



OEX GROUP

Consolidated half-yearly report for
the period from 1 January to 30
June 2020

WARSAW, 09 September 2020

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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:

	01/01-30/06/2020	01/01-30/06/2019 (restated)	01/01-30/06/2020	01/01-30/06/2019 (restated)
	k PLN		k EUR	
CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Sale revenues	234,931	281,807	52,936	65,720
Operating profit	9,443	8,194	2,128	1,911
Pre-tax profit	6,253	3,588	1,409	837
Net profit	5,230	4,898	1,178	1,142
Net profit - share of the shareholders of the Parent Company	3,889	4,242	876	989
Earnings per share (PLN; EUR)	0.51	0.53	0.12	0.12
Diluted earnings per share (PLN; EUR)	0.51	0.53	0.12	0.12
Average exchange rate PLN / EUR in the period	X	X	4.4380	4.2880

	01/01-30/06/2020	01/01-30/06/2019 (restated)	01/01-30/06/2020	01/01-30/06/2019 (restated)
	k PLN		k EUR	
CONSOLIDATED CASH FLOW STATEMENT				
Net cash flows provided by operating activities	27,923	37,913	6,292	8,842
Net cash flows provided / (used) by investing activities	2,277	- 6,227	513	- 1,452
Net cash flows provided / (used) by financing activities	- 15,296	- 28,121	- 3,447	- 6,558
Total net cash flow	14,904	3,565	3,358	831
Average exchange rate PLN / EUR in the period	X	X	4.4380	4.2880

	30/06/2020	31/12/2019	30/06/2020	31/12/2019
	k PLN		k EUR	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Assets	374,828	384,233	83,929	90,227
Long-term liabilities	73,155	83,369	16,380	19,577
Short-term liabilities	140,032	144,452	31,355	33,921
Equity	161,641	156,412	36,194	36,729
Equity - share of the parent company shareholders	157,038	153,149	35,163	35,963
PLN / EUR exchange rate at period end	X	X	4.4660	4.2585

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.

	01/01-30/06/2020	01/01-30/06/2019 31/12/2019	01/01-30/06/2019
F/X RATE OF EUR			
average exchange rate as at the period end	4.4660	4.2585	4.2520
average exchange rate of the period	4.4380	4.3018	4.2880

Consolidated Statement of Financial Position

	30/06/2020	30/06/2019 (restated)	31/12/2019
ASSETS			
FIXED ASSETS			
Goodwill	80,019	80,019	80,019
Intangible fixed assets	15,743	16,682	16,280
Tangible fixed assets	8,849	9,203	9,293
Right-of-use assets - premises and warehouses (IFRS 16)	62,265	75,866	68,682
Right-of-use assets - other fixed assets (IFRS 16)	9,262	11,121	10,252
Investments in associates and joint ventures	237		400
Investments in other parties	500	500	500
Lease and rental receivables (IFRS 16)	4,974	5,417	5,008
Receivables and loans	995	914	926
Long-term prepayments	5,097	317	6,149
Deferred income tax assets	7,767	6,181	7,093
Fixed assets	195,708	206,220	204,602
CURRENT ASSETS			
Inventories	3,378	8,509	3,939
Trade Receivables and Other Receivables	97,256	100,161	111,969
Current income tax assets	1,247	504	1,542
Loans	29	115	133
Lease and rental receivables (IFRS 16)	2,561	2,011	2,447
Short-term prepayments	4,016	13,170	3,872
Cash and cash equivalents	70,633	27,005	55,729
Fixed assets classified as held for sale		88,106	
Current assets	179,120	239,581	179,631
Total assets	374,828	445,801	384,233
SHAREHOLDERS' EQUITY			
Shareholder's equity			
Equity - share of the parent company shareholders:			
Share capital	1,598	1,598	1,598
Share premium	63,004	63,004	63,004
Reserve capital for the purchase of treasury shares	8,300	8,300	8,300
Treasury shares (-)	- 8,072		- 8,072
Other Capitals	4,848	1,459	4,847
Retained profits:	87,360	70,901	83,472
- retained profit from previous years	83,471	66,660	63,272
- net profit for the parent company's shareholders	3,889	4,241	20,200
Equity - share of the parent company shareholders	157,038	145,262	153,149
Non-controlling shares	4,603	2,641	3,263
Equity	161,641	147,903	156,412
LIABILITIES			
LONG-TERM LIABILITIES			
Loans, credits	4,066	43,707	6,958
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	53,124	67,075	59,742
Right-of-use-related liabilities - other fixed assets (IFRS 16)	4,211	6,238	5,013
Deferred tax liabilities	11,133	10,655	11,517
Employee benefit liabilities	111	82	111
Long-term prepayments	510	78	28
Long-term liabilities	73,155	127,835	83,369

SHORT-TERM LIABILITIES			
Trade liabilities and other liabilities	58,369	59,255	65,457
Factoring liabilities	7,572	11,465	9,169
Current tax liabilities	884	585	2,273
Loans, credits, other debt instruments	32,767	29,363	29,682
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	20,602	18,693	19,891
Right-of-use-related liabilities - other fixed assets (IFRS 16)	3,204	3,146	3,420
Employee benefit liabilities	11,317	6,203	12,414
Other short-term provisions	742	181	52
Short-term prepayments	4,575	899	2,094
Liabilities related to fixed assets held for sale		40,273	
Short-term liabilities	140,032	170,063	144,452
Total provisions	213,187	297,898	227,821
Total equity and liabilities	374,828	445,801	384,233

Book value	161,641	147,903	156,412
Number of shares (items)*	7,568,932	7,989,984	7,568,932
Diluted number of shares (items)*	7,568,932	7,989,984	7,568,932

* the number of shares and the diluted number of shares as at 30/06/2020 and 31/12/2019 do include 421,052 treasury shares purchased by OEX S.A.

BOOK VALUE PER ORDINARY SHARE (PLN)			
	30/06/2020*	30/06/2019 (restated)	31/12/2019*
Book value of one share	21.36	18.51	20.66
Diluted book value per one share	21.36	18.51	20.66

*the book value per share and the diluted book value per share as at 30/06/2020 and 31/12/2019 were calculated on the basis of the number of shares issued less 421,052 treasury shares purchased

Consolidated statement of profit or loss

	01/01-30/06/2020	01/01-30/06/2019 (restated)
Continued activities		
Sale revenues	234,931	281,807
Revenue from the sale of services	204,979	208,386
Revenue from the sale of goods and materials	29,952	73,421
Cost of sales	198,499	239,145
Costs of services sold	171,025	172,248
Cost of goods and materials sold	27,473	66,897
Gross profit on sale	36,433	42,662
Selling costs	13,177	18,145
Administrative expenses	16,745	17,078
Other operating income	5,694	2,127
Other operating expenses	2,762	1,372
Operating profit	9,443	8,194
Financial income	461	359
Financial costs	3,488	4,931
Share in the profit (loss) of entities measured using the equity method (+/-)	- 163	- 34
Pre-tax profit	6,253	3,588
Income tax	1,024	1,322
Net profit on continued activities	5,230	2,267
Discontinued operations and assets held for sale		
Net profit on assets held for sale		2,631
Net profit - share of	5,230	4,898
- the parent company shareholders	3,889	4,242
- non-controlling shares	1,340	656

Average weighted number of ordinary shares (items)*	7,568,932	7,989,984
Average weighted diluted number of ordinary shares (items)*	7,568,932	7,989,984

* the average weighted number of shares and the average weighted diluted number of shares in the second quarter of 2020 do not include 421,052 treasury shares purchased by OEX S.A.

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

	01/01-30/06/2020*	01/01-30/06/2019 (restated)
on continued operations		
- basic	0.51	0.20
- diluted	0.51	0.20
on continued and discontinued operations		
- basic	0.51	0.53
- diluted	0.51	0.53

*the net profit per ordinary share for the period 01/01-30/06/2020 was calculated based on the number of shares issued less 421,052 treasury shares purchased

Comprehensive statement of comprehensive income

	01/01-30/06/2020	01/01-30/06/2019 (restated)
Net profit (loss)	5,230	4,898
Other comprehensive income		
Items not carried as financial profit or loss		
Items carried as financial profit or loss		
Comprehensive income (losses)	5,230	4,898
Comprehensive income - share of:		
- the parent company shareholders	3,889	4,242
- non-controlling shares	1,340	656

Consolidated Statement of Changes in Equity

	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS							Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Treasury shares (-)	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	Total		
As at 01/01/2020	1,598	63,004	- 8,072	8,300	4,848	83,471	153,149	3,263	156,412
Changes in accounting policies									
Error Correction									
Balance after changes	1,598	63,004	- 8,072	8,300	4,848	83,471	153,149	3,263	156,412
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 30/06/2020									
Total transactions with shareholders									
Net profit for the period from 01/01 to 30/06/2020						3,889	3,889	1,340	5,229
Other comprehensive income after taxation in the period from 01/01 to 30/06/2020									
Total comprehensive income						3,889	3,889	1,340	5,229
As at 30/06/2020	1,598	63,004	- 8,072	8,300	4,848	87,360	157,038	4,603	161,641

(restated)	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS							Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Treasury shares (-)	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 30/06/2019									
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 30/06/2019						4,241	4,241	656	4,897
Other comprehensive income after taxation in the period from 01/01 to 30/06/2019									
Total comprehensive income						4,241	4,241	656	4,897

As at 30/06/2019	1,598	63,004		8,300	1,459	70,901	145,262	2,641	147,903
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	EQUITY ATTRIBUTABLE TO THE PARENT COMPANY SHAREHOLDERS							Non-controlling shares	TOTAL EQUITY
	Share capital	Share premium	Treasury shares (-)	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 31/12/2019									
Acquisition of treasury shares for redemption.			- 8,072				- 8,072		- 8,072
Dividends								- 979	- 979
Transfer of supplementary capital to reserve capital reserve allocated to purchase treasury shares				8,300		- 8,300			
Movements between capital groups					3,388	- 3,388			
Total transactions with shareholders			- 8,072	8,300	3,388	- 11,688	- 8,072	- 979	- 9,051
Net profit for the period from 01/01 to 31/12/2019						20,200	20,200	1,767	21,967
Other comprehensive income after taxation in the period from 01/01 to 31/12/2019									
Total comprehensive income						20,200	20,200	1,767	21,967
As at 31/12/2019	1,598	63,004	- 8,072	8,300	4,847	83,472	153,149	3,263	156,412

Consolidated Cash Flow Statement

	01/01-30/06/2020	01/01-30/06/2019 (restated)*
CASH FLOW FROM OPERATING ACTIVITY		
Pre-tax profit	6,253	7,436
Adjustments		
Depreciation and amortisation of fixed assets	3,457	3,194
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	9,262	11,065
Depreciation of the right-of-use assets - other fixed assets (IFRS 16)	1,871	2,048
Profit (loss) on the sale of non-financial fixed assets	59	12
(Profit) loss on the sale of financial assets (other than derivatives)		- 24
Exchange difference (gains) losses	- 21	
Interest expense	3,042	3,588
Interest and dividend income	- 331	- 193
Other adjustments	146	16
Total adjustments	17,485	19,706
Change in inventories	561	120
Change in receivables	10,423	16,760
Change in liabilities	- 8,171	741
Change in provisions and prepayments	4,971	- 2,540
Changes in working capital	7,784	15,081
Taxes paid	- 3,599	- 4,310
Net cash flows provided by operating activities	27,923	37,913
CASH FLOW FROM INVESTING ACTIVITY		
Expenses to purchase fixed assets	- 2,819	- 6,655
Inflows from the sale of fixed assets	103	381
Net inflows from the sale of subsidiaries	4,831	
Received repayments of loans granted	32	16
Loans granted	- 192	- 160
Interest income	322	191
Net cash flows provided / (used) by investing activities	2,277	- 6,227
CASH FLOW FROM FINANCIAL ACTIVITY		
Inflows from loans and credits contracted	7,443	2,548
Repayment of loans and advances	- 7,274	- 13,599
Repayment of the right-of-use-related liabilities - premises and warehouses (IFRS 16)	- 10,439	- 11,689
Repayment of the right-of-use-related liabilities - other fixed assets (IFRS 16)	- 1,819	- 2,370
Inflows from the repayment of lease receivables (IFRS 16)	1,383	
Interest paid	- 3,013	- 3,211
Factoring inflows	13,360	24,835
Repayment of factoring liabilities	- 14,956	- 24,683
Loan commissions paid/received	19	30
Other adjustments		18
Net flows provided / (used) by financing activities	- 15,296	- 28,121
Total net cash flows	14,904	3,565
Net change in cash and cash equivalents	14,904	3,565
Cash and cash equivalents at period beginning	55,729	26,580
Cash and cash equivalents at period end	70,633	30,145

* the data presented for the period 01/01-30/06/2019 do not include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

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

1. Rules applied during the preparation of the interim abbreviated consolidated financial statements, 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 6 months ended on 30 June 2020 and contain the comparable data for the period of 6 months ended on 30 June 2019 and as at 31 December 2019.

The financial statements as at 30 June 2020 and as at 30 June 2019 were not audited by a statutory auditor. The published consolidated financial data of the Group were presented as comparable data, with the following exceptions:

- adjustments of the calculation of interest to include liabilities related to the right to use – premises and warehouses – as well as receivables from the lease and rent (IFRS 16) for the period of 6 months ended on 30 June 2019. In consequence of the adjustment, the interest expense for the first half of 2019 increased by kPLN 917 (in which the adjustment of kPLN 36 concerns OEX S.A.), the interest income for the first half of 2019 increased by kPLN 79. In consequence of the adjustment, the gross result, the net result and the value of equity for the period of first half of 2019 decreased by kPLN 838. The liabilities related to the right to use – the premises and warehouses – increased by the same amount. The adjustment did not lead to a change in the balance sheet total as at 30 June 2019.

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 together with the consolidated financial statements of the Group for 2019 published on 29 April 2020.

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 rules (policies) applied during the preparation of these interim abbreviated financial statements are compliant with the ones applied during the preparation of the Issuer's financial statements for the year ended on 31 December 2019.

NEW AND REVISED STANDARDS OR INTERPRETATIONS APPLIED:

The following new standards and amendments to standards that became effective on 01 January 2020 were adopted for the first time in these abbreviated interim consolidated financial statements:

- Amendments to the Reference to the Conceptual Framework included in the International Financial Reporting Standards (published on 29 March 2018);
- Amendments to IAS 1 and IAS 8: Definition of material (published on 31 October 2018);
- Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform (published on 26 September 2019);
- Amendments to IFRS 3 *Business combinations* (published on 22 October 2018).

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 2019. In the period covered by these interim abbreviated consolidated financial statements, there were no material changes to those estimates and assumptions.

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.

In the reporting period and as at the day of approval of the consolidated financial statements for publication, i.e. 09 September 2020, the composition of the Management Board of the parent company was the following:

Jerzy Motz	President of the Management Board
Rafał Stempniewicz	Management Board Member
Robert Krasowski	Management Board Member
Artur Wojtaszek	Member of the Management Board until 08 September 2020
Tomasz Kwiecień	Member of the Management Board since 08 September 2020
Tomasz Słowiński	Management Board Member

In the reporting period and as at the day of approval of the consolidated financial statements for publication, i.e. 09 September 2020, the composition of the Supervisory Board of the parent company 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 until 24 August 2020
Marcin Malka	Member of the Supervisory Board since 25 August 2020

The objects of the business of OEX S.A. comprise 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 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	
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 COMPANY			
Name of 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

- ASSOCIATE COMPANY

ASSOCIATE COMPANY			
Name of company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
Face and Look S.A.	ul. Klimczaka 1, 02-797 Warszawa	0	31

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 June 2020. The co-controlled company 4Shops Sp. z o.o. and the associate company Face and Look S.A. with registered office in Warsaw are consolidated 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.

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, associates and the co-controlled company are given in item 3 of the Supplementary Notes to the consolidated financial statements.

3. Operating segments

Until the end of 2019, the Issuer had four operating segments within its Group (Retail Sale Network Management, Sale Support, E-Business and BPO) as well as a holding company - OEX S.A (unassigned). Starting from 1 January 2020, the Group has had 3 segments (no more BPO segment in relation with the sale of ArchiDoc S.A., the segment's leading company, effected in October 2019). The business and the results of Voice Contact Center, previously reported in the BPO segment, are shown in the E-Business segment as of the first quarter of 2020. In consequence of the change in segment classification, the Group also restates the comparable data for the first half of 2019.

3.1. 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 Orange network services is ensured by Tell Sp. z o. o., of the T-Mobile network services by Europhone Sp. z o. o. and the of the PLUS network - by PTI Sp. z o. o. The OEX Group has achieved its current position on the market by taking over smaller networks and by developing cooperation with operators.

NUMBER OF STORES AS AT THE END OF THE REPORTING PERIOD				
	as at 30/06/2020	as at 30/06/2019	change y/y in pcs.	y/y in %
Orange network stores	176	185	-9	95.1%
T-Mobile network stores	93	96	-3	96.9%
Plus network stores	65	66	-1	98.5%
Total stores	334	347	-13	96.3%

AVERAGE NUMBER OF STORES IN THE REPORTING PERIOD				
	average in the period 01/01-30/06/2020	average in the period 01/01-30/06/2019	change y/y in pcs.	y/y in %
Orange network stores	177.8	185.0	-7	96.1%
T-Mobile network stores	93.0	96.7	-4	96.2%
Plus network stores	65.0	66.0	-1	98.5%
Total stores	335.8	347.7	-12	96.6%

BREAKDOWN OF REVENUE			
	01/01-30/06/2020	01/01-30/06/2019	change y/y in %
Revenue from the sale of telecommunication services	55145.	61,846	89.2%
Sets and pre-paid refills	2,097	2,868	73.1%
Postpaid contract phones	19447.	20,449	95.1%
Other revenue	2788.	6,092	45.8
Total	79,476	91,254	87.1%

VOLUMES OF SERVICES SOLD			
	01/01-30/06/2020	01/01-30/06/2019	change y/y in %
Postpaid activations	371,612	411,765	90.2%
Prepaid activations	54,651	74,842	73.0%
Total	426,263	486,607	87.6%

3.2. 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. The services rendered by the companies focus on activities from the trade support and field marketing area and their objective is to support the sales of clients' products and services and influence the development of distribution. The services also comprise experience marketing and promotion activities aimed at building and increasing consumer loyalty to the brands promoted. The clients of the Sale Support segment include FMCG producers and distributors, mainly from the food industry. In this Segment, also the HR management and recruitment services for the purposes of the OEX Group, i.e. object of the business of Pro People Sp. z o.o., are rendered.

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 services are provided using the human resources of the segment's companies as well as such working tools and the 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

- **Trade Support**

Services in this area are provided by OEX Cursor S.A. and Merservice Sp. z o.o.

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 task 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 (the point-of-sale's) goods and services. The sales representative outsourcing service is addressed to the entire market (modern, traditional and specialist sales).

Merchandising consists in the service related to the exposure of goods in commercial networks on the modern and traditional markets by on-site teams as well as by mobile teams (provided with appropriate vehicles). The service is rendered using IT tools.

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.

- **Field Marketing**

Services in this area are provided by OEX Cursor S.A.

Experience marketing involves activities to addressed individually to a specific product or service, the purpose of which is to engage the consumer and to build brand awareness by interacting with the product. Projects pursued for the clients comprise dedicated events, education and sale actions, samplings and tastings together with the provision of personnel, equipment and logistics of marketing materials as well as the management of loyalty programmes.

Shopper marketing Product promotion services comprise activities related to a direct contact with the consumer, the purpose of which is to influence the purchase decisions taken in the point of sale. 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.

3.3. E-BUSINESS SEGMENT

The segment comprises the following companies: OEX E-Business Sp. z o. o., Divante Sp. z o. o., OEX24 Sp. z o. o. and Voice Contact Center Sp. z o.o. The E-business segment provides services dedicated to the e-commerce sector, including the eCommerce dedicated areas of technology, customer experience and logistics.

The **logistic operations** are provided by OEX E-Business Sp. z o.o. The comprise mainly the execution of orders related to e-shop support, dispatch of awards in loyalty programmes as well as distribution and warehousing of marketing materials. The operations consist in the preparation of products for dispatch at the business client's or consumer's order and the delivery of the same through carefully selected courier firms to addresses indicated. Workshops and consultations on optimal process management, construction and provision of product and material ordering 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 selection of products and prizes, negotiations with suppliers, collection of personal data, prize personalization and communication, distribution, tax registration settlements.

The **purchase processing services** provided by OEX E-Business Sp. z o.o. are related to the optimisation at the business client's order of the costs of purchase of marketing materials, packagings, products for resale and products for loyalty programmes. The activities consist in the market analysis, provision of recommendations concerning the determination of selection criteria to be followed when purchasing products, purchase cost optimization as well as logistic and 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 a warehouse management system. The operation quality consistency is ensured by ISO 9001:2008.

In the area of **eCommerce-dedicated technology**, Divante Sp. z o.o., is a leading company and an expert in creating top-shelf eCommerce solutions and products for global B2B and B2C companies. The company's team of over 250 experts supports its partners in the development and implementation of breakthrough concepts based on leading edge technologies.

The main areas of activities of Divante Sp. z o.o. include:

- creation of eCommerce systems based on Magento, Shopware, and commercetools platforms;
- implementation of product information management systems based on Pimcore / Akeneo solutions;
- provision of mobile phone traffic optimisation solutions using the Vue Storefront product;
- implementation of client loyalty programmes;
- design and implementation of the visual side of eCommerce;
- maintenance and optimisation of existing shops.

OEX24 Sp. z o.o., incorporated in November 2018, is also active in the area of technology for the eCommerce. The company was created in order to carry out trade support processes on the domestic and international market and to connect sellers and buyers by means of technology. The Company manages the eCommerceB2B platform - a universal tool which supports producers and distributors in the digitalisation of sales. It allows and streamlines the sales to clients, at the same time allowing goods producers and distributors access to new contractors.

As of the first quarter of 2020, the segment also includes Voice Contact Center Sp. z o. o. (formerly within the BPO segment that no longer exists within the Group's structure).

Voice Contact Center Sp. z o.o. provides solutions in the customer experience area. It offers a comprehensive support for business processes related to client communication, from client acquisition, through support to cooperation development and maintenance as well as supports backoffice activities. It renders services that encompass the support of all channels of contacts with the client: phone calls, e-mail, chat, social media, texts, video, traditional mail. Talks with clients are also supported owing to the use of a proprietary conversation bot. The Company's main services are the following: management of comprehensive and multi-channel customer support offices, backoffice processes, CATI research and sales support. The customers for the company's services are, among others, companies from the following sectors: eCommerce, finance, insurance, commerce and distribution. The company carries out projects in the area of product and service helplines, help desks for system and app users, complaint handling with compensation logistics, sale support in eCommerce, backoffice in relation with, *inter alia*: work with product cards, complaint handling, support for financial departments. The company also provides services for medical companies such as: appointment scheduling and confirmation, remote diagnostics support. For insurance companies, Voice Contact Center Sp. z o.o. provides services related to claim registration and handling. The services are provided in modern operational centres in Warsaw, Łódź and Lublin, where there are over 700 professional contact centre work stations.

The services for eCommerce provided by companies from the E-Business segment include comprehensive services for companies involved in online sales or those which have offline sales but plan to expand to the online sale in the B2B and B2C areas. The provision of such services may follow the end to end model. The services may also be rendered as individual components of the entire chain.

REVENUES AND RESULTS OF OPERATING SEGMENTS					
	Sale network management	Sale Support	E-business	Not allocated	Total
FOR THE PERIOD FROM 01/01 TO 30/06/2020					
Revenue from external customers	79,469	64,487	90,975		234,931
Revenue from the sales between segments	7	275	564	2,187	3,033
Total revenue	79,476	64,762	91,539	2,187	237,964
Segment's operating result	7,154	1,933	2,576	- 2,220	9,443
EBITDA	13,327	3,414	9,235	- 1,943	24,033
Amortisation and depreciation	6,173	1,481	6,659	277	14,590
Financial income					461
Financial costs					3,488
Share in the profit (loss) of entities measured using the equity method (+/-)					- 163
Gross profit					6,253
Income tax					1,024
Net profit on continued activities					5,230
FOR THE PERIOD FROM 01/01 TO 30/06/2019 (restated)					
Revenue from external customers	91,231	93,711	96,843	22	281,807
Revenue from the sales between segments	23	712	1,391	3,104	5,230
Total revenue	91,254	94,423	98,234	3,126	287,037
Segment's operating result	8,456	917	924	- 2,103	8,194
EBITDA	14,863	2,649	6,421	- 1,865	22,068
Amortisation and depreciation	6,407	1,732	5,497	238	13,874
Financial income					359
Financial costs					4,931
Share in the profit (loss) of entities measured using the equity method (+/-)					- 34
Gross profit					3,588
Income tax					1,322
Net profit on continued activities					2,267

Below are presented the results of the OEX Group's operating segments for the first half of 2020 and of 2019 before the impact of the IFRS 16 adoption, which concerns the rental contracts for offices and warehouses.

	Sale network management	Sale Support	E-business	Not allocated	Total
FOR THE PERIOD FROM 01/01 TO 30/06/2020					
Operating result of the segment, excluding the impact of IFRS 16	6,681	1,902	1,975	- 2,184	8,374
EBITDA, excluding the impact of IFRS 16	7,887	3,152	4,719	- 2,056	13,702

	Sale network management	Sale Support	E-business	Not allocated	Total
FOR THE PERIOD FROM 01/01 TO 30/06/2019					
Operating result of the segment, excluding the impact of IFRS 16	8,032	1,268	671	- 2,116	7,855
EBITDA, excluding the impact of IFRS 16	9,271	2,295	2,240	- 1,997	11,809

The data for the first half of 2019 comprise the data concerning the continued operations of the Group, with the exclusion of the impact of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o., whose results are presented as assets held for sale.

The business and the results of Voice Contact Center, previously reported in the BPO segment, are shown in the E-Business segment as of the first quarter of 2020. In consequence of the change in segment classification, the Group also restates the comparable data for the first half of 2019.

GEOGRAPHICAL AREAS - REVENUES		
	01/01-30/06/2020	01/01-30/06/2019
Poland	206,800	229,124
Europe	25,370	51,656
Asia	698	350
Africa	6	24
North America	2,057	653
Total	234,931	281,807

The Group has one counterparty whose share in the Group's turnover exceeded 10%. The Group made 13.3% of its turnover with that entity. The revenue from this counterparty is generated by a company from the 'Sale Network Management' segment.

The explanation of the reasons underlying changes in revenues in particular operating segments of the Group in the first half of 2020 when compared to the corresponding period of 2019 can be found in item 3 of the report on the activities of the OEX Group in the first half of 2020.

4. 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 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 eCommerce 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.

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

IMPAIRMENT OF INVENTORIES			
	01/01-30/06/2020	01/01-30/06/2019	01/01/2010-31/12/2019
State as at period beginning	3,293	1,348	1,348
Loss expensed as cost in the period	514	320	1,945
Reversal of impairments carried as revenue in the period (-)		- 404	
State as at period end	3,807	1,264	3,293

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

IMPAIRMENT OF FINANCIAL ASSETS			
	01/01-30/06/2020	01/01-30/06/2019	01/01/2010-31/12/2019
State as at period beginning	8,050	6,316	6,316
Loss expensed as cost in the period	291	168	2,335
Reversal of impairments carried as revenue in the period (-)		- 430	- 386
Provisions used (-)	- 886		- 87
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)		- 128	- 128
State as at period end	7,455	5,926	8,050

7. 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 30/06/2020							
State as at period beginning	111		2,878	2,665		52	5,595
Provision increase carried as expense in the period			512	24		712	1,248
Provision increase carried as income in the period (-)				- 95			- 95
Utilisation of provisions (-)			- 117	- 1,472		- 22	- 1,611
Provisions as at 30/06/2020	111		3,273	1,122		742	5,137
FOR THE PERIOD FROM 01/01 TO 30/06/2019							
State as at period beginning	121	31	1,879	1,917	8	116	3,920
Provision increase carried as expense in the period			833			146	979
Provision increase carried as income in the period (-)				- 4		- 44	- 48
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 39	- 31	- 236	- 68	- 8	- 37	- 349
Utilisation of provisions (-)			- 323	- 1,647			- 1,970
Provisions as at 30/06/2019	82		2,153	198		181	2,532
FOR THE PERIOD FROM 01/01 TO 31/12/2019							
State as at period beginning	121	31	1,879	1,917	8	116	3,920
Provision increase carried as expense in the period	29		1,657	2,665		17	4,339
Provision increase carried as income in the period (-)			- 208	- 1,484		- 44	- 1,736
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 39	- 31	- 236	- 68	- 8	- 37	- 349
Utilisation of provisions (-)			- 214	- 365			- 579
Provisions as at 31/12/2019	111		2,878	2,665		52	5,595

8. Information about deferred income tax assets and liabilities

	30/06/2020	30/06/2019	31/12/2019
DEFERRED INCOME TAX LIABILITIES			
State as at period beginning	11,517	10,383	10,383
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)		- 651	- 651
Impact on the net financial result	384	- 923	- 1,785
State as at period end	11,133	10,655	11,517
DEFERRED INCOME TAX ASSETS			
State as at period beginning	7,093	5,492	5,492
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)		- 638	- 638
Impact on the net financial result	674	1,327	2,239
State as at period end	7,767	6,181	7,093

9. 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
FOR THE PERIOD FROM 01/01 TO 30/06/2020					
Net carrying amount as at 01/01/2020	3,743	193	5,244	105	9,285
Increase (acquisition, production, lease)	886	26	262	544	1,718
Decrease (disposal, liquidation, putting to use) (-)	- 143	- 350	- 248	- 539	- 1,280
Depreciation and amortisation (-)	- 756	297	- 423		- 882
Net carrying amount as at 30/06/2020	3,730	166	4,835	110	8,841
FOR THE PERIOD FROM 01/01 TO 30/06/2019					
Net carrying amount as at 31/12/2018	6,260	6,350	11,376	1,163	25,149
Increase (acquisition, production, lease)	683	296	700	1,692	3,371
Decrease (disposal, liquidation, putting to use) (-)	- 255	- 324	- 124	- 1,845	- 2,548
Depreciation and amortisation (-)	- 659	76	- 430		- 1,013
Change of presentation in relation with the IFRS 16 adoption	- 2,594	- 6,288	- 6,656	- 307	- 15,845
Net carrying amount as at 30/06/2019	3,435	110	4,866	703	9,114
FOR THE PERIOD FROM 01/01 TO 31/12/2019					
Net carrying amount as at 31/12/2018	6,260	6,350	11,376	1,163	25,149
Reclassification of the rights of use of assets	- 1,829	- 6,331	- 5,557		- 13,717
Net carrying amount as at 01/01/2019	4,431	19	5,819	1,163	11,432
Increase (acquisition, production, lease)	2,167	427	2,292	3,315	8,201
Decrease (disposal, liquidation, putting to use) (-)	- 276	- 70	- 334	- 4,003	- 4,683
Depreciation and amortisation (-)	- 1,412	- 107	- 1,062		- 2,581
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 1,167	- 76	- 1,471	- 370	- 3,084
Net carrying amount as at 31/12/2019	3,743	193	5,244	105	9,285

The difference as at 30 June 2020 between the balance sheet value of tangible fixed assets of kPLN 8,849 and the balance shown in the movement table constitutes the value of advances for the purchase of tangible fixed assets in the amount of PLN 8 thousand.

10. Information about the right-of-use assets

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

	Premises and warehouses	Other fixed assets			Total
		Machinery and equipment	Vehicles	Other fixed assets	
FOR THE PERIOD FROM 01/01 TO 30/06/2020					
Net carrying amount as at 01/01/2020	68,682	1,423	6,402	2,427	78,934
Increases (leases, contract signing)	4,403	314	700		5,417
Decrease (disposal, liquidation) (-)	- 1,558		- 133		- 1,691
Depreciation and amortisation (-)	- 9,262	- 122	- 1,643	- 106	- 11,133
Net carrying amount as at 30/06/2020	62,265	1,615	5,326	2,321	71,527
FOR THE PERIOD FROM 01/01 TO 31/12/2019					
Net carrying amount as at 01/01/2019	107,703	1,829	6,331	5,557	121,420
Increases (leases, contract signing)	4,023	896	5,563	2,352	12,834
Decrease (disposal, liquidation) (-)	- 2,790		- 626	- 973	- 4,389
Depreciation and amortisation (-)	- 18,826	- 224	- 3,034	- 218	- 22,302
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 21,428	- 1,078	- 1,832	- 4,291	- 28,629
Net carrying amount as at 31/12/2019	68,682	1,423	6,402	2,427	78,934

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

As at 30 June 2020, the Group did not have any material liabilities related to the purchase of tangible fixed assets.

12. Information about material settlements resulting from cases vindicated in court

In the period from 01 January 2020 to 30 June 2020, there were no material settlements related to cases vindicated in court in the Group.

13. Indication of adjustments of errors of previous periods

With the exception of the adjustment of interest accrued on the right-of-use liabilities - premises and warehouses as well as receivables from rental and leases (IFRS 16) for the first half of 2019, in the reporting period there were no events resulting in the necessity to adjust errors of previous periods.

In relation with the verification of the adopted method of accruing interest on liabilities related to the rights of use - premises warehouses and lease and rental receivables (IFRS 16), which took place in the fourth quarter of 2019, the Group adjusted the comparable data for the first half of 2019. In result of the adjustments made, the interest expense for the first half of 2019 increased by kPLN 917 (in which the adjustment of kPLN 36 concerns OEX S.A.), the interest income for the first half of 2019 increased by kPLN 79. In consequence of the adjustment, the gross result, the net result and the value of equity for the period of first half of 2019 decreased by kPLN 838. The liabilities related to the right to use - the premises and warehouses - increased by the same amount. The adjustment did not lead to a change in the balance sheet total as at 30 June 2019.

14. 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.

The Group's Management Board analysed the financial performance of particular cash generating units (CGS) assigned to particular goodwills in the first half of 2020, budgets of particular CGUs as well as the indications of their impairment as enumerated in IAS 36. After analysis, it was concluded that there were no indications of impairment of the goodwill as at 30 June 2020.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. Information on the dividends paid or declared

In the reporting period, i.e. from 01/01/2020 to 30/06/2020, OEX S.A. did not pay dividends. The dividend payment declaration for 2019 was made after the balance sheet date.

21. Events after the balance sheet date

In the period covered by these abbreviated interim consolidated financial statements, there occurred no material 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.

On 24 August 2020, OEX S.A. and iPOS S.A. with registered office in Warsaw and all its existing shareholders entered into an investment agreement on the basis of which OEX S.A. subscribed 43,000 newly issued shares, which after the registration of the share capital increase, will guarantee the Group a share of approx. 51% in the share capital and in the votes at the General Meeting of Shareholders of iPOS. The share subscription price was PLN 6,000,220.00.

On 24 August 2020, the Member of the Supervisory Board of OEX S.A., Mr Tomasz Kwiecień, resigned from his function and decided not to run for the next term of office as a member of the Company's Supervisory Board effective from 24 August 2020. The reason for the resignation was the fact that as of 24 August 2020, he would be a member of the Management Board of iPOS S.A.

On 25 August 2020, there was a General Meeting of Shareholders of OEX S.A. The Meeting adopted the following resolutions:

- on the approval of the reports of the Management Board on the activities of the company in 2019,
- on the approval of the company's financial statements and the OEX S.A. Group's consolidated financial statements for the period from 01/01/2019 to 31/12/2019,
- on the distribution of the net profit generated by OEX S.A. in the financial year 2019 in the amount of PLN 32,504,367.62 in the following manner:
 - a) the amount of PLN 17,559,922.24 to be paid out as dividend for the company's shareholders; the dividend amount per one share is PLN 2.32;
 - b) the amount of PLN 14,944,445.38 to be allocated to the company's supplementary capital.
 The dividend day was determined to be 03 September 2020, and the dividend payment date - 11 September 2020.
- on the acknowledgement of activities performed by the members of the Management and the Supervisory Board in the fulfilment of their duties in the financial year 2019,
- on the redemption of its ordinary bearer treasury shares held in the amount of 421,052 of the nominal value of PLN 0.20, each one dematerialised and designated by the National Depository for Securities with code ISIN PLTELL000023, representing a total of 5.27% of the Company's share capital. The Treasury Shares were purchased by the Company on 4 December 2019 on the basis of the sales offers received by the Company in the period from 22 November 2019 to 29 November 2019 with a view to their redeeming or re-selling, as part of the offer of acquisition of the Company's treasury shares. In consequence, the Company's share capital will be decreased by PLN 84,210.40,
- on the adoption of the remuneration policy concerning the members of the Company's Management Board and Supervisory Board,

- on the determination of members of the Supervisory Board of the seventh term of office,
- on the appointment of members of the Supervisory Board of the seventh term of office,

After the balance sheet date, two companies from the OEX Group returned subsidies received from the Polish Development Fund in the total amount of kPLN 4,900 .

On 08 September 2020, the Member of the Supervisory Board of OEX S.A., Mr Artur Wojtaszek, resigned from his function effective from 8 September 2020. The reason for the resignation was a necessity for him to become more involved in OEX E-Business Sp. z o.o. (a subsidiary of the Group), where he is the President of the Management Board.

On 8 September 2020, by virtue of resolution of the Supervisory Board, the composition of the Management Board of OEX S.A. was expanded by Mr Tomasz Kwiecień, who was appointed the President of the Management Board. The Resolution of the Supervisory Board become effective upon its adoption.

22. 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.

	30/06/2020	30/06/2019	31/12/2019
LIABILITIES TO OTHER PARTIES			
Guarantees originated	15,030	16,202	14,937
Disputed cases and cases in court	145	505	145
Other Contingent Liabilities	4,725	4,725	4,725
Total contingent liabilities	19,900	21,432	19,807

23. Information about material changes in estimates

With the exception of disclosures made in items 5-8 herein, there were no material changes in estimates.

24. Impact of the International Financial Reporting Standard 16 on the consolidated financial statements of the OEX Group for the first half of 2020

Below is presented a comparison of the consolidated statement of profit or loss and the consolidated cash flow statement with a specification of the impact of IFRS 16 on the statements for the first half of 2020.

	01/01-30/06/2020	01/01-30/06/2020	01/01-30/06/2020	01/01-30/06/2019*
	Including IFRS 16	Excluding IFRS 16	Impact of IFRS 16	Excluding IFRS 16
Sale revenues	234,931	236,401	- 1,470	282,574
Operating expense	228,420	230,899	- 2,479	275,470
Other operating income	5,694	5,530	164	2,123
Other operating expenses	2,762	2,658	104	1,372
Operating profit	9,443	8,374	1,069	7,855
EBITDA	24,033	13,702	10,331	11,809
Financial income	461	249	212	157
Financial costs	3,488	1,611	1,877	2,923
Share in the profit (loss) of entities measured using the equity method (+/-)	- 163	- 163		- 34
Profit (loss) before taxation	6,253	6,849	- 596	5,055
Income tax	1,024	1,104	- 80	1,372
Net profit (loss) on continued activities	5,230	5,745	- 515	3,683
Discontinued operations and assets held for sale				
Net profit on assets held for sale				2,663
Net profit (loss) - share of:	5,230	5,745	-515	6,346
- the parent company shareholders	3,889	4,430	-541	5,673
- non-controlling shares	1,340	1,315	25	673

* with the exclusion of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. to assets held for sale

	01/01-30/06/2020	01/01-30/06/2020	01/01-30/06/2020
	Including IFRS 16	Excluding IFRS 16	Impact of IFRS 16
Profit (loss) before taxation	6,253	6,849	- 596
Adjustment of operating activities	21,670	12,018	9,651
Net cash flows provided by operating activities	27,923	18,867	9,056
Net cash flows provided / (used) by investing activities	2,277	2,277	
Net cash flows provided / (used) by financing activities	- 15,296	- 6,240	- 9,056
Total cash flow	14,904	14,904	

25. Transactions with related parties

Transactions between the parent Company and its subsidiaries were eliminated from the consolidated financial statements. Transactions between the Group, an associate a joint venture and companies with personal links and members of key managerial or supervisory personnel and their family members in the period of 6 months ended on 30 June 2020 and on 30 June 2019 have been presented below:

	01/01-30/06/2020	01/01-30/06/2019 (restated)*
TRANSACTIONS WITH RELATED PARTIES		
Sale to related parties	2,515	3,143
companies with personal links	2,136	1,998
key management personnel	159	1,141
associate company and joint venture	220	4
Purchase from related entities	2,219	2,966
companies with personal links	1,512	2,636
key management personnel	358	329
associate company and joint venture	349	1
Remuneration of key personnel	1,282	1,500

* As at 30/06/2019, the transactions of the key personnel contain turnovers with ArchiDoc S.A.

26. Capital Management

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

The Group monitors the capital level on the basis of carrying amount of equity as increased by subordinated loans from the shareholder. On the basis of such defined capital amount, the Group calculates the equity to total sources of finance ratio.

The Group does not classify liabilities under the right of use of assets, premises and warehouses as sources of finance (IFRS 16). The Group assumes the maintenance of this ratio at the level not lower than 0.5.

Additionally, in order to monitor the debt service capacity, the Group calculates the ratio of debt (i.e. lease liabilities, loans, credits and other debt instruments) to EBITDA for the period of last 12 months (LTM), excluding the impact of IFRS 16 (earnings before interest, taxes, depreciation and amortisation).

The Group assumes the maintenance of this debt to EBITDA LTM ratio at the level not higher than 3.0.

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

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

	30/06/2020	30/06/2020 excluding IFRS 16
EQUITY		
Shareholder's equity	161,641	161,641
Total equity	161,641	161,641
SOURCES OF FINANCE		
Shareholder's equity	161,641	161,641
Loans, credits, other debt instruments	36,833	36,833
Lease	81,141	7,415
Factoring liabilities	7,572	7,572
Total sources of finance	287,187	213,461
Total capital to sources of finance ratio	0.56	0.76
EBITDA LTM		
Operating profit LTM	11,548	8,646
Depreciation and amortisation LTM	28,678	10,526
EBITDA LTM	40,226	19,172
NET DEBT		
Loans, credits, other debt instruments	36,833	36,833
Lease	81,141	7,415
Factoring liabilities	7,572	7,572
Cash	- 70,633	- 70,633
Net debt	54,913	- 18,813
Net debt to EBITDA LTM ratio	1.37	-0.98

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:

	01/01-30/06/2020	01/01-30/06/2019 (restated)	01/01-30/06/2020	01/01-30/06/2019 (restated)
	k PLN		k EUR	
STATEMENT OF PROFIT OR LOSS				
Sale revenues	2,168	3,104	489	724
Operating profit (loss)	- 411	- 23	- 93	- 5
Pre-tax profit	8,025	13,763	1,808	3,210
Net profit	7,972	13,877	1,796	3,236
Earnings per share (PLN; EUR)	1.05	1.74	0.24	0.41
Diluted earnings per share (PLN; EUR)	1.05	1.74	0.24	0.41
Average exchange rate PLN / EUR in the period	X	X	4.4380	4.2880

	01/01-30/06/2020	01/01-30/06/2019 (restated)	01/01-30/06/2020	01/01-30/06/2019 (restated)
	k PLN		k EUR	
CASH FLOW STATEMENT				
Net cash flows provided by operating activities	- 2,799	253	- 631	59
Net cash flows provided / (used) by investing activities	3,307	- 356	745	- 83
Net cash flows provided / (used) by financing activities	- 2,961	- 5,246	- 667	- 1,223
Total net cash flow	- 2,453	- 5,349	- 553	- 1,247
Average exchange rate PLN / EUR in the period	X	X	4.4380	4.2880

	30/06/2020	31/12/2019	30/06/2020	31/12/2019
	k PLN		k EUR	
STATEMENT OF FINANCIAL POSITION				
Assets	157,238	154,143	35,208	36,197
Long-term liabilities	4,555	7,213	1,020	1,694
Short-term liabilities	6,406	8,625	1,434	2,025
Equity	146,277	138,305	32,753	32,477
PLN / EUR exchange rate at period end	X	X	4.4660	4.2585

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.

	01/01-30/06/2020	01/01-2010- 31/12/2019	01/01-30/06/2019
F/X RATE OF EUR			
average exchange rate as at the period end	4.4660	4.2585	4.2520
average exchange rate of the period	4.4380	4.3018	4.2880

Separate statement of financial position of OEX S.A.

	30/06/2020	30/06/2019 (restated)	31/12/2019
ASSETS			
FIXED ASSETS			
Intangible fixed assets	165	199	185
Tangible fixed assets	28	391	42
Right-of-use assets - premises and warehouses (IFRS 16)	915	934	1,064
Right-of-use assets - other fixed assets (IFRS 16)	226	76	321
Interests in subsidiaries	91,740	84,516	84,516
Lease and rental receivables (IFRS 16)	45		95
Deferred income tax assets	485	1,088	789
Fixed assets	93,604	87,204	87,012
CURRENT ASSETS			
Trade Receivables and Other Receivables	10,483	1,138	14,544
Current income tax assets	654		675
Loans	6,938	16,564	12,280
Other short-term financial assets	8,346	12,330	
Lease and rental receivables (IFRS 16)	99		99
Short-term prepayments	76	88	43
Cash and cash equivalents	37,037	17,357	39,490
Fixed assets classified as held for sale		45,942	
Current assets	63,633	93,419	67,131
Total assets	157,237	180,623	154,143
SHAREHOLDERS' EQUITY			
Shareholder's equity			
Share capital	1,598	1,598	1,598
Share premium	63,004	63,004	63,004
Reserve capital for the purchase of treasury shares	8,300	8,300	8,300
Treasury shares (-)	- 8,072		- 8,072
Other Capitals	1,459	1,459	1,459
Retained profits:	79,988	53,389	72,016
- retained profit from previous years	72,016	39,512	39,512
- net profit	7,972	13,877	32,504
Equity	146,277	127,750	138,305
LIABILITIES			
LONG-TERM LIABILITIES			
Loans, credits	2,116	40,457	4,358
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	636	783	779
Right-of-use-related liabilities - other fixed assets (IFRS 16)	138	174	160
Deferred tax liabilities	1,665	3	1,916
Long-term liabilities	4,555	41,417	7,213
SHORT-TERM LIABILITIES			
Trade liabilities and other liabilities	1,208	3,229	3,292
Loans, credits, other debt instruments	4,493	7,758	4,492
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	307	255	307
Right-of-use-related liabilities - other fixed assets (IFRS 16)	105	156	165
Employee benefit liabilities	292	58	369
Short-term liabilities	6,405	11,456	8,625
Total provisions	10,960	52,873	15,838
Total equity and liabilities	157,237	180,623	154,143

Book value	146,277	127,750	138,305
Number of shares (items)*	7,568,932	7,989,984	7,568,932
Diluted number of shares (items)*	7,568,932	7,989,984	7,568,932

* the number of shares and the diluted number of shares as at 30/06/2020 and 31/12/2019 do include 421,052 treasury shares purchased by OEX S.A.

BOOK VALUE PER ORDINARY SHARE (PLN)			
	30/06/2020*	30/06/2019 (restated)	31/12/2019*
Book value of one share	19.33	15.99	18.27
Diluted book value per one share	19.33	15.99	18.27

*the book value per share and the diluted book value per share as at 30/06/2020 and 31/12/2019 were calculated on the basis of the number of shares issued less 421,052 treasury shares purchased

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

	01/01-30/06/2020	01/01-30/06/2019 (restated)
Continued activities		
Sale revenues	2,168	3,104
Revenue from the sale of services	2,168	3,104
Cost of sales	1,997	2,764
Costs of services sold	1,997	2,764
Gross profit on sale	171	340
Selling costs		
Administrative expenses	436	344
Other operating income	1	21
Other operating expenses	147	39
Operating profit (loss)	- 411	- 23
Financial income	8,738	15,064
Financial costs	301	1,278
Profit (loss) before taxation	8,025	13,763
Income tax	53	- 114
Net profit (loss) on continued activities	7,972	13,877
Discontinued Activity		
Net profit (loss)	7,972	13,877

Average weighted number of ordinary shares (items)*	7,568,932	7,989,984
Average weighted diluted number of ordinary shares (items)*	7,568,932	7,989,984

* the average weighted number of shares and the average weighted diluted number of shares in the second quarter of 2020 do not include 421,052 treasury shares purchased by OEX S.A.

Net profit (loss) per ordinary share (PLN)

	01/01-30/06/2020*	01/01-30/06/2019 (restated)
on continued operations		
- basic	1.05	1.74
- diluted	1.05	1.74
on continued and discontinued operations		
- basic	1.05	1.74
- diluted	1.05	1.74

*the net profit per ordinary share for the period 01/01-30/06/2020 was calculated based on the number of shares issued less 421,052 treasury shares purchased

Separate statement of financial position of OEX S.A.

	01/01-30/06/2020	01/01-30/06/2019 (restated)
Net profit (loss)	7,972	13,877
Other comprehensive income		
Items not carried as financial profit or loss		
Items carried as financial profit or loss		
Comprehensive income (losses)	7,972	13,877

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

	Share capital	Share premium	Treasury shares (-)	Reserve capital for the purchase of treasury shares	Other Capitals	Retained profits	TOTAL EQUITY
As at 01/01/2020	1,598	63,004	- 8,072	8,300	1,459	72,016	138,305
Balance after changes	1,598	63,004	- 8,072	8,300	1,459	72,016	138,305
CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 30/06/2020							
Total transactions with shareholders							
Net profit for the period from 01/01 to 30/06/2020						7,972	7,972
Total comprehensive income						7,972	7,972
As at 30/06/2020	1,598	63,004	- 8,072	8,300	1,459	79,988	146,277

(restated)	Share capital	Share premium	Treasury shares (-)	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 30/06/2019							
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	
Net profit for the period from 01/01 to 30/06/2019						13,877	13,877
Total comprehensive income						13,877	13,877
As at 30/06/2019	1,598	63,004		8,300	1,459	53,389	127,750

	Share capital	Share premium	Treasury shares (-)	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 31/12/2019							
Acquisition of treasury shares for redemption.			- 8,072				
Transfer of supplementary capital to reserve capital reserve allocated to purchase treasury shares				8,300		- 8,300	
Total transactions with shareholders			- 8,072	8,300		- 8,300	- 8,072
Net profit for the period from 01/01 to 31/12/2019						32,504	32,504
Total comprehensive income						32,504	32,504
As at 31/12/2019	1,598	63,004	- 8,072	8,300	1,459	72,016	138,305

Separate cash flow statement of OEX S.A.

	01/01-30/06/2020	01/01-30/06/2019 (restated)
CASH FLOW FROM OPERATING ACTIVITY		
Pre-tax profit	8,025	13,763
Adjustments:		
Depreciation and amortisation of fixed assets	34	119
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	148	117
Depreciation of the right-of-use assets - other fixed assets (IFRS 16)	94	2
Interest expense	302	1,241
Interest and dividend income	- 8,709	- 15,014
Total adjustments	- 8,131	- 13,535
Change in receivables	- 744	1,250
Change in liabilities	- 1,916	- 1,154
Change in provisions and prepayments	- 33	- 71
Changes in working capital	- 2,693	25
Net cash flows provided by operating activities	- 2,799	253
CASH FLOW FROM INVESTING ACTIVITY		
Expenses to purchase fixed assets		- 9
Net expenses to purchase subsidiaries	- 7,224	- 2,700
Net inflows from the sale of subsidiaries	4,831	
Received repayments of loans granted	6,149	4,169
Loans granted	- 806	- 4,501
Interest income	357	485
Dividend income		2,200
Net cash flows provided / (used) by investing activities	3,307	- 356
CASH FLOW FROM FINANCIAL ACTIVITY		
Repayment of loans and advances	- 2,260	- 4,010
Repayment of the right-of-use-related liabilities - premises and warehouses (IFRS 16)	- 386	- 91
Repayment of the right-of-use-related liabilities - other fixed assets (IFRS 16)	- 82	- 77
Inflows from the repayment of lease receivables (IFRS 16)	49	
Interest paid	- 301	- 1,098
Loan commissions paid/returned	19	30
Net flows provided / (used) by financing activities	- 2,961	- 5,246
Total net cash flows	- 2,453	- 5,349
Net change in cash and cash equivalents	- 2,453	- 5,349
Cash and cash equivalents at period beginning	39,490	22,706
Cash and cash equivalents at period end	37,037	17,357

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

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 the first half of 2020 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 quarterly consolidated financial statements.

Approval for publication

The interim abbreviated consolidated financial statements of the OEX S.A. Group for the period of 6 months ended on 30 June 2020 and the interim abbreviated interim financial statements of OEX S.A. (including the comparable data) were approved for publication by the Management Board of OEX S.A. on 09 September 2020.

Signatures of all Management Board Members

Date	Name and Surname	Function	Signature
09/09/2020	Jerzy Motz	President of the Management Board	
09/09/2020	Rafał Stempniewicz	Management Board Member	
09/09/2020	Robert Krasowski	Management Board Member	
09/09/2020	Tomasz Słowiński	Management Board Member	
09/09/2020	Tomasz Kwiecień	Management Board Member	

Declaration of the Issuer's Management Board

Pursuant to the regulation of the Minister of Finance of 29 March 2018 on ongoing and periodical information to be given by issuers of securities, the Management Board of the issuer hereby states and declares that:

- to the best of its knowledge, the abbreviated interim consolidated financial statements of the OEX Group and the comparable data have been prepared in accordance with the accounting policies in force and they present the economic and financial situation of the Group as well as its financial result in a true, reliable and fair manner,
- to the best of its knowledge, the abbreviated interim financial statements of OEX S.A. and the comparable data have been prepared in accordance with the accounting policies in force and they present the economic and financial situation of OEX S.A. as well as its financial result,
- the half-yearly report on the activities of the OEX Group gives a true picture of the development, achievement and situation of the Group, including a description of basic risks and threats.

Signatures of all Management Board Members

Date	Name and Surname	Function	Signature
09/09/2020	Jerzy Motz	President of the Management Board	<hr/>
09/09/2020	Rafał Stempniewicz	Management Board Member	<hr/>
09/09/2020	Robert Krasowski	Management Board Member	<hr/>
09/09/2020	Tomasz Słowiński	Management Board Member	<hr/>
09/09/2020	Tomasz Kwiecień	Management Board Member	<hr/>



OEX GROUP

Report on the activities in the period
from 1 January 2020 to 30 June 2020

WARSAW, 09 September 2020

Report on the activities of the OEX Group

1. Description of the organisation of the Issuers group and indication of consolidated entities

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.

In the reporting period and as at the day of approval of the consolidated financial statements for publication, i.e. 09 September 2020, the composition of the Management Board of the parent company was the following:

Jerzy Motz	President of the Management Board
Rafał Stempniewicz	Management Board Member
Robert Krasowski	Management Board Member
Artur Wojtaszek	Member of the Management Board until 08 September 2020
Tomasz Kwiecień	Member of the Management Board since 08 September 2020
Tomasz Słowiński	Management Board Member

In the reporting period and as at the day of approval of the consolidated financial statements for publication, i.e. 09 September 2020, the composition of the Supervisory Board of the parent company 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 until 24 August 2020
Marcin Malka	Member of the Supervisory Board since 25 August 2020

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 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	
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 COMPANY			
Name of 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

• ASSOCIATE COMPANY

ASSOCIATE COMPANY			
Name of company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
Face and Look S.A.	ul. Klimczaka 1, 02-797 Warszawa	0	31

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 June 2020. The co-controlled company 4Shops Sp. z o.o. and the associate company Face and Look S.A. with registered office in Warsaw are consolidated 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.

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, associates and the co-controlled company are given in item 3 of the Supplementary Notes to the consolidated financial statements.

2. 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 first half of 2020, there were no changes to the structure of the OEX Group.

3. Discussion of the basic economic and financial data disclosed in the half-yearly consolidated financial statements

a) Discussion of the main items of the Group's income statement

The analysis below presents the Group's performance, including an exclusion in the first half of 2019 of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

REVENUE

The Group's revenues in the first half of 2020 amounted to kPLN 234,931 and were lower by 16.6% than the revenues generated in the corresponding period of the previous year. On a quarterly basis, the revenues in the second quarter of 2020 were 20.3% lower than the revenues in the second quarter of 2019, at the same time achieving the same value as the revenues obtained in the first quarter of 2020.

The decrease in the revenues in the first half of 2020 was noted in all operating segments. It was due to various reasons, depending on the segment and even on particular Group companies. To a large extent, they result from the restructuring activities carried out in selected activities and described in earlier reports, mainly in the annual financial statement for 2019. Nevertheless, the decreased revenues were to a significant extent caused by the epidemic situation caused by the SARS-CoV-2 virus. It should be stressed that among the Group's subsidiaries there are companies that saw a considerable rise in the revenues in the first half of 2020 when compared to the corresponding period of the previous year, including also in the second quarter of 2020 when compared to the second quarter of 2019. What is also important, the decreased revenues did not always entail decreased operating results.

In the first half of 2020, the **Retail Sale Network Management** segment generated revenues at the level of kPLN 79,469, which is a fall by 12.9% (i.e. by kPLN 11,762) when compared to the corresponding period of 2019. The main reason for the fall was the shutdown of stores in shopping malls as described in item 4 of the report on the activities as well as the considerable reduction of the volume of sales in shops that remained open. There was a fall in revenues both in the first and the second quarter of this year. In the second quarter of 2020 alone, the segment's revenues amounted to kPLN 39,561 and were lower by 15.5% (i.e. by kPLN 7,243) than in the second quarter of 2019. The revenues of the segment's companies plummeted most dramatically in March and April 2020 and, to a smaller extent, in May 2020 (due to the re-opening of stores in shopping malls). In June, the company's revenues were slightly higher than in the same month of 2019. The segment's revenues in the first half 2020 constituted 33.8% of the Group's total revenues, while in the corresponding period of the previous year - 32.4%.

The revenues of the **Sale Support** segment in the first half of 2020 amounted to kPLN 64,487 and were lower by 31.2% (i.e. by kPLN 29,224) when compared to the corresponding period of the previous year. In the second quarter of 2020 alone, the segment's revenues amounted to kPLN 30,210 and were lower by 40.2% (i.e. by kPLN 20,330) than in the second quarter of 2019. It should be noted that the fall in the segment's revenues results only from the fall in one company – OEX Cursor S.A. – which underwent a deep restructuring in the second half of last year, as described in previous financial statements. The restructuring resulted in a considerable downsizing of the scale of business and, at the same time, a considerable improvement in efficiency.

Irrespective of the foregoing, the company has strongly suffered both in the second quarter of 2020 the fall in orders received in relation with economic lockdown caused by the COVID-19 epidemic outburst. Its revenues in the second quarter of 2020 alone were lower by 14.4% than in the first quarter of this year.

Despite the epidemic, in the first half of 2020 Merservice Sp. z o.o. generated higher revenues than the ones generated in the corresponding period of 2019 mainly due to the acquisition in the second half of 2019 of new clients as well as due to a higher number of orders from the main client.

The segment's revenues in the first half 2020 constituted 27.4% of the Group's total revenues, while in the corresponding period of the previous year - 33.3%.

In the first half of 2020, the **E-Business** segment generated revenues of kPLN 90,975. They were lower by 6.1% (i.e. by kPLN 5,868) than the segment's revenues in the corresponding period of the previous year. In the second quarter of 2020 alone, the segment's revenues amounted to kPLN 47,498 and were lower by 4.5% (i.e. by kPLN 2,251) than in the second quarter of 2019. At the same time, the revenues were higher by 9.2% (i.e. by kPLN 4,021) than the revenues from first quarter of 2020.

The changes in the level of revenues had a significantly varied impact on particular companies from the segment. There were significantly higher revenues in Divante Sp. z o.o. and Voice Contact Center Sp. z o.o. In the first half of 2020, they saw a growth in their revenues by, respectively, 35.5% and 38.3% when compared to the corresponding

period of 2019. In the second quarter of 2020 alone, the revenues of Divante were higher by 23% when compared to the second quarter of 2019 and the revenues of Voice Contact Center went up by 48.4%. In the first half of 2020, those two companies combined generated almost 45% of the segment's revenues, while in the corresponding period of the previous year - 30%.

In relation with the epidemic, both companies have implemented an effective remote working system, which they continue to operate until now. The scale of cooperation was decreased in case of only a limited number of smaller clients. On the other hand, the situation forced both the retail clients to change their purchasing preferences, which resulted in a significant boost in the eCommerce, and the enterprises from many sectors of economy to make necessary investments and changes in their business processes. These enterprises now constitute a prevailing majority of clients of both Divante, and Voice Contact Center.

The decreased revenues in the first half of 2020 were noted by the remaining two companies from this segment - OEX E-Business Sp. z o.o. and OEX24 Sp. z o.o. In case of OEX E-Business, the decline by 20.4% was caused by the continued limitation of activities in the complementary business lines, mainly the eDelivery line and the retail business. In the logistic line, which is the company's leading line, the epidemic situation resulted in, on the one hand, a reduction of orders related to the distribution of marketing materials (POSM) for retail outlets, but on the other hand, an increase in the orders related to the area of logistics for eCommerce. The warehouses worked smoothly, in accordance with the safety regulations. In the second quarter of 2020 alone, the company achieved revenues higher by 5.3% than in the second quarter of 2019, including a rise in revenues from logistic services by 13.8%. The Company's revenues constitute approx. 50% of the total revenues of this segment. OEX24 Sp. z o.o. saw a decline in its revenues by 41.6% when compared to the first half of 2019. The decline was particularly visible in the first quarter of 2020. The company's revenues constituted 8.4% of the segment's total revenues in the first half of 2020.

The E-Business segment's revenues in the first half 2020 e-business constituted 38.7% of the Group's total revenues, while in the corresponding period of the previous year - 34.4%.

EBITDA

The Group's **EBITDA** in the first half of 2020 amounted to kPLN 24,033 and was higher by 8.9% than in the corresponding period of the previous year. After exclusion of the impact of IFRS 16 with regard to the space lease contracts, EBITDA for the first half of 2020 amounted to kPLN 13,703, i.e. constituted a rise by 16% when compared to the corresponding period of the 2019. The only segment that saw a decline in EBITDA was the Retail Sale Network Management segment. The remaining two segments saw increases in EBITDA when compared to the corresponding period of 2019. It should be stressed that in relation with the epidemic, all the Group companies in the second quarter of 2020 undertook a number of cost-reducing measures, which required difficult decisions to be made. To a certain degree, this has allowed them to mitigate the negative impact of the COVID 19 epidemic on their financial performance.

The following analysis of EBITDA refers exclusively to the values after the exclusion of the impact of IFRS 16 with regard to the space lease contracts.

EBITDA of the **Retail Sale Network Management** segment in the first half of 2020 amounted to kPLN 7,887, which is a fall by 14.9% (i.e. by kPLN 1,384) when compared to the corresponding period of 2019. The fall took place in whole in the first quarter of 2020. In the second quarter of 2020 alone, the segment generated EBITDA of kPLN 6,299, which is a rise by 30.4% when compared to the second quarter of 2019. The recovery of the results in the second quarter of 2020 resulted from both the reconstruction of revenues in May and June, costs reductions, including renegotiations of rentals of stores located outside shopping malls, as well as the public aid under the so-called 'Shield 1.0' government aid programme. That aid programme took a form of subsidies to the remuneration for April, May and June from the funds of the Guaranteed Employee Benefits Fund as well as the exemption from the obligation to pay the mandatory social, accident, sickness and health insurance contributions. Additionally, the segment's companies took advantage of the possibility to liquidate their liabilities under rental contracts during the ban on operations of commercial centres, which, in turn, translated into the lack of necessity to incur costs foreseen in the rental contracts during the lockdown. The impact of the public aid on the segment's results and, at the same time, the results of the Group in the

second quarter of 2020 amounted to kPLN 3,347 . The segment's EBITDA in the first half of 2020 constituted 50.0% of the total EBITDA of all the three operating segments of the Group, while in the corresponding period of the previous year - 67.2%.

EBITDA of the **Sale Support** segment in the first half of 2020 amounted to kPLN 3,152 and was higher by 37.3% (i.e. by kPLN 857) when compared to the corresponding period of the previous year. In the second quarter of 2020 alone, the segment's EBITDA amounted to kPLN 1,674 and was higher by 18.1% (i.e. by kPLN 370) than in the second quarter of 2019. At the same time, the results of that quarter were higher by 13.3% than the results of the first quarter of this year.

It should be stressed that in the first half of 2020 both OEX Cursor and Merservice generated positive results and their EBITDA went up when compared to the first half of 2019. In case of OEX, the increase was 27.5%, and in case of Merservice - 53.8%. The results of companies from this segment were not impacted significantly by the public aid, but both of them underwent cost reduction programmes. The segment's EBITDA in the first half of 2020 constituted 20.0% of the total EBITDA of all the three operating segments of the Group, while in the corresponding period of the previous year - 16.6%.

EBITDA of E-Business segment in the first half of 2020 amounted to kPLN 4,720 and was higher by 110.7% (i.e. by kPLN 2,480) than the segment's EBITDA in the corresponding period of the previous year. In the second quarter of 2020 alone, the segment's EBITDA amounted to kPLN 2,763 and was higher by 117.9% (i.e. by kPLN 1,495) than in the second quarter of 2019. At the same time, EBITDA was higher by 41.2% (i.e. by kPLN 806) than in the first quarter of 2020.

The changes in the level of EBITDA, similarly as in the case of the trends concerning the revenues, affected particular companies of the segment differently. Of prevailing impact on the segment's results were the results generated in the first half 2020 by Divante and Voice Contact Center. OEX E-Business and OEX24 noted a slightly negative result in that period. It must be stressed, however, that OEX E-Business - the segment's largest company - significantly improved its result when compared to the first half of 2019, achieving at the same time a positive EBITDA in the second quarter of 2020. The rises in EBITDA noted by Divante and Voice Contact Center in the first half of 2020 amounted to, respectively, 40.3% and 60.7% when compared to the corresponding period of 2019. In the second quarter of 2020 alone, when compared to the second quarter of 2019, they amounted to, respectively 31% and 58.2%.

Public aid did not have any significant impact on the performance of this segment's companies. It was extended only to OEX E-Business and its scale was not significant. Each company saw a cost reduction. The segment's EBITDA in the first half of 2020 constituted 30% of the total EBITDA of all the three operating segments of the Group, while in the corresponding period of the previous year - 16.2%.

REMAINING ITEMS OF THE GROUP'S STATEMENT OF PROFIT OR LOSS

The **financial costs** in the first half of 2020 amounted to kPLN 3,488 and were lower by 29.3% than the financial costs incurred in the corresponding period of the previous year. After exclusion of the impact of IFRS 16 with regard to the space lease contracts, the financial costs amounted to kPLN 1,611, and were lower by 44.9% than in the corresponding period of 2019. The main reason for the significant decrease in financial costs was the considerably lower debt of the Group related mainly to the repayment in the fourth quarter of 2019 of the investment loan taken out in December 2017 to purchase shares in ArchiDoc S.A.

The **pre-tax profit** in the first half of 2020 amounted to kPLN 6,253 and was higher than in the corresponding period of the previous year by 74.3%. In the second quarter of 2020 alone, the profit was kPLN 6,043 . After exclusion of the impact of IFRS 16 with regard to the space lease contracts, the pre-tax profit amounted to kPLN 6,849, and was higher by 35.5% than in the corresponding period of 2019. In the second quarter of 2020 alone, the profit was kPLN 6,367 .

The **net profit on continued operations** in the first half of 2020 amounted to kPLN 5,230, while it amounted to kPLN 2,267 in the first half of 2019. In the second quarter of 2020 alone, the profit was kPLN 5,539 . After exclusion of the impact of IFRS 16 with regard to the space lease contracts, the net profit on continued activities in the first half of

2020 was higher by 56.0% than in the corresponding period of 2019 and amounted to kPLN 5,745, while it was kPLN 3,683 in the corresponding period of 2019. In the second quarter of 2020 alone, the profit was kPLN 5,909 .

The **net profit on the assets held for sale**, representing the consolidated net profits of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o., had a significant positive impact on the Group's net profit in the period of first half of 2019 but was not present in the first half 2020 in relation with the sale of shares in ArchiDoc S.A. and in ArchiDoc MED Sp. z o.o. effected on 17/10/2019. In the first half of 2019, it amounted to kPLN 2,631 .

The **net profit attributable to the shareholders of the parent company (OEX S.A.)** in the first half of 2020 amounted to kPLN 3,889, while it amounted to kPLN 4,242 in the corresponding period of the previous year, which means a decrease by 8.3%. In the second quarter of 2020 alone, the profit was kPLN 4,788 and was higher by 51.1% than the profit of the second quarter of 2019, even despite the lack of contribution of the results of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. to the Group's results.

b) Overview of the main items of the cash flow statement of the Group

In total, in the first half of 2020, the Group generated positive cash flows of PLN 14.9 million, in which PLN 11.3 million in the second quarter alone.

The Group's **flows from operating activities** in the first half of 2020 amounted to kPLN 27,923 . After exclusion of the impact of IFRS 16 with regard to the space lease contracts, the flows from operating activities for the first half of 2020 amounted to kPLN 18,867, . Significant items influencing the flows from operating activities were: the positive operating result and positive changes in the working capital, in particular the decrease in the amounts receivable by PLN 10.4 million and, to a certain extent, the support received from the mobile phone operators, which were an element of mitigation by them of the effects of the COVID-19. The support had a form of an advance towards the future commissions for the companies from the Retail Sale Network Management segment.

The Group's **flows from investing activities** in the first half of 2020 amounted to kPLN 2,277 and in the second quarter of 2020 alone they reached a level of kPLN 3,525 . A significant item influencing the flows from investing activities was the inflow into the account of OEX S.A. on 26 June 2020 in the amount of kPLN 4,831 paid by Offsite Archive Storage & Integrated Services (Ireland) Ltd. in relation with the fulfilment of certain defined contractual conditions related to the transaction of the sale of shares in ArchiDoc S.A. 17 October 2019 which took place on 17 October 2019.

The above-mentioned amount is a part of the selling price for shares in ArchiDoc and its considerable portion was recognised in the financial result of 2019 due to the assessment of the probability of this event made by the Company's Management Board as at the date of publication of the 2019 financial statements. Detailed information about the settlement of the transaction of the sale of shares in ArchiDoc S.A., its impact on the financial results of OEX S.A. and the consolidated financial result of the Group for 2019 were given in Note No. 19 to the 2019 financial statements and in Note No. 20 to the 2019 consolidated financial statements.

The Group's **flows from financial activities** in the first half of 2020 amounted to kPLN (15,296) . After exclusion of the impact of IFRS 16 with regard to the space lease contracts, the flows from operating activities for the first half of 2020 amounted to kPLN (6,240) and in the second quarter of 2020 alone, they reached a level of kPLN (933) . In the second quarter alone, the flows from financial activities were influenced by funds received as subsidy from the Polish Development Fund in the amount of kPLN 6,395 .

c) Overview of the main items of the balance sheet of the Group

In the balance sheet as at 30 June 2020, the balance sheet total was at the level of kPLN 374,828 and was lower by 2.4% than as at 31 December 2019. As regards the assets, the share of fixed assets and the current assets was, respectively, 52.2% and 47.8% (as at 31/12/2019: 53.2% and 46.8%). As regards the fixed assets, there were no significant changes in the first half of 2020. There were higher differences as regards the structure of current assets.

The fixed assets' highest value is the goodwill equal to kPLN 80,019, which constitutes 40.9% of the total fixed assets. More than 34% of the fixed assets are assets arising in relation with the application of the IFRS 16 standard in the part

concerning the rental contracts, in the total amount of kPLN 67,239 . As at 30 June 2020, the above-mentioned items constitute a total of 75.2% of fixed assets and 39.2% of total assets of the Group in the balance sheet.

The share of current assets in total assets as at 30 June 2020 went slightly up - to 47.8% (vs 46.8% as at 31 December 2019), whereby in terms of value, the current assets remained almost unchanged. There was a change in their structure, mainly in items '*trade receivables*' and '*cash*'. The receivables went down by kPLN 14,713, to kPLN 97,256, i.e. by 13.1%, while the cash position went up by kPLN 14,904 to kPLN 70,633, i.e. by 26.7%. Consequently, the trade receivables amounted to 54.3% of current assets (vs 62.3% as at 31/12/2019), and the cash position - 39.4% (vs 31% as at 31/12/2019). Within the cash position, the amount of kPLN 6,395 originates from funds obtained by three subsidiaries from the Polish Development Fund under the 'Shield 2.0' government programme.

The current assets are higher by 27.9% than the short-term liabilities.

With regard to the equity and liabilities, the proportion between the shareholder's equity and the liabilities as at 30 June 2020 was, respectively, 43.1% and 56.9% (as at 31 December 2019: 40.7% and 59.3%). The value of the shareholder's equity was kPLN 161,641, which was a growth by 3.3% when compared to the value as at 31 December 2019.

The total value of the Group's liabilities as at 30 June 2020 amounted to kPLN 213,187 which constituted a decrease by kPLN 14,634, i.e. by 6.4%, when compared to the value as at 31 December 2019. The highest item in liabilities are the liabilities recognised in consequence of the application of the IFRS 16 standard with regard to the rental contracts concerning offices and warehouses - a total of kPLN 73,726, i.e. 34.6% of the Group's total liabilities. The remaining financial liabilities (interest) towards banks and financial institutions as at 30 June 2020 amounted to kPLN 51,820 and were lower by kPLN 2,422, i.e. by 4.5%, when compared to the value as at 31 December 2019. The long-term debt went down by kPLN 3,694, i.e. by 30.9% to kPLN 8,277, and the short-term debt went up by kPLN 1,272, i.e. by 3% to kPLN 43,543, . the financial debt item comprises the above-mentioned subsidies from the Polish Development Fund received by three companies from the Group under the 'Shield 2.0' government programme. The remaining financial liabilities (interest) towards banks and financial institutions constitute 13.8% of the Group's equity & liabilities.

The Group's trade liabilities went down in the first half of 2020 by kPLN 7,088, i.e. by 10.8% and amounted to kPLN 58,369 .

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

The declaration in Poland in mid-March 2020 of a state of risk of an epidemic and, consequently, a state of epidemic related to the spread of the SARS-CoV-2 coronavirus causing the COVID-19 disease, and the ensuing preventive administrative restrictions in the economic and social area undertaken to contain the coronavirus spread, had a negative impact on the Group's results in the first half of 2020. Of particular significance for the Group's performance was the decrease in the results of the Retail Sale Network Management segment in the first quarter of 2020. This is the segment which has had the highest share in the Group's results so far. In case of the segment companies, despite the performance of results in the first two months of 2020 as planned, the shutdown of shops in commercial centres and, partially, in other locations in mid-March 2020 (in total, approx. 30% of the sale network) caused a drastic deterioration in results due to a considerable direct limitation of a part of the sales as such and no pursuit of the separately-remunerated quarterly objectives. The reopening of shops in May allowed the Group to rebuild the revenues and the public aid obtained, especially under the 'Shield 1.0' aid programme should be deemed of significance in terms of results. As for the cash flows, a non-standard factor was the above-mentioned support obtained from the mobile phone operators.

As for the remaining segments, the epidemiological situation resulted in a reduction by certain clients of the scale of cooperation (especially significant in the Sale Support segment) and in an introduction of forced changes to work organisation.

The description of the possible impact of the COVID-19 outbreak on the Group companies in subsequent periods, including the activities undertaken by the companies to minimise its negative effects, was given in Note 13 hereto (risk factors).

5. 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 2020 results.

6. 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 mid-year 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 first half of 2020, the registered share capital of the Company amounted to PLN 1,597,996.80 (in 2019: 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 report for the first half of 2020:

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:	2,113,473	2,273,081	26.45%	24.26%
- Precordia Capital Sp. z o.o. directly	1,145,219	1,304,827	14.33%	13.92%
- 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%
Treasury shares in OEX S.A.	421,052	421,052	5.27%	4.49%
Others	1,650,492	1,650,492	20.66%	17.61%
Total	7,989,984	9,371,296	100.00%	100.00%

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 (21 May 2020):

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:	2,113,473	2,273,081	26.45%	24.26%
- Precordia Capital Sp. z o.o. directly	1,145,219	1,304,827	14.33%	13.92%
- 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%
Treasury shares in OEX S.A.	421,052	421,052	5.27%	4.49%
Others	1,650,492	1,650,492	20.66%	17.61%
Total	7,989,984	9,371,296	100.00%	100.00%

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.

7. List of Issuer's shares and entitlements thereto held by persons managing or supervising the Issuer upon the date of the publication of the half-yearly 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 the report for the first half of 2020.

	Total shares	Total votes	% of share capital	% of votes
Members of the Supervisory Board				
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%
Members of the Management Board				
Jerzy Motz, indirectly via Precordia Capital Sp. z o.o. and Real Management S.A.	2,113,473	2,273,081	26.45%	24.26%
Rafał Stempniewicz	96,714	96,714	1.21%	1.03%
Tomasz Kwiecień	17,650	17,650	0.22%	0.19%
Robert Krasowski	10,889	10,889	0.14%	0.12%

List of shares held by persons managing or supervising the issuer as at the date of publication of the previous quarterly report (21 May 2020):

	Total shares	Total votes	% of share capital	% of votes
Members of the Supervisory Board				
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%
Members of the Management Board				
Jerzy Motz, indirectly via Precordia Capital Sp. z o.o. and Real Management S.A.	2,113,473	2,273,081	26.45%	24.26%
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%

8. Indication of significant legal, arbitration and administrative proceedings

The Group companies are parties to legal proceedings in courts of law, however none of such proceedings concerns liabilities or receivables that would be material in terms of the Group's business. Similarly, the total value of, respectively, liabilities and receivables litigated in court does not meet the materiality criterion.

There are no significant proceedings with the participation of the Group companies or their subsidiaries before any arbitration courts or administrative authorities.

9. Information on transactions entered into by the issuer or its subsidiary with related parties at terms and conditions other than at arm's length

The transactions between the Group entities were made at arm's length. Details concerning the transactions with related parties were given in point 25 of the consolidated financial statements of the Group

10. Information on sureties and guarantees granted and received in the given financial year, in particular the sureties and guarantees granted to the Issuer's related parties

Information on securities and guarantees granted was presented in section 22 of the Group's consolidated financial statements.

11. Other information, which in the issuer'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 companies from the Retail Sale Network Management segment generate in their business a considerable turnover in telecommunications equipment, mainly mobile phones and modems provided to clients as part of the execution of contracts on the provision of telecommunications service. For many years, the systems of settlements with operators had been based on the purchase and sale of the above-mentioned equipment by the segment companies on their own account. As of 2018, there were gradual changes in the settlement systems, in consequence of which Tell Sp. z o.o. and Europhone Sp. z o.o. receive the telecommunications equipment on the consignment system basis and the sale is carried out for and on behalf of the operator or the operator-indicated logistics partner. In case of PTI Sp. z o.o., a mixed model is still in operation. The company acquires the phones from the operator's distribution company by purchase or 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).

12. Characteristics of external and internal factors significant for the development of the issuer's business and description of the issuer's activity development perspective at least until the end of the next quarter, including elements of the issuer's market strategy;

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) development of the epidemic situation related to the Covid-19 outbreak, as an unforeseeable factor with a potentially significant negative impact on the activity of the Group's companies and their clients (cf. Note 13 herein - risk factors).
- b) uninterrupted performance of the existing contracts as well as acquisition of new contracts in accordance with the internal plans at satisfactory conditions;
- c) performance of agreements with the mobile phone operators, taking into account:
 - seasonality;
 - promotional actions planned by the mobile phone operators;
 - performance level of sale plans imposed on the Group companies by operators;
- d) achievement of business and financial objectives by iPOS, that became a member of the Group in August 2020.

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

- e) general macroeconomic situation of Poland;
- f) situation on the labour market;

A significant external factor of importance for the Group will be the extension of availability of the working capital financing limits that the Group companies use in accordance with the credit agreement dated 14 December 2017 with Santander Bank Polska S.A. and ING Bank Śląski S.A. In accordance with the annex in force now, the availability of the above-mentioned revolving products (credits, factoring, guarantees) expires on 30 October 2020. The Group is in the process of preparing annexes to the above-mentioned agreements with the banks.

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

- a) reinforcement of the internal control systems, including the monitoring of the pursuit of objectives and profitability of existing contracts as well as cost control and deepening of the internal reporting processes,
- b) potential equity transactions on the market on which the Group operates.

13. Description of risk and threat factors, with a specification to what extent the issuer's group is exposed to them.

The risk of termination or lack of renewal of contracts by the mobile phone operators

The business of the Sale Network Management Segment companies: TELL Sp. z o.o., EuroPhone z o.o. and PTI Sp. z o.o. focuses on the distribution of the mobile phone service in Poland. Acting on the basis of agency agreements, the Companies cooperate with the three largest operators on the Polish market, i.e. Orange Polska S.A., Polkomtel S.A. and T-Mobile Polska S.A. Any termination or lack of renewal of any of these agreements by the operator may significantly constitute a threat to the going concern of the above-mentioned companies of the OEX Group. The OEX Group has cooperated with the mobile network operators for years and the cooperation has been smooth so far. For that reason, in the opinion of the Issuer's Management Board, the risk that the agreements with operators are terminated or not renewed is insignificant.

Risk of a change in the sale strategy by mobile phone operators

The sale of mobile phone services takes place via a few sale channels, the main one being: traditional commercial outlets (including showrooms and stands in shopping malls), sale representatives, call centres and the Internet. Considering the development of modern sale channels, it is possible that the clients will become less interested in the direct service in traditional sales outlets. This tendency may be additionally supported by a better offer addressed by operators to clients using channels other than the traditional

one. Any possible change in the sale structure of the mobile phone operators related to the distribution channels and the restriction of the role of traditional outlets may influence a decrease in the revenue from the sales of the OEX Group companies which operate in the Retail Outlet Network Management segment. The development of new segments of business, both by acquisitions and by creation of own innovative solutions, especially in the eCommerce Services area, reduces the said risk.

The risk of a slowdown on the sale support market and the e-business market

In the assessment of the Issuer's Management Board, the Polish and the European sale support market and e-business market are characterised by a considerable growth potential. The development of those markets is one of the main premises of the pursuit of the development strategy by the OEX Group and the future growth of its value. Any market development that is slower than the one expected by the Company's Management Board may result in the fact that the growth strategy pursuit may prove impossible or delayed in time. At the same time, any occurrence of factors that may hamper the market development growth may translate into a negative impact on the future financial performance in those areas.

Risk related to negative tendencies at the retail and wholesale markets

A considerable part of contracts in the Sale Support segment is performed for the benefit of retail and wholesale trade segment clients, particularly for the FMCG companies, therefore the perspectives of the Sale Support segment are tightly intertwined with the tendencies shaping that market.

One of such tendencies is the decreasing trade margin at our clients'. The profitability of contracts performed by the OEX Group as part of the Sale Support segment is directly related to the margin level, therefore a long-term maintenance of the downward trend in this regard may adversely impact the results generated in those services.

A threat to the Sale Support segment may also stem from the tendency among the FMCG producers to reduce their budgets for promotions in the form of product tasting and sampling, event organisation, animation etc. The organisation of such activities is a significant part of revenues generated by the Sale Support segment.

Recently, there is a tendency observed among the large stores to take over the responsibility for the process of merchandising activity organisation either by the take-over of responsibilities related to the correct product exposure or by indicating entities that will be entitled to provide merchandising services within their area. Consequently, the possibility of a free provision of merchandising services for the FMCG producers may be limited in a part of stores.

The intensification of the above-mentioned trends or the appearance of new currently unidentified unfavourable trends on the retail and wholesale markets may have adverse impact on the future financial performance.

The OEX Group companies, ensuring a regular cooperation with the clients and searching for new service types, aspire to minimise the potential loss of a part of the contemporary sources of income from the Sale Support segment. This purpose is supported by the expansion of the client portfolio as well as the provision of an ever wider and more comprehensive package of services as well as direct cooperation with commercial networks on various sales-related processes. Also other activities are undertaken, e.g. in cooperation with selected clients other models of the store service are being developed as an alternative to the traditional channel model.

Risk related to the price pressure from a part of clients

The OEX Group is exposed to the clients' price pressure both during the client acquisition process and as part of the renegotiation of the existing contracts. The price pressure is, on the one hand, the result of competition, and, on the other hand, the expression of tighter operating cost control on the side of the clients. Among the Group's key clients, there are international concerns, whose scale of business considerably exceeds the scale of business of the OEX Group. The significance of such clients and their share in the structure of the Group's revenue from the sale is considerably higher than the significance of the OEX Group companies and their share in the structure of deliveries of such clients. This means that the OEX Group is exposed to the risk related to unequal negotiating position in relation with some of its clients. The higher price pressure is noted in case of least complex services, which results from the lowest entry barriers in such areas.

Any further rise in the price pressure in case of certain services may lower the profitability of the current and future contracts concerning particular services. Additionally, there is a risk that the price pressure may infect the complex projects, which will force the OEX Group companies to offer the clients much more attractive terms and conditions of long-term cooperation.

The OEX Group companies try to reduce the price pressure from their clients mainly by the service quality and offer comprehensiveness, aspiring to provide a full process service and this, to a certain extent, limits the impact of price competition in particular areas. Additionally, the pressure is set off by the expansion of the scope of cooperation with the given client.

Risk of delayed payment of amounts receivable from clients

The OEX Group companies operating in the Sale Support and the E-business segments, similarly as their competitors, are characterised by a considerable disproportion between the length of the collection cycle of the trade receivables from clients and the maturities of liabilities to suppliers and employees. This fact creates a huge demand for working capital, in particular in the period when new projects are being launched. One cannot rule out that in case of considerable delays in the payments from large clients, there may be transitional delays in the payment by the OEX Group of its liabilities, which would have an adverse impact on the economic situation and the financial performance.

The risk of transitional liquidity problems is limited due to the access to alternative liquidity sources in the form of overdraft facilities, loans or factoring.

Subcontractor risk

A part of work provided under the services in selected operating segments is performed by external contractors. These services mainly concern a single link of the outsourcing process and comprise, e.g. transport and courier services, production of marketing materials and the work of programmers, graphic designers etc. In some cases, the OEX Group companies are responsible for the quality of work of subcontractors, taking over the risk of remedying potential damage caused by such subcontractors during the performance of services for the client. One may not, consequently, rule out a situation when any damage caused by the operation of a subcontractor will be charged to the financial result of the OEX Group.

The OEX Group tries to minimise this risk by maintaining a constant cooperation with proven partners and by the monitoring of the quality of services they provide. Additionally, there is a good practice in place that the contracts entered into with the subcontractors contain provisions allowing the Group to ensure that the responsibility for such damage is adopted by subcontractors in accordance with the recourse principles.

Risk related to the necessity of non-gradual development of infrastructure

The future profitability of the OEX Group may be subject to fluctuations due to the necessity to ensure a non-gradual development of infrastructure, especially the warehousing space and operational space. The growth in the scale of business and the acquisition of new projects is related with the ever increasing demand for warehousing space. In order to secure the future warehousing needs and avoid any ineffective multiplication of locations as well as to obtain better lease terms and conditions, the Group increases the used warehousing capacity in large steps. In the first period after the expansion, some part of the area is not used and generates lease costs, which lowers the profitability in that period. Along with the acquisition of new projects and the rise in the leased area utilisation, the lease costs are divided by a higher number of projects and the general profitability goes up.

The OEX Group tries to limit the risk related to non-gradual expansion of the infrastructure by correlating the new area rental periods with the kick-off of significant contracts. It is a standard practice also to negotiate that there are clauses in the lease agreement allowing the OEX Group companies to use lease rental payment holidays, especially in the initial lease period. This allows us to have a significant cash situation improvement, even though it should be mentioned that due to the way of recognition of such transactions in the books of account adopted by the OEX Group, the lease rental payment holidays do not have any material impact on the improvement of results in that period.

Risk related to the destruction or loss of stored materials

The materials and goods storage in the warehouses of the OEX Group, in relation with the contracts performed, is related to the risk of destruction or loss. This may result in the delay or even suspension of the project performance and to liability for damages. It may also have a negative impact on the future business relationships with the given client. For these reasons any events that result in the destruction or damage of the warehousing facility or the materials stored inside may have a significant negative impact on the future financial performance.

The risk of losses related to the loss or destruction of materials stored for the clients is assessed by the Management Board as limited. The facilities used to store clients' materials are equipped in modern fire protection systems and other types of physical security. In contemplation of any event that would result in the damage or destruction of materials stored, the Group companies have taken out insurance policies in the applicable scope.

Risk related to the one-off character of a part of projects

For selected parts of the Sale Support segment and - to a small extent - for a part of the E-business segment, short-term projects are typical, especially with a one-off character. This concerns especially such activities as: marketing actions, events, door-to-door sales campaign and other specific projects.

The basic consequence of the above-mentioned project characteristics is the necessity of a permanent acquisition of new orders in order to increase the scale of business. Apart from the related revenue fluctuations, the OEX Group companies may also be exposed to the fluctuations of profitability, because the margins on new projects may change from year to year, depending on the economic situation and the competition. The sale support and marketing projects are usually reduced in times of economic downturn, which may have a negative impact on the future financial performance.

In the assessment of the Management Board, the dependence of performance of the OEX Group companies on one-off projects is lower than in the considerable majority of competitor companies. The Group companies have a potential and competences to permanently increase the number of longer-term projects by offering comprehensive solutions to the current and future clients.

Risk of higher market competition

In the Retail Sale Network Management segment, the OEX Group companies operate for the benefit of the mobile phone operators such as: Orange Polska S.A., Polkomtel Sp. z o.o. and T-Mobile Polska S.A. The loss of competitive position of these operators to entities whose services are not distributed by the Group companies may indirectly lead to a deterioration of the financial performance of the OEX Group.

Currently, the biggest competitor of the above-mentioned operators is P4 Sp. z o.o., operator of the Play network. Since the OEX Group does not cooperate with Play, its dynamic development may have an indirectly adverse impact on the level of sales and the financial performance of the Group.

In the Sale Support segment, in the assessment of the Management Board, there is a minute number of entities on the Polish market that would provide services whose scale or diversification would be similar to the services rendered by the OEX Group companies. Nevertheless, in particular area, the Group is exposed to competition from entities specialised in the provision of services of the given type. A source of risk is also the rise in the complexity of services provided by competitors and a switch from the provision of single services to the support of whole business processes (by, among other things, a consolidation of companies from various market segments). Tightening competition in the complex long-term project service area may be related to a higher price pressure from the clients and the inability to win new contracts in the number assumed by the Issuer's Management Board. This may have its negative impact on the future financial performance.

The E-Business segment is very distributed, there are a lot of companies of different sizes and new enterprises emerge all the time. In the assessment of the Management Board, smaller enterprises or the newly established ones, without any history of cooperation, significant implementations completed in the e-commerce segment, have poor changes to acquire clients for whom these elements are the key elements in the decision process. There are few companies competitive to the OEX Group companies in the E-Business segment, especially e-commerce, which may provide a full range of services (from IT to e-marketing) and acting in an appropriate scale. Moreover, a technology selected once by the client for the e-business is rarely changed at a later stage so the companies that failed to win the client cannot count upon any further cooperation with that client. One should also remember that the inflow of new clients to e-commerce is, in large simplification, comparable to the year-to-year rise of that market and the trends observed in this area are double digit high. This means that each year there are a few percent more of new clients who need e-business services.

The OEX Group companies aspire to take over the service of entire business processes and the high competences they have in this aspect constitute their major competitive edge. Considering the scale of business, the comprehensiveness of the offer, the experience and high credibility, the Group has a strong position when it comes to winning large scale contracts because a part of competitors is not able to meet the terms and conditions of the call for tenders on their own. The strategy pursued by the OEX Group allows it to mitigate the competition-related risk.

Labour market risk

The unemployment level, which has been decreasing in recent year, constitutes an important factor on the Polish labour market. On the labour market, 2019 was a year marked by the lowest unemployment ratios in 30 years. At the end of 2019, the unemployment rate was 5.2%. The economy achieved this condition, seeing, at the same time, a lack of employment stability and a growing significance of flexible forms of cooperation. The main challenge in front of employers was to acquire and maintain employees, as well as their growing pay expectations. The number of potential job candidates is also influenced by demographic factors and economic migration. The above-mentioned elements combined with pay rises, both resulting from the changes of the minimum wage changes and from the pay pressure stemming from a limited pool of candidates, translate directly into the availability of employees and, consequently, increase the employee acquisition costs.

Considering the foregoing, the OEX Group appointed a specialist entity - Pro People sp. z o.o., the main task of which is to secure the recruitment needs of the majority of the Group companies. Additionally, particular companies, depending on the conditions of the projects they run, implement bonus systems for their employees as well as other additional benefits.

An important element influencing the financial performance of the OEX Group companies is also the ability to manage the operational employee turnover - which is of particular importance in the Sale Support segment, where it is an indispensable element of the business. However, the scale of this phenomenon depends to a large extent on the particular market area (the higher turnover indicators are characteristic for areas where high competences are not required). The employee rotation (turnover) is an undesirable phenomenon in relation with, without limitation, the time and costs of recruitment of new employees, costs of training, lowered efficiency in the first period after employment. The intensification of this phenomenon, especially when accompanied by other labour market tendencies, may have a negative impact on the future financial performance of the OEX Group.

In order to secure the interests of the Group, actions are being taken to improve the project profitability, mainly as regards employment optimisation, process automation and development of technologies and IT tools.

The Issuer attaches great importance to compliance. Planned changes concerning the labour law and social insurance are of great significance for the business of the OEX Group companies. The development of legislative work related to, for example the new Labour Code, is monitored on an ongoing basis.

Considering the fact that flexible forms of employment are used in term projects, this area belongs to key ones and is under a permanent analysis. However, until the new provisions gain their final shape, the Issuer verifies various scenarios. Currently, the OEX Group concentrates its activities on tight cost control, productivity increase and project management improvement. The Issuer also sees additional development opportunities in the area of outsourcing solutions for clients that search ways to optimise costs.

Risk of departure of key employees

Highly qualified and motivated managerial staff is an extremely important factor underlying the success of the business of the Group companies. The current market position and financial standing of the OEX Group are, to a considerable extent, the effects of the knowledge, skills and experience of its current management team and key employees. The potential loss of the best managers or people with unique qualifications may, consequently, translate into a risk of a transitional deterioration in the management quality in the OEX Group and in its particular business areas as well as lower possibilities of the performance of tasks for the clients, which, in turn, may have an adverse impact in the Group's financial performance and the speed with which the Group's development plans are pursued.

It must be stressed that in case of the business carried out by the OEX Group companies, a loss of a key employee is not usually related to the loss of client the employee was responsible for. The process of service provider change in the outsourcing sector is characterised by a high degree of complexity and time consumption and the departure of a key employee does not provide the grounds for such a change usually. This concerns in particular the complex processes in which the Group companies specialise.

In order to mitigate the above risks, the OEX Group carries out a number of activities aimed at the maintenance and acquisition of best managers and employees, in particular by the development of an inventive-based remuneration system, an extensive training programme as well as provision of an opportunity for the employees to develop within the Group.

Risk related to improper service performance

The agreements the OEX Group companies are parties to precisely define their scope of obligations when it comes to service performance. Also the consequences of a failure to perform or an improper performance of the given service or of damage made to the detriment of the client in relation with the service performance are also determined. Typical sanctions laid down in the agreements made by the OEX Group companies include the obligation to redress the damage or monetary penalties. The consequences also may include the withdrawal of the counterparty from cooperation with the given company or loss of reputation, which may, in turn, lead to an outflow of the existing clients and limitation of possibilities of acquisition of new ones. The occurrence of such type of events may have a significant adverse impact on the future financial performance.

Usually, the main reasons underlying the improper performance of services include human errors and failures of IT infrastructure. In this relation, the OEX Group pays particular attention to the quality of services rendered and to the minimization of probability of occurrence of such errors or failures. In this context, one should mention, for example, the implementation of quality control procedures (including the ISO 9001 systems), staff training, work monitoring and computerisation of the service performance process.

The OEX Group companies have also taken out insurance policies against all claims of clients related to the improper performance of certain services.

Risk related to the conduction of business using IT technologies

The business of the OEX Group involves the use of IT infrastructure as well as dedicated software. In this relation, the OEX Group companies are exposed to infrastructure failures and breakdowns which may lead to limitations in the access to the IT systems used. The most frequent types of failures and breakdowns include interruptions of optic fibre connections and errors in the applications used. The main consequence of a failure or a breakdown is a downtime and discontinuation of the service provision and the related costs. In case the client's access to the application is blocked for a longer period of time, the OEX Group may be additionally exposed to the accrual of contractual penalties. In relation with the foregoing, any serious failures or breakdowns of the IT infrastructure may have a significant adverse influence on the future financial performance.

The most serious consequence - from the point of view of the OEX Group's liability - would be a failure leading to a permanent loss of the data stored or its disclosure to unauthorised persons. The risk of that type of event is, in the opinion of the Issuer's Management Board, insignificant. The OEX Group has implemented a number of tools and procedures which, on the one hand mitigate the risk of an emergency situation, and on the other hand - minimise the damage caused by such type of situation.

Risk related to the necessity to ensure information confidentiality

The information confidentiality is one of the key obligations of the OEX Group companies. The OEX Group applies security measures at the IT level and has in place data access control procedures to ensure no unauthorised access is granted. In the assessment of the Management Board, the procedures in place ensure protection against both accidental and wilful disclosure of confidential information. One cannot, however, rule out completely that in consequence of an improper performance of professional duties by a Group employee or in consequence of a wilful act, the confidential information will be disclosed. The responsibility towards the client for this type of event rests directly on the OEX Group companies. The responsibility depends on the scale and the type of disclosure.

Risk resulting from changes in the personal data protection provisions

The protection of personal data is an important aspect of the business of the OEX Group companies. The coming into force in May 2018 of the GDPR meant that the OEX Group companies must adjust their regulations and security systems. This entails expenditure on the implementation of GDPR-compliant procedures and systems, comprising legal aspects, IT security, technical safety, access rules, risk analysis and incident reaction etc. The GDPR changes in this respect the approach of data controllers from a reactive approach to personal data protection to a proactive one. The data controller is obliged to monitor on an ongoing basis the protection level and new threats as well as to improve the safe guarding system constantly to adjust it to the changing challenges. Consequently, there are no clear guidelines which would allow one to confirm the adequacy of security systems applied and this entails a risk of differences in the assessment thereof between the data controller and the supervision authority. Lack of any operating practice of the supervision authorities may lead to a risk that penalties may be imposed on controllers and processors and the amount of such penalties was defined in GDPR at the higher of EUR 20 million or 4% of the company's annual turnover. Despite the adjustment of the penalties in proportion to the scale of infringement, one may not rule out that there is, to a certain extent, a risk that penalties may be imposed on the OEX Group companies.

Risk of claims against the OEX Group companies

One may not rule out the risk that civil, administrative or arbitration actions are undertaken against the OEX Group companies by clients, employees and contractors. When executing agreements, the OEX Group companies initiate a potential risk of a failure to perform or improper performance by them of the subject matters of such agreements. The OEX Group entities are exposed in such cases to claims for compensatory damages. The entities that institute such proceedings may expect large sums of money or other types of compensations from the Group companies, which in the case the proceedings are finally settled for the benefit of such companies may have a negative impact on the current liquidity of the OEX Group entity and, consequently, the financial performance of the OEX Group. A significant burden for the OEX Group company would also be the costs arising in consequence of the institution of such proceedings, in particular the costs of legal defence. The proceedings might also lead to a deterioration of the image of the given Group company and, consequently, result in difficulties in the acquisition of new clients, employees and contractors. In order to minimise the risk of potential disputes and initiation of legal actions against the OEX Group companies, the OEX Group entities make every effort to perform the agreements they executed in a timely manner and with due diligence, as well as to discharge the obligations towards the clients, employees and contractors as per the mandatory rules of law and standards of the sector the Group operates in.

Risk of termination of agreements by banks or lease companies

The OEX Group finances its activities using both its own funds as well as such instruments as bank credits and leases. Any possible non-renewal or termination of credit agreement or lease agreement by any financing entity would have a negative impact on the financial liquidity and may lead to a deterioration of the financial performance of the Group.

The OEX Group companies reliably and timely discharge their duties towards the financing institution both as regards the payment of liabilities and other covenants, including the maintenance of securities and appropriate financial ratios, therefore the Issuer's Management Board is of the opinion that the risk of termination of such agreements is insignificant.

Risk of changes in interest rates

The OEX Group has interest-bearing liabilities (bank loans and credits, factoring, leases) the amount of which as at 30 June 2020 amounted to PLN 51,820. In view of the foregoing, the Issuer's Group is exposed to the risk of changes in interest rates as any rise in such rates will increase the costs of financing and, consequently, lower the profitability.

Risk of negative changes in legal regulations

High volatility of Polish legal regulations and their interpretations may have a negative impact on the business of the OEX Group, especially if such changes concern the business law, tax law, labour law, social insurance law and securities law. Such changes may be unfavourable for the financial and operational situation of the Issuer and its Group, including a rise in the business costs, decrease in profits generated or business freedom limitations or impediments. The ambiguities and inconsistent interpretations of the provisions of law result in considerable difficulties at the stage of application of such laws by the enterprises as well as courts of law and administrative authorities. The foregoing results in the risk which may arise in case of potential disputes to which the Issuer or an entity from its Group may be a party. The judgements issued by the courts of law or decisions of administrative authorities are inconsistent and unpredictable, which decreases their applicability in the interpretation of the law. The issuer uses a permanent legal service support and tries to minimise the risk related to changes in legal environment, however this risk cannot be excluded entirely.

Risks related to the COVID-19 epidemic

The Management Boards of the OEX Group companies closely monitor the development of events related to the spread of the SARS-Co-2 coronavirus causing the COVID-19 disease, assess the impact of the epidemic itself as well as the measures imposed by the authorities on the business of particular companies and identify the risks in order to take appropriate preventive steps so as to mitigate or neutralise any possible negative consequences.

After analysis, as at the date of the publication of this report, there were the following potential COVID-19-related risk areas:

Administrative restrictions on the operation of the companies from the Retail Sale Network Management segment

In result of the lockdown introduced in the first half of 2020, approx. 30% of all retail outlets managed by the OEX Group companies were shut down (mainly in the shopping malls), and the activity of clients in the remaining outlets went significantly down. In case similar measures are introduced in the future, their impact on the business of the segment companies would be considerably negative and, in extreme situation, may pose a threat to their going concern. In the assessment of the Management Board, the probability of this event is currently very small.

Clients' decisions concerning the performance of existing and potential contracts

Some clients of the OEX Group companies decided that in relation with the COVID-19 epidemic outbreak, they will downsize or, in some cases, discontinue the cooperation in relation to certain services, despite the fact that the OEX Group companies duly discharged all their obligations as per the contracts. This is a situation that, currently, concerns a definite minority of the Group's clients. It may not be excluded, though, that the scale of this phenomenon may grow in result of decisions taken beyond the control of the OEX Group, depending on the actual or expected impact of the epidemic on the clients' business, their own financial condition, the market situation, the general economic situation or some other unknown factors that have appeared or may appear in relation with the COVID-19 epidemic outbreak. Moreover, a part of potential clients of the OEX Group companies took a decision to suspend or to withdraw from talks concerning future cooperation as regards the services provided by the Group.

The Management Boards of the Issuer's companies are in permanent contact with their clients and, wherever possible, they conduct talks in order to work out solutions that would minimise the probability of this type of decisions and in case of potential clients, they closely monitor the possibilities that the talks on the sale of new services may be resumed.

At the same time, in selected business areas (e.g. a part of programming services, logistics, contact centers), the OEX Group companies have noted increased interest in their services, which is reflected in the growing scale of the purchase orders and

revenues and should have its influence on the containment of decreasing revenues from the above-mentioned reasons across the OEX Group.

Restrictions concerning the availability of personnel

Among the factors that may have a significant impact on all the areas of the business of the OEX Group there are potential restrictions as to the availability of personnel in relation with, for example, closed schools and the related necessity for the employees to take care of the children, as well as the heightened carefulness shown by the Management Boards and by the employees themselves, concerning the risk of COVID-19 infections. The Management Boards of the OEX Group companies undertake measures in order to ensure a flexible adjustment of the work organization to the changing situation and they stay in permanent contact with the employees and contractors in order to work out the most effective operating methods. This should have its contribution to limiting the negative impact of the above-mentioned factors on the business of the Issuer's Group.

Contractors' Difficulties

The possibilities of the OEX Group companies to render their services may be adversely impacted by the COVID-19-related difficulties suffered by its contractors. Irrespective of the above-mentioned factors, which have their impact on the decisions taken by the clients of the OEX Group, there have been a number of problems at the suppliers' side which were related to both, their own financial or operational situation or restrictions concerning international transport, trade or logistics. The Management Board of the OEX Group is of the opinion that the aforementioned difficulties are temporary only. It cannot be ruled out that in case the state of epidemic (on the global scale - a pandemic), there will be a stronger negative impact on the operational situation of the OEX Group companies. The Management Boards of the OEX Group companies take permanent measures to monitor the situation of their contractors so as to minimise the risk that this type of problems may arise in the future. Wherever possible, they secure alternative sources of supplies of goods and services so that their companies are not dependent on potential problems of a single supplier.

Impact of the COVID-19 epidemic (pandemic) on the market situation

The unprecedented situation related to the global scale and pace of the virus spread had a strongly negative impact on both the national and the world economy. In accordance with the common expectations of a majority of economists, the impact may be a long-term one, even after the termination (or significant containment) of the direct COVID-19 threat. This, in turn, may have an influence on the basic conditions underlying the demand and supply processes of many goods and services, and, consequently, may result in a harsher operating environment for the enterprises. The OEX Group companies may also be subject to the above-mentioned factors and that may – especially in case of a significant reduction of the consumer's demand, and, consequently, the indirect demand for selected services among the clients of the OEX Group – have a considerably adverse impact on the Group's financial position and its development potentialities. On the other hand, this crisis may generate additional development stimuli in the future for certain services, in particular related to the eCommerce solutions or remote client support, where the OEX Group is a provider. The already observed and the expected rise in the unemployment level may facilitate the enterprises to obtain and lower the costs of labour, which will also have a significant weight for the OEX Group companies too. The final impact of the COVID-19 epidemic and the crisis it caused on the global and national market is hard to foresee. The Issuer's Management Board will monitor the market environment in which the OEX Group operates and will adjust further strategies to the changing circumstances.

Exchange rate fluctuations

Among the macroeconomic factors that impact the financial situation of the OEX Group there also are exchange rates. The f/x fluctuations caused by the epidemic, and in particular the permanent weakening of the Polish zloty to EUR may have a significantly adverse impact on the financial performance, especially in the E-Business segment, where the rental of warehouse space is settled in EUR and constitutes a significant element of the operating costs. The Management Boards of the OEX Group undertake actions in order to mitigate by contracts the growing foreign currency costs and to lower the costs of rentals temporarily but currently it is difficult to foresee the effects of those actions and, consequently, their final impact on the future performance.

Irrespective of the foregoing, all the OEX Group companies take steps to reduce costs and prepare scenarios of further crisis-related and savings measures, which will depend on the development of the COVID-19-related situation. All possible financial support options, such as public aid programmes or other solutions offered under the government-proposed anti-crisis programmes, are currently analysed and used.

Signatures of all Management Board Members

Date	Name and Surname	Function	Signature
09/09/2020	Jerzy Motz	President of the Management Board	
09/09/2020	Rafał Stempniewicz	Management Board Member	
09/09/2020	Robert Krasowski	Management Board Member	
09/09/2020	Tomasz Słowiński	Management Board Member	
09/09/2020	Tomasz Kwiecień	Management Board Member	