

OEX S.A.

FINANCIAL STATEMENTS FOR THE PERIOD FROM  
1 JANUARY 2017 TO 31 DECEMBER 2017

Warsaw, 09 April 2018.

Name of the Company	OEX S.A.		
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		

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## STATEMENT OF FINANCIAL POSITION

<b>ASSETS</b>	<b>Note</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<b>Non-current assets</b>			
Intangible fixed assets		235	270
Tangible fixed assets		246	32
Interests in subsidiaries		124,158	70,854
Receivables and loans		35	88
Long-term prepayments		108	
Deferred income tax assets		529	271
<b>Non-current assets</b>		<b>125,311</b>	<b>71,516</b>
<b>Current assets</b>			
Trade Receivables and Other Receivables		4,840	2,034
Loans		10,635	8,332
Short-term prepayments		283	16
Cash and cash equivalents		3,211	49
<b>Current assets</b>		<b>18,969</b>	<b>10,432</b>
<b>Total assets</b>		<b>144,280</b>	<b>81,947</b>

<b>TOTAL EQUITY &amp; LIABILITIES</b>	<b>Note</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<b>Equity</b>		<b>84,849</b>	<b>77,292</b>
Share capital		1,378	1,378
Share premium		44,960	44,960
Other Capitals		1,459	1,459
Retained profits:			
- retained profit from previous years		29,495	26,274
- net profit		7,557	3,221
<b>Liabilities</b>			
<b>Long-term liabilities</b>			
Loans, credits		1,406	2,250
Financial lease		146	
Bond liabilities		20,000	
Deferred tax liabilities		5	21
<b>Long-term liabilities</b>		<b>21,557</b>	<b>2,271</b>
<b>Short-term liabilities</b>			
Trade liabilities and other liabilities		1,163	1,038
Other liabilities		442	
Bond liabilities		550	
Liabilities related to the purchase of shares		34,733	
Loans, credits, other debt instruments		845	1,131
Financial lease		24	
Employee benefit liabilities		117	216
<b>Short-term liabilities</b>		<b>37,874</b>	<b>2,384</b>
<b>Total provisions</b>		<b>59,431</b>	<b>4,656</b>
<b>Total equity and liabilities</b>		<b>144,280</b>	<b>81,947</b>

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Book value	84,848,658.75	77,291,966.14
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)**

	<b>31/12/2017</b>	<b>31/12/2016</b>
Book value of one share	12.32	11.22
Diluted book value per one share	12.32	11.22

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## STATEMENT OF PROFIT OR LOSS

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
<b>Continued activities</b>			
<b>Sale revenues</b>			
Revenue from the sale of services		5,036	8,752
Revenue from the sale of goods and materials			209
<b>Cost of sales</b>		<b>4,375</b>	<b>6,184</b>
Costs of services sold		4,375	5,823
Cost of goods and materials sold			361
<b>Gross profit (loss) on sales</b>		<b>661</b>	<b>2,777</b>
Selling costs			662
Administrative expenses		985	3,006
Other operating income		477	208
Other operating expense		402	360
<b>Operating profit (loss)</b>		<b>-249</b>	<b>- 1,044</b>
Financial income		9,053	4,585
Financial costs		1,521	382
<b>Profit (loss) before taxation</b>		<b>7,283</b>	<b>3,159</b>
Income tax		-274	-62
<b>Net profit (loss) on continued activities</b>		<b>7,557</b>	<b>3,221</b>

### Discontinued Activity

Net profit (loss) on discontinued operations			
<b>Net profit (loss)</b>		<b>7,557</b>	<b>3,221</b>

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

### NET PROFIT (LOSS) PER ORDINARY SHARE (PLN)

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
<b>on continued operations</b>			
- basic		1.10	0.47
- diluted		1.10	0.47
<b>on continued and discontinued operations</b>			
- basic		1.10	0.47
- diluted		1.10	0.47

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## STATEMENT OF COMPREHENSIVE INCOME

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
<b>Net profit (loss)</b>	7,557	3,221
<b>Other comprehensive income</b>		
<b>Items not carried as financial profit or loss</b>		
<b>Items carried as financial profit or loss</b>		
<b>Comprehensive income</b>	7,557	3,221
<b>Comprehensive income</b>	7,557	3,221

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## STATEMENT OF CHANGES IN EQUITY

	TOTAL EQUITY					
	Share capital	Share premium	Other Capitals	Retained profits	Total	TOTAL EQUITY
<b>As at 01/01/2017</b>	1,378	44,960	1,459	29,495	77,292	77,292
<b>Balance after changes</b>	<b>1,378</b>	<b>44,960</b>	<b>1,459</b>	<b>29,495</b>	<b>77,292</b>	<b>77,292</b>
<b>Changes in equity in the period from 01/01 to 31/12/2017</b>						
<b>Total transactions with shareholders</b>						
Net profit for the period from 01/01 to 31/12/2017				7,557	7,557	7,557
<b>Total comprehensive income</b>						
<b>As at 31/12/2017</b>	<b>1,378</b>	<b>44,960</b>	<b>1,459</b>	<b>37,052</b>	<b>84,849</b>	<b>84,849</b>

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	TOTAL EQUITY					TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total	
As at 01/01/2016	1,378	44,960	1,459	31,440	79,237	79,237
Balance after changes	1,378	44,960	1,459	31,440	79,237	79,237
<b>Changes in equity in the period from 01/01 to 31/12/2016</b>						
Dividends				-5,166	-5,166	-5,166
<b>Total transactions with shareholders</b>				-5,166	-5,166	-5,166
Net profit for the period from 01/01 to 31/12/2016				3,221	3,221	3,221
<b>Total comprehensive income</b>				3,221	3,221	3,221
As at 31/12/2016	1,378	44,960	1,459	29,495	77,292	77,292



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## CASH FLOW STATEMENT

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
<b>Cash flow from operating activity</b>			
<b>Profit (loss) before taxation</b>		<b>7,283</b>	<b>3,159</b>
<b>Adjustments:</b>			
Depreciation and amortisation of fixed assets		35	146
Amortisation of intangible fixed assets		31	41
Profit (loss) on the sale of non-financial fixed assets		-26	25
Interest expense		1,299	284
Interest and dividend income		-9,053	-4,585
<b>Total adjustments</b>		<b>-7,714</b>	<b>4,088</b>
Change in inventories			8,491
Change in receivables		-2,247	17,203
Change in liabilities		758	-22,055
Change in provisions and prepayments		-374	10
<b>Changes in working capital</b>		<b>-1,863</b>	<b>3,648</b>
Taxes paid			-507
<b>Net cash flows provided by operating activities</b>		<b>- 2294</b>	<b>2,213</b>

		from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
<b>Cash flow from investing activity</b>			
Expenses to purchase intangible fixed assets			-24
Expenses to purchase fixed assets		-42	-197
Inflows from the sale of fixed assets		20	236
Net expenses to purchase subsidiaries		-18,861	-4,250
Received repayments of loans granted		350	11,685
Loans granted		-2,650	-13,735
Interest income		513	732
Dividend income		8,038	3,852
Cash disbursed			- 1,381
<b>Net cash flows provided / (used) by investing activities</b>		<b>-12,633</b>	<b>- 3081</b>

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#### Cash flow from financial activity

Inflows from debt securities in issue		20,000	
Inflows from loans and credits contracted			6,193
Repayment of loans and advances		-1,127	
Repayment of financial lease liabilities		-32	
Interest paid		-752	-283
Dividends paid			-5,166
<b>Net flows provided / (used) by financing activities</b>		<b>18,089</b>	<b>743</b>
<b>Total net cash flows</b>		<b>3,162</b>	<b>-126</b>
<b>Net change in cash and cash equivalents</b>		<b>3,162</b>	<b>-126</b>
Cash and cash equivalents at period beginning		49	175
<b>Cash and cash equivalents at period end</b>		<b>3,211</b>	<b>49</b>

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## SUPPLEMENTARY NOTES TO THE FINANCIAL STATEMENTS

### General information

#### a) Information about the Issuer

OEX S.A. (the Issuer, the Company, OEX S.A., OEX) was established in consequence of a transformation of Tell Sp. z o.o. on the basis of a Resolution of the Extraordinary General Meeting of Shareholders No. 1 of 15 November 2004. The Company is entered into the register of companies of the National Court Register maintained by the District Court for the capital city of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, under number KRS 0000222514. 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 company are listed at the Warsaw Stock Exchange.

The principal place of business of the Issuer 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.

The Company is a holding company and together with its subsidiaries it makes up the OEX Group. The Company prepares consolidated financial statements.

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

The composition of the Management Board of the company as at the day of approval of the financial statements for publication, i.e. 09 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.

As at 09 April 2018 the Supervisory Board of the Company was composed of:

- Piotr Beaupre – Chairman of the Supervisory Board,
- Tomasz Kwiecień – Member 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.

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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) Reporting Period and Scope**

The financial statements concern the financial year ended on 31 December 2017 and comprise comparative data for the year ended on 31 December 2016. The published financial data of the Company as at 31 December 2016 were presented as comparative data.

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

### **d) Approval for publication**

The 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 09 April 2018.

### **e) Declaration of the Management Board of the 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, the Management Board of the Company hereby states and declares that, to the best of its knowledge, these financial statements and comparable data have been prepared in accordance with the accounting policies binding on the Company and they present the economic and financial situation of OEX S.A. 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 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 rules 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 statutory auditor.

## **Drawing up basis and accounting rules**

### **a) Basis for the Preparation of the Financial Statements**

These financial statements were prepared 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'.

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

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

## **b) Change of Standards and Interpretations**

When preparing the 2017 financial statements, the Company 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:

- Amendment 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),
- Amendment 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).
- Amendment 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 adoption of the above-mentioned amendments to standards did not result in any changes in the accounting policy of the Company nor in the presentation of data in the financial statements.

The Company did not take advantage of the possibility of an earlier application of standards and amendments to standards approved by the European Union which are effective for reporting periods beginning on or after 01 January 2017:

- a) IFRS 9 *Financial Instruments* (dated 12 November 2009 with later amendments to IFRS 9 and IFRS 7 of 16 December 2011) – effective for reporting periods beginning on or after 1 January 2018

The new standard replaces the guidance given in IAS 39 *Financial Instruments: Recognition and Measurement*, on the classification and measurement of financial assets. The standard eliminates the IAS 39 categories of held-to-maturity, available-for-sale and loans and receivables. Upon the initial recognition the financial assets will be classified to one of the following two categories:

- financial assets carried at amortised cost; or
- financial assets carried at fair value.

A financial asset is carried at amortised cost when the following two conditions are fulfilled: assets are held in a business model whose objective is to hold assets in order to collect contractual cash flows and its contractual conditions result in the generation in defined moments of cash flows constituting only the repayment of the principal amount and the interest on the outstanding principal amount.

The gains and losses on the measurement of financial assets carried at fair value are recognised as profit or loss of the current period with the exception of a situation when the investment in the financial instrument is not held for trading. IFRS 9 provides an option of decision as to the measurement of financial instrument upon their initial recognition in fair value in other comprehensive income. Such a decision would be irreversible. The selection may be made for each instrument separately. The values recognised in other comprehensive income may not be later reclassified as profit or loss.

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IFRS 9 introduces a new model of determining the impairment loss charges – expected credit loss model. Of importance is also the obligation introduced by IFRS 9 to present in other comprehensive income the effects of changes of own credit risk due to financial liabilities carried at fair value through profit or loss.

Following the analysis made by OEX S.A., it was concluded that the adoption of IFRS 9, with the exception of possible changes in the names of categories of financial instruments in the notes to the financial statements, would not have any impact on the Company's financial statements upon the first adoption, i.e. in the period beginning on 1 January 2018.

- b) IFRS 15 *Revenue from Contracts with Customers* – effective for reporting periods beginning on or after 01 January 2018

IFRS 15 specifies how and when an IFRS reporter should recognise revenue as well as requires such entities to provide more informative, relevant disclosures. The standards a consolidated model of five topics to be applied to all contracts with customers when recognising revenue.

On the basis of the analysis made by OEX S.A. it was found that the application of IFRS 15 would not have a significant impact on the Company's financial statements upon the first adoption of the standard, i.e. in the period beginning on 1 January 2018.

The standards and interpretations adopted by the IASB which have not been approved for application by the EU:

- a) IFRS 16 *Leases* – effective for reporting periods beginning on or after 01 January 2019

IFRS 16 replaces the existing solutions concerning lease in IAS 17, IFRIC 4, SIC 15 and SIC 27. This IFRS introduces a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. The approach to lessor remains substantially unchanged from IAS 17 - the lessors still are required to classify leases as operating or finance.

- b) IFRS 14: *Regulatory Deferral Accounts* – effective for reporting periods beginning on or after 01 January 2016. The standard was published within the framework of a larger project Rate-regulated activities concerning the comparability of financial statements of entities operating in areas where the rates are regulated by rate-regulators or supervisory authorities (depending on jurisdictions, such areas may include distribution of electricity and heat, sale of energy and gas, telecommunications services, etc.).

IFRS 14 does not apply in the wide sense to the principles of accounting for rate-regulated activities but only determines the principles of disclosure of items constituting revenue or costs that qualify for recognition in result of the rate regulations and which, in the light of other IFRSs do not meet the conditions of recognition as assets or liabilities.

The application of IFRS 14 is allowed when the entity carries out rate-regulated activities and in the financial statements prepared in accordance with the previously applied accounting rules (policies) recognised the classifying amounts as “deferral account balances”.

In accordance with the published IFRS 14 such positions should be presented separately in the statement of financial position (balance sheet) as, respectively, assets of liabilities. Such accounts are not divided into current and non-current and are not described as assets or liabilities. Therefore, the ‘deferral accounts’ disclosed in the assets are described as ‘deferral account debit balances’ and those disclosed in the equity and liabilities - ‘deferral account credit balances’.

In the statement of profit or loss and other comprehensive income the entities should disclose net changes in ‘deferral accounts’, respectively, in the other comprehensive income section or in the profit or loss section (or in the separate statement of profit or loss).

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This standard, as a transitional standard in accordance with the decision of the European Commission, will not be subject to an adoption process.

- c) 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* – application deferred indefinitely

The amendments concern the sale or contribution of assets between and investor and its associate or joint venture and clarifies that the recognition of a gain or a loss resulting from the sale or contribution to an associate or a joint venture of assets depends on whether or not the assets sold or transferred constitute a business.

- d) Amendments to IAS 12 *Income Taxes: Recognition of Deferred Tax Assets for Unrealised Losses* – effective for reporting periods beginning on or after 01 January 2017,

The purpose of the proposed amendments is to clarify that the unrealised losses on debt instruments measures at fair value and - for tax purposes - at cost may result in deductible temporary differences.

The proposed amendments will also stipulate that the carrying amount of the given asset does not limit the estimates of the value of future taxable income. Additionally, in case of comparisons of the deductible temporary differences and the future taxable incomes, the future taxable incomes will not comprise tax deductibles resulting from the reversal of such deductible temporary differences.

- e) Amendments to IAS 7 *Statement of Cash Flows: Disclosure Initiative* – effective for reporting periods beginning on or after 01 January 2017,

The amendment is intended to improve information provided to users of financial statements about an entity's financing activities and liquidity. A requirement is introduced to:

- (i) reconcile the opening and closing balances in the statement of financial position for all items generating cash flows which qualify as financial activity, with the exception of the equity items;
- (ii) disclose information concerning the questions facilitating the entity's liquidity analysis, such as the restrictions applied when taking a decision to use the cash and cash equivalents.

- f) Clarifications concerning IFRS 15 *Revenue from Contracts with Customers* - effective for reporting periods beginning on or after 01 January 2018,

The amendments clarify the following:

- (i) identification of performance obligations,
- (ii) principal versus agent considerations in a contract,
- (iii) licensing (at a point in time or over time)

These amendments introduce 2 additional transitional reliefs aimed at cost lowering and simplification of complexities when adopting the standard.

- g) Amendments to IFRS 2 *Share-based Payments* - effective for reporting periods beginning on or after 01 January 2018,

The amendments clarify the way of recognition of certain payments made in the form of shares. The amendments introduce requirements concerning the accounting for:

- (i) cash-settled share-based payment transactions that include a performance condition,
- (ii) share-based payment transactions with net settlement features,
- (iii) modifications of share-based payment transactions from cash-settled to equity-settled.

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- h) Amendments to IFRS 4 *Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* - effective for reporting periods beginning on or after 01 January 2018.

The amendments aim at the elimination of cases of accounting mismatches from the income statements of entities that issue insurance contracts. In accordance with these amendments, the following solutions are admissible:

- application of IFRS 9 *Financial Instruments* with the recognition in comprehensive income and not the income statement of changes resulting from the application of IFRS 9 *Financial Instruments* instead of IAS 39 *Financial Instruments* for all entities that issue insurance contracts (the so-called 'overlay approach'),
- temporary (until 2021) exclusion of the application of IFRS 9 *Financial Instruments* for those entities whose business is related mainly with insurance and the application in that period of IAS 39 *Financial Instruments* (the so-called 'deferral approach').

- i) IFRIC 22 *Foreign Currency Transactions* – effective for reporting periods beginning on or after 01 January 2018

The interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The Interpretation covers foreign currency transactions when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognises the related asset, expense or income.

- j) Amendments to IAS 40 *Investment Property* - effective for reporting periods beginning on or after 01 January 2018

The changes aim at providing guidance on the principles of transfers of assets to, or from, investment properties. The change concerns paragraph 57 which states that a transfer of assets to, or from, investment property takes place when, and only when, there is evidence of a change in use. The list of situations contained in paragraphs 57(a)-(d) was designated as non-exhaustive list of examples while the current list is an exhaustive list of examples.

- k) Improvements to IFRS (2014-2016) – improvements in the framework of annual IFRS improvement process – effective for reporting periods beginning on or after 01 January 2017/ 01 January 2018

- Amendment to IFRS 1 *First-time Adoption of International Financial Reporting Standards*

The amendment concerns a deletion short-term exemptions in paragraphs E3–E7 of IFRS 1, because they concerned past reporting periods and have now served their intended purpose. The exemptions allowed first time IFRS adopters to use the same disclosures as those who have applied IFRSs for a long time with reference to:

- i. Disclosures of certain comparable data concerning financial instruments required in effect of the introduction of amendments to IFRS 7
- ii. The presentation of data comparable to the disclosures required in IAS 19, concerning the sensitivity of liabilities under defined benefits to actuarial assumptions
- iii. Retrospect application of requirements concerning investment units contained in IFRS 10, IFRS 12 and IAS 27.

- Amendment to IFRS 12 *Disclosure of Interests in Other Entities*

The amendment clarifies the scope of IFRS 12 by specifying that the disclosure requirements in the standard, except for those in paragraphs B10-B16, apply to an entity's interests classified as held for sale, as held for distribution or as discontinued operations in



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accordance with IFRS 5. The amendment arose in relation with ambiguities related to the mutual impact of the requirements to disclose information contained in IFRS 5 and IFRS 12.

- Amendments to IAS 28 *Investments in Associates and Joint Ventures*

The amendment clarifies that a decision concerning the measurement at fair value through profit or loss (and not by the equity method) of an investment in an associate or a joint venture, which may be taken by an entity that is a venture capital organisation, or other qualifying entity (e.g. a mutual fund, a trust fund), is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition. The amendment also concerns the possibility of electing the method for the measurement of an investment entity, which is an associate or a joint venture of an entity that is not an investment entity – it may maintain the measurement at fair value used by that entity, applying, at the same time the equity method.

In the Company's opinion, the above-mentioned standards, interpretations and amendments to standards will not have a significant impact on the financial statements.

### **c) Accounting Policies**

These 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.

OEX S.A. keeps its books of account in accordance with IFRSs.

#### **Presentation of the Financial Statements**

The presented financial statements are compliant with IAS 1. The Company presents a separate 'Statement of profit or loss' and 'Statement of Comprehensive Income'.

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

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

#### **Operating segments**

The Company identifies operating segments at the consolidated statements level.

#### **Business Combinations**

Not applicable.

#### **Investments in associates**

Not applicable.

#### **Transactions in Foreign Currencies**

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

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

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

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assets and liabilities recognised at fair value are converted into PLN at the exchange rate as at the measurement date.

### **Borrowing costs**

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

### **Goodwill**

The Company does not have any goodwill in its assets.

### **Intangible fixed assets**

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

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

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

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

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

The Company does not have intangible fixed assets with unspecified useful life.

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

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

### **Research and Development Works**

Not applicable.

### **Tangible Fixed Assets**

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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**

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

### **Interests in related parties**

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

### **Financial instruments**

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

A financial asset or a financial liability is disclosed in the balance sheet when OEX S.A. 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 or the Company waived them.

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

The Company 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 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 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:

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- 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**

None.

### **Cash and cash equivalents**

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

### **Equity**

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

The Company's treasury shares purchased and retained decrease the equity. The treasury shares are measured at cost.

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

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

### **Short-term employee benefits**

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

#### *Provisions for accrued holidays*

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

#### *Retirement benefits*

In accordance with the pay systems in force in the Company, the employees 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 Company. Actuarial gains and losses related to post-employment benefits are employee benefits are recognised in other comprehensive income. OEX S.A. 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 Company 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 Company recognises a provision on its balance sheet when it has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The date of incurring and the amount to be settled may be uncertain.

Provisions are created for the following purposes, without limitation:

- court proceedings in course and matters in dispute.

No provisions are set up for future operating losses.

Provisions are recognised in the amounts of estimated expenditures necessary to fulfil the present obligation on the basis of the most reliable evidence available as at the date of the financial statements, including those concerning the risk and degree of uncertainty. When the time value of money is material, the provision is measured by discounting the estimated future cash flows to the present value by applying the discount rate reflecting the actual assessment of the time value of money and the

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possible risk related to the given liability. When a discounting method has been applied, the provision increase with the passage of time is recognised as financial expense.

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

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

Information about contingent liabilities is disclosed in the descriptive part of the financial statements in Note No. 23. OEX S.A. also presents information about contingent liabilities from payments under operating lease contracts (Note No. 5).

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

### **Accruals**

The Company 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 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 Company 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 Company 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 Company 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***

Services provided by the Company comprise mainly the services for the subsidiaries.

### ***Interest and dividends***

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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 Company presents the costs in the financial statements as per the places they were generated.

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

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

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

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

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

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

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

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

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

*Useful economic lives of fixed assets*



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The Management Board of the Company annually verifies the useful economic lives of fixed assets subject to depreciation/amortisation. As at 31 December 2017, the Management Board confirmed that the useful lives of assets as assumed by the Company 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. 3 and 4.

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

#### *Impairment of 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 Company's assets.

#### *Liabilities related to the purchase of shares*

In 2017, OEX S.A. acquired 100% of shares in Voice Center Sp. z o. o. and 100% of shares in ArchiDoc S.A. Pursuant to the acquisition agreements, OEX S.A. is obliged to make a certain defined additional payment to the selling price in accordance with the terms and conditions as defined in the Agreement.

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## 1. Investments in related parties

The value of investments in related parties is subject to a test for impairment made annually or more often, if there are indications of such impairment.

In case of indications of impairment, the Company determines the investment's recoverable amount. This amount is the value in use estimated on the basis of discounted future cash flows. In 2017, the Company did not make any impairment charges with regard to the above-mentioned investments.

List of companies controlled by OEX S.A.

<b>Name of the Company</b>	<b>Registered office</b>	<b>% of shares/participations held</b>	<b>Shares at carrying amount</b>	<b>Impairment charge</b>	<b>Shares at carrying amount</b>
Tell Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	21,334		21,334
Europhone Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	11,025		11,025
PTI Sp. z o. o.	ul. Forteczna 19A, 61-362 Poznań	100	13,324		13,324
OEX Cursor S.A. (formerly Cursor S.A.)	ul. Równoległa 4A, 02-235 Warszawa	100	5,082		5,082
Divante Sp. z o.o.	ul. Dmowskiego 17, 50-203 Wrocław	51.03	3,216		3,216
Merservice Sp. z o.o. (formerly Mer Service Sp. z o.o.)	ul. Równoległa 4A, 02-235 Warszawa	100	4,500		4,500
Pro People Sp. z o. o.	ul. Równoległa 4A, 02-235 Warszawa	100	50		50
ArchiDoc S.A.	ul. Niedźwiedziniec 10, 41-506 Chorzów	100	45,942		45,942
Voice Contact Center Sp. z o. o.	ul. Równoległa 4A, 02-235 Warszawa	100	7,352		7,352
OEX E-Business Sp. z o.o. (formerly E-Logistics Sp. z o.o.)	ul. Równoległa 4A, 02-235 Warszawa	100	12,333		12,333
Toys4Boys Pl. Sp. z o. o.	ul. Nowy Świat 11B, 80-299 Gdańsk	30	1,287	1,287	0
Connex Sp. z o. o. in liquidation	ul. Forteczna 19A, 61-362 Poznań	100	150	150	0
			125,596	1,437	124,158

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

#### Change in investments in subsidiaries

<b>Details</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<b>State as at period beginning</b>	<b>70,854</b>	<b>44,975</b>
Acquisition of Archidoc S.A.	45,942	
Voice Contact Center Sp. z o. o.	7,352	
Increase of the capital in Cursor S.A. related to the Company's division	10	
Merservice Sp. z o.o. (formerly Mer Service Sp. z o.o.)		4,500
Pro People Sp. z o. o.		50
Separation of TELL Sp. z o.o.		21,329
<b>As at year end</b>	<b>124,158</b>	<b>70,854</b>

The following companies are covered by the consolidated financial statements prepared by OEX S.A.:

- 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.pl with registered office in Gdańsk.

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.

#### **Acquisition of subsidiaries in 2016**

**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

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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.

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.

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 by the Issuer 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 is to reinforce the market position of the OEX 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 subsidiaries in 2017**

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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<b>Rounding up/down level:</b>	<b>all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated</b>		

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.

As regards the security for the additional payments to the selling price and the contractual penalties, the Issuer

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.

### **Division of subsidiaries in 2017**

On 30 May 2017, 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

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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.

In relation with the separation of the organised part of business, the percentage share was assessed on the basis of the value of the equity of OEX Cursor upon the division. In result of the calculation, the shares are as following, respectively: OEX Cursor S.A. 29 % and OEX E-Business 71%.

### **Share impairment test**

The Company carried out tests for impairment of the shares in subsidiaries, in which the value of equity resulting from the financial statements is lower than the carrying amount of the shares. The test procedures did not indicate any share impairment. The recoverable amount of particular cash generating units was established on the basis of calculated value in use.

### **Cash generating unit**

The value in use was calculated in each instance on the basis of the 2018 budget and on the forecasts for the period of the next 4 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:

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:

No.	Name of the company	Europhone	PTI	Divante	Merservice	Archidoc	VCC
1.	Forecast period	5 years	5 years	5 years	5 years	5 years	5 years
2.	Discount rate	7.16%	7.16%	11%	9.08	8.53%	7.71%
3.	Growth rate after the budget period	0%	0%	2%	0%	1%	0%

- Free cash flows – estimated on the basis of historical data concerning particular cash flow generating units and forecasts concerning operating profit, depreciation and amortization, capital expenditure, change in non-cash current assets and change in non-financial liabilities.
- Discount rate – In tests for impairment, the discount rate applied was calculated as an average weighted cost of capital adjusted in specific cases (i.e. in case of particular shares and goodwills tested) by bonuses and discounts on account of risks specific to the given asset tested,

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- Growth rate - the growth rates are based on the expectations of the Management Board as regards the development of particular entities making up the Group - these assumptions are important because the management assesses how the economic and financial situation of particular cash flow generating units may change during the budget period when compared to competition.

### Sensibility 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 the shares of its recoverable amount.

The share 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	Europhone	PTI	Divante	Merservice	Archidoc	VCC
1.	Discount rate	7.16%	7.16%	11%	9.08	8.53%	7.71%
2.	Adjusted discount rate	8.66%	8.66%	12.50%	10.58%	10.03%	9.21%
3.	Test results	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment

## 2. Goodwill

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

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
<b>Gross value</b>		
As at period beginning	0	21,298
Other adjustments – issue as part of the organised part of business	0	- 21,298
Gross value at period end	0	0
<b>Impairment loss</b>	-	-
<b>Goodwill at period end</b>	<b>0</b>	<b>0</b>

## 3. Intangible fixed assets

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

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

	Licences and software	Other intangible assets	Trademarks	In production	Total
<b>As at 31/12/2017</b>					
Gross carrying amount	132		315		447
Accumulated depreciation/amortisation and impairment charges	-115		-97		-212
<b>Net carrying amount</b>	<b>17</b>		<b>218</b>		<b>235</b>
<b>As at 31/12/2016</b>					
Gross carrying amount	132		315		447
Accumulated depreciation/amortisation and impairment charges	-111		-65		-176
<b>Net carrying amount</b>	<b>20</b>		<b>250</b>		<b>270</b>

	Licences and software	Other intangible assets	Trademarks	In production	Total
<b>for the period from 01/01 to 31/12/2017</b>					
Net carrying amount as at 01/01/2017	20		250		270
Increase (acquisition, production, lease)	2				2
Decrease (disposal, liquidation) (-)			-2		-2
Depreciation and amortisation (-)	-5		-30		-35
<b>Net carrying amount as at 31/12/2017</b>	<b>17</b>		<b>218</b>		<b>235</b>
<b>for the period from 01/01 to 31/12/2016</b>					
Net carrying amount as at 01/01/2016	168	180	278		626
Increase (acquisition, production, lease)	24				24
Decreases (transfer of the organised part of business) (-)	-165	-173			-338
Depreciation and amortisation (-)	-7	-7	-28		-41
<b>Net carrying amount as at 31/12/2016</b>	<b>20</b>	<b>0</b>	<b>250</b>		<b>270</b>

	31/12/2017	31/12/2016
<b>Amortization of intangible assets recognised in:</b>		
Administrative expenses	31	32
Cost of sales	4	9
<b>Total amortisation of intangible assets</b>	<b>35</b>	<b>41</b>

#### 4. Tangible Fixed Assets

	Machinery and equipment	Vehicles	Other fixed assets	Tangible fixed assets in production	Total
<b>As at 31/12/2017</b>					
Gross carrying amount	128	202	44		374



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

Accumulated depreciation/amortisation and impairment charges	-109	-7	-12		128
<b>Net carrying amount</b>	<b>19</b>	<b>195</b>	<b>32</b>		<b>246</b>
<b>As at 31/12/2016</b>					
Gross carrying amount	113	114	16		243
Accumulated depreciation/amortisation and impairment charges	-90	-114	-7		-211
<b>Net carrying amount</b>	<b>23</b>	<b>0</b>	<b>9</b>		<b>32</b>

	Machinery and equipment	Vehicles	Other fixed assets	Tangible fixed assets in production	Total
<b>for the period from 01/01 to 31/12/2017</b>					
Net carrying amount as at 01/01/2017	23		9		32
Increase (acquisition, production, lease)	15	202	28		245
Depreciation and amortisation (-)	-19	-7	-5		-31
Reversal of impairment charges					
<b>Net carrying amount as at 31/12/2017</b>	<b>19</b>	<b>195</b>	<b>32</b>	<b>0</b>	<b>246</b>
<b>for the period from 01/01 to 31/12/2016</b>					
Net carrying amount as at 01/01/2016	941	904	3,122	8	4,974
Increase (acquisition, production, lease)	30	158	72		259
Decrease (disposal, liquidation) (-)		-212	-97		-309
Issue as part of the organised part of business	-903	-788	-3,034	-8	-4,733
Depreciation and amortisation (-)	-45	-62	-54		-160
<b>Net carrying amount as at 31/12/2016</b>	<b>23</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>32</b>

	31/12/2017	31/12/2016
<b>Depreciation of tangible assets recognised in:</b>		
Administrative expenses	20	51
Cost of sales	11	109
<b>Total depreciation of tangible assets</b>	<b>31</b>	<b>160</b>

## 5. Leased assets

### 5.1. Finance lease

N/a.

### 5.2. Operating lease

The Company uses tangible fixed assets as a lessee on the basis of operating lease agreements disclosed in the statement as finance lease.

Net value of fixed assets under operating lease:

	31/12/2017	31/12/2016
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<b>Name of the Company</b>	<b>OEX S.A.</b>		
<b>Period covered by the financial statements:</b>	<b>01/01/2017 - 31/12/2017</b>	<b>Reporting currency:</b>	<b>Polish zloty (PLN)</b>
<b>Rounding up/down level:</b>	<b>all values are expressed in thousands of Polish zlotys (kPLN), unless otherwise indicated</b>		

Vehicles	170	
Total	170	0

The value of minimum future operating lease payments is the following:

	31/12/2017	31/12/2016
<i>Future minimum lease payments under irrevocable operating lease agreements</i>		
Payable within 1 year	23	
Payable within the period from 1 year to 5 years	147	
<b>Total</b>	<b>170</b>	<b>0</b>

## 6. Financial Assets and Liabilities

### 6.1 Categories of financial assets and liabilities

The value of financial assets presented in the 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)	

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

#### As at 31/12/2017

	Note	Categories of financial instruments as per IAS 39						Non IAS 39	Total
		L&R	FVA-T	FVA-M	HMI	AFS	HD		
<b>Non-current assets</b>									
Receivables and loans	6.2	35						35	
Other long-term financial assets							124,158	124,158	
<b>Current assets</b>									
Trade Receivables and Other Receivables	9	4,796					44	4,840	
Loans	6.2	10,635						10,635	
Cash and cash equivalents	10	3,211						3,211	
<b>Total financial assets</b>		<b>18,677</b>					<b>124,202</b>	<b>142,879</b>	

#### As at 31/12/2016

	Note	Categories of financial instruments as per IAS 39						Non IAS 39	Total
		L&R	FVA-T	FVA-M	HMI	AFS	HD		
<b>Non-current assets</b>									
Receivables and loans	6.2	88						88	
Other long-term financial assets							70,854	70,854	
<b>Current assets</b>									
Trade Receivables and Other Receivables	9	2,034						2,034	
Loans	6.2	8,332						8,332	
Cash and cash equivalents	10	49						49	
<b>Total financial assets</b>		<b>10,503</b>					<b>70,854</b>	<b>81,357</b>	

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

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)

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

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	
<b>Long-term liabilities</b>							
Loans, credits, other debt instruments	6.3			21,406			21,406
Lease liabilities				146			146
<b>Short-term liabilities</b>							
Trade liabilities and other liabilities	15			1163			1,163
Other liabilities						442	442
Liabilities related to the purchase of shares						34,733	34,733
Employee benefit liabilities						117	117
Loans, credits, other debt instruments	6.3			1,395			1,395
Lease liabilities				23			23
<b>Total financial liabilities</b>				<b>24,133</b>		<b>35,292</b>	<b>59,425</b>

**As at 31/12/2016**

	Note	*Categories of financial instruments as per IAS 39					Total
		FVL-T	FVL-M	ACL	HD	Non IAS 39	
<b>Long-term liabilities</b>							
Loans, credits, other debt instruments	6.3			2,250			2,250
<b>Short-term liabilities</b>							
Trade liabilities and other liabilities	15			621			621
Loans, credits, other debt instruments	6.3			1,131			1,131
<b>Total financial liabilities</b>				<b>4,001</b>			<b>4,001</b>

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

## 6.1 Receivables and loans

For the purposes of presentation, in its statement of financial position, the Company 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, in compliance with the requirements of IAS 1 - the trade receivables and other receivables are presented separately. The classes of receivables and loans are presented in the table below. Disclosures concerning the receivables are made in Note No. 9.

	31/12/2017	31/12/2016
<i>Fixed assets:</i>		
Receivables	35	88
<b>Long-term receivables and loans</b>	<b>35</b>	<b>88</b>
<i>Current assets:</i>		
Trade receivables and other receivables	4,840	2,034
Loans	10,635	8,332
<b>Short-term receivables and loans</b>	<b>15,475</b>	<b>10,367</b>
<b>Receivables and loans, including:</b>		
Receivables (Note No. 9)	4,840	2,122
Loans (Note No. 6.2)	10,635	8,332

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. 6.3. 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
<b>Gross value</b>		
As at period beginning	8,332	6,282
Amount of loans granted in the period	2,650	13,735
Interest calculated using the effective interest rate method	442	407
Repayment of loans with interest (-)	-789	-12,092
<b>Gross value at period end</b>	<b>10,635</b>	<b>8,332</b>
<b>Impairment loss</b>		
As at period beginning	0	0
<b>Impairment loss at period end</b>		
<b>Carrying amount at period end</b>	<b>10,635</b>	<b>8,332</b>

The loans are measured by OEX S.A. 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. 20.

Loans to related parties

Loans granted	Currency	Interest rate	Maturity date	in PLN
	Divante Sp z o.o.	PLN	WIBOR 1 M +2.5%	31/03/2018
Europhone Sp z o.o.	PLN	WIBOR 1 M +3.5%	31/03/2018	4,282
Europhone Sp z o.o.	PLN	WIBOR 1 M +3.5%	31/03/2018	2,000
Oex Cursor S.A.	PLN	WIBOR 1 M +2.1%	30/11/2018	2,800
Oex E-Business Sp z o.o.	PLN	WIBOR 1 M +2.1%	31/01/2018	800

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

Oex E-Business Sp z o.o.	PLN	WIBOR 1 M +2.1%	31/03/2018	251
<b>Total</b>				<b>10,635</b>

## 6.2 Loans, credits, other debt instruments

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

	<b>Short-term liabilities</b>		<b>Long-term liabilities</b>	
	<b>31/12/2017</b>	<b>31/12/2016</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<b>Financial Liabilities carried at amortised cost</b>				
Overdraft	844	844	1,406	2,250
Overdraft facilities	1	287		
Debt securities	550		20,000	
<b>Total financial liabilities carried at amortised cost</b>	<b>1,395</b>	<b>1,131</b>	<b>21,406</b>	<b>2,250</b>
<b>Loans, credits, other debt instruments, total</b>	<b>1,395</b>	<b>1,131</b>	<b>21,406</b>	<b>2,250</b>

OEX S.A. is a party to a credit line agreement executed with Credit Agricole Bank Polska S.A. The loan is subject to variable interest rate based on the WIBOR 1 M reference rate plus the bank's margin. The loan amount is PLN 23.5 million. This Agreement was concluded for a definite period of time until 06 August 2018.

OEX S.A. is a party to an investment loan agreement with mBank S.A. The loan is subject to variable interest rate based on the WIBOR 1 M reference rate. The loan will be repaid in 36 instalments. The amount of loan extended is PLN 3.4 million and the outstanding amount as at 31/12/2017 is PLN 2.25 million. The loan was extended to refinance the purchase of 100% of shares in Merservice Sp. z o.o. This Agreement was concluded for a definite period of time until 31 August 2020.

On 14 December 2017, OEX S.A. and all the Issuer's subsidiaries signed a loan agreement with ING Bank Śląski S.A. and Bank Zachodni WBK S.A. (hereinafter referred to as the 'Lenders'), factoring agreements with BZ WBK Faktor sp. z o.o. and ING Commercial Finance Polska S.A. (hereinafter referred to as the 'Factors') and additional agreements related to the above-mentioned agreements, in particular agreements related to the establishment of agreed collaterals. The above-mentioned agreements were concluded in order to refinance the existing debts of the Borrowers, standardise and improve the borrowing conditions for the OEX Group entities and obtain long-term financing for the settlement of transactions related to the acquisition of assets made in 2016-2017.

Based on the said agreements, the financing provided was in the total amount of up to PLN 141.600 in the form of:

(i) overdraft facilities, guarantee lines and factoring lines up to the total of PLN 75,000,000 to be used to finance the daily activities of the Borrowers, the financing was granted for the period of two years;

(ii) conversion of a part of the existing overdraft facilities to term loans in the total amount of PLN 6,500,000; the above-mentioned loans will be repaid in quarterly instalments over the period of 5 years, starting on the day the Loan Agreement was executed;

(iii) term loan to refinance the investment loan extended to the Issuer in 2016 for the purchase of shares in Merservice Sp. z o.o., in the amount of PLN 2,600,000; the above-mentioned loan will be repaid in quarterly instalments over the period of 5 years starting on the day the loan agreement was executed;

(iv) term loan of PLN 20,000,000 earmarked for the potential redemption of the Issuer's series A bonds;

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

The repayment of the above-mentioned loan will be made over the period of 5 years after the Loan Agreement execution, whereby it will start on 31 January 2020. The loan will be repaid in equal monthly instalments and on the last day of the lending period the Issuer shall additionally repay the remaining debt in the amount of PLN 8,000,000.

(v) term loan of up to maximum PLN 30,500,000 earmarked to finance the additional payments to the price of purchase of shares in ArchiDoc S.A.;

(vi) term loan of up to maximum PLN 7,000,000 earmarked to finance the additional payments to the price of purchase of shares in Voice Contact Center Sp. z o.o.;

In relation with the execution of the loan agreement in December 2017, the following pledges were established in 2018:

<b>Competent Court</b>	<b>Pledged item</b>	<b>Reference No.</b>	<b>Registration status (Item No.)</b>
District Court for the Capital City of Warsaw in Warsaw, XI Commercial Division - Pledge Registration ul. Czerniakowska 100, 00-454 Warszawa	Account No. 27 1050 1520 1000 0090 3137 5364	WA.XI.Ns-Rej.Za 38/18/196	2559320
	Account No. 49 1050 1520 1000 0090 3137 5356	WA.XI.Ns-Rej.Za 39/18/597	2557095
	Account No. 44 1050 1520 1000 0090 3137 5349	WA.XI.Ns-Rej.Za 40/18/309	2559113
	Account No. 67 1050 1520 1000 0090 3137 5323	WA.XI.Ns-Rej.Za 41/18/710	2559326
	Account No. 45 1050 1520 1000 0090 3137 5331	WA.XI.Ns-Rej.Za 42/18/111	2560607
	Account No. 81 1090 1056 0000 0001 3539 5164	WA.XI.Ns-Rej.Za 43/18/512	2557058
	Shares in Archidoc	WA.XI.Ns-Rej.Za 22/18/469	2559331
	Shares in OEX Cursor	WA.XI.Ns-Rej.Za 21/18/068	2560602
	Shares in Divante	WA.XI.Ns-Rej.Za 24/18/271	2559284
	Shares in Europhone	WA.XI.Ns-Rej.Za 25/18/672	2559323
	Shares in Merservice	WA.XI.Ns-Rej.Za 23/18/870	2560328
	Shares in OEX E-Business	WA.XI.Ns-Rej.Za 26/18/073	2557097
	Shares in ProPeople	WA.XI.Ns-Rej.Za 27/18/474	2559321
	Shares in PTI	WA.XI.Ns-Rej.Za 28/18/875	2557216
	Shares in VCC	WA.XI.Ns-Rej.Za 30/18/988	2560610
Shares in Tell	WA.XI.Ns-Rej.Za 29/18/276	2559498	

#### 6.4 Liability payment guarantee

The loan liabilities of the Company contracted before 14 December 2017 on account of loans were covered by the following collaterals:

- registered pledge and financial pledge on 340,100 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,
- assignment of receivables of 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 receivables 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 to 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 to PLN 39 million each,
- registered pledge on all the inventories in all 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 each.
- Assignment of rights under the property insurance policy against all risk - total insurance sum,

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

- blank promissory note issued by OEX S.A. guaranteed by Mer Service 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 Mer Service Sp. z o.o.

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

	<b>31/12/2017</b>	<b>31/12/2016</b>
Intangible fixed assets		
Financial assets (other than receivables) - shares	50,183	50,183
Inventories		
<b>Total carrying amount of assets constituting a liability collateral</b>	<b>50,183</b>	<b>50,183</b>

## 6.5 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
<b>Assets:</b>					
Loans	6.2	10,635	10,635	8,332	8,332
Trade receivables and other receivables	9	4,840	4,840	2,122	2,122
Cash and cash equivalents	10	3,211	3,211	49	49
<b>Liabilities:</b>					
Loan facilities	6.3	2,250	2,250	3,134	3,134
Overdraft facilities	6.3	1	1	287	287
Debt securities		20,550	20,550		
Trade liabilities and other	15	36,624	36,624	621	621

\*This item does not comprise shares and participations carried at cost because there is no reliable method to determine their fair value

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

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

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

## 7. Deferred tax assets and liabilities

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

	Note	<b>31/12/2017</b>	<b>31/12/2016</b>
<b>As at period beginning:</b>			
Deferred income tax assets		271	305
Deferred tax liabilities		-21	-4,048
Deferred tax at period beginning		250	-3,743
<b>Change in the period influencing:</b>			
Result (+/-)	19	-343	-66



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

Other comprehensive income (+/-)			
Change in deferred tax assets in result of the transfer of the organised part of business			4,048
Change in deferred tax liabilities in result of the transfer of the organised part of business			-121
Deferred tax at period end, including:		274	250
<b>Balance as at period end:</b>			
Deferred income tax assets		529	271
Deferred tax liabilities		-5	-21

#### Deferred income tax assets:

Temporary differences	As at period beginning	Change:		At period end
		Result	other comprehensive income	
<b>As at 31/12/2017</b>				
<b>Assets:</b>				
Inventories	77			77
Trade receivables				
Financial derivatives		35		35
<b>Liabilities:</b>				
Employee benefits liabilities				
Provisions for employee benefits	60	-21		39
Other provisions and other liabilities	7			7
Trade liabilities	32	-26		6
Loans, credits, other debt instruments		104		104
<b>Other:</b>	<b>93</b>	<b>168</b>		<b>261</b>
Unsettled tax losses				
<b>Total</b>	<b>271</b>	<b>258</b>		<b>529</b>

#### As at 31/12/2016

<b>Assets:</b>				
Inventories	62	15		77
<b>Liabilities:</b>				
Employee benefits liabilities	117	-57		60
Provisions for employee benefits	121	7	-121	7
Trade liabilities		32		32
Other liabilities	5	-5		
<b>Other:</b>				
Unsettled tax losses		93		93
<b>Total</b>	<b>305</b>	<b>87</b>	<b>-121</b>	<b>271</b>

#### Deferred income tax liabilities:

Temporary differences	As at period beginning	Change:		At period end
		Result	other comprehensive income	
<b>As at 31/12/2017</b>				
<b>Assets:</b>				
Tangible Fixed Assets		4		4
<b>Liabilities:</b>				
Loans, credits, other debt instruments		1		1

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

Temporary differences	As at period beginning	Change:		At period end
		Result	other comprehensive income	
Total		5		5

#### As at 31/12/2016

<b>Assets:</b>				
Intangible fixed assets	4,047		-4,047	
Tangible Fixed Assets	1		-1	
Other assets		21		21
<b>Liabilities:</b>				
<b>Total</b>	<b>4,048</b>	<b>21</b>	<b>-4,048</b>	<b>21</b>

As at the balance sheet day, 31/12/2017, the Company had unused tax losses of kPLN 1,372 (as at 31/12/2016; kPLN 499 and as at 31/12/2017: kPLN 873 ), which may be deducted from future taxable profits.

On account of tax losses of kPLN 1,372 (as at 31/12/2016; kPLN 499 and as at 31/12/2017: kPLN 873 ), the Company recognised tax assets on the losses in the amount of kPLN 260 .

	31/12/2017	31/12/2016
in 2021	499	499
in 2022	873	
Total	1,372	499

## 8. Inventories

The financial statements comprise the following inventories:

	31/12/2017	31/12/2016
Goods	404	407
Impairment charge	-404	-407
<b>Total carrying amount of the inventories</b>	<b>0</b>	<b>0</b>

In 2017, OEX S.A. recognised a reversal of impairment charge as a revenue of the period in operating activities in the amount of kPLN 4 .

The inventories impairment charges made in 2017 in other costs amounted to kPLN 1 .

## 9. Trade Receivables and Other Receivables

The trade receivables and other receivables recognised by the Company as part of the class of receivables and loans(cf. Note No. 6.2) are as follows:

#### Long-term receivables:

	31/12/2017	31/12/2016
Deposits received under other titles	35	88

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

Long term receivables	35	88
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### Short-term receivables:

	31/12/2017	31/12/2016
<i>Financial assets (IAS 39):</i>		
Trade receivables	5,532	3,282
Impairment of trade receivables (-)	-1,236	-1,250
<b>Net trade receivables</b>	<b>4,296</b>	<b>2,032</b>
Impairment of other financial receivables (-)	4,296	2,032
<b>Net other financial receivables</b>	<b>4,296</b>	<b>2,032</b>
Financial receivables		
<i>Non-financial assets (outside IAS 39):</i>		
Other non-financial receivables	652	110
Impairment of non-financial receivables (-)	-108	-108
<b>Non-financial receivables</b>		
<b>Total short-term receivables</b>	<b>4,840</b>	<b>2,034</b>

The carrying amount of trade receivables is recognised by the Company as the reasonable approximation of their fair value (cf. Note No. 9).

OEX S.A. tested the receivables for impairment in accordance with its accounting principles (cf. item c) in the item "Drawing up basis and accounting rules").

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
<b>State as at period beginning</b>	<b>1,358</b>	<b>1,524</b>
Reversal of impairments carried as revenue in the period (-)	-14	
Settlement of the transfer of the organised part of business		-166
<b>State as at period end</b>	<b>1,344</b>	<b>1,358</b>

## 10. Cash and cash equivalents

	31/12/2017	31/12/2016
Cash at bank in PLN	3,211	48
Cash at hand		1
<b>Total cash and cash equivalents</b>	<b>3,211</b>	<b>49</b>

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

## 11. Non-current Assets Held for Sale and Discontinued Operations

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

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

## 12. Equity

### 12.1. Share capital

As at 31/12/2017, the share capital of the 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.

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

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
<i>Shares issued and fully paid up for:</i>		
Number of shares at the period beginning	6,888,539	6,888,539
Number of shares at the period end	<b>6,888,539</b>	<b>6,888,539</b>

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

### 12.2. Other equity

	<b>31/12/2017</b>	<b>31/12/2016</b>
Share premium	44,960	44,960
Other Reserve Capitals	1,459	1,459
Retained profits	37,052	29,495
<b>State as at period end</b>	<b>84,849</b>	<b>75,914</b>

## 13. Employee Benefits

### 13.1. Costs of Employee Benefits

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
Payroll costs	2,231	3,440
Social insurance costs	177	449
Costs of future benefits (provisions, retirement benefits)	39	39
<b>Total costs of employee benefits</b>	<b>2,447</b>	<b>3,928</b>

### 13.2. Employee benefit liabilities

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

	<b>Short-term liabilities and provisions</b>		<b>Long-term liabilities and provisions</b>	
	<b>31/12/2017</b>	<b>31/12/2016</b>	<b>31/12/2017</b>	<b>31/12/2016</b>
<i>Short-term employee benefits:</i>				
Payroll liabilities	135	134		
Liabilities under social insurance	61	43		
Other employee liabilities	78			
Provisions for accrued holidays	39	39		

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

	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	313	216		

<b>Total employee benefit liabilities and provisions</b>	<b>117</b>	<b>216</b>		
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The employee benefit liabilities and provisions in 2017 include only provisions for employee benefits.

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				
<b>Present value of provisions as at 31/12/2017</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

State as at period beginning		50		50
<i>Changes recognised as profit or loss:</i>				
Settled as part of the transfer of the organised part of business	0	-50	0	-50
<b>Present value of provisions as at 31/12/2016</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 14. Other provisions

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

## 15. Trade liabilities and other liabilities

The trade liabilities and other liabilities (cf. also Note No. 8) are as follows:

Short-term liabilities:

	31/12/2017	31/12/2016
<i>Financial liabilities (IAS 39):</i>		
Trade liabilities	1,163	621
Other financial liabilities	24	
<b>Financial liabilities</b>	<b>1,187</b>	<b>621</b>
<i>Non-financial liabilities (outside IAS 39):</i>		
Other tax and other benefit liabilities	442	141
Bond liabilities	20,550	
Liabilities related to the purchase of shares	34,733	
Other non-financial liabilities		492
<b>Non-financial liabilities</b>	<b>55,725</b>	<b>633</b>
<b>Total short-term liabilities</b>	<b>56,912</b>	<b>1,254</b>

The carrying amount of trade liabilities is recognised by the Company as the reasonable approximation of their fair value (cf. Note No. 6).

## 16. Accruals

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

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	283	16	108	
<b>Assets - total prepayments</b>	<b>283</b>	<b>16</b>	<b>108</b>	<b>0</b>

## 17. Operating revenue and costs

### 17.1. 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	5,036	8,752
Revenue from the sale of goods and materials		209
<b>Sale revenues</b>	<b>5,036</b>	<b>8,961</b>

### 17.2. Costs by type

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Amortisation and depreciation	3.4	66	187
Employee benefits	13	2,408	3,917
Consumption of materials and energy		80	280
Contracted services		2,653	4,801
Taxes and fees		6	19
Other costs by type		159	323
<b>Total costs per type</b>		<b>5,372</b>	<b>9,528</b>
Value of goods and materials sold			361
Change in products and work in progress (+/-)		13	36
<b>Own cost of the sale, selling costs and administration costs</b>		<b>5,359</b>	<b>9,492</b>

### 17.3. 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		26	
Reversal of impairment of financial receivables		14	
Reversal of impairment of inventories	9	4	
Write-back of unused provisions	13.14		18
Reinvoiced revenues from bank fees		308	
Reinvoiced revenues from insurance		67	
Other revenue		58	190
<b>Total other operating revenue</b>		<b>477</b>	<b>208</b>

### 17.4. 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			25
Impairment of inventories	8		81
Set-up of provisions	13		39
Penalties and indemnities paid		10	71
Other costs related to bank fees		308	
Other costs related to insurance		67	
Other costs		17	144

Name of the Company	OEX S.A.		
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		

Total other operating costs		402	360
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## 18. Financial income and expenses

### 18.1. Financial income

Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
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*Interest income concerning financial instruments not carried at fair value through profit or loss:*

Cash and cash equivalents (deposits)	10		732
Loans and receivables	6.2	515	
<b>Interest income concerning financial instruments not carried at fair value through profit or loss</b>		<b>515</b>	<b>732</b>

*Other:*

Dividends on available-for-sale financial assets		8,538	3,852
<b>Total financial income</b>		<b>9,053</b>	<b>4,585</b>

### 18.2. Financial costs

Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
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*Interest expense concerning financial instruments not carried at fair value through profit or loss:*

Financial lease liabilities		3	284
Credit facilities in the credit account and overdraft facilities	6.3	153	
Debt securities, bonds		1,143	
<b>Interest expense concerning financial instruments not carried at fair value through profit or loss</b>		<b>1,299</b>	<b>284</b>

*Other:*

Other financial costs		222	98
<b>Total financial costs</b>		<b>1,521</b>	<b>382</b>

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

## 19. Income tax

Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
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*Current tax:*

Settlement of tax for the reporting period			4
Adjustment of tax for previous periods			4
<b>Current tax</b>			

*Deferred income tax:*

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

Temporary difference occurrence and reversal	7	-274	-66
<b>Deferred income tax</b>		<b>-274</b>	<b>-66</b>
<b>Total income tax</b>		<b>-274</b>	<b>-62</b>

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

	Note	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
Pre-tax result		7,283	3,159
Tax rate applied by the Company		19%	19%
<b>Income tax at 19%</b>		<b>1,383</b>	<b>600</b>

**Reconciliation of the income tax due to:**

Adjustment due to the business combination (+/-)			
Non-taxable revenues (-)		-1,602	-762
Permanently non-tax deductible costs (+)		34	49
Utilisation of previously non-recognised tax losses (-)			-102
Unrecognised deferred tax asset concerning deductible temporary differences (+)			114
Unrecognised deferred tax asset concerning tax losses (+)			93
Adjustment of tax for previous periods (+/-)			12
<b>Income tax</b>		<b>-185</b>	<b>4</b>
<b>Average tax rate applied</b>		<b>-2.54%</b>	<b>0.13%</b>

## 20. Earnings per share and dividends paid

### 20.1. Earnings per share

The earnings per share are calculated in accordance with the formula: net profit divided by average weighted number of ordinary shares in the given period.

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

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

	from 01/01 to 31/12/2017	from 01/01 to 31/12/2016
<b>Number of shares inserted in the denominator of the formula</b>		
Average weighted number of ordinary shares	6,888,539	6,888,539
Dilution effect of options convertible into shares		
<b>Average weighted diluted number of ordinary shares</b>	<b>6,888,539</b>	<b>6,888,539</b>



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

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
<i>Continued activities</i>		
Net profit (loss) on continued activities in PLN	7,556,692.61	3,221,129.35
Basic profit (loss) per share (PLN)		
Diluted profit (loss) per share (PLN)		

<i>Discontinued Activity</i>		
Net profit (loss) on discontinued operations		
Basic profit (loss) per share (PLN)	1.10	0.47
Diluted profit (loss) per share (PLN)	1.10	0.47

<i>Continued and discontinued operations</i>		
Net profit (loss)	7,556,692.61	3,221,129.35
Basic profit (loss) per share (PLN)	1.10	0.47
Diluted profit (loss) per share (PLN)	1.10	0.47

## 20.2. 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.

## 21. Cash flows

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

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
<b>Adjustments:</b>		
Depreciation of tangible fixed assets	35	146
Amortisation of intangible fixed	34	41
Profit (loss) on the sale of non-financial fixed assets	-26	25
Interest expense	1,299	284
Interest and dividend income	- 9,053	-4,585
<b>Total adjustments</b>	<b>- 7714</b>	<b>- 4,088</b>
Change in inventories		8,491
Change in receivables	-2247	17,203
Change in liabilities	758	- 22,055
Change in provisions and prepayments	-374	10
<b>Changes in working capital</b>	<b>-1,863</b>	<b>3,648</b>

## 22. Transactions with related parties

Entities related to the Company take over subsidiaries and key management personnel. Unsettled balances of receivables and liabilities are usually settled in cash.

Information on contingent liabilities concerning related parties is presented in Note No. 23.

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

## 22.1. Transactions with key management personnel

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

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
<b>Benefits for the management personnel</b>		
Short-term employee benefits	120	319
Remuneration for the function of the Management Board member	1147	819
Other benefits	9	14
<b>Total benefits</b>	<b>1,276</b>	<b>1,152</b>

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

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

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

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

	<b>Subsidiaries</b>	<b>Associates</b>	<b>Other related entities</b>	<b>Total</b>
<b>from 01/01 to 31/12/2017</b>				
Sale revenues	5,325			5,325
Financial income - interest	515			515
Dividend income	8,538			8,538
Purchases of goods and services	284			284

### 31 December 2017

Trade receivables	2,720			2,720
Loans granted	10,635			10,635
Liabilities	65			65

	<b>Subsidiaries</b>	<b>Associates</b>	<b>Other related entities</b>	<b>Total</b>
<b>from 01/01 to 31/12/2016</b>				
Sale revenues	4,422			4,422
Financial income - interest	732			732
Dividend income	3,852			3,852
Purchases of goods and services	253			253

### 31 December 2016

Trade receivables	1,750			1,750
Loans granted	8,332			8,332

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

## 23. Contingent assets and liabilities

The value of contingent liabilities as at the end of particular periods is as follows:

### To other parties:

Liability repayment guarantee	4,725	10,265
Guarantees originated	100	102
<b>Total other parties</b>	<b>4,825</b>	<b>10,367</b>
<b>Total contingent liabilities</b>	<b>4,825</b>	<b>10,367</b>

## 24. Risk relating to the financial instruments

The Company is exposed to numerous risks related to the financial instruments. The financial assets and liabilities of OEX S.A. as broken down by category were presented in Note 6. Risks the Company is exposed to include:

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

The financial risk management of the Company is coordinated by the Management Board. In the risk management process, the following objectives are of the highest importance:

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

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

Below are presented the most important risk OEX S.A. is exposed to.

### 24.1. Market Risk

#### Currency risk sensitivity analysis

Most transactions of the Company are effected in PLN.

#### Interest rate risk sensitivity analysis

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

- advances,
- loans.

The characteristics of the above instruments, including the variable and fixed interest rates, is presented in Notes No. 6.2 and 6.3.

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

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%	22	1	22	1
Interest rate fall	-1%	-22	-1	-22	-1

## 24.2. Credit risk

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

	Note	31/12/2017	31/12/2016
Loans	6	10,635	8,332
Trade receivables and other financial receivables	9	4,840	2,034
Remaining classes of other financial assets			
Cash and cash equivalents	10	3,211	49
Contingent liabilities under guarantees and sureties	24	4,825	10,367
<b>Total exposure to credit risk</b>		<b>23,511</b>	<b>20,782</b>

OEX S.A. recognises trade receivables and loans granted as financial assets which may potentially result on a credit risk concentration. However, the Company's credit risk is limited in view of the holding activities it pursues, since it cooperates mainly with related parties. The Company defines its exposure to credit risk as the entirety of unsettled receivables and monitors the balances regularly with regard to each company.

The impairment charges concerning the financial assets exposed to credit risk are described in detail in Note No. 9.

## 24.3. Liquidity risk

The liquidity risk is a risk of encountering difficulties in meeting financial liabilities. The Company's liquidity risk management process consists in forecasting the future cash flows, analyses of the level of liquid assets in relation to the cash flows, monitoring of liquidity ratios based on balance sheet items and maintaining access to various sources of financing. The Company manages the liquidity risk also by maintaining open and unused credit lines. The provide a liquidity reserve and secure solvency and financial flexibility. The Company recognises bank loans as financial instruments that may potentially result in liquidity risk concentrations because the Company cooperates with selected financial institutions. As at 31/12/2016, the short-term bank loans constitute 47% of the short-term liabilities.

As at 31/12/2017, the short-term bank loans constitute 2.23% of the short-term liabilities.

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

Note	Short-term:		Long-term:			Flows before discounting
	up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	above 5 years	

*As at 31/12/2017*

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

	Note	Short-term:		Long-term:			Flows before discounting
		up to 6 months	6 to 12 months	1 to 3 years	3 to 5 years	above 5 years	
Loan facilities		422	422	1,406			2,250
Overdraft facilities		1					1
Debt securities		550		20,000			20,550
Financial lease		12	12	146			170
Trade liabilities and other financial liabilities	15	35,896					35,896
<b>Total exposure to liquidity risk</b>		<b>36,459</b>	<b>856</b>	<b>21,552</b>			<b>58,867</b>

#### *As at 31/12/2016*

Loan facilities		422	422	2,250			3,090
Overdraft facilities		287					287
Trade liabilities and other financial liabilities	15	621					621
<b>Total exposure to liquidity risk</b>		<b>1,330</b>	<b>422</b>	<b>2,250</b>			<b>4,002</b>

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 statement of financial position.

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

	31/12/2017	31/12/2016
Overdraft facilities granted	23,000	23,000
Overdraft facilities used	1	287
Overdraft facilities available	22,999	22,713

## 25. Capital Management

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

OEX S.A. monitors the capital level on the basis of carrying amount of equity.

The above-mentioned objectives are consistent with the requirements imposed by loan agreements as presented in detail in Note No. 12.

The Company is not subject to any external capital requirements.

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

	31/12/2017	31/12/2016
<b>Capital:</b>		
Equity	84,849	77,292
Subordinated loans received from the shareholder		
Capital from the valuation of flow hedging instruments (-)		
<b>Capital</b>	<b>84,849</b>	<b>77,292</b>

#### **Total sources of finance:**

Equity	84,849	77,292
Loans, credits, other debt instruments	57,534	3,381

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

	31/12/2017	31/12/2016
Financial lease	170	
Total sources of finance	142,553	80,673
<b>Total capital to sources of finance ratio</b>	<b>0.59</b>	<b>0.96</b>

## 26. Events after the Balance Sheet Date

On 10/01/2018, the Management Board of OEX S.A repaid in whole its debt under the overdraft facility sanctioned in loan agreement between Credit Agricole Bank Polska S.A. as the lender and the Issuer and its subsidiaries. The Company also repaid in whole its debt under the investment loan extended by mBank S.A.

On 17/01/2018, the Company made an earlier redemption of all (i.e. 20,000) series A bonds of the Issuer (hereinafter referred to as the 'Bonds') of the total nominal value of PLN 20,000,000. The basis for the earlier redemption of the Bonds are the Terms and Conditions of the Issue of Series A Unsecured Coupon Bonds drawn up in Warsaw on 21 December 2016 (hereinafter referred to as the 'Bond T&C'). The earlier Bond redemption (within the understanding of the Bond T&C) took place in the form of a payment for each bond as mentioned herein above of an amount equal to its nominal value, i.e. PLN 1,000, plus interest for the Interest Period (within the understanding of the Bond T&C) in the amount of PLN 30.30 and the Early Redemption Bonus (within the understanding of the Bond T&C) in the amount of PLN 4. The payment of the above-mentioned benefits to the bond holder 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 early redemption as mentioned above all the Bonds were redeemed and liquidated and, in consequence, the Issuer applied to the Catalyst market organisers (Warsaw Stock Exchange [*Giełda Papierów Wartościowych w Warszawie S.A.*] and BondSpot S.A.) to exclude the Bonds from trading at the alternative trading system managed by the authorised entities.

The above-mentioned liabilities were repaid from the funds provided under a new loan agreement made by and between the Issuer and all the Issuer's subsidiaries and ING Bank Śląski S.A. and Bank Zachodni WBK S.A.

## 27. Other information

### 27.1. 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.

<b>Content</b>	Year ended on 31 December 2017	Year ended on 31 December 2016
average exchange rate as at the period end	4.1709	4.4240
average exchange rate of the period	4.2447	4.3757

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

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

	from 01/01 to 31/12/201 7	from 01/01 to 31/12/201 6	from 01/01 to 31/12/201 7	from 01/01 to 31/12/201 6
	in k PLN		in k EUR	
<b>Statement of profit or loss</b>				
Sale revenues	5,036	8,961	1,186	2,048
Operating profit (loss)	-249	-1,044	-59	-239
Profit (loss) before taxation	7283	3,159	1,716	722
Net profit (loss)	7,557	3,221	1,780	736
Net profit (loss)	7,557	3,221	1,780	736
Earnings per share (PLN; EUR)	1.10	0.47	0.25	0.11
Diluted earnings per share (PLN; EUR)	1.10	0.47	0.25	0.11
Average exchange rate PLN / EUR in the period	X	X	4.2447	4.3757
<b>Cash Flow Statement</b>				
Net cash flows provided by operating activities	-2,294	2,213	-540	506
Net cash flows provided / (used) by investing activities	-12,633	-3,081	-2976	-704
Net cash flows provided / (used) by financing activities	18,089	743	4262	170
Total net cash flow	3,162	-126	745	29
Average exchange rate PLN / EUR in the period	X	X	4.2447	4.3757
	<b>31/12/201 7</b>	<b>31/12/201 6</b>	<b>31/12/201 7</b>	<b>31/12/201 6</b>
	in k PLN		in k EUR	
<b>Statement of financial position</b>				
Assets	144,280	81,947	34,592	18,523
Long-term liabilities	1,557	2,271	373	513
Short-term liabilities	57,874	2,384	13,876	539
Equity	84,849	77,292	20,343	17,471
PLN / EUR exchange rate at period end	X	X	4.1709	4.4240

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

	Number of shares	Number of votes	% of share capital	% of votes
<b>As at 31/12/2017</b>				
Neo Investment S.A. indirectly via subsidiaries:	2,414 698	3,636,402	35.06%	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::	1,280,206	1,439 814	18.58%	17.41%
- Silquern S.a.r.l directly	1,280,206	1,439 814	18.58%	17.41%
Real Management S.A.	520,114	520,114	7.55%	6.29%
Other shareholders	2,673,521	2,673,521	38.81%	32.33%
<b>Total</b>	<b>6,888,539</b>	<b>8,269 851</b>	<b>100%</b>	<b>100%</b>

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

	<b>Number of shares</b>	<b>Number of votes</b>	<b>% of share capital</b>	<b>% of votes</b>
<b>As at 31/12/2016</b>				
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%
<b>Total</b>	<b>6,888,539</b>	<b>8,269 851</b>	<b>100.00%</b>	<b>100.00%</b>

### 27.3. Remuneration of the members of the Management Board of the Company

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

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
<b>Benefits for the management personnel</b>		
Short-term employee benefits	120	690
Remuneration for the function of the Management Board member	1,147	1,138
Other benefits	9	18
<b>Total benefits</b>	<b>1,276</b>	<b>1,846</b>

	<b>In the Company:</b>		<b>In subsidiaries</b>		<b>Total</b>
	<b>Remuneration under work contract or appointment</b>	<b>Other benefits</b>	<b>Remuneration under work contract or appointment</b>	<b>Other benefits</b>	
<b>Period from 01/01 to 31/12/2017</b>					
Jerzy Motz	600				600
Rafał Stempniewicz	60	2	588	7	657
Robert Krasowski	336	7			343
Tomasz Kwiecień	67				67
Artur Wojtaszek	204		160		364
<b>Total</b>	<b>1,267</b>	<b>9</b>	<b>748</b>	<b>7</b>	<b>2,031</b>

<b>Period from 01/01 to 31/12/2016</b>					
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
<b>Total</b>	<b>1,138</b>	<b>14</b>	<b>690</b>	<b>4</b>	<b>1,846</b>



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

#### 27.4. Remuneration of the Members of the Supervisory Board of the Company

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
Paweł Turno		6
Jerzy Motz		13
Piotr Beaupre	29	16
Piotr Cholewa	24	24
Tomasz Słowiński	24	24
Tomasz Mazurczak	24	24
Michał Szramowski	24	16
<b>Total</b>	<b>125</b>	<b>123</b>

#### 27.5. Remuneration of the entity authorised to audit financial statements

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

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
Audit of annual financial statements	27	40
Review of financial statements	103	60
Tax advisory		
Other services		59
<b>Total</b>	<b>130</b>	<b>159</b>

#### 27.6. Employment

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

	<b>from 01/01 to 31/12/2017</b>	<b>from 01/01 to 31/12/2016</b>
White collar	15	14
Blue collar		
<b>Total</b>	<b>15</b>	<b>14</b>

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

## 28. Approval for publication

The 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 09 April 2018.

Signatures of all Management Board Members

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

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

Date	Name and surname	Function	Signature
09 April 2018	Małgorzata Warszevska-Janiczek	Accounting Specialist	