



OEX GROUP

# Consolidated interim quarterly report for the third quarter of 2019

WARSAW, 14 NOVEMBER 2019



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## Selected consolidated financial data of the OEX Group

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

	01/01- 30/09/2019*	01/01- 30/09.2018 (restated)*	01/01- 30/09/2019*	01/01- 30/09.2018 (restated)*
	k PLN		k EUR	
CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Sale revenues	429,574	391,477	99,702	92,036
Operating profit	9,744	15,443	2,261	3,631
Profit before taxes	4,146	10,390	962	2,443
Net profit on continued activities	2,637	7,803	612	1,835
Net profit on assets held for sale	4,042	3,061	938	720
Total net profit	6,679	10,864	1,550	2,554
Net profit - share of the shareholders of the Parent Company	5,388	10,349	1,250	2,433
Earnings per share (PLN; EUR)	0.67	1.48	0.16	0.35
Diluted earnings per share (PLN; EUR)	0.67	1.41	0.16	0.33
Average exchange rate PLN / EUR in the period	X	X	4.3086	4.2535

\* data presented for the period 01/01-30/09/2019 and 01/01-30/09/2018 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	01/01- 30/09/2019*	01/01- 30/09/2018*	01/01- 30/09/2019*	01/01- 30/09/2018*
	k PLN		k EUR	
CONSOLIDATED CASH FLOW STATEMENT				
Net cash flows provided by operating activities	57,294	12,148	13,298	2,856
Net cash flows provided / (used) by investing activities	- 8,227	- 42,919	- 1,909	- 10,090
Net cash flows provided / (used) by financing activities	- 37,532	45,459	- 8,711	10,687
Total net cash flow	11,535	14,688	2,677	3,453
Average exchange rate PLN / EUR in the period	X	X	4.3086	4.2535

\* data presented for the period 01/01-30/09/2019 and 01/01-30/09/2018 do not take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	30/09/2019*	31/12/2018	30/09/2019*	31/12/2018
	k PLN		k EUR	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Assets	437,904	355,093	100,124	82,580
Long-term liabilities	114,388	69,202	26,154	16,093
Short-term liabilities	173,830	142,395	39,745	33,115
Equity	149,686	143,496	34,225	33,371
Equity - share of the parent company shareholders	146,409	141,021	33,476	32,796
PLN / EUR exchange rate at period end	X	X	4.3736	4.3000

\* data presented as at 30/09/2019 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

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

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

	01/01- 30/09/2019	01/01/2010- 31/12/2018	01/01- 30/09/2018
<b>F/X RATE OF EUR</b>			
average exchange rate as at the period end	4.3736	4.3000	4.2714
average exchange rate of the period	4.3086	4.2669	4.2535

## Consolidated Statement of Financial Position

	30/09/2019*	30/09/2018	31/12/2018
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Goodwill	80,019	116,545	116,545
Intangible fixed assets	16,851	15,192	16,764
Tangible fixed assets	8,980	25,256	25,413
Right-of-use assets - premises and warehouses (IFRS 16)	69,583		
Right-of-use assets - other fixed assets (IFRS 16)	9,446		
Lease and rental receivables (IFRS 16)	4,769		
Investments in associates	221		34
Investments in other parties	500	500	500
Receivables and loans	919	1,103	1,285
Long-term prepayments	247	1,488	1,667
Deferred income tax assets	7,191	4,819	5,492
<b>Non-current assets</b>	<b>198,726</b>	<b>164,903</b>	<b>167,700</b>
<b>CURRENT ASSETS</b>			
Inventories	7,786	10,029	8,629
Trade Receivables and Other Receivables	94,310	114,196	137,099
Current income tax assets	541	546	33
Loans	143	13	21
Lease and rental receivables (IFRS 16)	2,176		
Short-term prepayments	9,710	15,558	15,031
Cash and cash equivalents	36,912	26,135	26,580
Fixed assets classified as held for sale	87,600		
<b>Current assets</b>	<b>239,178</b>	<b>166,477</b>	<b>187,393</b>
<b>Total assets</b>	<b>437,904</b>	<b>331,380</b>	<b>355,093</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity</b>			
Equity - share of the parent company shareholders:			
Share capital	1,598	1,598	1,598
Share premium	63,004	63,016	63,004
Reserve capital for the purchase of treasury shares	8,300		
Other Capitals	1,459	1,459	1,459
Retained profits:	72,048	69,774	74,960
- retained profit from previous years	66,660	59,425	59,425
- net profit for the parent company's shareholders	5,388	10,349	15,535
Equity - share of the parent company shareholders	146,409	135,848	141,021
Non-controlling shares	3,277	2,238	2,475
<b>Shareholders' equity</b>	<b>149,686</b>	<b>138,086</b>	<b>143,496</b>
<b>LIABILITIES</b>			
<b>LONG-TERM LIABILITIES</b>			
Loans, credits	41,429	50,603	48,248
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	57,930		
Right-of-use-related liabilities - other fixed assets (IFRS 16)	4,346	6,232	6,227
Deferred tax liabilities	10,548	10,297	10,383
Employee benefit liabilities	82	336	121
Other long-term provisions		31	31
Long-term prepayments	53	2,565	4,192
<b>Long-term liabilities</b>	<b>114,388</b>	<b>70,064</b>	<b>69,202</b>
<b>SHORT-TERM LIABILITIES</b>			

Trade liabilities and other liabilities	60,608	67,672	79,005
Factoring liabilities	10,321	9,117	11,312
Current tax liabilities	991	749	1,734
Loans, credits, other debt instruments	33,605	34,944	36,850
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	19,923		
Right-of-use-related liabilities - other fixed assets (IFRS 16)	3,045	3,738	3,557
Employee benefit liabilities	5,878	3,213	7,259
Other short-term provisions	241	938	116
Short-term prepayments	507	2,859	2,562
Liabilities related to fixed assets held for sale	38,711		
<b>Short-term liabilities</b>	<b>173,830</b>	<b>123,230</b>	<b>142,395</b>
<b>Total provisions</b>	<b>288,218</b>	<b>193,294</b>	<b>211,597</b>
<b>Total equity and liabilities</b>	<b>437,904</b>	<b>331,380</b>	<b>355,093</b>

\* data presented as at 30/09/2019 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Book value	149,686	138,086	143,496
Number of shares (items)	7,989,984	7,989,984	7,989,984
Diluted number of shares (items)	7,989,984	7,989,984	7,989,984

BOOK VALUE PER ORDINARY SHARE (PLN)			
	30/09/2019	30/09/2018	31/12/2018
Book value of one share	18.73	17.28	17.96
Diluted book value per one share	18.73	17.28	17.96

## Consolidated statement of profit or loss

	01/07- 30/09/2019*	01/01- 30/09/2019*	01/07-30/09.2018 (restated)*	01/01-30/09.2018 (restated)*
<b>Continued activities</b>				
<b>Sale revenues</b>	<b>147,767</b>	<b>429,574</b>	<b>136,465</b>	<b>391,477</b>
Revenue from the sale of services	112,414	320,800	106,090	286,213
Revenue from the sale of goods and materials	35,352	108,774	30,375	105,264
<b>Cost of sales</b>	<b>129,189</b>	<b>368,334</b>	<b>112,838</b>	<b>328,883</b>
Costs of services sold	96,236	268,484	83,465	227,869
Cost of goods and materials sold	32,953	99,850	29,373	101,014
<b>Gross profit on sale</b>	<b>18,578</b>	<b>61,240</b>	<b>23,627</b>	<b>62,594</b>
Selling costs	9,551	27,696	7,658	22,852
Administrative expenses	6,992	24,070	8,343	23,559
Other operating revenue	1,473	3,599	449	1,693
Other operating expenses	1,958	3,330	805	2,433
<b>Operating profit</b>	<b>1,550</b>	<b>9,744</b>	<b>7,270</b>	<b>15,443</b>
Financial income	155	435	48	215
Financial costs	1,904	5,918	1,416	5,268
Share in the profit (loss) of entities measured using the equity method (+/-)	- 81	- 115		
<b>Profit (loss) before taxation</b>	<b>- 280</b>	<b>4,146</b>	<b>5,902</b>	<b>10,390</b>
Income tax	187	1,508	1,382	2,587
<b>Net profit (loss) on continued activities</b>	<b>- 467</b>	<b>2,637</b>	<b>4,520</b>	<b>7,803</b>
<b>Discontinued operations and assets held for sale</b>				
Net profit on assets held for sale	1,411	4,042	1,217	3,061
<b>Net profit - share of</b>	<b>944</b>	<b>6,679</b>	<b>5,737</b>	<b>10,864</b>
- the parent company shareholders	308	5,388	5,477	10,349
- non-controlling shares	636	1,292	260	515

\* data presented for the period 01/01-30/09/2019 and 01/01-30/09/2018 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Average weighted number of ordinary shares (items)	7,989,984	7,989,984	7,199,817	6,993,439
Average weighted diluted number of ordinary shares (items)	7,989,984	7,989,984	7,989,984	7,360,587

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

	01/07- 30/09/2019*	01/01- 30/09/2019*	01/07-30/09.2018 (restated)*	01/01-30/09.2018 (restated)*
<b>on continued operations</b>				
- basic	-0.14	0.17	0.59	1.04
- diluted	-0.14	0.17	0.53	0.99
<b>on continued operations and assets held for sale</b>				
- basic	0.04	0.67	0.76	1.48
- diluted	0.04	0.67	0.69	1.41

\* data presented for the period 01/01-30/09/2019 and 01/01-30/09/2018 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

## Comprehensive statement of comprehensive income

	01/07- 30/09/2019	01/01- 30/09/2019	01/07- 30/09/2018	01/01- 30/09/2018
<b>Net profit</b>	<b>944</b>	<b>6,679</b>	<b>5,737</b>	<b>10,864</b>
Other comprehensive income				
Items not carried as financial profit or loss				
Items carried as financial profit or loss				
<b>Comprehensive income</b>	<b>944</b>	<b>6,679</b>	<b>5,737</b>	<b>10,864</b>
Comprehensive income - share of:				
- the parent company shareholders	308	5,388	5,477	10,349
- non-controlling shares	636	1,292	260	515



## Consolidated Statement of Changes in Equity

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS						Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	Total		
As at 01/01/2019	1,598	63,004		1,459	74,960	141,021	2,475	143,496
Changes in accounting policies								
Error Correction								
Balance after changes	1,598	63,004		1,459	74,960	141,021	2,475	143,496
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 30/09/2019								
Dividends							- 490	- 490
Transfer of supplementary capital to reserve capital reserve allocated to purchase treasury shares			8,300		- 8,300			
Total transactions with shareholders			8,300		- 8,300		- 490	- 490
Net profit for the period from 01/01 to 30/09/2019					5,388	5,388	1,292	6,680
Other comprehensive income after taxation in the period from 01/01 to 30/09/2019								
Total comprehensive income					5,388	5,388	1,292	6,680
As at 30/09/2019	1,598	63,004	8,300	1,459	72,048	146,409	3,277	149,686

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS						Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	Total		
As at 01/01/2018	1,378	44,960		1,459	59,425	107,222	1,723	108,945
Changes in accounting policies								
Error Correction								
Balance after changes	1,378	44,960		1,459	59,425	107,222	1,723	108,945
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 30/09/2018								
Issue of shares	220	18,056				18,276		18,276
Total transactions with shareholders	220	18,056				18,276		18,276
Net profit for the period from 01/01 to 30/09/2018					10,349	10,349	515	10,864
Other comprehensive income after taxation in the period from 01/01 to 30/09/2018								
Total comprehensive income					10,349	10,349	515	10,864
As at 30/09/2018	1,598	63,016		1,459	69,774	135,848	2,238	138,086

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS					Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Other Capitals	Retained profits	Total		
As at 01/01/2018	1,378	44,960	1,459	59,425	107,222	1,723	108,946
Changes in accounting policies							
Error Correction							
Balance after changes	1,378	44,960	1,459	59,425	107,222	1,723	108,946
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 31/12/2018							
Issue of shares	220	18,504			18,725		18,725
Costs of share issue		- 461			- 461		- 461
Total transactions with shareholders	220	18,043			18,264		18,264
Net profit for the period from 01/01 to 31/12/2018				15,535	15,535	752	16,287
Other comprehensive income after taxation in the period from 01/01 to 31/12/2018							
Total comprehensive income				15,535	15,535	752	16,287
As at 31/12/2018	1,598	63,003	1,459	74,961	141,021	2,475	143,496

## Consolidated Cash Flow Statement

	01/01-30/09/2019*	01/01-30/09/2018*
<b>CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit before taxes	8,864	13,935
Adjustments		
Depreciation and amortisation of fixed assets	4,758	6,284
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	17,029	
Amortisation of the right-of-use assets - other fixed assets (IFRS 16)	2,748	
Profit (loss) on the sale of non-financial fixed assets	197	27
Profit (loss) on the sale of financial assets (other than derivatives)	- 25	
Interest expense	5,447	2,919
Interest and dividend income	- 328	- 475
Other adjustments	100	- 101
Total adjustments	29,926	8,654
Change in inventories	843	12,753
Change in receivables	25,852	8,149
Change in liabilities	- 5,724	- 22,469
Change in provisions and prepayments	2,828	- 4,570
Changes in working capital	23,799	- 6,137
Taxes paid	- 5,295	- 4,304
Net cash flows provided by operating activities	57,294	12,148
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Expenses to purchase fixed assets	- 8,552	- 7,716
Inflows from the sale of fixed assets	399	561
Net expenses to purchase subsidiaries less cash of such subsidiaries		- 34,733
Received repayments of loans granted	30	829
Loans granted	- 101	- 1,631
Expenses to purchase other financial assets	- 303	- 250
Interest income	300	21
Net cash flows provided / (used) by investing activities	- 8,227	- 42,919
<b>CASH FLOW FROM FINANCIAL ACTIVITY</b>		
Inflows from the issue of shares		18,276
Redemption of debt securities		- 20,000
Inflows from loans and credits contracted	6,851	76,081
Repayment of loans and advances	- 17,239	- 25,491
Repayment of the right-of-use-related liabilities - premises and warehouses (IFRS 16)	- 17,491	
Repayment of the right-of-use-related liabilities - other fixed assets (IFRS 16)	- 4,279	- 3,253
Inflows from the repayment of lease receivables (IFRS 16)	988	
Interest paid	- 4,944	- 3,487
Factoring inflows	33,298	27,910
Repayment of factoring liabilities	- 34,291	- 23,778
Loan commissions paid/received	41	- 799
Dividends paid to non-controlling interests	- 490	
Other adjustments	24	
Net flows provided / (used) by financing activities	- 37,532	45,459
Total net cash flows	11,535	14,688
Net change in cash and cash equivalents	11,535	14,688
Cash and cash equivalents at period beginning	26,580	11,447
Cash and cash equivalents at period end	38,115	26,135

\* data presented for the period 01/01-30/09/2019 and 01/01-30/09/2018 do not take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale The impact of the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale on the consolidated cash flow statements for the third quarter of 2019 was presented in Note No. 26

## Supplementary Notes to the Abbreviated Interim Consolidated Financial Statements of the OEX Group

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### 1. Rules applied in preparing this report, including information about changes to accounting policies (rules)

#### 1.1. PREPARATION BASIS

The abbreviated interim consolidated financial statements of the Group (financial statements) comprise the period of 9 months ended on 30 September 2019 and contain the comparable data for the period of 9 months ended on 30 September 2018 and as at 31 December 2018.

The financial statements as at 30 September 2019 and as at 30 September 2018 were not audited or reviewed by a statutory auditor.

The comparable data are the data from the published consolidated financial statements of the Group with the exception of a change in the presentation in the consolidated statement of profit or loss for the three quarters of 2018 of the turnovers of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. qualified in 2019 as assets held for sale.

These financial statements were presented in accordance with IAS 34 Interim Financial Reporting with the application of the principles of valuation of assets and liabilities and the measurement of the net financial result as defined at the end of the reporting period. They were drawn up in using the historical cost principle, with the exception of derivative financial instruments, which were carried at fair value.

The financial statements do not contain all the information that is disclosed in the annual consolidated financial statements prepared in accordance with IFRS. These financial statements should be read in conjunction with the consolidated financial statements of the Group for 2018 as published on 10 April 2019 and the interim abbreviated interim consolidated financial statements for the first half of 2019 as published on 5 September 2019.

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

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

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

#### 1.2. ACCOUNTING RULES

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

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

The accounting policies applied during the preparation of the abbreviated interim consolidated financial statements are compliant with the ones applied during the preparation of the Group's annual consolidated financial statements for the year ended on 31 December 2018, with the exception of the application of the new standards and interpretations effective for annual periods beginning on or after 01 January 2019:

##### NEW AND REVISED STANDARDS OR INTERPRETATIONS APPLIED:

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

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

asset separately from the interest on the lease liability in the statement of profit or loss. IFRS 16 to a considerable extent has redone the regulations of IAS 17 concerning the book recognition of lease by the lessor. In consequence, the lessor continues the classification into operating lease and financial lease and differentiates the book recognition. A detailed description of the IFRS 16 implementation and its impact on the consolidated statement of profit or loss has been given in item 32.

- Amendments to IFRS 9: *Prepayment Features with Negative Compensation*. IFRS 9 is effective for annual periods beginning on or after 01 January 2019 with an option of an earlier application. In consequence of the amendment to IFRS 9, entities will be allowed to measure the prepayment features with negative compensation at amortised cost or at fair value through other comprehensive income, if a defined condition has been satisfied - instead of measurement at fair value through profit or loss. The application of these amendments does not have any material impact on the consolidated financial statements of the Group.
- Amendments to IAS 28 *Investments in Associates and Joint Ventures*. The amendment is effective for annual periods beginning on or after 01 January 2019. Amendments to IAS 28 *Investments in Associates and Joint Ventures* clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied. Additionally, the Board also published an example to illustrate the application of the requirements of IFRS 9 and IAS 28 to long-term interest in an associate or joint venture. The application of these amendments does not have any material impact on the consolidated financial statements of the Group.
- IFRIC 23: *Uncertainty over Income Tax Treatments*. IFRIC 23 clarifies the requirements concerning the treatment and measurement contained in IAS 12 in the situation of uncertainty over income tax treatments. IFRIC 23 clarifies the accounting for income taxes when there is no certainty whether or not the particular tax treatments adopted by the entity will be accepted by taxation authorities. In case when it is probable that a particular tax treatment is accepted by the taxation authorities, the entity has to determine the taxes in the financial statements consistently with the tax treatment included in its income tax filings, without reflecting the uncertainty in the accounting for the current and deferred taxes. Otherwise, the taxable basis (or tax loss), the tax value or unused tax losses should be recognised in an amount that provides better predictions of the resolution of the uncertainty, using the method of a single most probable result or the expected value method (a sum of probability-weighted possible solutions). When assessing the probability of acceptance, an entity should assume that a taxation authority will examine the amounts of uncertain tax treatments and will have full knowledge of all relevant information when doing so. The Group does not expect that the amendments should have any impact on the consolidated financial statements.
- Annual Improvements to IFRSs 2015 - 2017 Cycle. In December 2017, the International Accounting Standards Board issued *Annual Improvements to IFRSs 2015-2017 Cycle*, which amend 4 standards: IFRS 3 *Business Combinations*, IFRS 11 *Joint Arrangements*, IAS 12 *Income Tax* and IAS 23 *Borrowing Costs*. The improvements provide explanations and clarify the guidelines of the standards with regard to recognition and measurement. The application of these amendments does not have any material impact on the consolidated financial statements of the Group.
- IAS 19 *Employee Benefits*. The amendments to IAS 19 are effective for annual periods beginning on or after 01 January 2019. The amendments to the standard define requirements concerning the recognition of the defined benefit plan amendment, curtailment or settlement. The application of these amendments does not have any material impact on the consolidated financial statements of the Group.

### 1.3. PRINCIPLE OF MATERIALITY

Particular pieces of information are material if, when omitted or misstated, they could influence the economic decisions that users make on the basis of the financial statements.

The information materiality depends on the item amount or error - assessed in the specific circumstances - in case the given item is omitted or misstated. The materiality, therefore, is a threshold or a limit, and not a fundamental feature the given information must have to be useful.

The principle of materiality concerns the presentations in the financial statements of information that is useful for and influencing on the assessment of the economic and financial situation as well as the financial result.

The principle of materiality concerns the presentation of the economic and financial situation as well as the financial result in the financial statements.

**Pursuant to the accounting policy adopted, the Group has assumed the following criteria of materiality:**

- 1% of the balance sheet total or
- 0.5% of total revenues.

When assessing the materiality, the lower of the values as determined on the basis of the above-mentioned criteria is assumed.

The application of the principle of materiality means that the detailed requirements concerning the disclosures as given in the standard or interpretation need not be fulfilled, if the information is not material.

#### 1.4. ESTIMATION UNCERTAINTY

When preparing these abbreviated interim consolidated financial statements, the Parent Company's Management Board uses its best judgement when making 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 that are material for the consolidated financial statements have been presented in the consolidated financial statements for the year 2018.

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

- when determining the remaining lease period with regard to the agreements made for an indefinite period of time and executed before 1 January 2019, a 5-year time horizon has been adopted as their outstanding duration,
- when determining the lessee's incremental borrowing rate of interest to be applied when discounting future cash flows, the rate fixed for the Group at the level of average financing cost was adopted,
- when indicating the useful lives and amortisation rates for the rights to use the assets recognised as at 01 January 2019, periods adequate to the assumed expected life of an asset were adopted.

## 2. Description of the Group's Organisation

THE OEX S.A. GROUP IS COMPOSED OF:

- **THE PARENT COMPANY - OEX S.A.**

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

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

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

The composition of the Management Board of the parent company as at the day of approval of the consolidated financial statements for publication, i.e. 14 November 2019, was the following:

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

The composition of the Supervisory Board of the parent company as at the day of approval of the consolidated financial statements for publication, i.e. 14 November 2019, was the following:

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

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.

• SUBSIDIARIES PRESENTED IN THE TABLE BELOW:

SUBSIDIARIES OF OEX SA			
Name of the Company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
Tell Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	
Europhone Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	
PTI Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	
OEX Cursor S.A.	ul. Równoległa 4A, 02-235 Warszawa	100	
Merservice Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
Pro People Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
OEX E-Business Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
Divante Sp. z o.o.	ul. Dmowskiego 17, 50-203 Wrocław	51.03	
ArchiDoc S.A.	ul. Niedźwiedziniec 10, 41-506 Chorzów	100	
ArchiDoc MED Sp. z o.o.	ul. Niedźwiedziniec 10, 41-506 Chorzów	0	100
Voice Contact Center Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
OEX 24 Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	100	

• JOINTLY-CONTROLLED COMPANY

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

All the subsidiaries of the OEX S.A. Group presented above are subject to full consideration as at the balance sheet day, i.e. as at 30 September 2019. The jointly controlled company 4Shops Sp. z o.o. is subject to consolidation using the equity method.

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

Furthermore, as at 30 September 2019, the Group also comprises an associate company – Face and Look S.A. with registered office in Warsaw. The associate is consolidated using the equity method.

The object of the business of the Group companies is to provide services for the business. Descriptions of the objects of business of particular subsidiaries and associates are given in item 6 of the Supplementary Notes to the consolidated financial statements.

Disposal of shares in ArchiDoc S.A. – assets held for sale

On 19 July 2019, the Management Board of OEX S.A. received from Offsite Archive Storage & Integrated Services Ltd. a final offer of purchase of 4,250,000 shares in ArchiDoc S.A. constituting 100% of its share capital. The offer was based on a total potential valuation of the company equal to PLN 85 million, which comprised a preliminary selling price (up to PLN 70 million, assuming an ordinary level of the working capital as well as no cash and no debt of ArchiDoc S.A.) and a conditional additional payments depending on the company's future results (up to PLN 15 million).

As the conditions terminating the transaction, the buyer has indicated the following:

- completion of a final confirmatory examination of the situation of ArchiDoc S.A. consisting in the talks with the main clients of ArchiDoc S.A.,
- stipulation by the parties of the content and execution of the transaction documentation, including in particular the share sale agreement,
- obtaining an authorisation from the Office of Competition and Consumer Protection.

Pursuant to the offer, OASIS had exclusivity as regards the negotiations with OEX S.A. on the finalisation of the transaction until 18 October 2019.

The parent company then concluded that the terms and conditions presented in the investor's offer are acceptable and started working jointly with the Investor on the finalisation of the transaction.

The business of ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o. was qualified as assets held for sale. Pursuant to IFRS 5, the Group restated the information concerning the assets held for sale of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. in the consolidated



statement of profit or loss for the previous financial period so that such disclosures concerned all such assets held for sale before the balance sheet date of the latest period presented.

The assets held for sale were measured at book value.

In Note No. 26, the Group presented the Group's financial data presented in a way as if ArchiDoc S.A. and ArchiDoc MED. Sp. z o.o. were not qualified as assets held for sale.

Additionally, in Note 26, the Group presented the impact of the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale on the consolidated statement of profit or loss for the three quarters of 2019 and 2018 and the impact of the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale on the consolidated cash flow statement for the three quarters of 2019.

The transaction of the sale of shares in Archidoc S.A. took place after the balance sheet date – on 17 October 2019.

### 3. Changes in the Group's structure in result of mergers, take-overs or sales of the Group's companies, long-term investments, divisions, restructuring or business discontinuations

In the third quarter of 2019, the Group acquired 50% of shares in 4Shops Sp. z o.o. with registered office in Warsaw, which is a joint venture. The purchase price of 50% of shares in that Company was PLN 303 thousand.

### 4. Description of non-typical factors and events influencing the assets, liabilities, equity, net result or cash flows

In the third quarter of 2019 subsidiary OEX Cursor S.A. verified the recoverability of its assets, in particular the assets in the form of primary project expenditure to be expensed over time in the amount of PLN 4,229 thousand. In view of ever more difficult business conditions - permanent rise in labour costs and difficulties in the process of renegotiation of rises of prices of services rendered, the Management Board of Cursor S.A., after analyses, decided that the probability of recovering the value of above-mentioned assets in the foreseeable future was low and, consequently, they should be expensed in whole in 2019.

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

The funds allocated for the acquisition of the Company's treasury shares may not be higher than PLN 8,000, whereby the funds allocated for the purchase of the treasury shares will originate from the Company's own funds in the reserve capital set aside in accordance with Resolution No. 22 of the Ordinary General Meeting of Shareholders dated 25 June 2019 created from the profits or another amount which - pursuant to Art. 348 § 1 of the Polish Code of Commercial Companies - may be allocated for distribution.

By virtue of Resolution No. 22 of the Ordinary General Meeting of Shareholders of OEX dated 25 June 2019, a reserve capital for the acquisition by the Company of its treasury shares pursuant to Resolution No. 21 was created. The amount of the reserve capital was determined at PLN 8,300 thousand. The reserve capital was created from a transfer of PLN 8,300 thousand from the Company's supplementary capital. The reserve capital shall be allocated in whole for the acquisition of the Company's treasury shares, including all the acquisition costs.

In the three quarters of 2019, there were no extraordinary factors or events apart from the ones mentioned above.

### 5. Description of the Group's significant achievements or failures in the three quarters of 2019

#### The analysis below presents the Group's data without the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

The Group's **revenues** in the three quarters of 2019 amounted to kPLN 478,836 and were higher by 11.8% than the revenue generated in the corresponding period of the previous year. The application of IFRS 16 had a marginal impact on the revenues – after the exclusion of that impact, the y/y change in revenue rose by 12.3%. Of significant impact on the revenues was the change in the settlement system with Orange Polska S.A., described in detail in the Group's 2018 annual financial statements, which consisted in the replacement of the merchandise trade in mobile phones with a consignment system. After the exclusion of the impact of the fall in non-margin revenues from the sale of mobile phones and the impact of the IFRS 16 adoption, the Group noted a y/y rise in revenues of 21.3%.

The **operating profit** reported in the three quarters of 2019 amounted to kPLN 14,755 and as lower by 22.8% than the one earned in the three quarters of 2018. The IFRS 16 adoption had a positive impact on the operating profit, increasing it by PLN 1,408 thousand.

After the exclusion of the above-mentioned impact, the operating profit amounted to kPLN 13,347 and the y/y change equalled -30.2%. This considerable fall resulted from a one-off factor indicated in item 4 - the write-off by subsidiary OEX Cursor S.A. in the amount of PLN 4,229 thousand. After the elimination of the impact of this write-off and the impact of IFRS 16, the operating profit fell y/y by 8.0%.

In result of the above-mentioned changes to the settlement system with Orange Polska S.A., in 2019 the Group does not generate revenue from the commission on the instalment sale service and the corresponding financial costs in the Retail Sale Network Management segment. This change is neutral as regards the Group's gross profit but leads to a decrease in the y/y operating profit (impact on the operating profit in the three quarters of 2018 amounted to PLN 1,337 thousand). After the exclusion of the impact of this factor on the operating profit of the three quarters of 2018 and of the impact of the IFRS 16 adoption in the three quarters of 2019, the Group noted a y/y fall in the operating profit by 24.9%. After the eliminating of the impact of the one-off factor indicated in item 4 - the write-off in the amount of kPLN 4,229 made by subsidiary OEX Cursor S.A., the y/y fall in the operating profit so calculated amounted to 1.1%.

The **EBITDA** in the three quarters of 2019 amounted to kPLN 39,290 and was higher by 54.7% than in the corresponding period of the previous year. The IFRS 16 adoption had a significant positive impact on the EBITDA, in consequence of a considerable rise in the depreciation amount on this account which in the three quarters of

2019 was PLN 17,029 thousand. In aggregate, the impact of the IFRS 16 adoption on EBITDA amounted to PLN 18,361 thousand. After the exclusion of the above-mentioned impact, the operating profit plus depreciation (EBITDA) amounted to kPLN 20,929 and the y/y change equalled -17.6%. This considerable y/y fall in EBITDA resulted from a one-off factor indicated in item 4 - the write-off by subsidiary OEX Cursor S.A. in the amount of PLN 4,229 thousand. After the elimination of the impact of this write-off and the impact of IFRS 16, the y/y EBITDA fell by 0.9%.

The changes to the settlement system with Orange Polska S.A. described in the section containing the clarifications about the operating profit had an analogous impact also on the level of EBITDA. After the exclusion of the impact of this factor on the results of three quarters of 2018 and of the impact of the IFRS 16 adoption in the three quarters of 2019, the Group noted a y/y fall in EBITDA by 13.0%. After the elimination of the impact of this write-off and the impact of IFRS 16, the y/y EBITDA fell by 0.9%. made by subsidiary OEX Cursor S.A., the y/y rise in EBITDA amounted to 4.6%.

**The total EBITDA of the four operational segments**, allowing for the above-mentioned standardisation related to the IFRS 16 adoption and changes in the system of settlements with Orange Polska S.A., amounted, in the three quarters of 2019, to kPLN 24,136 and was lower by 12.2% than the total EBITDA of the operational segments in the period of three quarters of

2018. The highest share in the total EBITDA of the operating segments in the period of three quarters of 2019 was held by the Retail Sale Network Management Segment - 56.2%. EBITDA of that segment noted a rise on the result of the corresponding period of the previous year by kPLN 1,828, i.e. by 15.6%. To a considerable extent this is owing to the extension of the sale network by stores taken-over in administration from Orange Polska S.A. in July 2018. The share of E-Business in total EBITDA of the operational segments during the period of three quarters of 2019 amounted to 19.4%. EBITDA of that segment saw a y/y rise by kPLN 612, i.e. by 15.0%. The share of the BPO Segment in total EBITDA of all operational segments in the period of three quarters of 2019 amounted to 30.7%. EBITDA of that segment saw a y/y rise by kPLN 1,269, i.e. by 20.6%. The share of the Sale Support Segment in total EBITDA of the operational segments in the period of three quarters of 2019 was negative and amounted to -6.4%, due to the negative EBITDA of PLN -1,539 thousand. This result stemmed significantly from a one-off factor indicated in item 4 - the write-off by subsidiary OEX Cursor S.A. in the amount of PLN 4,229 thousand. After the exclusion of the impact of this write-off, the segment's EBITDA amounted to kPLN 2,690, which is a y/y fall by PLN 2,823, i.e. by 51.2%. It should be noted that in the second and third quarters, the company made some reductions in its field structure, incurring non-recurring costs of restructuring in the total amount of over PLN 820 thousand. Furthermore, its result was burdened by other extraordinary items, such as provisions for receivables, accrued holidays and costs of wound up projects in the total amount of kPLN, including kPLN 883 in the third quarter alone.

After the exclusion of the above-mentioned write-off made by Cursor S.A., the total EBITDA of the operational segments (allowing for the standardization resulting from the IFRS 16 adoption and changes in the system of settlements with Orange Polska S.A.) amounted to kPLN 28,365 and was higher than the total EBITDA of the operational segments in the period of three quarters of 2018 by kPLN 887, i.e. by 3.2%. The structure of EBITDA so calculated as broken down into segments is the following: the Retail Sale Network Management segment: 47.8%, the E-Business segment: 16.5%, the BPO segment: 26.2%; the Sale Support segment: 9.5%.

**The financial costs** in the three quarters of 2019 amounted to kPLN 6,218 and were higher by 15.1% than the financial costs incurred in the period of three quarters of 2018. The IFRS 16 adoption impacted the growth in the financial costs by PLN 1,723 thousand. After the exclusion of the above-mentioned impact, the financial costs amounted to kPLN 4,495, which is a y/y fall by 16.8%. In result of the above-mentioned changes to the settlement system with Orange Polska S.A. in the period of three quarters of 2019, there were no costs resulting from the fees for servicing the instalment sales for Orange Polska S.A. In the period of three quarters of 2018, in turn, they amounted to kPLN 1,337 out of the total of kPLN 5,404 thousand. After the exclusion of the fees for servicing the instalment sales in the period of three quarters of 2018 and of the impact of the IFRS 16 adoption in the three quarters of 2019, the financial costs of the Group saw a y/y rise by kPLN 428, i.e. by 10.5%.

The **pre-tax profit** reported in the three quarters of 2019 amounted to kPLN 8,864 and was lower than in the corresponding period of the previous year by 36.4%. The IFRS 16 adoption impacted the decrease in the pre-tax profit by PLN 106 thousand. After the exclusion of the above-mentioned impact, the pre-tax profit amounted to kPLN 8,969, which is a y/y fall by 35.6%. The gross profit resulted significantly from a one-off factor indicated in item 4 - the write-off by subsidiary OEX Cursor S.A. in the amount of PLN 4,229 thousand. After the exclusion of the impact of this write-off and the IFRS 16 adoption, the pre-tax profit amounted to kPLN 13,198, and was lower by 5.3% than in the corresponding period of the previous year. The changes to the settlement system with Orange Polska S.A. mentioned above did not have any impact on the pre-tax profit in 2019 and in 2018.

The **net profit** reported in the three quarters of 2019 amounted to kPLN 6,679 and was lower on a y/y basis by 38.5%. The IFRS 16 adoption impacted the decrease in the net profit by kPLN 56. After the exclusion of the above-mentioned impact, the net profit amounted to kPLN 6,736, which is a y/y fall by 38.0%. The net profit resulted significantly from a one-off factor indicated in item 4 - the write-off by subsidiary OEX Cursor S.A. in the amount of PLN 4,229 thousand. After the exclusion of the impact of this write-off and the IFRS 16 adoption, the net profit amounted to kPLN 10,161, and was lower by 6.5% than in the corresponding period of the previous year. The above-mentioned changes to the settlement system with Orange Polska S.A. did not have any impact on the net profit in 2019 and in 2018.

The **net profit attributable to the shareholders of the parent company (OEX S.A.)** in the period of three quarters of 2019 amounted to kPLN 5,388. and was lower on a y/y basis by 47.9%. The IFRS 16 adoption impacted the decrease in the net profit attributable to the shareholders of the parent company by PLN 82 thousand. After the exclusion of the above-mentioned impact, the net profit attributable to the shareholders of the parent company amounted to kPLN 5,470, which is a y/y fall by 47.1%. The net profit resulted significantly from a one-off factor indicated in item 4 - the write-off by subsidiary OEX Cursor S.A. in the amount of PLN 4,229 thousand. After the exclusion of the impact of this write-off and the IFRS 16 adoption, the net profit attributable to the shareholders of the parent company amounted to kPLN 8,895, and was lower by 14.0% than in the corresponding period of the previous year. The above-mentioned changes to the settlement system with Orange Polska S.A. did not have any impact on the net profit attributable to the shareholders of the parent company in 2019 and in 2018.

## 6. Operating segments

The OEX Group has 4 operational segments:

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

### 6.1. RETAIL SALE NETWORK MANAGEMENT SEGMENT

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

NUMBER OF STORES AS AT THE END OF THE REPORTING QUARTER				
	as at 30/09/2019	as at 30/09/2018	change y/y in pcs.	y/y in %
Orange network stores	182	185	-3	98.4%
T-Mobile network stores	94	97	-3	96.9%
Plus network stores	66	68	-2	97.1%
<b>Total stores</b>	<b>342</b>	<b>350</b>	<b>-8</b>	<b>97.7%</b>

AVERAGE NUMBER OF STORES IN THE REPORTING PERIOD				
	average in the period 01/01-30/09/2019	average in the period 01/01-30/09/2018	change y/y in pcs.	y/y in %
Orange network stores	184.0	147.0	37	125.2%
T-Mobile network stores	96.0	98.0	-2	98.0%
Plus network stores	66.0	68.0	-2	97.1%

Total stores	346.0	313.0	33	110.5%
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BREAKDOWN OF REVENUE			
	01/01-30/09/2019	01/01-30/09/2018	change y/y in %
Revenue from the sale of telecommunication services	94,555	85,969	110.0%
Sets and pre-paid refills	4,377	7,113	61.5%
Postpaid contract phones	30,558	55,498	55.1%
Other revenue	7,957	8,515	93.5%
<b>Total</b>	<b>137,448</b>	<b>157,095</b>	<b>87.5%</b>

VOLUMES OF SERVICES SOLD			
	01/01-30/09/2019	01/01-30/09/2018	change y/y in %
Postpaid activations	632,699	547,848	115.5%
Prepaid activations	115,523	125,702	91.9%
<b>Total</b>	<b>748,222</b>	<b>673,550</b>	<b>111.1%</b>

## 6.2. SALE SUPPORT SEGMENT

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

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

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

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

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

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

**Product promotion services** comprise activities related to a direct contact with the consumer. They concern project related to the provision to the producers of teams defined as 'Client Advisers' who stimulate the sale in modern or traditional sale outlets or in

commercial networks by ensuring additional information about the product, allowing the clients to try product samples or realize individual orders of consumers. Such activities are reinforced by organisation of consumer programmes such as lotteries or contests.

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

### 6.3. E-BUSINESS SEGMENT

In the E-business segment provides services dedicated to e-commerce, including the areas of technology, marketing and fulfilment. The segment encompasses the business of Divante Sp. z o.o. (area related to IT), as well logistic operations and purchasing process services carried out by OEX E-Business Sp. z o.o. (transferred as of 1 September 2017 from OEX Cursor S.A.). The E-business segment comprises also the business of OEX 24 Sp. z o.o. established in 2018. The company was created in order to carry out support processes for the modern domestic and international trade and to connect sellers by means of technology. The Company manages the eCommerceB2B platform - a global B2B marketplace platform which supports producers and distributors in the digitalisation of sale channels. It enables and facilitates international sales, providing access to clients at selected markets. It also provides a wide range of sale support services, e.g. e-marketing.

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

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

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

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

### 6.4. BPO SEGMENT

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

**The services provided by the BPO Segment include, but are not limited to:**

1. Traditional archiving, scanning, digitalisation and electronic archiving (i.e. fast paper document processing and conversion into electronic documents on the basis of own software solutions of ArchiDoc S.A.) They ensure a limitation of the risk of loss of important data, guaranteeing smooth access to both the originals, digital copies and to the data therein contained.
2. Electronic document flow, i.e. a service aimed at automation, optimisation and improvement of document flow processes, as well as procedure arrangement and document flow control assurance. This service comprises an analysis of the client's needs, construction of dedicated solutions, implementation of the same and provision of support services. The projects include the performance of such tasks as inflowing document digitalisation or acceptance path process pursuit. The

electronic document flow is implemented most often in processes related to the flow of orders, complaints and invoices that need to be handled on time.

3. Business process support. The offer of these services is personalised to suit the needs of specific branches, including: banks and insurance undertakings, telecoms, power engineering companies and companies providing services to the general population, public administration and large b2b enterprises. As part of this service, the client may entrust all the back-office processes to the contractor. The services will be provided in the location indicated by the client or in the contractor's location using the INDO software and own infrastructure.

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

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

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

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

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

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

The services are provided in modern operational centres in Warsaw, Łódź and Lublin, where there are over 650 professional contact centre work stations.

REVENUES AND RESULTS OF OPERATING SEGMENTS						
	Sale network management	Sale Support	E-business	BPO*	Not allocated	Total*
FOR THE PERIOD FROM 01/01 TO 30/09/2019						
Revenue from external customers	137,118	143,445	131,334	66,911	28	478,836
Revenue from the sales between segments	31	966	1,860	62	4,536	7,455
Total revenue	137,149	144,411	133,194	66,973	4,564	486,291
Segment's operating result	12,304	- 3,291	3,249	5,862	- 3,369	14,755
EBITDA	21,887	- 1,006	10,148	11,273	- 3,012	39,290
Amortisation and depreciation	9,584	2,285	6,899	5,411	356	24,535
Financial income						442
Financial costs						6,218
Gross profit						8,864
Income tax						2,185
Net profit						6,679
FOR THE PERIOD FROM 01/01 TO 30/09/2018						
Revenue from external customers	157,074	103,092	115,271	52,719	22	428,178
Revenue from the sales between segments	21	2,109	2,152	71	4,625	8,978
Total revenue	157,095	105,201	117,423	52,790	4,647	437,156
Segment's operating result	11,578	3,912	2,568	4,640	- 3,584	19,114
EBITDA	13,072	5,514	4,078	6,152	- 3,418	25,398
Amortisation and depreciation	1,494	1,602	1,510	1,512	166	6,284
Financial income						225
Financial costs						5,404
Gross profit						13,935
Income tax						3,071
Net profit						10,864

\* without the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale \*until the moment of the final sale of the companies, the Group's Management Board analyses the segment results without taking into account the possibility that the shares may be sold)

The Group has one counterparty whose share in the Group's turnover exceeded 10%. The Group made 11.5% of its turnover with that entity. The revenue from this counterparty is generated by a company from the 'Sale Network Management' segment.

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

	Sale network management	Sale Support	E-business	BPO*	Not allocated	Total*
FOR THE PERIOD FROM 01/01 TO 30/09/2019						
Operating result, excluding the impact of IFRS 16	11,701	- 3,357	2,543	5,850	- 3,390	13,347
EBITDA, excluding the impact of IFRS 16	13,564	- 1,539	4,690	7,421	- 3,207	20,929

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



GEOGRAPHICAL AREAS - REVENUES		
	01/01-30/09/2019	01/01-30/09/2018
Poland	346,507	346,306
Europe	80,964	44,438
Asia	784	489
Africa	60	8
North America	1,259	236
<b>Total consolidated statement of profit or loss published</b>	<b>429,574</b>	<b>391,477</b>
Poland – assets held for sale	49,262	36,701
<b>Total</b>	<b>478,836</b>	<b>428,178</b>

Below is presented the reconciliation of the impact of the separation of the assets held for sale of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. with the revenues and results of the OEX Group's operational segments for the period of three quarters of 2019.

	Revenues and results of operating segments without the separation of ArchiDoc and ArchiDoc MED as assets held for sale	Revenues and results of operating segments with the separation of ArchiDoc and ArchiDoc MED as assets held for sale	Impact of the separation of ArchiDoc and ArchiDoc MED as assets held for sale
<b>FOR THE PERIOD FROM 01/01 TO 30/09/2019</b>			
Revenue from external customers	478,836	429,574	49,262
Revenue from the sales between segments	7,455	7,605	- 150
Total revenue	486,291	437,179	49,112
Segment's operating result	14,755	9,744	5,012
<b>EBITDA</b>	<b>39,290</b>	<b>30,313</b>	<b>8,978</b>
Amortisation and depreciation	24,535	20,569	3,966
Financial income	442	435	7
Financial costs	6,218	5,918	300
Gross profit	8,864	4,145	4,719
Income tax	2,185	1,508	677
Net profit	6,679	2,637	4,042
<b>FOR THE PERIOD FROM 01/01 TO 30/09/2018</b>			
Revenue from external customers	428,178	391,477	36,701
Revenue from the sales between segments	8,978	9,313	- 335
Total revenue	437,156	400,790	36,366
Segment's operating result	19,114	15,443	3,671
<b>EBITDA</b>	<b>25,398</b>	<b>20,642</b>	<b>4,756</b>
Amortisation and depreciation	6,284	5,199	1,085
Financial income	225	215	10
Financial costs	5,404	5,268	136
Gross profit	13,935	10,390	3,545
Income tax	3,071	2,587	484
Net profit	10,864	7,803	3,061

## 7. Explanations concerning the seasonality or cyclicity of the Group's activities in the presented period

The seasonality of sales in the mobile phone service sector (the Retail Sale Network Management segment - of companies: Tell sp. z o.o., Europhone Sp. z o.o. and PTI Sp. z o.o.) is visible mainly in the growth of the sales in the fourth quarter, especially in December. Sometimes, the natural cycle of seasonality is modified in consequence of marketing activities of operators.

The characteristic feature of the business of OEX Cursor S.A., Merservice Sp. z o.o., OEX E-Business Sp. z o.o., OEX 24 Sp. z o.o. and Divante Sp. z o.o. (segments Sale Support and E-business) is the seasonality of sales, which is such that the first quarter of each financial year is the period decidedly different from the remaining quarters and constitutes approximately 20% of the annual sales. The second and third quarters are similar in terms of revenues and each one of them constitutes - historically - approximately 25% of the sale value. The highest sales are noted in the fourth quarter - approximately 30% of the annual sales. In the fourth quarter, there is increased demand for products in the pre-Christmas period. The intensity of promotional projects and the logistics of marketing materials and goods distributed directly to the consumers under e-commerce projects is growing. Lower sale values on the first quarter of the year result from reduced orders made by traditional commerce in the post-Christmas period. New projects, whose functional cycle spans annual periods, start with lower intensity, acquisition of IT projects to be followed is in progress. Such project will be carried out in the second, third and fourth quarter.

In case of the BPO Segment companies and Pro People Sp. z o.o., the cyclicity phenomenon is marginal.

## 8. Information about the creation, utilisation and reversal of impairment charges on inventories

IMPAIRMENT OF INVENTORIES			
	01/01-30/09/2019	01/01-30/09/2018	01/01/2010-31/12/2018
State as at period beginning	1,348	691	688
Loss expensed as cost in the period	570	795	660
Reversal of impairments in the period (-)			
State as at period end	1,918	1,486	1,348

## 9. Information about the creation, utilisation and reversal of impairment charges on financial assets

IMPAIRMENT OF RECEIVABLES AND LOANS			
	01/01-30/09/2019	01/01-30/09/2018	01/01/2010-31/12/2018
State as at period beginning	6,316	4,397	4,397
Reclassification of the business of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale	- 127		
Loss expensed as cost in the period	794	611	2,262
Reversal of impairments carried as revenue in the period	- 432	- 4	- 69
Provisions used		- 173	- 274
State as at period end	6,551	4,831	6,316

## 10. Information on the creation, utilisation and write-back of provisions

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

	Long-term provisions for:		Other provisions, including provisions for:				
	Employee benefits	Other provisions	Accrued holidays	Payroll costs	Other employee benefits	Other provisions	Total
FOR THE PERIOD FROM 01/01 TO 30/09/2019							
State as at period beginning	121	31	1,879	1,917	8	116	3,920
Reclassification of the business of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale	- 39	- 31	- 236	- 68	- 8	- 37	- 349
Provision increase carried as expense in the			1,621			206	1,827

period							
Provision increase carried as income in the period (-)				- 58		- 44	- 102
Utilisation of provisions (-)			- 323	- 1,647			- 1,970
Provisions as at 30/09/2019	82		2,941	144		241	3,326
<b>FOR THE PERIOD FROM 01/01 TO 30/09/2018</b>							
State as at period beginning	121	31	1,753	945		281	2,979
Provision increase carried as expense in the period			259		8	740	1,007
Provision increase carried as income in the period (-)				- 596			- 596
Utilisation of provisions (-)			- 177	- 186		- 83	- 446
Provisions as at 30/09/2018	121	31	1,835	163	8	938	2,944
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2018</b>							
State as at period beginning	121	31	1,753	945		281	2,979
Provision increase carried as expense in the period			580	1,917	8	35	2,540
Provision increase carried as income in the period (-)			- 277	- 759		- 96	- 1,132
Utilisation of provisions (-)			- 177	- 186		- 104	- 467
Provisions as at 31/12/2018	121	31	1,879	1,917	8	116	3,920

## 11. Information about deferred income tax assets and liabilities

	30/09/2019	30/09/2018	31/12/2018
<b>DEFERRED INCOME TAX LIABILITIES:</b>			
State as at period beginning	10,383	10,207	10,207
Reclassification of the business of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale	- 651		
Impact on the net financial result	- 816	- 90	- 176
State as at period end	10,548	10,297	10,383
<b>DEFERRED INCOME TAX ASSETS</b>			
State as at period beginning	5,492	4,111	4,111
Reclassification of the business of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale	- 639		
Impact on the net financial result	2,338	708	1,381
State as at period end	7,191	4,819	5,492

## 12. Information about material transactions of acquisition and disposal of tangible fixed assets

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

	Machinery and equipment	Vehicles	Other fixed assets	In construction	Total
<b>FOR THE PERIOD FROM 01/01 TO 30/09/2019</b>					
Net carrying amount as at 01/01/2019	6,260	6,350	11,376	1,163	25,149
Reclassification of the business of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale	- 1,160	- 1,318	- 4,609	- 306	- 7,393
Change of presentation in relation with the IFRS 16 adoption	- 1,523	- 5,075	- 2,765		- 9,363
Increase (acquisition, production, lease)	1,266	2,529	1,848	3,071	8,714
Decrease (disposal, liquidation) (-)	- 322	- 1,371	- 368	- 3,163	- 5,224
Depreciation and amortisation (-)	- 1,174	- 898	- 831		- 2,903
Net carrying amount as at 30/09/2019	3,347	217	4,651	765	8,980
<b>FOR THE PERIOD FROM 01/01 TO 30/09/2018</b>					
Net carrying amount as at 01/01/2018	6,349	4,506	11,612	770	23,238
Acquisition by a business combination		- 72		- 660	- 732
Increase (acquisition, production, lease)	1,658	4,274	1,164	2,112	9,208
Decrease (disposal, liquidation) (-)	- 205	- 223	- 161	- 982	- 1,571
Depreciation and amortisation (-)	- 1,602	- 2,086	- 1,199		- 4,887
Net carrying amount as at 30/09/2018	6,200	6,399	11,416	1,240	25,256
<b>FOR THE PERIOD FROM 01/01 TO 31/12/2018</b>					
Net carrying amount as at 01/01/2018	6,349	4,506	11,612	770	23,238
Increase (acquisition, production, lease)	2,530	5,396	1,678	2,697	12,301
Decrease (disposal, liquidation) (-)	- 474	- 551	- 321	- 2,101	- 3,446
Other changes in the value (+/-)		- 211		- 203	- 413
Depreciation and amortisation (-)	- 2,146	- 2,790	- 1,593		- 6,528
Net carrying amount as at 31/12/2018	6,260	6,350	11,376	1,163	25,149

## 13. Information about material liabilities related to the purchase of tangible fixed assets

As at 30 September 2019, the Group did not have any material liabilities related to the purchase of tangible fixed assets.

## 14. Information about material settlements resulting from cases vindicated in court

In the period from 01 January 2019 to 30 September 2019, there were no material settlements related to cases vindicated in court in the Group.

## 15. Indication of adjustments of errors of previous periods

In the reporting period, there were no events resulting in the necessity to adjust errors of previous periods.

## 16. Information about changes in the economic situation and business conditions which have material impact on the fair value of financial assets and financial liabilities of the company

There were no changes in the economic situation and business conditions which would have any impact on the fair value of financial assets and financial liabilities.

## 17. Information about unpaid loan or credit or any other credit or loan agreement default that has not been remedied on or before the end of the reporting period

In the reporting period, there were no cases of a failure to repay a loan, payment of interest or any other terms and conditions of liability buyback. There were no cases of default on the terms and conditions of credit or loan agreements.

**18. Information about the execution by the company or its subsidiary of a single or more transactions with related parties, if such transactions were made on conditions other than at arm's length**

Significant transactions with related parties are made at arm's length only.

**19. In case of financial instruments carried at fair value - information about a change of the method of its determination**

During the reporting period, there were no changes in the method (manner) of determination of financial instruments carried at fair value.

**20. Information about a change in the classification of financial assets in consequence of a change of the purpose of utilisation of such assets**

In the reporting period, there were no changes in the classification of financial assets resulting from a change in the purpose or way of utilisation of such assets.

**21. Information on the issue, redemption and repayment of non-share and equity securities**

In the reporting period, there were no issues, redemptions or repayments of non-share and equity securities.

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

The funds allocated for the acquisition of the Company's treasury shares may not be higher than PLN 8,000, whereby the funds allocated for the purchase of the treasury shares will originate from the Company's own funds in the reserve capital set aside in accordance with Resolution No. 22 of the Ordinary General Meeting of Shareholders dated 25 June 2019 created from the profits or another amount which - pursuant to Art. 348 § 1 of the Polish Code of Commercial Companies - may be allocated for distribution.

By virtue of Resolution No. 22 of the Ordinary General Meeting of Shareholders of OEX dated 25 June 2019, a reserve capital for the acquisition by the Company of its treasury shares pursuant to Resolution No. 21 was created. The amount of the reserve capital was determined at PLN 8,300 thousand. The reserve capital was created from a transfer of PLN 8,300 thousand from the Company's supplementary capital. The reserve capital shall be allocated in whole for the acquisition of the Company's treasury shares, including all the acquisition costs.

**22. Information on the dividends paid or declared**

In the reporting period, OEX S.A. did not pay dividends. No dividends were declared either. The General Meeting of Shareholders of the Parent Company that took place on 29 May 2019 decided to allocate the net profit of OEX S.A. for 2018 in the amount of PLN 10,760 thousand to the supplementary capital in whole.

**23. Events after the balance sheet date**

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

After the date on which the abbreviated interim consolidated financial statements were made, there were the following material events.

- On 16 October 2019, OEX S.A. received from Santander Bank Polska S.A., ING Bank Śląski S.A., Santander Factoring Sp. z o.o. and ING Commercial Finance S.A. (hereinafter jointly referred to as the 'Lenders') a Pay-Off Letter, in which the Lenders specified the conditions for their consent to the sale of assets in the form of shares in ArchiDoc S.A. as well as the terms and conditions of the release of securities established in favour of the Lenders in relation with the Loan Agreement. Furthermore, on 16 October 2019, OEX S.A. and its Subsidiaries signed with the Lenders a Debt Release Agreement, pursuant to which the Lenders, after certain terms and conditions specified therein have been satisfied, should release ArchiDoc S.A. and ArchiDoc MED sp. z o.o. from the debt under the Loan Agreement.

The said debt release was conditional on the repayment of a part of OEX S.A.'s liabilities under the term loans taken under the Loan Agreement in the amount of kPLN 37,706 plus accrued interest and costs of an earlier repayment of the above-mentioned liabilities.

Additionally, the debt release condition was the repayment by ArchiDoc S.A. and ArchiDoc MED sp. z o.o. of the existing liabilities, which were drawn under the products made available in accordance with the Loan Agreement as well as the payment by OEX S.A. of a deposit of kPLN 4,542 to serve as a security for the Lenders in relation with bank guarantees extended to ArchiDoc S.A.

All consents expressed by the Lenders in the Pay-Off Letter and the Debt Release Agreement were conditional on the planned sale of 100% of shares in ArchiDoc S.A.'s share capital.

- On 17 October 2019, OEX S.A. signed with Offsite Archive Storage & Integrated Services Ltd. (hereinafter referred to as OASIS) with registered office in Dublin agreements on the sale (hereinafter referred to as the 'SPA') of 4,250,000 shares in the share capital of ArchiDoc S.A. with registered office in Chorzów, constituting 100% of its share capital.

The preliminary selling price of the Shares amounted to PLN 65, whereby the price may be amended in result of a final verification of selected items on the balance sheet of ArchiDoc as at 30 September 2019. The Selling Price took into account the payment by ArchiDoc to OEX S.A. of a dividend of PLN 3,414,580.58 on the transaction day.

The above-mentioned Selling Price, less PLN 3.5 million, was paid by OASIS on 17 October 2019, whereby:

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

After the repayment of a part of the credit liabilities as mentioned above, OEX S.A.'s total debt under the term loans under the Loan Agreement amounted to PLN 9,042 thousand.

The above-mentioned amount of PLN 3.5 million was deposited by OASIS at an escrow account and will be payable to OEX S.A. in an amount between zero and PLN 3,5 million in case ArchiDoc and its subsidiary generated a standardised EBITDA result in 2019 at the level in the range from PLN 7 million – a minimum value – and PLN 7,5 million – a maximum value as calculated on a linear basis in relation to standardised EBITDA value within that range. The standardised EBITDA value for 2019 will be determined on the basis of approved and audited 2019 financial statements of ArchiDoc S.A. and its subsidiary.

The Parties also agreed that OEX S.A. would be entitled to conditional additional payments to the Selling Price that would be due in case ArchiDoc exceeded the agreed standardised EBITDA value in the period from 1 January 2020 to 31 December 2020 and from 1 January 2021 to 31 December 2021. The total maximum amount of additional payments to the price on this account will not exceed PLN 15 million.

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

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

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

- On 18 October 2019, OEX S.A. received from Santander Bank Polska S.A. (acting on its own behalf and on behalf of ING Bank Śląski S.A., Santander Factoring Sp. z o.o., ING Commercial Finance S.A.) a confirmation of the fulfilment of all the terms and conditions of release of collaterals and release from the debt as per the Pay-Off Letter and the Debt Release Agreement.

At the same time, the Bank confirmed the repayment by the Company of a part of the term loans in the amount of PLN 37,706,335.31 plus accrued interest and costs of an earlier repayment of the above-mentioned liabilities., i.e. the total of PLN 38,157,685.31.

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

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

	30/09/2019*	30/09/2018	31/12/2018
<b>LIABILITIES TO OTHER PARTIES</b>			
Guarantees originated	16,061	14,475	15,744
Disputed cases and cases in court	145		589
Other Contingent Liabilities	4,725	4,887	4,725
<b>Total contingent liabilities</b>	<b>20,931</b>	<b>19,362</b>	<b>21,058</b>

\* data presented as at 30/09/2019 take into consideration the presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

## 25. Information about material changes in estimates

With the exception of disclosures made in items 8-10 herein, there were no material changes in estimates.

## 26. Impact of the classification of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

In order to maintain the comparability of the financial statements presented, below are presented the basic statement templates, i.e. consolidated statement of financial position and the consolidated statement of profit or loss, in a way as if the businesses of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. had not been classified as assets held for sale.

Also presented is the impact of the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale on the consolidated cash flow statement for the third quarter of 2019.

The consolidated statement of financial position without the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	30/09/2019	30/09/2018 (published)	31/12/2018 (published)
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Goodwill	116,545	116,545	116,545
Intangible fixed assets	17,450	15,192	16,764
Tangible fixed assets	12,139	25,256	25,413
Right-of-use assets - premises and warehouses (IFRS 16)	88,215		
Right-of-use assets - other fixed assets (IFRS 16)	16,100		
Lease and rental receivables (IFRS 16)	4,769		
Investments in associates	221		34
Investments in other parties	500	500	500
Receivables and loans	965	1,103	1,285
Long-term prepayments	1,716	1,488	1,667
Deferred income tax assets	8,569	4,819	5,492
<b>Non-current assets</b>	<b>267,189</b>	<b>164,903</b>	<b>167,700</b>
<b>CURRENT ASSETS</b>			
Inventories	7,786	10,029	8,629
Trade Receivables and Other Receivables	109,927	114,196	137,099
Current income tax assets	541	546	33
Loans	194	13	21
Lease and rental receivables (IFRS 16)	2,176		
Short-term prepayments	11,976	15,558	15,031
Cash and cash equivalents	38,115	26,135	26,580
Fixed assets classified as held for sale			
<b>Current assets</b>	<b>170,715</b>	<b>166,477</b>	<b>187,393</b>
<b>Total assets</b>	<b>437,904</b>	<b>331,380</b>	<b>355,093</b>

<b>SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity</b>			
Equity - share of the parent company shareholders:			
Share capital	1,598	1,598	1,598
Share premium	63,004	63,016	63,004
Reserve capital for the purchase of treasury shares	8,300		
Other Capitals	1,459	1,459	1,459
Retained profits:	72,048	69,774	74,960
- retained profit from previous years	66,660	59,425	59,425
- net profit for the parent company's shareholders	5,388	10,349	15,535
Equity - share of the parent company shareholders	146,409	135,848	141,021
Non-controlling shares	3,277	2,238	2,475
<b>Shareholders' equity</b>	<b>149,686</b>	<b>138,086</b>	<b>143,496</b>

<b>LIABILITIES</b>			
<b>LONG-TERM LIABILITIES</b>			
Loans, credits	41,428	50,603	48,248
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	72,987		
Right-of-use-related liabilities - other fixed assets (IFRS 16)	8,212	6,232	6,227
Deferred tax liabilities	11,386	10,297	10,383
Employee benefit liabilities	121	336	121
Other long-term provisions	31	31	31
Long-term prepayments	4,104	2,565	4,192
<b>Long-term liabilities</b>	<b>138,269</b>	<b>70,064</b>	<b>69,202</b>
<b>SHORT-TERM LIABILITIES</b>			
Trade liabilities and other liabilities	68,265	67,672	79,005
Factoring liabilities	10,321	9,117	11,312
Current tax liabilities	1,149	749	1,734
Loans, credits, other debt instruments	33,605	34,944	36,850
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	24,772		
Right-of-use-related liabilities - other fixed assets (IFRS 16)	4,216	3,738	3,557
Employee benefit liabilities	6,174	3,213	7,259
Other short-term provisions	278	938	116
Short-term prepayments	1,169	2,859	2,562
Liabilities related to fixed assets held for sale			
<b>Short-term liabilities</b>	<b>149,949</b>	<b>123,230</b>	<b>142,395</b>
<b>Total provisions</b>	<b>288,218</b>	<b>193,294</b>	<b>211,597</b>
<b>Total equity and liabilities</b>	<b>437,904</b>	<b>331,380</b>	<b>355,093</b>

The consolidated statement of profit or loss without the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	01/07- 30/09/2019	01/01- 30/09/2019	01/07- 30/09/2018 (published)	01/01- 30/09/2018 (published)
<b>Continued activities</b>				
<b>Sale revenues</b>	<b>166,466</b>	<b>478,836</b>	<b>150,185</b>	<b>428,178</b>
Revenue from the sale of services	131,114	370,062	119,810	322,914
Revenue from the sale of goods and materials	35,352	108,774	30,375	105,264
<b>Cost of sales</b>	<b>143,682</b>	<b>406,004</b>	<b>123,318</b>	<b>356,285</b>
Costs of services sold	110,729	306,154	93,945	255,271
Cost of goods and materials sold	32,953	99,850	29,373	101,014
<b>Gross profit on sale</b>	<b>22,784</b>	<b>72,833</b>	<b>26,867</b>	<b>71,893</b>
Selling costs	9,995	28,991	8,084	24,052
Administrative expenses	8,950	29,405	9,872	28,217
Other operating revenue	1,481	4,099	609	1,982
Other operating expenses	1,987	3,781	836	2,493
<b>Operating profit</b>	<b>3,332</b>	<b>14,755</b>	<b>8,685</b>	<b>19,114</b>
Financial income	156	442	48	225
Financial costs	1,978	6,218	1,453	5,404
Share in the profit (loss) of entities measured using the equity method (+/-)	- 81	- 115		
<b>Profit before taxes</b>	<b>1,428</b>	<b>8,864</b>	<b>7,280</b>	<b>13,935</b>
Income tax	484	2,185	1,543	3,071
<b>Net profit on continued activities</b>	<b>944</b>	<b>6,679</b>	<b>5,737</b>	<b>10,864</b>
<b>Discontinued operations and assets held for sale</b>				
Net profit on assets held for sale				



Net profit - share of	944	6,679	5,737	10,864
- the parent company shareholders	308	5,388	5,477	10,349
- non-controlling shares	636	1,292	260	515

Impact of the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale on the consolidated statement of profit or loss for the third quarter of 2019 and 2018.

	01/01-30/09/2019 Impact of the exclusion of ArchiDoc and ArchiDoc MED as assets held for sale	01/01-30/09/2018 Impact of the exclusion of ArchiDoc and ArchiDoc MED as assets held for sale
<b>Continued activities</b>		
<b>Sale revenues</b>	<b>-49,262</b>	<b>-36,701</b>
Revenue from the sale of services	-49,262	-36,071
Revenue from the sale of goods and materials	-	-
<b>Cost of sales</b>	<b>-37,670</b>	<b>-27,402</b>
Costs of services sold	-37,670	-27,402
Cost of goods and materials sold	-	-
<b>Gross profit on sale</b>	<b>-11,593</b>	<b>-9,299</b>
Selling costs	-1,295	-1,201
Administrative expenses	-5,335	-4,658
Other operating revenue	-500	-292
Other operating expenses	-451	-60
<b>Operating profit</b>	<b>-5,012</b>	<b>-3,671</b>
Financial income	-7	-10
Financial costs	-300	-136
Share in the profit (loss) of entities measured using the equity method (+/-)	-	-
<b>Profit before taxation</b>	<b>-4,719</b>	<b>-3,545</b>
Income tax	-677	-484
<b>Net profit on assets held for sale</b>	<b>-4,042</b>	<b>-3,061</b>

Impact of the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale on the consolidated cash flow statement for three quarters of 2019:

	01/01-30/09/2019 Without exclusion of ArchiDoc and ArchiDoc MED as assets held for sale	01/01-30/09/2019 Impact of the exclusion of ArchiDoc and ArchiDoc MED as assets held for sale	01/01-30/09/2019 Including the impact of the exclusion of ArchiDoc and ArchiDoc MED as assets held for sale
<b>CASH FLOW FROM OPERATING ACTIVITY</b>			
<b>Profit before taxation</b>	<b>8,864</b>	<b>- 4,719</b>	<b>4,146</b>
<b>Adjustments</b>			
Depreciation and amortisation of fixed assets	4,758	- 622	4,136
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	17,029	- 2,879	14,150
Amortisation of the right-of-use assets - other fixed assets (IFRS 16)	2,748	- 465	2,283
Profit (loss) on the sale of non-financial fixed assets	197	12	209
Profit (loss) on the sale of financial assets (other than derivatives)	- 25		- 25
Interest expense	5,447	- 283	5,164
Interest and dividend income	- 328	1	- 327
Other adjustments	100	1,047	1,147
<b>Total adjustments</b>	<b>29,926</b>	<b>- 3,189</b>	<b>26,737</b>
Change in inventories	843		843
Change in receivables	25,852	2,431	28,283
Change in liabilities	- 5,724	- 2,611	- 8,335
Change in provisions and prepayments	2,828	- 750	2,078

Changes in working capital	23,799	- 930	22,869
Taxes paid	- 5,295	1,171	- 4,124
<b>Net cash flows provided by operating activities</b>	<b>57,294</b>	<b>- 7,668</b>	<b>49,627</b>
<b>CASH FLOW FROM INVESTING ACTIVITY</b>			
Expenses to purchase fixed assets	- 8,552	971	- 7,581
Inflows from the sale of fixed assets	399	- 34	365
Received repayments of loans granted	30		30
Loans granted	- 101	50	- 51
Expenses to purchase other financial assets	- 303		- 303
Interest income	300		300
<b>Net cash flows provided / (used) by investing activities</b>	<b>- 8,227</b>	<b>987</b>	<b>- 7,240</b>
<b>CASH FLOW FROM FINANCIAL ACTIVITY</b>			
Inflows from loans and credits contracted	6,851		6,851
Repayment of loans and advances	- 17,239	1,835	- 15,404
Repayment of the right-of-use-related liabilities - premises and warehouses (IFRS 16)	- 17,491	2,556	- 14,935
Repayment of the right-of-use-related liabilities - other fixed assets (IFRS 16)	- 4,279	964	- 3,315
Inflows from the repayment of lease receivables (IFRS 16)	988		988
Interest paid	- 4,944	283	- 4,661
Factoring inflows	33,298		33,298
Repayment of factoring liabilities	- 34,291		- 34,291
Loan commissions paid/received	41		41
Dividends paid to non-controlling interests	- 490		- 490
Other adjustments	24	- 24	
<b>Net flows provided / (used) by financing activities</b>	<b>- 37,532</b>	<b>5,614</b>	<b>- 31,918</b>
<b>Total net cash flows</b>	<b>11,535</b>	<b>- 1,066</b>	<b>10,470</b>
<b>Net change in cash and cash equivalents</b>	<b>11,535</b>	<b>1,066</b>	<b>10,469</b>
Cash and cash equivalents at period beginning	26,580	- 136	26,444
<b>Cash and cash equivalents at period end</b>	<b>38,115</b>	<b>1,203</b>	<b>36,912</b>

## 27. Statement of the Management Board concerning the possibility of achieving the earlier published forecasts of results for the given year in the light of results presented in the quarterly statements (as compared to the forecasts)

In the reporting period, the Management Board of OEX S.A. did not publish the forecast of the 2019 results.

## 28. Indication of shareholders holding, directly or indirectly through subsidiary entities, at least 5% of total votes at the general meeting of shareholders of the issuer as at the date of publication of the quarterly statements, indication of the number of shares held, their percentage of share capital, number of votes resulting and percentage of total votes at the general meeting of shareholders and indication of changes in the structure of significant blocks of shares in the issuer in the period from the publication of the previous quarterly statements

As at the date of presentation of the report for the third quarter of 2019, the registered share capital of the Company amounted to PLN 1,597,996.80 (in 2018: PLN 1,597,996.80) and was divided into:

- 1,381,312 registered series A preferential shares, the preference entitling to two votes from one share;
- 3,729,535 ordinary bearer shares - issued as series A and B shares;
- 1,777,692 ordinary series C bearer shares;
- 1,101,445 ordinary series D bearer shares.

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 entitles to two votes.

Shareholders holding at least 5% of votes at the General Meeting of Shareholders as at the date of the publication of the statements for the third quarter of 2019:

Shareholder	Total shares	Total votes	% of share capital	% of votes
Neo Investment S.A. indirectly via subsidiaries:	2,535,101	3,756,805	31.73%	40.09%
- Neo Fund 1 Sp. z o.o. directly	1,661,688	2,883,392	20.80%	30.77%
- Neo Found 1 Sp. z o.o. indirectly via Neo BPO S.a r.l.	873,413	873,413	10.93%	9.32%
Jerzy Motz, indirectly via subsidiaries:	2,002,687	2,162,295	25.06%	23.07%
- Precordia Capital Sp. z o.o. directly	1,034,433	1,194,041	12.95%	12.74%
- Precordia Capital Sp. z o.o. indirectly via Real Management S.A.	968,254	968,254	12.12%	10.33%
Piotr Cholewa, indirectly via subsidiary Silquern S.a r.l.	801,096	801,096	10.03%	8.55%
Michał Szramowski directly and indirectly via:	468,770	468,770	5.87%	5.00%
MS Investments spółka z ograniczoną odpowiedzialnością sp.k.	459,733	459,733	5.75%	4.91%
Others	2,182,330	2,182,330	27.31%	23.29%
<b>Total</b>	<b>7,989,984</b>	<b>9,371,296</b>	<b>100.00%</b>	<b>100.00%</b>

Shareholders holding at least 5% of votes at the General Meeting of Shareholders as at the date of the publication of the previous quarterly report (16 May 2019):

Shareholder	Total shares	Total votes	% of share capital	% of votes
Neo Investment S.A. indirectly via subsidiaries:	2,535,101	3,756,805	31.73%	40.09%
- Neo Fund 1 Sp. z o.o. directly	1,661,688	2,883,392	20.80%	30.77%
- Neo Found 1 Sp. z o.o. indirectly via Neo BPO S.a r.l.	873,413	873,413	10.93%	9.32%
Jerzy Motz, indirectly via subsidiaries:	2,002,687	2,162,295	25.06%	23.07%
- Precordia Capital Sp. z o.o. directly	1,034,433	1,194,041	12.95%	12.74%
- Precordia Capital Sp. z o.o. indirectly via Real Management S.A.	968,254	968,254	12.12%	10.33%
Piotr Cholewa, indirectly via subsidiary Silquern S.a r.l.	801,096	801,096	10.03%	8.55%
Michał Szramowski, directly and indirectly via MS Investments Sp. z o.o. sp.k.	468,770	468,770	5.87%	5.00%
Others	2,182,330	2,182,330	27.31%	23.29%
<b>Total</b>	<b>7,989,984</b>	<b>9,371,296</b>	<b>100.00%</b>	<b>100.00%</b>

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

## 29. List of issuer's shares and entitlements thereto held by persons managing or supervising the issuer upon the date of the publication of the quarterly statements, indication of changes thereto in the period from the publication of the previous quarterly report, separately for each such person

List of shares held by persons managing or supervising the Issuer as at the date of publication of this report for the third quarter of 2019.

	Total shares	Total votes	% of share capital	% of votes
<b>Members of the Supervisory Board</b>				
Piotr Cholewa, indirectly via Silquern S.a r.l.	801,096	801,096	10.03%	8.55%
Michał Szramowski, directly and indirectly via MS Investments Sp. z o.o. sp.k.	468,770	468,770	5.87%	5.00%
Tomasz Kwiecień	17,650	17,650	0.22%	0.19%
<b>Members of the Management Board</b>				
Jerzy Motz, indirectly via Precordia Capital Sp. z o.o. and Real Management S.A.	2,002,687	2,162,295	25.06%	23.07%
Rafał Stempniewicz	96,714	96,714	1.21%	1.03%
Artur Wojtaszek	59,000	59,000	0.74%	0.63%

Robert Krasowski	10,889	10,889	0.14%	0.12%
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List of shares held by persons managing or supervising the issuer as at the date of publication of the previous quarterly report (16 May 2019):

	Total shares	Total votes	% of share capital	% of votes
<b>Members of the Supervisory Board</b>				
Piotr Cholewa, indirectly via Silquern S.a r.l.	801,096	801,096	10.03%	8.55%
Michał Szramowski, directly and indirectly via MS Investments Sp. z o.o. sp.k.	468,770	468,770	5.87%	5.00%
Tomasz Kwiecień	17,650	17,650	0.22%	0.19%
<b>Members of the Management Board</b>				
Jerzy Motz, indirectly via Precordia Capital Sp. z o.o. and Real Management S.A.	2,002,687	2,162,295	25.06%	23.07%
Rafał Stempniewicz	94,590	94,590	1.18%	1.01%
Artur Wojtaszek	59,000	59,000	0.74%	0.63%
Robert Krasowski	10,889	10,889	0.14%	0.12%

### 30. Indication of significant court, arbitration or public administration proceedings

Neither the Parent Company nor the subsidiaries are parties to significant legal proceedings in courts of law.

There are no proceedings with the participation of the Parent Company or its subsidiaries before any arbitration court.

### 31. Information on the grant by the Group's companies of a loan collateral or guarantee to one entity or subsidiary of such entity (jointly) if the total value of the existing collaterals or guarantees is significant

Neither the Parent Company nor the Group's subsidiaries granted any security for a loan or a credit and did not give any significant guarantees.

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

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

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

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

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

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

- the right-of-use assets - premises and warehouses. This group includes all the assets that meet the definition of the right of use only as per IFRS 16. They would not have been classified as such before the effective date of this standard.

- the right-of-use assets - other fixed assets. This group includes all the assets meeting the definition of assets both under IAS 17 and IFRS 16, which would have been classified as such irrespective of IFRS 16.

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

Below is a presentation of a y/y comparison of the consolidated statement of profit or loss and the consolidated cash flow statement that do not account for the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale and, at the same time, indicate the impact of IFRS 16 on the statements for the period of three quarters of 2019.

	01/01- 30/09/2019	01/01- 30/09/2019	01/01- 30/09/2019	01/01- 30/09/2018 (published)
	Including IFRS 16*	Excluding IFRS 16*	Impact of IFRS 16	
<b>Sale revenues</b>	<b>478,836</b>	<b>480,687</b>	<b>- 1,851</b>	<b>428,178</b>
<b>Operating expense</b>	<b>464,399</b>	<b>467,656</b>	<b>- 3,257</b>	<b>408,554</b>
Other operating revenue	4,099	4,097	2	1,982
Other operating expenses	3,781	3,781		2,493
<b>Operating profit</b>	<b>14,755</b>	<b>13,347</b>	<b>1,408</b>	<b>19,114</b>
<b>EBITDA</b>	<b>39,290</b>	<b>20,929</b>	<b>18,361</b>	<b>25,398</b>
Financial income	442	232	210	225
Financial costs	6,218	4,495	1,723	5,404
Share in the profit (loss) of entities measured using the equity method (+/-)	- 115	- 115		
<b>Profit before taxation</b>	<b>8,864</b>	<b>8,969</b>	<b>- 106</b>	<b>13,935</b>
Income tax	2,185	2,235	- 50	3,071
<b>Net profit on continued activities</b>	<b>6,679</b>	<b>6,736</b>	<b>- 56</b>	<b>10,864</b>
<b>Net profit - share of</b>	<b>6,679</b>	<b>6,736</b>	<b>-56</b>	<b>10,864</b>
- the parent company shareholders	5,388	5,470	-82	10,349
- non-controlling shares	1,292	1,266	26	515

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

	01/01- 30/09/2019	01/01- 30/09/2019	01/01- 30/09/2019
	Including IFRS 16*	Excluding IFRS 16*	Impact of IFRS 16
<b>Profit (loss) before taxation</b>	<b>8,864</b>	<b>8,969</b>	<b>- 106</b>
Adjustment of operating activities	48,430	30,834	17,596
Net cash flows provided by operating activities	57,294	39,803	17,491
Net cash flows provided / (used) by investing activities	- 8,227	- 8,227	
Net cash flows provided / (used) by financing activities	- 37,532	- 20,041	- 17,491
Total cash flow	11,535	11,535	

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

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

	01/01- 30/09/2019	01/01- 30/09/2019	01/01- 30/09/2019	01/01-30/09.2018 (restated)
	Including IFRS 16	Excluding IFRS 16*	Impact of IFRS 16	
<b>Sale revenues</b>	<b>429,574</b>	<b>431,425</b>	<b>-1,851</b>	<b>391,477</b>
<b>Operating expense</b>	<b>420,100</b>	<b>423,459</b>	<b>-3,359</b>	<b>375,294</b>
Other operating revenue	3,599	3,590	9	1,693
Other operating expenses	3,330	3,330		2,433

Operating profit	9,744	8,226	1,518	15,443
EBITDA	30,313	14,644	15,669	20,642
Financial income	435	224	211	215
Financial costs	5,918	4,332	1,586	5,268
Share in the profit (loss) of entities measured using the equity method (+/-)	-115	-115		0
Profit before taxation	4,146	4,003	143	10,390
Income tax	1,508	1,510	-2	2,587
Net profit on continued activities	2,637	2,493	145	7,803
Discontinued operations and assets held for sale				
Net profit on assets held for sale	4,042	4,243	-201	3,061
Net profit - share of	6,679	6,736	-56	10,864
- the parent company shareholders	5,388	5,470	-82	10,349
- non-controlling shares	1,292	1,266	26	515

	01/01- 30/09/2019	01/01- 30/09/2019	01/01- 30/09/2019
	Including IFRS 16	Excluding IFRS 16	Impact of IFRS 16
Profit (loss) before taxation	4,146	4,003	143
Adjustment of operating activities	45,480	30,688	14,792
Net cash flows provided by operating activities	49,626	34,691	14,935
Net cash flows provided / (used) by investing activities	- 7,240	- 7,240	
Net cash flows provided / (used) by financing activities	- 31,918	- 16,983	- 14,935
Total cash flow	10,469	10,469	

### 33. Other information, which in the Company's opinion is important for the assessment of the Group's personnel, economic, financial position and the financial result, as well as changes thereto; information that is important for the assessment of the Group's obligation discharge possibilities

The statements contain basic information which is important for the assessment of the situation of the OEX Group, whereby, for the correct interpretation of the financial results obtained by the companies: TELL Sp. z o.o., Europhone Sp. z o.o. and PTI Sp. z o.o. it is necessary to explain different ways of recognition in the books of the Companies of subsidies for the sale of mobile phones sold with post-paid activations by particular mobile phone operators. Irrespective of a different way of mobile phone sale settlement by particular operators, the result on such operations is neutral.

#### ORANGE

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

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

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

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

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

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

Since 21 May 2018, Tell Sp. z o.o. has been receiving the phones on the consignment system basis (and, consequently, does not recognise their values in its financial statements). The sale is made on behalf of and for the Operator and the systems and electronic

cash registration devices of Orange Polska S.A. are used. If the sale is made in accordance with the valid procedures in force, the phone is considered settled.

#### T-Mobile

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

#### PLUS

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

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

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

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

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

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

### 34. Factors which, in the Company's opinion, will have an influence on the Group's results within the perspective of at least the next quarter

The main external factors that are significant for the development of the Group concern the situation on the sector-specific market, where the subsidiaries operate, with particular attention put to the FMCG segment, e-commerce, mobile telephony as well as commerce.

They shall comprise, in particular:

- a) uninterrupted performance of existing contracts in the Sale Support and the E-Business segments as well as the acquisition of new contracts as per the internal plans;

In the scope as indicated above, the results of the Sale Support segment have been under strong pressure for a few quarters now, which concerns in particular OEX Cursor S.A. The activities undertaken in this segment aimed at, without limitation, the amendment of the commercial terms and conditions of provision of services have not brought about so far any expected results due to the lingering negotiations and tender procedures as well as the position taken by some clients. At the same time, in the second and third quarter of this year, OEX Cursor S.A. made significant cost reductions in the field structures, incurring at the same time some non-recurring restructuring costs as indicated in item 5 of the statements. The fourth quarter of each year is for the companies of this sector a period that is relatively weaker in terms of revenue and results and, therefore, similarly as in the previous year, the segment's operating result is expected to be negative. This year, the additional negative impact on the segment's results will come from the factors described above. However, it is not excluded that there will be significant non-recurring costs.

In case of no satisfactory results of activities undertaken on the revenue side within the horizon of the next quarter, OEX Cursor S.A. allows the possibility of termination of selected contracts and performance of further structure reduction so that, despite the decreased scale of operations, the effectiveness of its operations be increased. The Sale Support segment is the Group's operational segment most exposed to labour market and changes therein.

- b) performance of agreements with the mobile phone operators, taking into account:
  - a. seasonality;
  - b. promotional actions planned by the mobile phone operators;

- c. performance level of sale plans imposed on the Group companies by operators;

Among external factors that are important for the Group's development, the following can also be mentioned:

- a) general macroeconomic situation of Poland;  
b) situation on the labour market;

Among the internal factors, of key significance will be the following:

- c) potential equity transactions on the market on which the Group operates.

A particularly significant factor that will have a significantly positive impact on the Group's financial results is the finalisation of the transaction of sale of 100% of shares in ArchiDoc S.A., that took place on 17 October 2019.

In relation with the sale of those shares, the business of ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o. was qualified as assets held for sale as per IFRS 16. In result of the transaction finalisation, the Group will have a capital profit and, at the same time, the results of ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o. will not build the Group's operating result in the future. In the fourth quarter of last year, the impact of ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o. on the group's results was as follows: operating profit: kPLN 1,389, EBITDA: kPLN 1,749, pre-tax profit: kPLN 1,323 .

As for the profit on the above-mentioned transaction, in the fourth quarter of 2019 the Group will make estimates concerning the variable elements of the price, such as the recalculation of the level of net working capital as per the actual data as at 30/09/2019, retainer due to the Company and the expected inflows from the additional payments to the price in relation with the financial results made by ArchiDoc S.A. in 2020 and 2021 (earn-out). Similarly, all the transaction costs will be summed up. As at the date of these statements, the Group estimates that the pre-tax profit on the sale of shares in ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o., without allowing for the additional payments to the price (earn-out), will be within the range of kPLN 17,500 to approx. kPLN 19,500 . The maximum total value of the earn-out is kPLN 15,000 .

On the transaction day, OEX S.A. received also a dividend from ArchiDoc S.A. in the amount of PLN 3,415 thousand.

At the same time, in relation with the transaction effectiveness, the Group repaid all its debt under the investment loan taken out to purchase shares in ArchiDoc S.A., i.e. the amount of kPLN 37,706, in consequence of which the financial costs in the fourth quarter of 2019 will go down by approx. PLN 350 thousand.

### 35. Transactions with related parties

Transactions between the parent Company and its subsidiaries were eliminated from the consolidated financial statements. Transactions between the group and companies with personal links or members of key managerial or supervisory personnel and their family members in the period of 9 months ended on 30 September 2019 and on 30 September 2018 have been presented below:

	01/01-30/09/2019	01/01-30/09/2018 (published)
<b>RELATED PARTY TRANSACTIONS</b>		
<b>Sale to related parties</b>	<b>3,349</b>	<b>2,698</b>
companies with personal links	3,044	2,454
key management personnel	305	244
<b>Purchase from related entities</b>	<b>4,178</b>	<b>11,326</b>
companies with personal links	3,885	10,591
key management personnel	293	735
<b>Remuneration of key personnel</b>	<b>2,318</b>	<b>2,036</b>

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



## Selected financial data of OEX S.A.

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

	01/01- 30/09/2019	01/01- 30/09/2018	01/01- 30/09/2019	01/01- 30/09/2018
	k PLN		k EUR	
STATEMENT OF PROFIT OR LOSS				
Sale revenues	4,528	4,647	1,051	1,093
Operating profit (loss)	- 252	- 430	- 58	- 101
Profit before taxation	13,182	11,504	3,059	2,705
Net profit	13,406	11,781	3,112	2,770
Earnings per share (PLN; EUR)	1.68	1.68	0.39	0.39
Diluted earnings per share (PLN; EUR)	1.68	1.60	0.39	0.38
Average exchange rate PLN / EUR in the period	X	X	4.3086	4.2535

	01/01- 30/09/2019	01/01- 30/09/2018	01/01- 30/09/2019	01/01- 30/09/2018
	k PLN		k EUR	
CASH FLOW STATEMENT				
Net cash flows provided by operating activities	131	1,359	30	319
Net cash flows provided / (used) by investing activities	5,445	- 32,695	1,264	- 7,687
Net cash flows provided / (used) by financing activities	- 8,006	47,974	- 1,858	11,279
Total net cash flow	- 2,430	16,638	- 564	3,912
Average exchange rate PLN / EUR in the period	X	X	4.3086	4.2535

	30/09/2019*	31/12/2018	30/09/2019*	31/12/2018
	k PLN		k EUR	
STATEMENT OF FINANCIAL POSITION				
Assets	175,393	168,175	40,103	39,110
Long-term liabilities	39,217	44,603	8,967	10,373
Short-term liabilities	8,897	9,699	2,034	2,256
Shareholders' equity	127,279	113,873	29,102	26,482
PLN / EUR exchange rate at period end	X	X	4.3736	4.3000

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

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

	01/01- 30/09/2019	01/01/2010- 31/12/2018	01/01- 30/09/2018
<b>F/X RATE OF EUR</b>			
average exchange rate as at the period end	4.3736	4.3000	4.2714
average exchange rate of the period	4.3086	4.2669	4.2535

## Separate statement of financial position of OEX S.A.

	30/09/2019*	30/09/2018	31/12/2018
<b>ASSETS</b>			
<b>FIXED ASSETS</b>			
Intangible fixed assets	195	220	218
Tangible fixed assets	50	516	482
Right-of-use assets - premises and warehouses (IFRS 16)	792		
Right-of-use assets - other fixed assets (IFRS 16)	368		
Interests in subsidiaries	84,516	124,159	125,158
Receivables and loans		35	
Deferred income tax assets	1,198	805	974
<b>Non-current assets</b>	<b>87,119</b>	<b>125,735</b>	<b>126,832</b>
<b>CURRENT ASSETS</b>			
Trade Receivables and Other Receivables	1,311	8,003	2,387
Loans	12,382	16,333	16,232
Dividend income from subsidiaries	8,319		
Short-term prepayments	44	39	18
Cash and cash equivalents	20,276	19,849	22,706
Fixed assets classified as held for sale	45,942		
<b>Current assets</b>	<b>88,274</b>	<b>44,224</b>	<b>41,343</b>
<b>Total assets</b>	<b>175,393</b>	<b>169,959</b>	<b>168,175</b>
<b>SHAREHOLDERS' EQUITY</b>			
<b>Shareholders' equity</b>			
Share capital	1,598	1,598	1,598
Share premium	63,004	63,016	63,004
Reserve capital for the purchase of treasury shares	8,300		
Other Capitals	1,459	1,459	1,459
Retained profits:	52,918	48,833	47,812
- retained profit from previous years	39,512	37,052	37,052
- net profit	13,406	11,781	10,760
<b>Shareholders' equity</b>	<b>127,279</b>	<b>114,906</b>	<b>113,873</b>
<b>LIABILITIES</b>			
<b>LONG-TERM LIABILITIES</b>			
Loans, credits	38,504	46,378	44,348
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	574		
Right-of-use-related liabilities - other fixed assets (IFRS 16)	136	291	252
Deferred tax liabilities	3	4	3
<b>Long-term liabilities</b>	<b>39,217</b>	<b>46,673</b>	<b>44,603</b>
<b>SHORT-TERM LIABILITIES</b>			
Trade liabilities and other liabilities	622	239	1,595
Loans, credits, other debt instruments	7,781	7,593	7,711
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	206		
Right-of-use-related liabilities - other fixed assets (IFRS 16)	230	154	155
Employee benefit liabilities	58	39	238
Other short-term provisions		355	
<b>Short-term liabilities</b>	<b>8,897</b>	<b>8,380</b>	<b>9,699</b>
<b>Total provisions</b>	<b>48,114</b>	<b>55,053</b>	<b>54,302</b>
<b>Total equity and liabilities</b>	<b>175,393</b>	<b>169,959</b>	<b>168,175</b>

\* data presented as at 30/09/2019 allow for the presentation of shares held in ArchiDoc S.A. as assets held for sale

Book value	127,279	114,906	113,873
Number of shares (items)	7,989,984	7,989,984	7,989,984
Diluted number of shares (items)	7,989,984	7,989,984	7,989,984

BOOK VALUE PER ORDINARY SHARE (PLN)			
	30/09/2019*	30/09/2018	31/12/2018
Book value of one share	15.93	14.38	14.25
Diluted book value per one share	15.93	14.38	14.25

## Separate statement of profit or loss of OEX S.A.

	01/07- 30/09/2019	01/01- 30/09/2019	01/07- 30/09/2018	01/01- 30/09/2018
Continued activities				
Sale revenues	1,425	4,528	1,555	4,647
Revenue from the sale of services	1,425	4,528	1,555	4,647
Cost of sales	1,273	4,037	1,348	4,021
Costs of services sold	1,273	4,037	1,348	4,021
Gross profit on sale	152	492	207	626
Selling costs				
Administrative expenses	357	702	381	905
Other operating revenue		21	1	117
Other operating expenses	23	63	23	268
Operating profit (loss)	- 229	- 252	- 196	- 430
Financial income	222	15,285	239	13,801
Financial costs	610	1,852	678	1,868
Profit (loss) before taxation	- 617	13,182	- 634	11,504
Income tax	- 111	- 224	- 103	- 277
Net profit (loss) on continued activities	- 507	13,406	- 531	11,781
Discontinued Activity				
Net profit (loss)	- 507	13,406	- 531	11,781

Average weighted number of ordinary shares (items)	7,989,984	7,989,984	7,199,817	6,993,439
Average weighted diluted number of ordinary shares (items)	7,989,984	7,989,984	7,989,984	7,360,587

## Net profit (loss) per ordinary share (PLN)

	01/07- 30/09/2019	01/01- 30/09/2019	01/07- 30/09/2018	01/01- 30/09/2018
on continued operations				
- basic	-0.06	1.68	-0.07	1.68
- diluted	-0.06	1.68	-0.07	1.60
on continued and discontinued operations				
- basic	-0.06	1.68	-0.07	1.68
- diluted	-0.06	1.68	-0.07	1.60

## Separate statement of financial position of OEX S.A.

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	01/07- 30/09/2019	01/01- 30/09/2019	01/07- 30/09/2018	01/01- 30/09/2018
Net profit (loss)	- 507	13,406	- 531	11,781
Other comprehensive income				
Items not carried as financial profit or loss				
Items carried as financial profit or loss				
Comprehensive income	- 507	13,406	- 531	11,781

## Separate statement of changes in equity of OEX S.A.

	Share capital	Share premium	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	TOTAL EQUITY
As at 01/01/2019	1,598	63,004		1,459	47,812	113,873
Balance after changes	1,598	63,004		1,459	47,812	113,873
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 30/09/2019						
Allocation of the supplementary capital to reserve capital for the purchase of shares			8,300		- 8,300	
Total transactions with shareholders			8,300		- 8,300	
Net profit for the period from 01/01 to 30/09/2019					13,406	13,406
Total comprehensive income					13,406	13,406
As at 30/09/2019	1,598	63,004	8,300	1,459	52,918	127,279

	Share capital	Share premium	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	TOTAL EQUITY
As at 01/01/2018	1,378	44,960		1,459	37,052	84,849
Balance after changes	1,378	44,960		1,459	37,052	84,849
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 30/09/2018						
Issue of shares	220	18,056				18,276
Total transactions with shareholders	220	18,056				18,276
Net profit for the period from 01/01 to 30/09/2018					11,781	11,781
Total comprehensive income					11,781	11,781
As at 30/09/2018	1,598	63,016		1,459	48,833	114,906

	Share capital	Share premium	Other Capitals	Retained profits	TOTAL EQUITY
As at 01/01/2018	1,378	44,960	1,459	37,052	84,849
Balance after changes	1,378	44,960	1,459	37,052	84,849
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 31/12/2018					
Issue of shares	220	18,505			18,725
Costs of share issue		-461			-461
Total transactions with shareholders	220	18,044			18,264
Net profit for the period from 01/01 to 31/12/2018				10,760	10,760
Total comprehensive income				10,760	10,760
As at 31/12/2018	1,598	63,004	1,469	47,812	113,873

## Separate cash flow statement of OEX S.A.

	01/01-30/09/2019	01/01-30/09/2018
<b>CASH FLOW FROM OPERATING ACTIVITY</b>		
Profit before taxation	13,182	11,504
Adjustments:		
Depreciation and amortisation of fixed assets	53	165
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	172	
Amortisation of the right-of-use assets - other fixed assets (IFRS 16)	134	
Interest expense	1,852	1,359
Interest and dividend income	- 15,236	- 14,224
Total adjustments	- 13,025	- 12,700
Change in receivables	1,077	3,292
Change in liabilities	- 1,076	- 1,089
Change in provisions and prepayments	- 27	352
Changes in working capital	- 26	2,555
Net cash flows provided by operating activities	131	1,359
<b>CASH FLOW FROM INVESTING ACTIVITY</b>		
Expenses to purchase fixed assets	- 22	- 34
Net expenses to purchase subsidiaries	- 5,300	- 34,733
Received repayments of loans granted	9,401	4,450
Loans granted	- 5,550	- 10,150
Interest income	706	526
Dividend income	6,210	7,246
Net cash flows provided / (used) by investing activities	5,445	- 32,695
<b>CASH FLOW FROM FINANCIAL ACTIVITY</b>		
Inflows from the issue of shares		18,276
Redemption of debt securities		- 20,000
Inflows from loans and credits contracted		57,033
Repayment of loans and advances	- 6,015	- 4,516
Repayment of the right-of-use-related liabilities - premises and warehouses (IFRS 16)	- 119	
Repayment of the right-of-use-related liabilities - other fixed assets (IFRS 16)	- 271	- 111
Interest paid	- 1,642	- 1,909
Loan commissions paid/returned	41	- 799
Net flows provided / (used) by financing activities	- 8,006	47,974
Total net cash flows	- 2,430	16,638
Net change in cash and cash equivalents	- 2,430	16,638
Cash and cash equivalents at period beginning	22,706	3,211
Cash and cash equivalents at period end	20,276	19,849



## Supplementary Notes to the Abbreviated Interim Separate Financial Statements of OEX S.A.

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On 19 July 2019, the Management Board of OEX S.A. received from Offsite Archive Storage & Integrated Services Ltd. a final offer of purchase of 4,250,000 shares in ArchiDoc S.A. constituting 100% of its share capital. OEX S.A. concluded that the terms and conditions presented in the investor's offer were acceptable and started working jointly with the Investor on the finalisation of the transaction. In this relation, the shares in ArchiDoc S.A. held by OEX S.A. were presented as at 30 September 2019 as fixed assets held for sale. The transaction of the sale of shares in ArchiDoc S.A. took place on 17 October 2019.

The remaining information and disclosures as required by the provisions of the Regulation of the Minister of Finance of 29 March 2018 on current and periodical information to be disclosed by security on conditions of recognition of information required by the laws of a state that is not a member-state, including: a description of significant achievements made in the period of three quarters of 2019 and factors and events with an impact on the financial performance of OEX S.A., explanations concerning the seasonal or cyclical character of the activities of the Company, information on the issue, redemption and repayment of non-share and equity securities as well as events after the balance sheet date were provided in the supplementary notes to the abbreviated interim consolidated financial statements.

## Approval for publication

The quarterly consolidated financial statements of the OEX Group made for the period of 9 months ended on 30 September 2019 and the quarterly financial statements of OEX S.A. (including the comparable data) were approved for publication by the Management Board of OEX S.A. on 14 November 2019.

Signatures of all Management Board Members

Date	Name and Surname	Function	Signature
14 November 2019	Jerzy Motz	President of the Management Board	
14 November 2019	Rafał Stempniewicz	Management Board Member	
14 November 2019	Robert Krasowski	Management Board Member	
14 November 2019	Artur Wojtaszek	Management Board Member	
14 November 2019	Tomasz Słowiński	Management Board Member	