OEX S.A.

The financial statements for the period from 01 January 2019 to 31 December 2019

WARSAW, 29 APRIL 2020

TABLE OF CONTENTS

Separate statement of financial position

	Note	31/12/2019	31/12/2018
ASSETS			
FIXED ASSETS			
Intangible fixed assets	4	185	218
Tangible fixed assets	5	42	482
Right-of-use assets - premises and warehouses (IFRS 16)	6	1,064	
Right-of-use assets - other fixed assets (IFRS 16)	6	321	
Lease and rental receivables (IFRS 16)		95	
Interests in subsidiaries		84,516	125,158
Deferred income tax assets	8	789	974
Fixed assets		**87,012**	**126,832**
CURRENT ASSETS			
Inventories	9		
Trade Receivables and Other Receivables	10	14,544	2,387
Current income tax assets		675	
Loans	7	12,280	16,232
Lease and rental receivables (IFRS 16)		99	
Short-term prepayments	16	43	18
Cash and cash equivalents	11	39,490	22,706
Current assets		**67,131**	**41,343**
Total assets		**154,143**	**168,175**
SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	12	1,598	1,598
Own shares	12	- 8,072	
Share premium	12	63,004	63,004
Reserve capital for the purchase of treasury shares	12	8,300	
Other Capitals	12	1,459	1,459
Retained profits:		72,016	47,812
- retained profit from previous years		39,512	37,052
- net profit		32,504	10,760
Shareholders' equity		138,305	113,873
Shareholders' equity		**138,305**	**113,873**
LIABILITIES			
LONG-TERM LIABILITIES			
Loans, credits	7	4,358	44,348
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	7	779	
Right-of-use-related liabilities - other fixed assets (IFRS 16)	7	160	252
Deferred income tax liabilities	8	1,916	3
Long-term liabilities		**7,213**	**44,603**
SHORT-TERM LIABILITIES			
Trade liabilities and other liabilities	15	3,292	1,595
Loans, credits, other debt instruments	7	4,492	7,711
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	7	307	
Right-of-use-related liabilities - other fixed assets (IFRS 16)	7	165	155
Employee benefit liabilities and provisions	12	369	238
Short-term liabilities		**8,625**	**9,699**
Total provisions		**15,838**	**54,302**
Total equity and liabilities		**154,143**	**168,175**

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Book value		138,305	113,873
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
Book value of one share		18.27	14.25
Diluted book value per one share		18.27	14.25

*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 less the treasury shares purchased back

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Separate statement of profit or loss

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
Continued activities			
Sale revenues	17	5,372	6,217
Revenue from the sale of services		5,372	6,217
Revenue from the sale of goods and materials			
Cost of sales	17	4,649	5,377
Costs of services sold		4,649	5,377
Cost of goods and materials sold			
Gross profit on sale		723	840
Selling costs			
Administrative expenses		1,631	1,602
Other operating revenue	17	21	7
Other operating expenses	17	122	377
Operating profit		- 1,010	- 1,132
Financial income	18	16,065	14,046
Financial costs	18	2,721	2,600
Profit from the sale of shares	18	24,342	
Profit before taxation		36,676	10,314
Income tax	20	4,172	- 447
Net profit on continued activities		32,504	10,760
Discontinued operations and assets held for sale			
Net profit on assets held for sale			
Net profit		32,504	10,760

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
NUMBER OF SHARES		
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 (loss) per ordinary share (PLN)

	Note	01/01-31/12/2019*	01/01/2010-31/12/2018
On continued operations	21		
- basic		4.08	1.49
- diluted		4.08	1.43
On continued operations and assets held for sale			
- basic		4.08	1.49
- diluted		4.08	1.43

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

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Separate statement of comprehensive income

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
Net profit	32,504	10,760
Items not carried as financial profit or loss		
Items carried as financial profit or loss		
Comprehensive income	32,504	10,760

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Separate Statement of Changes in Equity

	STATEMENT OF CHANGES IN EQUITY							TOTAL EQUITY
	Share capital	Share premium	Acquisition of treasury shares for redemption	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	Total	
As at 01/01/2019	**1,598**	**63,004**			**1,459**	**47,812**	**113,873**	**113,873**
Changes in accounting policies								
Error Correction								
Balance after changes	1,598	63,004			1,459	47,812	113,873	113,873
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 31/12/2019								
Issue of shares								
Acquisition of treasury shares for redemption			- 8,072				- 8,072	- 8,072
Dividends								
Transfer of supplementary capital to reserve capital reserve allocated to purchase treasury shares				8,300		- 8,300		
Total transactions with shareholders			- 8,072	8,300		- 8,300	- 8,072	- 8,072
Net profit for the period from 01/01 to 31/12/2019						32,504	32,504	32,504
Other comprehensive income after taxation in the period from 01/01 to 31/12/2019								
Total comprehensive income						32,504	32,504	32,504
As at 31/12/2019	**1,598**	**63,004**	**- 8,072**	**8,300**	**1,459**	**72,016**	**138,305**	**138,305**

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

	STATEMENT OF CHANGES IN EQUITY							TOTAL EQUITY
	Share capital	Share premium	Acquisition of treasury shares for redemption	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	Total	
As at 01/01/2018	1,378	44,960			1,459	37,052	84,849	84,849
Changes in accounting policies								
Error Correction								
Balance after changes	1,378	44,960			1,459	37,052	84,849	84,849
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 31/12/2018								
Issue of shares	220	18,505					18,725	18,725
Costs of share issue		- 461					- 461	- 461
Total transactions	**220**	**18,044**					**18,264**	**18,264**
Net profit for the period from 01/01 to 31/12/2018						10,760	10,760	10,760
Other comprehensive income after taxation in the period from 01/01 to 31/12/2018								
Total comprehensive income						10,760	10,760	10,760
As at 31/12/2018	**1,598**	**63,004**			**1,459**	**47,812**	**113,873**	**113,873**

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Separate cash flow statement

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
CASH FLOW FROM OPERATING ACTIVITY			
Profit before taxation		**36,676**	**10,314**
Adjustments	22		
Depreciation and amortisation of fixed assets		72	223
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)		308	
Depreciation of the right-of-use assets - other fixed assets (IFRS 16)		181	
Profit (loss) on the sale of non-financial fixed assets		- 26,202	
Interest expense		2,608	2,288
Interest and dividend income		- 16,005	- 13,969
Other adjustments			
Total adjustments		**- 39,038**	**- 11,458**
Change in inventories			
Change in receivables		1,427	1,988
Change in liabilities		- 1,029	92
Change in provisions and prepayments		- 183	393
Changes in working capital		**215**	**2,473**
Taxes paid		- 2,749	
Net cash flows provided by operating activities		**- 4,896**	**1,329**
CASH FLOW FROM INVESTING ACTIVITY			
Expenses to purchase fixed assets		- 22	- 56
Net expenses to purchase subsidiaries		- 5,300	- 35,733
Received repayments of loans granted		9,700	5,500
Loans granted		- 5,748	- 11,100
Inflows from the sale of shares in Archidoc		61,500	
Dividend income		15,040	13,701
Interest income		965	771
Net cash flows provided / (used) by investing activities	22	**76,135**	**- 26,917**
CASH FLOW FROM FINANCIAL ACTIVITY			
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			57,033
Repayment of loans and advances		- 43,069	- 6,521
Repayment of the right-of-use-related liabilities - premises and warehouses (IFRS 16)		- 505	
Repayment of the right-of-use-related liabilities - other fixed assets (IFRS 16)		- 160	
Repayment of financial lease liabilities			- 150
Inflows from the repayment of lease receivables (IFRS 16)		26	
Interest paid		- 2,608	- 2,518
Loan commissions paid/received		- 139	- 1,024
Net flows provided / (used) by financing activities	22	**- 54,455**	**45,084**
Total net cash flows		**16,784**	**19,495**
Net change in cash and cash equivalents		**16,784**	**19,495**
Cash and cash equivalents at period beginning		22,706	3,211
Cash and cash equivalents at period end		**39,490**	**22,706**

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Supplementary notes to the separate financial statements

General Information

a) INFORMATION ABOUT THE COMPANY

OEX S.A.(the Issuer, the Company, OEX S.A., OEX) was established in consequence of a transformation of Tell Sp. z o.o. on the basis of a Resolution of the Extraordinary General Meeting of Shareholders No. 1 of 15 November 2004. The Company 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.

'OEX S.A.' is a new business name of a company previously trading as 'TELL S.A.', changed by virtue of resolution of the Extraordinary General Meeting of Shareholders dated 30 September 2015. The change was registered by the District Court for Poznań – Nowe Miasto i Wilda in Poznań, VIII Commercial Division of the National Court Register on 30 December 2015.

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

The principal place of business of the 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 COMPANY

The composition of the Management Board of the company as at the day of approval of the separate financial statements for publication, 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 Company as at the day of approval of the separate 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) REPORTING PERIOD AND SCOPE

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

The published financial data of the Company as at 31 December 2018 were presented as comparative data.

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

d) APPROVAL FOR PUBLICATION

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

Drawing up basis and accounting rules

BASIS FOR THE PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements were prepared in accordance in accordance with 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 Company's functional currency and the presentation currency of the financial statements is Polish zloty (PLN). All values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated.

The separate financial statements were prepared in accordance with the going concern principle. As at the date of the approval of these financial statements for publication there are no circumstances which may pose a risk to OEX S.A.'s going concern assumption.

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 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 statement of financial position for 2018 and the statement of profit or loss for 2019 were given in item 29.

- 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 amendments do not have any material impact on the financial statements of the Company.

- 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 amendments do not have any material impact on the financial statements of the Company.

- 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 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 amendments do not have any material impact on the financial statements of the Company.
- 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 amendments do not have any material impact on the financial statements of the Company.

ACCOUNTING RULES

The financial statements 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 this statement for publication, considering the existing process of implementation of IFRS standards in the EU and the Company'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 Company. IFRS comprise standards and interpretations accepted by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC).

The 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 financial statements are compliant with IAS 1. The Company presents a separate 'Statement of profit or loss' that directly follows the 'Statement of profit or loss and other comprehensive income'.

The 'Statement of Profit or Loss' is presented in the functional classification, and the '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 Company additionally presents a statement of financial position made as at the beginning of the comparative period.

Operating segments

The Company does not identify operating segments at the level of separate statements.

Transactions in Foreign Currencies

The Company's functional currency is Polish zloty (PLN). The presentation currency is the Polish zloty, too.

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 Company does not have any goodwill in its 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

The Company does not have 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

Not applicable.

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.

Impairment of non-financial fixed 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. 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 Company's assets.

Interests in related parties

Interests in related parties and shares and participations in subsidiaries, associates and joint ventures are recognised at historical cost less impairment loss.

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 Company 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 Company 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 Company has substantially transferred all the risk and rewards of ownership of the given assets.

At initial recognition, the Company 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.

1. 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 Company:

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

a.) 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 Company did not have any financial assets classified into this category.

b.) 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 Company:

- 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.

Gains or losses on the measurement of debt investments 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 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 Company'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 Company applies a simplified approach. In the simplified approach, the Company 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 Company uses a provision matrix estimated on the basis of historical levels of repayments for each company, with the exception of companies of the OEX Group. 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 Company 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 pas due.

Inventories

None.

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 Company and the entry in the National Court Register.

The Company's treasury shares purchased and retained by the Company decrease the 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.

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 Company 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 Company 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.
- costs related to the sale of a subsidiary.

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 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 Company 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 financial statements in Note No. 23.

The possible inflows of resources embodying economic benefits for the Company, 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 Company discloses prepaid costs concerning future reporting periods in the "Prepayments" item.

Sale revenues

The Company 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:

- the contract has been approved by the parties to the contract;
- the Company is able to identify the rights of each of the parties concerning the goods or services to be transferred;
- the Company is able to identify the terms of payment for the goods or services to be transferred;
- the contract has commercial substance and it is probable that the Company 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 Company 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 Company considers the contractual terms and conditions and past customary business practices. The transaction price is the amount to which the Company 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 Company 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 Company'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 Company 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 o a performance obligation. The Company 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 Company as the Company performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created; or
- the Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

Rendering of Services

The services provided by the Company comprise mainly the services related to HR and payroll, legal and compliance support, strategic consulting, controlling, finance, and public relations to its subsidiaries.

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 of 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 Company presents the costs in the 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 financial statements, the 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 financial statements is presented below.

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. 19.

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 budget of Company as approved by the Management Board of the Company. If the anticipated financial results suggest that the Company will generate taxable income, the deferred tax assets are recognised in full.

Impairment of 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. 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 Company's assets.

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 Company can be found in item '*Impairment of financial assets*'. The Company uses in its model the historical information from its accounting system.

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, a single rate fixed for the Group at the level of an average cost of borrowing was adopted,
- when indicating the useful lives and amortisation rates for the rights tom use the assets, periods adequate to the assumed expected life of an asset were adopted.

Impairment loss on shares and participations

The anticipated cash flows in 2020 used in the impairment tests concerning the shares/participations allow for the estimated impact of the outburst of the SARS-Cov-2 pandemic on particular entities (the estimates were made at the turn of March and April 2020 and may change, depending on the development of the virus situation and restrictions imposed by the government authorities).

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 Company 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 Company's equity upon its first adoption, i.e. on 1 January 2019.

1. Operating segments

The Company does not identify operating segments.

2. Investments in related parties

List of companies directly controlled by OEX S.A.

- SUBSIDIARIES PRESENTED IN THE TABLE BELOW:

SUBSIDIARIES OF OEX SA			
Name of the Company	Registered office	% of shares/participations held directly	Carrying amount of the shares
Tell Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	21,334
Europhone Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	11,025
PTI Sp. z o. o.	ul. Forteczna 19A, 61-362 Poznań	100	13,324
OEX Cursor S.A.	ul. Równoległa 4A, 02-235 Warszawa	100	5,082
Merservice Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	4,500
Pro People Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	50
OEX E-Business Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	15,933
Divante Sp. z o.o.	ul. Dmowskiego 17, 50-203 Wrocław	51.03	3,216
Voice Contact Center Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	7,352
OEX 24 Sp. z o. o.	ul. Klimczaka 1, 02-797 Warszawa	100	2,700
Total carrying amount of shares			84,516

Apart from the above-mentioned entities, OEX S.A. also has shares in Connex Sp. z o.o. in liquidation, with registered office 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.

CHANGE IN INVESTMENTS IN SUBSIDIARIES

Details	31/12/2019	31/12/2018
State as at period beginning	125,158	124,158
Sale of shares in ArchiDoc S.A.	-45,942	
Increase of share capital in OEX 24 Sp. z o.o.	1,700	1,000
Increase of share capital in OEX E-Business Sp. z o.o.	3,600	
As at year end	84,516	125,158

Disposal of shares in ArchiDoc S.A.

On 17 October 2019, OEX S.A. signed with Offsite Archive Storage & Integrated Services Ltd. (hereinafter referred to as OASIS) with registered office in Dublin agreements on the sale (hereinafter referred to as the ‘SPA’) of 4,250,000 shares in the share capital of 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 OEX S.A. in 2019 can be found in Note No. 19.

SHARE IMPAIRMENT TEST

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

The Company carried out tests for impairment of the shares in subsidiaries, in which the value of equity resulting from the financial statements is lower than the carrying amount of the shares.

The test procedures did not indicate any share impairment. The recoverable amount of particular cash generating units was established on the basis of accumulated 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:

Name of the company	Euro-Phone	PTI	Oex-Cursor	Oex E-Business	Divante	Merservice	VCC
Forecast period	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Discount rate	8.34%	8.34%	12.34%	12.34%	9.34%	9.84%	9.84%
Growth rate after the budget period	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:

- Free cash flows – estimated on the basis of historical data concerning particular cash flow generating units and forecasts concerning operating profit, depreciation and amortization, capital expenditure, change in non-cash current assets and change in non-financial liabilities.
- Discount rate – In tests for impairment, the discount rate applied was calculated as an average weighted cost of capital adjusted in specific cases (i.e. in case of particular shares and goodwills tested) by bonuses and discounts on account of risks specific to the given asset tested.
- Growth rate - the growth rates are based on the expectations of the Management Board as regards the development of particular entities making up the Group - these assumptions are important because the management assesses how the economic and financial situation of particular cash flow generating units may change during the budget period when compared to competition.

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 share impairment tests comprised a simulation of the recoverable amount, assuming the levels of discount rates in 2019-2022 changed by 1%:

Name of the company	Euro-Phone	PTI	Oex Cursor	Oex E-Business	Divante	Merservice	VCC
Discount rate	8.34%	8.34%	12.34%	12.34%	9.34%	9.84%	9.84%
Adjusted discount rate	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

3. Goodwill

In the reporting periods, no goodwill arose.

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

4. Intangible fixed assets

The intangible fixed assets used by the Company comprise licences, computer software, trademark.

	Licences and software	Trademarks	Other intangible assets	In production	Total
AS AT 31/12/2019					
Gross carrying amount	155	315			470
Accumulated depreciation/amortisation and impairment charges (-)	- 128	- 157			- 285
Net carrying amount	**27**	**158**			**185**
AS AT 31/12/2018					
Gross carrying amount	150	315			465
Accumulated depreciation/amortisation and impairment charges (-)	- 120	- 127			- 247
Net carrying amount	**30**	**188**			**218**

	Licences and software	Trademarks	Other intangible assets	In production	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2019					
Net carrying amount as at 01/01/2019	**30**	**188**			**218**
Increase (acquisition, production, lease)	6				6
Decrease (disposal, liquidation) (-)					
Depreciation and amortisation (-)	- 9	- 30			- 39
Net carrying amount as at 31/12/2019	**27**	**158**			**185**
FOR THE PERIOD FROM 01/01 TO 31/12/2018					
Net carrying amount as at 01/01/2018	**17**	**218**			**235**
Increase (acquisition, production, lease)	19				19
Decrease (disposal, liquidation) (-)					
Depreciation and amortisation (-)	- 6	- 30			- 36
Net carrying amount as at 31/12/2018	**30**	**188**			**218**

	31/12/2019	31/12/2018
AMORTIZATION OF INTANGIBLE ASSETS RECOGNISED IN:		
Selling costs		
Administrative expenses	33	32
Cost of sales	6	4
State as at period end	**39**	**36**

In both periods presented:

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

5. Tangible fixed assets

	Machinery and equipment	Vehicles	Other fixed assets	In construction	Total
AS AT 31/12/2019					

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Gross carrying amount	173		52		225
Accumulated depreciation/amortisation and impairment charges (-)	- 154		- 29		- 183
Net carrying amount	**19**		**23**		**42**
AS AT 31/12/2018					
Gross carrying amount	162	589	47		798
Accumulated depreciation/amortisation and impairment charges (-)	- 130	- 166	- 20		- 316
Net carrying amount	**32**	**423**	**27**		**482**

	Machinery and equipment	Vehicles	Other fixed assets	In construction	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2019					
Net carrying amount as at 01/01/2019	**32**	**423**	**27**		**482**
Change of presentation in relation with the IFRS 16 adoption		- 423			- 423
Increase (acquisition, production, lease)	11		5		16
Decrease (disposal, liquidation) (-)					
Depreciation and amortisation (-)	- 24		- 9		- 33
Net carrying amount as at 31/12/2019	**19**		**23**		**42**
FOR THE PERIOD FROM 01/01 TO 31/12/2018					
Net carrying amount as at 01/01/2018	**19**	**195**	**32**		**246**
Increase (acquisition, production, lease)	34	387	3		424
Decrease (disposal, liquidation) (-)					
Other changes in the value (+/-)					
Depreciation and amortisation (-)	- 21	- 159	- 8		- 188
Net carrying amount as at 31/12/2018	**32**	**423**	**27**		**482**

	31/12/2019	31/12/2018
DEPRECIATION OF TANGIBLE ASSETS RECOGNISED IN:		
Selling costs		
Administrative expenses	20	178
Cost of sales	13	9
State as at period end	**33**	**188**

In both periods presented:

- the Company did not have tangible fixed assets with limited titles,
- There were no contractual commitments for a future acquisition of tangible assets.
- Other fixed assets comprised mainly office equipment and furniture.

Tangible fixed assets in production are not depreciated, but they are tested for impairment on an annual basis.

As at the balance sheet date, the Company did not have any fixed assets in construction.

6. 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)

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

At the beginning of the contract, the Company 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 Company 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 Company 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 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.

Company as a lessor

The Company recognises the assets in finance lease in the statement of financial position and presents them as receivables in an amount equal to the net lease investment. Under the finance lease, the Company substantially transfers all the risks and rewards related to the title, in relation with which the due lease payments are treated by the Company 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 Company are recognised as profit or loss of the current year using a straight line method over the entire lease period.

Company as a Lessee

On the starting date, it recognises the rights of use asset and liability (lease). On the starting date, the Company 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 Company and the estimate of costs to be incurred by the Company 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. After the initial recognition, the Company 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 Company 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 Company under residual value guarantees,
- the exercise price of a purchase option, if the Company is reasonably certain to

  exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the

  Company exercising the option to terminate the lease.

After the commencement date, the Company 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 Company 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 Company recognises the lease payments as costs using the straight-line method over the lease period.

Accounting policies applied before 1 January 2018 (IAS 17)

Company 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 Company'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 Company 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.

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

	Premises and warehouses	Machinery and equipment	Vehicles	Other fixed assets	Total
LEASED FIXED ASSETS (IFRS 16)					
Net carrying amount as at 01/01/2019			**423**		**423**
Increase (acquisition, production, lease)	1,458		79		1,537
Disposal by a sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	- 86				- 86
Depreciation and amortisation (-)	- 308		- 181		- 489
Impairment losses					
Net carrying amount as at 31/12/2019	**1,064**		**321**		**1,385**

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 separate 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	

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

income (MFVCI)	

	Note	Categories of financial instruments as per IFRS 9					Total
		MOC	MFVPL	MFVCI	HD	Non IFRS 9	
AS AT 31/12/2019							
FIXED ASSETS							
Receivables and loans	7.2	95					95
Other long-term financial assets						84,516	84,516
CURRENT ASSETS							
Trade Receivables and Other Receivables	10	14,613					14,613
Loans	7.2	12,280					12,280
Cash and cash equivalents	11	39,490					39,490
Total financial assets		**66,478**				**84,516**	**150,994**
AS AT 31/12/2018							
FIXED ASSETS							
Receivables and loans	7.2						
Other long-term financial assets						125,159	125,159
CURRENT ASSETS							
Trade Receivables and Other Receivables	10	2,323					2,323
Loans	7.2	16,232					16,232
Cash and cash equivalents	11	22,706					22,706
Total financial assets		**41,261**				**125,159**	**166,420**

In the 2019 and 2018 financial data, the value of financial liabilities presented in the 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
		LMOC	LMFVPL		HD	Non IFRS 9	
AS AT 31/12/2019							
Long-term liabilities							
Loans, credits, other debt instruments	7.3	4,358					4,358
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		779					779
Right-of-use-related liabilities - other fixed assets (IFRS 16)		160					160
Other liabilities							
Short-term liabilities							
Trade liabilities and other liabilities	15	3,211					3,211
Loans, credits, other debt instruments	7.3	4,492					4,492
Factoring liabilities							
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		307					307
Right-of-use-related liabilities - other fixed assets (IFRS 16)		165					165
IRS liabilities			29				29
Total financial liabilities		**13,472**	**29**				**13,501**
AS AT 31/12/2018							

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Long-term liabilities							
Loans, credits, other debt instruments	7.3	44,348					44,348
Lease liabilities		252					252
Short-term liabilities							
Trade liabilities and other liabilities	15	1,058					1,058
Loans, credits, other debt instruments	7.3	7,711					7,711
IRS liabilities			49				49
Lease liabilities		155					155
Total financial liabilities		**53,524**	**49**				**53,573**

7.2. Receivables and loans

For the purposes of presentation, in its consolidated statement of financial position the Company 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 Company 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
RECEIVABLES AND LOANS			
FIXED ASSETS			
Lease and rental receivables (IFRS 16)		95	
Loans			
Long-term receivables and loans		**95**	
CURRENT ASSETS			
Trade Receivables and Other Receivables		1,737	2,387
Receivables concerning the sale of shares in Archidoc		13,581	
Loans		12,280	16,232
Short-term receivables and loans		**27,598**	**18,619**
Receivables and loans, including:		**27,693**	**18,619**
Receivables	10	15,413	2,387
Loans	7.6	12,280	16,232

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. 7.5. concerning the fair value).

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

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
LOANS			
Gross value:			
State as at period beginning		16,232	10,635
Amount of loans granted in the period		5,748	11,100
Interest calculated using the effective interest rate method		712	659
Repayment of loans with interest (-)		- 10,412	- 6,162
Gross value at period end		**12,280**	**16,232**
Impairment loss:			
State as at period beginning			
Impairment loss at period end			
Carrying amount at period end		**12,280**	**16,232**

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

The loans are measured by the Company 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. 18.

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 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
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST				
Loan facilities	4,492	4,358	7,711	44,348
Total financial liabilities measured at amortised cost	**4,492**	**4,358**	**7,711**	**44,348**

On 18 October 2019, in relation with the sale of shares in ArchiDoc S.A., the Company 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, thousand, contracted in 2017 to purchase shares in ArchiDoc S.A.

Financial liabilities measured at amortised cost

The Company 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 Company is exposed to in relation with the loans, credits and other debt instruments contracted is presented in the table below (cf. also Note No. 24 concerning risks):

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

	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	4,306	2,210	2,096
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	4,606	2,310	2,296
commission costs					-62	-28	-34
Total					8,850	4,492	4,358
REVOLVING LOANS							
ING Bank Śląski S.A. - overdraft facilities	PLN	WIBOR 1M + margin	04.2020	PLN	1,000		
Total					1,000	0	0

AS AT 31/12/2018							
INVESTMENT LOANS (TERM)							
ING Bank Śląski S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	26,182	3,960	22,222
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	26,582	4,060	22,522
commission costs					-705	-309	-396
Total					52,059	7,711	44,348
REVOLVING LOANS							
ING Bank Śląski S.A. - overdraft facilities	PLN	WIBOR 1M + margin	04.2020	PLN	1,000		
Total					1,000	0	0

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

7.4. Liability payment guarantee

The loan liabilities contracted BY the Company 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.,
    - registered pledges and financial pledges on bank accounts of the following companies: OEX S.A.,
    - statements consenting to be subject to enforcement proceedings in accordance with Art. 777 (1) (5) of the Civil Procedure Code.

7.5. Debt securities

As at 31 December 2019 and 31 December 2018, the Company did not have any 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	12,280	12,280	16,232	16,232
Trade receivables and other receivables	10	14,708	14,708	2,323	2,323
Non-listed shares					
Cash and cash equivalents	11	39,490	39,490	22,706	22,706
LIABILITIES					
Loan facilities	7.3	8,850	8,850	52,059	52,059
Trade liabilities and other	15	4,622	4,622	1,514	1,514

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 Company measures the fair value of financial assets and financial liabilities in such a was so as to take into consideration to the largest extent possible market factors.

OEX S.A. 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 financial statements:

	Note	31/12/2019	31/12/2018
DEFERRED INCOME TAX LIABILITIES			
State as at period beginning		3	5
Impact on the net financial result	19	- 1,913	2

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

State as at period end		**1,916**	**3**
DEFERRED INCOME TAX ASSETS			
State as at period beginning		974	529
Impact on the net financial result	19	- 185	445
State as at period end		**789**	**974**

DEFERRED INCOME TAX ASSETS

Temporary differences	As at period beginning	Impact on the	At period end
AS AT 31/12/2019			
ASSETS			
Inventories	77		77
Other assets	21	- 16	5
LIABILITIES			
Employee benefits liabilities	11	4	15
Provisions for employee benefits	73	- 37	36
Other provisions and other liabilities		225	225
Trade liabilities	13	- 2	11
Other liabilities		63	63
OTHER			
Unsettled tax losses	779	- 429	350
		7	7
Total	**974**	**- 185**	**789**
AS AT 31/12/2018			
ASSETS			
Inventories	77		77
Financial derivatives	35	- 14	21
LIABILITIES			
Provisions for employee benefits	39	34	73
Other provisions and other liabilities	7	4	11
Trade liabilities	6	7	13
Loans, credits, other debt instruments	104	- 104	
OTHER			
Unsettled tax losses	261	518	779
Total	**529**	**445**	**974**

DEFERRED INCOME TAX LIABILITIES

Temporary differences	As at period beginning	Impact on the	At period end
AS AT 31/12/2019			
ASSETS			
Other assets	3	- 3	
LIABILITIES			
Other liabilities		1,916	1,916
Total	**3**	**1,913**	**1,916**
AS AT 31/12/2018			

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

ASSETS			
Intangible fixed assets			
Tangible fixed assets	4	- 2	2
LIABILITIES			
Loans, credits, other debt instruments	1		1
Total	**5**	**- 2**	**3**

9. Inventories

The financial statements comprise the following inventories:

	31/12/2019	31/12/2018
INVENTORIES		
Goods	407	407
Impairment of inventories (-)	- 407	- 407
Advances for supplies		
Net carrying amount	**0**	**0**

In 2019, the Company did not make any impairment charges with regard to inventories.

10. Trade Receivables and Other Receivables

The trade receivables and other receivables recognised by the Company 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
LONG TERM RECEIVABLES		
Lease and rental receivables (IFRS 16)	95	
Other receivables		
Net long-term receivables	**95**	

SHORT-TERM RECEIVABLES

	31/12/2019	31/12/2018
SHORT-TERM RECEIVABLES		
FINANCIAL ASSETS		
Trade receivables	2,342	3,730
Impairment of trade receivables (-)	- 1,409	- 1,410
Net trade receivables	**933**	**2,320**
Lease and rental receivables (IFRS 16)	99	
Other receivables	13,689	
Impairment of other financial receivables (-)		
Net other financial receivables	**13,788**	
NON-FINANCIAL ASSETS		

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Other tax and other benefit receivables	25	
Income tax receivables	675	
Advances and prepayments	3	
Other non-financial receivables	2	175
Impairment of non-financial receivables (-)	- 108	- 108
Net non-financial receivables	**597**	**67**
Total short-term receivables	**15,318**	**2,387**

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

The Company tested the receivables for impairment in accordance with its accounting principles (cf. item c) in the item "Drawing up basis and accounting rules"). The reversal of impairment of receivables that decreased the impairment charge in 2019 and was recognised as revenue of the period amounted to, with regard to short-term financial receivables kPLN 1 (2018: kPLN 7)

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

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
IMPAIRMENT OF RECEIVABLES		
State as at period beginning	1,518	1,344
Loss expensed as cost in the period		181
Reversal of impairments carried as revenue in the period (-)	- 1	- 7
Provisions used (-)		
State as at period end	**1,517**	**1,518**

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. 24.

11. Cash and cash equivalents

	31/12/2019	31/12/2018
CASH AND CASH EQUIVALENTS		
Cash at bank in PLN	39,490	22,706
Other		
Total cash and cash equivalents	**39,490**	**22,706**

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

12. Shareholders' equity

12.1. Share capital

As at 31 December 2019, the share capital of the Company amounted to kPLN 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.

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
SHARES ISSUED AND FULLY PAID UP FOR		

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Number of shares at the period beginning	7,989,984	6,888,539
Issue of shares		1,101,445
Redemption of shares (-)		
Number of shares at the period end	**7,989,984**	**7,989,984**

As at the balance sheet day, the Company had 421,052 treasury shares purchased for redemption. The subsidiaries of the Company did not own its shares.

12.2. Other equity

OTHER EQUITY		
Share premium	63,004	63,004
Reserve capital for the purchase of treasury shares	8,300	
Acquisition of treasury shares for redemption	- 8,072	
Other Capitals	1,459	1,459
Supplementary capital from retained profits	72,016	47,812
State as at period end	**136,707**	**112,275**

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 is 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 constitute not more than 20% of the Company's share capital. Only fully paid-up treasury shares in the Company may be purchased. The acquisition of treasury shares may have taken place not later than by 31 December 2019. The Company's treasury shares may be acquired by the Company in OTC transactions. The price of shares to be acquired may not be 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 be higher than PLN 8,000, whereby the funds allocated for the purchase of the treasury shares will originate 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 created from the profits or another amount which - pursuant to Art. 348 § 1 of the Polish Code of Commercial Companies - may be allocated for distribution.

By virtue of Resolution No. 22 of the Ordinary General Meeting of Shareholders of OEX dated 25 June 2019, a reserve capital for the acquisition by the Company of its treasury shares pursuant to Resolution No. 21 was created. 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 shall be 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.

13. Employee benefits

13.1. Costs of Employee Benefits

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
COSTS OF EMPLOYEE BENEFITS		
Payroll costs	2,762	3,100
Social insurance costs	219	212

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

State as at period end	**2,981**	**3,312**

13.2. Employee benefit liabilities and provisions

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

	31/12/2019	31/12/2018
EMPLOYEE BENEFIT LIABILITIES AND PROVISIONS		
SHORT-TERM EMPLOYEE BENEFITS		
Payroll liabilities	171	
Liabilities under social insurance	61	
Other employee liabilities	56	180
Provisions for accrued holidays	81	58
State as at period end	**369**	**238**
OTHER LONG-TERM EMPLOYEE BENEFITS		
State as at period end		

14. Other provisions

The Company did not set up provisions other than for employee benefits.

15. 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
SHORT-TERM LIABILITIES		
FINANCIAL LIABILITIES		
Trade liabilities	3,211	1,058
Liabilities related to the purchase of shares		
Other financial liabilities	4,993	7,915
- credits	4,492	7,711
- right-of-use-related liabilities - premises and warehouses (IFRS 16)	307	
- right-of-use-related liabilities - other fixed assets (IFRS 16)	165	
- lease		155
- other financial liabilities	29	49
Financial liabilities	**8,204**	**8,973**
NON-FINANCIAL LIABILITIES		
Other tax and other benefit liabilities	369	219
Other non-financial liabilities	52	507
Non-financial liabilities	**421**	**726**
Total short-term liabilities	**8,625**	**9,699**

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

16. Prepayments and accruals

Specification of prepayments and accruals as at 31 December 2019:

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

	31/12/2019		31/12/2018	
PREPAYMENTS AND ACCRUALS				
	short-term	long-term	short-term	long-term
Insurance costs	35		10	
Subscription	4		3	
Licence fees	4		5	
State as at period end	**43**	**0**	**18**	**0**

17. Operating revenue and costs

17.1. Revenue from the sale of goods and services

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
REVENUE FROM THE SALE OF GOODS AND SERVICES			
Revenue from the sale of services		5,372	6,217
Revenue from the sale of goods and materials			
Sale revenues		**5,372**	**6,217**

17.2. Costs by type

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
COSTS BY TYPE			
Amortisation and depreciation	4.5,6	561	223
Consumption of materials and energy		85	94
Contracted services		2,192	3,593
Taxes and fees		4	5
Employee benefits	14	2,981	3,312
Other costs by type		138	122
Total costs per type		**5,961**	**7,349**
Value of goods and materials sold			
Change in products and work in progress (+/-)		319	- 370
Own cost of the sale, selling costs and administration costs		6,280	6,979

17.3. Other operating revenue

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
OTHER OPERATING REVENUE			
Profit from the sale of non-financial fixed assets			
Reversal of impairment of financial receivables	10	1	7
Write-back of unused provisions	14	20	
Total other operating revenue		**21**	**7**

17.4. Other operating expenses

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

OTHER OPERATING EXPENSES			
Loss on the sale of non-financial fixed assets			
Impairment of financial receivables	10		181
Provision for holidays		23	19
Impairment of inventories	9		
Other VAT proportion-related costs		87	151
Other costs		12	26
Total other operating costs		**122**	**377**

18. Financial income and expenses

18.1. Financial income

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
FINANCIAL INCOME			
INTEREST INCOME CONCERNING FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS			
Cash and cash equivalents (deposits)	11		
Loans and receivables	7.2, 10	976	845
Held-to-maturity debt securities			
Interest income concerning financial instruments not carried at fair value through profit or loss		**976**	**845**
OTHER			
Profit from the sale of Archidoc		24,342	
Dividend		15,040	13,201
Other financial income		49	
Total financial income		**40,407**	**14,046**

18.2. Financial costs

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
FINANCIAL COSTS			
INTEREST EXPENSE CONCERNING FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS			
Credits and loans	7.3	1,810	1,897
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		84	
Right-of-use-related liabilities - other fixed assets (IFRS 16)		15	15
Debt securities			56
Trade liabilities and other liabilities	15	783	320
Interest expense concerning financial instruments not carried at fair value through profit or loss		**2,692**	**2,288**
EXCHANGE DIFFERENCE (GAINS) LOSSES (+/-)			
Cash and cash equivalents			
Exchange difference (gains) losses (+/-)			
OTHER			
Other financial costs		29	312
Total financial costs		**2,721**	**2,600**

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Impairment of receivables concerning the operating activity recognised by the Company as other operating expenses (cf. Note No. 17).

19. 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 million, 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 will 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 Company's financial result for 2019.

The actually realised amounts of additional payments to the price of shares on account of the profitability calculations with regard to one of the 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 statement of profit or loss:

DISPOSAL OF A SUBSIDIARY	
	ArchiDoc S.A.
Date of disposal	17/10/2019
Percentage of shares disposed	100%
Share selling price, including:	**75,081**
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
Costs related to the sale of shares, including:	**50,739**
Cost of acquisition of shares in ArchiDoc S.A.	45,942
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
Result on the sale of shares	**24,342**

20.Income tax

	Note	01/01/2010-31/12/2019	01/01/2010-31/12/2018
INCOME TAX			
CURRENT INCOME TAX			
Settlement of tax for the reporting period		2,074	
Adjustment of tax for previous periods			
Current tax		**2,074**	
DEFERRED INCOME TAX			
Temporary difference occurrence and reversal	8	2,098	- 526
Settlement of unrealised tax losses			79
Deferred income tax		**2,098**	**- 447**
Total income tax		**4,172**	**- 447**

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

	Note	01/01-31/12/2019*	01/01/2010-31/12/2018
Result before tax		36,676	10,314
Tax rate applied by the Company		19%	19%
Income tax at the Company's rate		**6,968**	**1,960**
RECONCILIATION OF THE INCOME TAX DUE TO:			

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Non-taxable revenues (-)			- 2,876	- 2,508
Permanently non-tax deductible costs (+)			158	101
Income tax			**4,250**	**- 447**
Average tax rate applied			12%	-4%

21. Earnings per share and dividends paid

21.1. Earnings per share

The earnings per share are calculated in accordance with the formula: net profit 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 Company uses in the numerator the net profit (loss), 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:

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
NUMBER OF SHARES		
Average weighted number of ordinary shares (items)	7,957,684	7,244,623
Dilution impact of the new share issue		274,606
Average weighted diluted number of ordinary shares (items)	7,957,684	7,519,229

	01/01-31/12/2019*	01/01/2010-31/12/2018
Continued activities		
Net profit on continued activities (in PLN)	32,504,367.62	10,760,459.31
- basic earnings per share (PLN)	4.08	1.49
- diluted earnings per share (PLN)	4.08	1.43
Continued operations and assets held for sale		
Net profit on continued operations and assets held for sale (in PLN)	32,504,367.62	10,760,459.31
- basic	4.08	1.49
- diluted	4.08	1.43

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

21.2. Dividends

In the reporting period, OEX S.A. did not pay the dividend. The General Meeting of Shareholders of OEX S.A. 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.

22. Cash flows

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

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
ADJUSTMENTS		
Depreciation of tangible fixed assets	33	187
Amortisation of intangible fixed	38	36
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	308	

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Depreciation of the right-of-use assets - other fixed assets (IFRS 16)	181	
Profit from the sale of the Archidoc Group	- 26,202	
Interest expense	2,608	2,288
Interest and dividend income	- 16,005	- 13,969
Other adjustments		
Total adjustments	**- 39,038**	**- 11,458**
Change in inventories		
Change in receivables	1,427	1,988
Change in liabilities	- 1,029	92
Change in provisions and prepayments	- 183	393
Changes in working capital	**215**	**2,473**

The following was recognised in the cash flow statement:

1) change in receivables as per the balance sheet of - kPLN 13,024 adjusted by kPLN 13,581 concerning the earn out receivables, kPLN 675 concerning CIT and kPLN 196 concerning investment receivables,
2) change in liabilities, except loans and credits, as per the balance sheet of kPLN 2,987 adjusted by a change in rights of use liabilities of - kPLN 1,080 adjusted by a change in liabilities related to the transaction of sale of shares in Archidoc - kPLN 2,936 .

23. Transactions with related parties

The Company's related parties comprise subsidiaries, an associate company as well as key management personnel and entities related to the key management personnel.

Unsettled balances of receivables and liabilities are usually settled in cash. Information on contingent liabilities concerning related parties is presented in Note No. 24.

23.1. Transactions with key management personnel

The Company pays remuneration to Members of the Management Board. Detailed information about the remuneration of the Management Board of the Company is presented in Note No. 27.

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

23.2. Transactions with an associate company, unconsolidated subsidiaries and other related parties

In the period covered by these financial statements, the following revenue from the sales and receivables from subsidiaries and other parties were recognised.

TRANSACTIONS WITH PARTIES WITH CAPITAL LINKS				
01/01/2010-31/12/2019	Subsidiary	Associates	Other related entities	Total
Sale revenues	5,345			5,345
Financial income - interest	712			712
Dividend income	15,040			15,040
Purchases of goods and services	142			142
Financial costs	0			0
31/12/2019				
Trade receivables	900			900

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Loans granted	5,748			5,748
Liabilities	8			8

TRANSACTIONS WITH PARTIES WITH CAPITAL LINKS				
01/01/2010-31/12/2018	Subsidiary	Associates	Other related entities	Total
Sale revenues	6,175			6,175
Financial income - interest	736			736
Dividend income	13,201			13,201
Purchases of goods and services	323			323
Financial costs	2			2
31/12/2018				
Trade receivables	2019			2019
Loans granted	11,100			11,100
Liabilities	546			546

Transactions between the Company 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:

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
TRANSACTIONS WITH PARTIES WITH PERSONAL LINKS		
Sale to related parties	**10**	**28**
companies with personal links	10	28
key management personnel	0	0
Purchase from related entities	**2,213**	**6,042**
companies with personal links	2,213	6,042
key management personnel	0	0

24. Information concerning changes of contingent liabilities or assets

The value of contingent liabilities as at the end of particular periods (including provisions concerning related parties) is as follows:

	31/12/2019	31/12/2018
LIABILITIES TO OTHER PARTIES		
Liability repayment guarantee	4,725	4,725
Total contingent liabilities	**4,725**	**4,725**

25. Risk relating to the financial instruments

The Company is exposed to numerous risks related to the financial instruments. The financial assets and liabilities of OEX S.A. as broken down into categories are presented in Note No. 7.1. Risk to which the Company is exposed include:

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

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

The financial risk management of the Company is coordinated by the Management Board. 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 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 Company 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 Company is exposed to.

25.1. Market Risk

CURRENCY RISK

Most transactions of the Company are effected in PLN. Consequently, the currency risk may be assumed to be minimal.

INTEREST RATE RISK

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

- advances,
- 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%	83	425	83	425
Interest rate fall	-1%	- 83	- 425	- 83	- 425

25.2. Credit risk

The Company'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	12,280	16,232
Trade receivables and other financial receivables	10	14,708	2,387
Remaining classes of other financial assets			
Cash and cash equivalents	11	39,490	22,706
Contingent liabilities under guarantees and sureties	24	4,725	4,725

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Total exposure to credit risk		**71,203**	**46,050**

OEX S.A. recognises trade receivables and loans granted as financial assets which may potentially result on a credit risk concentration.

However, the Company's risk is limited in view of the holding activities it pursues, since it cooperates mainly with related parties. The Company defines its exposure to credit risk as the entirety of unsettled receivables and monitors the balances regularly with regard to each company. As at 31/12/2019, the total value of receivables is kPLN 13,581, i.e. an amount related to the sale of shares in Archidoc.

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.

25.3. Liquidity risk

The Company is exposed to the liquidity risk, i.e. the loss of capacity to settle its financial obligations on time. OEX S.A. 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 Company'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							
Loan facilities	7.3	2,246	2,246	4,358			8,850
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		154	154	779			1,087
Right-of-use-related liabilities - other fixed assets (IFRS 16)		82	82	160			324
Trade liabilities and other liabilities	15	3,211					3,211
Total exposure to liquidity risk		**5,693**	**2,482**	**5,297**			**13,472**
AS AT 31/12/2018							
Loan facilities	7.3	4,177	3,534	44,348			52,059
Finance lease	7.1	77	78	252			407
Trade liabilities and other liabilities	15	1,595					1,595
Total exposure to liquidity risk		**5,849**	**3,612**	**44,600**			**54,061**

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 separate statement of financial position.

As at particular balance sheet days, the Company also had free overdraft facilities in the following amounts:

		31/12/2019	31/12/2018
Overdraft facilities granted		1,000	1,000
Overdraft facilities used			
Overdraft facilities available		1,000	1,000

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

26. Capital Management

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

OEX S.A. 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 Company calculates the equity to total sources of finance ratio. The Company assumes that the ration will be maintained at the level not lower than 0.5 on the basis of data from the Group's consolidated balance sheet.

Additionally, in order to monitor the debt service capacity, the ratio of debt (i.e. liabilities related to the lease, loans, credits and other debt instruments less liabilities related to the rental of premises IFRS 16) to EBITDA (earnings before interest, taxes, depreciation and amortisation as well as costs related to the contracts of rental of premises IFRS 16) is calculated. The Company assumes the maintenance of this debt to EBITDA ratio at the level not lower than 3.0 for the consolidated data of the Group.

The above-mentioned objectives are consistent with the requirements imposed by loan agreements as presented in detail in Note No. 7.3. The Company is not subject to any external capital requirements.

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

	31/12/2019	31/12/2018
EQUITY		
Shareholders' equity	138,305	113,873
Subordinated loans received from the shareholder		
Capital from the valuation of flow hedging instruments (-)		
Total equity	**138,305**	**113,873**
SOURCES OF FINANCE		
Shareholders' equity	138,305	113,837
Loans, credits, other debt instruments	8,850	52,059
Finance lease	1,411	407
Factoring liabilities		
Total sources of finance	**148,566**	**166,303**
Total capital to sources of finance ratio	**0.93**	**0.68**

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

27. Events after the balance sheet date

In the period covered by these 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 financial statements does not comprise any significant events concerning the previous years.

After the date on which these 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.

- The SARS-Cov-2 Pandemic

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

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

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 coronavirus spread and the administrative preventive measures of the authorities should not have a negative impact on the Company's situation and in accordance with the present opinion of the Company's Management Board they will not have a negative impact on the Company's financial performance. The estimates concerning the specific extent of influence on the Company's situation 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, 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 Company'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 Company's Management Board 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.

Despite the Management Board's anticipations that the coronavirus epidemic will not have a negative impact on the situation of OEX, the Management Board undertakes measures aimed at ensuring business continuity and minimisation of potential negative effects resulting from epidemic-related restrictions imposed on businesses.

There may appear significant threats related to the deterioration of the situation of subsidiaries from which OEX receives dividends, as described in the events after the balance sheet date in the Group's consolidated statement.

It should be stressed that the OEX 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 Company also has access to debt instruments dedicated to financing the current operations.

28. Other information

28.1. 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.

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
F/X RATE OF EUR		
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 statement of financial position, statement of profit or loss and cash flow statements and the same values after conversion into EUR are presented in the table below:

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

	01/01-31/12/2019*	01/01/2010-31/12/2018	01/01-31/12/2019*	01/01/2010-31/12/2018
	k PLN		k EUR	
SEPARATE STATEMENT OF PROFIT OR LOSS				
Sale revenues	5,372	6,217	1,249	1,457
Operating profit	- 1,010	- 1,132	- 235	- 265
Profit before taxation	36,676	10,314	8,526	2,417
Net profit on continued activities	32,504	10,760	7,556	2,522
Net profit on assets held for sale				
Total net profit	32,504	10,760	7,556	2,522
Net profit - share of the shareholders of the Parent Company	32,504	10,760	7,556	2,522
Earnings per share (PLN; EUR)	4.08	1.49	0.95	0.35
Diluted earnings per share (PLN; EUR)	4.08	1.43	0.95	0.34
Average exchange rate PLN / EUR in the period	X	X	4.3018	4.2669

	01/01-31/12/2019*	01/01/2010-31/12/2018	01/01-31/12/2019*	01/01/2010-31/12/2018
	k PLN		k EUR	
SEPARATE CASH FLOW STATEMENT				
Net cash flows provided by operating activities	- 4,896	1,329	- 1,138	311
Net cash flows provided / (used) by investing activities	76,135	- 26,917	17,698	- 6,308
Net cash flows provided / (used) by financing activities	- 54,455	45,084	- 12,659	10,566
Total net cash flow	16,784	19,495	3,902	4,569
Average exchange rate PLN / EUR in the period	X	X	4.3018	4.2669

	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	k PLN		k EUR	
SEPARATE STATEMENT OF FINANCIAL POSITION				
Assets	154,143	168,175	36,197	39,110
Long-term liabilities	7,213	44,603	1,694	10,373
Short-term liabilities	8,625	9,699	2,025	2,256
Shareholders' equity	138,305	113,873	32,477	26,482
Equity - share of the parent company shareholders	138,305	113,873	32,477	26,482
PLN / EUR exchange rate at period end	X	X	4.2585	4.3000

28.2. 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%	38.36%
- Neo Fund 1 Sp. z o.o. directly	1,661,688	2,883,392	20.80%	29.45%
- Neo Found 1 Sp. z o.o. indirectly via Neo BPO S.a r.l.	873,413	873,413	10.93%	8.92%
Jerzy Motz, indirectly via subsidiaries:	2,002,687	2,162,295	25.06%	22.08%
- Precordia Capital Sp. z o.o. directly	1,034,433	1,194,041	12.95%	12.19%
- Precordia Capital Sp. z o.o. indirectly via Real Management S.A.	968,254	968,254	12.12%	9.89%
Piotr Cholewa , indirectly via subsidiary Silquern S.a r.l.	801,096	801,096	10.03%	8.18%
Michał Szramowski directly and indirectly via:	468,770	468,770	5.87%	4.79%
-MS Investments spółka z ograniczoną odpowiedzialnością sp.k.	459,733	459,733	5.75%	4.69%
Treasury shares in OEX S.A.	421,052	421,052	5.27%	4.30%
Others	1,761,278	2,182,330	22.04%	22.29%

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Total	**7,989,984**	**9,792,348**	**100.00%**	**100.00%**

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%
Total	**7,989,984**	**9,371,296**	**100.00%**	**100.00%**

28.3. 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 Company was as follows:

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
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 of the members of the Management Board	167	9
Share–based payments		
Other benefits		
Total	**1,771**	**1,873**

	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	240		302
Robert Krasowski	416	6			422
Tomasz Słowiński	255				255
Artur Wojtaszek	24		636		660
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 Company was as follows:

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
REMUNERATION OF THE MEMBERS OF THE SUPERVISORY BOARD OF THE COMPANY		
Piotr Beaupre	120	105
Michał Szramowski	42	47
Tomasz Mazurczak	60	69
Piotr Cholewa	24	24
Tomasz Kwiecień	42	35
Tomasz Słowiński		12
Total	**288**	**292**

28.4. Remuneration of the entity authorised to audit financial statements

The auditor auditing and reviewing the separate financial statements and reports of the Group companies for 2019 and 2018 is PKF Consult.

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
Audit of annual financial statements	31	27
Review of financial statements	103	88
Tax advisory		
Other services	3	21
Total	**133**	**136**

28.5. Employment

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

	01/01/2010-31/12/2019	01/01/2010-31/12/2018
White collar	14	16
Blue collar	1	
Total	**15**	**16**

29. Impact of the International Financial Reporting Standard 16 on the separate financial statements of OEX 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 Company implemented the changes resulting from the new standard as of 1 January 2019.

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

The Company decided to use the modified retrospective application (with the aggregate effect of the first application) as per IFRS 16:C5(b). Therefore, the Company 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. The application of the above standard as at the implementation date dud not have any impact on the retained result.

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 Company decided to recognise the lease costs using the straight line method.

In relation with the IFRS 16 adoption, the Company 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 Company divided the right-of-use liabilities.

In order to ensure comparability of data for particular periods, the table below presents the impact of the IFRS 16 adoption on the items of the separate statement of profit or loss in 2019.

	01/01/2010-31/12/2019	01/01/2010-31/12/2019	01/01/2010-31/12/2019	01/01/2010-31/12/2018
	Including IFRS 16*	Excluding IFRS 16*	Impact of IFRS 16	-
Sale revenues	**5,372**	**5,399**	**-27**	**6,217**
Operating expense	**6,280**	**6,320**	**-40**	**6,979**
Other operating revenue	21	21	0	7
Other operating expenses	122	121	1	377
Operating profit	**-1,010**	**-1,021**	**12**	**-1,132**
Financial income	40,407	40,398	9	14,046
Financial costs	2,721	2,660	62	2,600
Profit before taxation	**36,676**	**36,717**	**-41**	**10,314**
Income tax	4,172	4,169	3	-447
Net profit on continued activities	**32,504**	**32,548**	**-43**	**10,760**

		01/01/2019, including IFRS 16	01/01/2019, excluding IFRS 16	01/01/2019, impact of IFRS 16
ASSETS				
FIXED ASSETS				
Goodwill				
Intangible fixed assets		218	218	
Tangible fixed assets		75	482	407
Right-of-use assets - premises and warehouses (IFRS 16)		1,051		- 1,051
Right-of-use assets - other fixed assets (IFRS 16)		407		- 407
Lease and rental receivables (IFRS 16)				
Interests in subsidiaries		125,158	125,158	
Receivables and loans				
Long-term prepayments				
Deferred income tax assets		974	974	

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

Fixed assets		**127,883**	**126,832**	**- 1,051**
CURRENT ASSETS				
Inventories				
Trade Receivables and Other Receivables		2,387	2,387	
Current income tax assets				
Loans		16,232	16,232	
Lease and rental receivables (IFRS 16)				
Short-term prepayments		18	18	
Cash and cash equivalents		22,706	22,706	
Fixed assets classified as held for sale				
Current assets		**41,343**	**41,343**	
Total assets		**169,226**	**168,175**	**- 1,051**
SHAREHOLDERS' EQUITY				
Shareholders' equity				
Share capital		1,598	1,598	
Own shares				
Share premium		63,004	63,004	
Reserve capital for the purchase of treasury shares				
Other Capitals		1,459	1,459	
Retained profits:		47,812	47,812	
- retained profit from previous years		37,052	37,052	
- net profit		10,760	10,760	
Shareholders' equity		113,873	113,873	
Non-controlling shares				
Shareholders' equity		**113,873**	**113,873**	
LIABILITIES				
LONG-TERM LIABILITIES				
Loans, credits		44,348	44,348	
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		799		- 799
Right-of-use-related liabilities - other fixed assets (IFRS 16)		252		- 252
Lease liabilities			252	252
Deferred income tax liabilities		3	3	
Long-term prepayments				
Long-term liabilities		**45,402**	**44,603**	**- 799**
SHORT-TERM LIABILITIES				
Trade liabilities and other liabilities		1,595	1,595	
Current tax liabilities				
Loans, credits, other debt instruments		7,711	7,711	
Right-of-use-related liabilities - premises and warehouses (IFRS 16)		252		- 252
Right-of-use-related liabilities - other fixed assets (IFRS 16)		155		- 155
Lease liabilities			155	155
Employee benefit liabilities and provisions		238	238	
Short-term prepayments				
Liabilities related to fixed assets held for sale				
Short-term liabilities		**9,951**	**9,699**	**- 252**
Total provisions		**55,353**	**54,302**	**- 1,051**
Total equity and liabilities		**169,226**	**168,175**	**- 1,051**

Approval for publication

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

Signatures of all Management Board Members

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)

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 responsible for the preparation of the financial statements

Date	Name and Surname	Function	Signature
29 April 2020	Małgorzata Warszewska-Janiczek	Senior specialist for reporting and settlements with the government	

Separate financial statements of OEX S.A. for 2019 (all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated)