

Sprawozdanie biegłego rewidenta

jakość

transparentność

kompetencje

etyka



Report of an independent statutory auditor on the audit

of the annual consolidated financial statements
of the OEX S.A. Group
for the financial year from 01 January 2017 to 31 December 2017



REPORT OF AN INDEPENDENT STATUTORY AUDITOR ON THE AUDIT OF THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

For the General Meeting of Shareholders of OEX S.A.

Report of the statutory auditor on the consolidated financial statements

Introduction

We have audited the attached consolidated financial statements of the OEX Group, hereinafter referred to as the Group, where the parent company is OEX S.A. with registered office in Warsaw, at ul. Klimczaka 1, (the 'Parent Company'), for the financial year from 01 January 2017 to 31 December 2017, comprising: the consolidated statement of financial position made as at 31/12/2017, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement for the year ended on that day, supplementary notes to the consolidated financial statements containing significant accounting policies adopted as well as other explanatory notes.

The annual consolidated financial statements were prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and the related interpretations published in the form of Regulations of the European Commission, hereinafter referred to as the EU IFRSs.

Responsibility of the Management Board and the Supervisory Board

The Management Board of the Parent Company is responsible for the preparation of the annual consolidated financial statements that give a fair and reliable image in accordance with the EU IFRSs, for their compliance with the legal regulations in force and with the Articles of Association of the Parent Company. The Management Board of the Parent Company is also responsible for the internal control, which is deemed necessary to ensure that the annual consolidated financial statements made are free from material misstatements and irregularities caused by wilful actions or errors.

Pursuant to the Accounting Act of 29 September 1994 (*Journal of Laws* Dz.U.2017.2342 as amended), the Management Board of the Parent Company and the members of the Supervisory Board of the Parent Company are obliged to ensure that the annual consolidated financial statements fulfilled the requirements laid down in the said Act.

Statutory Auditor's Responsibility

Our task is to express our opinion on the consolidated financial statements on the basis of the audit completed.

We have carried out the audit of the consolidated financial statements in accordance with the provisions Polish Financial Auditing Standards in the phrasing of the International Auditing Standards as adopted by the National Board of Certified Auditors (Resolution No. 2783/52/2015 of the Polish Board of Statutory Auditors dated 10 February 2015 as amended, read in conjunction with Resolution No. 2041/37a/2018 dated 5 March 2018 on the Polish financial auditing

standards), the Statutory Auditors, Auditing Companies and Public Supervision Act of 11 May 2017 (*Journal of Laws Dz. U.2017.1089*), hereinafter referred to as the Statutory Auditors Act and the Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (O. J. EU L 158, of 27.05.2014, p. 77 and O. J. EU L 170 of 11.06.2014, p. 66), hereinafter referred to as Regulation No 537/2014. The above regulations impose on us the obligation to act in accordance with the ethical standards and to plan and conduct the audit in a way as to obtain reasonable certainty that the consolidated financial statements are free from any material misstatements.

The objective of the audit was to obtain reasonable assurance that the consolidated financial statements as a whole were free from material misstatements caused by a fraud or error as well as to issue a report of the independent statutory auditor containing our opinion. Reasonable assurance is a high level certainty but it does not guarantee that the audit conducted in accordance with the standards indicated above will always detect any existing material misstatement. Misstatements may occur in result of a fraud or an error and are deemed material if it can be reasonably expected that they may, taken individually or in combination, influence the economic decisions of the users made on the basis of the consolidated financial statements. A risk that a material misstatement resulting from a fraud or other irregularities may not be detected is higher than a risk that a material misstatement resulting from an error may not be detected because the fraud may entail a collusion, falsification, purposeful omission, misrepresentation or internal control bypassing and may concern each area of law and regulations, not only the area directly influencing the consolidated financial statements.

Our audit consisted in the performance of procedures aimed at obtaining audit evidence related to the amounts and disclosures of the consolidated financial statements. The selection of the audit procedures always depends on our professional judgement, including the assessment of a risk of a material misstatement in the consolidated financial statements in consequence of wilful acts or errors. When assessing the risk, we take into consideration the internal control in the scope related to the preparation and fair presentation of the consolidated financial statements in order to design the audit procedures as appropriate in the given circumstances and not to express the opinion on the effectiveness of internal control. The audit also comprises the assessment of adopted accounting policies (rules), the validity of estimates made by the Parent Company's Management Board as well as the assessment of the general presentation of the consolidated financial statements.

The audit scope does not cover the assurance as to the future profitability of the Group or the effectiveness or efficiency of management of the Group by the Management Board of the Parent Company now or in the future.

We believe that the evidence obtained during the audit constitutes a sufficient and appropriate basis for our audit opinion.

Pursuant to the Statutory Auditors Act, we are also obliged to include in the audit report our opinion on whether or not the consolidated financial statements are compliant in their form and content with the legal regulations in force and the Articles of Association of the Parent Company. We formed the opinion in this regard on the basis of work performed during the audit.

Significant risks of material misstatement

The significant risk of a material misstatement is a risk of material misstatement we identified which, in our opinion, requires a particular consideration during the audit.

The risks have been addressed by us in the context of the audit of financial statements as a whole and when formulating our opinion of the consolidated financial statements. We do not prepare a separate opinion on the issues identified as significant risks of a material misstatement.

Significant risk	Reaction to the risks
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Goodwill impairment risk

As at 31 December 2017, the goodwill presented in the consolidated statement of financial position amounted to kPLN 116,678.

It arose in relation with:

- a) settlement of the acquisition of subsidiaries:
 - PTI/IMPOL Sp. z o.o.,
 - Europhone Sp. z o.o.,
 - OEX Cursor S.A. (formerly Cursor S.A.),
 - Merservice Sp. z o.o.,
 - Divante Sp. z o.o.,
 - ArchiDoc S.A.,
 - Pro People Sp. z o.o.,
 - Voice Contact Center Sp. z o.o.
- b) settlement of acquisition of organised parts of business at the level of statements of separate companies making up the Retail Sale Management segment.

The goodwill is not amortised and pursuant to the International Accounting Standard 36 *Impairment of assets*, the Parent Company is obliged to conduct annual tests for impairment.

The impairment test requires that the goodwill be assigned to particular cash-generating units or groups of cash-generating units and the recoverable amount of particular cash-generating units or groups of cash-generating units be determined.

The determination of the recoverable amount requires many judgements and assumptions concerning the cash flows in particular cash-generating units or groups of cash-generating units as well as many estimations.

Note 3 'Goodwill' describes the key judgements, assumptions and estimates made for the purposes of the impairment test.

Together with the Management Board of the Parent Company, we discussed the situation of particular subsidiaries and the existence of indications of goodwill impairment.

We obtained the impairment tests and detailed calculations for each goodwill.

We analysed the estimation methodology and the assumptions made.

We made sure that the assumptions made are reasonable.

Significant risk	Reaction to the risks
Acquisition price allocation	
<p>The consolidated financial statements contain the results of the settlement in the audited period of the acquisition of control over ArchiDoc S.A. and Voice Contact Center Sp. z o. o.</p> <p>The acquisition price allocation process defined in IFRS 3 requires that a number of assumptions be made with regard to the following without limitation: determination of the acquisition date, determination of the amount to pay, identification and measurement at fair value of the assets and liabilities acquired and the recognition and measurement of goodwill.</p> <p>In Note 2 'Investments in Acquires Entities' key disclosures as required by IFRS 3 are made in order to allow the statements user to assess the character and financial effects of the transactions made.</p>	<p>Together with the Management Board and the Supervisory Board of the Company we discussed the process of settlement of the acquisition of control over ArchiDoc S.A. and Voice Contact Center Sp. z o. o.</p> <p>We analysed the provisions of the share purchase agreements in order to determine the acquisition date and the measurement of the amount to pay.</p> <p>We made sure the calculations of the amounts to pay for the shares acquired were reasonable.</p> <p>We made sure the determination of the fair value of the assets and liabilities acquired and the calculations of the goodwill were reasonable.</p> <p>We verified the correctness of consolidation adjustments related to the entities acquired made in the consolidation sheet.</p> <p>We verified the completeness of disclosures concerning the acquisition price allocation process as required by IFRS 3.</p>

Opinion on the consolidated financial statements

In our opinion, the attached annual consolidated financial statements of the OEX S.A. Group:

- clearly and fairly present the economic and financial situation of the Group as at 31/12/2017, its financial result and cash flows for the financial year ended on that day in accordance with the EU IFRSs and the adopted accounting policies (rules),
- are compliant in all material respects as to the form and content with the Required in the Minister of Finance dated 19 February 2009 on ongoing and periodical information to be given by issuers of securities and on conditions of recognition as equivalent of information required by the laws of a state that is not a member-state (*Journal of Laws Dz.U.2014.133 as amended*), hereinafter referred to as the Ongoing and Periodical Information Regulation, as well as the EU IFRSs and the applicable provisions of the Articles of Association of the Parent Company.

Report on other Legal Requirements and Regulations

Other information in the annual consolidated statement

Other information includes financial and non-financial information other than the consolidated financial statements and audit report. Our opinion on the consolidated financial statements does not refer to such other information and, unless it has been otherwise clearly indicated in the *Report*

on other Legal Requirements and Regulations, we do not express any form of assurance as to such other information. Furthermore, the scope of our work and the character of our assurance are only such as we have described them.

Activity report

The annual consolidated report contain a report on the activities of the Group in 2017. The Management Board of the Parent Company is responsible for the preparation of such report and for the attachment of a corporate governance declaration statement. The Management Board and members of the Supervisory Board of the Parent Company are responsible for ensuring that the report on the activities of the Group was compliant with the requirements laid down in the Ongoing and Periodical Information Regulation and in the Accounting Act.

Pursuant to the requirements of the Statutory Auditors Act and the Ongoing and Periodical Information Regulation, we are obliged to form an opinion as to whether or not the report on the activities of the Group allows for the provisions of the said regulation and the Accounting Act as well as whether or not it is compliant with the information contained in the consolidated financial statements.

Additionally, we are obliged to make a statement whether or not - in the light of the knowledge about the Group and its environment we obtained during the audit - we have found any material misstatements in the report on the activities of the Group, and if so, to indicate what they are.

At the same time, we are obliged to make an opinion as to whether or not the corporate governance statement, constituting a separate part of the report on the activities of the Group, contains the information indicated in the regulation and, with regard to certain information indicated in the Ongoing and Periodical Information Regulation, whether or not the information is compliant with the applicable provisions of law and the information contained in the annual consolidated financial statements.

We have read the report on the activities of the Group, including the corporate governance statement. We have analysed it in terms of whether or not it contains the information as required by the above-mentioned provisions of law and we have verified whether the information therein contained is compliant with the information in the annual consolidated financial statements. With regard to certain information indicated in the corporate governance statement, we analysed whether or not it is compliant with the law. When reading the report on the activities of the Group, we verified, on the basis of our knowledge of the Group and its environment, whether or not it contained any material misstatements.

Opinion on the Report on Activities

In our opinion, based on the work performed in relation with the audit of the annual financial statements, the attached report on the activities of the OEX S.A. Group for the financial year ended on 31/12/2017 takes into consideration the provisions of the Ongoing and Periodical Information Regulation as mentioned in Art. 49 and 55 (2) of the Accounting Act and the information presented in the said report is compliant with the information provided in the audited financial statements.

In the light of the knowledge about the Group and its environment we obtained during the audit, we did not find any material misstatements in the report on the activities of the Group.

Opinion on the Corporate Governance Statement

In our opinion, on the basis of work performed in relation with the audit of the annual consolidated financial statements:

- the corporate governance statement contains information defined in para. 91 (5) (4) (a), (b), (j), (k) and (l) of the Ongoing and Periodical Information Regulation,

- the information indicated in para. 91 (5) (4) (c)-(f), (h) and (l) of the said regulation given in the statement is compliant with the applicable provisions and with the information in the audited consolidated financial statements.

Information on the non-financial information statement

Pursuant to the requirements of the Statutory Auditors Act we would like to state that the Management Board of the Parent Company included in the report on the activities the information on the preparation of a separate report on non-financial information as required by Art. 49b (9) of the Accounting Act and that the Management Board of the Parent Company prepared such a separate statement.

We did not carry out any attestation work concerning the separate report on non-financial information and we do not make any assurances as to its content.

Information and Statements Required by Regulation No 537/2014

Independence

During the audit, PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k. remained independent from the Group companies within the understanding of the Statutory Auditors Act, Regulation No 537/2014 and the principles of professional ethics as adopted by resolutions of the Polish Board of Statutory Auditors.

Services Other than Statutory Audit

To the best of our knowledge and belief, we hereby state, declare and represent that we have not provided services other than the statutory audit which are prohibited by the provisions of Art. 5 (1) of the Regulation No 537/2014 in the periods indicated.

Appointment of the Auditing Company and Total Uninterrupted Duration of the Commission

We were appointed to audit the annual consolidated financial statements of the Group by virtue of Resolution No. 12/06/2017 of the Supervisory Board dated 05/06/2017. We have been auditing the consolidated financial statements of the Group in the period when the Parent Company is a public interest entity, including the commission extension and a new appointment, for 3 consecutive years.

Consistency of the Opinion on the Consolidated Financial Statements with the Additional Report for the Audit Committee

Our opinion on the annual consolidated financial statements is compliant with the additional report for the Audit Committee as mentioned in Regulation No 537/2014.

Marek Wojciechowski

Statutory Auditor No. 10 984
Key statutory auditor performing the audit
on behalf of PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.
auditing company No. 477
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Poznań, 10 April 2018