OEX GROUP

CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD FROM 01 JANUARY 2017 TO 31 DECEMBER 2017

Warsaw, 10 April 2018.

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Note	31/12/2017	31/12/2016
Non-current assets			
Goodwill	3	116,545	75,161
Intangible fixed assets	4	11,630	8,048
Tangible fixed assets	5	23,238	14,046
Investments in other parties		250	
Receivables and loans	7	952	1,116
Long-term prepayments	17	1,476	18
Deferred income tax assets	8	4,111	2,062
Non-current assets		**158,202**	**100,451**
Current assets			
Inventories	9	22,782	25,472
Trade Receivables and Other Receivables	10	121,794	70,744
Current income tax assets		431	264
Loans	7	12	9
Financial derivatives			34
Short-term prepayments	17	10,803	9,423
Cash and cash equivalents	11	11,447	5,113
Fixed assets classified as held for sale			
Current assets		**167,269**	**111,059**
Total assets		**325,471**	**211,510**

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TOTAL EQUITY & LIABILITIES	Note	31/12/2017	31/12/2016
Equity			
Equity - share of the parent company shareholders:			
Share capital	13	1,378	1,378
Share premium	13	44,960	44,960
Other Capitals	13	1,459	1,459
Retained profits:	13	59,425	43,042
- retained profit from previous years		43,042	31,192
- net profit for the parent company's shareholders		16,383	11,850
Equity - share of the parent company shareholders	**13**	**107,222**	**90,840**
Non-controlling shares		1,723	1,969
Equity		**108,945**	**92,809**
Liabilities			
Long-term liabilities			
Loans, credits	7	1,406	2,250
Finance lease	7	5,494	2,077
Bonds		20,550	
Deferred tax liabilities	8	10,207	8,747
Employee benefit liabilities	14	121	82
Other long-term provisions	15	31	
Long-term prepayments		3,478	1,625
Long-term liabilities		**41,287**	**14,781**
Short-term liabilities			
Trade liabilities and other liabilities	16	83,093	65,884
Factoring liabilities	16	4,983	3,982
Liabilities related to the purchase of shares		34,733	
Current tax liabilities	16	1,146	1,029
Loans, credits, other debt instruments	7	35,130	21,294
Finance lease	7	3,189	1,981
Employee benefit liabilities	14	10,757	9,244
Other short-term provisions	15	280	
Short-term prepayments		1,928	506
Liabilities related to fixed assets held for sale			
Short-term liabilities		**175,239**	**103,920**
Total provisions		**216,526**	**118,701**
Total equity and liabilities		**325,471**	**211,510**

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

Book value	108,946	92,809
Number of shares (items)	6,888,539	6,888,539
Diluted number of shares (items)	6,888,539	6,888,539

BOOK VALUE PER ORDINARY SHARE (PLN)

	31/12/2017	31/12/2016
Book value of one share	15.82	13.47
Diluted book value per one share	15.82	13.47

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Continued activities			
Sale revenues	**18**	**565,638**	**399,754**
Revenue from the sale of services		385,228	255,900
Revenue from the sale of goods and materials		180,410	143,854
Cost of sales		**474,648**	**335,726**
Costs of services sold	18	301,273	199,562
Cost of goods and materials sold	18	173,375	136,164
Gross profit (loss) on sales		**90,990**	**64,028**
Selling costs		26,801	15,771
Administrative expenses		34,130	25,869
Other operating income	18	2,437	1,295
Other operating expense	18	3,490	2,727
Profit (loss) on the sale of subsidiaries (+/-)			
Operating profit (loss)		**29,006**	**20,955**
Financial income	19	129	50
Financial costs	19	8,520	5,019
Share in the profit (loss) of entities measured using the equity method (+/-)		0	
Profit (loss) before taxation		**20,615**	**15,985**
Income tax	20	4,478	3,436
Net profit (loss) on continued activities		**16,137**	**12,549**
Discontinued Activity			
Net profit (loss) on discontinued operations			
Net profit (loss) - share of:		**16,137**	**12,549**
- the parent company shareholders		16,383	11,850
- non-controlling shares		-246	699

Average weighted number of ordinary shares (items)	6,888,539	6,888,539
Average weighted diluted number of ordinary shares (items)	6,888,539	6,888,539

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

NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
on continued operations	**21**		
- basic		2.38	1.72
- diluted		2.38	1.72
on continued and discontinued operations			
- basic		2.38	1.72
- diluted		2.38	1.72

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	from 01/01 to 31/12/2017	**from 01/01 to 31/12/2016**
Net profit (loss)		
Other comprehensive income	**16,137**	**12,549**
Items not carried as financial profit or loss	**0**	
Items carried as financial profit or loss	**0**	
Comprehensive income	**16,137**	**12,549**
Comprehensive income - share of:	**16,137**	12,549
- the parent company shareholders	16,383	11,850
- non-controlling shares	-246	699

Name of the group:	***OEX S.A. Group***		
Period covered by the financial statements:	***01/01/2017 – 31/12/2017***	**Reporting currency:**	***Polish zloty (PLN)***
Rounding up/down level:	***all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated***		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Parent company shareholding					Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2017	**1,378**	**44,960**	**1,459**	**43,042**	**90,840**	**1,969**	**92,809**
Changes in accounting policies							
Error Correction							
Balance after changes	**1,378**	**44,960**	**1,459**	**43,042**	**90,840**	**1,969**	**92,809**
Changes in equity in the period from 01/01 to 31/12/2017							
Issue of shares							
Business combination							
Option measurement (share-based payment programme)							
Changes in the group structure (transactions with non-controlling parties)							
Dividends							
Financial result recognised as equity							
Total transactions with shareholders							
Net profit for the period from 01/01 to 31/12/2017				16,383	16,383	-246	16,137
Other comprehensive income after taxation in the period from 01/01 to 31/12/2017							
Total comprehensive income				**16,383**	**16,383**	**-246**	**16,137**
As at 31/12/2017	**1,378**	**44,960**	**1,459**	**59,425**	**107,222**	**1,723**	**108,946**

Name of the group:	*OEX S.A. Group*		
Period covered by the financial statements:	*01/01/2017 – 31/12/2017*	Reporting currency:	*Polish zloty (PLN)*
Rounding up/down level:	*all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated*		

	Parent company shareholding					Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2016	**1,378**	**44,960**	**1,459**	**36,359**	**84,156**	**1,515**	**85,671**
Changes in accounting policies							
Error Correction							
Balance after changes	**1,378**	**44,960**	**1,459**	**36,359**	**84,156**	**1,515**	**85,671**
Changes in equity in the period from 01/01 to 31/12/2016							
Issue of shares							
Business combination							
Option measurement (share-based payment programme)							
Changes in the group structure (transactions with non-controlling parties)							
Dividends				-5,166	-5,166	-245	**-5,411**
Financial result recognised as equity							
Total transactions with shareholders				**-5,166**	**-5,166**	**-245**	**-5,411**
Net profit for the period from 01/01 to 31/12/2016				11,850	11,850	699	**12,549**
Other comprehensive income after taxation in the period from 01/01 to 31/12/2016							
Total comprehensive income				**11,850**	**11,850**	**699**	**12,549**
As at 31/12/2016	**1,378**	**44,960**	**1,459**	**43,043**	**90,840**	**1,969**	**92,809**

Name of the group:	***OEX S.A. Group***		
Period covered by the financial statements:	***01/01/2017 – 31/12/2017***	**Reporting currency:**	***Polish zloty (PLN)***
Rounding up/down level:	***all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated***		

CONSOLIDATED CASH FLOW STATEMENT

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Cash flow from operating activity			
Profit (loss) before taxation	**22**	**20,615**	**15,985**
Adjustments:	**22**		
Depreciation and amortisation of fixed assets		7,749	5,393
Profit (loss) on the sale of non-financial fixed assets		238	378
Interest expense		3,190	1,200
Interest and dividend income		-104	-19
Total adjustments		**11,073**	**6,952**
Change in inventories		2,690	-8,876
Change in receivables		-50,713	-1,180
Change in liabilities		24,688	8,056
Change in provisions and prepayments		-3,010	-6,197
Consolidation adjustments		732	
Changes in working capital		**-25,613**	**-8,197**
Taxes paid		-4,912	-3,481
Net cash flows provided by operating activities		**1,163**	**11,260**
Cash flow from investing activity			
Expenses to purchase fixed assets		-7,257	-9,230
Inflows from the sale of fixed assets		234	512
Net expenses to purchase subsidiaries less cash of such subsidiaries		-16,288	-4,250
Net inflows from the sale of subsidiaries		0	50
Received repayments of loans granted		1,508	6
Loans granted		-20	-15
Expenses to purchase other financial assets		-250	
Inflows from the sale of other financial assets		7	
Interest income		118	17
Net cash flows provided / (used) by investing activities	**22**	**-21,948**	**-12,671**
Cash flow from financial activity			
Inflows from debt securities in issue		20,000	
Inflows from loans and credits contracted		19,445	14,824
Repayment of loans and advances		-6,420	-4,201
Repayment of financial lease liabilities		-4,331	-2,546
Interest paid		-2,355	-1,193
Dividends paid			-5,411
Factoring		780	
Net flows provided / (used) by financing activities	**22**	**27,119**	**1,472**
Total net cash flows		**6,334**	**61**
Net change in cash and cash equivalents		**6,334**	**61**
Cash and cash equivalents at period beginning		5,113	5,052
Cash and cash equivalents at period end		**11,447**	**5,113**

SUPPLEMENTARY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information

a) Basic information about the Parent Company

The parent company of the OEX S.A. Group [hereinafter referred to as the 'Group'] is OEX Spółka Akcyjna [hereinafter referred to as the 'Parent Company'].

The parent company 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. The Company received the following statistical number (REGON): 630822208.

'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 parent company are listed at the Warsaw Stock Exchange.

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

The objects of the business of OEX S.A. comprises the activity of holding companies, consisting in the provision for the benefit of companies from its Group, a number of services supporting their operational business such as, without limitation, HR and payroll services, legal and compliance support services, as well as services concerning the strategic consulting, controlling, finance, and public relations.

b) Composition of the Management Board and the Supervisory Board of the Parent Company

The composition of the Management Board of the company as at the day of approval of the financial statements for publication, i.e. 10 April 2018, was the following:

- Jerzy Motz - President of the Management Board,
- Rafał Stempniewicz – Member of the Management Board
- Robert Krasowski – Member of the Management Board
- Artur Wojtaszek – Member of the Management Board
- Tomasz Słowiński – Member of the Management Board

In 2017 and until the date these financial statements were approved for publication, there have been the following changes in the composition of the Management Board of OEX S.A.:

- on 31 January 2018 Mr Tomasz Kwiecień – Member of the Management Board of OEX S.A. resigned from his function,
- effective as of 6 March 2018, Mr Tomasz Słowiński was appointed a Member of the Management Board of OEX S.A.

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As at 10 April 2018, the Supervisory Board of the Company was composed of:

- 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.

In 2017 and until the date these financial statements were approved for publication, there have been the following changes in the composition of the Supervisory Board of OEX S.A.:

- on 14 February 2018, member of the Supervisory Board of OEX S.A., Mr Tomasz Słowiński, resigned from his function effective as of 5 March 2018,
- by virtue of resolution of the Extraordinary General Meeting of Shareholders of the Parent Company dated 5 March 2018, Mr Tomasz Kwiecień, was appointed a Member of the Supervisory Board of the Company effective as of 5 March 2018.

c) Information about the Group

As at 31 December 2017, the consolidated financial statements of the OEX S.A. Group comprised the parent company and the following subsidiaries:

Name of the Company	Registered office	% of shares/partici pations held
Tell Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
Europhone Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
PTI Sp. z o. o.	ul. Forteczna 19A, 61-362 Poznań	100
OEX Cursor S.A. (formerly Cursor S.A.)	ul. Równoległa 4A, 02-235 Warszawa	100
Divante Sp. z o.o.	ul. Dmowskiego 17, 50-203 Wrocław	51.03
Merservice Sp. z o.o. (formerly Mer Service Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100
Pro People Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100
ArchiDoc S.A.	ul. Niedźwiedziniec 10, 41-506 Chorzów	100
Voice Contact Center Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100
OEX E-Business Sp. z o.o. (formerly E-Logistics Sp. z o.o)	ul. Równoległa 4A, 02-235 Warszawa	100

The Group also comprises the companies: Toys4Boys.pl Sp. z o.o. seated in Gdańsk and Connex Sp. z o.o. seated in Poznań. They are not subject to consolidation and as regards the shares in these companies, OEX S.A. made impairment charges equal to 100% of the value of the shares.

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

As at 31 December 2017 and 31 December 2016, the share in the total number of voting rights held by the Group in its subsidiaries was equal to the Group's share in their capital. Acquisitions and changes in the Group's structure related to the division of subsidiaries were described in Note 2.

d) Reporting Period and Scope

The consolidated financial statements of the Group concern the financial year ended on 31 December 2017 and comprise comparative data for the year ended on 31 December 2016.

The published consolidated financial data of the Group of 31 December 2016 were presented as comparative data.

In 2017, the OEX Group changed the layout of the financial statements. The changes did not influence the value of results or capitals of the Group and were intended to provide more useful information to the users.

e) Approval for publication

The consolidated financial statements made for the year ended on 31 December 2017 (including comparable data) have been approved for publication by the Parent Company's Management Board on 10 April 2018.

f) Declaration of the Management Board of the Parent Company

Pursuant to the regulation of the Minister of Finance of 19 February 2009 on ongoing and periodical information to be given by issuers of securities and on conditions of recognition as equivalent of information required by the laws of a state that is not a member-state, the Management Board of the Parent Company hereby states and declares that, to the best of its knowledge, these consolidated financial statements and comparable data have been prepared in accordance with the accounting policies binding on the Group and they present the economic and financial situation of the Company as well as its financial result in a true, reliable and fair manner and that the report on the activities of the issuer present a true picture of the development, achievement and situation of the issuer, including a description of basic risks and threats.

The Management Board hereby declares that the entity authorised to audit the financial statements that audited the consolidated financial statements has been appointed in accordance with the legal regulations and that this entity as well as the chartered auditors in charge of the audit, meet the requirements allowing them to issue an impartial and independent opinion on the audit as per the applicable laws and professional standards.

In accordance with the corporate governance riles adopted by the Management Board, the chartered auditor was appointed by the Supervisory Board by virtue of the resolution of 05 June 2017 on the appointment of a chartered auditor. PKF Consult Sp. z o.o. was selected. Sp. k. with registered office in Warsaw entered into the list of entities authorised to audit financial statements under number 477 was selected to be the auditor.

The Supervisory Board made the above appointment so as to guarantee full independence and objectivity of the appointment process as well as the performance of his duties by the chartered auditor.

Drawing up basis and accounting rules

a) Basis for the preparation of the consolidated 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 reporting currency of the Parent Company and the presentation currency of these consolidated financial statements is Polish zloty (PLN) and all the amounts are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated).

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

b) Change of Standards and Interpretations

When preparing the 2017 financial statements, the Group follows the same accounting rules (policies) as the ones applied when preparing the financial statements for 2016, with the exception of amendments to standards as well as new standards and interpretations approved by the European Union that are effective for reporting periods beginning on or after 01 January 2017:

- Amendments to IAS 7 *Statement of Cash Flows* - Disclosure Initiative - endorsed by the EU on 6 November 2017 (effective for annual periods beginning on or after 01 January 2017),
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealised Losses* - endorsed by the EU on 6 November 2017 (effective for annual periods beginning on or after 01 January 2017),
- Amendments to various standards *Annual Improvements to IFRS Standards 2014-2016* - improvements in the framework of annual IFRS improvement process (IRFS 1, IRFS 12 and IAS 28) aimed mainly at the clarification guidance and wording (amendments to IFRS 12 are effective for annual periods beginning on or after 1 January 2017).

The above-mentioned amendments to the existing standards will not have a significant impact on the Group's financial statements for 2017.

As at 10 April 2018, the following new standards and amendments to the standards were issued by the IASB and endorsed for use within the EU, but did not become effective yet:

- IFRS 9 *Financial Instruments* - endorsed by the EU on 22 November 2016 (effective for annual periods beginning on or after 01 January 2018),
- IFRS 15 *Revenue from Contracts with Customers* and amendments to IFRS 15 *Effective Date of IFRS 15* - endorsed by the EU on 22 September 2016 (effective for annual periods beginning on or after 01 January 2018),

- IFRS 16 *Leases* - endorsed by the EU on 31 October 2017 (effective for annual periods beginning on or after 01 January 2019),
- Amendments to IFRS 4 *Insurance Contracts* - Applying IFRS 9 *Financial Instruments* with IFRS 4 *Insurance Contracts* - endorsed by the EU on 3 November 2017 (effective for annual periods beginning on or after 01 January 2018 or upon the first application of IFRS 9 *Financial Instruments*),
- Amendments to IFRS 15 *Revenue from Contracts with Customers* - Clarifications to IFRS 15 *Revenue from Contracts with Customers* - endorsed by the EU on 31 October 2017 (effective for annual periods beginning on or after 01 January 2018),
- Amendments to various standards *Annual Improvements to IFRS Standards 2014-2016* - improvements in the framework of annual IFRS improvement process (IRFS 1, IRFS 12 and IAS 28) aimed mainly at the clarification guidance and wording (amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after 01 January 2018).
- Amendments to IFRS 2 *Share Based Payment* - Clarifications of Classification and Measurement of Share Based Payment Transactions (effective for annual periods beginning on or after 01 January 2018),

The Group did not take advantage of the possibility of an earlier application of the above new standards and amendments to existing standards.

Additionally, as at 10 April 2018, the following new standards, amendments to standards and new interpretations were issued by the IASB but were not endorsed for use within the EU:

- IFRS 14 *Regulatory Deferral Accounts* (effective for annual periods beginning on or after 1 January 2016) – the European Commission decided not to start the process of endorsement of this temporary standard for use within the EU until the final version of IFRS 14 is issued,
- IFRS 17 *Insurance Contracts* (effective for annual periods beginning on or after 01 January 2021),
- Amendments to IFRS 9 *Financial Instruments* - Prepayment Features with Negative Compensation (effective for annual periods beginning on or after 01 January 2019),
- Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (the effective date was deferred until the completion of research work on the equity method),
- Amendments to IAS 19 *Employee Benefits* - Plan Amendment, Curtailment or Settlement (effective for annual periods beginning on or after 01 January 2019),
- Amendments to IAS 28 *Investments in Associates and Joint Ventures* - Long-term Interests in Associates and Joint Ventures (effective for annual periods beginning on or after 01 January 2019),
- Amendments to IAS 40 *Investment Property* - Transfers of Investment Property (effective for annual periods beginning on or after 01 January 2018),
- Amendments to various standards *Annual Improvements to IFRS Standards 2015-2017* - improvements in the framework of annual IFRS improvement process (IRFS 3, IRFS 11, IAS 12 and IAS 23) aimed mainly at the clarification guidance and wording (effective for annual periods beginning on or after 01 January 2019).

- IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration* (effective for annual periods beginning on or after 01 January 2018),
- IFRIC Interpretation 23 *Uncertainty over Income Tax Treatments* (effective for annual periods beginning on or after 01 January 2019),

In the Group's assessment, the above-mentioned standards, interpretations and amendments to standards would not have a significant impact on the financial statements, if they were applied by the Group as at the balance sheet day.

The impact of the application of new standards IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers* on the OEX Group's financial statements is presented hereinafter below.

At the same time, the hedge accounting concerning the portfolio of financial assets and liabilities, the principles of which were not endorsed for use within the EU still remains outside the EU endorsed regulations. In the Group's assessment, the application of hedge accounting rules to the portfolio of financial assets and liabilities in accordance with IAS 39 *Financial Instruments: Recognition and Measurement* would not have a significant impact on the financial statements if they had been adopted for application as at the balance sheet day.

Impact of IFRS 15 *Revenue from Contracts with Customers* on the OEX Group's Financial Statements

IFRS 15 introduces a new five-step model framework of measurement and recognition of sale revenue in accordance with which the revenue should be recognised in the amount of the consideration to which the entity expects to be entitled to and when and as they reflect the Group's performance obligation or delivery of goods. Depending on the satisfaction of the criteria defined in the standard, the revenue may be recognised at a point in time (when the control over goods and services is transferred onto the customer) or over time as the performance obligation is satisfied.

The Group analysed particular categories of revenues and the contracts executed in terms of the impact of the application of IFRS 15 on the way of recognition of the revenue, including in particular the moment and amount of revenue recognised, as well as verified the correctness of presentation of particular categories of revenue. On the basis of the analysis made it was found that the application of IFRS 15 would not have a significant impact on the Group's financial statements upon the first adoption of the standard, i.e. in the period beginning on 1 January 2018.

Requirements concerning the presentation and disclosure imposed by IFRS 15 constitute a significant change with respect to the current practice and increase the volume of disclosures, both in terms of quantity and quality. As regards the disclosures required by IFRS 15, in the Group's assessment the Impact of IFRS 15 will not be significant due to the relatively homogeneous character of its operating activities. A possibility of modification of the disclosures made so far is, however, assumed, if a change of the same will allow the users of financial statements to familiarise better with the character, amount, dates of reception and uncertainty related to the revenue and the cash flows under contracts with customers.

Impact of IFRS 9 *Financial Instruments* on the OEX Group's Financial Statements

IFRS 9 *Financial Instruments* introduces amendments to the classification of financial assets, measurement methods (at amortised cost and at fair value), principles of financial asset impairment (the expected loss model to be used in lieu of the incurred loss model) and classification of financial instruments, as well as amends the approach to hedge accounting. In accordance with the new principles of impairment of financial assets, the Group is obliged to make impairment charges on the basis of expected credit losses for a full lifetime of the given instrument, however is the credit risk related to the instrument did not rise significantly as at the reporting date, the Group measures a loss impairment on that instrument at an amount equal to the 12-month expected credit losses.

The Group analysed the financial instruments held as at 31 December 2017 in terms of the impact of the regulations on the financial statements.

The Group also analysed the impact on the financial statements as at 31 December 2017 of the expected losses on short-term receivables using a simplified method allowed by IFRS 9 for -term trade receivables in terms of the impact of the expected losses. The Group assessed that an additional impairment charge resulting from the expected credit losses in 2017 would be immaterial.

Impact of IFRS 16 *Leases* on the OEX Group's Financial Statements

The Group started an analysis of the impact of IFRS 16 on the financial statements and as at the date of publication of the 2017 financial statements, considering the wide scope of amendments, it is not in the position to determine how the standard will determine the amounts and disclosures presented in the financial statements. The expected impact of the adoption of the new standard concerns the increase in fixed assets and liabilities related to the recognition of the right to use, with a simultaneous impact on the financial ratios of operating profit, borrowing costs and net debt. The Group intends to implement the new standard as of 01 January 2019.

c) Accounting Policies

These consolidated financial statements were prepared in accordance with the historical cost method. The historical cost is determined on the basis of fair value of the payment made for goods or services.

The Parent Company and the subsidiaries keep books of account in accordance with IFRSs.

Presentation of the Financial Statements

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

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

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

Operating segments

As of 1 January 2017, the OEX Group has had 4 operating segments, which are subject to a detailed assessment by the governing bodies:

- Retail Sale Network Management Segment

- Sale Support Segment
- E-business Segment
- The **Back office and Customer Service** segment - formerly **Document Management and Customer Service**. The change of the segment name results from the need to adjust it to a wider range of services provided. Currently, besides the document management, the services comprise a number of comprehensive processes supporting the client's core businesses, especially services related to the so-called 'back office'.

Retail Sale Network Management Segment

The retail sale network management segment comprises comprehensive services related to the sale of the client's products and services in a network of stores and retail outlets, and in particular the creation and management of retail sale outlet networks and the sale and sale force management. The OEX Group concentrates on the management of the mobile phone service distribution network, whereby the experience and unique competences related to sale network building may be used in other sectors on the basis on a similar distribution model. At present, the OEX Group is the provider of these services to three mobile phone operators in Poland – Orange, T-Mobile and Plus. The sale of the T-Mobile network services is ensured by Europhone Sp. z o. o., the sale of the PLUS network services is ensured by PTI Sp. z o. o., and the sale of the Orange network services until 31/01/2016 was ensured by OEX S.A., and as of 1 February 2016, by Tell Sp. z o.o. The Group achieved its position by a gradual and consistent increase of the number of its own stores and acquisition of smaller store operators.

Sale Support Segment

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

Field activities are pursued in accordance with dedicated models (the team works exclusively for the given client) or shared models (the team purses orders for a few or a few dozen clients at the same time).

The basic services offered to clients under this segment comprise:

- outsourcing of sales representatives
- merchandising
- examination of goods exposure and availability and communication standards
- product promotion services
- building of the brand creation strategy

- human resources management services

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

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

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

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

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

E-business Segment

In the E-business segment provides services dedicated to e-commerce, including the areas of technology, marketing and fulfilment. The segment encompassed in whole the business of Divante Sp. z o.o. (area related to IT), as well logistic operations and purchasing process services carried out by OEX E-Business Sp. z o. o. (transferred as of 1 September 2017 from OEX Cursor S.A.).

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

Fulfilment is the product logistics consisting in the product warehousing, preparation for dispatch at the client's or the consumer's order and delivery of the package to the designated address. The fulfilment services may be rendered as logistics for e-commerce (comprising both the area of b2b and b2c) and as logistics of the sale support products, i.e. a solution related to the management and distribution of marketing materials as well as the support of loyalty programmes and consumer promotions. Workshops and consultations on optimal process management, construction and provision of product and material ordering supporting the sale and order delivery processes and management IT solutions integrated with the clients' systems are ensured as part of the services. As part of the loyalty and consumer programme logistic support, EX E-Business is responsible for the project strategy as well as the tactics: selection of products and prizes, negotiations with suppliers, collection of personal data, prize personalization and communication, distribution, tax registration settlements.

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

OEX E-Business Sp. z o.o. manages an extended warehouse infrastructure with an area of almost 30,000 sq.m. and capacity of 44,000 pallet places - based on WMS (warehouse management system). The operation quality consistency is ensured by ISO 9001:2008.

E-business Segment

In the E-business segment provides services dedicated to e-commerce, including the areas of technology, marketing and fulfilment. The segment encompassed in whole the business of Divante Sp. z o.o. (area related to IT), as well logistic operations and purchasing process services carried out by OEX E-Business Sp. z o. o. (transferred as of 1 September 2017 from OEX Cursor S.A.).

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OEX E-Business Sp. z o.o. manages an extended warehouse infrastructure with an area of almost 30,000 sq.m. and capacity of 42,000 pallet places - based on WMS (warehouse management system). The operation quality consistency is ensured by ISO 9001:2008.

The Back Office and Customer Service Segment

The Back Office and Customer Service segment the main services are document registration, sorting and processing. In effect, the client's systems have the available data, document scans, mail copies and call registrations in an electronic archive and the original documents are stored too. The central archive of paper documents located in Chorzów is managed by the proprietary system INDO and is one of the most modern in Poland. The second area of business in this Segment comprises activities related to the services of all end client contact channels. These services are rendered by Voice Contact Center Sp. z o. o.

Services rendered by the Back Office and Client Service segment comprise, but are not limited to:

1. Traditional archiving, scanning, digitalisation and electronic archiving (i.e. fast paper document processing and conversion into electronic documents on the basis of own software solutions of ArchiDoc S.A.) They ensure a limitation of the risk of loss of important data, guaranteeing smooth access to both the originals, digital copies and to the data therein contained.
2. The electronic document flow is a service aimed at automation, optimisation and improvement of document flow processes, as well as procedure arrangement and document flow control assurance. This service comprises an analysis of the client's needs, construction of dedicated solutions, implementation of the same and provision of support services. The projects include the performance of such tasks as inflowing document digitalisation or acceptance path process pursuit. The electronic document flow is implemented most often in processes related to the flow of orders, complaints and invoices that need to be handled on time.
3. Business process support. The offer of these services is personalised to suit the needs of specific branches, including: banks and insurance undertakings, telecoms, power engineering companies and companies providing services to the general population, public administration and large b2b enterprises. As part of this service, the client may entrust all the back-office processes to the contractor. The services will be provided in the location indicated by the client or in the contractor's location using the INDO software and own infrastructure.

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

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

The document management and back office services are provided in modern operational centres located in Chorzów and Warsaw or in locations indicated by the clients or in a mixed model. The data are collected in two mutually independent data centres managed by Archidoc S.A. The added value is the offer concerning the performance of projects using the unique know-how and proprietary IT solutions. The system may be integrated with the INDO platform, which simplifies the back-office processes. The services are provided using restrictive security standards, which ensures maximum data and document protection level.

4. Client support services The services are provided by Voice Contact Center Sp. z o.o. and comprise the handling of calls, text messages, e-mails, chats, social media, as well as traditional correspondence and personal contact. These activities aim at, among other things, acquiring and maintaining the clients' loyalty, and upselling. Another area of activity is the client satisfaction survey, market survey and opinion polling as well as the survey of client service quality on the basis of our own research centre and a team of carefully selected and trained interviewers. Main services offered to clients are the following: client support centre management, helplines, image campaigns, phone traffic surplus servicing.

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

   - for medical companies - appointment scheduling, assistance in selecting a physician, commercial service upselling, remote diagnostics support;
   - for retail and distribution companies - phone surveys, services supporting the sales, such as product and service helplines; selling, customer loyalty creation and maintenance, lead generation, reception and registration of agreements from various sale channels, data inputting, formal and legal support concerning returns, verification and validation of agreements, correspondence management, etc.

     The services are provided in modern operational centres in Warsaw, Łodz and Lublin, where there are over 600 professional contact centre work stations.

Consolidation

The consolidated financial statements comprise the financial statements of the parent company and the financial statements of companies controlled by the Group, i.e. subsidiaries, made as at 31 December 2017. The control is understood as the possibility to influence the financial and operating policies of the subsidiary in order to gain economic benefits from its business.

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

Excluded from consolidation may be companies whose financial statements are immaterial from the perspective of the consolidated financial statements of the Group.

Subsidiaries are consolidated using the full consolidation method.

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

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

Business Combinations

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

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

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

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

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

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

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

By 1 January 2010, with regard to business combinations the Group applied the acquisition method in the manner as defined in the IFRS 3 version (2004).

Transactions in Foreign Currencies

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

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

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

Borrowing costs

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

Goodwill

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

Intangible fixed assets

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

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

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

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

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

The Group 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

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

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

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

Tangible Fixed Assets

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

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

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

Group	Period
Machinery and equipment	2-5 years
Vehicles	2 - 5 years
Other fixed assets	2-10 years

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

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

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

Leased assets

Lease contracts on the basis of which the lessee substantially retains all the risks and rewards incidental to ownership are operating lease contracts. The lease payments under operating lease are recognised in profit or loss on the straight-line basis over the lease term.

Impairment of non-financial fixed assets

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

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

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

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

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

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

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

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

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

Financial instruments

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

A financial asset or a financial liability is disclosed in the balance sheet when the Group becomes a party to this instrument. Standard financial asset and liability buying and selling transactions are recognised at the transaction date.

A financial asset is derecognised in case when the contractual rights to economic benefits and resulting risks have been realized, expired of the Group waived them.

The Group derecognises a financial liability when it is extinguished – i.e. the obligation specified in the contract is discharged or cancelled or expired.

The Group measures the financial assets and liabilities at fair value as at the acquisition date, i.e. most often in accordance with the fair value of the consideration paid in case of an asset or received in case of a liability. The transaction costs are included by the Group in the initial measurement of all financial assets and liabilities, except for the category of assets and liabilities carried at fair value through profit or loss.

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

Financial assets

For the purpose of the measurement after the initial recognition, the financial assets other than the hedging derivatives are classified by the Group as follows:

- loans and receivables,
- financial instruments at fair value through profit or loss,
- held-to-maturity investments.

These categories determine the measurement principles as at the balance sheet date and the recognition of measurement gains or losses in the financial income or in other comprehensive income. The profits or losses recognized in the financial result are presented as financial income or expense, except for the trade receivables impairment charges that are presented as other operating expenses.

All financial assets except those carried at fair value through profit or loss are tested for indications of impairment at each balance sheet date. A financial asset is subject to a write-down when there is any objective evidence of its impairment. The impairment indications are analysed separately for each category of financial assets as presented below.

Loans and receivables are financial assets, not classified as derivatives, which have determined or determinable payments and which are not quoted on an active market. Loans and receivables are measured at amortised cost using the effective interest method. The short-term receivables are measured at required payment amount due to the insignificant discount effects.

Financial assets qualified to the loans and receivables category are disclosed in the balance sheet as:

- long-term assets in the item "Receivables and loans” and
- short-term assets in the items "Loans”, "Trade receivables and other receivables” and "Cash and cash equivalents”.

The provisions for bad receivables are set up when the recovery of a full amount is no longer probable. Significant receivables balances are subject to individual review in case of defaulting debtors or when there is objective evidence that the debtor may not be able to discharge his obligations (e.g. difficult financial position of the debtor, court case pending against the debtor, changes in the economic environment that are unfavourable to the debtor). In case of receivables not subject to individual review, the indications of impairment are analysed in groups of assets determined on the basis of credit risk (resulting from, for example: the sector, region or structure of clients). The impairment rate for particular groups is based on trends in repayment difficulties experienced by debtors and observed in recent past.

Financial liabilities

Financial liabilities other than hedging derivatives are disclosed in the following balance sheet items:

- loans, credits, other loan instruments,
- trade liabilities and other liabilities.

After the initial recognition the financial liabilities are measured at amortised cost using the effective interest method, with the exception of financial liabilities for trading or designated at fair value through profit or loss. The category of financial liabilities carried at fair value through profit or loss includes derivatives other than hedging instruments. Short-term trade liabilities are measured at required payment amount due to the insignificant discount effects.

The gains and losses on financial liability measurement are recognised as profit or loss from financial activities.

Inventories

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

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

Cash and cash equivalents

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

Equity

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

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

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

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

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

Short-term employee benefits

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

Provisions for accrued holidays

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

Retirement benefits

In accordance with the pay systems in force in the Group, the employees of the Group companies are entitled to retirement benefits. Retirement benefits are paid on a one-off basis upon the employee's retirement. The retirement benefit amount depends on the length of service and the average remuneration of the employee.

The amount of provision for employee benefits is determined using actuarial methods by an independent actuary at the end of the financial year and charged to operating costs concerning administrative costs, selling costs and own cost of sale in the way allowing from the distribution of the costs of those benefits over the entire period of employment of employees in the Group's companies. Actuarial gains and losses related to post-employment benefits are employee benefits are recognised in other comprehensive income. The Group does not create a separate fund for the payments of these benefits. Provisions for employee benefits are presented in long-term and short-term provisions.

On an annual basis, the Group conducts an actuarial measurement of the present value of future liabilities. The present value of benefit-related liabilities, current service costs and past service costs was determined using the projected unit credit method.

Provisions, contingent liabilities and assets

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

Provisions are created for the following purposes, without limitation:

- court proceedings in course and matters in dispute.

No provisions are set up for future operating losses.

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

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

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

Information about contingent liabilities is disclosed in the descriptive part of the consolidated financial statements in Note No. 24. The Group also presents information about contingent liabilities from payments under operating lease contracts (Note No. 6).

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

Accruals

The Group discloses prepaid costs concerning future reporting periods, mainly lease rents, in the "Prepayments" item.

Sale revenues

The revenue from sale are recognized in the fair value of the consideration received or receivable for goods and services delivered or rendered in the course of ordinary economic activities less discounts, value added tax and other sale-related taxes (excise tax). The revenue is recognised in an amount it is probable that the Group will obtain economic benefits associated with a given transaction and the given amount of revenue can be measured reliably.

Sale of goods

The revenues from the sale of goods are recognised if the following conditions have been met:

- the Group has transferred onto the buyer the significant risks and rewards of ownership of the goods. The condition is considered met upon the undisputed delivery of goods or products to the consignee.
- the amount of revenue can be measured reliably.
- it is probable that the Group will obtain economic benefits associated with the given transaction, and
- the costs incurred and to be incurred in connection with transaction can be measured reliably.

Rendering of Services

The OEX Group companies carry out their respective business as described in operating segments.

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

ORANGE

Tell Sp. z o.o. acquires phones from the Operator at market prices. After the purchase, the Company incurs a liability in an amount equal to the market price of the phone. At the same time, the Company recognised in its assets an inventory stock valued at the phones' market prices. The Company sells such phones in two variants:

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

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

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

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

T-Mobile

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

PLUS

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

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

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

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

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

The Company also sells the phones to G300 salesmen operating on the business market who resell them to their Clients. In this case, the sale is made at the original price of purchase from the operator's distribution company, but then the process is similar to a cash sale transaction, whereby it is the Company that sets off the salesmen's loss on the mobile phone sale transaction to a Client by paying an appropriate commission (received earlier from the operator).

Interest and dividends

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

Operating expenses

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

Income tax (including the deferred tax)

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

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

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

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

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

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

Subjective Assessments of the Management Board and Uncertainty of Estimates

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

Useful economic lives of fixed assets

The Management Board of the Parent Company annually verifies the useful economic lives of fixed assets subject to depreciation/amortisation. As at 31/12/2017, the Management Board confirmed that the useful lives of assets as assumed by the Group for depreciation/amortisation purposes reflect the expected time distribution of economic benefits from these assets in the future. However, the actual time distribution of economic benefits from these assets may be different from the assumptions, also because of their technical ageing. The carrying amount of fixed assets subject to depreciation/amortisation is presented in Notes No. 4 and 5.

Provisions

Provisions for employee benefits comprise retirement benefits.

Deferred tax assets

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

Impairment of Non-financial Assets

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

Goodwill Measurement

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

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

1. Operating segments

Revenues and results of operating segments:

	Sale network management	Sale Support	E-business	Back Office and Customer Service	Not allocated	Total
for the period from 01/01 to 31/12/2017						
Revenue from external customers	248,516	128,181	127,561	61,293	87	565,638
Revenue from the sales between segments	95	973	1,349	14	4,949	7,380
Total revenue	248,611	129,154	128,910	61,307	5,036	573,018
Segment's operating result	**16,858**	**6,632**	**1,953**	**7,228**	**-3,665**	**29,006**
Financial income						129
Financial costs						8,520
Gross profit						20,615
Income tax						4,478
Net profit						16,137
EBITDA	18,994	8,476	3,660	9,224	-3,600	36,755
Amortisation and depreciation	2,136	1,844	1,707	1,996	66	7,749
for the period from 01/01 to 31/12/2016						
Revenue from external customers	211,489	74,001	114,264			399,754
Revenue from the sales between segments		187	418		5,789	6,393
Total revenue	211,489	74,188	114,682		5,789	406,148
Segment's operating result	**15,505**	**4,990**	**3,227**		**-2,766**	**20,955**
Financial income						50
Financial costs						-5,019
Gross profit						15,985
Income tax						-3,436
Net profit						**12,549**

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EBITDA	17,580	6,927	4,542		-2,701	26,348
Amortisation and depreciation	2,075	1,938	1,315		65	5,393

The counterparties whose share in the Group's turnover exceeded 10% are Orange Polska S.A. and Liberty Poland S.A. (subsidiary of Polkomtel Sp. z o.o.). The Group effected, respectively, 25.3% and 12.7% of its turnover with these entities. The revenue from these counterparties are generated by companies from the 'Sale Network Management' segment.

Geographical areas - revenues:

	01/01 to 31/12/2017	01/01 to 31/12/2016
Poland	520,313	366,882
Europe	45,012	31,942
Asia	53	74
Africa	36	768
North America	224	88
Total	**565,638**	**399,754**

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

2. Interests in related parties

Interests in related parties

The OEX S.A. Group comprises:

- the parent company - OEX S.A.

- subsidiaries as presented in the following table:

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

Companies subject to consolidation:

- Europhone Sp. z o.o.
- PTI Sp. z o.o.
- OEX Cursor S.A. (since 01/03/2015)
- Divante Sp. z o.o. (since 01/03/2015)
- Tell Sp. z o.o. (since 01/01/2016)
- Pro People Sp. z o.o. (since 01/07/2016)
- Merservice Sp. z o.o. (since 01/09/2016)
- ArchiDoc S.A. (since 01/01/2017)
- Voice Contact Center Sp. o.o. (since 01/01/2017)
- OEX E-Business Sp. z o.o. (since 22/03/2017)

The companies: Toys4Boys.pl Sp. z o.o. and Connex Sp. z o.o. are not subject to consolidation and OEX S.A. made 100% impairment charges on the shares in those companies.

After the balance sheet date, the District Court for Gdańsk-Północ in Gdańsk, VI Commercial Division, by virtue of decision dated 19 February 2018 declared the bankruptcy of TOYS4BOYS Sp. z o.o. with registered office in Gdańsk.

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

Changes in the structure of the OEX Group in 2016 (comparable period)

- **Tell Sp. z o.o.**

TELL spółka z ograniczoną odpowiedzialnością (*Polish limited liability company)* was established on 18 September 2015 by virtue of a Resolution of the General Meeting of Shareholders of OEX S.A. on separating from OEX S.A. the operating activities consisting in the provision of services on the basis of an agreement made with Orange Polska S.A.

TELL Sp. z o.o. was registered by the District Court for Poznań Nowe- Miasto i Wilda in Poznań on 04 November 2015. The Company started its activities on 1 February 2016.

TELL Sp. z o.o. entered into an agreement on 29 January 2016 with its only shareholder, OEX S.A, concerning the contribution of an organised part of business of OEX as an in-kind contribution in exchange for newly established shares in increased share capital of TELL Sp. z o.o. The organised part of business the agreement concerns is a complex of tangible and intangible assets that is separate in terms of organisation and function and financially organised as laid down in art. 551 of the Civil Code, that is earmarked to carry out the so-called operating activity, i.e. activity for Orange Polska S.A. with registered office in Warsaw as well as other entities indicated or accepted by that operator, consisting in particular in the distribution of telecommunication services, sale of phones and other telecommunication equipment as well as phone accessories. The organised part of business comprises in particular the tangible and intangible assets constituting the Orange Sale Outlets run by the issuer (directly or via sub-agents) and the sale structure as part of the B2B Indirect Sale Channel (own and sub-agent) within the meaning of the agency agreement executed by and between the issuer and Orange Polska S.A. Pursuant to the arrangements made by the parties, together with the organised part of business, also the debts related to that organised part of business shall be transferred onto TELL Sp. z o.o.

In exchange for the above-mentioned contribution in kind, OEX S.A. subscribed 340,000 new shares in the share capital of TELL Sp. z o.o., with the nominal value of PLN 50.00 each, as issued on the basis of a resolution of the General Meeting of Shareholders of OTI Sp. z o.o. (TELL Sp. z o.o. after the change of the Company's business name) concerning the increase of the share capital by the amount of PLN 17,000,000.00., i.e. from the amount of PLN 5,000.00 to PLN 17,005,000.00. The value of the contribution in kind is PLN 21,328,849.51. Pursuant to the arrangements made by the parties, the organised part of business was transferred from the OEX S.A. onto TELL Sp. z o.o. on 31 January 2016. The capital increase was registered by the District Court on 7 March 2016.

- **Pro People Sp. z o.o.**

On 6 May 2016, OEX S.A. acquired from its subsidiary Cursor S.A. 100% of shares in **Pro People Sp. z o.o.** with registered office in Warsaw for the price of PLN 50,000.00. The objects of the business of Pro People Sp. z o.o. are the management of human resources, recruitment services and personnel lease services.

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- **Merservice Sp. z o.o.**

On 31 August 2016, OEX S.A. entered into an agreement concerning the acquisition of 100% shares in **Mer Service Sp. z o.o.** with registered office in Warsaw. The company provides services in the segment defined as the Sale Support Segment. The acquisition price was PLN 4,500,000.00. The title to all shares was transferred onto OEX S.A. upon the payment of a part of the price, i.e. PLN 4,200,000.00 - on 6 September 2016. The purpose of the acquisition was to reinforce the market position of the Group in the segment by increasing the scale of business which would allow the performance of new projects and increase the margin owing to cost synergies, joint expertise and team optimisation.

Acquisition of Control over Subsidiaries in 2017

Below are presented the entities taken over by the Group in 2017 and the established amounts of goodwill resulting from the takeovers settled in the period:

Acquired entity	Date on which the control was acquired	Price paid	Additional payment to the price	Total of the price paid and the additional payment estimated	Net assets of the acquired entity (fair value)	Goodwill
Voice Contact Center Sp. z o.o.	2017.01.10	1,000	6,352	7,352	2,494	4,858
ArchiDoc S.A.	2017.01.19	17,861	28,082	45,943	9,151	36,526

- **Voice Contact Center Sp. z o.o.**

On 9 January 2017, OEX S.A. signed an agreement on the basis of which it acquired 100% of shares in Voice Contact Center Sp. z o.o. (Polish limited liability company) with registered office in Warsaw. Pursuant to the agreement, the Parent Company acquired 10,000 (ten thousand) shares constituting 100% of the share capital for the price of PLN 1,000,000.00, whereby GAD S.A. sold to the Issuer 8,500 shares constituting 85% of the share capital and Neo Business Process Outsourcing S.à r.l. sold to the Issuer 1,500 shares constituting 15% of the share capital. OEX S.A. was obliged to make the designated additional payment to the selling price in accordance with the terms and conditions as defined in the Agreement pursuant to the formula laid down in the Agreement, if this is justified by the results obtained by Voice Contact Center Sp. z o.o. Such additional payment constitutes a difference between the product of the multiplier equal to 4.5 and the average value of EBITDA of Voice Contact Center Sp. z o.o. for the years 2016-2017 less the net debt and the price paid as mentioned above. The additional payment will be made in 2018 after the financial year 2017 has been closed. As part of security that the additional payment to the selling price will be made and the contractual penalties will be paid EX S.A. made a declaration agreeing to be subject to enforcement proceedings in accordance with the procedure provided for in Art. 777 of the Code of Civil Procedure for the benefit of GAD S.A. up to the total amount of PLN 5,100,000 and a declaration agreeing to be subject to enforcement proceedings in accordance with the procedure provided for in Art. 777 of the Code of Civil Procedure for the benefit of Neo Business Process Outsourcing S.à r.l. up to the total amount of PLN 900,000.

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In result of the analyses and measurements made in 2017 with regard to the acquired assets and liabilities of Voice Contact Center Sp. z o.o. with registered office in Warsaw, a fair value of the identifiable assets and liabilities as well as contingent liabilities were determined.

The accounting figures concerning the Company's assets and liabilities were updated to the fair value.

The values of identified assets and liabilities of the Company taken over recognised in the consolidated financial statements are as follows:

Assets	**Fair values at the takeover date**
Intangible fixed assets	1,084
Tangible Fixed Assets	785
Long-term receivables and loans	120
Long-term prepayments	617
Receivables and loans	2,725
Accruals and prepayments	15
Cash	496
Total assets	5,842
Liabilities	
Deferred income tax liabilities	257
Loans, credits, leases	560
Trade liabilities	735
Other liabilities	1,791
Accruals	6
Total provisions	3,348
Net asset fair value	2,494
Price paid and the additional payment	7,352
Goodwill	4,858

- **ArchiDoc S.A.**

On 19 January 2017, OEX S.A. signed an agreement on the basis of which it acquired 100% of shares ArchiDoc S.A. (Polish joint-stock company) with registered office in Chorzów from Teronita Holdings Limited with registered office in Larnaca (Cyprus). OEX S.A. acquired 4,250,000 shares constituting 100% of the share capital of ArchiDoc S.A. for the price of PLN 17,861,000, with a reservation concerning additional payment to the price.

The Issuer was obliged to make defined additional payments to the selling price in accordance with the terms and conditions as laid down in the final agreement which depend on the financial parameters obtained by ArchiDoc S.A. (e.g. the value of EBITDA and net debt of ArchiDoc S.A.) in the years 2016 and 2017. The final agreement provides for 2 additional payments. The first additional payment will constitute a difference between the product of the multiplier equal to 7.9 and the value of ArchiDoc S.A.'s EBITDA for 2016 less the net debt and multiplied by 50% and the price paid as mentioned herein above. The second additional payment will be equal to the product of a multiplier equal to 7.9 and the value of ArchiDoc S.A.'s EBITDA for 2017 as decreased by net debt and multiplied by the value of 50% and increased or decreased, as appropriate, by the amount resulting from the first additional payment, depending on the fact whether the obtained amount is positive or negative. Both additional payments, assuming that their total value will be positive, will be made as a single payment in 2018 after the financial year 2017 has been closed. In case when the average value of the percentage increase of ArchiDoc S.A.'s selected results calculated year/year (including EBITDA) proved to be lower than the thresholds referred to in the final agreement, the value of all the additional payments will be calculated using the multiplier of 7.0. The total price, taking into account the above-mentioned additional payments, will not exceed PLN 52,000,000 (fifty-two million Polish zlotys) and the Seller will not be entitled in relation with the price for the shares in ArchiDoc S.A. to any additional amounts above the said cap. In order to secure the additional payments to the selling price and payment of contractual penalties, the Issuer has made a declaration on agreeing to be subject to enforcement proceedings in accordance with the procedure provided for in Art. 777 of the Code of Civil Procedure up to the total amount of PLN 31,000,000. In order to secure the satisfaction of the Buyer's claims against the Seller resulting from the agreement, a guarantees were issued by entitled related to the Seller in the amount of up PLN 9,400,000.

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In result of the analyses and measurements made in 2017 with regard to the acquired assets and liabilities of Archidoc S.A., a fair value of the identifiable assets and liabilities as well as contingent liabilities were determined.

The accounting figures concerning the assets and liabilities were updated to the fair value.

The values of identified assets and liabilities of the Company taken over recognised in the consolidated financial statements are as follows:

Assets	**Fair values at the takeover date**
Intangible fixed assets	194
Tangible Fixed Assets	6,200
Long-term receivables and loans	1,536
Long-term prepayments	1,732
Receivables and loans	7,907
Accruals and prepayments	1,774
Cash	2,071
Total assets	21,414
Liabilities	
Deferred income tax liabilities	1,057
Loans, credits, leases	3,268
Trade liabilities	1,103
Other liabilities	2,944
Accruals	3,625
Total provisions	11,997
Net asset fair value	9,417
Price paid and the additional payment	45,943
Goodwill	36,526

The objective of acquisition transactions was to reinforce the Group's position on the market of back office and customer support services. In case of this type of services, the determinant of the market value of companies is to a much larger extent their market position – market share (reflected in the level of sales effected), perspectives for sale increases in the future rather than the value of net assets acquired. The payment of the market price is related to an activation in the balance sheet of goodwill to bring economic benefits to the Group in the future. The goodwill that arose shall be, subject to the provisions of IAS 36, subject to annual tests for impairment.

Business Divisions in 2017

On 30 May of the current year, OEX Cursor S.A. (then trading as Cursor S.A.) and OEX E-Business Sp. z o.o. (then trading as E-Logistics Sp. z o.o.) agreed and signed a plan of division of OEX Cursor S.A., which was prepared in accordance with the provisions of the Polish Code of Commercial Companies. On 13 July 2017, the governing bodies of the above-mentioned companies, i.e. the Extraordinary General Meeting of Shareholders of OEX Cursor S.A. and the Extraordinary General Meeting of Shareholders of OEX E-Business Sp. z o.o., adopted, respectively, resolutions on the division of OEX Cursor S.A. The said division was carried out as per the procedure provided in Art. Art. 529 §1 item 4 of the Code of Commercial Companies (partial division) by the transfer to OEX E-Business Sp. z o.o. of an organised part of business of OEX Cursor S.A. (separate in organisational, financial and functional terms) comprising the following objects of business:

- marketing materials logistics,
- comprehensive e-commerce support,
- logistical support of loyalty programmes,
- comprehensive support of purchase processes concerning products, packaging and product components, including, but not limited to, the organisation and optimisation of the processes of purchasing, logistics, design, production supervision, marking, product delivery, technological consulting, quality verification, certification and lab tests,

hereinafter referred to as the the ‘Logistical Activities’.

The division of OEX Cursor S.A. was registered on 1 September 2017. In result of the division, the registration court registered an increase in the share capital of OEX E-Business Sp. z o.o. from PLN 10,000 to PLN 1,700,000, i.e. by the amount of PLN 1,690,000 by a creation of 33,800 shares of the nominal value of PLN 50 each, which were subscribed in whole by OEX S.A. OEX E-Business Sp. z o.o. took over all the rights and obligations related to the Logistical Activities on the partial division date.

‘OEX Cursor S.A.’ is a new business name of a company previously trading as ‘Cursor S.A.’, changed by virtue of resolution of the Extraordinary General Meeting of Shareholders dated 31 August 2017. The change was registered by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, on 14 September 2017.

‘OEX E-Business Sp. z o.o.’ is a new business name of the company previously trading as ‘E-Logistics Sp. z o.o.’, changed by virtue of resolution of the Extraordinary General Meeting of Shareholders of 31 August 2017. The change was registered by the District Court for the capital city of Warsaw in Warsaw, 13th Commercial Division of the National Court Register, on 28 September 2017.

The division of OEX Cursor S.A. did not impact the values recognised in the consolidated financial statements of the Group.

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3. Goodwill

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

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Gross value		
As at period beginning	75,161	68,468
Take over of control over the subsidiaries	41,384	6,693
Gross value at period end	116,545	75,161
Impairment loss	-	-
Goodwill at period end	**116,545**	**75,161**

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

	31/12/2017	31/12/2016
Taurus	1,202	1,202
Havo	20,096	20,096
Europhone Sp. z o.o.	8,732	8,732
Solex	10,611	10,611
PTI Sp. z o.o.	10,061	10,061
Maksimum	6,879	6,879
OEX Cursor S.A. (formerly Cursor S.A.)*	9,024	9,024
Divante Sp. z o.o.	1,864	1,861
Pro People Sp. z o.o.	4	4
Merservice Sp. z o.o.	3,813	3,813
Cel-R	2,876	2,876
ArchiDoc S.A.	36,526	-
Voice Contact Center Sp. z o.o.	4,858	-
Total goodwill	**116,545**	**75,161**

*- The goodwill that arose upon the take over of the control by the Group over Cursor S.A. concerns both the activities pursued after the division of the said company between OEX Cursor S.A. and OEX E-Business Sp. z o.o.

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

Cash generating unit

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

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No.	Name of the company	Euro-Phone	PTI	Taurus	Havo	Solex	Maksimum	Cursor	Divante	Merservice	Cel-R	Archidoc	Voice
1.	Forecast period	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
2.	Discount rate	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.71%	11%	9.08	7.16%	8.53%	7.71%
3.	Growth rate after the budget period	0%	0%	0%	0%	0%	0%	1%	2%	0%	0%	1%	0%

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

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

• cash flows;

• discount rated;

• growth rate applied when estimating cash flows outside the scope of budgeted periods.

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

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

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

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

Estimated growth rate – assumed for subsidiaries: Divante Sp. z o.o., Archidoc S.A. and OEX Cursor S.A.

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

- adjustment on account of the degree of performance of the 2017 operating profit forecast - this adjustment results from the validity of allowing for the IAS guidelines in accordance with which the asset impairment tests (based on the forecasts made by the Management Board) must allow for the historic accuracy of forecasts of the Management Board. Following those guidelines, it was assumed in the impairment tests that the lower the degree of performance of the 2017 forecasts (this concerns the forecasts the impairment tests as at the end of 2016 were based on), the higher the risk related to the actual financial forecasts of the Management Board (i.e. forecasts the tests as at the end of 2017 were based on).

- adjustment on account of the assumed future (i.e. concerning 2018-2021) operational profitability of the segment related to the “goodwill’ tested - this adjustment results from the validity of allowing for the empirical dependence between the future profitability assumed and the investment risk (the higher the expected profitability when compared to the historic profitability, the higher the risk that the profitability level assumed may not be achieved).

An additional expert’s element of the specific risk, which adjusts its level, is the stability and predictability of the segment the tested entity (cash-generating unit). With regard to those companies from the Telco segment that are more stable in terms of business (Tell Sp. z o.o., PTI Sp. z o.o., Euro-Phone Sp. z o.o.), a risk factor of 0.0% should be applied. With regard to the entities operating in the remaining areas (e-business, document management and customer service, sale support), it is reasonable to indicate a higher ratio of 1.0%.

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.

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

The ‘goodwill’ impairment tests comprised a simulation of the recoverable amount, assuming the levels of discount rates in 2017-2021 changed by 1.5%.

No.	Name of the company	Euro-Phone	PTI	Taurus	Havo	Solex	Maksimum	Cursor	Divante	Merservice	Cel-R	Archidoc	Voice
1.	Discount rate	7.16%	7.16%	7.16%	7.16%	7.16%	7.16%	7.71%	11%	9.08%	7.16%	8.53%	7.71%
2.	Adjusted discount rate	8.66%	8.66%	8.66%	8.66%	8.66%	8.66%	9.21%	12.50%	10.58%	8.66%	10.03%	9.21%
3.	Test results	-211	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment

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

4. Intangible fixed assets

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

	Licences and software	Other intangible assets	Trademarks	In production	Total
As at 31/12/2017					
Gross carrying amount	7,003	6,670	487	4,067	18,227
Accumulated depreciation/amortisation and impairment charges	-3,811	-2,516	-269		-6,596
Net carrying amount	**3,192**	**4,153**	**218**	**4,067**	**11,630**
As at 31/12/2016					
Gross carrying amount	5,415	4,711	487	2,388	13,048
Accumulated depreciation/amortisation and impairment charges	-2,964	-1,800	-237		-5,000
Net carrying amount	**2,498**	**2,911**	**250**	**2,388**	**8,048**

	Licences and software	Other intangible assets	Trademarks	In production	Total
for the period from 01/01 to 31/12/2017					
Net carrying amount as at 01/01/2017	2,498	2,911	250	2,388	8,048
Acquisition by a business combination	245	1,470			1,715
Increase (acquisition, production, lease)	1,372	489		2,920	4,781
Disposal by a sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-18		-3	-1,241	-1,261
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-906	-716	-30		-1,652
Impairment losses					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2017	**3,192**	**4,153**	**218**	**4,067**	**11,630**
for the period from 01/01 to 31/12/2016					
Net carrying amount as at 01/01/2016	2,172	2,927	278	1,174	6,550
Acquisition by a business combination					
Increase (acquisition, production, lease)	933	341		1,915	3,189
Disposal by a sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)				-701	-701
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-607	-357	-28		-991
Impairment losses					

Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2016	**2,498**	**2,911**	**250**	**2,388**	**8,048**

	31/12/2017
Amortization of intangible assets recognised in:	
Selling costs	160
Administrative expenses	407
Cost of sales	1,085
Total amortisation of intangible assets	**1,652**

In both periods presented:

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

5. Tangible Fixed Assets

	Machinery and equipment	Vehicles	Other fixed assets	Tangible fixed assets in production	Total
As at 31/12/2017					
Gross carrying amount	13,741	9,319	19,140	770	42,970
Accumulated depreciation/amortisation and impairment charges	-7,391	-4,813	-7,528		-19,732
Net carrying amount	**6,349**	**4,506**	**11,612**	**770**	**23,238**
As at 31/12/2016					
Gross carrying amount	9,124	8,216	12,806	1,009	31,156
Accumulated depreciation/amortisation and impairment charges	-5,898	-4,805	-6,406		-17,110
Net carrying amount	**3,226**	**3,411**	**6,399**	**1,009**	**14,046**

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

	Machinery and equipment	Vehicles	Other fixed assets	Tangible fixed assets in production	Total
for the period from 01/01 to 31/12/2017					
Net carrying amount as at 01/01/2017	3,226	3,411	6,399	1,009	14,046
Acquisition by a business combination	1,956	771	4,099	25	6,851
Increase (acquisition, production, lease)	3,351	2,687	2,911	2,301	11,250
Disposal by a sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-39	-462	-303	-2,566	-3,370
Other changes in the value	203	354			557
Depreciation and amortisation (-)	-2,348	-2,255	-1,494		-6,097
Impairment losses					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2017	**6,349**	**4,506**	**11,612**	**770**	**23,238**
for the period from 01/01 to 31/12/2016					
Net carrying amount as at 01/01/2016	2,847	4,356	6,123	877	**14,202**
Acquisition by a business combination	14		6		**20**
Increase (acquisition, production, lease)	1,704	1,872	1,561	1,328	**6,465**
Disposal by a sale of a subsidiary (-)					
Decrease (disposal, liquidation) (-)	-85	-525	-341	-1,196	**-2,146**
Revaluation to fair value (+/-)					
Depreciation and amortisation (-)	-1,254	-2,292	-950		-4,496
Impairment losses					
Reversal of impairment charges					
Net exchange differences on conversion (+/-)					
Net carrying amount as at 31/12/2016	**3,226**	**3,411**	**6,399**	**1,009**	**14,046**

	31/12/2017
Depreciation of tangible assets recognised in:	
Selling costs	603
Administrative expenses	1,069
Cost of sales	4,425
Total depreciation of tangible assets	**6,097**

In both periods presented:

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

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

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

As at the balance sheet day, the Group tests the fixed assets in construction for impairment. The tests completed did not disclose a necessity to recognise an impairment charge.

6. Leased assets

6.1 Finance lease

Lease is classified as finance lease when the contract transfers the significant risks and rewards of ownership on the lessee. All other lease types are treated as operating lease. Assets used on the basis of finance lease contracts are treated equally as the Group's assets and are measured at fair value upon acquisition, not higher than the present value of minimum lease payments. The finance lease liability arising in this regard towards the lessor is presented in the statement of financial position in item *Finance lease liability*.

The lease payments are apportioned between the financial charge and the reduction of outstanding lease liability so as to produce a constant periodic rate of interest on the remaining balance of the liability. The fixed assets used on the basis of financial lease contracts are depreciated over the shorter of the estimated useful life of the asset and the lease period.

The fixed assets under finance lease are depreciated in accordance with the principles applicable to owned assets. If there is no certainty whether the Group will receive the title after the termination of the lease agreement, the assets are depreciated over the shorter of the lease period and the useful life.

Net value of fixed assets under finance lease:

	31/12/2017	**31/12/2016**
Machinery and equipment	2,034	194
Vehicles	3,698	2,421
Other fixed assets	5,752	2,101
Total	**11,484**	**4,716**

6.2 Operating Lease

The Group uses tangible fixed assets as a lessee on the basis of operating lease agreements. The operating lease agreements concern commercial premises in which the Group companies conduct their business.

7. Financial Assets and Liabilities

7.1 Categories of financial assets and liabilities

The value of financial assets presented in the consolidated statement of financial position relates to the following categories of financial instruments determined in IAS 39:

1 – loans and receivables (L&R)	5 - available-for-sale financial assets (AFS)
2 - financial assets carried at fair value through profit or loss - held for trading (FVA-T)	6 - hedging derivatives (HD)
3 - financial assets carried at fair value through profit or loss - allocated to measurement at fair value at initial recognition (FVA-M)	7 - assets outside the scope of IAS 39 (Non IAS 39)
4 - held-to maturity investments (HMI)	

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

As at 31/12/2017

	Note	Categories of financial instruments as per IAS 39							Total
		L&R	FVA-T	FVA-M	HMI	AFS	HD	Non IAS 39	
Non-current assets									
Receivables and loans	7.2	952							952
Other long-term financial assets			250						250
Current assets									
Trade Receivables and Other Receivables	10	116,404						373	116,777
Loans	7.2	12							12
Cash and cash equivalents	11	11,447							11,447
Total financial assets		**128,815**	**250**					**373**	**129,438**

As at 31/12/2016

	Note	Categories of financial instruments as per IAS 39							Total
		L&R	FVA-T	FVA-M	HMI	AFS	HD	Non IAS 39	
Non-current assets									
Receivables and loans	7.2	1,116							1,116
Other long-term financial assets									
Current assets									
Trade Receivables and Other Receivables	10	69,329							69,329
Loans	7.2	9							9
Cash and cash equivalents	11	5,113							5,113
Total financial assets		**75,568**							**75,568**

The value of financial liabilities presented in the consolidated statement of financial position relates to the following categories of financial instruments determined in IAS 39:

Name of the group:	***OEX S.A. Group***		
Period covered by the financial statements:	***01/01/2017 – 31/12/2017***	**Reporting currency:**	***Polish zloty (PLN)***
Rounding up/down level:	***all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated***		

1 - financial liabilities carried at fair value through profit or loss - held for trading (FVL-T)	4 - hedging derivatives (HD)
2 - financial liabilities carried at fair value through profit or loss - allocated to measurement at fair value at initial recognition (FVL-M)	5 - liabilities outside the scope of IAS 39 (Non IAS 39)
3 - financial liabilities measured at amortised cost (ACL)	

As at 31/12/2017

	Note	*Categories of financial instruments as per IAS 39					Total
		FVL-T	FVL-M	ACL	HD	Non IAS 39	
Long-term liabilities							
Loans, credits, other debt instruments	7.3			21,956			21,956
Lease liabilities				5,494			5,494
Other liabilities				0			0
Short-term liabilities							
Trade liabilities and other liabilities	16			67,875			67,875
Loans, credits, other debt instruments	7.3			35,130			35,130
Factoring liabilities				4,983			4,983
Lease liabilities				3,189			3,189
Liabilities related to the purchase of shares						34,733	34,733
Total financial liabilities				**138,627**		**34,733**	**173,360**

As at 31/12/2016

	Note	*Categories of financial instruments as per IAS 39					Total
		FVL-T	FVL-M	ACL	HD	Non IAS 39	
Long-term liabilities							
Loans, credits, other debt instruments	7.3			2,250			2,250
Lease liabilities				2,077			2,077
Other liabilities				1,625			1,625
Short-term liabilities							
Trade liabilities and other liabilities	16			60,654			60,654
Loans, credits, other debt instruments	7.3			21,294			21,294
Factoring liabilities				3,982			3,982
Lease liabilities				1,981			1,981
Total financial liabilities				**93,862**			**93,862**

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

7.2 Receivables and loans

For the purposes of presentation, in its consolidated statement of financial position the Group separated the class of receivables and loans (IFRS 7.6). In the long-term part, the receivables and loans are presented in the statement in a single heading. In the short-term part, the Group - in compliance with the requirements of IAS 1 - presents the trade receivables and other receivables separately. The classes of receivables and loans are presented in the table below. Disclosures concerning the receivables are made in Note No. 10.

	31/12/2017	**31/12/2016**
Fixed assets:		
Receivables	952	1,114
Loans		2
Long-term receivables and loans	**952**	**1,116**
Current assets:		
Trade receivables and other receivables	122,225	69,329
Loans	12	9
Short-term receivables and loans	**122,237**	**69,338**
Receivables and loans, including:		
Receivables (Note No. 10)	**123,177**	**70,444**
Loans (Note No. 7.2)	**12**	**11**

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:

	from 01/01 to 31/12/2017	**from 01/01 to 31/12/2016**
Gross value		
As at period beginning	11	1
Increase in result of business combination (+)	1,705	10
Amount of loans granted in the period	20	
Interest calculated using the effective interest rate method	1	
Repayment of loans with interest (-)	-1,723	
Gross value at period end	**12**	**11**
Impairment loss		
As at period beginning		
Loss expensed as cost in the period		
Reversal of impairments carried as revenue in the period (-)		
Provisions used (-)		
Other changes (net exchange differences on conversion)		
Impairment loss at period end		
Carrying amount at period end	**12**	**11**

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

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

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

7.3 Loans, credits, other debt instruments

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

	Short-term liabilities		**Long-term liabilities**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Financial Liabilities carried at amortised cost				
Loan facilities	844	844	1,406	2,250
Overdraft facilities	34,268	20,450		
Loans	18			
Debt securities			20,550	
Total financial liabilities carried at amortised cost	**35,130**	**21,294**	**21,956**	**2,250**
Loans, credits, other debt instruments, total	**35,130**	**21,294**	**21,956**	**2,250**

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

Financial Liabilities Measured at Amortised Cost

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

Information concerning the character and scope of risk the Group is exposed to in relation with the loans, credits and other debt instruments contracted is presented in the table below (cf. also Note No. 25 concerning risks):

	Currency	Interest rate	Maturity date	Value		Liability	
				in foreign currency	in PLN	short-term	long-term
As at 31/12/2017							
Overdraft facilities - Credit Agricole	PLN	WIBOR 1M plus margin	06/08/2018		23,500	13,624	
Investment loan – mBank	PLN	WIBOR 1M plus margin	31/08/2020		3,375	844	1,406
Overdraft facilities - mBank	PLN	WIBOR ON with a quotation as of the utilisation day + margin	31/07/2018		14,000	13,976	
Loan - mBank	PLN	WIBOR 1M plus margin	28/02/2018		1,368	1,368	
Loan - mBank	PLN	WIBOR 1M plus margin	28/02/2018		1,995	1,995	
Overdraft facilities - Alior Bank S.A.	PLN	WIBOR 1M plus margin	12/07/2018		2,000	1,242	
Overdraft facilities - ING Bank Śląski S.A.	PLN	WIBOR 1M plus margin	31/01/2018		3,500	-	
Loan - mBank	USD	WIBOR 1M plus margin	15/02/2018	149	544	544	
Loan - mBank	USD	WIBOR 1M plus margin	28/02/2018	58	206	206	
PLN loan - mBank 38/151/17/Z/LE	PLN	WIBOR 1M plus margin	15/01/2018		506	506	
Overdraft facilities - mBank S.A.	PLN	WIBOR 1M plus margin	29/06/2018		500	500	

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Overdraft facilities - Bank Millennium S.A.	PLN	WIBOR 1M plus margin	04/09/2018		3,080	5	
Overdraft facilities - mBank	PLN	WIBOR 1M plus margin	31/08/2018		800	302	
Loan	PLN	WIBOR 6M plus margin			18	18	
						35,130	**1,406**
As at 31/12/2016							
Overdraft facilities - Credit Agricole	PLN	WIBOR 1M plus margin	07/08/2018		23,500	10,796	
Investment loan – mBank	PLN	WIBOR 1M plus margin	31/08/2020		3,375	844	2,250
Overdraft facilities - mBank	PLN	WIBOR ON plus margin	31/07/2017		11,000	9,572	
Investment loan – mBank	PLN	WIBOR 1M plus margin	30/06/2017		400	82	
Investment loan – mBank	PLN	WIBOR 1M plus margin	30/06/2017		350		
						21,294	**2,250**

7.4 Liability payment guarantee

The loan liabilities of the Group are covered by the following collaterals:

- registered pledge and financial pledge on 340,000 shares in TELL Sp. z o.o. up to the amount of PLN 39 million,
- registered pledge and financial pledge on 9,500 shares in PTI Sp. z o.o. up to the amount of PLN 39 million,
- registered pledge and financial pledge on 51,000 shares in Europhone Sp. z o.o. up to the amount of PLN 39 million,
- registered pledge on movable property belonging to Tell Sp. z o.o, PTI Sp. z o.o. and EUROPHONE Sp. z o.o. up to the amount of PLN 39 million
- assignment of amount receivable under agency agreements concerning the provision of sale services by Tell Sp. z o.o, PTI Sp. z o.o. and EUROPHONE Sp. z o.o. up to the amount of PLN 39 million each,
- registered pledge on the inventories in all the sale outlets located in the financial service sale outlets belonging to TELL Sp. z o.o, PTI Sp. z o.o. and EUROPHONE Sp. z o.o. up to the amount to PLN 39 million,
- assignment of rights under the insurance policy concerning the movable property and inventories as regards the all risk insurance - total insurance sum,
- blank promissory note issued by OEX S.A. guaranteed by Merservice Sp. z o.o.,
- power of attorney to collect the amounts of outstanding loan plus costs from the guarantor's account,
- registered pledge on 100% of shares in Merservice Sp. z o.o.,
- blank promissory note for the lease contracts Nos. 69531/Wr/17 EFL, 67188/Wr/16, 67176/Wr/16 EFL, 14/012142 (UL) Raiffeisen-Leasing Polska S.A., 14/012146 (UL) Raiffeisen-Leasing Polska S.A.
- *de minimis* guarantee of kPLN 1,200 on account of the loan agreement with AliorBank,
- bank guarantee in the amount of kPLN 190 with AliorBank,
- blank promissory note with the borrower’s promissory note guarantee dated 05/09/2017 as a security for the loan of PLN 14 million with mBank,
- blank promissory note with the borrower’s promissory note guarantee dated 14/10/2017 as a security for the loan of USD 149 thousand with mBank,
- blank promissory note with the borrower’s promissory note guarantee dated 04/10/2017 as a security for the loan of PLN 506 thousand with w mBank,
- blank promissory note with the borrower’s promissory note guarantee dated 27/11/2017 as a security for the loan of USD 58 thousand with mBank,
- blank promissory note with the borrower’s promissory note guarantee dated 10/11/2017 as a security for the loan of PLN 500 thousand with w mBank,
- blank promissory note with the borrower’s promissory note guarantee as a security for the factoring agreement with recourse of PLN 10 million,
- blank promissory note with the borrower’s promissory note guarantee dated 05/09/2017 as a security for the reverse factoring agreement of PLN 1.6 thousand
- blank promissory note with the borrower’s promissory note guarantee dated 08/11/2017 as a security for the loan of PLN 1,367 thousand with w mBank,

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- blank promissory note with the borrower's promissory note guarantee dated 06/12/2017 as a security for the loan of PLN 1,995 thousand with w mBank,
- blank promissory note with the borrower's promissory note guarantee dated 28/11/2017 as a security for the reverse factoring agreement of PLN 1.4 million,
- a promissory note concerning agreement No. 680/2010/ 3074/00 for a PLN overdraft facility dated 17/08/2010,
- promissory note concerning factoring agreement No. 91/2015 made by an between Merservice Sp. z o.o. and ING Commercial Finance Polska S.A. on 20/04/2015,
- security for a loan extended by mBank S.A. to OEX S.A. under loan agreement Np. 38/092/16/Z/IN dated 31/08/2016
- a declaration of consent to be subject to enforcement proceedings - Reverse Debt Purchase Agreement (Supplier Financing) No. 875/2015/00000900/00, dated 30.10.2015,
- Merservice's declaration on consent to be subject to enforcement proceedings in accordance with the provisions of the Code of Civil Procedure Code,
- promissory note - Annex No. 3 to factoring agreement No. 91/2015 made by an between Merservice Sp. z o.o. and ING Commercial Finance Polska S.A.

As at 31/12/2017 and 31/12/2016, the following assets of the Group (in their carrying amounts) constituted collaterals and guarantees for the repayment of liabilities:

	31/12/2017	**31/12/2016**
Intangible fixed assets		
Tangible fixed assets, including leased assets	19,497	6,172
Financial assets (other than receivables)	50,183	50,183
Inventories	22,760	19,609
Movable property:		
Trade receivables and other receivables	101,636	31,418
Cash	7,476	2,244
Total carrying amount of assets constituting a liability collateral	**201,552**	**109,626**

7.5 Debt securities

On 18 January 2017, OEX S.A. placed an issue of 20,000 ordinary series A bearer bonds of the nominal value of PLN 1,000 each and the total nominal value of PLN 20,000 thousand. The bonds mature on 17 January 2020. The bonds were issued in accordance with the Resolution of the Management Board of OEX S.A. dated 2 December 2016 concerning the Bond Issue Programme, which may be pursued between 2017-2019 up to the total maximal amount of PLN 56,000 thousand and the Resolution of the Management Board of OEX S.A. dated 21 December 2016 on the series A bond issue. The bonds will yield variable interest determined on the basis of the 6M WIBOR rate plus a margin. The bond issue took place in accordance with the procedure provided for in Art. 33 (2) of the Bonds Act. The bond acquisition proposals were made to individually designated addressees whose number was not higher than 149 persons. On 15 May 2017, the series A bonds were introduced to the trading in an alternative trading system organised by, respectively, the Warsaw Stock Exchange and BondSpot S.A. as part of the Catalyst market. The series A bonds were quoted in the alternative trading system - Catalyst since 26 May 2017, in the continuous trading system under the name of 'OEX0120'.

On 14 December 2007, the Group signed a loan agreement with ING Bank Śląski S.A. and Bank Zachodni WBK S.A. in order to refinance the Group's existing debt, including the redemption of the series A bonds.

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Pursuant to the Series A Bond Issue Terms and Conditions, OEX S.A. had a pre-emptive right to series A bonds. All 20,000 bonds of the A series were redeemed on 17 January 2018.

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:

Class of financial instrument	Note No.	31/12/2017		31/12/2016	
		Fair value	Carrying amount	Fair value	Carrying amount
Assets:					
Loans	7.2	12	12	11	11
Trade receivables and other receivables	10	117,729	117,729	70,444	70,444
Non-listed shares		250	250		
Cash and cash equivalents	11	11,447	11,447	5,113	5,113
Liabilities:					
Loan facilities	7.3	2,250	2,250	3,094	3,094
Overdraft facilities	7.3	34,267	34,267	20,440	20,440
Loans	7.3	18	18		
Debt securities	7.5	20,550	20,550		
Trade liabilities and other	16	67,875	67,875	60,654	60,654
Liabilities related to the purchase of shares		34,733	34,733		

In item shares in unlisted companies, the Group recognises the value of 10% of shares in NextBuy Sp. z o.o. it acquired. NextBuy designed and created an IT system supporting and automating purchasing processes in companies. This SaaS model based platform provides modules allowing a digitalisation of such processes in purchasing departments as: eCatalogues, requisitioning and purchase orders, eTenders and eSourcing, supplier bases, contract management and vendor management, comprehensive reporting data. The system architecture allows a full process automation, flexible configuration adjustable to the structure of each given company, integration with systems already in use and access from each place and device. NextBuy efficiently supports the SMEs as well as large corporations representing various branches of industry. The Company has been active on the market since 2011. NextBuy will complement of e-Business segment offering and the share holding we have will allow its closer integration with the Group.

After the balance sheet date, the Group acquired subsequent 10% in the share capital of the Company.

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

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

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

8. Deferred tax assets and liabilities

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

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	Note	31/12/2017	31/12/2016
As at period beginning:			
Deferred income tax assets		2,062	1,750
Deferred tax liabilities		-8,747	-8,069
Deferred tax at period beginning		-6,685	-6,319
Change in the period influencing:			
Result (+/-)	20	522	-366
Other comprehensive income (+/-)			
Deferred tax at period end, including:		-6,096	-6,685
Net deferred income tax assets from business combination		740	
Deferred income tax liabilities from business combination		-672	
Balance as at period end:			
Deferred income tax assets		4,111	2,062
Deferred tax liabilities		-10,207	-8,747

Deferred income tax assets:

Temporary differences	As at period beginning	Change:		Settlement of the combination	At period end
		Result	other comprehensive income		
As at 31/12/2017					
Assets:					
Intangible fixed assets					
Tangible Fixed Assets	30	9			39
Investment properties					
Financial derivatives					
Inventories	117	14			131
Trade receivables	315	242			557
Other assets	56	79			135
Investment properties					
Financial derivatives		34			34
Liabilities:					0
Employee benefits liabilities	227	587		293	1,107
Provisions for employee benefits	350	51		35	436
Other provisions and other liabilities	201	-104		50	147
Financial derivatives					
Trade liabilities	33	-6		25	52
Loans, credits, other debt instruments	5	95		6	106
Other liabilities	624	195		281	1,100
Other:					
Unsettled tax losses	104	114		49	267
Total	**2,062**	**1,310**		**739**	**4,111**

As at 31/12/2016					
Assets:					
Intangible fixed assets					
Tangible Fixed Assets	39	-9			30
Investment properties					
Financial derivatives					
Inventories	98	19			117

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

Temporary differences	As at period beginning	Change: Result	Change: other comprehensive income	Settlement of the combination	At period end
Trade receivables	382	-66			315
Other assets	29	28			56
Investment properties					
Financial derivatives					
Liabilities:					
Employee benefits liabilities	331	-107			227
Provisions for employee benefits	300	50			350
Other provisions and other liabilities	126	74			201
Financial derivatives					
Trade liabilities	1	32			33
Loans, credits, other debt instruments	4	2			5
Other liabilities	440	182			622
Other:					
Unsettled tax losses		104			104
Total	**1,750**	**312**			**2,062**

Deferred income tax liabilities:

Temporary differences	As at period beginning	Change: Result	Change: other comprehensive income	Settlement of the combination	At period end
As at 31/12/2017					
Assets:					
Intangible fixed assets	7,520	160		173	7,853
Tangible Fixed Assets	599	204		470	1,273
Investment properties					
Financial derivatives					
Trade receivables	107	-60			47
Construction contracts					
Other assets	478	100		17	595
Liabilities:					
Financial derivatives					
Trade liabilities					
Loans, credits, other debt instruments		-11		11	
Other liabilities	43	395		1	439
Total	**8,747**	**788**		**672**	**10,207**

As at 31/12/2016					
Assets:					
Intangible fixed assets	7,408	112			**7,520**
Tangible Fixed Assets	390	209			**599**
Investment properties					
Financial derivatives					
Trade receivables	10	97			**107**
Construction contracts					
Other assets	241	237			**478**
Liabilities:					

Temporary differences	As at period beginning	Change:		Settlement of the combination	At period end
		Result	other comprehensive income		
Financial derivatives					
Trade liabilities					
Loans, credits, other debt instruments					
Other liabilities	19	23			43
Total	**8,069**	**679**			**8,747**

9. Inventories

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

	31/12/2017	31/12/2016
Materials		
Semi-products and work in progress		
Finished goods		
Goods	23,473	26,088
Impairment charge	-691	-616
Total carrying amount of the inventories	**22,782**	**25,472**

In 2017, the Group recognised in the operating activities of the consolidated statement of profit or loss the costs of inventories sold in the total amount of kPLN 173,375 (2016: kPLN 136,164).

The inventories Impairment charges made in 2017 in other operating costs of the consolidated statement of profit or loss amounted to kPLN 75 (2016: kPLN 123).

As at 31/12/2017, the inventories in the carrying amount of kPLN 22,760 (2016: kPLN 19,609) constituted collaterals for the Group's liabilities. Information about the collaterals for liabilities is presented in Note No. 7.4.

10. Trade Receivables and Other Receivables

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

Long-term receivables:

	31/12/2017	31/12/2016
Retained amounts (deposits) under building services contracts		
Deposits received under other titles	863	1,114
Other receivables	89	
Impairment of receivables (-)		
Long term receivables	**952**	**1,114**

Short-term receivables:

	31/12/2017	31/12/2016
Financial assets (IAS 39):		
Trade receivables	119,016	70,456
Impairment of trade receivables (-)	-3,982	-3,343
Net trade receivables	115,034	**67,113**
Receivables from the sale of fixed assets	4	
Retained amounts (deposits) under building services contracts		
Deposits received under other titles	221	

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	31/12/2017	31/12/2016
Other receivables	1,933	2,331
Impairment of other financial receivables (-)	-415	-114
Net other financial receivables	**1,743**	**2,217**
Financial receivables		
Non-financial assets (outside IAS 39):		
Other tax and other benefit receivables	2,835	1,678
Income tax receivables	431	
Advances and prepayments	5	
Other non-financial receivables	2,177	
Impairment of non-financial receivables (-)	0	
Non-financial receivables	**5,448**	**1,678**
Total short-term receivables	**122,225**	**71,008**

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

The Group tested the receivables for impairment in accordance with its accounting principles (cf. item c) in the item "Drawing up basis and accounting rules”). The receivables impairment charges, which in 2017 were made in other operating costs of the consolidated statement of profit or loss amounted to:

- with regard to short-term financial receivables kPLN - 304 (2016: kPLN 498).

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

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
State as at period beginning	**3,457**	**3,781**
Charge on the combination	490	
Loss expensed as cost in the period	1,394	498
Reversal of impairments carried as revenue in the period (-)	-368	-98
Provisions used (-)	-576	-723
State as at period end	**4,397**	**3,457**

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. 25.

11. Cash and cash equivalents

	31/12/2017	31/12/2016
Cash at bank in PLN	8,296	**4,367**
Cash at bank in foreign currency	1,156	
Cash at hand	707	747
Short-term deposits	93	
Other	1,195	
Total cash and cash equivalents	**11,447**	**5,113**

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

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

12. Non-current Assets Held for Sale and Discontinued Operations

There are no non-current assets held for sale and discontinued operations.

13. Equity

13.1. Share capital

As at 31/12/2017, the share capital of the Parent Company amounted to kPLN 1,378 . (2016: kPLN 1,378) and was divided into 6,888,539 shares (31/12/2016: 6,888,539) 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 1 preferential share entitle to two votes.

The change in the number of shares in the period covered by the financial statements results from the following transactions with the shareholders:

Shares issued and fully paid up for:	**from 01/01 to 31/12/2017**	**from 01/01 to 31/12/2016**
Number of shares at the period beginning	6,888,539	6,888,539
Issue of shares in relation with the option exercise (share-based payment programme)		
Issue of shares		
Redemption of shares (-)		
Number of shares at the period end	**6,888,539**	**6,888,539**

As at the balance sheet date, no shares in the Parent Company were held by the Parent Company itself or any of its subsidiary companies.

13.2. Other equity

	31/12/2017	**31/12/2016**
Share premium	44,960	44,960
Other Capitals	1,459	1,459
Retained profits	59,425	43,043
Non-controlling interests	1,723	1,969
State as at period end	**107,567**	**91,431**

13.3. Non-controlling interests

	31/12/2017	**31/12/2016**
Non-controlling interests at period beginning	1,969	1,515
Share recognition as at the control take-over day - Divante Sp. z o.o.		
Dividends for the non-controlling interests		-245
Share in the profit of the period	-246	699
Non-controlling interests at period end	**1,723**	**1,969**

The capital of the non-controlling interests as at 31/12/2017 and 31/12/2016 is related to the settlement of the acquisition of control over Divante Sp. z o.o. The OEX Group holds 51.03% of shares in Divante Sp. z o.o.

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

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	31/12/2017	31/12/2016
Non-controlling interest (%)	48.97%	48.97%
Non-controlling interest as at the period end	1,723	1,969
Financial result attributable to non-controlling interest	-246	699
Current assets	5,517	5,253
Non-current assets	3,153	2,310
Short-term liabilities	4,440	2,786
Long-term liabilities	607	756
Sale revenues	20,044	21,847
Financial result	-398	1,428

14. Employee Benefits

14.1. Costs of Employee Benefits

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Payroll costs	127,823	76,929
Social insurance costs	18,859	10,842
Costs of future befits (provisions, retirement benefits)	416	554
Other benefits	1,675	557
Total costs of employee benefits	**148,774**	**88,325**

14.2. Employee benefit liabilities

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

	Short-term liabilities and provisions		Long-term liabilities and provisions	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Short-term employee benefits:				
Payroll liabilities	3,384	3,994		
Liabilities under social insurance	4,186	3,252		
Other employee liabilities	1,434	392		
Provisions for accrued holidays	1,753	1,607		
Short-term employee benefits	**10,757**	**9,244**		
Other long-term employee benefits:				
Provisions for jubilee bonuses				
Provisions for retirement benefits			**121**	**82**
Other provisions				
Other long-term employee benefits:				
Total employee benefit liabilities and provisions	**10,757**	**9,244**	**121**	**82**

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

	Provisions for other long-term employee benefits			
	jubilee bonuses	retirement benefits	other	total
for the period from 01/01 to 31/12/2017				
State as at period beginning		82		82
Changes recognised as profit or loss:				
- Current and past service costs		5		5
- Interest costs				

- Actuarial profits (-) or losses (+)				
Changes without impact on the statement of profit or loss:				
- Benefits paid out (-)				
- Increase in result of business combination (+)		34		34
Present value of provisions as at 31/12/2017		**121**		**121**

for the period from 01/01 to 31/12/2016

State as at period beginning		78		78
Changes recognised as profit or loss:				
- Current and past service costs		4		4
- Interest costs				
- Actuarial profits (-) or losses (+)				
Changes without impact on the statement of profit or loss:				
- Benefits paid out (-)				
Present value of provisions as at 31/12/2016		**82**		**82**

15. Other provisions

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

	Short-term provisions		**Long-term provisions**	
	31/12/2017	**31/12/2016**	**31/12/2017**	**31/12/2016**
Provision for cases in court				
Provisions for loss on building services contracts				
Provision for restructuring costs				
Other provisions	280		31	
Total other provisions	**280**		**31**	

	Provisions for:				
for the period from 01/01 to 31/12/2017	litigations in Court	loss on building services contracts	restructuring costs	other	total
State as at period beginning					
Provision increase carried as expense in the period				212	212
Provision increase carried as income in the period (-)					
Utilisation of provisions (-)				-33	-33
Increase in result of business combination				132	132
Other changes (net exchange differences on conversion)					
Provisions as at 31/12/2017				**311**	**311**

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for the period from 01/01 to 31/12/2016

State as at period beginning					
Provision increase carried as expense in the period					
Provision increase carried as income in the period (-)					
Utilisation of provisions (-)					
Increase in result of business combination					
Other changes (net exchange differences on conversion)					
Provisions as at 31/12/2016					

16. Trade liabilities and other liabilities

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

Short-term liabilities:

	31/12/2017	31/12/2016
Financial liabilities (IAS 39):		
Trade liabilities	67,581	60,654
Liabilities under the purchase of fixed assets	582	
Factoring liabilities	4,983	3,982
Liabilities related to the purchase of shares	34,733	
Other financial liabilities	58,877	1,981
Financial liabilities	**166,459**	**66,617**
Non-financial liabilities (outside IAS 39):		
Other tax and other benefit liabilities	25,332	13,183
Income tax liabilities	1,146	1,029
Advances received for building services	6	
Other non-financial liabilities	2,549	1,029
Non-financial liabilities	**29,033**	**15,504**
Total short-term liabilities	**195,789**	**82,121**

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

17. Accruals

	Short-term accruals and prepayments		Long-term accruals and prepayments	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Assets - accruals and prepayments:				
Prepaid expenses	10,803	9,423	1,476	18
Assets - total prepayments	**10,803**	**9,423**	**1,476**	**18**

Most significant items included in Accruals are:

- insurance costs
- costs of IT services
- maintenance and rental costs
- costs of projects.

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18. Operating revenue and costs

18.1. Revenue from the sale of goods and services

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Revenue from the sale of services	385,228	255,900
Revenue from the sale of goods and materials	180,410	143,854
Sale revenues	**565,638**	**399,754**

18.2. Costs by type

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Amortisation and depreciation	4.5	7,749	5,393
Employee benefits	14	148,774	89,335
Consumption of materials and energy		25,097	17,589
Contracted services		171,382	118,560
Taxes and fees		3,508	1,257
Other costs by type		6,030	7,038
Total costs per type		**362,540**	**239,172**
Value of goods and materials sold		173,375	136,164
Change in products and work in progress (+/-)		8	67
Cost of own work capitalised (-)			
Own cost of the sale, selling costs and administration costs		**362,205**	**243,299**

18.3. Other operating income

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Profit from the sale of non-financial fixed assets		113	91
Reversal of impairment of financial receivables		68	99
Reversal of impairment of non-financial receivables		18	
Reversal of impairment of inventories	9	4	
Write-back of unused provisions	14.15		334
Penalties and indemnities received		1,051	
Other revenue		1,183	771
Total other operating revenue		**2,437**	**1,295**

18.4. Other operating expense

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Loss on the sale of non-financial fixed assets		320	283
Impairment of financial receivables	10	304	499
Impairment of non-financial receivables		1,090	
Impairment of inventories	9	75	123
Set-up of provisions	14.15	35	372
Penalties and indemnities paid		321	
Other costs		1,345	1,450
Total other operating costs		**3,490**	**2,727**

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

19. Financial income and expenses

19.1. Financial income

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Interest income concerning financial instruments not carried at fair value through profit or loss:			
Cash and cash equivalents (deposits)	11	34	46
Loans and receivables	7.2,10	40	
Held-to-maturity debt securities			
Interest income concerning financial instruments not carried at fair value through profit or loss		**74**	**46**
Exchange difference gains/losses (+/-):			
Other financial income		55	4
Total financial income		**129**	**50**

19.2. Financial costs

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Interest expense concerning financial instruments not carried at fair value through profit or loss:			
Financial lease liabilities		287	159
Credit facilities in the credit account and overdraft facilities	7.3	1,172	1,359
Factoring		865	
Debt securities		1,143	
Trade liabilities and other liabilities		217	
Interest expense concerning financial instruments not carried at fair value through profit or loss		**3,684**	**1,518**
Losses on revaluation and realization of financial instruments carried at fair value through profit or loss:			
Derivatives		34	
Losses on revaluation and realization of financial instruments carried at fair value through profit or loss:		**34**	
Exchange difference (gains) losses (+/-):			
Cash and cash equivalents		68	
Loans and receivables		233	
Financial liabilities measured at amortised cost		13	
Exchange difference (gains) losses (-/+)		314	
Factoring fees		4,003	3,102
Other financial costs		485	399
Total financial costs		**8,520**	**5,019**

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

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

20. Income tax

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Current tax:			
Settlement of tax for the reporting period		4,793	3,058
Adjustment of tax for previous periods		-36	12
Current tax		**4,757**	**3,070**
Deferred income tax:			
Temporary difference occurrence and reversal	8	-285	470
Settlement of unrealised tax losses		6	-104
Deferred income tax		**-279**	**366**
Total income tax		**4,478**	**3,436**

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

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Pre-tax result		20,615	15,985
Tax rate applied by the Parent Company		19%	19%
Income tax as per the domestic tax rate in the country f the Parent Company		**3,917**	**3,869**
Reconciliation of the income tax due to:			
Application of different tax rates in Group companies (+/-)		1	
Non-taxable revenues (-) Permanently non-tax deductible costs (+)		-132 585	-1,324 285
Utilisation of previously non-recognised tax losses (-)		-286	-235
Unrecognised deferred tax asset concerning deductible temporary differences (+)	8	459	328
Unrecognised deferred tax asset concerning tax losses (+)		186	133
Adjustment of tax for previous periods and other adjustments (+/-)		-251	12
Income tax		**4,478**	**3,070**
Average tax rate applied		**22%**	**19%**

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 attributable to the Parent Company's shareholders divided by average weighted number of ordinary shares in the given period.

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

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

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	from 01/01 to 31/12/2017	**from 01/01 to 31/12/2016**
Number of shares inserted in the denominator of the formula		
Average weighted number of ordinary shares	6,888,539	6,888,539
Dilution effect of options convertible into shares		
Average weighted diluted number of ordinary shares	**6,888,539**	**6,888,539**
Continued activities		
Net profit (loss) on continued activities in PLN	16,382,730.06	11,850,179.04
Basic profit (loss) per share (PLN)	2.38	1.72
Diluted profit (loss) per share (PLN)	2.38	1.72
Discontinued Activity		
Net profit (loss) on discontinued operations		
Basic profit (loss) per share (PLN)		
Diluted profit (loss) per share (PLN)		
Continued and discontinued operations		
Net profit (loss)	16,382,730.06	11,850,179.04
Basic profit (loss) per share (PLN)	2.38	1.72
Diluted profit (loss) per share (PLN)	2.38	1.72

21.2. Dividends

The General Meeting of Shareholders of OEX S.A., which took place on 22 June 2017, decided to allocate the entire net profit disclosed in the 2016 financial statements in the amount of PLN 3,221,129.35 to the supplementary capital.

The General Meeting of Shareholders held on 10 May 2016 adopted a resolution concerning the payment of the dividend. Pursuant to the resolution - the value of dividend per share is PLN 0.75, the dividend day was determined as 10 August 2016 and the dividend payment day - 1 September 2016. The number of shares entitling to the dividend is 6,888,539 and the dividend amount is PLN 5,166,404.25. The dividend was paid on 01 September 2016.

22. Cash flows

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

	from 01/01 to 31/12/2017	**from 01/01 to 31/12/2016**
Adjustments:		
Depreciation of tangible fixed assets	5,548	4,470
Amortisation of intangible fixed	2,201	923
Profit (loss) on the sale of non-financial fixed assets	238	378
Interest expense	3,190	1,200
Interest and dividend income	-104	-19
Other adjustments		
Total adjustments	**11,073**	**6,952**
Change in inventories	2,690	-8,876
Change in receivables	-50,713	-1,180
Change in liabilities	24,688	8,056
Change in provisions and prepayments	-3,010	-6,197

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

	from 01/01 to 31/12/2017	**from 01/01 to 31/12/2016**
Consolidation adjustments	732	
Changes in working capital	**-25,613**	**-8,197**

23. Transactions with related parties

The parties related to the Group comprise key management personnel and subsidiary companies excluded from consolidation. Unsettled balances of receivables and liabilities are usually settled in cash. Information on contingent liabilities concerning related parties is presented in Note No. 24.

23.1. Transactions with key management personnel

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

Benefits for the management personnel	**from 01/01 to 31/12/2017**	**from 01/01 to 31/12/2016**
Short-term employee benefits	3,514	666
Work termination benefits	112	
Share–based payments		
Other benefits	51	2,278
Total benefits	**3,677**	**2,942**

Detailed information about the remuneration of the Management Board of the Parent Company is presented in Note No. 28.

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

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

The financial statements were prepared eliminating the transactions between the companies subject to consolidation. Non-consolidated companies do not carry out any economic activity.

24. Contingent assets and liabilities

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

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	31/12/2017	31/12/2016
Liabilities to other parties:		
Liability repayment guarantee		10,265
Guarantees originated	13,777	7,095
Guarantees originated in relation with the building services contracts		
Disputed cases and cases in court	84	
Disputed cases and cases in court related to the IRS		
Other Contingent Liabilities	4,725	3,968
Total other parties	**18,586**	**21,328**
Total contingent liabilities	**18,586**	**21,328**

25. Risk relating to the financial instruments

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

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

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

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

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

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

25.1. Market Risk

<u>Currency risk</u>

Most Group's transactions are effected in PLN and, consequently, the Group is not exposed to currency risk. Therefore, the Group does not present an analysis of the sensitivity of its consolidated financial statements to fluctuations of foreign exchange rates.

<u>Interest rate risk</u>

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

- credits,

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- loans,
- bonds.

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 financial result:		Impact on other comprehensive income:	
		31/12/2017	31/12/2016	31/12/2017	31/12/2016
Interest rate rise	1%	- 571	-213		
Interest rate fall	-1%	571	213		

25.2. Credit risk

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

	Note	31/12/2017	31/12/2016
Loans	7.2	12	11
Trade receivables and other financial receivables	10	117,729	70,413
Remaining classes of other financial assets			
Cash and cash equivalents	11	11,447	5,113
Contingent liabilities under guarantees and sureties	24	18,586	21,328
Total exposure to credit risk		**147,774**	**96,865**

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

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

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

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

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

25.3. Liquidity risk

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

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

	Note	Short-term: up to 6 months	Short-term: 6 to 12 months	Long-term: 1 to 3 years	Long-term: 3 to 5 years	Long-term: above 5 years	Flows before discounting
As at 31/12/2017							
Loan facilities			844	1,406			2,250
Overdraft facilities		13,419	20,849				34,268
Loans		18					18
Debt securities				20,550			20,550
Finance lease		673	2,516	4,063	1,218	213	8,683
Trade liabilities and other financial liabilities	16	107,888					107,888
Total exposure to liquidity risk		**121,998**	**24,209**	**26,019**	**1,218**	**213**	**173,657**
As at 31/12/2016							
Loan facilities		422	422	2,250			3,094
Overdraft facilities		20,450					20,450
Loans							
Debt securities							
Finance lease		990	991	2,077			4,058
Trade liabilities and other financial liabilities	16	65,927					65,927
Total exposure to liquidity risk		**87,789**	**1,413**	**4,327**			**93,529**

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

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

	31/12/2017	**31/12/2016**
Overdraft facilities granted	54,249	35,250
Overdraft facilities used	36,516	20,450
Overdraft facilities available	17,733	14,800

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26. Capital Management

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

The Group monitors the capital level on the basis of carrying amount of equity as increased by subordinated loans from the shareholder. On the basis of such defined capital amount, the Group calculates the equity to total sources of finance ratio. The Group assumes the maintenance of this ratio at the level not lower than 0.5.

Additionally, in order to monitor the debt service capacity, the Group calculates the ratio of debt (i.e. lease liabilities, loans, credits and other debt instruments) to EBITDA (earnings before interest, taxes, depreciation and amortisation). The Group assumes the maintenance of this debt to EBITDA ratio at the level not lower than 3.0.

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

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

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

	31/12/2017	31/12/2016
Capital:		
Equity	108,946	92,809
Subordinated loans received from the shareholder		
Capital from the valuation of flow hedging instruments (-)		
Capital	**108,946**	**92,809**
Total sources of finance:		
Equity	108,946	92,809
Loans, credits, other debt instruments	57,086	27,526
Finance lease	8,683	4,058
Total sources of finance	174,714	124,392
Total capital to sources of finance ratio	**0.62**	**0.75**
EBITDA		
Operating profit (loss)	29,006	20,955
Amortisation and depreciation	7,749	5,393
EBITDA	**36,755**	**26,348**
Net debt:		
Loans, credits, other debt instruments	57,086	27,526
Finance lease	8,683	4,058
Cash	(11,447)	(5,113)
Net debt	54,322	26,471
Net debt to EBITDA ratio	**1.48**	**1.00**

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

27. Events after the Balance Sheet Date

On 10 January 2018, the Management Board of OEX S.A. learnt that the Parent Company and the subsidiaries obtained the funds under the selected financing tranches for the OEX Group in relation with the satisfaction of the conditions precedent indicated in the Loan Agreement signed with ING Bank Śląski S.A. and with Bank Zachodni WBK S.A., in particular with: the submission by the Borrowers of defined corporate and financial documents and the launch of the procedure of establishment of applicable securities and collaterals.

The Lenders provided the funds in the following forms, respectively:

- overdraft facilities up to the total amount of PLN 40,500,000,
- term loans to refinance a part of the current overdraft facilities in the total amount of PLN 6,500,000,
- a term loan to refinance the investment loan extended to OEX S.A. to purchase shares in Merservice sp. z o.o. in the amount of PLN 2,600,000.

The Loan Agreement was secured by:

- registered pledges on the shares in the Group's subsidiaries,
- assignment of rights and receivables of selected subsidiaries of the Group,
- pledges on the businesses of subsidiaries of the Group,
- financial pledges on the Borrowers' bank accounts,
- pledges on the inventories of selected companies of the Group,
- assignment of rights under insurance policies concerning the assets constituting the security.

Furthermore, the Borrowers submitted statements in which they declare and agree to be subject to enforcement and execution proceedings in accordance with Art. 777 §1 item 5 of the Polish Code of Civil Procedure for the benefit of each of the Lenders and each of the Factors. The above-mentioned agreements stipulate a joint and several liability of the Borrowers.

On 10 January 2018, the Management Board of OEX S.A. learnt that the overdraft facility granted to OEX S.A. and its subsidiaries - Tell sp. z o.o., PTI sp. z o.o and Europhone sp. z o.o. under loan agreement executed by and between Credit Agricole Bank Polska S.A. as the lender and the Parent Company and the above-mentioned subsidiaries as borrowers was repaid in whole.

On 16 January 2018, the Management Board of OEX S.A. learnt that ING Bank Śląski S.A. and Bank Zachodni WBK S.A disbursed funds in the form of a term loan of PLN 20,000,000 allocated to an earlier redemption of series A bonds issued by OEX S.A. in relation with the satisfaction of the conditions precedent indicated in the Loan Agreement.

On 17 January 2018, the Company made an earlier redemption of all 20,000 series A bonds of the total nominal value of PLN 20,000,000. The payment of the above-mentioned benefits to the bond holders was made through the intermediation of the National Depository for Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*) and the entities maintaining the securities accounts for the bond holders. In relation with the redemption, all the Bods were liquidated and, in consequence,, OEX S.A. applied to the Catalyst market organisers to exclude the Bonds from the alternative trading system.

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

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After 31/12/2017, there were no other events that required disclosure in the consolidated financial statements for 2017.

28. Other information

28.1. Selected financial data converted into EUR

In the periods covered by the financial statements, 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.

Content	Year ended on 31 December 2017	Year ended on 31 December 2016
average exchange rate as at the period end	4.1709	4.4230
average exchange rate of the period	4.2447	4.3757

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

	from 01/01 to 31/12/2017	**from 01/01 to 31/12/2016**	**from 01/01 to 31/12/2017**	**from 01/01 to 31/12/2016**
	in k PLN		**in k EUR**	
Consolidated statement of profit or loss				
Sale revenues	565,638	399,754	133,258	91,358
Operating profit (loss)	29,006	20,955	6,833	4,789
Profit (loss) before taxation	20,615	15,985	4,857	3,653
Net profit (loss)	16,137	12,549	3,802	2,868
Net profit (loss) - share of the shareholders of the Parent Company	16,383	11,850	3,860	2,708
Earnings per share (PLN; EUR)	2.38	1.72	0.56	0.39
Diluted earnings per share (PLN; EUR)	2.38	1.72	0.56	0.39
Average exchange rate PLN / EUR in the period	X	X	4.2447	4.3757
Consolidated Cash Flow Statement				
Net cash flows provided by operating activities	1,163	11,260	274	2,573
Net cash flows provided / (used) by investing activities	-21,948	-12,671	-5,171	-2,896
Net cash flows provided / (used) by financing activities	27,119	1,472	6,389	336
Total net cash flow	6,334	61	1,492	14
Average exchange rate PLN / EUR in the period	X	X	4.2447	4.3757

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

	31/12/2017	31/12/2016	31/12/2017	31/12/2016
		in k PLN		in k EUR
Consolidated Statement of Financial Position				
Assets	325,471	211,510	78,034	47,820
Long-term liabilities	41,287	14,781	9,899	3,342
Short-term liabilities	175,239	103,920	42,015	23,495
Equity	108,945	92,809	26,120	20,983
Equity - share of the parent company shareholders	107,222	90,840	25,707	20,538
PLN / EUR exchange rate at period end	X	X	4.1709	4.4230

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

As at 31/12/2017	Number of shares	Number of votes	% of share capital	% of votes
Neo Investment S.A. indirectly via subsidiaries:	2,414 698	3,636,402	35.05%	43.97%
- Neo Fund 1 Sp. z o.o. directly	1,661,688	2,883,392	24.12%	34.87%
- Neo Found 1 Sp. z o.o. indirectly via Neo BPO S.a r.l.	753,010	753,010	10.93%	9.11%
Piotr Cholewa, indirectly via a subsidiary:	1,280,206	1,439,814	18.58%	17.41%
- Silquern S.a r.l.	1,280,206	1,439,814	18.58%	17.41%
Jerzy Motz, indirectly via Precordia Capital Sp. z o.o. and Real Management S.A.	520,114	520,114	7.55%	6.29%
Others	2,673,521	2,673,521	38.81%	32.33%
Total	**6,888,539**	**8,269 851**	**100.00%**	**100.00%**

As at 31/12/2016	Number of shares	Number of votes	% of share capital	% of votes
Neo Investment S.A. indirectly via subsidiaries:	2,414 698	3,636,402	35.05%	43.97%
- Neo Fund 1 Sp. z o.o. directly	1,661,688	2,883,392	24.12%	34.87%
- Neo Found 1 Sp. z o.o. indirectly via Neo BPO S.a.r.l	753,010	753,010	10.93%	9.11%
Piotr Cholewa, indirectly via subsidiaries::	1,190,617	1,350,225	17.28%	16.33%
- Silquern S.a.r.l directly	826,558	826,558	12.00%	9.99%
- Silquern S.a.r.l indirectly via Arsilesia Sp. z o.o.	364,059	523,667	5.28%	6.33%
Quercus Parasolowy SFIO and Quercus Absolute Return FIZ	811,013	811,013	11.77%	9.87%
Other shareholders	2,472,211	2,472,211	35.89%	29.89%
Total	**6,888,539**	**8,269 851**	**100.00%**	**100.00%**

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28.3. Remuneration of the members of the Management Board of the Parent Company

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

Benefits for the management personnel	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Short-term employee benefits	120	319
Remuneration for the function of the Management Board member	1,147	819
Work termination benefits		
Share–based payments		
Other benefits	9	14
Total benefits	**1,276**	**1,152**

	In the Company:		In subsidiaries		Total
	Remuneration under work contract or appointment	Other benefits	Remuneration under work contract or appointment	Other benefits	
Period from 01/01 to 31/12/2017					
Jerzy Motz	600				600
Rafał Stempniewicz	60	2	588	7	657
Robert Krasowski	336	7			343
Artur Wojtaszek	204		160		364
Tomasz Kwiecień	67				67
Total	**1,267**	**9**	**748**	**7**	**2,031**
Period from 01/01 to 31/12/2016					
Jerzy Motz	385				385
Rafał Stempniewicz	130	5	390	4	529
Robert Krasowski	399	7			406
Stanisław Górski	80	2			82
Artur Wojtaszek	144		300		444
Total	**1,138**	**14**	**690**	**4**	**1,846**

28.4. Remuneration of the entity authorised to audit financial statements

The auditor auditing and reviewing the consolidated financial statements and reports of the Group companies for 2017 and 2016 is PKF Consult.

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Audit of annual financial statements	153	90
Review of financial statements	103	60
Tax advisory		
Other services		58
Total	**256**	**208**

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

28.5. Employment

The average employment in the Group as broken down into particular professional groups as well as the employee rotation were as follows:

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
White collar	1,934	1,137
Blue collar	36	78
Total	**1,970**	**1,215**

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

29. Approval for publication

The consolidated financial statements made for the year ended on 31 December 2017 (including comparable data) have been approved for publication by the Company's Management Board on 10 April 2018.

Signatures of all Management Board Members

Date	Name and surname	Function	Signature
10 April 2018	Jerzy Motz	President of the Management Board	
10 April 2018	Rafał Stempniewicz	Management Board Member	
10 April 2018	Robert Krasowski	Management Board Member	
10 April 2018	Artur Wojtaszek	Management Board Member	
10 April 2018	Tomasz Słowiński	Management Board Member	

Signature of the person responsible for the preparation of the consolidated financial statements

Date	Name and surname	Function	Signature
10 April 2018	Aleksandra Jaraczewska	Consolidation Director - Business Support Solution S.A.	