	1.2%	2,720	1.9%
Total assets	168,175	100.0%	144,280	100.0%

EQUITY AND LIABILITIES	31/12/2018		31/12/2017	
	<i>kPLN</i>		<i>kPLN</i>	
Equity	113,873	67.7%	84,849	58.8%
Long-term liabilities, including:	44,603	26.5%	21,557	14.9%
Loans, credits, other debt instruments	44,600	26.5%	21,552	14.9%
Short-term liabilities, including:	9,699	5.8%	37,874	26.2%
Liabilities related to the purchase of shares			34,733	24.0%
Loans, credits, other debt instruments	7,866	4.7%	869	0.6%
Total equity and liabilities	168,175	100.0%	144,280	100.0%

c) Main cash flow statement items:

	from 01/01 to 31/12/2018	from 01/01 to 31/12/2017
	<i>kPLN</i>	<i>kPLN</i>
Net cash flow from operating activity	1,329	-2,294
Net cash flow from investing activity	-26,917	-12,633
Net cash flow from financial activity	45,084	18,089
Change in net cash position	19,495	3,162
Cash at the period beginning	3,211	49
Cash and cash equivalents at period end	22,706	3,211

4. Information on markets, with a breakdown into domestic and foreign markets, information about sources of materials for production, goods and services, with an indication of dependence on one or more supplier or client, and in case the share of one supplier or client reaches at least 10% of total sale revenue - name of supplier or client, his share in sale or supply as well as formal links with the issuer;

OEX S.A. provides services mainly to its subsidiaries. All the subsidiaries are located in Poland.

5. Assessment of the factors and non-typical events influencing the result of the financial year, specifying the degree of influence of such factors or non-typical events on the result achieved;

None.

6. Characteristics of external and internal factors significant for the development of the issuer's business and description of the issuer's activity development perspective at least until the end of the financial year following the financial year for which the financial statements were made, including elements of the issuer's market strategy;

The strategy of OEX S.A. is based on the reinforcement of the position of its subsidiaries making up particular operational segments of the Group and the expansion of the Group by acquisitions.

The main external factors that are of significance for the development of the Issuer include, indirectly, the situation on the sector-specific market, where the subsidiaries operate, with particular

attention put to the FMCG segment, e-commerce , financial and insurance activity - and mobile telephony as well as the public sector. The Issuer's situation as well as its development perspectives are, additionally, influenced by the general macroeconomic situation of Poland, including the situation on the labour market, and also the advancement in the digitalisation of business processes.

A potentially significant factor with influence on the financial situation and further strategy of OEX S.A. may be the possible sale of all shares in ArchiDoc S.A. The Issuer published information about the execution on 8 April 2019 of a Term Sheet containing main terms and conditions of such a potential transaction in its ongoing report No. 15/2019.

The internal factors of importance will include the optimisation of the Group's management systems, in particular the systems monitoring the pursuit of objectives, demand for external funds and cash flows as well as an efficient implementation of the cost control policies.

7. Description of risk and threat factors, with a specification to what extent the issuer is exposed to them;

The main risk factors the Issuer is directly exposed to comprise:

- a) the risk of loss of asset value in consequence of deterioration of the financial situation of subsidiaries;
- b) the risk of insufficient access to sources of financing necessary for further development;

Indirectly, the Issuer is exposed to risk factors and threats described in the consolidated report on the activities and report on the activities of the Issuer's Group directly concerning the subsidiaries of OEX S.A.

8. Assessment of financial resources management and its grounds, in particular the ability to discharge liabilities incurred, determination of possible threats and measures undertaken or to be planned by the issuer to counteract such threats;

OEX S.A. practically does not carry out other operating activities going beyond the Group. The management of financial resources is focused on the control of own costs and the provision of financial liquidity. Owing to the revenue from the provision of services to subsidiaries, a stream of dividends or the available current financing limit, the Company settles its own liabilities on time and, moreover, is able to provide financial support to its subsidiaries when there is a need to do so. The investments are made by OEX S.A. using its own capital as well as long-term debt instruments, which guarantees the balance of cash flows.

9. Indication of significant legal, arbitration and administrative proceedings;

OEX S.A. is a party to legal proceedings in courts of law, however none of such proceedings concerns liabilities or receivables the value would be material.

There are no proceedings with the participation of the Company before any arbitration courts or administrative authorities.

10. Information on contracts significant for the business of the issuer, including contracts between shareholders known to the issuer, insurance contracts and cooperation contracts;

a) Agreements significant for the issuer's business

Loan agreement dated 14/12/2017 by and between all the Issuer's subsidiaries (including OEX S.A.) on the one hand and ING Bank Śląski S.A., Bank Zachodni WBK S.A., BZ WBK Faktor sp. z o.o. and ING Commercial Finance Polska S.A. on the other hand.

b) Agreements made between the shareholders

The Issuer is not aware of any agreements made between the shareholders.

11. Information about organisational or capital links of the issuer with other entities and determination of its main domestic and foreign investments (securities, financial instruments, intangible assets and real estates), including equity investments made outside the group of related entities as well as description of their financing;

The list of shares held by the issuer is presented in the table below.

Name of the Company	Registered office	% of shares/participations held
TELL Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
Europhone Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
PTI Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
OEX Cursor S.A.	ul. Równoległa 4A, 02-235 Warszawa	100
Divante Sp. z o.o.	ul. Dmowskiego 17, 50-203 Wrocław	51.03
Merservice Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	100
Pro People Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100
ArchiDoc S.A.	ul. Niedźwiedziniec 10, 41-506 Chorzów	100
Voice Contact Center Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100
OEX E-Business Sp. z o.o. (d. E-Logistics Sp. z o.o.)	ul. Równoległa 4A, 02-235 Warszawa	100
OEX24 Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	100
Toys4Boys.pl Sp. z o.o.	ul. Nowy Świat 11B, 80-299 Gdańsk	30
Connex Sp. z o.o. in liquidation	ul. Forteczna 19A, 61-362 Poznań	100

The companies Toys4Boys.pl Sp. z o.o. and Connex Sp. z o.o. in liquidation are not active any more and are not subject to consolidation. As regards the shares in these companies, OEX S.A. made impairment charges equal to 100% of the value of the shares. The District Court for Gdańsk-Północ in Gdańsk, VI Commercial Division, by virtue of decision dated 19 February 2018 declared the bankruptcy of Toys4Boys.pl with registered office in Gdańsk.

In 2017, OEX S.A. acquired 100% of shares in Voice Contact Center Sp. z o.o. for the price of PLN 1,000,000 and 100% of shares in ArchiDoc S.A. for the price of PLN 17,861,000. In both cases, the purchase agreements foresaw additional payments to the above-mentioned prices in amounts depending on the multiplier assumed in the agreements and the level of EBITDA and net debt of the given company. In 2018, OEX S.A. made a final settlement of both purchase agreements. The additional payments to the prices amounted to, respectively, PLN 6,352,094.11 for the shares in Voice Contact Center Sp. z o.o. and PLN 28,081,335.20 for the shares in ArchiDoc S.A.

On 09/11/2018, OEX24 Sp. z o.o. was created in order to carry out support processes for the modern domestic and international trade and to connect sellers and buyers by means of technology. The company manages eCommerce B2B platform trading as OEX24.com, which supports producers and distributors in the digitalisation of sale channels as well as enables and facilitates international sales, providing access to clients at selected markets. It also provides a wide range of sale support services, e.g. e-marketing. The company makes part of the E-Business operational segment of the OEX Group.

12. Information about transactions made by the issuer or its subsidiary with related parties at terms and conditions other than those at arm's length, including amounts of such transactions and information on the transaction character - the obligations is deemed to have been fulfilled by indicating the place where the information is included in the financial statements;

The Issuer enters into transactions with related parties at arm's length only. Details concerning the transactions of OEX S.A. with related parties were given in point 22 of the separate financial statements of OEX S.A.

13. Information about loan and credit contracts signed or terminated in the given financial year, with a specification of at least their values, type and amount of the interest rates, currency and maturity dates;

No agreement concerning loans and credits was executed in 2018 or terminated earlier.

The first half of 2018 saw a launch of the funds from the investment loans under the loan agreement dated 14 December 2017 the Issuer and all its subsidiaries as borrowers executed with ING Bank Śląski S.A. and Santander Bank Polska S.A.:

- a) a term loan to refinance the investment loan extended to the Issuer in 2016 to purchase shares in MerService sp. z o.o. in the amount of PLN 2,600,000
- b) a term loan of PLN 20,000,000 earmarked for the potential redemption of the Issuer's bonds.
- c) a term loan in the amount of PLN 28,081,335 earmarked to finance the additional payments to the price of purchase of shares in Archidoc S.A.;
- d) a term loan in the amount of PLN 6,352,094 earmarked to finance the additional payments to the price of purchase of shares in Voice Contact Center Sp. z o.o.;

Pursuant to the loan agreement, the interest rate applicable to the overdraft facilities and term loans will be a sum of the WIBOR 1M rates plus Lender's margins as appropriate. The margins are not, in the

Issuer's opinion, different than the ones currently applicable to borrowing terms and conditions available on the financial market.

The margins applicable to the term loans may vary depending on the level of indebtedness as measured by the ratio of consolidated net debt to the consolidated EBITDA of the OEX Group .

14. Information on the loans extended in the given financial year, with particular attention paid to loans extended to the Issuer's related parties, with a specification of at least the loan amounts, types and interest rates, currencies and maturity dates;

The information about loans granted and repaid in 2018 by OEX S.A. to the Group companies is presented in the table below. No Group company sanctioned any loans in 2018 to any external entities. The interest rate applicable to the loans is variable and is a total of the following components: arithmetic mean of the WIBOR 1M rate for deposits of the previous calendar month plus a margin of 2.5% to 3.5%. The loan maturities do not exceed 12 months with a rollover option.

Borrower	Balance as at 31/12/2017	Loan granted in 2018	Loan repaid in 2018	Balance as at 31/12/2018
<i>in kPLN</i>				
Europhone Sp. z o. o.	6,282	0	0	6,282
OEX E-Business sp. z o.o.	1,050	6,350	1,850	5,550
OEX Cursor S.A.	2,800	4,400	2,800	4,400
Divante Sp. z o.o.	502	0	502	0
Voice Contact Center Sp z o.o.	0	350	350	0
Total	10,634	11,100	5,502	16,232

15. Information on sureties and guarantees granted and received in the given financial year, in particular the sureties and guarantees granted to the Issuer's related parties;

No new sureties were granted by OEX S.A. in 2018. OEX S.A. is a guarantor of one bill-of-exchange liability of its subsidiary.

Beneficiary	Type of liability	Maximum value of liability in kPLN	Form	Obligor
T-Mobile Polska S.A.	merchant's loan	4,725	endorsement	Europhone Sp. z o.o.

16. In case of issue of securities in the reporting period, description of the use by the issuer of the proceeds from the issue until the date of the report on activities;

On 14 June 2018, the Extraordinary General Meeting of Shareholders of OEX S.A. took a resolution on the increase of the share capital of the Company from PLN 1,377,707.80 by an amount not lower than

0.20 and not higher than PLN 220.289, i.e. up to the amount not lower than PLN 1,377,708.00 and not higher than PLN 1,597,996.80. The Company's share capital increase was effected by the issue of not more than 1,101,445 ordinary series D bearer shares of the nominal value of PLN 0.20 each.

The Series D Shares were taken exclusively for cash contributions before the registration of the share capital increase made by the Series D Share issue. The Series D Share issue was carried out by private subscription.

By virtue of Resolution of the Management Board of OEX S.A., the issue price of ordinary series D bearer shares was set at PLN 17,00 per one Offered Share and the final number of Offered Shares was set by the Management Board at 1,101,445.

On 6 June 2018, the Company's Management Board adopted a resolution on the allocation of a total of 1,101,445 ordinary series D bearer shares of the nominal value of PLN 0.20 each and the issue value of PLN 17 each and the total issue value of PLN 18,724,565.00, issued in accordance with the Issue Resolution to investors who signed agreements on the subscription of Offered Shares and made payments for the Offered Shares as per the Offered Share subscription agreements executed. The newly issued and paid series D shares were registered by the National Court Register on 5 September 2018.

By the date of this report on the activities, the Company used PLN 2,700,000 to subscribe the shares in the share capital of OEX24 Sp. z o.o. The funds were used by OEX24 to acquire the rights to the eCommerce B2B platform trading as OEX24.com, which is a basis for the company's business. Additionally, OEX S.A. granted OEX24 short-term loans to finance its working capital in the total amount of PLN 2,600,000

17. Explanation of differences between the financial results disclosed in the annual statement and result forecasts published earlier for the given year;

OEX S.A. did not publish any forecasts for 2018.

18. Assessment of the feasibility of investment plans, including equity investments, when compared to the funds held, taking into account possible changes in the financing structure;

The investment intentions will be pursued owing to the funds earned in the current operations, bank loans or funds obtained from the issue of shares in 2018.

19. Changes in basic business management principles concerning the issuer and the group;

In 2018, there were no changes in the principles of governance of the Issuer's enterprise and the Group when compared to the previous year. OEX S.A., as a holding company, is responsible for the formulation of the Group's development strategy and supervision over its implementation, the acquisition policy and for the support given to subsidiaries in such areas as finance, controlling or HR management. The subsidiaries concentrate on the development of their core competences and the building of competitive edge within particular operational segments.

20. All contracts made between the issuer and the managing persons providing for compensation in case of resignation or dismissal from the position without a good reason or when the recalling or dismissal takes place due to the combination of the issuer by merger;

The Issuer is a party to two work contracts which provide for compensation in case of resignation or dismissal from the position taken without an important reason with regard to two members of the issuer's management board. The total value of compensation resulting from these agreements amounts to PLN 360 thousand.

21. Value of remuneration, bonuses or benefits, including the ones resulting from incentive programmes or bonus programmes based on the issuer's equity;

The information about the value of remuneration and other benefits paid to the persons who manage or supervise the Issuer was presented in point 27.2 of the financial statements of OEX S.A.

22. Determination of the total number of shares in the issuer and shares in issuer's related parties that are held by the persons in management and supervisory bodies;

The persons in the management and supervisory bodies of the Issuer do not have any shares in subsidiaries. The list of Issuer's shares held by the persons in the managing and supervising bodies as at 31 December 2018 is presented in the table below.

	Total shares	Total votes	% of share capital	% of votes
Members of the Supervisory Board				
Piotr Cholewa , indirectly via Silquern S.a r.l.	801,096	801,096	10.03%	8.55%
Michał Szramowski, directly and indirectly via MS Investments Sp. z o.o. sp.k.	452,770	452,770	5.67%	4.83%
Tomasz Kwiecień	17,650	17,650	0.22%	0.19%
Members of the Management Board				
Jerzy Motz, indirectly via Precordia Capital Sp. z o.o. and Real Management S.A.	1,988,287	2,147,895	24.88%	22.92%
Rafał Stempniewicz	94,590	94,590	1.18%	1.01%
Robert Krasowski	10,889	10,889	0.14%	0.12%
Artur Wojtaszek	59,000	59,000	0.74%	0.63%

23. Information about contracts known to the issuer (including also contracts concluded after the balance sheet date) in result of which they may be in the future any changes in the proportion of shares held by present shareholders and debenture holders;

The issuer has no such information.

24. Information about the acquisition of treasury shares, in particular the purpose of the acquisition, the number and nominal value, specifying the part of the share capital they represent, the purchase price and the sale price in case they were sold;

The issuer did not purchase its own (treasury) shares in 2018.

25. Information about the most important achievements in research and development;

The issuer does not carry on any research activity.

26. Information about the employee shareholding plan control system;

The issuer does not have any employee share programmes in place.

27. Information on the Issuer's agreement with an entity authorised to audit financial statements;

In accordance with the generally applicable legislation, internal regulations and corporate governance rules adopted, the chartered auditor was appointed by the Supervisory Board by virtue of the resolution of 20 June 2018 on the appointment of a chartered auditor. PKF Consult spółka z ograniczoną odpowiedzialnością Sp. k. with registered office in Warsaw (hereinafter referred to as 'PKF Consult'), entered into the list of entities authorised to audit financial statements under number 477, was selected to be the auditor. The Supervisory Board made the above appointment so as to guarantee full independence and objectivity of the appointment process as well as the performance of his duties by the statutory auditor.

The Issuer executed a contract with PKF Consult on 27 July 2018. Pursuant to the contract, PKF Consult shall audit the separate and consolidated annual financial statements of the Issuer as well as review the half-yearly, consolidated and separate interim financial statements prepared by the Issuer. The contract concerned the audit of financial statements made for 2018 and 2019.

So far, the Issuer used the services of PKF Consult to audit the separate and consolidated financial services as well as to review the abbreviated half yearly financial statements for the years 2015, 2016, 2017. Additionally, the Issuer requested PKF Consult to provide services that fall within the category of services allowed to be rendered by auditing companies.

Information about the remuneration of the auditing company is provided in item 27.4 of the financial statements.

The Management Board hereby declares that:

- a) the entity authorised to audit the financial statements that audited the separate financial statements has been appointed in accordance with the legal regulations and that this entity as well as the chartered auditors in charge of the audit, meet the requirements allowing them to issue an impartial and independent opinion on the audit as per the applicable laws and professional standards;
- b) the Company observes the regulations governing the rotation of auditing companies and key statutory auditors as well as the mandatory grace periods;

- c) The Issuer has in place a policy governing the appointment of an auditing company as well as a policy governing the provision for the issuer by an auditing company, an entity related to an auditing company or a member of its network of additional services outside auditing, including services conditionally exempt from the ban on the provision of performances by an auditing company.

28. Approval of the report;

Signatures of all Management Board Members

Name and Surname	Function	Signature
Jerzy Motz	President of the Management Board	
Rafał Stempniewicz	Management Board Member	
Robert Krasowski	Management Board Member	
Artur Wojtaszek	Management Board Member	
Tomasz Słowiński	Management Board Member	