



OEX GROUP  
Consolidated financial statements  
for the period from 01 January  
2019 to 31 December 2019

WARSAW, 29 APRIL 2020



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## Consolidated statement of financial position

	Note	31/12/2019	31/12/2018 (restated)
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Goodwill	3	80,019	116,545
Intangible fixed assets	4	16,280	16,764
Tangible fixed assets	5	9,293	25,413
Right-of-use assets - premises and warehouses (IFRS 16)	6	68,682	
Right-of-use assets - other fixed assets (IFRS 16)	6	10,252	
Investments in associates and joint ventures	2	400	34
Investments in other parties	2	500	500
Lease and rental receivables (IFRS 16)	7	5,008	
Receivables and loans	7	926	1,285
Long-term prepayments	17	6,149	8,780
Deferred income tax assets	8	7,093	5,492
<b>Non-current assets</b>		<b>204,602</b>	<b>174,813</b>
<b>CURRENT ASSETS</b>			
Inventories	9	3,939	8,629
Trade Receivables and Other Receivables	10	111,969	137,099
Current income tax assets	10	1,542	33
Loans	7	133	21
Lease and rental receivables (IFRS 16)	10	2,447	
Short-term prepayments	17	3,872	7,918
Cash and cash equivalents	11	55,729	26,580
<b>Current assets</b>		<b>179,631</b>	<b>180,280</b>
<b>Total assets</b>		<b>384,233</b>	<b>355,093</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity</b>			
Equity - share of the parent company shareholders:			
Share capital	13	1,598	1,598
Share premium	13	63,004	63,004
Reserve capital for the purchase of treasury shares	13	8,300	
Treasury shares (-)	13	- 8,072	
Other Capitals	13	4,847	1,459
Retained profits:		83,472	74,960
- retained profit from previous years		63,272	59,425
- net profit for the parent company's shareholders		20,200	15,535
Equity - share of the parent company shareholders		153,149	141,021
Non-controlling shares	13	3,263	2,475
<b>Shareholders' equity</b>		<b>156,412</b>	<b>143,496</b>
<b>LIABILITIES</b>			
<b>LONG-TERM LIABILITIES</b>			
Loans, credits	7	6,958	48,248
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	7	59,742	
Right-of-use-related liabilities - other fixed assets (IFRS 16)	7	5,013	6,227
Deferred tax liabilities	8	11,517	10,383
Employee benefit liabilities and provisions	14	111	121
Other long-term provisions	15		31
Long-term prepayments		28	4,192
<b>Long-term liabilities</b>		<b>83,369</b>	<b>69,202</b>
<b>SHORT-TERM LIABILITIES</b>			
Trade liabilities and other liabilities	16	65,457	75,959

Factoring liabilities	16	9,169	11,312
Current tax liabilities	16	2,273	1,734
Loans, credits, other debt instruments	7	29,682	36,850
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	7	19,891	
Right-of-use-related liabilities - other fixed assets (IFRS 16)	7	3,420	3,557
Employee benefit liabilities and provisions	14	12,414	10,305
Other short-term provisions	15	52	116
Short-term prepayments		2,094	2,562
Liabilities related to fixed assets held for sale	12		
<b>Short-term liabilities</b>		<b>144,452</b>	<b>142,395</b>
<b>Total provisions</b>		<b>227,821</b>	<b>211,597</b>
<b>Total equity and liabilities</b>		<b>384,233</b>	<b>355,093</b>

Book value		156,412	143,496
Number of shares (items)		7,568,932	7,989,984
Diluted number of shares (items)		7,568,932	7,989,984

BOOK VALUE PER ORDINARY SHARE (PLN)			
		31/12/2019*	31/12/2018 (restated)
Book value of one share		20.66	17.96
Diluted book value per one share		20.66	17.96

\*the book value per share and the diluted book value per share as at 31/12/2019 were calculated on the basis of the number of shares issued, including the treasury shares purchased back

## Consolidated statement of profit or loss

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>Continued activities</b>			
<b>Sale revenues</b>	18	577,464	556,845
Revenue from the sale of services		435,982	413,874
Revenue from the sale of goods and materials		141,481	142,971
<b>Cost of sales</b>	18	494,960	471,389
Costs of services sold		363,127	338,759
Cost of goods and materials sold		131,833	132,630
<b>Gross profit on sale</b>		82,504	85,456
Selling costs		34,828	30,531
Administrative expenses		33,431	30,264
Other operating revenue	18	5,081	4,273
Other operating expenses	18	9,027	6,473
<b>Operating profit</b>		10,299	22,461
Financial income	19	795	297
Financial costs	19	11,322	6,817
Profit from the sale of shares and participations		24,565	
Share in the profit (loss) of entities measured using the equity method (+/-)		- 134	3
<b>Profit before taxation</b>		24,203	15,944
Income tax	20	6,605	3,913
<b>Net profit (loss) on continued activities</b>		17,598	12,031
<b>Discontinued operations and assets held for sale</b>			
Net profit on assets held for sale		4,369	4,255
<b>Net profit - share of</b>		21,967	16,287
- the parent company shareholders		20,200	15,535
- non-controlling shares		1,767	752

\* the data presented for the period 01/01/2018-31/12/2019 and 01/01/2018-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale.

	01/01-31/12/2019	01/01-31/12/2018
<b>NUMBER OF SHARES</b>		
Average weighted number of ordinary shares (items)	7,957,684	7,244,623
Average weighted diluted number of ordinary shares (items)	7,957,684	7,519,229

## Net profit attributable to the shareholders of the parent company - per ordinary share (PLN)

	Note	01/01-31/12/2019**	01/01-31/12/2018 (restated)*
On continued operations	21		
- basic		2.09	1.56
- diluted		2.09	1.50
On assets held for sale			
- basic		0.58	0.59
- diluted		0.58	0.57
On continued operations and assets held for sale			
- basic		2.67	2.14
- diluted		2.67	2.07

\* the data presented for the period 01/01-30/06/2019 and 01/01-30/06/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

\*\*the net profit per ordinary share for 2019 was calculated based on the number of shares issued, including the treasury shares purchased back

## Comprehensive statement of comprehensive income

	01/01-31/12/2019	01/01-31/12/2018
Net profit	21,967	16,287
Other comprehensive income		
Items not carried as financial profit or loss		
Items carried as financial profit or loss		
Comprehensive income	21,967	16,287
Comprehensive income - share of:		
- the parent company shareholders	20,200	15,535
- non-controlling shares	1,767	752

## Consolidated Statement of Changes in Equity

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS							Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Treasury shares (-)	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	Total		
As at 01/01/2019	1,598	63,004			1,459	74,960	141,021	2,475	143,496
Changes in accounting policies									
Error Correction									
Balance after changes	1,598	63,004			1,459	74,960	141,021	2,475	143,496
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 31/12/2019									
Acquisition of treasury shares for redemption.			- 8,072				- 8,072		- 8,072
Dividends								- 979	- 979
Transfer of supplementary capital to reserve capital reserve allocated to purchase treasury shares				8,300		- 8,300			
Movements between capital groups					3,388	- 3,388			
<b>Total transactions with shareholders</b>			<b>- 8,072</b>	<b>8,300</b>	<b>3,388</b>	<b>- 11,688</b>	<b>- 8,072</b>	<b>- 979</b>	<b>- 9,051</b>
Net profit for the period from 01/01 to 31/12/2019						20,200	20,200	1,767	21,967
Other comprehensive income after taxation in the period from 01/01 to 31/12/2019									
Total comprehensive income						20,200	20,200	1,767	21,967
As at 31/12/2019	1,598	63,004	- 8,072	8,300	4,847	83,472	153,149	3,263	156,412



	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS						Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	Total		
As at 01/01/2018	1,378	44,960		1,459	59,425	107,222	1,723	108,945
Changes in accounting policies								
Error Correction								
Balance after changes	1,378	44,960		1,459	59,425	107,222	1,723	108,945
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 31/12/2018								
Issue of shares	220	18,504				18,724		18,724
Costs of share issue		- 461				- 461		- 461
<b>Total transactions with shareholders</b>	<b>220</b>	<b>18,043</b>				<b>18,263</b>		<b>18,263</b>
Net profit for the period from 01/01 to 31/12/2018					15,535	15,535	752	16,287
Other comprehensive income after taxation in the period from 01/01 to 31/12/2018								
Total comprehensive income					15,535	15,535	752	16,287
As at 31/12/2018	1,598	63,004		1,459	74,960	141,021	2,475	143,496

## Consolidated Cash Flow Statement

	Note	01/01-31/12/2019*	01/01-31/12/2018*
<b>CASH FLOW FROM OPERATING ACTIVITY</b>			
Profit before taxation		29,369	21,045
Adjustments	22		
Depreciation and amortisation of fixed assets		6,471	8,562
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)		21,680	
Depreciation of the right-of-use assets - other fixed assets (IFRS 16)		3,911	
Profit from the sale of shares in ArchiDoc		- 26,202	
Profit (loss) on the sale of non-financial fixed assets		273	39
Exchange difference (gains) losses		776	
Interest expense		9,437	4,474
Interest and dividend income		- 496	
Other adjustments		90	- 28
Total adjustments		15,940	13,047
Change in inventories		4,690	14,153
Change in receivables		22,683	- 15,280
Change in liabilities		982	- 12,637
Change in provisions and prepayments		6,180	- 2,224
Changes in working capital		34,535	- 15,988
Taxes paid		- 8,953	- 5,402
Net cash flows provided by operating activities		70,891	12,702
<b>CASH FLOW FROM INVESTING ACTIVITY</b>			
Expenses to purchase fixed assets		- 8,731	- 6,859
Inflows from the sale of fixed assets		438	1,017
Net expenses to purchase subsidiaries less cash of such subsidiaries			- 34,733
Inflows from the sale of shares in Archidoc and ArchiDoc MED less the cash of those entities		59,648	
Received repayments of loans granted		245	1,654
Loans granted		- 406	- 1,813
Expenses to purchase other financial assets		- 500	- 281
Interest income		473	5
Net cash flows provided / (used) by investing activities		51,167	- 41,010
<b>CASH FLOW FROM FINANCIAL ACTIVITY</b>			
Inflows from the issue of shares			18,725
Costs of share issue			- 461
Redemption of debt securities			- 20,000
Purchase of treasury shares		- 8,000	
Inflows from loans and credits contracted		6,960	81,605
Repayment of loans and advances		- 55,261	- 32,337
Repayment of the right-of-use-related liabilities - premises and warehouses (IFRS 16)		- 20,901	
Repayment of the right-of-use-related liabilities - other fixed assets (IFRS 16)		- 5,459	- 4,718
Inflows from the repayment of lease receivables (IFRS 16)		2,306	
Interest paid		- 9,312	- 4,702
Factoring inflows		41,991	40,604
Repayment of factoring liabilities		- 44,137	- 34,250
Loan commissions paid/received		- 139	- 1,025
Dividends paid to non-controlling interests		- 979	
Other adjustments		22	
Net flows provided / (used) by financing activities		- 92,909	43,441
Total net cash flows		29,149	15,133

Net change in cash and cash equivalents		29,149	15,133
Cash and cash equivalents at period beginning		26,580	11,447
Cash and cash equivalents at period end		55,729	26,580

\* data presented for the period 01/01-31/12/2019 and 01/01-30/12/2018 do not take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

## Supplementary notes to the consolidated financial statements

### General Information

#### a) INFORMATION ABOUT THE PARENT COMPANY

OEX S.A. ('Company', 'Parent Company', 'Issuer') is entered into the register of companies of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, under number KRS 0000222514.

The shares of the parent company are listed at the Warsaw Stock Exchange.

The principal place of business of the parent company is at ul. Franciszka Klimczaka 1, Warszawa (Warsaw).

The objects of the business of OEX S.A. comprises the activity of holding companies, consisting in the provision 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 services, as well as services concerning the strategic consulting, controlling, finance, and public relations.

#### b) COMPOSITION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF THE PARENT COMPANY

The composition of the Management Board of the parent company as at the day of approval of the consolidated financial statements for publication, i.e. 29 April 2020, was the following:

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

The composition of the Supervisory Board of the parent company as at the day of approval of the consolidated financial statements for publication, i.e. 29 April 2020, was the following:

Piotr Beaupre	Chairman of the Supervisory Board
Michał Szramowski	Member of the Supervisory Board
Tomasz Mazurczak	Member of the Supervisory Board
Piotr Cholewa	Member of the Supervisory Board
Tomasz Kwiecień	Member of the Supervisory Board

#### c) INFORMATION ABOUT THE GROUP

As at 31 December 2019, the consolidated financial statements of the OEX Group comprised the parent company and:

SUBSIDIARIES			
Name of the Company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
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	

Merservice Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
Pro People Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
OEX E-Business Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
Divante Sp. z o.o.	ul. Dmowskiego 17, 50-203 Wrocław	51.03	
Voice Contact Center Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
OEX 24 Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	100	

ASSOCIATE COMPANIES			
Name of the Company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
Face and Look S.A.	ul. Klimczaka 1, 02-797 Warszawa	0	31

JOINTLY-CONTROLLED COMPANIES			
Name of the Company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
4Shops Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	0	50

All the subsidiaries of the OEX S.A. Group presented above are subject to full consideration as at the balance sheet day, i.e. as at 31 December 2019. The co-controlled company 4Shops Sp. z o.o. and the associate company Face and Look S.A. with registered office in Warsaw are consolidated using the equity method.

The consolidated financial statements for the period when they belonged to the OEX Group, also comprised ArchiDoc S.A. and ArchiDoc MED Sp. z o.o., the control over which the Group lost on 17 October 2019. The Group had 100% of shares and 100% of votes in those companies.

The Group also comprises Connex Sp. z o.o. in liquidation seated in Poznań. This company is no longer active and is not subject to consolidation. As regards the shares in this company, OEX S.A. made impairment charges equal to 100% of their value.

Detailed information about the changes in the Group's structure in 2019 is given in Note 2.

#### d) REPORTING PERIOD AND SCOPE

The consolidated financial statements of the Group concern the financial year ended on 31 December 2019 and comprise comparative data for the year ended on 31 December 2018.

The published consolidated financial data of the Group as at 31 December 2018 were presented as comparative data with the exception of:

- changes in the presentation in the consolidated statement of profit or loss for 2018 of the turnovers of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. classified in 2019 as assets held for sale,
- change in the presentation of the liabilities concerning employee benefits in the amount of kPLN 3,046 . In the approved statement for 2018, the liabilities were presented in item 'Trade liabilities and other liabilities'. In comparable data, they are presented in item 'Employee benefit liabilities and provisions',
- change in the presentation of prepayments and accruals concerning the projects in progress in the amount of kPLN 7,113 . In the approved statements for 2018, the prepayments and accruals, were presented in item 'Long-term prepayments'. In the comparable data, they are presented in item 'Short-term prepayments'.

#### e) APPROVAL FOR PUBLICATION

The consolidated financial statements made for the year ended on 31 December 2019 (including comparable data) have been approved for publication by the Parent Company's Management Board on 29 April 2020.

### Drawing up basis and accounting rules

#### BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These financial statements were prepared in accordance with the International Accounting Standards, the International Financial Reporting Standards and the interpretations issued by the International Accounting Standards Board as approved by the European Union on the basis of the IFRS Regulation (European Commission 1606/2002), hereinafter referred to as the 'EU IFRS'.

The functional currency of the parent company and its subsidiaries is the Polish zloty. The presentation currency of the Group is the Polish zloty.

All values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated.

The consolidated financial statements were prepared in accordance with the going concern principle. As at the date of the approval of these consolidated financial statements for publication there are no circumstances which may pose a risk to the going concern assumption with regard to the Group companies.

#### AMENDMENTS TO STANDARDS AND INTERPRETATIONS

The following new standards and amendments to standards that became effective on 01 January 2019 were adopted for the first time in these consolidated financial statements:

- IFRS 16 *Leases* is effective for annual periods beginning on or after 01 January 2019. The new standard specified how to recognise, measure, present and disclose leases. All lease transactions result in the acquisition by the lessee of the right to use the asset and a liability related to the payment obligation. Consequently, IFRS 16 eliminated the classification of an operating lease and a financial lease as per IAS 17 and introduced a single model for the book-keeping recognition of lease by the lessor. The lessee is obliged to recognise: (a) assets and liabilities for all lease transactions made for a period of time exceeding 12 months, with the exception of situations when the given asset is of low value and (b) depreciation (amortisation) of the leased asset separately from the interest on the lease liability in the statement of profit or loss. IFRS 16 to a considerable extent has redone the regulations of IAS 17 concerning the book recognition of lease by the lessor. In consequence, the lessor continues the classification into operating lease and financial lease and differentiates the book recognition. The detailed description of the IFRS 16 adoption and its impact on the consolidated statement of financial position for 2018 and the consolidated statement of profit or loss for 2019 were given in item 30.
- Amendments to IFRS 9: *Prepayment Features with Negative Compensation*. IFRS 9 is effective for annual periods beginning on or after 01 January 2019 with an option of an earlier application. In consequence of the amendment to IFRS 9, entities will be allowed to measure the prepayment features with negative compensation at amortised cost or at fair value through other comprehensive income, if a defined condition has been satisfied - instead of measurement at fair value through profit or loss. The application of these amendments does not have any material impact on the consolidated financial statements of the Group.
- Amendments to IAS 28 *Investments in Associates and Joint Ventures*. The amendment is effective for annual periods beginning on or after 01 January 2019. Amendments to IAS 28 *Investments in Associates and Joint Ventures* clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied. Additionally, the Board also published an example to illustrate the application of the requirements of IFRS 9 and IAS 28 to long-term interest in an associate or joint venture. The application of these amendments does not have any material impact on the consolidated financial statements of the Group.
- IFRIC 23: *Uncertainty over Income Tax Treatments*. IFRIC 23 clarifies the requirements concerning the treatment and measurement contained in IAS 12 in the situation of uncertainty over income tax treatments. IFRIC 23 clarifies the accounting for income taxes when there is no certainty whether or not the particular tax treatments adopted by the entity will be accepted by taxation authorities. In case when it is probable that a particular tax treatment is accepted

by the taxation authorities, the entity has to determine the taxes in the financial statements consistently with the tax treatment included in its income tax filings, without reflecting the uncertainty in the accounting for the current and deferred taxes. Otherwise, the taxable basis (or tax loss), the tax value or unused tax losses should be recognised in an amount that provides better predictions of the resolution of the uncertainty, using the method of a single most probable result or the expected value method (a sum of probability-weighted possible solutions). When assessing the probability of acceptance, an entity should assume that a taxation authority will examine the amounts of uncertain tax treatments and will have full knowledge of all relevant information when doing so. The Group does not expect that the amendments should have any impact on the consolidated financial statements.

- Annual Improvements to IFRSs 2015 - 2017 Cycle. In December 2017, the International Accounting Standards Board issued *Annual Improvements to IFRSs 2015-2017 Cycle*, which amend 4 standards: IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Tax* and IAS 23 *Borrowing Costs*. The improvements provide explanations and clarify the guidelines of the standards with regard to recognition and measurement. The application of these amendments does not have any material impact on the consolidated financial statements of the Group.
- IAS 19 *Employee Benefits*. The amendments to IAS 19 are effective for annual periods beginning on or after 01 January 2019. The amendments to the standard define requirements concerning the recognition of the defined benefit plan amendment, curtailment or settlement. The application of these amendments does not have any material impact on the consolidated financial statements of the Group.

#### ACCOUNTING RULES

The consolidated financial statements presented herein were prepared in accordance with the International Financial Reporting Standards (IFRS) as approved by the European Union.

As at the date of the approval of these consolidated financial statements for publication, considering the existing process of implementation of IFRS standards in the EU and the Group's operations, there are no differences between the IFRS standards that have come into effect and IFRS standards approved by the EU as regards the accounting principles applied by the Group. IFRS comprise standards and interpretations accepted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The consolidated financial statements were drawn up using the historical cost principle, with the exception of derivative financial instruments, which were carried at fair value.

The historical cost is determined on the basis of fair value of the payment made for goods or services.

#### Presentation of the Financial Statements

The presented consolidated financial statements are compliant with IAS 1. The Group presents a separate 'Consolidated statement of profit or loss' that directly follows the 'Consolidated statement of profit or loss and other comprehensive income'.

The 'Consolidated Statement of Profit or Loss' is presented in the functional classification, and the 'Consolidated Cash Flow Statement' has been prepared using the indirect method.

In case of a retrospective introduction of amendments to the accounting policies or adjustment of errors, the Group additionally presents a statement of financial position made as at the beginning of the comparative period.

#### Operating segments

The OEX Group has 4 operational segments:

- Retail Sale Network Management Segment
- Sale Support Segment
- E-business Segment
- BPO Segment

#### RETAIL SALE NETWORK MANAGEMENT SEGMENT

The retail sale network management segment comprises comprehensive services related to the sale of the client's products and services in a network of stores and retail outlets, and in particular the creation and management of retail

sale outlet networks and the sale and sale force management. The OEX Group concentrates on the management of the mobile phone service distribution network, whereby the experience and unique competences related to sale network building may be used in other sectors on the basis on a similar distribution model. At present, the OEX Group is the provider of these services to three mobile phone operators in Poland – Orange, T-Mobile and Plus. The sale of the T-Mobile network services is carried out by Europhone Sp. z o. o., the sale of the PLUS network services by PTI Sp. z o. o., and the sale of the Orange network services by Tell Sp. z o.o. The Group achieved its position by a gradual and consistent increase of the number of its own stores and acquisition of smaller store operators.

## SALE SUPPORT SEGMENT

Operations of this segment are carried out by OEX Cursor S.A., Merservice Sp. z o.o. and Pro People Sp. z o.o. Services provided by the companies as part of their business support the sale of clients' products and services and contribute to the improvement of digital distribution. The services also comprise activities aimed at building and increasing consumer loyalty to the brands promoted. The services are mainly pursued using the outsourcing model, which consists in the take over from the clients of the sale support processes in whole or in part. The cooperation includes the process design, preparation of procedures and operating instructions, adjustment of IT systems to project requirements. The provision of services also comprises the provision of human resources (teams of salesmen or sale advisers), as well as working tools (car fleet and IT systems). The cooperation may concern the team management as well as the management of entire sale and marketing processes of clients and may entail that the remuneration for the services rendered is linked to the performance of the KPIs at the assumed level. Field activities are pursued in accordance with dedicated models (the team works exclusively for the given client) or shared models (the team pursues orders for a few or a few dozen clients at the same time).

**The basic services offered to clients under this segment comprise:**

- outsourcing of sales representatives
- merchandising
- examination of goods exposure and availability and communication standards
- product promotion services
- human resources management services

**The outsourcing of sales representatives** consists in the provision of a field team of sales representatives, provision of all the necessary working tools for that team and the supervision over its proper activities. The tasks of the team is, depending on the given project pursued, the acquisition of new or the support of the existing consumers of the client's goods and services. The sales representative outsourcing service is addressed to the entire market (modern, traditional and specialist sales). The activities are carried out in accordance with the ISO 9001:2008 standards.

**Merchandising** consists in the service related to the exposure of goods in commercial networks by on-site teams as well as the service provided to retail outlets by mobile teams (provided with appropriate vehicles). The service is rendered using IT tools. The work takes place in accordance with the ISO 9001:2008 compliant standards.

**The examination of goods exposure and availability and consumer communication standards** supplements the merchandising offer. The examination is carried out in the form of audits made in commercial networks and retail outlets. Their purpose is to obtain information from the market, verify the arrangements made between the retail outlet and the producer and control the effectiveness of sales structures of the client. An element supplementing the process is the construction and update of databases. The data acquisition process takes place using IT tools, which guarantee the quality and reliability of materials collected. The offer also comprises the analyses and presentations of data.

**Product promotion services** comprise activities related to a direct contact with the consumer. They concern project related to the provision to the producers of teams defined as 'Client Advisers' who stimulate the sale in modern or traditional sale outlets or in commercial networks by ensuring additional information about the product, allowing the clients to try product samples or realize individual orders of consumers. Such activities are reinforced by organisation of consumer programmes such as lotteries or contests.

**HR services** - in this segment, also the HR management services, recruitment services and personnel lease services, i.e. object of the business of Pro People Sp. z o.o., are rendered.

## E-BUSINESS SEGMENT



In the E-business segment provides services dedicated to the eCommerce sector, including the areas of technology, marketing and fulfilment. The segment encompasses the business of Divante Sp. z o.o. (area related to the eCommerce dedicated IT), as well logistic operations and purchasing process services carried out by OEX E-Business Sp. z o.o. The segment comprises also OEX24 Sp. z o.o. established in November 2018. The company was created in order to carry out modern trade support processes on the domestic and international market and to connect sellers and buyers by means of technology. The Company manages the eCommerceB2B platform - a universal tool which supports producers and distributors in the digitalisation of sales. It allows and streamlines the sales to clients, at the same time allowing goods producers and distributors access to new contractors on the internal and external market. It also provides a wide range of sale support services.

The services for eCommerce provided by companies from the E-business segment include comprehensive services for companies involved in online sales or those which have offline sales but plan to expand to the online sale in the B2B and B2C areas. The provision of such services may follow the End to End model and may comprise strategic consulting on the Internet commerce, creation of business plans, eCommerce platform designing and creation on the basis of various technologies, adjustment of e-marketing activities and traffic generation, platform usability optimisation (UX – user experience) as well as the logistic support for the e-sales, including warehousing, packaging, deliveries and sale registration for tax purposes as well as handling of returns. The services are offered inclusive of a comprehensive customer support during the sale process and after-sale support. They may also be rendered as individual components of the entire chain.

Fulfilment is logistics consisting in warehousing products for sales, marketing materials and loyalty programme awards as well as in the completion of orders made via eCommerce platforms, i.e. preparation of products for shipment, at the client's or consumer's request and their delivery via select courier firms to the addresses indicated. Workshops and consultations on optimal process management, construction and provision of product and material ordering and management IT solutions integrated with the clients' systems are ensured as part of the services. As part of the loyalty and consumer programme logistic support, OEX E-Business is responsible for the project strategy as well as the tactics: selection of products and prizes, negotiations with suppliers, collection of personal data, prize personalization and communication, distribution, tax registration settlements.

Services related to the processing of products for resale, marketing materials and packaging purchase as well as those related to the search for and purchase of products for loyalty programmes and purchase organisation for the B2B segment clients consist in the market survey, recommendation of product purchase selection criteria, optimisation of the purchase costs and the logistic and administrative support of the process. In case of orders executed on foreign markets, the services comprise the analysis of the supplier's potential, verification of the quality of raw materials (standard observance, quality standard certificates, including, but not limited to FDA, CE, EN 71), supervision over the performance of prototypes and ensuring the consistency of product batches.

OEX E-Business Sp. z o.o. manages an extended warehouse infrastructure with an area of almost 44.000 sq.m. and capacity of 71.000 pallet places - based on WMS (warehouse management system). The operation quality consistency is ensured by ISO 9001:2008.

## BPO SEGMENT

Until 17 October 2019, this segment comprised Archidoc S.A., Archidoc Med Sp. z o.o. and Voice Contact Center Sp. z o.o. In relation with the sale of 100% of shares in Archidoc S.A. and in its subsidiary Archidoc Med Sp. z o.o., as of 18 October 2019, the scope of business of this segment includes only the services provided by Voice Contact Center Sp. z o.o. As of 2020, the Issuer no longer separates the BPO segment, however no decision as to the new segment breakdown was taken by the date of preparation of these financial statements.

Until the date of the sale of 100% of shares in Archidoc S.A., that company provided within the BPO segment the services related to the document registration, sorting and processing. In effect, the client's systems had the available data, document scans, mail copies and call registrations in an electronic archive and the original documents are stored too. The central archive of paper documents located in Chorzów was managed by the proprietary system INDO. The services provided by the Company included, but were not limited to:

1. Traditional archiving, scanning, digitalisation and electronic archiving, which consisted in a rapid transformation of paper documents into electronic documents on the basis of a proprietary IT solutions of ArchiDoc S.A., which guarantees that the risk of loss of important data is minimised and the access to the original documents, digital copies and data therein contained is efficient.

2. Electronic document flow, i.e. a service aimed at automation, optimisation and improvement of document flow processes, as well as procedure arrangement and document flow control assurance. This service comprised an analysis of the client's needs, construction of dedicated solutions, implementation of the same and provision of support services. The projects included the performance of such tasks as inflowing document digitalisation or acceptance path process pursuit. The electronic document flow was implemented most often in processes related to the flow of orders, complaints and invoices that needed to be handled on time.
3. Business process support. The offer of these services was personalised to suit the needs of specific branches, including: banks and insurance undertakings, telecoms, power engineering companies and companies providing services to the general population, public administration and large b2c model enterprises. As part of this service, the client might entrust all the back-office processes to the contractor. The services were provided in the location indicated by the client or in the contractor's location using the INDO software and own infrastructure.

The projects pursued as part of the business process support include, but are not limited to the following:

- for insurance undertakings - loss registration support, including event registration and assistance in emergencies, helpline, documentation support, incoming document office support;
- for financial institutions and public sector companies - digitalisation, incoming document office support, archiving, digital archive creation and management.

The document management and back office services were provided in modern operational centres located in Chorzów and Warsaw or in locations indicated by the clients or in a mixed model. The data were collected in two mutually independent data centres managed by ArchiDoc S.A.

Voice Contact Center Sp. z o.o. provides solutions in the customer experience area. It could offer a comprehensive support for business processes related to client communication, from client acquisition, through support to cooperation development and maintenance as well as support backoffice activities. It renders services that encompass the support of all channels of contacts with the client. It comprises the handling of calls, text messages, e-mails, chats, social media, video, voicebot as well as traditional correspondence. The Company's main services are the following: management of comprehensive and multi-channel customer support offices, backoffice processes, CATI research and sales support.

The projects pursued as part of the client support includes, but are not limited to the following:

- for commercial and distribution companies, in particular the eCommerce and FMCG companies - product and service help lines, helpdesk for users/clients of systems and applications, complaint handling and compensation logistics, sale of products and services, client loyalisation, lead generation, backoffice activities, e.g. those related to product description and creation of databases, CATI and other surveys;
- for medical companies - appointment scheduling and confirmation, commercial service upselling, remote diagnostics support;
- for the financial sector companies - client support, e.g. help line for mass clients of banks, sale support by product upselling and client loyalisation, e.g. with regard to loan companies, CATI surveys for banks;
- for the insurance sector companies - loss registration and adjustment, assistance support, helpdesk for users of the insurer's systems, product help line, CATI surveys, meeting scheduling for agents, backoffice projects supporting the insurer's sale network operations.

The Company provides services to most business sectors. Apart from the above-mentioned sectors, also for companies from the following industries: motor, fuel, publishing, tourist and developing.

The services are provided in modern operational centres in Warsaw, Łódź and Lublin, where there are over 700 professional contact centre work stations.

### Consolidation

The consolidated financial statements comprise the financial statements of the parent company and the financial statements of companies controlled by the Group, i.e. subsidiaries, made as at 31 December 2019. The control is understood as the possibility to influence the financial and operating policies of the subsidiary in order to gain economic benefits from its business.

The financial statements of the Parent Company, subsidiaries subject to consolidation and the associate and the jointly-controlled companies are made as at the same balance sheet date, i.e. 31 December. If necessary, the financial statements of subsidiaries are adjusted as appropriate in order to standardise the accounting policies used by the subsidiary with the policies used by the Group.

Subsidiaries are consolidated using the full consolidation method.

The full consolidation method consists in the compiling the financial statements of the parent company and of subsidiaries by adding up particular items of assets, liabilities, equity, revenue and costs. In order to present the Group in a manner as if it constituted a single economic entity, the following exclusions are made:

- as at the moment of acquisition of control, the goodwill or profits are recognised in accordance with IFRS 3,
- non-controlling shares are defined and presented separately,
- balances of settlements and transactions between the Group companies (revenues, costs, dividends) are excluded in whole,
- excluded are profits and losses on transactions made within the Group, which are recognised in such balance sheet asset items as inventories and fixed assets. Losses on Group's internal transactions are analysed in terms of the impairment of assets from the Group's perspective,
- recognised is the deferred tax on temporary differences resulting from the exclusion of profits and losses on Group's internal transactions (in accordance with IAS 12).

In accordance with the Group's accounting rules (policies), the associated company and the jointly-controlled company are recognised in the consolidated financial statements in accordance with the equity method.

#### Interest in associated parties

The Group classifies as associates those entities over which the Parent Company exercises significant influence and which are not its subsidiaries or joint ventures.

The financial statements of associate companies constitute the basis for the measurement of the shares held by the Parent Company using the equity method. The accounting rules (policies) applied and the financial year of the associates and of the Parent Company are the same. Before the calculation of the share in the net assets of associates, an appropriate adjustment is made in order for the financial data of such entities to be consistent with the IFRSs applied by the Group. Investments in associates are recognised in the statement of financial position at cost increased by later changes of the Parent Company's share in net assets of the associates and decreased by possible impairment loss. The share in profits or losses of associates is reflected in the consolidated profit or loss. An adjustments to the carrying amount may also result from changes in the proportionate interest in the associate company arising from changes in other comprehensive income of that company. The Group's share in such changes is recognised as profit or loss. As at each balance sheet date, the investment in the associate is tested for impairment or impairment reversal, when the impairment loss recognised in previous years is no longer justified.

In the reporting period, the Group had one associate company Face and Look S.A., 31% of shares in which were acquired on 31 October 2018.

#### Joint venture

Joint venture is a contractually arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity, and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control (the venturers)

Results of joint ventures are measured by the Group using the equity method as of the day when the entity has gained the status of a joint venture at cost and, consequently, makes corrections in order to allow for the Group's share in the financial result and other comprehensive income of the joint venture. If the Group's share in the losses of the joint venture exceeds the value of its shares in the entity, the Group discontinues the recognition of its share in further losses.

The Group discontinues the application of the equity method on the day when the given investment is no longer a joint venture or when it is classified as assets held for sale.

### Business Combinations

Business combination transactions covered by IFRS 3 are settled using the acquisition method.

As at the day of taking control, the acquiree's assets and liabilities are substantially carried at fair value and in accordance with IFRS 3 the assets and liabilities are identified, irrespective of the fact whether or not they have been disclosed in the financial statements of the entity prior to the acquisition.

The payment made in exchange for the control comprises the acquired assets, liabilities incurred as well as equity instruments issued - carried at fair value as at the acquisition day. The payment element is also a conditional payment measured at fair value as at the acquisition day. Costs related to the acquisition (advisory, appraisal etc.) do not constitute a payment for the acquisition but are recognised as cost on the day they have been incurred.

The goodwill (profit) is calculated as a difference between two values:

1. the total payment made in exchange for the control, non-controlling shares and the fair value of shares held in the acquiree before the acquisition date, and
2. the fair value of identifiable acquired net assets of the entity.

The surplus of the total calculated in the above-mentioned manner over the fair value of the identifiable acquired net assets of the entity is recognised in the assets of the consolidated statement of financial position as goodwill. The goodwill corresponds to the payment made by the acquirer in expectation of future economic benefits from the assets that cannot be identified individually or recognised separately. After the initial recognition, the goodwill is carried at cost less accumulated impairment loss.

In case the above-mentioned total is lower than the fair value of identifiable acquired net assets of the entity, the difference is immediately recognised as profit or loss. The Group recognises the profit on acquisition in other operating income.

### Interests in other entities

Interests in other entities comprise equity instruments of other entities that do not entitle to control, joint control or significant influence on such entities.

Interests in other entities are initially recognised at fair value plus transaction costs. After the initial recognition, the Group measures all investments in equity instruments at fair value. For all investments held, the Group assumed the option of presenting the profit and loss from changes in fair value as financial profit or loss.

Dividends from such investments are recognised as financial profit or loss at the moment the Group's right to receive such payments has been determined.

### Transactions in Foreign Currencies

The functional currency of the parent company and its subsidiaries is the Polish zloty (PLN). The presentation currency of the Group is the Polish zloty.

Transactions expressed in currencies other than the functional currency are converted into PLN in accordance with the exchange rate of the transaction date.

As at the balance sheet date, the cash assets and liabilities in currencies other than the functional currency are converted into PLN in accordance with the applicable mean exchange rate of the National Bank of Poland in force as at the end of the reporting. The exchange differences arising from the conversion are recognised as financial income (expenses) or capitalised as part of assets. The non-cash assets and liabilities are recognised at historical exchange rate as at the transaction date. Non-cash assets and liabilities recognised at fair value are converted into PLN at the exchange rate as at the measurement date.

### Borrowing costs

The borrowing costs that can be directly allocated to the acquisition, construction or generation of an adjusted asset, are activated as part of the cost of such an asset. The borrowing costs comprise interest and exchange difference gains or losses up to the amount corresponding to the adjusted interest expense.

### Goodwill

The goodwill is initially recognized in accordance with IFRS 3 (cf. the above item concerning business combinations). The goodwill is not subject to amortisation, however it is annually tested for impairment as per IAS 36 (cf. the item concerning the impairment of non-financial fixed assets).

#### Intangible fixed assets

The intangible fixed assets comprise licences, software as well as other intangible assets that meet the recognition criteria defined in IAS 38. This item also contains intangible assets which have not been put to use yet (intangible fixed assets in production).

The intangible fixed assets as at the balance sheet day are recognised at cost less accumulated depreciation and accumulated impairment charge. The intangible fixed assets with a determined useful life are amortized in accordance with the straight-line method over their entire useful economic life. The useful lives of particular intangible assets are subject to annual verification and, if need be, are adjusted as of the beginning of the next financial year.

The intangible fixed assets in construction are not subject to amortisation and are only tested for impairment at the end of each year.

The estimated useful lives for particular groups of intangible assets are as follows:

Group	Period
Licences	5 years
Software	5 years
Other intangible assets	5 years

With the exception of the distribution network as indicated in item 4, the Group does not have any intangible fixed assets with unspecified useful life.

The costs related to the maintenance of software incurred in later periods are recognised as cost of the period in which they are incurred.

Gains or losses on the disposal of intangible fixed assets are determined as a difference between the revenue from the sale and the net value of such intangible assets and are recognised as profit or loss in the item other operating revenue or costs.

#### Research and Development Works

Expenditure on internally generated intangible assets, save expenditure on development work, are not activated and are recognised as expense of the period when incurred. The R&D costs are charged as profit or loss upon their incurring.

The costs of development activities are activated if they may be considered recoverable in the future. After the initial recognition, the costs of development activities are carried at cost less accumulated amortisation and impairment loss. Any expenditure transferred to the next period is amortised over the estimated period of revenue from the given business.

The costs of development activities are tested for impairment on an annual basis – if an asset has not been put to use yet, or more frequently – when there is an indication that the carrying amount may not be recoverable.

#### Tangible fixed assets

The tangible fixed assets are initially recognised at cost. The acquisition price is increased by all costs directly related to the purchase and adjustment of the asset to its use.

After initial recognition, the tangible fixed assets, with the exception of lands, are recognised at cost less accumulated depreciation and accumulated impairment charge. The tangible fixed assets in construction are not depreciated before the end of the construction or assembly and before being put to use.

The depreciation is made in accordance with the straight-line method over the estimated useful life of the given asset. Such lives for particular groups of assets are the following:

Group	Period
Machinery and equipment	2-5 years

Vehicles	2 - 5 years
Other fixed assets	2-10 years

The depreciation starts in the month in which the given fixed asset is available for use. The useful economic lives and the depreciation methods are verified annually, leading to depreciation charge adjustments, if any, in subsequent years.

The tangible fixed assets are divided into component parts constituting items of material value, to which separate useful economic lives can be assigned. Component parts are also the costs of general overhauls as well as significant spare parts and accessories, if they will be used for a period of time longer than one year. The current maintenance costs incurred after the date an asset has been put to use, such as repair and maintenance costs, are charged as profit or loss upon their incurring.

A given tangible fixed asset may be derecognised when disposed of or when no future economic benefits from further use of the given asset are expected. Gains or losses on the sale/liquidation or discontinuance of the use of fixed assets are determined as a difference between the revenue from the sale and the net value of such assets and are recognised as profit or loss, in other cases - as operating income or costs.

#### Right-of-use assets (as at 31.12.2018 tangible fixed assets used on the basis of a financial lease contracts)

Accounting policies applied after 1 January 2019 (IFRS 16)

At the beginning of the contract, the Group determines whether or not the contract is or contains a lease. The contract is or contains a lease if it conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The Group re-assesses whether or not the contract is or contains a lease only when the terms and conditions of the contract change. In order to assess whether or not the contract transfers the right of control over the use of the given asset over the given period of time, the Group assesses whether or not during the entire period of use the client has the total of the following rights:

- the right to gain substantially all economic benefits related to the use of an identified asset, and
- the right to manage the use of the identified asset.

The lease starting date is the day when the lessor makes available the underlying asset, i.e. the leased asset and an asset in case of which the lessor granted the lessee the right to use the asset, for the use by the lessee.

#### **Group as a lessor**

The Group recognises the assets in finance lease in the consolidated statement of financial position and presents them as receivables in an amount equal to the net lease investment. Under the finance lease, the Group substantially transfers all the risks and rewards related to the title, in relation with which the due lease payments are treated by the Group as repayment of the principal and financial income that are a return of invested funds and remuneration for services provided.

Lease contracts other than finance lease contracts are treated as operating lease. The payment under operating lease contracts executed by the Group are recognised as profit or loss of the current year using a straight line method over the entire lease period.

#### **Group as a Lessee**

On the starting date, it recognises the rights of use asset and liability (lease).

On the starting date, the Group measures the rights of use asset at cost comprising the amount of initial measurement of the lease liability as adjusted by all lease fees repaid on or before the starting less all lease incentives received, all initial direct costs incurred by the Group and the estimate of costs to be incurred by the Group in relation with the disassembly and elimination of the underlying asset, renovation of the place where the asset was located or renovation of the asset to the condition as required by the lease terms and conditions.

The lease period is estimated on the lease starting date.

The contract for an indefinite period of time is treated as a contract with a multiple extension option. The assessment of that option is subject to a mandatory update only in case of a significant event or change in circumstances that are under the Group's control and influence the fact whether or not one may be sufficiently certain that the lessee will take

advantage of an option that has not been earlier allowed for in the arrangements concerning the lease period or that the lessee will not take advantage of an option that has been allowed for in such arrangements. Examples of significant events or changes of circumstances are as follows:

- significant investments in the leased object, which were not provided for at the starting date,
- significant modifications or adjustments of the underlying asset that were not expected at the starting date,
- start of the sublease of the underlying asset for a period of time longer than the lease period defined earlier and
- a business decision taken by the Group that has a direct significance in the context of the use or non-use of the option, e.g. a decision to extend the lease of complementary assets, about a disposal of an alternative asset or a disposal of a company that uses the asset in accordance with the right-of-use.

After the initial recognition, the Group measures the rights of use asset at cost less depreciation or amortisation charges and impairment and as adjusted in consequence of a possible revaluation of the lease liabilities. The rights of use assets are amortised or depreciated using a straight-line method from the lease starting date until the end of the contract period.

At the commencement date, the Group measures the lease liability at an amount equal to the present value of the lease payments during the lease term that are not yet paid. The lease payments are discounted using the lease interest rate and if such a rate cannot be easily determined, using the Group's marginal interest rate.

On the starting date, the lease payments included in measurement of the liability comprise the following:

- fixed lease payments less any lease incentives received,
- variable lease payments that depend on an index or a rate, initially measured using that index or rate as per its value at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option, if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the

Group exercising the option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount in order to reflect the interest on the lease liability,
- decreasing the carrying amount in order to take into account the lease payments paid; and
- revaluing the carrying amount in order to take into account the reassessments of or changes in the lease or in order to take into account the revalued in-substance fixed lease payments.

After the starting date, unless the costs have been included in the carrying amount of another asset, the Group recognises as profit or loss of the reporting period both:

- the interest on a lease liability, and
- variable lease payments not included in the lease liability measurement in the period in which a payment trigger occurs.

The liabilities under the rights of use assets (lease) are presented separately from other liabilities and after breakdown into short term liabilities and long-term liabilities.

In case of short-term leases and leases in which the asset is of a low value, the Group recognises the lease payments as costs using the straight-line method over the lease period.

In relation with the IFRS 16 adoption, the Group divided the right-of-use assets into two groups:



- the right-of-use assets - premises and warehouses. This group includes all the assets that meet the definition of the right of use only as per IFRS 16. They would not have been classified as such before the effective date of this standard,
- the right-of-use assets - other fixed assets. This group includes all the assets meeting the definition of assets both under IAS 17 and IFRS 16, which would have been classified as such irrespective of IFRS 16.

#### Accounting policies applied before 1 January 2018 (IAS 17)

##### **Group as a Lessee**

Lease is classified as finance lease when the contract transfers the significant risks and rewards of ownership on the lessee. All other lease types are treated as operating lease. Assets used on the basis of finance lease contracts are treated equally as the Group's assets and are measured at fair value upon acquisition, not higher than the present value of minimum lease payments. The finance lease liability arising in this regard towards the lessor is presented in the statement of financial position in item *Finance lease liability*. The lease payments are apportioned between the financial charge and the reduction of outstanding lease liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. The fixed assets used on the basis of financial lease contracts are depreciated over the shorter of the estimated useful life of the asset and the lease period. The fixed assets under finance lease are depreciated in accordance with the principles applicable to owned assets. If there is no certainty whether the Group will receive the title after the termination of the lease agreement, the assets are depreciated over the shorter of the lease period and the useful life.

#### Impairment of non-financial fixed assets

The following assets are subject to the annual test for impairment:

- goodwill, whereby the first test for impairment is made at the end of the period during which the combination took place.

The remaining intangible assets and tangible assets are tested for indications of impairment. In case any events or circumstances may indicate difficulties in recovering the carrying amount of the given asset, it is tested for impairment.

For the purposes of the impairment test, the assets are grouped at the lowest level at they generate cash flows independent of other cash flows by other assets or groups of assets (so-called cash-generating units). The assets that independently generate cash flows are tested independently.

The goodwill is allocated to those cash generating unit from which the benefits of synergy resulting of business combination are expected, whereby the cash-generating units are at least operating segments.

If the carrying amount exceeds the estimated recoverable amount of assets of cash generating units to which the assets belong, the carrying amount is lowered to the recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. In measuring the value in use, the estimated future cash flows are discounted to the present value using the discount rate reflecting the actual market assessment of the time value of money and risk related to the given asset.

The impairment loss is first allocated to goodwill. The remaining charge proportionally lowers the carrying amount of assets comprised in the cash generating unit.

The impairment loss is recognised as profit or loss in the "Other operating costs" item.

The goodwill impairment is not reversed in subsequent periods. In case of other assets, the evidence indicating the possibility of reversing the impairment charge is reviewed at subsequent balance sheet dates. The charge reversal is recognised as profit or loss in the "Other operating income" item.

#### Financial instruments

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

As at the balance sheet date, the financial assets and liabilities are measured in accordance with the principles presented below.

#### Financial assets



The Group classifies its financial assets as follows:

- measured at amortised cost,
- measured at fair value through other comprehensive income,
- measured at fair value through profit or loss.

The classification is made as at the initial recognition of the assets.

The classification of financial assets depends on the business model of the financial assets management and on the characteristics of the contractual cash flows for the given financial asset.

Financial assets are recognised when the Group becomes a party to the instrument's contractual provisions. Financial assets are derecognised when the right to obtain cash flows from financial assets have expired or were transferred and the Group has substantially transferred all the risk and rewards of ownership of the given assets.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs concerning financial assets carried at fair value through profit or loss are recognised as financial profit or loss.

#### Measurement after initial recognition:

##### a) Financial Assets Carried at Amortised Cost

Debt instruments held to collect, which comprise solely the payments of principal and interest, are measured at amortised cost. The interest income is calculated using the effective interest rate method and recognised in as profit or loss in item *"Interest income"*. Impairment loss is recognised as per the rule described in item *"Impairment of financial assets"*.

In particular, the following is classified in this category by the Group:

- trade receivables,
- loans that, in accordance with the business model, are recognised as held to collect cash flows,
- cash and cash equivalents.

##### b) Financial assets measured at fair value through other comprehensive income

Debt instruments in which the flows comprise solely principal and interest, and which are held to collect and sell, are measured at fair value through other comprehensive income. Changes in the carrying amount are recognised through other comprehensive income with the exception of impairment gains and losses, interest income and exchange differences that are recognised as financial profit or loss. In case of derecognition of a given financial asset, the total gains or losses previously recognised in other comprehensive income are transferred from equity to financial profit or loss and recognised as other gains/losses. Interest income on such financial assets is calculated using the effective interest rate method and recognised as financial income.

As at 01 January 2019 and 31 December 2019, the Group did not have any financial assets classified into this category.

##### c) Financial assets measured at fair value through profit or loss

Assets that do not meet the criteria of measurement at amortised cost or at fair value through other comprehensive income are carried at fair value through profit or loss. In particular, the following is classified in this category by the Group:

- Loans that do not meet the SPPI (Solely Payments of Principal and Interest) test, when the flows from such loans do not comprise solely principal and interest.
- financial derivatives.

Gains or losses on the measurement at fair value are carried as profit or loss in item *'Gains or losses on changes of fair value of financial assets'* in the period in which they arose. The gains/losses on measurement at fair value comprise also the interest received from financial assets classified into this category.

#### Financial liabilities

Financial liabilities are initially recognised at fair value less transaction costs and then at amortised costs using the effective interest method, with the exception of derivative financial instruments which after the initial recognition are carried at fair value.

In case of modification of the contractual terms and conditions of a financial liability which does not lead to a derecognition of an existing liability, the gains or losses are recognised as current profit or loss. The gains or losses are calculated as a difference between the present values of the modified and the original cash flows as discounted using the original effective interest rate of liability.

#### Impairment of financial assets

IFRS 9 introduced a new approach to the estimation of financial assets carried at amortised cost or at fair value through other comprehensive income. The impairment model is based on the calculation of expected loss. The most significant financial assets in the Group's financial statements, which are subject to the principles of calculation of expected credit loss, are the trade receivables.

In order to determine the impairment loss, the Group applies a simplified approach. In the simplified approach, the Group does not monitor the changes to the credit risk level during the lifetime of an instrument and estimates the expected credit loss until the instrument maturity.

In order to estimate the expected credit loss, the Group uses a provision matrix estimated on the basis of historical levels of repayments for each Group company. In order to determine the general default factor, the following age-bands are applied: up to 30 days past due, 30 to 60 days past due, 60 to 90 days past due, 90+ days past due.

For the calculation of the expected credit loss, the Group determines the loss rate parameter estimated on the basis of an analysis of trade receivable balance outstanding over the period of the last three years and the default interest estimated on the basis of the trade receivable balance outstanding over the last three years. The expected credit loss is calculated upon the initial recognition of the receivables in the statement of financial position and is updated as at each day on which the reporting period ended, depending on the number of days the given receivables are past due.

#### Inventories

The inventories are measured at the lower of the cost or net realisable price. The cost comprise the acquisition costs and other costs incurred in order to ensure that the inventories are at their present location and in their present state.

The net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

#### Cash and cash equivalents

Cash and cash equivalents are cash on hand and cash in bank, demand deposits as well as short-term, highly liquid investments (up to 3 months) readily convertible to cash, which are subject to an insignificant risk of changes in value.

#### Shareholders' equity

The share capital is recognised in the nominal value of shares issued, in accordance with the Articles of Association of the Parent Company and the entry in the National Court Register.

The treasury shares of the Parent Company - purchased and retained by the Parent Company - decrease the shareholders' equity. The treasury shares are measured at cost.

The share premium arises from the surplus of the issue price over the nominal value of shares less the costs of issue.

Retained profits contain the results from previous years (also those transferred to the capital on the basis of shareholders' resolutions) as well as the financial result of the current year.

All transactions with the shareholders of the Parent Company are presented separately in the "Consolidated Statement of Changes in Equity".

A separate shareholder's equity item are non-controlling interests concerning subsidiaries subject to full consolidation, which in part belong to shareholders other than the shareholders of the Parent Company.

#### Short-term employee benefits

The value of short-term employee benefits is determined without discount and disclosed in the balance sheet in their due amount.

#### [Provisions for accrued holidays](#)

The Group sets up a provision for the costs of accumulated payable holidays which it will have to pay in result of the employee's failure to use their entitlement accrued as at the balance sheet day. The provision for accrued holidays is a short-term provision and is not subject to discounting.

#### [Provisions, contingent liabilities and assets](#)

The Group recognises a provision on its balance sheet when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The date of incurring and the amount to be settled may be uncertain.

Provisions are created for the following purposes, without limitation:

- court proceedings in course and matters in dispute.

No provisions are set up for future operating losses.

Provisions are recognised in the amounts of estimated expenditures necessary to fulfil the present obligation on the basis of the most reliable evidence available as at the date of the consolidated financial statements, including those concerning the risk and degree of uncertainty. When the time value of money is material, the provision is measured by discounting the estimated future cash flows to the present value by applying the discount rate reflecting the actual assessment of the time value of money and the possible risk related to the given liability. When a discounting method has been applied, the provision increase with the passage of time is recognised as financial expense.

When the Group expects that the provision-covered costs will be returned, e.g. on the basis of insurance contract, the return is recognised as a separate asset, but only when it is practically sure that the return will effectively take place. However, the value of this asset may not exceed the amount of provision.

In case the outflow of resources to settle the present obligation is not probable, the contingent liability is not recognised, with the exception of contingent liabilities identifiable in the process of business combinations as per IFRS 3.

Information about contingent liabilities is disclosed in the descriptive part of the consolidated financial statements in Note No. 25.

The possible inflows of resources embodying economic benefits for the Group, which do not meet yet the recognition criteria as assets, constitute contingent assets, which are not recognised in the balance sheet. The information about contingent assets is disclosed in the supplementary notes.

#### [Prepayments and accruals](#)

The Group discloses prepaid costs concerning future reporting periods, including mainly the preliminary costs of projects and lease rents, in the "Prepayments" item.

The Group includes in the preliminary costs of projects, among other things, the costs of system adjustments, warehouse reorganisation costs in order to introduce a new product to the warehouse. The time of expensing the costs depends on the period for which the Group executed the contract for services. If the contract is made for a specified period of time, the Group expenses the costs over the period of the contract duration. If the contract is made for an unspecified time, the Group recognises the costs over a period of 5 years after the project kick-off date, i.e. the generation of the first revenue.

#### [Sale revenues](#)

The Group applies IFRS 15, taking into consideration the 5-step model:

- Identify the contract(s) with a customer

A contract with a customer meets its definition if all the following conditions are met:

- a) the contract has been approved by the parties to the contract;

- b) the Group is able to identify the rights of each of the parties concerning the goods or services to be transferred;
- c) the Group is able to identify the terms of payment for the goods or services to be transferred;
- d) the contract has commercial substance and it is probable that the Group will receive consideration to which it is entitled in exchange for the goods or services transferred to the client.

➤ Identify the performance obligations in the contract

At the inception of the contract, the Group assesses the goods or services that have been promised to the customer, and identifies as a performance obligation a good or service (or bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

➤ Determine the transaction price

When making a determination of the transaction price, the Group considers the contractual terms and conditions and past customary business practices. The transaction price is the amount to which the Group expects to be entitled to in exchange for the transfer of promised goods and services to the client, with the exclusion of amounts collected on behalf of third parties (e.g. some taxes and fees). The consideration defined in the contract with the client may contain fixed elements, variable elements or both.

➤ Allocate the transaction price to the performance obligations in the contract

The Group allocates the transaction price to each performance obligation (or to a distinct good or distinct service) in the amount that reflects the consideration amount to which, in accordance with the Group's expectations, it is entitled in exchange for the transfer of goods or services to the customer.

➤ Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises the revenue when (or during) the performance obligation is fulfilled by the transfer of the promised goods or services (i.e. an asset) to the client (the client obtains control of the asset). Revenue is recognised in an amount equal to the transaction price that was assigned to a performance obligation. The Group passes control over the goods or services over time and, consequently, satisfies the performance obligation and recognises revenue over time, if one of the following conditions is met:

- the customer simultaneously receives and consumes all of the benefits provided by the Group as the Group performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

#### Provision of services in the Retail Sale Outlet Management segment

It ensure a correct interpretation of the financial results obtained by the companies: TELL Sp. z o.o., Europhone Sp. z o.o. and PTI Sp. z o.o. it is necessary to explain different ways of recognition in the books of the Companies of the settlement of the sale of mobile phones and equipment by particular mobile phone operators. Irrespective of a different way of settlement by particular operators, the result on such operations is neutral.

#### ORANGE

In the second quarter of 2018, there was a change in the settlement system concerning the telecommunications equipment. Instead of the system, where Tell Sp. z o.o. acquired the equipment on its own account from Orange Polska S.A. an consignment system has been implemented since 21 May 2018.

Until 20 May 2018, Tell Sp. z o.o. would acquire phones and equipment from the Operator at market prices. After the purchase, the company incurred a liability in an amount equal to the market price of the phone. At the same time, the company recognised in its assets an inventory stock valued at the phones' market prices. The Company would sell such phones in two variants:

- a sale of the phone directly to the client in a sale outlet

In this case, the sale was made most often at the promotional price (allowing for a subsidy at the level agreed with the Operator). Thus, the Company made a temporary loss on that particular transaction. However, immediately after the promotional sale, in accordance with the procedures agreed with the Operator in the contract, the Operator issued corrective invoices decreasing the original phone purchase price for the Company to the promotional price (allowing for the subsidy level). Thus, in effect, the transaction had a neutral effect on the Company's financial result.

- sale of the phone to a sub-agent, who then sells it to a client in a sale outlet

In that case, the sale was made at the original Operator's purchase price and then the process was analogous as in the first case, whereby it was the Company that issued a corrective invoice to the sub-agent, adjusting the original selling price.

Since 21 May 2018, Tell Sp. z o.o. has been receiving the phones on the consignment system basis (and, consequently, does not recognise their values in its financial statements). The sale is made on behalf of and for the Operator and the systems and electronic cash registration devices of Orange Polska S.A. are used. If the sale is made in accordance with the valid procedures in force, the phone is considered settled.

#### T-Mobile

The Company receives phones to be sold together with subscription services from the Operator on a trust basis. If the sale is made in accordance with the valid procedures in force, the phone is considered settled. In case of some offers, it is necessary that the equipment is purchased at request and an invoice is issued with a 7-day term of payment. The phone may still be sold to the client together with a subscription offer.

#### PLUS

PTI Sp. z o.o. acquires the phones from the operator's distribution company by purchase and on the basis of the so-called consignment. In the former case, the purchase is made at market prices. Consequently, the company incurs a liability in an amount equal to the market price of the phone. At the same time, the company recognises in its assets an inventory stock valued at the phones' market prices.

In the latter case, the Company receives phones from the operator's distribution company on the consignment basis. Consequently, there is no liability on the side of the company and no inventory stock. The sale of a consignment phone is an external sale.

The sale of phones to clients may take place in the form of a cash sale or instalment sale. It is effected in the outlet.

In case of a cash sale, the transaction is made at the promotional price (allowing for a subsidy at the level agreed with the operator). Thus, the Company makes a loss on this particular transaction. However, immediately after the promotional sale, as agreed with the Operator in the contract, the Operator grants the company a commission in an amount equal to the value of loss incurred at the given transaction. In effect, the transaction has a neutral effect on the company's financial result. It is the company's own sale.

In case of an instalment sale of a phone owned by the Company, a correction is issued by the operator to the purchase invoice and, at the same time, the Company's liability is decreased and so is the inventory stock. In this case, an external sale transaction is effected.

The Company also sells the phones to salesmen operating on the business market who resell them to their clients. In this case, the sale is made at the original price of purchase from the operator's distribution company, but then the process is similar to a cash sale transaction, whereby it is the Company that sets off the salesmen's loss on the mobile phone sale transaction to a client by paying an appropriate commission (received earlier from the operator).

#### Interest and dividends

Interest income is recognized gradually upon accrual using the effective interest method. The dividends are recognised when the shareholder's right to receive payment is established.

#### Operating expenses

The costs constitute a decrease in the economic benefits made in the financial year in the form of an outflow or a fall in the value of assets or an occurrence of liabilities that ultimately lead to a decrease in equity. The operating costs include all costs by type, mainly such as: the value of goods and materials sold, payroll costs, costs or contracted services and costs of materials and energy used.

The operating costs are recognised as profit or loss in accordance with the principle of matching of costs with revenues. The Group presents the costs in the consolidated financial statements as per the places they were generated.

#### Income tax (including the deferred tax)

The taxation on the financial result comprises the current income tax as well as the deferred income tax that has not been recognised in other comprehensive income or directly in equity.

The current tax is calculated on the basis of the tax result (taxation basis) of the given financial year. The tax profit (loss) is different from the gross book profit (loss) in relation with the temporary shift of taxable income and tax deductible costs of subsequent periods as well as exclusion of non-taxable costs and revenue. The taxes are calculated on the basis of tax rates in force in the given financial year.

The deferred tax is measured for all taxable temporary differences as at the balance sheet date between the carrying value of assets and liabilities and their taxable value.

The deferred tax liability is recognised for all taxable temporary differences and the deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the recognized deductible temporary differences can be utilised. No assets or liabilities are recognised when the temporary difference results from the initial recognition of the asset or liability in a transaction that is not a business combination and that, when occurred, does not have any influence on the tax result or the book result. No deferred tax liability is recognised on the goodwill, which is not amortisable in accordance with the tax regulations.

The deferred tax is measured using the tax rates that are expected to apply to the period when the asset is realized or a liability is settled based on the tax rates (and tax laws) that have been enacted at the balance sheet date.

The deferred tax asset is analysed as at each balance sheet date and when the expected future taxable profit will not be sufficient to realize an asset or its part, it is impaired.

#### Subjective Assessments of the Management Board and Uncertainty of Estimates

When preparing these consolidated financial statements, the Parent Company's Management Board uses its best judgement to make the estimates and assumptions that influence the accounting policies (rules) applied and the presented values of assets, liabilities, revenue and costs. The actually realised values may differ from the estimates made by the Management Board. Information about the estimates and assumptions made that are significant for the consolidated financial statements is presented below.

#### Provisions for employee benefits

Provisions for employee benefits comprise provisions for accrued holidays and provisions for bonuses. The provisions for accrued holidays are calculated on the basis of average remunerations and the number of holidays from past periods that were not used until 31 December 2019. The provisions for bonuses are estimated on the basis of contractual terms and conditions as agreed with persons entitled.

#### Deferred tax assets

The probability of settling a deferred tax asset by future tax profits is based on the budgets of Group companies as approved by the Management Board of the Parent Company. If the anticipated financial results suggest that the Group companies will generate taxable income, the deferred tax assets are recognised in full.

#### Impairment of Non-financial Assets

In order to determine the value in use, the Management Board estimates the forecast cash flows as well as the rate by which the flows are discounted to their present value (cf. item concerning the impairment of non-financial assets). During the measurement of the present value of future flows, assumptions concerning the forecast financial results are made. These assumptions concern future events and circumstances. The actually realised values may differ from the estimates, which may lead, in subsequent reporting periods, to significant adjustments of the value of Group's assets.

#### Goodwill Measurement

The assumptions for the goodwill impairment test were presented in Note 3. The main assumptions concern the discount rate, future cash flows realised and the growth rate.

In case of the estimated cash flow in 2020, they contain the Group-estimated impact of the coronavirus pandemic on the situation of particular cash generating units.

#### Impairment loss on trade receivables

The calculation and measurement of expected credit losses on trade receivables is an area requiring a considerable judgement as regards the selection of an appropriate methodology, model and input data. A detailed description of the methodology of measurement of extended credit loss as applied by the Group can be found in item '*Impairment of financial assets*'. The Group companies use in their models the historical information from their accounting systems.

#### Measurement of lease liabilities and rights of use assets

The uncertainty of estimates results from the implementation of IFRS 16. The implementation required subjective judgements to be made when preparing estimates and assumptions, all of which influenced the measurement of financial lease liabilities and the rights to use the assets:

- when determining the remaining lease period with regard to the agreements made for an indefinite period of time, a 5-year time horizon has been adopted as their outstanding duration,
- when determining the lessee's incremental borrowing rate of interest to be applied when discounting future cash flows, the rate fixed for the Group at the level of average financing cost was adopted,
- when indicating the useful lives and amortisation rates for the rights to use the assets, periods adequate to the assumed expected life of an asset were adopted.

#### Uncertainty related to tax settlements.

The provisions concerning the VAT, CIT or social insurance are subject to frequent amendments. These frequent changes result in the lack of appropriate points of reference, inconsistent interpretations and few precedents available that could be applied. The regulations in force contain many unclear provisions, that lead to interpretations of tax laws varying between different state authorities as well as between state authorities and entrepreneurs.

The tax settlements and other areas of activities may be controlled by state authorities that are authorised to impose high penalties and fines and all additional tax obligations that may appear in consequence of the tax control must be paid together with high interest. All the above circumstances contribute to the fact that the tax risk in Poland is higher than the normal tax risk in countries with a more stable tax system. In consequence, the amounts presented and disclosed in financial statements may change in the future in consequence of a final and enforceable decision of a tax control authority.

On 15 July 2016, the Tax Ordinance was amended by provisions implementing the General Anti-Avoidance Rule (GAAR) provisions. GAAR is to prevent the creation and abuse of artificial legal structures created only to avoid taxation in Poland. GAAR defines the tax avoidance as an activity carried out mainly to achieve a tax gain and contrary in the given circumstances with the subject matter and the purpose of tax act provisions. New regulations require much more professional judgement when assessing the tax effects of particular transactions. The Group recognises and measures the current tax assets/liabilities as well as deferred tax assets/liabilities applying the requirements of IAS 12 *Income Tax* on the basis of the taxable income (tax loss), tax basis, unsettled tax losses and the applicable tax rates, take into account the assessment of uncertainty related to tax settlements. In October 2018, the European Commission endorsed IFRIC 23 *Uncertainty over Income Tax Treatments* which is effective for reporting periods beginning on or after 1 January 2019. This interpretation explains how to apply the requirements related to the recognition and measurement provided in IAS 12 in case when there is uncertainty over the recognition of the income tax. This interpretation did not have any impact on the value of the Group's equity upon its first adoption, i.e. on 1 January 2019.

#### Measurement of the revenue from the sale of shares in ArchiDoc S.A.

On 17 October 2019, OEX S.A. signed a contract of sale of 100% of shares in its subsidiary ArchiDoc S.A. The preliminary selling price was PLN 65 million. OEX S.A. is also entitled to additional payments to the selling price that are due in case ArchiDoc S.A. exceeded the agreed standardised EBITDA value in the period from 1 January 2020 to 31 December 2020 and from 1 January 2021 to 31 December 2021.

The actually realised values of revenue from the sale of shares in ArchiDoc may differ from the estimates, which may lead, in subsequent reporting periods, to significant adjustments of the value of Group's assets. Detailed information on the estimates of additional payments to the preliminary selling price for the shares in ArchiDoc S.A. is given in Note No. 20.



## 1. Operating segments

Revenues and results of operating segments:

REVENUES AND RESULTS OF OPERATING SEGMENTS						
	Sale network management	Sale support	E-business	BPO*	Not allocated	Total*
FOR THE PERIOD FROM 01/01 TO 31/12/2019						
Revenue from external customers	190,524	190,303	171,942	77,911		630,680
Revenue from the sales between segments	37	1,128	2,396	61	5,379	9,001
Total revenue	190,561	191,431	174,338	77,972	5,379	639,681
Segment's operating result	18,034	- 3,514	- 821	6,912	- 4,843	15,768
EBITDA	30,784	- 592	8,952	12,969	- 4,283	47,830
Amortisation and depreciation	12,750	2,922	9,773	6,056	560	32,061
Financial income						806
Financial costs						11,636
Profit from the sale of shares and participations						24,565
Share in the profit (loss) of entities measured using the equity method (+/-)						- 134
Gross profit						29,369
Income tax						7,402
Net profit						21,967
FOR THE PERIOD FROM 01/01 TO 31/12/2018						
Revenue from external customers	208,992	160,097	166,143	73,472	42	608,747
Revenue from the sales between segments	27	2,463	2,903	90	6,175	11,658
Total revenue	209,019	162,560	169,047	73,562	6,217	620,405
Segment's operating result	16,702	3,737	5,983	6,643	- 5,336	27,730
EBITDA	18,867	5,808	8,122	8,606	- 5,113	36,292
Amortisation and depreciation	2,165	2,071	2,139	1,963	223	8,562
Financial income						310
Financial costs						6,999
Gross profit						21,045
Income tax						4,758
Net profit						16,287

\* without elimination of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale (the Group's Management Board analysed the segment results without allowing for the share sale)

The Group has one counterparty whose share in the Group's turnover exceeded 10%. The Group made 12.5% of its turnover with that entity. The revenue from this counterparty is generated by a company from the 'Sale Network Management' segment.

In order to ensure the comparability of data presented, below are presented the results of the OEX Group's operating segments for 2019 before the impact of IFRS 16.

	Sale network management	Sale support	E-business	BPO*	Not allocated	Total*
FOR THE PERIOD FROM 01/01 TO 31/12/2019						
Operating result, excluding the impact of IFRS 16	17,243	- 3,581	- 1,919	6,819	- 4,855	13,707
EBITDA, excluding the impact of IFRS 16	19,720	- 1,165	1,539	8,665	- 4,603	24,156

\* without the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

GEOGRAPHICAL AREAS - REVENUES		
	01/01-31/12/2019	01/01-31/12/2018
Poland	464,431	487,443
Europe	109,319	67,396
Asia	1,261	1,466
Africa	647	104
North America	1,806	436
Total revenue from sale in continued operations	577,464	556,845
Poland – assets held for sale	53,216	51,902
Total revenue from sale	630,680	608,747

## 2. Investments in related parties

THE OEX S.A. GROUP IS AS AT 31 DECEMBER 2019, THE GROUP INCLUDED:

- THE PARENT COMPANY - OEX S.A.
- SUBSIDIARIES PRESENTED IN THE TABLE BELOW:

SUBSIDIARIES			
Name of the Company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
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	
Merservice Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
Pro People Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
OEX E-Business Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
Divante Sp. z o.o.	ul. Dmowskiego 17, 50-203 Wrocław	51.03	
Voice Contact Center Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
OEX 24 Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	100	

- ASSOCIATE COMPANY

ASSOCIATE COMPANIES			
Name of the Company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
Face and Look S.A.	ul. Klimczaka 1, 02-797 Warszawa	0	31

- JOINTLY-CONTROLLED COMPANY

JOINTLY-CONTROLLED COMPANIES			
Name of the Company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
4Shops Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	0	50

All the subsidiaries of the OEX S.A. Group presented above are subject to full consideration. The co-controlled company 4Shops Sp. z o.o. and the associate company Face and Look S.A. with registered office in Warsaw are consolidated using the equity method.

The Group also comprises Connex Sp. z o.o. in liquidation seated in Poznań. This company is no longer active and is not subject to consolidation. As regards the shares in this company, OEX S.A. made impairment charges equal to 100% of their value.

The object of the business of the Group companies is to provide services for the business.

### CHANGES IN THE STRUCTURE OF THE OEX GROUP IN 2019:

In 2019, the Group acquired 50% of shares in 4Shops Sp. z o.o. with registered office in Warsaw, which is a joint venture. The purchase price of 50% of shares in that Company was PLN 500 thousand.

The key items in the financial statements of 4Shops Sp. z o.o. with registered office in Warsaw, at ul. Klimczaka 1 for 2019 are as follows (in k PLN):

	31/12/2019
Fixed assets	194
Current assets	541
Shareholders' equity	278
Liabilities and provision for liabilities	457
Net result for 2019	-722
Net result in the period when member of the OEX Group	-201

The share capital of 4Shops Sp. z o.o. as at 31 December 2019 amounted to kPLN 502.5 and is divided into 10,050 shares of PLN 50 each.

#### Disposal of shares in ArchiDoc S.A.

On 17 October 2019, OEX S.A. signed with Offsite Archive Storage & Integrated Services Ltd. with registered office in Dublin agreements on the sale of 4,250,000 shares in ArchiDoc S.A., with registered office in Chorzów, constituting 100% of its share capital. Detailed information on the transaction of the sale of shares in ArchiDoc S.A. and on the impact of the sale on the result of the OEX Group in 2019 can be found in Note No. 20.

#### CHANGES IN THE STRUCTURE OF THE OEX GROUP IN 2018 (COMPARABLE PERIOD)

In February 2018, the District Court for Gdańsk-Północ in Gdańsk, VI Commercial Division, by virtue of decision dated 19 February 2018 declared the bankruptcy of TOYS4BOYS Sp. z o.o. with registered office in Gdańsk. The OEX Group held 30 % of shares in the said Company. All the shares were covered by impairment charges in previous financial years. TOYS4BOYS Sp. z o.o. was not subject to consolidation within the OEX Group.

On 6 April 2018, a new company was established - Archidoc MED Sp. z o.o. with registered office in Chorzów. 100% of its shares is held by ArchiDoc S.A. The share capital of ArchiDoc MED Sp. z o.o. amounts to PLN 50 thousand. In relation with the sale of 100% of shares in ArchiDoc S.A., the Group lost control over ArchiDoc MED Sp. z o.o. as of 17 October 2019.

On 09 November 2018, a new company was established - OEX 24 Sp. z o.o. with registered office in Warsaw. The Group holds 100% of shares in the company. As at the incorporation date, the share capital of OEX24 Sp. z o.o. amounted to PLN 1,000 thousand. The Group holds 100% of shares in the company. 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 the eCommerceB2B platform which supports producers and distributors in the digitalisation of sale channels. It 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.

#### Acquisition of an associate company in 2018:

On 31 October 2018, an OEX Group company acquired 31% of shares in Face and Look S.A. The company has been active since 2012, operating a website and investing into a health&beauty e-shop. The revenue is generated on the sale of cosmetic products in the B2C segment and on marketing activities under the F&L Club loyalty programme. It actively cooperates with independent drug stores on the domestic market. Face&Look is building its own consumer base to which a lifestyle-related content is communicated.

Key items of the 2018 and 2019 financial statements of Face and Look S.A. with registered office in Warsaw, ul. Klimczaka 1 are as follows (in k PLN):

	31/12/2018	31/12/2019
Fixed assets	-	-
Current assets	255	72
Shareholders' equity	15	-200
Liabilities and provision for liabilities	240	272
Net result for 2018	62	
Net result for 2019		-174

The share capital of Face and Look S.A. as at 31 December 2019 is kPLN 100 and is divided into 10,000,000 shares of PLN 0.01 each.

### 3. Goodwill

Changes in the carrying amount of goodwill in periods covered by the consolidated financial statements are presented in the table below:

	01/01-31/12/2019	01/01-31/12/2018
<b>GOODWILL</b>		
State as at period beginning	116,545	116,545
Loss of control over subsidiary ArchiDoc S.A. (-)	- 36,526	

Gross value at period end	80,019	116,545
Impairment loss		
Goodwill at period end	80,019	116,545

The goodwill presented in the assets of the consolidated statement of financial position results from the acquisition of shares or participations in the companies by the parent company and the acquisition by the subsidiaries of organised parts of business:

	31/12/2019	31/12/2018
Taurus	1,202	1,202
Havo	20,096	20,096
Europhone Sp. z o.o.	8,732	8,732
Solex	10,611	10,611
Cel-R	2,876	2,876
PTI Sp. z o.o.	10,061	10,061
Maximum	6,879	6,879
OEX Cursor S.A.*	4,238	4,238
OEX e-Business Sp. z o.o.*	4,786	4,786
Divante Sp. z o.o.	1,864	1,864
Pro People Sp. z o.o.	4	4
Merservice Sp. z o.o.	3,813	3,813
ArchiDoc S.A. (company sold outside the OEX Group on 17/10/2019)		36,526
Voice Contact Center Sp. z o.o.	4,858	4,858
<b>Total goodwill</b>	<b>80,019</b>	<b>116,545</b>

\* The goodwill that arose upon the take over of the control by the Group over Cursor S.A. concerns both the activities pursued after the division of the said company between OEX Cursor S.A. and OEX E-Business Sp. z o.o. The division of the goodwill into the value allocated to OEX Cursor S.A. and OEX e-Business took place in 2018 on the basis of an average of the following two values: share of particular companies in EBIT and share of the equity of these companies.

The Group conducted internal goodwill impairment tests as at the balance sheet date. The test procedures did not indicate any goodwill impairment. The recoverable amount of particular cash generating units was established on the basis of calculated value in use.

### CASH GENERATING UNIT

The value in use was calculated in each instance on the basis of cash flow forecasts based on the financial budgets covering the period of 5 years. The forecasts reflect the management's existing experience related to the business and an analysis of external indications. The material assumptions concerning the discount rate and the assumed growth rate after the detailed forecast period are presented in the table below:

31/12/2018

Name of the company	Euro-Phone, Solex, Cel-R	PTI, Maksimus	Taurus, Havo	Cursor	E-Business	Divante	Merservice	VCC	ArchiDoc
Forecast period	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Discount rate	8.55%	8.55%	8.55%	10.31%	9.61%	9.96%	10.31%	10.26%	9.96%
Growth rate after the budget period	0%	0%	0%	2%	2%	2%	0%	0%	1%

31/12/2019

Name of the company	Euro-Phone, Solex, Cel-R	PTI, Maksimus	Taurus, Havo	Cursor	E-Business	Divante	Merservice	VCC
Forecast period	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Discount rate	8.34%	8.34%	8.34%	12.34%	12.34%	9.34%	9.34%	9.34%
Growth rate after the budget period	0%	0%	0%	1%	2%	2%	0%	0%

### Other key assumptions used for the calculation of the value in use:

The estimation of the value in use of a cash generating unit is sensitive to the following variables:

- cash flows;
- discount rates;
- growth rate applied when estimating cash flows outside the scope of budgeted periods.

Cash flows – are made on the basis of values achieved in the periods preceding the budget period and on the prudent estimates concerning the future derived from them.

Discount rate – reflects the estimation of risk made by the management. This is an indication used by the management in order to estimate the operational effectiveness (results) and future investment proposals.

The discount rate and the growth rate of future cash flows assumed for the determination of the recoverable amount were expressed in real values, i.e. disregarding the inflation. The cash flows and the discount rate are compliant with the IAS 36 methodology.

Assumptions concerning the market shares – these assumptions are material because the management assesses the ways in which the economic and financial position of the Group companies may change during the budget period with respect to competitors. The management expects that the market share of the Group companies will be stable in the budget year.

The estimated growth rate after the period of detailed forecast – assumed for subsidiaries Divante Sp. z o.o., and OEX E-Business and Cursor (as regards the remaining entities, there were no assumptions for prudence).

Specific risk factor - An analysis of verifiability of result forecast presented before and an assessment of the result forecasts presented versus the results made in the reference period were made for each company/cash generating unit. The specific risk factor is a resultant of the corrections indicated below and the total of the following factors:

- adjustment on account of the degree of performance of the 2019 operating profit forecast - this adjustment results from the validity of allowing for the IAS guidelines in accordance with which the asset impairment tests (based on the forecasts made by the Management Board) must allow for the historic accuracy of forecasts of the Management Board. Following those guidelines, it was assumed in the impairment tests that the lower the degree of performance of the 2019 forecasts (this concerns the forecasts the impairment tests as at the end of 2018 were based on), the higher the risk related to the actual financial forecasts of the Management Board (i.e. forecasts the tests as at the end of 2019 were based on).
- adjustment on account of the assumed future (i.e. concerning 2020-2024) operational profitability of the segment related to the “goodwill” tested - this adjustment results from the validity of allowing for the empirical dependence between the future profitability assumed and the investment risk (the higher the expected profitability when compared to the historic profitability, the higher the risk that the profitability level assumed may not be achieved).

An additional expert’s element of the specific risk, which adjusts its level, is the stability and predictability of the segment the tested entity (cash-generating unit). With regard to those companies from the ‘Sale Network Management’ segment that are more stable in terms of business (Tell Sp. z o.o., PTI Sp. z o.o., Euro-Phone Sp. z o.o.), a risk factor of 0.0% should be applied. With regard to the entities operating in the remaining areas (e-business, BPO, sale support), it is reasonable to indicate a higher ratio of 1%.

#### SENSITIVITY TO CHANGES OF ASSUMPTIONS

In case of the estimation of the value in use, the management is convinced that no reasonably possible change of any key assumption made above would result in exceeding by the carrying amount of such unit of its recoverable amount adjusted by the book value of net assets.

The ‘goodwill’ impairment tests comprised a simulation of the recoverable amount, assuming the levels of discount rates in 2020-2024 changed by 1%.

Name of the company	Euro-Phone, Solex, Cel-R	PTI, Maksimus	Taurus, Havo	Cursor	E-Business	Divante	Merservice	VCC
Discount rate	8.34%	8.34%	8.34%	12.34%	12.34%	9.34%	9.84%	9.84%
Adjusted discount rate	9.34%	9.34%	9.34%	13.34%	13.34%	10.34%	10.84%	10.84%
Test results	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment

#### 4. Intangible fixed assets

The intangible fixed assets used by the Group comprise licences, computer software as well as other intangible assets.

	Licences and software	Trademarks	Other intangible assets	In production	Total
<b>AS AT 31/12/2019</b>					
Gross carrying amount	12,571	487	10,237	1,341	24,636
Accumulated depreciation/amortisation and impairment charges (-)	- 3,643	- 329	- 4,384		- 8,356
<b>Net carrying amount</b>	<b>8,928</b>	<b>158</b>	<b>5,853</b>	<b>1,341</b>	<b>16,280</b>
<b>AS AT 31/12/2018</b>					
Gross carrying amount	7,978	487	9,378	7,456	25,299
Accumulated depreciation/amortisation and impairment charges (-)	- 5,009	- 299	- 3,227		- 8,535
<b>Net carrying amount</b>	<b>2,969</b>	<b>188</b>	<b>6,151</b>	<b>7,456</b>	<b>16,764</b>

	Licences and software	Trademarks	Other intangible assets	In production	Total
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2019</b>					
<b>Net carrying amount as at 01/01/2019</b>	<b>2,970</b>	<b>188</b>	<b>6,151</b>	<b>7,455</b>	<b>16,764</b>
Increase (acquisition, production, lease)	7,766		1,614	3,652	13,032
Decrease (disposal, liquidation, putting to use) (-)	- 7		- 13	- 9,004	- 9,024
Depreciation and amortisation (-)	- 1,562	- 30	- 1,487		- 3,079
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 239		- 412	- 762	- 1,413
<b>Net carrying amount as at 31/12/2019</b>	<b>8,928</b>	<b>158</b>	<b>5,853</b>	<b>1,341</b>	<b>16,280</b>
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2018</b>					
<b>Net carrying amount as at 01/01/2018</b>	<b>3,192</b>	<b>218</b>	<b>4,153</b>	<b>4,067</b>	<b>11,630</b>
Increase (acquisition, production, lease)	1,034		2,748	7,436	11,219
Decrease (disposal, liquidation, putting to use) (-)			- 5	- 4,048	- 4,053
Depreciation and amortisation (-)	- 1,256	- 30	- 745		- 2,032
<b>Net carrying amount as at 31/12/2018</b>	<b>2,970</b>	<b>188</b>	<b>6,151</b>	<b>7,455</b>	<b>16,764</b>

	31/12/2019	31/12/2018
<b>AMORTIZATION OF INTANGIBLE ASSETS RECOGNISED IN:</b>		
Selling costs	915	521
Administrative expenses	260	230
Cost of sales	1,904	1,281
<b>State as at period end</b>	<b>3,079</b>	<b>2,032</b>

As at 31 December 2019, the most significant other intangible fixed assets of the OEX Group of the total value of kPLN 5,853 were:

- costs of development works completed in the company from the e-Business segment in the amount of kPLN 1,356 .
- fees for the take-over of the rights and obligations resulting from the contracts of rental of premises in companies from the Retail Sale Outlet Management segment in the amount of kPLN 1,155 .
- value of the distribution network in a company belonging to the Retail Sale Outlet Management segment in the amount of kPLN 2,000 .

As at 31 December 2019, the most significant intangible fixed assets in construction of the OEX Group of the total value of kPLN 1,341 were:

- a solution for the building of front-ends for e-stores with a value of kPLN 856 .

- a programme for the launch of loyalty programmes in sale networks for the value of kPLN 328.

The projects are scheduled to be implemented in 2020.

In both periods presented:

- the Group did not have intangible fixed assets with limited titles,
- there were no contractual commitments for a future acquisition of intangible assets.

#### Intangible assets with non-specified useful life

In the OEX Group, the intangible fixed assets with an unspecified useful life is the value of distribution network, as indicated in the preceding item, amounting to PLN 2,000 thousand.

The Management Board concluded that analyses of all the significant factors indicated that there was no foreseeable time limit within which one may expect that the asset would cease to generate net cash inflows. No specified useful life of the network value reflects the character of this asset in the generation of future values for the Group. The test for impairment showed that the recoverable amount of the network is higher than its book value.

The testing model applied has the same as the assumptions as the test for goodwill for the Telco segment. Main assumptions:

Forecast period	5 years
Discount rate	8.34%
Growth rate after the budget period	0%

The impairment tests comprised also a simulation of the recoverable amount, assuming the levels of discount rates in 2020-2024 changed by 1%. No impairment was obtained.

## 5. Tangible fixed assets

	Machinery and equipment	Vehicles	Other fixed assets	In construction	Total
<b>AS AT 31/12/2019</b>					
Gross carrying amount	9,296	761	10,169	105	20,331
Accumulated depreciation/amortisation and impairment charges (-)	- 5,553	- 568	- 4,925		- 11,046
<b>Net carrying amount</b>	<b>3,743</b>	<b>193</b>	<b>5,244</b>	<b>105</b>	<b>9,285</b>
<b>AS AT 31/12/2018</b>					
Gross carrying amount	15,346	11,262	20,052	1,163	47,823
Accumulated depreciation/amortisation and impairment charges (-)	- 9,086	- 4,912	- 8,676		- 22,674
<b>Net carrying amount</b>	<b>6,260</b>	<b>6,350</b>	<b>11,376</b>	<b>1,163</b>	<b>25,149</b>

As at 31 December 2018, the tangible fixed assets comprises also the value of fixed assets used on the basis of finance lease contracts (IAS 17). As of 1 January 2019, the assets are presented in a separate item 'Right-of-use assets'. The carrying amount of the item 'Right-of-use assets' was presented in Note No. 6.

The difference between the balance sheet value of tangible fixed assets as at 31 December 2019 of kPLN 9,293 and the balance shown in the movement table constitutes the value of advances for the purchase of tangible fixed assets in the amount of PLN 8 thousand.

The table below presents the acquisitions and disposals as well as impairment charges concerning tangible fixed assets:

	Machinery and equipment	Vehicles	Other fixed assets	In construction	Total
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2019</b>					
<b>Net carrying amount as at 31/12/2018</b>	<b>6,260</b>	<b>6,350</b>	<b>11,376</b>	<b>1,163</b>	<b>25,149</b>
Reclassification of the rights of use of assets	- 1,829	- 6,331	- 5,557		- 13,717
<b>Net carrying amount as at 01/01/2019</b>	<b>4,431</b>	<b>19</b>	<b>5,819</b>	<b>1,163</b>	<b>11,432</b>



Increase (acquisition, production, lease)	2,167	427	2,292	3,315	8,201
Decrease (disposal, liquidation, putting to use) (-)	- 276	- 70	- 334	- 4,003	- 4,683
Depreciation and amortisation (-)	- 1,412	- 107	- 1,062		- 2,581
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 1,167	- 76	- 1,471	- 370	- 3,084
<b>Net carrying amount as at 31/12/2019</b>	<b>3,743</b>	<b>193</b>	<b>5,244</b>	<b>105</b>	<b>9,285</b>
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2018</b>					
<b>Net carrying amount as at 01/01/2018</b>	<b>6,349</b>	<b>4,506</b>	<b>11,612</b>	<b>770</b>	<b>23,238</b>
Increase (acquisition, production, lease)	2,530	5,396	1,678	2,697	12,301
Decrease (disposal, liquidation, putting to use) (-)	- 474	- 551	- 321	- 2,101	- 3,446
Other changes in the value (+/-)		- 211		- 203	- 413
Depreciation and amortisation (-)	- 2,146	- 2,790	- 1,593		- 6,530
<b>Net carrying amount as at 31/12/2018</b>	<b>6,260</b>	<b>6,350</b>	<b>11,376</b>	<b>1,163</b>	<b>25,149</b>

	31/12/2019	31/12/2018
<b>DEPRECIATION OF TANGIBLE ASSETS RECOGNISED IN:</b>		
Selling costs	958	803
Administrative expenses	734	1,094
Cost of sales	889	4,632
<b>State as at period end</b>	<b>2,581</b>	<b>6,530</b>

In both periods presented:

- the Group did not have tangible fixed assets with limited titles,
- there were no contractual commitments for a future acquisition of tangible assets.

## 6. Right-of-use assets (as at 31.12.2018 tangible fixed assets used on the basis of a financial lease contracts)

The table below presents the acquisitions and disposals as well as impairment charges concerning the rights of use assets:

	Premises and warehouses	Other fixed assets			Total
		Machinery and equipment	Vehicles	Other fixed assets	
RIGHT-OF-USE ASSETS					
Net carrying amount as at 01/01/2019	107,703	1,829	6,331	5,557	121,420
Increases (start of lease)	4,023	896	5,563	2,352	12,834
Decrease (disposal, liquidation) (-)	- 2,790		- 626	- 973	- 4,389
Depreciation and amortisation (-)	- 18,826	- 224	- 3,034	- 218	- 22,302
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 21,428	- 1,078	- 1,832	- 4,291	- 28,629
Net carrying amount as at 31/12/2019	68,682	1,423	6,402	2,427	78,934

## 7. Financial Assets and Liabilities

### 7.1. Categories of financial assets and liabilities

In the 2019 and 2018 financial data, the value of financial assets presented in the consolidated statement of financial position relates to the following categories of financial instruments determined in IFRS 9:

1 - financial assets measured at amortised cost (MOC)	4 - hedging derivatives (HD)
2 - financial assets measured at fair value through profit or loss (MFVPL)	5 - assets outside the scope of IFRS 9 (Non IFRS 39)
3 - financial assets measured at fair value through comprehensive income (MFVCI)	

In the 2019 and 2018 financial data, the value of financial liabilities presented in the consolidated statement of financial position relates to the following categories of financial instruments determined in IFRS 9:

1 – financial liabilities measured at amortised cost (LMOC)	3 - hedging derivatives (HD)
2 – financial liabilities measured at fair value through profit or loss (LMFVPL)	4 - liabilities outside the scope of IFRS 9 (Non IFRS 39)

	Note	Categories of financial instruments as per IFRS 9				Total
		MOC	MFVPL	HD	Non IFRS 9	
AS AT 31/12/2019						
FIXED ASSETS						
Receivables and loans	7.2	926				926
Lease and rental receivables (IFRS 16)	7.2	5,008				5,008
Other long-term financial assets			500			500
CURRENT ASSETS						
Trade Receivables and Other Receivables	10	102,946				102,946
Loans	7.2	133				133
Lease and rental receivables (IFRS 16)	7.2	2,447				2,447
Cash and cash equivalents	11	55,729				55,729
Total financial assets		167,189	500			167,689
AS AT 31/12/2018						
FIXED ASSETS						
Receivables and loans	7.2	1,285				1,285
Other long-term financial assets			500			500
CURRENT ASSETS						
Trade Receivables and Other Receivables	10	126,968				126,968
Loans	7.2	21				21
Cash and cash equivalents	11	26,580				26,580
Total financial assets		154,854	500			155,354

	Note	Categories of financial instruments as per IFRS 9				Total
		LMOC	LMFVPL	HD	Non IFRS 9	
AS AT 31/12/2019						
Long-term liabilities						
Loans, credits, other debt instruments	7.3	6,958				6,958
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		59,742				59,742
Right-of-use-related liabilities - other fixed assets (IFRS 16)		5,013				5,013
Other liabilities						
Short-term liabilities						
Trade liabilities and other liabilities	16	53,094	29			53,123
Loans, credits, other debt instruments	7.3	29,682				29,682
Factoring liabilities		9,169				9,169
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	16	19,891				19,891
Right-of-use-related liabilities - other fixed assets (IFRS 16)	16	3,420				3,420
Total financial liabilities		186,969	29			186,998
AS AT 31/12/2018						
Long-term liabilities						
Loans, credits, other debt instruments	7.3	48,248				48,248
Lease liabilities		6,227				6,227
Short-term liabilities						
Trade liabilities and other liabilities	16	59,281	49			59,330

Loans, credits, other debt instruments	7.3	36,850				36,850
Factoring liabilities		11,312				11,312
Lease liabilities		3,557				3,557
<b>Total financial liabilities</b>		<b>165,474</b>	<b>49</b>			<b>165,523</b>

## 7.2. Receivables and loans

For the purposes of presentation, in its consolidated statement of financial position the Group separated the class of receivables and loans. In the long-term part, the receivables and loans are presented in the statement in a single heading. The receivables from rentals and leases are recognised in a separate item in relation with the effectiveness of IFRS 16. In the short-term part, as per the requirements of IAS 1, the Group separately the trade receivables and other receivables as well as receivables from rentals and lease in relation with the effectiveness of IFRS 16. The classes of receivables and loans are presented in the table below. Disclosures concerning the receivables are made in Note No. 10.

	Note	31/12/2019	31/12/2018
<b>RECEIVABLES AND LOANS</b>			
<b>FIXED ASSETS</b>			
Receivables		765	1,134
Lease and rental receivables (IFRS 16)		5,008	
Loans		161	151
<b>Long-term receivables and loans</b>		<b>5,934</b>	<b>1,285</b>
<b>CURRENT ASSETS</b>			
Trade Receivables and Other Receivables		113,511	137,132
Lease and rental receivables (IFRS 16)		2,447	
Loans		133	21
<b>Short-term receivables and loans</b>		<b>116,091</b>	<b>137,153</b>
<b>Receivables and loans, including:</b>		<b>122,025</b>	<b>138,438</b>
Receivables	10	121,731	138,266
Loans	7.6	294	172

Loans granted are measured at amortised cost using the effective interest method. The carrying amount of loans is considered to be the reasonable estimation of the fair value (cf. Note No. 7.6. concerning the fair value).

The change in the carrying amount of loans, including impairment charges, is as follows:

	Note	01/01-31/12/2019	01/01-31/12/2018
<b>LOANS</b>			
<b>Gross value:</b>			
State as at period beginning		172	12
Amount of loans granted in the period		357	213
Interest calculated using the effective interest rate method		15	2
Repayment of loans with interest (-)		- 250	- 55
<b>Gross value at period end</b>		<b>294</b>	<b>172</b>
<b>Impairment loss:</b>			
<b>Impairment loss at period end</b>			
<b>Carrying amount at period end</b>		<b>294</b>	<b>172</b>

The loans are measured by the Group at due amounts in view of the insignificant discount effects.

Profits and losses recognised in the financing activities concerning the financial assets category are presented in Note No. 19.

The net carrying amount of trade receivables and loans reflects the maximum exposure to credit risk.

## 7.3. Loans, credits, other debt instruments

The value of loans, credits and other debt instruments recognised in the consolidated financial statement of financial position is presented in the table below:

	31/12/2019		31/12/2018	
	Short-term liabilities	Long-term liabilities	Short-term liabilities	Long-term liabilities
<b>FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>				
Overdraft facilities, revolving loans and term loans	29,682	6,958	36,832	48,248
Loans			18	
<b>Total financial liabilities measured at amortised cost</b>	<b>29,682</b>	<b>6,958</b>	<b>36,850</b>	<b>48,248</b>

On 17 October 2019, in relation with the sale of shares in ArchiDoc S.A., the Group repaid all the term loans in the amount of kPLN 37,706 plus accrued interest and costs of an earlier repayment of the above-mentioned liabilities., i.e. the total of PLN 38,158, taken out in 2017 to finance the purchase of shares in ArchiDoc S.A. and, at the same time, extended the period of availability of the revolving loan facility until the end of April 2020, consequently extended until the end of October 2020.

#### Financial liabilities measured at amortised cost

The Group does not include any instruments from the loan and credit class to financial liabilities carried at fair value through profit or loss. All loans, credits and other debt instruments are measured at amortised cost using the effective interest method. The fair value of loans, credits and other debt instruments is presented in Note No. 7.6.

Information concerning the character and scope of risk the Group is exposed to in relation with the loans, credits and other debt instruments contracted is presented in the table below (cf. also Note No. 26 concerning risks):

	Currency	Interest rate	Maturity date / due date of the last instalment	Value of outstanding amount of investment loans / revolving loan limits granted		Liability	
				in foreign currency	in PLN	short-term	long-term
AS AT 31/12/2019							
INVESTMENT LOANS (TERM)							
ING Bank Śląski S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	6,344	2,910	3,496
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	6,406	2,910	3,496
commission costs						-28	-34
Total investment loans					12,750	5,792	6,958
REVOLVING LOANS							
ING Bank Śląski S.A. - working capital loan	PLN	WIBOR 1M + margin	04.2020	PLN	4,000	3,431	
Santander Bank Polska S.A. - working capital loan	PLN	WIBOR 1M + margin	04.2020	PLN	5,000	4,138	
ING Bank Śląski S.A. - overdraft facilities	PLN	WIBOR 1M + margin	04.2020	PLN	18,500	3,912	
Santander Bank Polska S.A. - overdraft facility	PLN	WIBOR 1M + margin	04.2020	PLN	20,500	12,409	
Total working capital loans					48,000	23,890	0
Total loans					60,750	29,682	6,958
AS AT 31/12/2018							
INVESTMENT LOANS (TERM)							
ING Bank Śląski S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	29,682	4,660	24,322
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	28,982	4,660	24,322
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	12.2019	PLN	1,299	1,299	
ING Bank Śląski S.A.	PLN	WIBOR 1M + margin	12.2019	PLN	6,500	1,797	
commission costs						-309	-396
Total investment loans					66,463	12,107	48,248
REVOLVING LOANS							
Santander Bank Polska S.A. - overdraft facilities	PLN	WIBOR 1M + margin	12.2019	PLN	18,800	12,822	
ING Bank Śląski S.A. - overdraft facilities	PLN	WIBOR 1M + margin	12.2019	PLN	14,000	7,042	
ING Bank Śląski S.A. - working capital loan	PLN	WIBOR 1M + margin	12.2019	PLN	1,450	1,450	
Santander Bank Polska S.A. - working capital loan	PLN	WIBOR 1M + margin	12.2019	PLN	2,550	2,550	
Santander Bank Polska S.A. - working capital loan	PLN	WIBOR 1M + margin	02.2019	PLN	3,000	861	
Total working capital loans					39,800	24,725	0
Loan	PLN	WIBOR 6M + margin	-	PLN	18	18	
Total loans and credits					106,281	36,850	48,248

#### 7.4. Liability payment guarantee

The loan, factoring and financial lease liabilities of the Group are covered by the following collaterals:

- The liabilities under the Credit Agreement are covered by the following repayment collaterals:
  - registered pledges and financial pledges on all the shares and participations in the Companies: Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., Merservice Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A.,
  - registered pledge and financial pledge on 592 shares in Divante Sp. z o.o.,
  - pledge on a collection of assets or rights constituting the business of the following companies: Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., Merservice Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A., and Divante Sp. z o.o.,
  - registered pledge on the inventories of OEX E-Business Sp. z o.o.,
  - registered pledges and financial pledges on bank accounts of the following companies: OEX S.A., Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., Merservice Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A. and Divante Sp. z o.o.,
  - assignment of rights from insurance contracts and policies to secure the debt as taken out by the following Companies: Europhone Sp. z o.o., PTI Sp. z o.o., Merservice Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., Voice Contact Center Sp. z o.o., Divante Sp. z o.o., OEX Cursor S.A.,
  - statements consenting to be subject to enforcement proceedings in accordance with Art. 777 (1) (5) of the Civil Procedure Code. made by the following Companies: OEX S.A., Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., Merservice Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A., Divante Sp. z o.o.
- The liabilities under the factoring agreements are covered by the following repayment collaterals:
  - promissory note to Factoring Agreement No. 91/2005 made by and between Merservice Sp. z o.o. and ING Commercial Finance Polska S.A. and a power of attorney to use the funds at the bank accounts of Merservice Sp. z o.o.,
  - promissory note to the Factoring Agreement made by and between OEX Cursor S.A. and ING Commercial Finance Polska S.A. and a power of attorney to use the funds at the bank accounts of OEX Cursor S.A.,
  - promissory note to the Factoring Agreement made by and between OEX Cursor S.A. and ING Commercial Finance Polska S.A. and a power of attorney to use the funds at the bank accounts of OEX Cursor S.A.,
  - promissory note to the Factoring Agreement made by and between OEX Cursor S.A. and Santander Factoring Sp. z o.o.,
  - a declaration by OEX Cursor S.A. on consent to be subject to enforcement proceedings in accordance with the provisions of the Code of Civil Procedure and a power of attorney to use the funds at the bank accounts of OEX Cursor S.A.,
  - promissory note to the Factoring Agreement made by and between OEX E-Business Sp. z o.o. and Santander Factoring Sp. z o.o.,
  - a declaration by OEX E-Business Sp. z o.o. on consent to be subject to enforcement proceedings in accordance with the provisions of the Code of Civil Procedure and a power of attorney to use the funds at the bank accounts of OEX E-Business Sp. z o.o.,
- The liabilities under the financial lease agreements are covered by the following repayment collaterals:
  - blank promissory notes to lease agreements signed with PKO Leasing, Raiffeisen-Leasing Polska S.A., EFL and Grenke Leasing Sp. z o.o.

As at 31 December 2019 and 31 December 2018, the following assets of the Group (in their carrying amounts) constituted collaterals and guarantees for the repayment of liabilities:

	31/12/2019	31/12/2018
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LIABILITY PAYMENT GUARANTEE		
Intangible fixed assets		43
Tangible fixed assets, including leased assets	19,450	25,413
Inventories	2,775	2,505
Movable property:		
Cash	54,745	26,555
Assets constituting a liability payment guarantee, total	76,970	54,515

Additionally, the payments are secured by shares and participations in the Group's subsidiaries in the carrying amount of kPLN 84,516 (as at 31/12/2018; kPLN 125,296 ),

## 7.5. Debt securities

As at 31 December 2018 and 31 December 2019, the Group did not have debt securities issued.

## 7.6. Other information on financial instruments

### Information on the fair value of financial instruments:

The comparison of the carrying amount of financial assets and liabilities with their fair value is as follows:

	Note	31/12/2019		31/12/2018	
		Fair value	Carrying amount	Fair value	Carrying amount
CLASS OF FINANCIAL INSTRUMENT					
ASSETS					
Loans	7.2	294	294	172	172
Trade receivables and other receivables	10	111,166	111,166	128,101	128,101
Non-listed shares		500	500	500	500
Lease and rental receivables		7,455	7,455		
Cash and cash equivalents	11	55,729	55,729	26,580	26,580
LIABILITIES					
Overdraft facilities, revolving loans and term loans	7.3	36,640	36,640	85,079	85,079
Liabilities related to the rights to use		88,065	88,065	9,784	9,784
Loans	7.3			18	18
Trade liabilities and other	16	53,123	53,123	59,330	59,330

In item shares in unlisted companies, the Group recognises the value of 20% of shares in NextBuy Sp. z o.o. it acquired. NextBuy designed and created an IT system supporting and automating purchasing processes in companies. This SaaS model based platform provides modules allowing a digitalisation of such processes in purchasing departments as: eCatalogues, requisitioning and purchase orders, eTenders and eSourcing, supplier bases, contract management and vendor management, comprehensive reporting data. The system architecture allows a full process automation, flexible configuration adjustable to the structure of each given company, integration with systems already in use and access from each place and device. NextBuy efficiently supports the SMEs as well as large corporations representing various branches of industry. The Company has been active on the market since 2011. NextBuy supplements the offer of the E-Business segment.

For the purposes of these consolidated statements, the Management Board analysed whether or not it exercises a significant influence over NextBuy Sp. z o.o., in particular in the context of provisions of Art. 5-6 of IAS 28. According to the Management Board of OEX S.A., the investment in that Company has a passive character (no interference with the day-to-day management of the Company). Thus, despite holding a 20% share in the share capital, the Group does not have a significant influence over Nextbuy Sp. z o.o and this investment is not measured in the consolidated financial statements using the equity method.

The fair value is defined as an amount for which an asset could be exchanged or a liability settled in an arm's length transaction between buyers and settlers in the marketplace on the measurement date.

The Group measures the fair value of financial assets and financial liabilities in such a way as to take into consideration to the largest extent possible market factors.

The Group did not measure the fair value of trade receivables and liabilities - their carrying amount has been deemed to be the reasonable approximation of the fair value.

## 8. Deferred income tax assets and liabilities

The deferred tax assets and liabilities have the following influence on the consolidated financial statements:

	Note	31/12/2019	31/12/2018
<b>DEFERRED INCOME TAX LIABILITIES</b>			
State as at period beginning		10,383	10,207
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)		- 651	
Impact on the net financial result	20	- 1,785	- 176
<b>State as at period end</b>		<b>11,517</b>	<b>10,383</b>
<b>DEFERRED INCOME TAX ASSETS</b>			
State as at period beginning		5,492	4,111
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)		- 638	
Impact on the net financial result	20	2,239	1,381
<b>State as at period end</b>		<b>7,093</b>	<b>5,492</b>

### DEFERRED INCOME TAX ASSETS

Temporary differences	As at period beginning	Impact on the	Sale of subsidiaries ArchiDoc and ArchiDoc MED (-)	At period end
<b>AS AT 31/12/2019</b>				
<b>ASSETS</b>				
Intangible fixed assets		64		64
Tangible fixed assets	80	279		359
Inventories	256	34		290
Trade receivables	796	228	- 14	1,010
Financial derivatives	21	- 16		5
Other assets	313	544	- 5	852
<b>LIABILITIES</b>				
Employee benefits liabilities	1,105	111	- 178	1,038
Provisions for employee benefits	720	- 62	- 53	605
Other provisions and other liabilities	451	606		1,057
Trade liabilities	136	- 65	- 47	24
Loans, credits, other debt instruments	31	- 29		2
Lease and rental IFRS 16		411		411
Other liabilities	805	233	- 341	697
<b>OTHER</b>				
Unsettled tax losses	778	- 99		679
<b>Total</b>	<b>5,492</b>	<b>2,239</b>	<b>- 638</b>	<b>7,093</b>
<b>AS AT 31/12/2018</b>				
<b>ASSETS</b>				
Tangible fixed assets	39	41		80
Inventories	131	125		256
Trade receivables	557	240		797
Financial derivatives	34	- 13		21
Other assets	135	177		313
<b>LIABILITIES</b>				



Employee benefits liabilities		1,107	- 2		1,105
Provisions for employee benefits		436	284		720
Other provisions and other liabilities		147	304		451
Trade liabilities		52	84		136
Loans, credits, other debt instruments		106	- 75		31
Other liabilities		1,100	- 295		805
<b>OTHER</b>					
Unsettled tax losses		267	511		778
<b>Total</b>		<b>4,111</b>	<b>1,381</b>		<b>5,492</b>

## DEFERRED INCOME TAX LIABILITIES

Temporary differences	As at period beginning	Impact on the	Sale of subsidiaries ArchiDoc and ArchiDoc MED (-)	At period end
<b>AS AT 31/12/2019</b>				
<b>ASSETS</b>				
Intangible fixed assets	8,034	167	- 45	8,156
Tangible fixed assets	1,424	- 388	- 492	544
Trade receivables	22	52		74
Other assets	404	- 17	- 110	277
<b>LIABILITIES</b>				
Loans, credits, other debt instruments	4	2	- 4	2
Lease and rental IFRS 16		511		511
Other liabilities	495	1,458		1,953
<b>Total</b>	<b>10,383</b>	<b>1,785</b>	<b>- 651</b>	<b>11,517</b>
<b>AS AT 31/12/2018</b>				
<b>ASSETS</b>				
Intangible fixed assets	7,853	181		8,034
Tangible fixed assets	1,273	151		1,424
Trade receivables	47	- 25		22
Other assets	595	- 191		404
<b>LIABILITIES</b>				
Loans, credits, other debt instruments		4		4
Other liabilities	439	56		495
<b>Total</b>	<b>10,207</b>	<b>176</b>		<b>10,383</b>

## 9. Inventories

The consolidated financial statements of the Group comprise the following inventories:

	31/12/2019	31/12/2018
<b>INVENTORIES</b>		
Goods	7,208	9,961
Impairment of inventories (-)	- 3,293	- 1,348
Advances for supplies	24	16
<b>Net carrying amount</b>	<b>3,939</b>	<b>8,629</b>

Impairment of inventories:

	01/01-31/12/2019	01/01-31/12/2018
<b>IMPAIRMENT OF INVENTORIES</b>		
State as at period beginning	1,348	688

Loss expensed as cost in the period	1,945	660
Reversal of impairments carried as revenue in the period (-)		
Provisions used (-)		
<b>State as at period end</b>	<b>3,293</b>	<b>1,348</b>

In 2019, the Group recognised in the operating activities of the consolidated statement of profit or loss the costs of inventories sold in the total amount of kPLN 131,833 (2018: kPLN 134,059).

As at 31 December 2019, the inventories in the carrying amount of kPLN 2,775 (2018: kPLN 2,505 ) constituted collaterals for the Group's liabilities. Information about the collaterals for liabilities is presented in Note No. 7.4.

## 10. Trade Receivables and Other Receivables

The trade receivables and other receivables recognised by the Group as part of the class of receivables and loans(cf. Note No. 7.2) are as follows:

### LONG TERM RECEIVABLES

	31/12/2019	31/12/2018
<b>LONG TERM RECEIVABLES</b>		
Deposits paid	765	1,084
Lease and rental receivables (IFRS 16)	5,008	
Other receivables		50
Impairment of long-term receivables (-)		
<b>Net long-term receivables</b>	<b>5,773</b>	<b>1,134</b>

### SHORT-TERM RECEIVABLES

	31/12/2019	31/12/2018
<b>SHORT-TERM RECEIVABLES</b>		
<b>FINANCIAL ASSETS</b>		
Trade receivables	93,006	128,808
Impairment of trade receivables (-)	- 6,139	- 5,088
<b>Net trade receivables</b>	<b>86,867</b>	<b>123,720</b>
Deposits paid	121	217
Lease and rental receivables (IFRS 16)	2,447	
Other receivables	16,679	3,798
Impairment of other financial receivables (-)	- 721	- 766
<b>Net other financial receivables</b>	<b>18,526</b>	<b>3,249</b>
<b>NON-FINANCIAL ASSETS</b>		
Other tax and other benefit receivables	9,348	9,760
Income tax receivables	1,542	33
Advances and prepayments	51	19
Other non-financial receivables	814	813
Impairment of non-financial receivables (-)	- 1,190	- 462
<b>Net non-financial receivables</b>	<b>10,565</b>	<b>10,163</b>
<b>Total short-term receivables</b>	<b>115,958</b>	<b>137,132</b>

The carrying amount of trade receivables is recognised by the Group as the reasonable approximation of their fair value (cf. Note No. 7.6).

The financial receivables impairment charges (i.e. trade receivables and other financial receivables):

	01/01-31/12/2019	01/01-31/12/2018
<b>IMPAIRMENT OF RECEIVABLES</b>		
State as at period beginning	6,316	4,397

Loss expensed as cost in the period	2,335	2,262
Reversal of impairments carried as revenue in the period (-)	- 386	- 69
Provisions used (-)	- 87	- 274
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 128	
<b>State as at period end</b>	<b>8,050</b>	<b>6,316</b>

The Group tested the receivables for impairment in accordance with its accounting principles (cf. item c) in the item "Drawing up basis and accounting rules"). The receivables impairment charges, which in 2019 were made in other operating costs of the consolidated statement of profit or loss amounted to:

- with regard to short-term financial receivables - kPLN 2,227 (2018: kPLN 1,612 ).
- with regard to short-term financial receivables - kPLN 108 (2018: kPLN 650 ),

A further credit risk analysis concerning the receivables, including the age analysis of past due receivables not subject to the impairment charge, is presented in Note No. 26.

## 11. Cash and cash equivalents

	31/12/2019	31/12/2018
<b>CASH AND CASH EQUIVALENTS</b>		
Cash at bank in PLN	52,584	24,912
Cash at bank in foreign currency	2,849	1,427
Cash at hand	289	240
Other	7	1
<b>Total cash and cash equivalents</b>	<b>55,729</b>	<b>26,580</b>

For the purposes of this consolidated cash flow statement, the Group classifies cash in the manner as applied for the presentation in the statement of financial position.

## 12. Non-current assets held for sale and discontinued operations

On 19 July 2019, the Management Board of OEX S.A. received from Offsite Archive Storage & Integrated Services Ltd. a final offer of purchase of 4,250,000 shares in ArchiDoc S.A. constituting 100% of its share capital. The transaction of the sale of shares in ArchiDoc S.A. took place on 17 October 2019.

The business of ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o. was qualified as assets held for sale. Pursuant to IFRS 5, the Group restated the information concerning the assets held for sale of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. in the consolidated statement of profit or loss for 2018 so that such disclosures concerned all such assets held for sale before the balance sheet date of the latest period presented.

Key financial data of ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o. (the ArchiDoc Group) as at 17 October 2019 and for the period from 1 January – 17 October 2019 and as at 31 December 2018 and for the period from 1 January to 31 December 2018 recognised in the consolidated financial statements of the OEX Group (in k PLN):

	<b>ArchiDoc Group 2019</b>	<b>ArchiDoc Group 2018</b>
Fixed assets	33,305	11,133
Current assets	19,751	15,140
Long-term liabilities	25,333	7,005
Short-term liabilities	18,480	9,953
Sale revenues	53,215	51,901
Operating profit	5,470	5,268
Profit before taxation	5,166	5,099
Net profit	4,369	4,255

All the revenues from assets held for sale are attributable to the shareholders of the parent company.

The net cash flows which can be attributed to an operating, investment and financial activities held for sales.

	ArchiDoc Group 2019	ArchiDoc Group 2018
Cash flow from operating activity	8,094	1,110
Cash flow from investing activity	-987	-1,759
Cash flow from financial activity	-5,614	-2,279

### 13. Shareholders' equity

#### 13.1. Share capital

As at 31 December 2019, the share capital of the Parent Company amounted to PLN 1,598 (it did not change with regard to the comparable period) and was divided into 7,989,984 shares of the nominal value of PLN 0.20 each. All shares have been fully paid up.

All shares equally participate in the dividend distribution. The shares are divided into ordinary bearer shares, which entitle to one vote at the General Meeting of Shareholders, and preferential shares, where one preferential share entitles to two votes.

In the period covered by these financial statements, there were no changes in the number of shares.

	01/01-31/12/2019	01/01-31/12/2018
<b>SHARES ISSUED AND FULLY PAID UP FOR</b>		
Number of shares at the period beginning	7,989,984	6,888,539
Issue of shares		1,101,445
<b>Number of shares at the period end</b>	<b>7,989,984</b>	<b>7,989,984</b>

As at the balance sheet day, the Parent Company had 421,052 treasury shares purchased for redemption. The acquisition price of the treasury shares was PLN 8,072 thousand. The subsidiaries did not own shares in the parent company.

#### 13.2. Other equity

	31/12/2019	31/12/2018
<b>OTHER EQUITY</b>		
Share premium	63,004	63,004
Reserve capital for the purchase of treasury shares	8,300	
Treasury shares acquired to be redeemed (-)	- 8,072	
Other Capitals	4,847	1,459
Retained profits, including the reserve capital of the Group's companies	83,472	74,960
Non-controlling interests	3,263	2,475
<b>State as at period end</b>	<b>154,814</b>	<b>141,898</b>

Pursuant to Resolution No. 21 dated 25 June 2019, the Ordinary General Meeting of Shareholders of OEX S.A. authorised the Company's Management Board to acquire its treasury shares for redemption or further sale pursuant to Art. 362 § 1 (5) and (8) of the Polish Code of Commercial Companies. The Company's Management Board was authorised to purchase for and on behalf of the Company the Company's treasury shares in the total amount not higher than 457,142 shares entitling to 457,142 votes at the General Meeting of Shareholders which constituted not more than 20% of the Company's share capital. Only fully paid-up treasury shares in the Company may have been purchased. The acquisition of treasury shares may have taken place not later than by 31 December 2019. The Company's treasury shares may have been acquired by the Company in OTC transactions. The price of shares to be acquired may not have been lower than PLN 17.50 and higher than PLN 19.00 per share.

The funds allocated for the acquisition of the Company's treasury shares may not have been higher than PLN 8,000, thousand. The funds originated from the Company's own funds in the reserve capital set aside in accordance with Resolution No. 22 of the Ordinary General Meeting of Shareholders dated 25 June 2019.

The amount of the reserve capital was determined at PLN 8,300 thousand. The reserve capital was created from a transfer of PLN 8,300 thousand from the Company's supplementary capital. The reserve capital was allocated in whole for the acquisition of the Company's treasury shares, including all the acquisition costs. Until 31 December 2019, OEX S.A. acquired 421,052 treasury share. The acquisition price of the treasury shares was PLN 8,072 thousand. The subsidiaries did not own shares in the parent company.

### 13.3. Non-controlling interests

	31/12/2019	31/12/2018
<b>NON-CONTROLLING INTERESTS</b>		
Non-controlling interests at period beginning	2,475	1,723
Share in the profit of the period	1,767	752
Dividends for the non-controlling interests	- 979	
<b>State as at period end</b>	<b>3,263</b>	<b>2,475</b>

The capital of the non-controlling interests as at 31 December 2019 and 31 December 2018 is related to the settlement of the acquisition of control over Divante Sp. z o.o. The OEX Group holds 51.03% of shares in Divante Sp. z o.o.

Information concerning non-controlling interests and abbreviated financial information for Divante Sp. z o.o.:

	31/12/2019	31/12/2018
Non-controlling interest (%)	48.97%	48.97%
Non-controlling interest as at the period end	3,263	2,475
Financial result attributable to non-controlling interest	1,767	752
Current assets	10,155	6,920
Fixed assets	7,585	4,133
Short-term liabilities	7,105	5,036
Long-term liabilities	1,493	547
Sale revenues	41,743	27,573
Operating profit	5,668	2,555
Profit before taxation	5,031	2,275
Profit after tax	3,942	1,847

## 14. Employee Benefits

### 14.1. Costs of Employee Benefits

	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>COSTS OF EMPLOYEE BENEFITS</b>		
Payroll costs	149,659	129,899
Social insurance costs	22,051	18,291
Costs of future benefits (provisions, retirement benefits)	819	439
Costs of provisions for accrued holidays	1,077	86
Other benefits	831	574
<b>State as at period end</b>	<b>174,437</b>	<b>149,291</b>

\* the data presented for the period 01/01/2018-31/12/2019 and 01/01/2018-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale.

### 14.2. Employee benefit liabilities and provisions

The employee benefit liabilities recognised in the consolidated statement of financial position comprise:

	31/12/2019	31/12/2018 (restated)
<b>EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS</b>		
<b>SHORT-TERM EMPLOYEE BENEFITS</b>		
Payroll liabilities	4,000	4,845
Liabilities under social insurance	2,872	1,406
Other employee liabilities	2,665	2,175
Provisions for accrued holidays	2,877	1,879
<b>State as at period end</b>	<b>12,414</b>	<b>10,305</b>
<b>OTHER LONG-TERM EMPLOYEE BENEFITS</b>		
Provisions for retirement benefits	111	121
<b>State as at period end</b>	<b>111</b>	<b>121</b>

The following items influenced changes in long-term employee benefits:

	Provisions for long-term employee benefits			
	Jubilee bonuses	Retirement benefits	Other	Total
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2019</b>				
State as at period beginning		121		121
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)		- 39		- 39
<b>Changes recognised in the statement of profit or loss:</b>				
- Current and past service costs		29		29
<b>Provisions as at 31/12/2019</b>		<b>111</b>		<b>111</b>
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2018</b>				
State as at period beginning		121		121
<b>Provisions as at 31/12/2018</b>		<b>121</b>		<b>121</b>

## 15. Other provisions

The value of provisions recognised in the consolidated financial statements and changes thereto in particular periods have been as follows:

	31/12/2019		31/12/2018	
	Short-term provisions	Long-term provisions	Short-term provisions	Long-term provisions
Provision for cases in court	52		35	
Other provisions			81	31
<b>State as at period end</b>	<b>52</b>		<b>116</b>	<b>31</b>

	Long-term and short-term provisions for:			
	indemnities	litigations in Court	other	Total
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2019</b>				
State as at period beginning		35	112	147
Provision increase carried as expense in the period		17		17
Provision increase carried as income in the period (-)			- 44	- 44
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)			- 68	- 68
<b>Provisions as at 31/12/2019</b>		<b>52</b>		<b>52</b>
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2018</b>				
State as at period beginning			312	312
Provision increase carried as expense in the period		35		35
Provision increase carried as income in the period (-)			- 96	- 96
Utilisation of provisions (-)			- 104	- 104
<b>Provisions as at 31/12/2018</b>		<b>35</b>	<b>112</b>	<b>147</b>

## 16. Trade liabilities and other liabilities

The trade liabilities and other liabilities (cf. also Note No. 7) are as follows:

	31/12/2019	31/12/2018 (restated)
<b>SHORT-TERM LIABILITIES</b>		
<b>FINANCIAL LIABILITIES</b>		
Trade liabilities	52,165	57,613
Liabilities under the purchase of fixed assets	929	1,665
Factoring liabilities	9,169	11,312
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	19,891	
Right-of-use-related liabilities - other fixed assets (IFRS 16)	3,420	3,557
Other financial liabilities	29,711	36,902
<b>Financial liabilities</b>	<b>115,285</b>	<b>111,049</b>
<b>NON-FINANCIAL LIABILITIES</b>		
Other tax and other benefit liabilities	22,560	22,705
Income tax liabilities	2,273	1,734
Other non-financial liabilities	4,334	6,906
<b>Non-financial liabilities</b>	<b>29,167</b>	<b>31,345</b>
<b>Total short-term liabilities</b>	<b>144,452</b>	<b>142,395</b>

The carrying amount of trade liabilities is recognised by the Group as the reasonable approximation of their fair value (cf. Note No. 7.6).

## 17. Prepayments and accruals

Specification of prepayments and accruals as at 31 December 2019:

	31/12/2019		31/12/2018 (restated)	
PREPAYMENTS AND ACCRUALS				
	short-term	long-term	short-term	long-term
Insurance costs	251		249	
Rental costs	30		725	761
Transport services			465	142
IT services	275	143	435	4
Licence fees	265		149	
Costs of project preparation expensed over time	2,409	5,936	4,331	7,798
Costs of other services	642	70	1,564	75
State as at period end	3,872	6,149	7,918	8,780

## 18. Operating revenue and costs

### 18.1. Revenue from the sale of goods and services

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>REVENUE FROM THE SALE OF GOODS AND SERVICES</b>			
Revenue from the sale of services		435,983	413,874
Revenue from the sale of goods and materials		141,481	142,971
<b>Sale revenues</b>		<b>577,464</b>	<b>556,845</b>

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

### 18.2. Costs by type

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>COSTS BY TYPE</b>			
Depreciation and amortization of fixed assets	4.5	5,660	7,161
Depreciation/amortisation of the right-of-use assets (IFRS 16)	6	22,302	
Consumption of materials and energy		28,036	27,053
Contracted services		187,536	202,130
Taxes and fees		3,730	3,599
Employee benefits		174,203	149,040
Other costs by type		10,384	8,153
<b>Total costs per type</b>		<b>431,851</b>	<b>397,136</b>
Value of goods and materials sold		131,833	134,059
Change in products and work in progress (+/-)		- 319	- 379
Own cost of the sale, selling costs and administration costs		431,385	399,554

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

### 18.3. Other operational revenue

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>OTHER OPERATING REVENUES</b>			
Profit from the sale of non-financial fixed assets		12	34
Reversal of impairment of financial receivables	10	386	69
Write-back of unused provisions		255	
Penalties and indemnities received		191	717
Commission-based remuneration for services		1,984	
Write-off of liabilities and settlements		1,295	
Other revenue		958	3,453
<b>Total other operating revenue</b>		<b>5,081</b>	<b>4,273</b>

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

### 18.4. Other operating expenses

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>OTHER OPERATING COSTS</b>			
Impairment of financial receivables	10	2,227	2,143
Impairment of non-financial receivables	10	108	
Impairment of inventories	9	1,945	660
Set-up of provisions		56	44
Penalties and indemnities paid		157	1,135
Write-off of receivables and settlements		1,572	
Inventory differences		609	
Other costs		2,353	2,491
<b>Total other operating costs</b>		<b>9,027</b>	<b>6,473</b>

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

## 19. Financial income and expenses

### 19.1. Financial income

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>FINANCIAL INCOME</b>			
<b>INTEREST INCOME CONCERNING FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			



Cash and cash equivalents (deposits)	11	20	2
Loans and receivables	7,2, 10	663	197
Interest income concerning financial instruments not carried at fair value through profit or loss		683	199
OTHER			
Other financial income		112	98
Total financial income		795	297

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

## 19.2. Financial costs

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>FINANCIAL COSTS</b>			
<b>INTEREST EXPENSE CONCERNING FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Right-of-use liabilities - premises and warehouses (IFRS 16)		4,060	
Right-of-use liabilities - other fixed assets (IFRS 16)		360	191
Credits and loans	7.3	3,769	3,326
Factoring		1,092	837
Debt securities			56
Trade liabilities and other liabilities	16	70	150
Interest expense concerning financial instruments not carried at fair value through profit or loss		9,351	4,560
<b>EXCHANGE DIFFERENCE (GAINS) LOSSES (+/-)</b>			
Cash and cash equivalents		662	258
Financial liabilities measured at amortised cost		802	68
Exchange difference (gains) losses (-/+)		1,464	326
OTHER			
Factoring fees			1,336
Other financial costs		507	595
Total financial costs		11,322	6,817

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Impairment of receivables concerning the operating activity recognised by the Group as other operating expenses (cf. Note No. 18).

## 20. Profit from the sale of shares and participations

On 17 October 2019, OEX S.A. signed with Offsite Archive Storage & Integrated Services Ltd. with registered office in Dublin agreements on the sale of 4,250,000 shares in ArchiDoc S.A., with registered office in Chorzów, constituting 100% of its share capital.

The preliminary selling price was PLN 65,000,000. The selling price took into account the payment by ArchiDoc to OEX S.A. of a dividend of PLN 3,414,580.58 on the transaction day.

The above-mentioned selling price, less PLN 3,500,000, was paid by OASIS on 17 October 2019, whereby:

- the amount of PLN 38,083,398.66 was transferred directly to an account with Santander Bank Polska S.A. allocated for the repayment of a part of OEX S.A.'s debt under term loans (including a fee for an earlier repayment),
- the amount of PLN 23,416,601.34 was transferred to the bank account of OEX S.A.

The above-mentioned preliminary selling price was subsequently, in accordance with the terms and conditions of the SPA, increased by PLN 1,331,000 in consequence of verification of selected items of the balance sheet of ArchiDoc S.A. as at 30 September 2019 (in accordance with the SPA – 'Completion Accounts'). The value of that additional payment is

an element of the total transaction price recognised in the result for 2019. OASIS paid the additional amount, i.e. PLN 1,331,000 to the bank account of OEX S.A. on 14 February 2020.

The preliminary selling price may also be additionally increased (but not decreased) depending on the final calculation of the profitability of one of the projects pursued by ArchiDoc S.A. in 2019, which will be verified on the basis of the confirmed and audited financial statements of ArchiDoc S.A. for 2019. The value of the additional payment for the project settlement was estimated at PLN 500,000 and constitutes an element of the total transaction price recognised in the result for 2019.

The above-mentioned amount of PLN 3.5 million was deposited by OASIS at an escrow account on the day the SPA was signed, i.e. on 17 October 2019, and will be payable to OEX S.A. in an amount between zero and PLN 3,500,000 in case ArchiDoc and its subsidiary generated a standardised EBITDA result in 2019 at the level in the range from PLN 7,000,000 – a minimum value – and PLN 7,500,000 – a maximum value as calculated on a linear basis in relation to standardised EBITDA value within that range. The standardised EBITDA value for 2019 will be determined on the basis of approved and audited 2019 financial statements of ArchiDoc S.A. and its subsidiary, however, on the basis of information held by OEX S.A. as at the date of publication of the financial statements with regard to the anticipated financial performance of ArchiDoc S.A. in 2019, the Management Board is of the opinion that the above-mentioned amount will become payable to OEX S.A. in its max. amount, i.e. PLN 3,500,000.

In the SPA, the Parties also agreed that OEX S.A. would be entitled to conditional additional payments to the selling price ('earn-out') that would be due in case ArchiDoc exceeded the agreed standardised EBITDA value in the period from 1 January 2020 to 31 December 2020 and from 1 January 2021 to 31 December 2021. The total maximum amount of additional payments to the price on this account may be PLN 15,000,000.

To the best of its knowledge, the Management Board estimated that the value of additional payments to the preliminary selling price on account of the earn-out will amount to PLN 8,250,000. This value constitutes an element of the total selling price of the shares recognised in the Group's financial result for 2019.

The actually realised in subsequent years amounts of additional payments to the price of shares on account of the profitability calculations with regard to one of the above-mentioned projects pursued by ArchiDoc S.A. and on account of the earn-out may be different from the estimates made by the Management Board and this may lead to a necessity to introduce certain corrections that may either increase or decrease the Company's financial result in the future.

The remaining terms and conditions of the SPA, including the declarations made and the liabilities undertaken by OEX S.A. as the seller, do not differ from the standard terms and conditions adopted in this type of transactions.

The transfer of ownership and the issue of a multiple-share certificates took place on 17 October 2019.

In result of the sale of 100% of shares in the share capital of ArchiDoc S.A. by OEX S.A., the control over the 100% subsidiary of ArchiDoc S.A., i.e. ArchiDoc MED sp. z o.o. with registered office in Chorzów, was transferred to OASIS.

Below is presented a calculation of the result on the disposal of shares in ArchiDoc S.A. recognised directly in the consolidated statement of profit or loss:

DISPOSAL OF A SUBSIDIARIES	
	ArchiDoc Group
Date of disposal	17/10/2019
Percentage of shares disposed	100%
<b>Share selling price, including:</b>	<b>75,081</b>
Revenue generated on 17/10/2019	61,500
Retained revenue (escrow)	3,500
Estimated additional payment to the price resulting from the Completion Accounts	1,331
Estimated additional payment to the price resulting from the recalculation of profitability of a project	500
Estimated additional payment to the price resulting from the earn-out	8,250
<b>Costs related to the sale of shares, including:</b>	<b>50,516</b>
Net assets of the ArchiDoc Group	9,193
Goodwill attributed to the ArchiDoc Group	36,526

Costs incurred in relation to the sale of shares	3,991
Estimated costs of disposal depending on the value of additional payment to the price	806
<b>Result on the sale of shares</b>	<b>24,565</b>
<b>Net cash flows from the sale of shares</b>	<b>59,870</b>
- total cash inflow from the sale of shares	61,500
- cash in bank accounts of the entities sold, as at the date of sale	1,630

## 21. Income tax

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
<b>INCOME TAX</b>			
<b>CURRENT INCOME TAX</b>			
Settlement of tax for the reporting period		7,091	5,151
Adjustment of tax for previous periods		- 31	2
<b>Current tax</b>		<b>7,060</b>	<b>5,153</b>
<b>DEFERRED INCOME TAX</b>			
Temporary difference occurrence and reversal	8	- 455	- 1,468
Settlement of unrealised tax losses			228
<b>Deferred income tax</b>		<b>- 455</b>	<b>- 1,240</b>
<b>Total income tax</b>		<b>6,605</b>	<b>3,913</b>

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Reconciliation of the income tax calculated in accordance with the 19% rate on the result before tax as disclosed in the consolidated statement of profit or loss is as follows:

	Note	01/01-31/12/2019*	01/01-31/12/2018 (restated)*
Result before tax		24,203	15,944
Tax rate applied by the Parent Company		19%	19%
<b>Income tax as per the domestic tax rate in the country of the Parent Company</b>		<b>4,598</b>	<b>3,028</b>
<b>RECONCILIATION OF THE INCOME TAX DUE TO:</b>			
Non-taxable revenues (-)		- 336	- 360
Permanently non-tax deductible costs (+)		2,338	1,045
Utilisation of previously non-recognised tax losses (-)		- 514	- 1
Unrecognised deferred tax asset concerning deductible temporary differences (+)		482	207
Unrecognised deferred tax asset concerning tax losses (+)			
Adjustment of tax for previous periods and other adjustments (+/-)		37	- 7
<b>Income tax</b>		<b>6,605</b>	<b>3,912</b>
<b>Average tax rate applied</b>		<b>27%</b>	<b>25%</b>

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

## 22. Earnings per share and dividends paid

### 22.1. Earnings per share

The earnings per share are calculated in accordance with the formula: net profit attributable to the Parent Company's shareholders divided by average weighted number of ordinary shares in the given period.

In order to calculate both the basic and the diluted earnings (losses) per share, the Group uses in the numerator the net profit (loss) attributable to the shareholders of the parent company, i.e. there is no diluting effect that would influence the amount of profit (loss).

The calculation of the basic and diluted earnings (losses) per share together with the reconciliation of the average weighted diluted number of shares is presented below:

	01/01-31/12/2019	01/01-31/12/2018
<b>NUMBER OF SHARES</b>		
Average weighted number of ordinary shares (items)	7,957,684	7,244,623
Dilution impact of the new share issue		274,607
Average weighted diluted number of ordinary shares (items)	7,957,684	7,519,229

	01/01-31/12/2019**	01/01-31/12/2018 (restated)*
<b>Continued activities</b>		
Net profit on continued activities (in PLN)	15,831,038.06	11,279,735.46
- basic earnings per share (PLN)	2.09	1.56
- diluted earnings per share (PLN)	2.09	1.50
<b>Assets held for sale</b>		
Net profit on assets held for sale (in PLN)	4,368,592.07	4,255,011.09
- basic earnings per share (PLN)	0.58	0.59
- diluted earnings per share (PLN)	0.58	0.57
<b>Continued operations and assets held for sale</b>		
Net profit on continued operations and assets held for sale (in PLN)	20,199,630.13	15,534,746.55
- basic	2.67	2.14
- diluted	2.67	2.07

\* the data presented for the period 01/01-30/06/2019 and 01/01-30/06/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

\*\*the net profit per ordinary share for 2019 was calculated based on the number of shares issued, including the treasury shares purchased back

## 22.2. Dividends

In the reporting period, OEX S.A. did not pay the dividend. The General Meeting of Shareholders of the Parent Company that took place on 29 May 2019 decided to allocate the net profit of OEX S.A. for 2018 in the amount of PLN 10,760 thousand to the supplementary capital in whole.

## 23. Cash flows

In order to determine the cash flow from operating activities, the following adjustments of the pre-tax profit (loss) were made:

	01/01-31/12/2019	01/01-31/12/2018
<b>CORRECTIONS</b>		
Depreciation of tangible fixed assets	3,233	6,530
Amortisation of intangible fixed	3,238	2,032
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	21,680	
Depreciation of the right-of-use assets - other fixed assets (IFRS 16)	3,911	
Profit from the sale of the Archidoc Group	- 26,202	
Profit (loss) on the sale of non-financial fixed assets	273	39
Exchange difference (gains) losses	776	
Interest expense	9,437	4,474
Interest and dividend income	- 496	
Other adjustments	90	- 28
<b>Total adjustments</b>	<b>15,940</b>	<b>13,047</b>
Change in inventories	4,690	14,153
Change in receivables	22,683	- 15,280

Change in liabilities	982	- 12,637
Change in provisions and prepayments	6,180	- 2,224
<b>Changes in working capital</b>	<b>34,535</b>	<b>- 15,988</b>

Reasons for the discrepancies between the balance sheet changes and changes in those items disclosed in the cash flow statement:

<b>Change in receivables</b>	
Disclosed in the cash flow statement,	22,683
Resulting from the change in presentation in the statement of financial position	25,489
Explanation:	
Settlement of the sale of ArchiDoc	13,581
Loss of control over ArchiDoc S.A. and ArchiDoc MED.	-15,697
Other, including a change in investment receivables	-690
<b>Change in liabilities</b>	
Disclosed in the cash flow statement,	982
Resulting from the change in presentation in the statement of financial position	(10,502)
Explanation:	
Change in liabilities concerning future costs related to the sale of ArchiDoc and ArchiDoc MED.	-878
Loss of control over ArchiDoc S.A. and ArchiDoc MED.	-8,807
Other, including a change in investment liabilities	-1,799

<b>Change in prepayments and accruals</b>	
Disclosed in the cash flow statement,	6,180
Resulting from the change in presentation in the statement of financial position	2,045
Explanation:	
Loss of control over ArchiDoc S.A. and ArchiDoc MED.	-4,135

## 24. Transactions with related parties

The parties related to the Group comprise key management personnel and subsidiary companies excluded from consolidation. Unsettled balances of receivables and liabilities are usually settled in cash. Information on contingent liabilities concerning related parties is presented in Note No. 25.

### 24.1. Transactions with key management personnel

According to the Group interpretation, the key management personnel includes members of the management boards of the Parent Company and subsidiaries. The remuneration of key personnel in the period covered by the consolidated financial statements amounted to:

	31/12/2019	01/01-31/12/2018 (published)*
<b>BENEFITS FOR THE MANAGEMENT PERSONNEL</b>		
Short-term employee benefits	5,703	4,881
Other benefits	203	217
<b>Total benefits</b>	<b>5,906</b>	<b>5,098</b>

\* data presented as at 31/12/2018 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Detailed information about the remuneration of the Management Board of the Parent Company is presented in Note No. 29.

The Group did not grant any loans to the key management personnel in the period covered by these consolidated financial statements.

### 24.2. Transactions with associated companies, unconsolidated subsidiaries and other related parties

Transactions between the parent Company and its subsidiaries were eliminated from the consolidated financial statements. Transactions between the Group, an associate a joint venture and companies with personal links and members of key managerial or supervisory personnel and their family members in the period of 12 months ended on 31 December 2019 and on 31 December 2018 have been presented below:

	01/01-31/12/2019	01/01-31/12/2018 (published)*
<b>RELATED PARTY TRANSACTIONS</b>		
<b>Sale to related parties</b>	<b>6,159</b>	<b>6,140</b>
companies with personal links	5,614	5,851
key management personnel	365	289
associate company and joint venture	180	
<b>Purchase from related entities</b>	<b>6,122</b>	<b>827</b>
companies with personal links	5,712	12,261*
key management personnel	393	827
associate company and joint venture	17	

\* including earn-out on the price for the acquisition of shares in ArchiDoc S.A. in the amount of PLN 5,438 PLN

The Group's transactions with related parties comprising transactions with members of the Management Board and the Supervisory Board of the Parent Company concerning the remuneration can be found in item 29.3 of the statements.

## 25. Information concerning changes of contingent liabilities or assets

The value of contingent liabilities did not change materially when compared to the end of the previous financial year. The Group does not have any contingent assets.

	31/12/2019	31/12/2018*
<b>LIABILITIES TO OTHER PARTIES</b>		
Guarantees originated	14,937	15,744
Disputed cases and cases in court	145	589
Other Contingent Liabilities	4,725	4,725
<b>Total contingent liabilities</b>	<b>19,807</b>	<b>21,058</b>

\* data presented as at 31/12/2018 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Other contingent liabilities concern the value of a promissory note made out to one of a mobile phone network by a company from the Retail Sale Outlet segment.

## 26. Risk relating to the financial instruments

The Group is exposed to numerous risks related to the financial instruments. The Group's financial assets and liabilities as broken down into categories are presented in Note No. 7.1. Risk to which the Group is exposed include:

- market risk, comprising the currency risk and the interest rate risk,
- credit risk and
- liquidity risk.

The Group's financial risk management is coordinated by the Parent Company in close cooperation with the Management Boards and financial directors of subsidiaries. In the risk management process, the following objectives are of the highest importance:

- hedging of short-term and mid-term cash flows,
- stabilisation of the Group's financial result fluctuations,
- performance of the financial forecasts assumed by the fulfilment of budgetary assumptions,
- achievement of the rate of return on long-term investments and obtaining optimal sources of finance for the investing activities.

The Group does not contract transactions at financial markets for speculative purposes. From the economic side, the transactions effected are to hedge against defined risks.

Below are presented the most important risk the Group is exposed to.

## 26.1. Market Risk

### CURRENCY RISK

Most transactions of the Group are made in PLN, therefore the Group is not significantly exposed to the currency risk. In consequence, the Group does not present an analysis of the sensitivity of its consolidated financial statements to fluctuations of foreign exchange rates.

### INTEREST RATE RISK

The interest rate risk management concentrates on minimising the interest flow fluctuations in variable interest rate financial assets and liabilities. The Group is exposed to the interest rate risk in relation with the following categories of financial assets and liabilities:

- credits,
- loans,
- lease liabilities,
- bond liabilities.

The characteristics of the above instruments, including the variable and fixed interest rates, is presented in Notes No. 7.2 and 7.3.

Below is presented the sensitivity analysis of the financial result and other comprehensive income with regard to the potential fluctuations of the interest rate up and down by 1%. The calculation was made on the basis of a shift in the average interest rate in the period by (+/-) 1% and with reference to those financial assets and liabilities that are sensitive to interest rate changes, i.e. those with a variable interest rate.

	Rate fluctuations	Impact on the net financial result		Impact on other comprehensive income	
		31/12/2019	31/12/2018	31/12/2019	31/12/2018
Interest rate rise	1%	- 1,084	- 860	- 1,084	- 860
Interest rate fall	-1%	1,084	+860	1,084	+860

## 26.2. Credit risk

The Group's maximum exposure to credit risk is defined by the carrying amount of the following financial assets:

	Note	31/12/2019	31/12/2018
Loans	7.2	294	171
Trade receivables and other financial receivables	10	111,166	128,102
Cash and cash equivalents	11	55,729	26,580
Contingent liabilities under guarantees and sureties	25	19,807	21,058
<b>Total exposure to credit risk</b>		<b>186,996</b>	<b>175,911</b>

The Group monitors on an on-going basis the client's past due amounts as well as creditor's payments, analysing the credit risk on an individual basis and within particular classes of assets as defined by particular credit risk types (e.g. resulting from the business segment, region or structure of clients). Additionally, as part of the credit risk management, the Group enters into transactions with contractor of confirmed reliability.

In the assessment of the Parent Company's Management Board, the above financial assets which are not past due nor impaired as at the particular balance sheet days should be deemed good credit quality assets. Therefore, the Group did not establish any securities or any additional elements improving the crediting conditions.

With regard to trade receivables, the Group is exposed only to a minute extent to credit risk in relation with a single significant contractor or contractors of similar properties. The Group's significant counterparties include exclusively leading companies with a stable market position and financial situation. Based in historical past due tendencies, the not impaired past due receivables do not display any considerable quality deterioration - most of them are within the period of one month and there are no concerns as to their collection.

The credit risk concerning cash and cash equivalents, market securities and derivatives is considered insignificant due to the high reliability of entities being parties to the transactions, i.e. mainly banks.

The impairment charges concerning the financial assets exposed to credit risk are described in detail in Notes No. 7.2 and 10.

### 26.3. Liquidity risk

The Group is exposed to the liquidity risk, i.e. the loss of capacity to settle its financial obligations on time. The Group manages the liquidity risk by monitoring the payment terms and the demand for cash related to short-term payment servicing (current transactions monitored on a weekly basis) and the long-term demand for cash based on the cash flow forecasts updated on a monthly basis. The demand for cash is compared to the available sources of financing (including in particular by the assessment of capacity to obtain financing in the form of loans) and is confronted with investments of freely available funds.

As at the balance sheet date, the Group's financial liabilities other than derivatives were within the following maturity ranges:

	Note	Short-term		Long-term			Flows before discounting
		up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	above 5 years	
AS AT 31/12/2019							
Overdraft facilities, revolving loans and term loans	7.3	21,786	7,896	6,958			36,640
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	7.1	7,257	12,634	26,055	32,168	1,519	79,633
Right-of-use-related liabilities - other fixed assets (IFRS 16)	7.1	1,383	2,037	2,583	2,431		8,434
Factoring liabilities	16	9,169					9,169
Trade liabilities and other liabilities	16	53,123					53,123
Total exposure to liquidity risk		92,718	22,567	35,596	34,599	1,519	186,999
AS AT 31/12/2018							
Overdraft facilities, revolving loans and term loans	7.3	10,887	25,945	48,248			85,080
Loans	7.3	18					18
Debt securities		49					49
Lease	7.1	1,778	1,779	5,182	982	63	9,784
Factoring liabilities	16	11,312					11,312
Trade liabilities and other liabilities	16	59,281					59,281
Total exposure to liquidity risk		83,325	27,724	53,430	982	63	165,524

The table shows the contractual value of liabilities, without taking into consideration the discount related to the measurement of liabilities at amortised cost, therefore the values presented may be different from the values in the consolidated statement of financial position.

As at particular balance sheet days, the Group also had free overdraft facilities as part of the financial instruments in the following amounts:

	31/12/2019	31/12/2018
Overdraft facilities granted, revolving loans, factoring limits and value of term loans	72,500	44,840
Value of loans and factoring limits used	- 45,809	- 18,869
Outstanding loan limits and factoring limits	26,691	25,971



## 27. Capital Management

The Group manages the equity in order to ensure the Group's going concern and to ensure the rate of return as expected by shareholders and other entities interested in the financial standing of the Group.

The Group monitors the capital level on the basis of carrying amount of equity as increased by subordinated loans from the shareholder. On the basis of such defined capital amount, the Group calculates the equity to total sources of finance ratio.

The Group does not classify liabilities under the right of use of assets, premises and warehouses as sources of finance (IFRS 16). The Group assumes the maintenance of this ratio at the level not lower than 0.5.

Additionally, in order to monitor the debt service capacity, the Group calculates the ratio of debt (i.e. lease liabilities, loans, credits and other debt instruments) to EBITDA, excluding the impact of IFRS 16 (earnings before interest, taxes, depreciation and amortisation).

The Group assumes the maintenance of this debt to EBITDA ratio at the level not lower than 3.0.

The above-mentioned objectives of the Group are consistent with the requirements imposed by loan agreements as presented in detail in Note No. 7.3.

Neither the Group and the Parent Company are subject to external capital requirements.

In the period covered by the consolidated financial statements, the above-mentioned ratios were at the following levels:

	31/12/2019*	31/12/2019 excluding IFRS 16*	31/12/2018*
<b>EQUITY</b>			
Shareholders' equity	156,412	156,412	143,496
<b>Total equity</b>	<b>156,412</b>	<b>156,412</b>	<b>143,496</b>
<b>SOURCES OF FINANCE</b>			
Shareholders' equity	156,412	156,412	143,496
Loans, credits, other debt instruments	36,640	36,640	85,098
Lease	88,066	8,433	9,784
Factoring liabilities	9,169	9,169	11,312
<b>Total sources of finance</b>	<b>290,287</b>	<b>210,654</b>	<b>249,690</b>
<b>Total capital to sources of finance ratio</b>	<b>0.54</b>	<b>0.74</b>	<b>0.57</b>
<b>EBITDA*</b>			
Operating profit	10,299	8,925	22,461
Amortisation and depreciation	27,962	8,355	7,161
<b>EBITDA</b>	<b>38,261</b>	<b>17,280</b>	<b>29,622</b>
<b>NET DEBT</b>			
Loans, credits, other debt instruments	36,640	36,640	85,098
Lease	88,066	8,433	9,784
Factoring liabilities	9,169	9,169	11,312
Cash	- 55,729	- 55,729	- 26,580
<b>Net debt</b>	<b>78,146</b>	<b>- 1,487</b>	<b>79,614</b>
<b>Net debt to EBITDA ratio</b>	<b>2.04</b>	<b>-0.09</b>	<b>2.69</b>

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

In all the periods, the ratios and indicators were at the levels as assumed by the Group.

## 28. Events after the balance sheet date

In the period covered by these consolidated annual financial statements, there occurred no events that were not but should have been recognised in the accounting books of the reporting period. Additionally, these consolidated financial statements do not comprise any significant events concerning the previous years.

After the date on which these consolidated financial statements were made, there were the following material events:

On 20 April 2020, OEX S.A. signed an annex to a credit agreement executed on 14 December 2017 with Santander Bank Polska S.A. and ING Bank Śląski S.A. Pursuant to the annex, the repayment of the revolving loan was extended by 6 months, i.e. until 30 October 2020.

#### Assessment of the impact of the Covid-19 epidemic on the activities of the OEX Group

In the first quarter of 2020, a state of risk or an epidemic was declared in Poland and, consequently a state of the epidemic related to the spread of the SARS-CoV-2 coronavirus causing the Covid-19 disease. Numerous preventive administrative restrictions were introduced in the economic and social area to contain the coronavirus spread. They have a significant impact on the economic and administrative systems in Poland and, consequently, on the operations of businesses. A similar situation is observed in other European countries as well as in most other countries of the world.

The spread of the coronavirus and the administrative preventive measures undertaken by the authorities have a negative, albeit very diversified and ambiguous impact, on the situation of the OEX Group and, according to the present assessment of the Issuer's Management Board, will have a significantly negative influence on the financial performance. The estimates concerning the specific extent of influence on the situation of particular companies as well as the OEX Group as a whole are not possible in the current situation due to the dynamically changing external circumstances related to, without limitation, varying degree of various restrictions (actual or administrative), duration of the state of epidemic, consumer behaviour, decisions of clients as well as possibilities of obtaining by the Company of support under shield and aid programmes implemented by the government.

Among the main factors that may have a significant influence on all areas of the OEX Group's business are limitations concerning the personnel availability in consequence of, for example, the shutdown of schools and the ensuing necessity for the employees to take care of their children, heightened precaution measures followed by the management boards of the Group companies and the employees themselves related to the infection concerns as well as changes to work organisation related to the implementation of procedures minimising the risk of infection among the employees, including in particular the switch to remote work.

One of the significant factors influencing the business of the OEX Group in the Retail Services segment, in the part related to the management of retail sale outlets, was the closure of shops in commercial centres and, to some extent, also in other locations. Such shops constitute currently approx. 35% of the sale network managed by the OEX Group for the mobile phone operators. At the same time, the Issuer's Management Board noted a significantly lower activity on the part of consumers also in that part of the stores that was not subject to restrictions and remained open. The OEX Group undertook negotiations with the telecom operators in order to work out a solution satisfactory to both parties in order to maintain the existing sale network by covering a part of its operating costs, which in consequence should allow for a neutralisation of a part of the fall in revenues. It should be expected that the adverse impact of the above-mentioned events on the performance of the OEX Group will be significant, at least in a short-term perspective.

The Sale Support segment noted a significant reduction of the scale of business. On the one hand, it resulted from the total suspension of the clients' activities in the area of product promotions (in consequence of, for example, cancellations of fairs or events, the organisation of which Segment's companies dealt with), and, on the other hand, restrictions imposed by a part of retail outlets (related to the recommendations of the Minister of Health and other competent authorities concerning precaution measures in commercial outlets), which translated in serious restrictions in the work of commercial representatives servicing such outlets and employed by the segment companies. To the best of the knowledge of the Management Board, most clients of that sector have not taken, as at the date of the publication of these financial statements for 2019, any activities resulting in a permanent downscaling of the cooperation or its total discontinuation and, at the same time, declared the performance of the budgeted expenditure on the services provided by the segment companies in 2020. In case of a part of key clients, solutions allowing the maintenance of the current number of jobs within field structures working for the clients despite the aforementioned events have been worked out. Talks with other clients to implement similar solutions are in progress. Despite the foregoing and many other actions undertaken by the management boards of the segment companies in order to reduce costs, one should expect that the impact of the above-mentioned events and restrictions on the business of the Sale Support segment companies and their financial performance will be negative, at least for the duration of the epidemic.

In the eCommerce Services area (comprising the E-Business segment companies and Voice Contact Center), despite the reduction by some clients of the scale of cooperation and lower acquisition of new business in certain areas, as at the date of the publication of this report, there was no significant decrease in the level of revenues in the segment as a whole, which was also related to the simultaneous increase for other types of services (e.g. programming, logistics,

contact center). There were, however, limitations as regard the availability of employees, which in some segments reached over 20% of the general headcount. The performance of services related to the support of processes of purchase of products manufactured in Asia and to international logistics also saw certain restrictions. These services constitute a supplementary source of revenue in the segment. Significant PLN/EUR exchange rate fluctuations may have a significant negative impact on the performance of this segment, despite the attempts to contractually limit the costs of euro in the business of the Issuer's Group. Unless the EUR settlement principles are successfully changed (e.g. by a determination of an exchange rate that would be independent of the market) and if PLN continues to weaken, there is a risk of a significant rise in the operating costs in this segment (mainly costs of rental of warehouse space). The Management Board assumes that there is a significant probability of a negative impact of the above-mentioned factors on the financial results in the eCommerce Services area, especially in a short-term perspective. Due to the simultaneous rising demand for selected services provided by the segment companies from that area, their final influence on the situation in the eCommerce Services is not possible to be determined now.

In relation with the visible and anticipated impact of the coronavirus epidemic on the situation of the OEX Group, the management boards of the Group's companies and the management board of the Issuer undertake a number of activities aimed at ensuring the continuation of business and minimization of effects of epidemic-related restrictions on the business. There are numerous initiatives afoot the purpose of which is to decrease the level of fixed costs or to prolong the payment terms to support the financial liquidity. Capital expenditure has been limited to bare minimum. The possibilities to use the public aid provided as legal solutions aimed at improving the financial liquidity of enterprises and maintain the jobs by employers are analysed on an ongoing basis.

It should be stressed that the OEX Group has a good financial liquidity and the Management Board does not expect that it may deteriorate in the nearest future. It should also be noted that irrespective of the high level of cash at its disposal, the Issuer also has access to debt instruments dedicated to financing the current operations.

## 29. Other information

### 29.1. Selected financial data converted into EUR

In the periods presented, the following exchange rates were applied to convert the basic items in the financial statements:

- for data resulting from the statements of financial position - mean exchange rate of EURO as at the end of each period,

for data resulting from the income statements and cash flow statements - mean exchange rate for the given period calculated as an arithmetical average of exchange rates as at the last day of each month in the given period.

	01/01-31/12/2019	01/01-31/12/2018
<b>F/X RATE OF EUR</b>		
average exchange rate as at the period end	4.2585	4.3000
average exchange rate of the period	4.3018	4.2669

The basic items of the consolidated statement of financial position, consolidated statement of profit or loss and consolidated cash flow statements and the same values after conversion into EUR are presented in the table:

	01/01- 31/12/2019*	01/01- 31/12/2018 (restated)*	01/01- 31/12/2019*	01/01- 31/12/2018 (restated)*
	k PLN		k EUR	
CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Sale revenues	577,464	556,845	134,238	130,503
Operating profit	10,299	22,461	2,394	5,264
Profit before taxation	24,203	15,944	5,626	3,737
Net profit on continued activities	17,598	12,031	4,091	2,820
Net profit on assets held for sale	4,369	4,255	1,016	997
Total net profit	21,967	16,287	5,106	3,817
Net profit - share of the shareholders of the Parent Company	20,200	15,535	4,696	3,641

Earnings per share (PLN; EUR)	2.67	2.14	0.62	0.50
Diluted earnings per share (PLN; EUR)	2.67	2.07	0.62	0.48
Average exchange rate PLN / EUR in the period	X	X	4.3018	4.2669

\* the data presented for the period 01/01-31/12/2019 and 01/01-31/12/2018 allow for the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	01/01- 31/12/2019*	01/01- 31/12/2018*	01/01- 31/12/2019*	01/01- 31/12/2018*
	k PLN		k EUR	
CONSOLIDATED CASH FLOW STATEMENT				
Net cash flows provided by operating activities	70,891	12,702	16,479	2,977
Net cash flows provided / (used) by investing activities	51,167	- 41,010	11,894	- 9,611
Net cash flows provided / (used) by financing activities	- 92,909	43,441	- 21,598	10,181
Total net cash flow	29,149	15,133	6,776	3,547
Average exchange rate PLN / EUR in the period	X	X	4.3018	4.2669

\* data presented for the period 01/01-31/12/2019 and 01/01-30/12/2018 do not take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	k PLN		k EUR	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Assets	384,233	355,093	90,227	82,580
Long-term liabilities	83,369	69,202	19,577	16,094
Short-term liabilities	144,452	142,395	33,921	33,115
Shareholders' equity	156,412	143,496	36,729	33,371
Equity - share of the parent company shareholders	153,149	141,021	35,963	32,796
PLN / EUR exchange rate at period end	X	X	4.2585	4.3000

\* data presented as at 31/12/2019 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

## 29.2. The ownership structure of the share capital - shareholders holding more than 5% of votes at the General Meeting of Shareholders.

Shareholders holding at least 5% of votes at the General Meeting of Shareholders as at 31 December 2019

Shareholder	Total shares	Total votes	% of share capital	% of votes
Neo Investment S.A. indirectly via subsidiaries:	2,535,101	3,756,805	31.73%	40.09%
- Neo Fund 1 Sp. z o.o. directly	1,661,688	2,883,392	20.80%	30.77%
- Neo Found 1 Sp. z o.o. indirectly via Neo BPO S.a r.l.	873,413	873,413	10.93%	9.32%
Jerzy Motz, indirectly via subsidiaries:	2,002,687	2,162,295	25.06%	23.07%
- Precordia Capital Sp. z o.o. directly	1,034,433	1,194,041	12.95%	12.74%
- Precordia Capital Sp. z o.o. indirectly via Real Management S.A.	968,254	968,254	12.12%	10.33%
Piotr Cholewa, indirectly via subsidiary Silquern S.a r.l.	801,096	801,096	10.03%	8.55%
Michał Szramowski directly and indirectly via:	468,770	468,770	5.87%	5.00%
- MS Investments spółka z ograniczoną odpowiedzialnością sp.k.	459,733	459,733	5.75%	4.91%
Treasury shares in OEX S.A.	421,052	421,052	5.27%	4.49%
Others	1,761,278	1,761,278	22.04%	18.79%
<b>Total</b>	<b>7,989,984</b>	<b>9,371,296</b>	<b>100.00%</b>	<b>100.00%</b>

Shareholders holding at least 5% of votes at the General Meeting of Shareholders as at 31 December 2018

Shareholder	Total shares	Total votes	% of share capital	% of votes
Neo Investment S.A. indirectly via subsidiaries:	2,535,101	3,756,805	31.73%	40.09%
- Neo Fund 1 Sp. z o.o. directly	1,661,688	2,883,392	20.80%	30.77%

- Neo Found 1 Sp. z o.o. indirectly via Neo BPO S.a r.l.	873,413	873,413	10.93%	9.32%
Jerzy Motz, indirectly via subsidiaries Precordia Capital Sp. z o.o. and Real Management S.A.	1,988,287	2,147,895	24.88%	22.92%
Piotr Cholewa, indirectly via subsidiary Silquern S.a r.l.	801,096	801,096	10.03%	8.55%
Others	2,665,500	2,665,500	33.36%	28.44%
<b>Total</b>	<b>7,989,984</b>	<b>9,371,296</b>	<b>100.00%</b>	<b>100.00%</b>

The above statements were made in the basis of information given to the Company by the shareholders, in particular in the form of notifications about considerable blocks of shares, taking into account changes in the amount and structure of the Company's share capital, including changes related to the share issue.

### 29.3. Remuneration of members of the Management and Supervisory Boards of the Parent Company

The total value of remuneration and other benefits received by members of the Management Board of the Parent Company was as follows:

	01/01-31/12/2019	01/01-31/12/2018
remuneration under a work contract of member of the Management Board	128	120
Remuneration for the function of the Management Board member	1,476	1,744
Other benefits	167	9
<b>Total</b>	<b>1,771</b>	<b>1,873</b>

	in the Parent Company		in subsidiaries		Total
	Remuneration under work contract or appointment	Other benefits	Remuneration under work contract or appointment	Other benefits	
FOR THE PERIOD FROM 01/01 TO 31/12/2019					
Jerzy Motz	1,008				1,008
Rafał Stempniewicz	60	2	636		698
Robert Krasowski	416	6			422
Tomasz Słowiński	255				255
Artur Wojtaszek	24		240		264
Total	1,763	8	876		2,647
FOR THE PERIOD FROM 01/01 TO 31/12/2018					
Jerzy Motz	1,008				1,008
Rafał Stempniewicz	60	2	564		626
Robert Krasowski	540	7			547
Tomasz Słowiński	138				138
Artur Wojtaszek	111		276		387
Tomasz Kwiecień	7				7
Total	1,864	9	840		2,713

The value of remuneration received by members of the Supervisory Board of the Parent Company was as follows:

	01/01-31/12/2019	01/01-31/12/2018
<b>REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD OF THE COMPANY</b>		
Piotr Beaupre	120	105
Michał Szramowski	42	47
Tomasz Mazurczak	60	69
Piotr Cholewa	24	24
Tomasz Kwiecień	42	35
Tomasz Słowiński		12
<b>Total</b>	<b>288</b>	<b>292</b>

### 29.4. Remuneration of the auditing company

The auditor auditing and reviewing the consolidated financial statements and reports of the Group companies for 2019 and 2018 is PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.

	01/01-31/12/2019	01/01-31/12/2018
Audit of annual financial statements	160	128
Review of financial statements	103	103
Other services	3	21
<b>Total</b>	<b>266</b>	<b>252</b>

## 29.5. Employment

The average employment in the Group as broken down into particular professional groups was as follows:

	01/01-31/12/2019	01/01-31/12/2018
White collar	1,474	1,677
Blue collar	102	110
<b>Total</b>	<b>1,577</b>	<b>1,787</b>

## 30. Impact of the International Financial Reporting Standard 16 on the consolidated financial statements of the OEX Group for 2018 and 2019

IFRS 16 *Leases* is effective for annual periods beginning on or after 01 January 2019. The new standard specified how to recognise, measure, present and disclose leases. All lease transactions result in the acquisition by the lessee of the right to use the asset and a liability related to the payment obligation. Consequently, IFRS 16 eliminated the classification of an operating lease and a financial lease as per IAS 17 and introduced a single model for the book-keeping recognition of lease by the lessor. The lessee is obliged to recognise: (a) assets and liabilities for all lease transactions made for a period of time exceeding 12 months, with the exception of situations when the given asset is of low value and (b) depreciation (amortisation) of the leased asset separately from the interest on the lease liability in the statement of profit or loss. IFRS 16 to a considerable extent has redone the regulations of IAS 17 concerning the book recognition of lease by the lessor. In consequence, the lessor continues the classification into operating lease and financial lease and differentiates the book recognition.

At the lessor's side, the lease is classified as financial lease, when substantially there is a transfer of all the risks and rewards of ownership of the given assets. Otherwise, the lease is classified as operating lease.

The Group implemented the changes resulting from the new standard as of 1 January 2019.

The Group decided to use the modified retrospective application (with the aggregate effect of the first application) as per IFRS 16:C5(b). Therefore, the Group did not convert the comparable data but recognised the accumulated IFRS 16 adoption effect as an adjustment of the shareholder's equity (retained profit) as at the date of the first standard adoption. Upon the first IFRS 16 adoption, the liability under lease was measured at the present value of the outstanding lease payments as discounted using the lessee's incremental borrowing rate of interest on the first adoption day. Upon the first IFRS 16 adoption, the right to use the asset was measured at the amount equal to the liability under lease as adjusted by the amounts of all downpayments or accrued lease payments concerning the given lease, as recognised in the statement of financial position directly preceding the date of the first adoption. No changes were foreseen as regards the operating lease agreements in which the agreement validity as at 1 January 2019 was up to 12 months and lease agreements concerning low value assets. In those cases, the Group decided to recognise the lease costs using the straight line method. The Group excluded from the estimation the intercompany agreements due to their expected immaterial influence on the financial statements.

In relation with the IFRS 16 adoption, the Group divided the right-of-use assets into two groups:

- the right-of-use assets - premises and warehouses. This group includes all the assets that meet the definition of the right of use only as per IFRS 16. They would not have been classified as such before the effective date of this standard,
- the right-of-use assets - other fixed assets. This group includes all the assets meeting the definition of assets both under IAS 17 and IFRS 16, which would have been classified as such irrespective of IFRS 16.

Similarly, the Group divided the right-of-use liabilities.

# Restatement of data as at the day of the first adoption of IFRS 16, i.e. 1 January 2019

The total impact of the first adoption of the new IFRS 16 standard on the balance sheet total of the Group amounts to kPLN 115,809.

	31/12/2018 (restated)	Impact of IFRS 16	01/01/2019
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Goodwill	116,545		116,545
Intangible fixed assets	16,764		16,764
Tangible fixed assets	25,413	- 13,717	11,696
Right-of-use assets - premises and warehouses (IFRS 16)		107,703	107,703
Right-of-use assets - other fixed assets (IFRS 16)		13,717	13,717
Investments in associates and joint ventures	34		34
Investments in other parties	500		500
Lease and rental receivables (IFRS 16)		6,951	6,951
Receivables and loans	1,285		1,285
Long-term prepayments	8,780		8,780
Deferred income tax assets	5,492		5,492
<b>Fixed assets</b>	<b>174,813</b>	<b>114,654</b>	<b>289,467</b>
<b>CURRENT ASSETS</b>			
Inventories	8,629		8,629
Trade Receivables and Other Receivables	137,099		137,099
Current income tax assets	33		33
Loans	21		21
Lease and rental receivables (IFRS 16)		1,156	1,156
Short-term prepayments	7,918		7,918
Cash and cash equivalents	26,580		26,580
Fixed assets classified as held for sale			
<b>Current assets</b>	<b>180,280</b>	<b>1,156</b>	<b>181,436</b>
<b>Total assets</b>	<b>355,093</b>	<b>115,809</b>	<b>470,902</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity</b>			
Equity - share of the parent company shareholders:			
Share capital	1,598		1,598
Share premium	63,004		63,004
Reserve capital for the purchase of treasury shares			
Treasury shares (-)			
Other Capitals	1,459		1,459
Retained profits:	74,960		74,960
- retained profit from previous years	59,425		59,425
- net profit for the parent company's shareholders	15,535		15,535
Equity - share of the parent company shareholders	141,021		141,021
Non-controlling shares	2,475		2,475
<b>Shareholders' equity</b>	<b>143,496</b>		<b>143,496</b>
<b>LIABILITIES</b>			
<b>LONG-TERM LIABILITIES</b>			
Loans, credits	48,248		48,248
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		87,749	87,749
Right-of-use-related liabilities - other fixed assets (IFRS 16)	6,227		6,227
Deferred tax liabilities	10,383		10,383
Employee benefit liabilities and provisions	121		121
Other long-term provisions	31		31
Long-term prepayments	4,192		4,192
<b>Long-term liabilities</b>	<b>69,202</b>	<b>87,749</b>	<b>156,951</b>

SHORT-TERM LIABILITIES			
Trade liabilities and other liabilities	75,959		75,959
Factoring liabilities	11,312		11,312
Current tax liabilities	1,734		1,734
Loans, credits, other debt instruments	36,850		36,850
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		28,060	28,060
Right-of-use-related liabilities - other fixed assets (IFRS 16)	3,557		3,557
Employee benefit liabilities and provisions	10,305		10,305
Other short-term provisions	116		116
Short-term prepayments	2,562		2,562
Short-term liabilities	142,395	28,060	170,455
Total provisions	211,597	115,809	327,406
Total equity and liabilities	355,093	115,809	470,902

The weighted mean incremental interest rate of the OEX Group applied to lease liabilities recognised in the statement of financial position as at 1 January 2019 was 4%.

#### Impact of the International Financial Reporting Standard 16 on the consolidated financial statements of the OEX Group for 2019

In order to ensure the comparability of data for particular periods, the tables below present the impact of the IFRS 16 adoption on the items of the consolidated statement of profit or loss and the consolidated cash flow statement of the OEX Group in 2019. The data in the table exclude ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	01/01-31/12/2019	01/01-31/12/2019	01/01-31/12/2019	01/01-31/12/2018 (published)
	Including IFRS 16*	Excluding IFRS 16*	Impact of IFRS 16	
Sale revenues	630,679	633,269	- 2,590	608,747
Operating expense	611,015	615,656	- 4,641	578,965
Other operating revenue	5,587	5,577	10	4,712
Other operating expenses	9,483	9,483		6,764
Operating profit	15,768	13,707	2,061	27,730
EBITDA	47,830	24,156	23,674	36,292
Financial income	806	387	419	310
Financial costs	11,636	6,632	5,004	6,999
Profit from the sale of shares and participations	24,565	24,565		
Share in the profit (loss) of entities measured using the equity method (+/-)	- 134	- 134		3
Profit before taxation	29,369	31,893	- 2,523	21,045
Income tax	7,402	7,824	- 422	4,758
Net profit on continued activities	21,967	24,067	- 2,100	16,287
Net profit - share of	21,967	24,067	- 2,100	16,287
- the parent company shareholders	20,200	22,318	- 2,118	15,535
- non-controlling shares	1,767	1,749	18	752

\* without the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	01/01-31/12/2019	01/01-31/12/2019	01/01-31/12/2019
	Including IFRS 16*	Excluding IFRS 16*	Impact of IFRS 16
Profit (loss) before taxation	29,369	31,893	- 2,525
Adjustment of operating activities	41,522	15,400	26,122
Net cash flows provided by operating activities	70,891	47,293	23,598
Net cash flows provided / (used) by investing activities	51,167	51,167	
Net cash flows provided / (used) by financing activities	- 92,909	- 69,311	- 23,598
Total cash flow	29,149	29,149	



\* without the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Below is a presentation of a y/y comparison of the consolidated statement of profit or loss that do account for the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale and, at the same time, indicate the impact of IFRS 16 on the statements for the period of three quarters of 2019.

	01/01-31/12/2019	01/01-31/12/2019	01/01-31/12/2019	01/01-31/12/2018 (restated)
	Including IFRS 16	Excluding IFRS 16	Impact of IFRS 16	
Sale revenues	577,464	580,052	-2,588	556,845
Operating expense	563,219	567,962	-4,743	532,184
Other operating revenue	5,081	5,065	16	4,273
Other operating expenses	9,027	9,027		6,473
Operating profit	10,299	8,127	2,171	22,461
EBITDA	38,261	17,280	20,981	29,622
Financial income	795	375	420	297
Financial costs	11,322	6,455	4,867	6,817
Profit from the sale of shares and participations	24,565	24,565		
Share in the profit (loss) of entities measured using the equity method (+/-)	-134	-134		3
Profit before taxation	24,203	26,478	-2,275	15,944
Income tax	6,605	6,981	-376	3,913
Net profit on continued activities	17,598	19,497	-1,899	12,031
Discontinued operations and assets held for sale				
Net profit on assets held for sale	4,369	4,570	-201	4,255
Net profit - share of	21,967	24,067	-2,101	16,287
- the parent company shareholders	20,200	22,318	-2,118	15,535
- non-controlling shares	1,767	1,749	18	752

## Approval for publication

The consolidated financial statements of the OEX Group made for the year ended on 31 December 2019 (including comparable data) were approved for publication by the Management Board of OEX S.A. on 29 April 2020.

### Signatures of all Management Board Members

Date	Name and Surname	Function	Signature
29 April 2020	Jerzy Motz	President of the Management Board	
29 April 2020	Rafał Stempniewicz	Management Board Member	
29 April 2020	Robert Krasowski	Management Board Member	
29 April 2020	Artur Wojtaszek	Management Board Member	
29 April 2020	Tomasz Słowiński	Management Board Member	

### Signature of the person preparing the consolidated statements

Date	Name and Surname	Function	Signature
29 April 2020	Aleksandra Jaraczewska	Consolidation Director - Business Support Solution S.A.	