



OEX GROUP
Consolidated financial statements
for the period from 01 January
2020 to 31 December 2020

WARSAW, 31 MARCH 2021

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Consolidated Statement of Financial Position

	Note	31/12/2020	31/12/2019
ASSETS			
FIXED ASSETS			
Goodwill	3	81,482	80,019
Intangible fixed assets	4	20,537	16,280
Tangible fixed assets	5	9,630	9,293
Right-of-use assets	6	72,725	78,934
Investments settled using the equity method	2	247	400
Other long-term financial assets	7.2	2,513	661
Long-term receivables from the right of use assets	10	7,190	5,008
Other long-term receivables	10	3,725	6,914
Deferred income tax assets	8	10,180	7,093
Fixed assets		208,229	204,602
CURRENT ASSETS			
Inventories	9	9,364	3,939
Trade Receivables and Other Receivables	10	122,094	115,841
Current income tax assets	10	640	1,542
Other short-term financial assets	7.2	301	133
Short-term receivables from the right of use assets	10	3,847	2,447
Cash and cash equivalents	11	52,386	55,729
		188,632	179,631
Fixed assets or groups of assets for trading classified as held for sale	12		
Current assets		188,632	179,631
Total assets		396,861	384,233
TOTAL EQUITY & LIABILITIES	Note		
Shareholder's equity			
Shareholders' equity - share of the Parent Company shareholders:			
Share capital	13	1,598	1,598
Share premium	13	63,004	63,004
Treasury shares (-)	13	- 8,072	- 8,072
Retained profits	13	90,925	96,619
Shareholders' equity - share of the Parent Company shareholders		147,455	153,149
Non-controlling interests	13	7,680	3,263
Shareholder's equity		155,135	156,412
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term credits and loans	7.3	10,575	6,958
Long-term liabilities from the right of use assets	7.1	64,624	64,755
Deferred income tax liabilities	8	12,884	11,517
Provisions for employee benefits	14	161	111
Other long-term provisions	15		
Long-term provisions		161	111
Other long-term liabilities			28
Long-term liabilities		88,244	83,369
SHORT-TERM LIABILITIES			
Trade liabilities and other liabilities	16	102,417	77,059
Short-term credits and loans	7.3	15,262	29,682
Other short-term financial liabilities	16	5,290	9,198
Short-term liabilities from the right of use assets	7.1,16	25,088	23,311

Current tax liabilities	16	2,159	2,273
Provisions for employee benefits	14	3,214	2,877
Other short-term provisions	15	52	52
Short-term provisions		3,266	2,929
		153,482	144,452
Short term liabilities included in the groups held for sale	12		
Short-term liabilities		153,482	144,452
Total provisions		241,726	227,821
Total equity and liabilities		396,861	384,233

Consolidated statement of profit or loss

	Note	01/01-31/12/2020	01/01- 31/12/2019*
Continued activities			
Revenue from sales	17	510,171	579,448
Cost of sales	17	424,990	494,960
Gross profit on sale		85,181	84,488
Selling costs		26,667	34,828
Administrative expenses		37,753	33,431
Other operating revenue	17	7,363	3,097
Other operating expenses	17	5,234	9,027
Operating profit		22,890	10,299
Financial income	18	780	795
Financial costs	18	10,192	11,322
Disposal of a subsidiary	19	5,108	24,565
Share in the profit (loss) of entities measured using the equity method (+/-)		- 152	- 134
Pre-tax profit		18,434	24,203
Income tax	20	3,866	6,605
Net profit (loss) on continued activities		14,568	17,598
Discontinued operations and assets held for sale			
Net profit on assets held for sale			4,369
Net profit - share of		14,568	21,967
- the Parent Company shareholders		11,866	20,200
- non-controlling shareholders		2,702	1,767

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

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

	Note	01/01- 31/12/2020*	01/01- 31/12/2019**
basic	21		
- on continued operations		1.57	2.09
- on operations held for sale		-	0.58
basic		1.57	2.67
diluted	21		
- on continued operations		1.57	2.09
- on operations held for sale		-	0.58
diluted		1.57	2.67

*the net profit per ordinary share for the years 2020 and 2019 was calculated based on the number of shares issued, including the treasury shares purchased

**the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Comprehensive statement of comprehensive income

	01/01-31/12/2020	01/01-31/12/2019
Net profit	14,568	21,967
Other comprehensive income		
Items not carried as financial profit or loss		
Items carried as financial profit or loss		
Comprehensive income	14,568	21,967
Comprehensive income - share of:		
- the Parent Company shareholders	11,866	20,200
- non-controlling shareholders	2,702	1,767

Consolidated Statement of Changes in Equity

CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 31/12/2020							
	Share capital	Share premium	Treasury shares (-)	Retained profits	Equity - share of the Parent Company shareholders - total	Non-controlling interests	TOTAL EQUITY
As at 01/01/2020	1,598	63,004	- 8,072	96,619	153,149	3,263	156,412
Net result of the period				11,866	11,866	2,702	14,568
Other comprehensive income after taxation							
Total comprehensive income				11,866	11,866	2,702	14,568
Increases (decreases) due to other changes						4,380	4,380
Dividends				- 17,560	- 17,560	- 2,665	- 20,225
Increase (decrease) in equity				- 5,694	- 5,694	4,417	- 1,277
As at 31/12/2020	1,598	63,004	- 8,072	90,925	147,455	7,680	155,135

CHANGES IN EQUITY IN THE PERIOD FROM 01/01 TO 31/12/2019							
	Share capital	Share premium	Treasury shares (-)	Retained profits	Equity - share of the Parent Company shareholders - total	Non-controlling interests	TOTAL EQUITY
As at 01/01/2019	1,598	63,004		76,419	141,021	2,475	143,496
Net result of the period				20,200	20,200	1,767	21,967
Other comprehensive income after taxation							
Total comprehensive income				20,200	20,200	1,767	21,967
Purchase of treasury shares			- 8,072		- 8,072		- 8,072
Dividends						- 979	- 979
Increase (decrease) in equity			- 8,072	20,200	12,128	788	12,916
As at 31/12/2019	1,598	63,004	- 8,072	96,619	153,149	3,263	156,412

Consolidated Cash Flow Statement

	Note	01/01-31/12/2020	01/01- 31/12/2019*
CASH FLOW FROM OPERATING ACTIVITY			
Pre-tax profit		18,434	24,203
Adjustments			
Depreciation and amortisation of fixed assets	22	28,679	32,062
Profit on the sale of shares	19	- 5,108	- 26,202
Profit (loss) on the sale of non-financial fixed assets		- 465	273
Exchange difference (profit) losses		3,531	776
Interest expense		6,058	9,437
Interest income		- 542	- 496
Other adjustments		1,662	5,256
Change in inventories	22	- 2,885	4,690
Change in receivables	22	- 453	27,229
Change in liabilities	22	25,425	1,861
Change in provisions	22	799	755
Adjustments made to reconcile the total profit (loss)		56,701	55,641
		75,135	79,844
Taxes paid		- 5,506	- 8,953
Net cash flows provided by operating activities		69,629	70,891
CASH FLOW FROM INVESTING ACTIVITY			
Expenses to purchase fixed assets		- 9,862	- 8,731
Inflows from the sale of fixed assets		299	438
Net expenses to purchase subsidiaries less cash of such subsidiaries		- 4,901	
Inflows from the sale of shares less cash of such subsidiaries		7,479	59,648
Received repayments of loans granted		116	245
Loans granted		- 1,789	- 406
Expenses to purchase other financial assets			- 500
Interest income		631	473
Other inflows (outflows) of cash	22	- 549	
Net cash flows provided / (used) by investing activities		- 8,576	51,167
CASH FLOW FROM FINANCIAL ACTIVITY			
Inflows from the issue of shares		21	
Purchase of treasury shares			- 8,000
Inflows from loans and credits contracted		19,320	6,960
Repayment of loans and advances		- 30,171	- 55,261
Other inflows (outflows) of cash	22	- 5,035	- 2,124
Payments under the right of use assets		- 22,224	- 24,054
Interest paid		- 6,082	- 9,451
Dividends paid to non-controlling interests		- 20,225	- 979
Net flows provided / (used) by financing activities		- 64,396	- 92,909
Net cash flows before the exchange difference changes		- 3,343	29,149
Change in cash and cash equivalents due to exchange differences			
Total net cash flows		- 3,343	29,149
Cash and cash equivalents at period beginning		55,729	26,580
Cash and cash equivalents at period end		52,386	55,729

* the data presented for the period 01/01-31/12/2019 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 consolidated financial statements

General information

a) INFORMATION ABOUT THE PARENT COMPANY

Name of the reporting entity: OEX S.A.

Explanation of changes in the reporting entity or other identification data, which took place after the end of the previous reporting period: there were no changes

Seat of the entity: ul. Klimczaka 1, 02-797 Warszawa

Legal form: Spółka Akcyjna (*Polish joint-stock company*)

Country of registration: Poland

Address of the entity's registered office: ul. Klimczaka 1, 02-797 Warszawa

Principal place of business: Poland

Description of the character and scope of the objects of business of the entity: activity of holding companies, consisting in the provision for the benefit of companies from its Group, of 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

Name of the parent company: OEX S.A.

Name of the Group's ultimate controlling entity: The Company does not have an ultimate parent company.

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.

b) COMPOSITION OF THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD OF THE PARENT COMPANY

The composition of the Management Board of the parent company as at the day of approval of the consolidated financial statements for publication, i.e. 31 March 2021, 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

The composition of the Supervisory Board of the parent company as at the day of approval of the consolidated financial statements for publication, i.e. 31 March 2021, 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

c) INFORMATION ABOUT THE GROUP

As at 31 December 2020, the consolidated financial statements of the OEX Group comprised the parent company and:

SUBSIDIARIES OF OEX SA		
Name of the company	Registered office	% of shares/participations held
Tell Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
Europhone Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
PTI Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
OEX Cursor S.A.	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 S.A.	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
iPOS S.A.	ul. Klimczaka 1, 02-797 Warszawa	50.99
OEX B2B Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	100

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

ASSOCIATE COMPANY			
Name of the 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 31 December 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.

Detailed information about the changes in the Group's structure in 2020 is given in Note 2.

After the balance sheet date, the Group sold all the shares it held in an associate company Face and Look S.A.

d) REPORTING PERIOD AND SCOPE

The consolidated financial statements of the Group concern the financial year ended on 31 December 2020 and comprise comparative data for the year ended on 31 December 2019.

The published consolidated financial data of the Group as at 31 December 2019 were presented as comparable data, with the exception of:

- changes in the presentation of commission-based remunerations concerning the insurance product sale services in the amount of kPLN 1,984 . In the approved statements for 2019, the remunerations were presented in item 'Other operating revenue'. In the comparable data for 2019, they are presented in item 'Revenue from the sale of services'. The adjustment of the presentation did not influence the Group's equity and the financial result for 2019,
- a change in the presentation of reporting items in accordance with the ESEF taxonomy - European Single Electronic Format. The changes did not influence the Group's balance sheet total, the shareholder's equity and the financial result for 2019. The summary of the changes is presented in the tables below:

	31/12/2019 approved	change	31/12/2019 restated
FIXED ASSETS			
Right-of-use assets - premises and warehouses (IFRS 16)	68,682	-68,682	-
Right-of-use assets - other fixed assets (IFRS 16)	10,252	-10,252	-
Right-of-use assets	-	78,934	78,934
Investments in other parties	500	-500	-
Other long-term financial assets	-	661	661
Receivables and loans	926	-926	-
Other long-term receivables	-	6,914	6,914
Long-term prepayments	6,149	-6,149	-
CURRENT ASSETS			
Trade Receivables and Other Receivables	111,969	3,872	115,841
Short-term prepayments	3,872	-3,872	-
Shareholder's equity			
Reserve capital for the purchase of treasury shares	8,300	-8,300	-
Other Capitals	4,847	-4,847	-
Retained profits:	83,472	13,147	96,619
LONG-TERM LIABILITIES			
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	59,742	-59,742	-
Right-of-use-related liabilities - other fixed assets (IFRS 16)	5,013	-5,013	-
Long-term liabilities from the right of use assets	-	64,755	64,755
SHORT-TERM LIABILITIES			
Trade liabilities and other liabilities	65,457	11,602	77,059
Factoring liabilities	9,169	-9,169	-
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	19,891	-19,891	-
Right-of-use-related liabilities - other fixed assets (IFRS 16)	3,420	-3,420	-
Short-term liabilities from the right of use assets	-	23,311	23,311
Other short-term financial liabilities	-	9,198	9,198
Employee benefit liabilities	12,414	-9,537	2,877
Short-term prepayments	2,094	-2,094	-

	01/01/2010- 31/12/2019 approved	change	01/01/2010- 31/12/2019 restated
CASH FLOW FROM OPERATING ACTIVITY			
Pre-tax profit	29,369	-5,166	24,203
Adjustments			
Depreciation and amortisation of fixed assets	6,471	-6,471	-
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	21,680	-21,680	-
Depreciation of the right-of-use assets - other fixed assets (IFRS 16)	3,911	-3,911	-
Depreciation and amortisation of fixed assets	-	32,062	32,062

Other adjustments	90	5,166	5,256
Change in receivables	22,683	4,546	27,229
Change in liabilities	982	879	1,861
Change in provisions	6,180	-5,425	755
CASH FLOW FROM FINANCIAL ACTIVITY			
Repayment of the right-of-use-related liabilities - premises and warehouses (IFRS 16)	-20,901	20,901	-
Repayment of the right-of-use-related liabilities - other fixed assets (IFRS 16)	-5,459	5,459	-
Payments under the right of use assets	-	-24,054	-24,054
Inflows from the repayment of lease receivables (IFRS 16)	2,306	-2,306	-
Interest paid	-9,312	-139	-9,451
Factoring inflows	41,991	-41,991	-
Repayment of factoring liabilities	-44,137	44,137	-
Loan commissions paid/received	-139	139	-
Other inflows (outflows) of cash	22	-2,146	-2,124

e) APPROVAL FOR PUBLICATION

The consolidated financial statements made for the year ended on 31 December 2020 (including comparable data) been approved for publication by the Parent Company's Management Board on 31 March 2021.

Drawing up basis and accounting rules

BASIS FOR THE PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

These financial statements were prepared in accordance with the International Accounting Standards, International Financial Reporting Standards and the interpretations issued by the International Accounting Standards Board as approved by the European Union on the basis of the IFRS Regulation (European Commission 1606/2002), hereinafter referred to as the 'EU IFRS'.

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

CHANGES IN STANDARDS AND INTERPRETATIONS

The accounting policies applied during the preparation of the consolidated financial statements are compliant with the ones applied during the preparation of consolidated financial statements for the year ended 31 December 2019, with the exception of the application of the new standards and i interpretations effective for annual periods beginning on or after 01 January 2020.

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

- Amendments to the Reference to the Conceptual Framework included in the International Financial Reporting Standards (published on 29 March 2018) effective for annual periods beginning on or after 01 January 2020;
- Amendments to the IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of the term 'material'. The amendments are applicable to annual periods beginning on or after this 01 January 2020;

- Amendments to IFRS 9, IAS 39 and IFRS 7: *Interest Rate Benchmark Reform*. The amendments are applicable to annual periods beginning on or after this 01 January 2020;
- Amendments to IFRS 3 *Business Combinations*. The amendments are applicable to annual periods beginning on or after this 01 January 2020.

In the assessment of the Parent Company's Management Board, those standards will apply to the Group's business insofar as there will be economic operations, transactions or other events in the future to which the amendments to the standards will refer to. In the Group's assessment, however, the impact will not be a material one.

The following standards and interpretations issued by the International Accounting Standards Board or the International Financial Reporting Interpretations Committee as at the balance sheet day of 31 December 2020 have not entered into force yet or were not effective as at 1 January 2020:

- Amendments to IFRS 16 *Leases* concerning the Covid-19-related rent concessions (published on 28 May 2020) - applicable to annual periods beginning on or after this 01 July 2020;
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 in relation with Phase 2 of the interest rate benchmark reform (published on 27 August 2020), - applicable to annual periods beginning on or after this 01 January 2021;
- The amendments to IFRS 4 *Insurance Contracts* - extension of the temporary exemption from applying IFRS 9 *Financial Instruments* (published 25 June 2020), - effective for annual periods beginning on or after 01 January 2021.
- IFRS 17 *Insurance Contracts* (published on 18 May 2017) – not endorsed by the European Union by the date of these financial statements – effective for annual periods beginning on or after 01 January 2023;
- Amendments to IAS 1 *Presentation of Financial Statements: Classification of Liabilities as Current or Non-current* (published on 23 January 2020) – not endorsed by the European Union by the date of these financial statements – effective for annual periods beginning on or after 01 January 2023;
- Amendments to various standards *Annual Improvements to IFRS Standards 2018-2020* - improvements in the framework of annual IFRS improvement process (IRFS 3, IAS 16 and IAS 37) aimed mainly at the clarification guidance and wording – not endorsed by the European Union by the date of these financial statements – effective for annual periods beginning on or after 01 January 2022;
- Amendments to IAS 1 *Presentation of Financial Statements* and *IFRS Practice Statement 2: Disclosure of Accounting Policies* (published on 12 February 2021) – not endorsed by the European Union by the date of these financial statements – effective for annual periods beginning on, 01 January 2023;
- Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors; 'Definition of Accounting Estimates* (published on 12 February 2021) – not endorsed by the European Union by the date of these financial statements – effective for annual periods beginning on or after 01 January 2023.

The effective dates are the dates defined in the text of the standards as published by the International Accounting Standards Board. The effective dates of standards in the European Union may be different from the dates defined in the standards themselves and are published upon the endorsement of such standards by the European Union.

The Group did not decide on an early application of any standard, interpretation or amendment that was published but is not effective yet.

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

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 consolidated financial statements were drawn up using the historical cost principle, with the exception of derivative financial instruments, which were carried at fair value.

The historical cost is determined on the basis of fair value of the payment made for goods or services.

Presentation of the Financial Statements

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

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

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

Operating segments

Until the end of 2019, OEX S.A. 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. (not allocated).

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, have been shown in the E-Business segment since 2020. In consequence of the change in segment classification, the Group also restated the comparable data for 2019.

Additionally, as of the date of publication of the statements for the third quarter of 2020, the Group changed the name of the E-Business segment. The name 'E-Business' was replaced by 'eCommerce Services'. The term 'e-business' refers more to the so-called electronic business and is associated mainly with technological firms and IT, which does not fully correspond to the objects of the business pursued by the OEX Group in this segment. The new segment name makes a direct reference to the strategic objectives set by the segment companies – development of services and technologies as well as reinforcement of the position on the market of eCommerce segment suppliers. The change will allow a simplification and standardization of the OEX Group's communication and will render the message more understandable.

The results of iPOS S.A. acquired in 2020 and of OEX B2B Sp. z o.o. established on 21 September 2020 were not allocated to any of the existing operating segments. They were disclosed in the 'not allocated' segment in the segment note together with the results of the parent company. The share capital of Company OEX B2B Sp. z o.o. amounts to PLN 200 thousand. The company was established in order to maintain and develop the B2B marketplace platform OEX24.com, operating in the eCommerce environment. The OEX24.com platform enables transactions between enterprises: producers and distributors of certain goods and products on the one part and entities interested in purchasing them on the other part. The platform has an international reach – currently it allows the sale of goods in Europe and in Asia. The Company's revenues will originally come from the transaction commissions and in the future they may be extended to include subscription model fees.

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 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.

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).

Shared sales forces is a service that consists in the provision of a field team equipped with all the necessary work tools. The team pays merchandising and commercial visits to selected retail outlets all over Poland in a shared model, i.e. for various producers (not on an exclusivity basis). It is an alternative to the outsourcing of sales representatives. This service is provided in various sales channels – from traditional brick-and-mortar stores, through petrol stations and supermarkets to cash & carry and hypermarkets.

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.

THE E-COMMERCE SERVICES SEGMENT

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

The **logistic operations** are provided by OEX E-Business Sp. z o.o. They 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. 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. The logistic support for internet shops and the remaining clients provided by OEX E-Business comprises the reception of goods in the distribution centres, warehousing, order picking, purchase of cardboard and filling materials, fiscal registration, courier distribution and returns. The Company has integration with the most popular eCommerce systems and tools: Magento, Presta, Shoper, Idosell, Allegro, Paczkomaty, DPD, FedEx, UPS.

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 44.000 sq.m. and capacity of 71.500 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 S.A. is the 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 S.A. 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.

OEX 24 Sp. z o.o. provides services related to intermediation in sales and commerce, product digitalisation, automation of eCommerce sales for the B2B and B2C markets, as well as delivers technology necessary to implement eCommerce projects in this scope. It supports enterprises in building their presence on the digital marketplace platforms (e.g. Allegro or Amazon), offering a comprehensive product sale strategy creation service. The company also acts as an intermediary in the sale of additional services, including, but not limited to, services related to warehousing and fulfilment provided by other OEX Group companies.

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 900 professional contact centre work stations.

The services for eCommerce provided by companies from the eCommerce Services 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.

Consolidation

The consolidated financial statements comprise the financial statements of the parent company and the financial statements of companies controlled by the Group, i.e. subsidiaries, made as at 31 December 2020. The control is understood as the possibility to influence the financial and operating policies of the subsidiary in order to gain economic benefits from its business.

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

Subsidiaries are consolidated using the full consolidation method.

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

- as at the moment of acquisition of control, the goodwill or profits are recognised in accordance with IFRS 3,
- non-controlling shares are defined and presented separately,

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

In accordance with the Group's accounting rules (policies), the associated company and the co-controlled company are recognised in the consolidated financial statements in accordance with the equity method.

Interest in associated parties

The Group classifies as associates those entities over which the Parent Company exercises significant influence and which are not its subsidiaries or joint ventures.

The financial statements of associate companies constitute the basis for the measurement of the shares held by the Parent Company using the equity method. The accounting rules (policies) applied and the financial year of the associates and of the Parent Company are the same. Before the calculation of the share in the net assets of associates, an appropriate adjustment is made in order for the financial data of such entities to be consistent with the IFRSs applied by the Group. Investments in associates are recognised in the statement of financial position at cost increased by later changes of the Parent Company's share in net assets of the associates and decreased by possible impairment loss. The share in profits or losses of associates is reflected in the consolidated profit or loss. An adjustments to the carrying amount may also result from changes in the proportionate interest in the associate company arising from changes in other comprehensive income of that company. The Group's share in such changes is recognised as profit or loss. As at each balance sheet date, the investment in the associate is tested for impairment or impairment reversal, when the impairment loss recognised in previous years is no longer justified.

In the reporting period, the Group had one associate company Face and Look S.A., 31% of shares in which were acquired on 31 October 2018.

Joint venture

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. Joint control is the contractually agreed sharing of control over an economic activity and exists only when the strategic financial and operating decisions relating to the activity require the unanimous consent of the parties sharing control.

The Group measures the results of joint ventures using the equity method starting from the day on which the entity obtained the joint venture status at cost and then adjusts it in order to allow for the Group's share in the financial result and other comprehensive income of the joint venture. When the Group's share in the losses of a joint venture exceeds the value of its shares in that entity, the Group ceases to recognise its share in further losses.

The Group ceases to apply the equity method on the day when the given investment ceases to be its joint venture or when it becomes classified as held for sale.

In the reporting period, the Group had one joint venture - 4Shops Sp. z o.o. it acquired 50% of shares in its capital in September 2019.

Business Combinations

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

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

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

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

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

The surplus of the total calculated in the above-mentioned manner over the fair value of the identifiable acquired net assets of the entity is recognised in the assets of the consolidated statement of financial position as goodwill. The goodwill corresponds to the payment made by the acquirer in expectation of future economic benefits from the assets that cannot be identified individually or recognised separately. The goodwill is recognised as an asset and is subject to tests for impairment at least once a year. The impairment is recognised as a financial loss and is not reversed in subsequent years.

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

Interests in other entities

Interests in other entities comprise equity instruments of other entities that do not entitle to control, joint control or significant influence on such entities.

Shares in other entities are recognised at historical cost less impairment loss.

Dividends from such investments are recognised as financial profit or loss at the moment the Group's right to receive such payments has been determined.

Transactions in Foreign Currencies

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

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

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

Borrowing costs

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

Goodwill

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

Intangible fixed assets

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

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

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

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

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

With the exception of the distribution network and the organised part of business indicated in item 4, the Group does not have intangible fixed assets with unspecified useful life.

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

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

Research and Development Works

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

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

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

Tangible fixed assets

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

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

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

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

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

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

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

Right of use assets

At the beginning of the contract, the Group determines whether or not the contract is or contains a lease. The contract is or contains a lease if it conveys the right to control the use of the identified asset for a period of time in exchange for consideration. The Group re-assesses whether or not the contract is or contains a lease only when the terms and conditions of the contract change. In order to assess whether or not the contract transfers the right to control the use of the given asset over the given period of time, the Group assesses whether or not the client disposes of all of the following rights throughout the useful life:

- the right to receive essentially all the economic benefits incidental to the use of the identified asset, and
- the right to manage the use of an identified asset.

The lease commencement date is the date when the lessor makes the underlying asset available for use, i.e. an asset constituting the leased asset and in the case of which the lessor gave the lessee the right to use that asset.

Group as a lessor

The Group recognises the assets under finance lease in its consolidated statement of financial position and presents them as receivables in the amount equal to the net lease investment. Under the finance lease, the Group essentially transfers all risks and benefits incidental to the ownership, in relation with which the lease payments due are treated by the Group as repayments of the principal and as financial income, which are a return on the investment and remuneration for services rendered.

Lease contracts other than finance lease contracts are treated as operating lease. Payments under the Group's operating lease contracts are recognised as profit or loss of the current period on a straight-line basis throughout the lease period.

Group as a lessee

On the initial day, it recognises the right of use asset and the right of use liability (lease).

In the initial day, the Group measures a right of use asset at cost, comprising the initial measurement of the lease liability adjusted by all lease fees paid on or before the initial day less all lease incentives received, all initial direct costs incurred by the Group and the estimate of costs to be incurred by the Group in relation with the disassembly and liquidation of the underlying asset, renovation of the venue where it was situated or renovation of the underlying asset to the condition as required by the lease terms and conditions.

The lease period is estimated as at the lease commencement day.

A contract for an unspecified period of time is treated as a contract with a multiple renewal option. The assessment of that option is subject to a mandatory revaluation only in case of a significant event or significant change in circumstances that are under the control of the Group and have influence on whether or not it can be reasonably assumed that the lessee will use the option that was not previously taken into consideration in the lease period-related arrangements or that will not use an option that was previously taken into consideration in the arrangements. Examples of significant events or changes in circumstances are the following:

- significant investments into the leased asset that were not foreseen at the commencement date,
- significant modification or adjustment of the underlying asset, which were not expected at the commencement date,
- commencement of a sublease of the underlying asset for a period of time longer than the re-defined lease period and
- a business decision undertaken by the Group which has a direct significance in the context of the use or non-use of the option, e.g. a decision to extend the lease of a complementary asset, to dispose of an alternative asset or dispose of a company which uses the right of use assets.

After the initial recognition, the Group measures the right of use asset at cost less depreciation charges and impairment as adjusted by the possible revaluation of lease liability. The right-of-use assets are depreciation using a straight-line method starting from the lease commencement date until the end of the contract term.

At the commencement date, the Group measures the lease liability at an amount equal to the present value of the lease payments during the lease term that are not yet paid. The lease payments are discounted using the lease interest rate and if such rate cannot be easily determined, using the incremental borrowing rate of interest of the Group.

On the commencement day, the lease payments included in the lease liability valuation comprise the following:

- fixed lease payments less any lease incentives received,
- variable lease payments that depend on an index or a rate, initially measured using that index or rate as per its value at the commencement date,
- amounts expected to be payable by the Group under residual value guarantees,
- the exercise price of a purchase option, if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate the lease.

After the commencement date, the Group measures the lease liability by:

- increasing the carrying amount in order to reflect the interest on the lease liability,
- decreasing the carrying amount in order to take into account the lease payments paid; and
- revaluing the carrying amount in order to take into account reassessments of or changes in the lease or in order to take into account the revalued in-substance fixed lease payments.

After the commencement date, unless the cost have been included in the carrying amount of another asset , the Group recognises as profit or loss in the reporting period both:

- the interest on a lease liability; and

- variable lease payments not included in the lease liability measurement in the period in which a payment trigger occurs.

The lease of right liabilities (leases) are presented separately from other liabilities and as broken down into short-term and long-term liabilities.

In case of short-term liabilities and leases in which the underlying asset is of a low value, the Group recognises the lease payments as costs using the straight-line method throughout the lease period.

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

- the right-of-use assets - premises and warehouses. This group includes all the assets that meet the definition of the right of use only as per IFRS 16. They would not have been classified as such before the effective date of this standard,
- the right-of-use assets - other fixed assets. This group includes all the assets meeting the definition of assets both under IAS 17 and IFRS 16, which would have been classified as such irrespective of IFRS 16.

In the consolidated statement of financial position, both groups of right-of-use assets are presented jointly.

[Impairment of non-financial fixed assets](#)

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

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

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

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

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

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

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

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

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

[Financial instruments](#)

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

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

Financial assets

The Group classifies its financial assets as follows:

- measured at amortised cost,
- measured at fair value through other comprehensive income,
- measured at fair value through profit or loss.

The classification is made as at the initial recognition of the assets.

The classification of financial assets depends on the business model of the financial assets management and on the characteristics of the contractual cash flows for the given financial asset.

Financial assets are recognised when the Group becomes a party to the instrument's contractual provisions. Financial assets are derecognised when the right to obtain cash flows from financial assets have expired or were transferred and the Group has substantially transferred all the risk and rewards of ownership of the given assets.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, the transaction costs that are directly attributable to the acquisition of the financial asset. The transaction costs concerning financial assets carried at fair value through profit or loss are recognised as financial profit or loss.

Measurement after initial recognition:

a) Financial Assets Carried at Amortised Cost

Debt instruments held to collect, which comprise solely the payments of principal and interest, are measured at amortised cost. The interest income is calculated using the effective interest rate method and recognised in as profit or loss in item *"Interest income"*. Impairment loss is recognised as per the rule described in item *"Impairment of financial assets"*.

In particular, the following is classified in this category by the Group:

- trade receivables,
- loans that, in accordance with the business model, are recognised as held to collect cash flows,
- cash and cash equivalents.

b) Financial assets measured at fair value through other comprehensive income

Debt instruments in which the flows comprise solely principal and interest, and which are held to collect and sell, are measured at fair value through other comprehensive income. Changes in the carrying amount are recognised through other comprehensive income with the exception of impairment gains and losses, interest income and exchange differences that are recognised as financial profit or loss. In case of derecognition of a given financial asset, the total gains or losses previously recognised in other comprehensive income are transferred from equity to financial profit or loss and recognised as other gains/losses. Interest income on such financial assets is calculated using the effective interest rate method and recognised as financial income.

As at 31/12/2019 and 31/12/2020, the Group did not have any financial assets classified into this category.

c) Financial assets measured at fair value through profit or loss

Assets that do not meet the criteria of measurement at amortised cost or at fair value through other comprehensive income are carried at fair value through profit or loss. In particular, the following is classified in this category by the Group:

- loans that do not meet the SPPI (Solely Payments of Principal and Interest) test, when the flows from such loans do not comprise solely principal and interest,

- financial derivatives.

Gains or losses on the measurement at fair value are carried as profit or loss in item '*Gains or losses on changes of fair value of financial assets*' in the period in which they arose. The gains/losses on measurement at fair value also comprise the interest received from financial assets classified into this category.

Financial Liabilities

Financial liabilities are initially recognised at fair value less transaction costs and then at amortised costs using the effective interest method, with the exception of derivative financial instruments which after the initial recognition are carried at fair Value.

In case of modification of the contractual terms and conditions of a financial liability which does not lead to a derecognition of an existing liability, the gains or losses are recognised as current profit or loss. The gains or losses are calculated as a difference between the present values of the modified and the original cash flows as discounted using the original effective interest rate of liability.

Impairment of financial assets

IFRS 9 introduced a new approach to the estimation of financial assets carried at amortised cost or at fair value through other comprehensive income. The loss model is based on the calculation of expected loss. The most significant financial assets in the Group's financial statements, which are subject to the principles of calculation of expected credit loss, are the trade receivables.

In order to determine the impairment loss, the Group applies a simplified approach. In the simplified approach, the Group does not monitor the changes to the credit risk level during the lifetime of an instrument and estimates the expected credit loss until the instrument maturity.

In order to estimate the expected credit loss, the Group uses a provision matrix estimated on the basis of historical levels of repayments for each Group company. In order to determine the general default factor, the following age-bands are applied: up to 30 days past due, 30 to 60 days past due, 60 to 90 days past due, 90+ days past due.

For the calculation of the expected credit loss the Group determines the loss rate parameter estimated on the basis of an analysis of trade receivable balance outstanding over the period of the last three years and the default interest estimated on the basis of the trade receivable balance outstanding over the last three years. The expected credit loss is calculated upon the initial recognition of the receivables in the statement of financial position and is updated as at each day on which the reporting period ended, depending on the number of days the given receivables are past due.

Inventories

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

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

Cash and cash equivalents

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

Shareholder's equity

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

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

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

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

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

A separate item of the shareholder's equity are the non-controlling interests which refer to subsidiaries subject to full consolidation in the part that is owned by shareholders other than the Parent Company shareholders.

Short-term employee benefits

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

Provisions for accrued holidays

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

Provisions, contingent liabilities and assets

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

Provisions are created for the following purposes, without limitation:

- court proceedings in course and matters in dispute,

No provisions are set up for future operating losses.

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

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

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

Information about contingent liabilities is disclosed in the descriptive part of the consolidated financial statements in Note No. 24.

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

Prepayments and Accruals

The Group recognises long-term and short-term prepayments in the balance sheet assets as, respectively, *Other long-term receivables* and *Trade receivables and other receivables*. The prepayments are prepaid costs concerning future reporting periods and, mainly, preliminary costs concerning the ongoing projects and lease rents.

The Group includes in the preliminary costs of ongoing projects, without limitation, the costs of system adjustment, costs of warehouse reorganisation in order to introduce a new project into the warehouse. The cost expensing period depends on the period of time for which the Group made a service contract. If the contract is concluded for a specified period of time, the Group expenses the costs over the term of that contract. If the contract is concluded for an unspecified period of time, the Group expenses the costs over the period of 5 years of the project kick-off, i.e. the generation of the first revenue.

Revenue from sales

The Group applies IFRS 15, taking into consideration the 5-step model:

- Identify the contract(s) with a customer

A contract with a customer meets its definition if all the following conditions are met:

- a) the contract has been approved by the parties to the contract;
- b) the Group is able to identify the rights of each of the parties concerning the goods or services to be transferred;
- c) the Group is able to identify the terms of payment for the goods or services to be transferred;
- d) the contract has commercial substance and it is probable that the Group will receive consideration to which it is entitled in exchange for the goods or services transferred to the client.

- Identify the performance obligations in the contract

At the inception of the contract, the Group assesses the goods or services that have been promised to the customer, and identifies as a performance obligation a good or service (or bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer.

- Determine the transaction price

When making a determination of the transaction price, the Group considers the contractual terms and conditions and past customary business practices. The transaction price is the amount to which the Group expects to be entitled to in exchange for the transfer of promised goods and services to the client, with the exclusion of amounts collected on behalf of third parties (e.g. some taxes and fees). The consideration defined in the contract with the client may contain fixed elements, variable elements or both.

- Allocate the transaction price to the performance obligations in the contract

The Group allocates the transaction price to each performance obligation (or to a distinct good or distinct service) in the amount that reflects the consideration amount to which, in accordance with the Group's expectations, it is entitled in exchange for the transfer of goods or services to the customer.

- Recognise revenue when (or as) the entity satisfies a performance obligation

The Group recognises the revenue when (or during) the performance obligation is fulfilled by the transfer of the promised goods or services (i.e. an asset) to the client (the client obtains control of the asset). Revenue is recognised in an amount equal to the transaction price that was assigned to a performance obligation. The Group passes control over the goods or services over time and, consequently, satisfies the performance obligation and recognises revenue over time, if one of the following conditions is met:

- the customer simultaneously receives and consumes all of the benefits provided by the Group as the Group performs;

- the Group's performance creates or enhances an asset that the customer controls as the asset is created; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Provision of services in the Retail Sale Network Management segment

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).

Interest and dividends

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

Operating expenses

The costs constitute a decrease in the economic benefits made in the financial year in the form of an outflow or a fall in the value of assets or an occurrence of liabilities that ultimately lead to a decrease in equity. The operating costs include all costs by type, mainly such as: the value of goods and materials sold, payroll costs, costs of contracted services and costs of materials and energy used.

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

Income tax (including the deferred tax)

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

The current tax is calculated on the basis of the tax result (taxation basis) of the given financial year. The tax profit (loss) is different from the gross book profit (loss) in relation with the temporary shift of taxable income and tax

deductible costs of subsequent periods as well as exclusion of non-taxable costs and revenue. The taxes are calculated on the basis of tax rates in force in the given financial year.

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

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

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

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

Subjective Assessments of the Management Board and Uncertainty of Estimates

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

Provisions for employee benefits

Provisions for employee benefits comprise provisions for accrued holidays and provisions for bonuses. The provisions for accrued holidays are calculated on the basis of average remunerations and the number of holidays from past periods that were not used until 31/12/2020. The provisions for bonuses are estimated on the basis of contractual terms and conditions as agreed with persons entitled.

Deferred tax assets

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

Impairment of Non-financial Assets

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

Goodwill Measurement

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

Valuation of the profit on the sale of shares in ArchiDoc S.A.

On 17 October 2019, OEX S.A. signed a contract on the sale of 100% of shares in its subsidiary ArchiDoc S.A. The preliminary share selling price was PLN 65 million. OEX S.A. will also be entitled to additional payments to the selling price that are due in case ArchiDoc S.A. exceeded the agreed standardised EBITDA value in the period from 1 January 2020 to 31 December 2020 and from 1 January 2021 to 31 December 2021.

The actually realised values of the revenue from the sale of shares in ArchiDoc may differ from the estimates, which may lead, in subsequent reporting periods, to significant adjustments of the Group's result. Detailed information on the estimates of additional payments to the preliminary selling price of shares in ArchiDoc S.A. are in Note No. 19.

Impairment loss on trade receivables

The calculation and measurement of expected credit losses on trade receivables is an area requiring a considerable judgement as regards the selection of an appropriate methodology, model and input data. A detailed description of the methodology of measurement of extended credit loss as applied by the Group can be found in item '*Impairment of financial assets*'. The Group companies use in their models the historical information from their accounting systems.

Measurement of lease liabilities and the right of use assets

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

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

Uncertainty related to tax settlements

The provisions concerning the VAT, CIT or social insurance are subject to frequent amendments. These frequent changes result in the lack of appropriate points of reference, inconsistent interpretations and few precedents available that could be applied. The regulations in force contain many unclear provisions, that lead to interpretations of tax laws varying between different state authorities as well as between state authorities and entrepreneurs.

The tax settlements and other areas of operation may be controlled by state authorities that are authorised to impose high penalties and fines and all such additional tax obligations that may appear in consequence of the tax control must be paid together with high interest. All the above circumstances contribute to the fact that the tax risk in Poland is higher than the normal tax risk in countries with a more developed tax system. In consequence, the amounts presented and disclosed in financial statements may change in the future in consequence of a final and enforceable decision of a tax control authority.

On 15 July 2016, the Tax Ordinance was amended by provisions implementing the General Anti-Avoidance Rule (GAAR) provisions. GAAR is to prevent the creation and abuse of artificial legal structures created only to avoid taxation in Poland. GAAR defines the tax avoidance as an activity carried out mainly to achieve a tax gain and contrary in the given circumstances with the subject matter and the purpose of tax act provisions. New regulations require much more professional judgement when assessing the tax effects of particular transactions. The Group recognises and measures the current income tax assets/liabilities in accordance with the requirements of IAS 12 *Income Tax* on the basis of the taxable income (tax loss), the taxable basis, unsettled tax losses and appropriated tax rates, taking into account the assessment of uncertainty concerning the tax settlements. In October 2018, the European Union endorsed IFRIC 23 *Uncertainty over Income Tax Treatments*, which is effective for reporting periods beginning on or after 01 January 2019. The interpretation explains how to apply the requirements concerning the recognition and

measurement under IAS 12 there is uncertainty over income tax treatments. The interpretation did not have any influence on the value of the Group's equity upon its first adoption, i.e. on 01 January 2019.

1. Operating segments

REVENUES AND RESULTS OF OPERATING SEGMENTS					
	Sale network management	Sale Support	eCommerce Services	Not allocated	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2020					
Revenue from external customers	176,400	138,435	193,935	1,401	510,171
Revenue from the sales between segments	19	646	1,300	4,511	6,476
Total revenues	176,419	139,081	195,235	5,912	516,647
Segment's operating result	17,427	3,861	8,818	- 7,216	22,890
EBITDA	29,485	6,628	21,840	- 6,384	51,569
Amortisation and depreciation	12,058	2,768	13,022	831	28,679
Financial income					780
Financial costs					10,192
Disposal of a subsidiary					5,108
Share in the profit (loss) of entities measured using the equity method (+/-)					- 152
Pre-tax profit					18,434
Income tax					3,866
Net profit on continued activities					14,568
FOR THE PERIOD FROM 01/01 TO 31/12/2019 (restated)					
Revenue from external customers	190,524	192,287	196,637		579,448
Revenue from the sales between segments	37	1,128	2,820	5,379	9,364
Total revenues	190,561	193,415	199,457	5,379	588,812
Segment's operating result	18,034	- 3,514	622	- 4,843	10,299
EBITDA	30,784	- 592	12,352	- 4,283	38,261
Amortisation and depreciation	12,750	2,922	11,730	560	27,962
Financial income					795
Financial costs					11,322
Disposal of a subsidiary					24,565
Share in the profit (loss) of entities measured using the equity method (+/-)					- 134
Pre-tax profit					24,203
Income tax					6,605
Net profit on continued activities					17,598

Below are presented the results of the OEX Group's operating segments for 2020 and 2019 before the impact of the IFRS 16 adoption, which concerns the rental contracts for offices and warehouses. The impact of IFRS 16 is understood as the difference caused in the financial statements by the application of the IFRS 16 standard in place of the previously applied IAS 17 (until the end of 2018), i.e. a change from a different classification of contracts of lease of such spaces as warehouses, shops or offices.

	Sale network management	Sale Support	eCommerce Services	Not allocated	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2020					
Segment's operating result as per IFRS 17	16,617	3,788	7,563	- 7,145	20,823
EBITDA as per IAS 17	18,979	6,037	12,847	- 6,589	31,274

	Sale network management	Sale Support	eCommerce Services	Not allocated	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2019 (restated)					
Segment's operating result as per IFRS 17	17,243	- 3,581	- 679	- 4,855	8,128
EBITDA as per IAS 17	19,720	- 1,165	3,328	- 4,603	17,280

The activity and the results of Voice Contact Center Sp. z o.o. reported in the approved financial statements for 2019 in the BPO segment, as of 2020 are reported in the eCommerce Services segment. In consequence of the change in segment classification, the Group also restated the comparable data for 2019.

The geographical structure of sales is presented in the table below:

GEOGRAPHICAL AREAS - REVENUES		
	01/01-31/12/2020	01/01-31/12/2019
Poland	443,182	466,415
Europe	59,731	109,319
Asia	962	1,261
Africa	133	647
North America	6,029	1,806
Australia	134	
Total	510,171	579,448

The Group has one counterparty whose share in the Group's turnover exceeded 10%. The Group made 14.6% of its turnover with that entity. The revenue from this counterparty is generated by a company from the 'Sale Network Management' segment.

2. Composition of the OEX Group

THE OEX S.A. GROUP AS AT 31 DECEMBER 2020 IS COMPOSED OF:

- THE PARENT COMPANY - OEX S.A.
- SUBSIDIARIES PRESENTED IN THE TABLE BELOW:

SUBSIDIARIES OF OEX SA		
Name of the company	Registered office	% of shares/participations held
Tell Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100
EuropPhone 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 S.A.	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
iPOS S.A.	ul. Klimczaka 1, 02-797 Warszawa	50.99
OEX B2B Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	100

- JOINTLY-CONTROLLED COMPANY

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

- ASSOCIATE COMPANY

ASSOCIATE COMPANY			
Name of the 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. 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.

CHANGES IN THE STRUCTURE OF THE OEX GROUP IN 2020:

Purchase of shares in iPOS S.A.

On 24 August 2020, by and between the Parent Company OEX S.A., iPOS S.A. with registered office in Warsaw ('iPOS') and all the existing shareholders in iPOS, an investment agreement was executed, which specified detailed terms and conditions of OEX S.A.'s investment in iPOS and regulated mutual rights and obligations of the parties related to the investment and further operation of iPOS.

On the same day, the extraordinary meeting of shareholders of iPOS took place. It resolved, without limitation, an increase in the share capital of iPOS by the issue of 43,000 new shares in iPOS addressed exclusively to OEX (with the

exclusion of the subscription rights of the existing shareholders), which after the share capital increase has been registered by the district court, have ensured OEX a share of 50.99% in the share capital and in the votes at the general meeting of shareholders of iPOS as well as control over the company. In this relation, OEX S.A. entered into the above-mentioned share subscription agreement with iPOS and paid to the Company's bank account the total agreed issue price of PLN 6,000,220.00.

In accordance with the Investment Agreement, OEX also has a possibility (but not an obligation) to carry out subsequent tranches of additional payments to iPOS (in 2020 and in 2021) in the total amount of up to approx. PLN 6.0 million.

in order to implement the above-mentioned arrangements, the general meeting of shareholders of iPOS adopted a resolution on the issue of 60,000 series C subscription warrants, which may be, in the period from 1 January 2021 to 31 October 2021, under certain conditions and in a specified number, given to OEX, and subsequently exchanged for shares in the Company in accordance with the conditional share capital increase as resolved.

In the exercise of the above-mentioned rights, in 2020 OEX S.A. granted iPOS S.A. loans in the total amount of PLN 2 million. The loans were settled in February 2021 by offsetting with the company's receivables from OEX on account of the share subscription. In consequence of the increase in the share capital, the participation of OEX S.A. in the share capital of iPOS S.A. rose to 58.1%.

After the balance sheet date, OEX S.A. granted iPOS S.A. subsequent loans in the total amount of PLN 2 million. Also in this case, OEX S.A. will be entitled to a conversion of the loans granted into the shares in iPOS S.A., as per the above-mentioned terms and conditions, with the valuation being dependent on the performance and operating ratios of iPOS in 2020 and in the first half of 2021.

Additionally, OEX S.A. has the right (but not an obligation) to make an additional payment to the Company in the period until 30 June 2022 in an additional amount of up to approx. PLN 6 million in the form of a share capital increase, with the exclusion of the subscription rights of the other shareholders, with the Pre-Money Valuation amounting to approx. PLN 18 million.

Operating since 2014, iPOS is a creator of the market's first POS system which combines the functions of an electronic cash register and a payment terminal. iPOS's POS systems are integrated with a proprietary cloud IT platform that supports and analyses the sales as well as manages the goods and warehouses in the SaaS model. The registers meet all the requirements of the so-called online POS systems, as attested by a certification from the Polish Central Office of Measures. iPOS addresses its solutions to SMEs active in the retail segment.

The investment is compliant with the Group's strategic goals, i.e. the creation of the value of the OEX Group on the basis of modern technologies. The offering of the OEX Group will be expanded to include technological solutions allowing the clients to service sales in retail outlets and to analyse it in real time and, at the same time to support payments, the significance of which is on the rise in relation with the fact that consumers are switching to non-cash payments. In the opinion of the Management Board, iPOS's growth potential within a short-term perspective is considerable, which is related to the mandatory exchange of electronic cash registers among certain groups of enterprises, which in accordance with the applicable regulations in force will have to be completed before 1 July 2021. In the longer term, the Management Board of OEX expects growth opportunities in the development of iPOS web, a sales support and analysis platform, where new services will be added, e.g. services based on big data set analyses, AI solutions, and machine learning. In the opinion of the Management Board, synergies with other OEX Group companies are also possible.

As at the date of these consolidated financial statements, a provisional settlement of the acquisition of control over iPOS S.A. with head office in Warsaw was made. The OEX Group did not complete the measurement of the fair value of iPOS's assets and liabilities. The Group plans to complete the settlement of the transaction of acquisition of control over iPOS within the period of up to 12 months after the transaction date.

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

FAIR VALUES AS AT THE ACQUISITION DAY	
Assets	
Intangible fixed assets	2,216
Tangible fixed assets	1,213
Inventories	2,364
Receivables and loans	2,216
Accruals and prepayments	621
Cash	1,428
Total assets	10,058
Liabilities	
Trade liabilities	387
Other liabilities	657
Employee benefit liabilities	116
Prepayments and Accruals	1
Total provisions	1,161
Fair value of net assets at provisional values	8,897
Acquired share in net assets	50.99%
Price paid	6,000
Acquired goodwill as at the acquisition day - measured on the basis of the valuation of net assets at provisional values	1,463

Additionally, in the 2020:

the Parent Company OEX S.A. established a company OEX B2B Sp. z o.o. with registered office in Warsaw, which was entered into the National Court Register on 30 September 2020. The share capital in OEX B2B Sp. z o.o. amounts to kPLN 200 . The Group holds 100% of shares in the newly established company.

CHANGES IN THE STRUCTURE OF THE OEX GROUP IN 2019:

In 2019, the Group acquired 50% of shares in 4Shops Sp. z o.o. with registered office in Warsaw, which is a joint venture. The purchase price of 50% of shares in that Company was PLN 500 thousand.

Key items in the financial statements of 4Shops Sp. z o.o. with registered office in Warsaw, ul. Klimczaka 1, for 2020 and 2019 are as follows (in k PLN):

	31/12/2020	31/12/2019
Fixed assets	266	194
Current assets	267	541
Shareholder's equity	-98	278
Liabilities and provision for liabilities	631	457
Net result of the year	-376	-722
Net result in the period when member of the OEX Group	-	-201

The share capital of 4Shops Sp. z o.o. as at 31 December 2020 amounted to kPLN 502.5 and is divided into 10,050 shares of PLN 50 each.

Disposal of shares in ArchiDoc S.A.

On 17 October 2019, OEX S.A. signed with Offsite Archive Storage & Integrated Services Ltd. with registered office in Dublin, an agreement on the sale of 4,250,000 shares in the share capital of ArchiDoc S.A. with registered office in Chorzów, constituting 100% of its share capital. Detailed information on the transaction of sale of shares in ArchiDoc S.A. and the impact of that sale on the performance of the OEX Group in 2019 can be found in Note 19.

Interest in associated parties

The Group has one associate company – Face and Look Sp. z o.o. with registered office in Warsaw, ul. Klimczaka 1.

Key items in the financial statements of the associate company for 2020 and 2019 are as follows (in k PLN):

	31/12/2020	31/12/2019
Fixed assets	-	-
Current assets	490	72
Shareholder's equity	-99	-200
Liabilities and provision for liabilities	589	272
Net result for 2020	115	
Net result for 2019		-174

The share capital of Face and Look S.A. as at 31 December 2020 amounted to kPLN 100 and was divided into 10,000,000 shares of PLN 0.01 each.

After the balance sheet date, the Group sold all the shares held in the associate company.

3. Goodwill

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

	01/01-31/12/2020	01/01-31/12/2019
GOODWILL		
State as at period beginning	80,019	116,545
Take over of control over a subsidiary	1,463	
Loss of control over subsidiary ArchiDoc S.A. (-)		- 36,526
Gross value at period end	81,482	80,019
Impairment loss		
Goodwill at period end	81,482	80,019

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

	31/12/2020	31/12/2019
Taurus	1,202	1,202
Havo	20,096	20,096
Europhone Sp. z o.o.	8,732	8,732
Solex	10,611	10,611
Cel-R	2,876	2,876
PTI Sp. z o.o.	10,061	10,061
Maximum	6,879	6,879
OEX Cursor S.A.	4,238	4,238
OEX E-Business Sp. z o.o.	4,786	4,786
Divante S.A.	1,864	1,864
Pro People Sp. z o.o.	4	4
MerService Sp. z o.o.	3,813	3,813
Voice Contact Center Sp. z o.o.	4,858	4,858
iPOS S.A.	1,463	
Total goodwill	81,482	80,019

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

CASH GENERATING UNIT

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

31/12/2019

Name of the company	Euro-Phone, Solex, Cel-R	PTI, Maksimus	Taurus, Havo	OEX Cursor	OEX E-Business	Divante	MerService	VCC
Forecast period	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Discount rate	8.34%	8.34%	8.34%	12.34%	12.34%	9.34%	9.34%	9.34%
Growth rate after the budget period	0%	0%	0%	1%	2%	2%	0%	0%

31/12/2020

Name of the company	Euro-Phone, Solex, Cel-R	PTI, Maksimus	Taurus, Havo	OEX Cursor	OEX E-Business	Divante	MerService	VCC	iPOS
Forecast period	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years	5 years
Discount rate	7.24%	7.24%	7.24%	10.64%	13.11%	9.17%	8.68%	9.17%	14.24%
Growth rate after the budget period	0%	0%	0%	0%	1%	1%	0%	0%	2%

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

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

- cash flows;
- discount rates;
- growth rate applied when estimating cash flows outside the scope of budgeted periods.

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

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

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

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

The estimated growth rate after the period of detailed forecast – assumed for subsidiaries Divante S.A., OEX E-Business and OEX Cursor (as regards the remaining entities, there were no assumptions for prudence).

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

- adjustment on account of the degree of performance of the 2020 operating profit forecast - this adjustment results from the validity of allowing for the IAS guidelines in accordance with which the asset impairment tests (based on the forecasts made by the Management Board) must allow for the historic accuracy of forecasts of the Management Board. Following those guidelines, it was assumed in the impairment tests that the lower the degree of performance of the 2020 forecasts (this concerns the forecasts the impairment tests as at the end of 2019 were based on), the higher the risk related to the actual financial forecasts of the Management Board (i.e. forecasts the tests as at the end of 2020 were based on).
- adjustment on account of the assumed future (i.e. concerning 2021-2025) operational profitability of the segment related to the "goodwill" tested - this adjustment results from the validity of allowing for the empirical dependence between the future profitability assumed and the investment risk (the higher the expected profitability when compared to the historic profitability, the higher the risk that the profitability level assumed may not be achieved).

An additional expert's element of the specific risk, which adjusts its level, is the stability and predictability of the segment the tested entity (cash-generating unit). With regard to those companies from the 'Retail Sale Network Management' segment that are more stable in terms of business (Tell Sp. z o.o., PTI Sp. z o.o., Euro-Phone Sp. z o.o.), a risk factor of 0.0% should be applied. With regard to the entities operating in the remaining areas (eCommerce Services, Sale Support), it is reasonable to indicate a higher ratio of 1%.

SENSITIVITY TO CHANGES OF ASSUMPTIONS

In case of the estimation of the value in use, the management is convinced that no reasonably possible change of any key assumption made above would result in exceeding by the carrying amount of such unit of its recoverable amount adjusted by the book value of net assets.

The 'goodwill' impairment tests comprised a simulation of the recoverable amount, assuming the levels of discount rates in 2021-2025 changed by 1%.

Name of the company	Euro-Phone, Solex, Cel-R	PTI, Maksimus	Taurus, Havo	OEX Cursor	OEX E-Business	Divante	MerService	VCC	iPOS
Discount rate	7.24%	7.24%	7.24%	10.64%	13.11%	9.17%	8.68%	9.17%	14.24%
Adjusted discount rate	8.24%	8.24%	8.24%	11.64%	14.11%	10.17%	9.68%	10.17%	15.24%
Test results	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment	no impairment

4. Intangible fixed assets

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

	Licences and software	Trademarks	Other intangible assets	In production	Total
AS AT 31/12/2020					
Gross carrying amount	13,882	487	18,849	1,017	34,235
Accumulated depreciation/amortisation and impairment charges (-)	- 5,760	- 359	- 7,579		- 13,698
Net carrying amount	8,122	128	11,270	1,017	20,537
AS AT 31/12/2019					
Gross carrying amount	12,571	487	10,237	1,341	24,636
Accumulated depreciation/amortisation and impairment charges (-)	- 3,643	- 329	- 4,384		- 8,356
Net carrying amount	8,928	158	5,853	1,341	16,280

	Licences and software	Trademarks	Other intangible assets	In production	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2020					
Net carrying amount as at 01/01/2020	8,928	158	5,853	1,341	16,280
Acquisition of a subsidiary iPOS S.A.	115		2,102	21	2,238
Increase (acquisition, production, lease)	1,185		5,091	2,970	9,246
Decrease (disposal, liquidation, putting to use) (-)				- 3,315	- 3,315
Depreciation and amortisation (-)	- 2,106	- 30	- 1,776		- 3,912
Net carrying amount as at 31/12/2020	8,122	128	11,270	1,017	20,537
FOR THE PERIOD FROM 01/01 TO 31/12/2019					
Net carrying amount as at 01/01/2019	2,970	188	6,151	7,455	16,764
Increase (acquisition, production, lease)	7,766		1,614	3,652	13,032
Decrease (disposal, liquidation, putting to use) (-)	- 7		- 13	- 9,004	- 9,024
Depreciation and amortisation (-)	- 1,562	- 30	- 1,487		- 3,079
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)	- 239		- 412	- 762	- 1,413
Net carrying amount as at 31/12/2019	8,928	158	5,853	1,341	16,280

	31/12/2020	31/12/2019
AMORTIZATION OF INTANGIBLE ASSETS RECOGNISED IN:		
Selling costs	587	915
Administrative expenses	599	260
Cost of sales	2,726	1,904
State as at period end	3,912	3,079

As at 31 December 2020, the most significant intangible fixed assets of the OEX Group of the total value of kPLN 11,270 are as follows:

- costs of development works completed - in Divante S.A. in the amount of kPLN 747 and in the newly acquired iPOS S.A. in the amount of kPLN 2,214 ,
- value of the distribution network Transactor in Europhone Sp. z o.o. with the value of kPLN 2,000 ,
- value of the organised part of business in the form of 27 T-Mobile stores purchased in 2020 by Europhone Sp. z o.o. with the value of kPLN 4,364 .

As at 31 December 2020, the most significant intangible assets in construction of the OEX Group of the total value of kPLN 1,017 are as follows:

- software in MerService Sp. z o.o. for the new functions for Merchmobiler,
- a programme allowing the launch of loyalty programmes in sales networks in Divante S.A.

The projects are to be put to use in 2021.

In both periods presented:

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

intangible assets with non-specified useful life

In the OEX Group, the intangible fixed assets with an unspecified useful life is the value of distribution network Transactor, as indicated in the previous item, of the value of kPLN 2,000 and the value of the organised part of business in the form of 27 T-Mobile stores of the value of kPLN 4,364 .

The Management Board concluded that analyses of all the significant factors indicated that there was no foreseeable time limit within which one may expect that the asset would cease to generate net cash inflows. No specified useful life of the network value reflects the character of this asset in the generation of future values for the Group. The impairment test showed that the recoverable amount of the network is higher than its book value.

The test model applied is similar to the goodwill assumption test for the Sale Network Management segment. Main assumptions:

Forecast period	5 years
Discount rate	8.34%
Growth rate after the budget period	0%

The impairment tests also comprised a simulation of the recoverable amount, assuming the levels of discount rates in 2021-2025 changed by 1%. No impairment was shown.

5. Tangible fixed assets

	Machinery and equipment	Vehicles	Other fixed assets	In construction	Total
AS AT 31/12/2020					
Gross carrying amount	10,518	490	9,596	106	20,710
Accumulated depreciation/amortisation and impairment charges (-)	- 6,183	- 384	- 4,518		- 11,085
Net carrying amount	4,335	106	5,078	106	9,625
AS AT 31/12/2019					
Gross carrying amount	9,296	761	10,169	105	20,331
Accumulated depreciation/amortisation and impairment charges (-)	- 5,553	- 568	- 4,925		- 11,046
Net carrying amount	3,743	193	5,244	105	9,285

The difference as at 31 December 2020 between the balance sheet value of tangible fixed assets of kPLN 9,398 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 5 thousand.

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 31/12/2020					
Net carrying amount as at 01/01/2020	3,743	193	5,244	105	9,285
Acquisition of a subsidiary iPOS S.A.	897				897
Increase (acquisition, production, lease)	1,627	26	1,086	1,425	4,164
Decrease (disposal, liquidation, putting to use) (-)	- 240	- 44	- 118	- 1,424	- 1,826
Depreciation and amortisation (-)	- 1,692	- 69	- 1,134		- 2,895
Net carrying amount as at 31/12/2020	4,335	106	5,078	106	9,625
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
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	31/12/2020	31/12/2019
DEPRECIATION OF TANGIBLE ASSETS RECOGNISED IN:		
Selling costs	536	958
Administrative expenses	252	734
Cost of sales	2,107	889
State as at period end	2,895	2,581

In both periods presented:

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

6. 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	
RIGHT-OF-USE ASSETS					
Net carrying amount as at 01/01/2020	68,682	1,423	6,402	2,427	78,934
Increases (leases)	16,797	921	2,506	191	20,415
Decrease (disposal, liquidation) (-)	- 4,445		- 307		- 4,752
Depreciation and amortisation (-)	- 18,302	- 311	- 3,039	- 220	- 21,872
Net carrying amount as at 31/12/2020	62,732	2,033	5,562	2,398	72,725
Net carrying amount as at 01/01/2019	107,703	1,829	6,331	5,557	121,420
Increases (leases)	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

7. Financial Assets and Liabilities

7.1. Categories of financial assets and liabilities

In the 2020 and 2019 financial data, the value of financial assets presented in the consolidated statement of financial position relates to the following categories of financial instruments determined in IFRS 9:

1 – financial assets measured at amortised cost (MOC)	4 – hedging derivatives (HD)
2 – financial assets measured at fair value through profit or loss (MFVPL)	5 – assets outside the scope of IFRS 9 (Non IFRS 9)
3 – financial assets measured at fair value through comprehensive income (MFVCI)	

In the 2020 and 2019 financial data, the value of financial liabilities presented in the consolidated statement of financial position relates to the following categories of financial instruments determined in IFRS 9:

1 – financial liabilities measured at amortised cost (LMOC)	3 – hedging derivatives (HD)
2 – financial liabilities measured at fair value through profit or loss (LMFVPL)	4 – liabilities outside the scope of IFRS 9 (Non IFRS 39)

	Note	Categories of financial instruments as per IFRS 9		Non IFRS 9	Total instruments
		MOC	MFVPL		
AS AT 31/12/2020					
FIXED ASSETS					
Loans	7.2	1,684			1,684
Receivables	10	704		3,021	704
Receivables under the right of use assets		7,190			7,190
Other long-term financial assets	7.2		829		829
CURRENT ASSETS					
Trade Receivables and Other Receivables	10	107,618		14,476	107,618
Loans	7.2	301			301
Receivables under the right of use assets		3,847			3,847
Cash and cash equivalents	11	52,386			52,386
Total financial assets		173,730	829	17,497	174,559
AS AT 31/12/2019					
FIXED ASSETS					
Loans	7.2	161			161
Receivables	10	765		6,149	765
Receivables under the right of use assets		5,008			5,008
Other long-term financial assets	7.2		500		500
CURRENT ASSETS					
Trade Receivables and Other Receivables	10	102,946		12,895	102,946
Loans	7.2	133			133
Receivables under the right of use assets		2,447			2,447
Cash and cash equivalents	11	55,729			55,729
Total financial assets		167,189	500	19,044	167,689

	Note	Categories of financial instruments as per IFRS 9		Non IFRS 9	Total instruments
		LMOC	LMFVPL		
AS AT 31/12/2020					
Long-term liabilities					
Credits and loans	7.3	10,575			10,575
Right-of-use-related liabilities - premises and warehouses (IFRS 16)	16	60,064			60,064
Right-of-use-related liabilities - other fixed assets (IFRS 16)	16	4,560			4,560
Short-term liabilities					
Trade liabilities	16	66,351		36,066	66,351
Other financial liabilities	16	1,156			1,156
Credits and loans	7.3	15,262			15,262
Factoring liabilities	16	4,134			4,134
Liabilities under the right-of-use assets – premises and warehouses (IFRS 16)	16	21,610			21,610
Liabilities under the right-of-use assets – other tangible fixed assets (IFRS 16)	16	3,478			3,478
Total financial liabilities		187,190		36,066	187,190
AS AT 31/12/2019					
Long-term liabilities					
Credits and loans	7.3	6,958			6,958
Liabilities under the right-of-use assets – premises and warehouses (IFRS 16)	16	59,742			59,742

Liabilities under the right-of-use assets – other tangible fixed assets (IFRS 16)	16	5,013			5,013
Short-term liabilities					
Trade liabilities	16	53,094		23,965	53,094
Other financial liabilities	16		29		29
Credits and loans	7.3	29,682			29,682
Factoring liabilities	16	9,169			9,169
Liabilities under the right-of-use assets – premises and warehouses (IFRS 16)	16	19,891			19,891
Liabilities under the right-of-use assets – other tangible fixed assets (IFRS 16)	16	3,420			3,420
Total financial liabilities		186,969	29	23,965	186,998

7.2. Other financial assets

In the part of the statement of financial position concerning fixed assets, the long-term receivables and loans are presented jointly. Lease and rental receivables are presented separately in relation with the entry into force of IFRS 16. In the short-term part, the Group - in compliance with the requirements of IAS 1 - presents the trade receivables and other receivables separately, similarly as lease and rental receivables in relation with the entry into force of IFRS 16. The classes of receivables and loans are presented in the table below. Disclosures concerning the receivables are made in Note No. 10.

	Note	31/12/2020	31/12/2019
OTHER FINANCIAL ASSETS			
LONG-TERM ASSETS			
Non-listed shares	7.1	829	500
Loans	7.1	1,684	161
Long-term financial assets		2,513	661
SHORT-TERM ASSETS			
Loans	7.2	301	133
Short-term financial assets		301	133
Total other financial assets		2,814	794

The change in the carrying amount of loans, including impairment charges, is as follows:

	Note	01/01-31/12/2020	01/01-31/12/2019
LOANS			
Gross value:			
State as at period beginning		294	172
Amount of loans granted in the period		1,789	357
Interest calculated using the effective interest rate method		18	15
Repayment of loans with interest (-)		- 116	- 250
Gross value at period end		1,985	294
Impairment loss:			
Impairment loss at period end			
Carrying amount at period end		1,985	294

Loans granted are measured at amortised cost using the effective interest method. The carrying amount of loans is considered to be the reasonable estimation of the fair value (cf. Note No. 7.6. concerning the fair value).

Profits and losses recognised in the financing activities concerning the financial assets category are presented in Note No. 18.

The net carrying amount of trade receivables and loans reflects the maximum exposure to credit risk.

7.3. Loans, credits and factoring liabilities

The value of loans, credits and factoring liabilities recognised in the consolidated statement of financial position is presented in the table below:

	31/12/2020		31/12/2019	
	Short-term liabilities	Long-term liabilities	Short-term liabilities	Long-term liabilities
FINANCIAL LIABILITIES MEASURED AT AMORTISED COST				
Overdraft facilities, revolving loans and term loans	15,262	10,575	29,682	6,958
Factoring	4,134		9,169	
Total financial liabilities measured at amortised cost	19,396	10,575	38,851	6,958

On 28 October 2020, OEX S.A. and the following companies: Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., OEX Cursor S.A., MerService Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., OEX24 Sp. z o.o. and Voice Contact Center Sp. z o.o., all subsidiaries of the Group ('Borrowers') entered into a Multiline credit facility contract ('Credit Facility Contract') with Santander Bank Polska S.A. ('Lender'), and selected companies also made an investment credit contract with the Lender and entered into new factoring contracts or extended the term of their existing factoring contracts with Santander Factoring Sp. z o.o. The Borrowers also entered or undertook to enter into contracts and signed additional documents under such contracts, in particular related to the establishment of collaterals and securities as agreed. Such contracts were concluded with a view to refinance the existing indebtedness of the Borrowers.

In relation with such contracts and documents signed, the Borrowers' liabilities under the credit contract, factoring contracts and the related additional contracts executed on 14 December 2017 (with later amendments) by and between OEX S.A. and its subsidiaries on the one part and Santander Bank Polska S.A., ING Bank Śląski S.A. and ING Commercial Finance Polska S.A. on the other part.

Based on the said contracts, the Lender and the Factor undertook to provide financing to the Borrowers in the total amount of up to PLN 81,747 094 in the form of:

- overdraft facilities and bank guarantees up to the total amount of PLN 41,300,000 with a destination to finance the day-to-day operations of the Borrowers; the overdraft facilities were granted for a period of 1 year and the bank guarantees for a period of max. 2 years;
- investment loans in the total amount of PLN 19,947,094.12 in favour of OEX S.A., OEX E-Business Sp. z o.o., Europhone Sp. z o.o. and PTI Sp. z o.o. the destination of which was to refinance the existing debts and finance additional investment expenses of those Borrowers; the loans were granted for a period of 1 to 5 years and will be repaid in monthly or quarterly instalments;
- factoring in the total amount of up to PLN 20,500,000 in favour of OEX Cursor S.A., OEX E-Business Sp. z o.o. and MerService Sp. z o.o.

Pursuant to the Credit Facility Contract, the investment credit contract and the factoring contracts, the applicable interest rate will be a sum of the WIBOR 1M rate plus the Lender's margins as appropriate. The margins are not, in the opinion of OEX S.A., different than the ones currently applicable to borrowing terms and conditions available on the financial market.

The margins applicable to the investment credits may vary depending on the level of indebtedness as measured by the ratio of consolidated net debt to the consolidated EBITDA of the OEX Group ('Debt Ratio'). At the same time, the Debt Ratio may no - on pain of breaching the Credit Facility Contract - exceed the value of 3.0 - save exceptions provided for in the Credit Facility Contract.

Additionally, the Debt Ratio and the lack of breach of the Credit Facility Contract may influence the possibility and the maximum value of dividends payable by OEX S.A. In case the Debt Ratio is below 2.0, the permitted value of the dividend paid by OEX S.A. constitutes, without breaching the terms and conditions of the Credit Facility Contract, 100% of the consolidated net profit. In case the Debt Ratio is higher than 2.0 but not higher than 3.0, the permitted value of the dividend paid by OEX S.A. may not, without breaching the terms and conditions of the Credit Facility Contract, exceed 80% of the consolidated net profit. In case when the Debt Ratio is higher than 3.0, no dividend payment by OEX S.A. is possible without breaching the terms and conditions of the Credit Facility Contract.

The Loan Contract, the investment loan contracts and the factoring contracts foresee collaterals in the form of:

- pledges on shares in subsidiaries which are the Borrowers,
- pledges on the Borrowers' bank accounts and
- assignment of right rights under insurance policies.

Additionally, the Borrowers made statements in which they agreed to be subject to the enforcement proceedings in accordance with Art. 777 §1 (5) of the Code of Civil Procedure in favour of the Lender or, respectively, the Factor and made contracts on accession to the debt the purpose of which was to establish a joint and several liability of the Borrowers.

The remaining terms and conditions of the agreements do not differ from standard clauses applied in such types of agreements.

Financial liabilities measured at amortised cost

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

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

	Currency	Interest rate	Maturity date / date of repayment of the last instalment	Value of outstanding investment loan amount/ limit of revolving loans granted		Liability	
				in foreign currency	in PLN	short-term	long-term
AS AT 31/12/2020							
INVESTMENT LOANS (FIXED TERM)							
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	10.2021	PLN	1,575	700	700
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	11.2021	PLN	4,352	3,683	
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	2,520	1,120	1,120
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	12.2025	PLN	11,500	2,191	8,762
commission costs						- 21	- 7
Total investment loans					19,947	7,673	10,575
WORKING CAPITAL LOANS							
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	10.2021	PLN	25,800	7,589	
mBank S.A.	PLN	WIBOR 1M + margin	10.2022	PLN	6,000		
Total working capital loans					31,800	7,589	0
Total loans					51,747	15,262	10,575
AS AT 31/12/2019							
INVESTMENT LOANS (FIXED TERM)							
ING Bank Śląski S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	6,344	2,910	3,496
Santander Bank Polska S.A.	PLN	WIBOR 1M + margin	12.2022	PLN	6,406	2,910	3,496
commission costs						- 28	- 34
Total investment loans					12,750	5,792	6,958
WORKING CAPITAL LOANS							
ING Bank Śląski S.A. - working capital loan	PLN	WIBOR 1M + margin	04.2020	PLN	4,000	3,431	
Santander Bank Polska S.A. - working capital loan	PLN	WIBOR 1M + margin	04.2020	PLN	5,000	4,138	
ING Bank Śląski S.A. - overdraft facilities	PLN	WIBOR 1M + margin	04.2020	PLN	18,500	3,912	
Santander Bank Polska S.A.- overdraft facilities	PLN	WIBOR 1M + margin	04.2020	PLN	20,500	12,409	
Total working capital loans					48,000	23,890	0
Total loans					60,750	29,682	6,958

7.4. Liability payment guarantee

The loan, factoring and lease agreements liabilities of the Group are covered by the following collaterals:

- a) The Multiline Credit Facility Contract liabilities and the investment loan credits are covered by the following collaterals:
 - registered pledges and financial pledges on all the shares and participations in the Companies: Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., MerService Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., OEX24 Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A.,
 - financial pledges on the bank accounts of the following companies: OEX S.A., Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., MerService Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A. and OEX24 Sp. z o.o.,
 - assignment of rights from insurance contracts and policies to secure the debt as taken out by the following Companies: OEX E-Business Sp. z o.o., Voice Contact Center Sp. z o.o.,
 - statements consenting to be subject to enforcement proceedings in accordance with Art. 777 (1) (5) of the Civil Procedure Code. made by the following Companies: OEX S.A., Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., MerService Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., OEX24 Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A.,
 - contracts on accession to the debt entered into by companies: OEX S.A., Europhone Sp. z o.o., Merservice Sp. z o.o., OEX24 Sp. z o.o., OEX Cursor S.A., OEX E-Business Sp. z o.o., Pro People Sp. z o.o., PTI Sp. z o.o., Tell Sp. z o.o., Voice Contact Center Sp. z o.o.
- b) The liabilities under the factoring agreements are covered by the following repayment collaterals:
 - statements consenting to be subject to enforcement proceedings in accordance with Art. 777 (1) (5) of the Civil Procedure Code. made by the following Companies: OEX S.A., Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., MerService Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., OEX24 Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A.,
 - financial pledges on the bank accounts of the following companies: OEX S.A., Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., MerService Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A. and OEX24 Sp. z o.o.,
 - registered pledges and financial pledges on all the shares and participations in the Companies: Tell Sp. z o.o., Europhone Sp. z o.o., PTI Sp. z o.o., MerService Sp. z o.o., Pro People Sp. z o.o., OEX E-Business Sp. z o.o., OEX24 Sp. z o.o., Voice Contact Center Sp. z o.o., OEX Cursor S.A.
- c) The liabilities under the lease agreements are covered by the following repayment collaterals:
 - blank promissory notes to lease agreements signed with PKO Leasing, Raiffeisen-Leasing Polska S.A., EFL and Grenke Leasing Sp. z o.o.

As at 31/12/2020 and 31/12/2019, the following assets of the Group (in their carrying amounts) constituted collaterals and guarantees for the repayment of liabilities:

	31/12/2020	31/12/2019
LIABILITY PAYMENT GUARANTEE		
Tangible fixed assets, including leased assets		19,450
Inventories		2,775
Movable property:		
Cash	47,487	54,745
Total assets constituting collaterals and guarantees for the repayment of liabilities	47,487	76,970

Additionally, the payments are secured by shares and participations in the Group's subsidiaries in the carrying amount of kPLN 88,854 (as at 31/12/2019; kPLN 84,516),

7.5. Debt securities

As at 31 December 2020 and 31 December 2019, the Group did not have any debt securities issued.

7.6. Other information on financial instruments

Information on the fair value of financial instruments:

The comparison of the carrying amount of financial assets and liabilities with their fair value is as follows:

	Note	31/12/2020		31/12/2019	
		Fair value	Carrying amount	Fair value	Carrying amount
CLASS OF FINANCIAL INSTRUMENT					
ASSETS					
Loans	7.2	1,985	1,985	294	294
Trade receivables and other receivables	10	108,322	108,322	103,711	103,711
Non-listed shares	7.2	829	829	500	500
Receivables under the right of use assets	7.1	11,037	11,037	7,455	7,455
Cash and cash equivalents	11	52,386	52,386	55,729	55,729
LIABILITIES					
Overdraft facilities, revolving loans and term loans	7.3	25,837	25,837	36,640	36,640
Liabilities under the right-of-use assets – premises and warehouses (IFRS 16)	7.1	81,674	81,674	79,633	79,633
Liabilities under the right-of-use assets – other tangible fixed assets (IFRS 16)	7.1	8,038	8,038	8,433	8,433
Factoring liabilities	7.1	4,134	4,134	9,169	9,169
Trade liabilities	16	66,351	66,351	53,094	53,094
Other financial liabilities	16	1,156	1,156	29	29

In item '*Shares in unlisted companies*', the Group recognises the value of 20% of shares in NextBuy Sp. z o.o. it acquired. Additionally, on 17 November 2020, VSF Sp. z o.o., was established. OEX S.A. subscribed 1,496 shares in that company in the total nominal value of PLN 329,120.00, constituting 17.60% of its share capital. In consequence of the financing round of December 2020, in which two Venture Capital funds took part, subscribing new shares in the increased share capital for cash, the share of OEX S.A. in the company's share capital decreased (upon the registration of the above-mentioned share capital increase on 15/02/2021) to 14.92%. The Company develops modern software - Vue Storefront, which is a front-end interface dedicated to popular e-shop management systems (e.g. Magento, Shopify Plus, Salesforce), on the basis of the PWA technology. Owing to the software, the Internet shop client visiting the website - irrespective of the device he or she uses to connect, but mainly a mobile phone – uses the functionalities that earlier were only available via special applications created for Android or iOS systems installed on such devices.

NextBuy designed and created an IT system supporting and automating purchasing processes in companies. This SaaS model based platform provides modules allowing a digitalisation of such processes in purchasing departments as: eCatalogues, requisitioning and purchase orders, eTenders and eSourcing, supplier bases, contract management and vendor management, comprehensive reporting data. The system architecture allows a full process automation, flexible configuration adjustable to the structure of each given company, integration with systems already in use and access from each place and device. NextBuy efficiently supports the SMEs as well as large corporations representing various branches of industry. The Company has been active on the market since 2011. NextBuy supplements the offer of the eCommerce Services segment.

For the purposes of these consolidated statements, the Management Board analysed whether or not it exercises a significant influence over NextBuy Sp. z o.o. in particular in the context of provisions of Art. 5-6 of IAS 28. According

to the Management Board of OEX S.A., the investment in that Company has a passive character (no interference with the day-to-day management of the Company). Thus, despite holding a 20% share in the share capital, the Group does not have a significant influence over Nextbuy Sp. z o.o and this investment is not measured in the consolidated financial statements using the equity method.

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

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

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

8. Deferred income tax assets and liabilities

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

	Note	31/12/2020	31/12/2019
DEFERRED INCOME TAX LIABILITIES			
State as at period beginning		11,517	10,383
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)			- 651
Impact on the net financial result	20	- 1,367	- 1,785
State as at period end		12,884	11,517
DEFERRED INCOME TAX ASSETS			
State as at period beginning		7,093	5,492
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)			- 638
Impact on the net financial result	20	3,087	2,239
State as at period end		10,180	7,093

DEFERRED INCOME TAX ASSETS

Temporary differences	As at period beginning	Impact on the	Sale of subsidiaries ArchiDoc and ArchiDoc MED (-)	At period end
AS AT 31/12/2020				
ASSETS				
Intangible fixed assets	64	27		91
Tangible fixed assets	359	- 157		202
Inventories	290	27		317
Trade receivables	1,010	- 384		626
Financial derivatives	5	- 3		2
Other assets	852	446		1,298
LIABILITIES				
Employee benefits liabilities	1,038	491		1,529
Provisions for employee benefits	605	132		737
Other provisions and other liabilities	1,057	1,457		2,514
Trade liabilities	24	113		137
Loans, credits, other debt instruments	2	- 1		1
Lease and rental IFRS 16	411	1,071		1,482
Other liabilities	697	- 204		493
OTHER				

Unsettled tax losses		679	72		751
Total		7,093	3,087		10,180
AS AT 31/12/2019					
ASSETS					
Intangible fixed assets			64		64
Tangible fixed assets		80	279		359
Inventories		256	34		290
Trade receivables		796	228	- 14	1,010
Financial derivatives		21	- 16		5
Other assets		313	544	- 5	852
LIABILITIES					
Employee benefits liabilities		1,105	111	- 178	1,038
Provisions for employee benefits		720	- 62	- 53	605
Other provisions and other liabilities		451	606		1,057
Trade liabilities		136	- 65	- 47	24
Loans, credits, other debt instruments		31	- 29		2
Lease and rental IFRS 16			411		411
Other liabilities		805	233	- 341	697
OTHER					
Unsettled tax losses		778	- 99		679
Total		5,492	2,239	- 638	7,093

DEFERRED INCOME TAX LIABILITIES

Temporary differences	As at period beginning	Impact on the	Sale of subsidiaries ArchiDoc and ArchiDoc MED (-)	At period end
AS AT 31/12/2020				
ASSETS				
Intangible fixed assets	8,156	208		8,364
Tangible fixed assets	544	64		608
Trade receivables	74	277		351
Other assets	277	- 140		137
LIABILITIES				
Trade liabilities		67		67
Loans, credits, other debt instruments	2	5		7
Lease and rental IFRS 16	511	186		697
Other liabilities	1,953	700		2,653
Total	11,517	1,367		12,884
AS AT 31/12/2019				
ASSETS				
Intangible fixed assets	8,034	167	- 45	8,156
Tangible fixed assets	1,424	- 388	- 492	544
Trade receivables	22	52		74
Other assets	404	- 17	- 110	277
LIABILITIES				
Loans, credits, other debt instruments	4	2	- 4	2
Lease and rental IFRS 16		511		511
Other liabilities	495	1,458		1,953

Total		10,383	1,785	- 651	11,517
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9. Inventories

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

	31/12/2020	31/12/2019
INVENTORIES		
Materials	1,169	
Goods	5,995	7,208
Finished products	2,906	
Impairment of inventories (-)	- 1,669	- 3,293
Advances for supplies	963	24
Net carrying amount	9,364	3,939

Impairment of inventories:

	01/01-31/12/2020	01/01-31/12/2019
IMPAIRMENT OF INVENTORIES		
State as at period beginning	3,293	1,348
Loss expensed as cost in the period	541	1,945
Provisions used (-)	- 2,165	
State as at period end	1,669	3,293

In 2020, the Group recognised in the operating activities of the consolidated statement of profit or loss the costs of inventories sold in the total amount of kPLN 49,443 (2019: kPLN 131,833).

As at 31 December 2020, no inventories constituted collaterals for the Group's liabilities (in 2019: kPLN 2,775). Information about the collaterals for liabilities is presented in Note No. 7.4.

10. Trade Receivables and Other Receivables

The trade receivables and other receivables are as follows:

LONG TERM RECEIVABLES

	31/12/2020	31/12/2019
LONG TERM RECEIVABLES		
Long-term receivables from the right of use assets (IFRS 16)	7,190	5,008
Deposits paid	704	765
Prepayments and accruals, including	3,021	6,149
- rental costs	2	
- IT services	39	143
- project preparation costs expensed over time	2,922	5,936
- costs of other services	58	70
State as at period end	10,915	11,922

SHORT-TERM RECEIVABLES

	31/12/2020	31/12/2019
SHORT-TERM RECEIVABLES		
FINANCIAL ASSETS		

Trade receivables	92,471	93,006
Impairment of trade receivables (-)	- 4,888	- 6,139
Net trade receivables	87,583	86,867
Deposits paid	110	121
Short-term receivables from the right of use assets (IFRS 16)	3,847	2,447
Other receivables	20,739	16,679
Impairment of other financial receivables (-)	- 814	- 721
Net other financial receivables	23,882	18,526
NON-FINANCIAL ASSETS		
Other tax and other benefit receivables	11,244	9,348
Income tax receivables	640	1,542
Advances and prepayments	77	51
Prepayments and accruals, including	2,768	3,872
- insurance costs	248	251
- rental costs	31	30
- transport services	1	
- IT services	254	275
- licence fees	300	265
- project preparation costs expensed over time	1,530	2,409
- costs of other services	404	642
Other non-financial receivables	1,265	814
Impairment of non-financial receivables (-)	- 878	- 1,190
Net non-financial receivables	15,116	14,437
Total short-term receivables	126,581	119,830

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

In the item *Other tax and other benefit receivables*, the Group mainly recognises VAT receivables. They are mostly composed of receivables of OEX24 Sp. z o.o. and OEX E-Business Sp. z o.o. with the values of, respectively, kPLN 5,081 and kPLN 3,304. Those receivables are in part covered by VAT settlement-related tax inspections – in case of OEX24 sp. z o.o. in the total amount of kPLN 3,522 and in case of OEX E-Business Sp. z o.o. in the total amount of kPLN 1,285. Additionally, OEX24 sp. z o.o. is subject to two tax proceedings related to VAT settlements in the total amount of kPLN 1,377.

Receivables subject to tax inspections

The IRS Office for Warszawa-Ursynów conducts a number of tax inspections in OEX24 Sp. o.o. that control various periods of 2019 and 2020 with regards to VAT settlements in intra-community delivery transactions and goods purchase transactions. Inspections covering a similar scope (with regard to two periods of 2019) are also conducted in OEX E-Business Sp. z o.o. (by the First Masovian IRS Office in Warsaw and the Second Masovian IRS Office in Warsaw). The companies were not presented with any information about possible irregularities that could be a basis for such inspections or could result from the same. The Management Boards of both companies are of the opinion that the tax inspections are prolonged unjustly and consistently challenge the decisions to extend the deadlines for the refund of VAT. This opinion was on three occasions confirmed by judgements issued by the Provincial Administrative Court – in the opinion of the court, the tax authorities failed to plausibly demonstrate a necessity to continue to further verify the validity of refund of the tax for all the periods covered by the challenged decisions in the context of the principles resulting from the essence and character of VAT. In view of the due diligence maintained by the companies in the inspected transactions demonstrated by an application of all procedures, including but not limited to, the verification of contractors, the Management Boards of the companies are of the opinion that there is a low risk that the right to receive a VAT refund from the tax authorities may be questioned.

Receivables covered by the tax proceedings

The Podlasie Costumes and Revenue Inspection in Białymstok carries out two tax proceedings against OEX24 Sp. z o.o. instigated on the basis of inspections made by the same body (in June last year), in which the authorities questioned the company's right to deduct VAT from transactions with its two contractors, since the tax authorities questioned the economic sense of such transactions. The value of VAT refund questioned is kPLN 1,377 . The company does not agree with the inspection results due to the fact that the authorities justify their thesis by irregularities at earlier stages of the turnover found in other tax payers that have no relations whatsoever with the company. In the light of the case law of administrative courts and the European Union Tribunal of Justice, there are no grounds to burden a taxpayer with responsibility for irregularities of other taxpayers with which no transactions were made. The Management Board of the company is convinced that the company demonstrated due diligence and care in the selection of its suppliers and in the verification of particular transactions and, in consequence, it met all the premises to acquire the right to deduct the VAT. The Company also fully complied with the methodology of the Ministry of Finance concerning the due diligence as presented in the model developed by the Ministry as well as with the case law of Polish administrative courts and the European Union Tribunal of Justice, which, in the opinion of the company's Management Board, allows it to conclude that it correctly discharged its tax obligations in the period under inspection and there are no grounds for the tax authorities to question its right to receive a refund of the VAT. The company takes an active part in the proceedings, submitting numerous evidence to support the reliability of the transaction and its position. It should be however noted that as at the date of the publication of these statements, no decision has been issued in this case, therefore an outcome of proceedings positive for the company is not certain and there is a risk that the tax authorities may question the right to deduct the VAT still exists.

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

	01/01-31/12/2020	01/01-31/12/2019
IMPAIRMENT OF RECEIVABLES		
State as at period beginning	8,051	6,316
Impairment related to an acquisition of a subsidiary	93	
Loss expensed as cost in the period	598	2,335
Reversal of impairments carried as revenue in the period (-)	- 232	- 386
Provisions used (-)	- 1,930	- 87
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)		- 128
State as at period end	6,580	8,050

The Group tested the receivables for impairment in accordance with its accounting principles (cf. item c) in the item "Drawing up basis and accounting rules"). The receivables impairment charges, which in 2020 were made in other operating costs of the consolidated statement of profit or loss amounted to:

- with regard to short-term financial receivables kPLN 598 (2019: kPLN 2,227).
- with regard to short-term financial receivables kPLN 0 (2019: kPLN 108),

A further credit risk analysis concerning the receivables, including the age analysis of past due receivables not subject to the impairment charge, is presented in Note No. 25.

11. Cash and cash equivalents

	31/12/2020	31/12/2019
CASH AND CASH EQUIVALENTS		
Cash at bank in PLN	32,908	52,584
Cash at bank in foreign currency	2,193	2,849
Cash at hand	206	289
Short-term deposits	17,079	
Other		7
Total cash and cash equivalents	52,386	55,729

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

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

Assets held for sale in 2019:

On 19 July 2019, the Management Board of OEX S.A. received from Offsite Archive Storage & Integrated Services Ltd. a final offer of purchase of 4,250,000 shares in ArchiDoc S.A. constituting 100% of its share capital. The transaction of the sale of shares in ArchiDoc S.A. took place on 17 October 2019.

The business of ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o. was qualified as assets held for sale. Pursuant to IFRS 5, the Group restated the information concerning the assets held for sale of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. in the consolidated statement of profit or loss for 2018 so that such disclosures concerned all such assets held for sale before the balance sheet date of the latest period presented.

The key financial data of ArchiDoc S.A. and its subsidiary ArchiDoc MED Sp. z o.o. (jointly the ArchiDoc Group) as at 17 October 2019 and for the period from 1 January – 17 October 2019 as well as at 31 December 2018 and for the period

from 1 January to 31 December 2018 recognised in the consolidated financial statements of the OEX Group (in k PLN):

	ArchiDoc Group 2019	ArchiDoc Group 2018
Fixed assets	33,305	11,133
Current assets	19,751	15,140
Long-term liabilities	25,333	7,005
Short-term liabilities	18,480	9,953
Revenue from sales	53,215	51,901
Operating profit	5,470	5,268
Pre-tax profit	5,166	5,099
Net profit	4,369	4,255

All revenues from the assets held for sale are assigned to the shareholders of the Parent Company.

The net cash flows that may be assigned to operating, investment or financial activities held for sale.

	ArchiDoc Group 2019	ArchiDoc Group 2018
Cash flow from operating activity	8,094	1,110
Cash flow from investing activity	-987	-1,759
Cash flow from financial activity	-5,614	-2,279

13. Shareholder's equity

13.1. Share capital

As at 31/12/2020, the share capital of the Parent Company amounted to PLN 1,598 (did not change when compared to the comparable period) and was divided into 7,989,984 shares of the nominal value of PLN 0.20 each. All shares have been fully paid up.

All shares equally participate in the dividend distribution. The shares are divided into ordinary bearer shares, which entitle to one vote at the General Meeting of Shareholders, and preferential shares, where however preferential share entitle to two votes.

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

After the balance sheet date, on 21 January 2021, the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, registered an amendment to the Articles of Association of the Company made by virtue of a resolution of the General Meeting of Shareholders of the Company No. 20 dated 25 August 2020 concerning a decrease in the share capital of the Company in relation with the redemption of treasury shares and an amendment to the Articles of Association of the Company.

In relation with the adoption of the Resolution and the registration of the amendments to the Articles of Association,, the share capital in OEX S.A. was decreased from PLN 1,597,996.80 to PLN 1,513,786.40.

As at the date of registration of the share capital decrease, the total number of votes from all the shares in the Company amounts to 8,950,244 and the share capital is divided into 7,568,932 shares of the nominal value of PLN 0.20 each.

13.2. Number and book value per one share (in PLN)

	31/12/2020	31/12/2019
NUMBER OF SHARES		
Book value	155,024	156,412
Number of shares (items)	7,568,932	7,568,932
Diluted number of shares (items)	7,568,932	7,568,932

BOOK VALUE PER ORDINARY SHARE (PLN)		
	31/12/2020*	31/12/2019*
Book value of one share	20.57	20.66
Diluted book value per one share	20.57	20.66

*the book value per share and the diluted book value per share as at 31/12/2020 and 31/12/2019 were calculated on the basis of shares issued Including treasury shares purchased

13.3. Other equity

	31/12/2020	31/12/2019
OTHER EQUITY		
Share premium	63,004	63,004
Treasury shares purchased for redemption (-)	- 8,072	- 8,072
Retained profits, including:	90,925	96,619
- reserve capital for the purchase of treasury shares	8,300	8,300
- other capitals	4,847	4,847
- retained profit from previous years	65,912	63,272
- net profit for the parent company's shareholders	11,866	20,200
Non-controlling interests	7,680	3,263
State as at period end	153,537	154,814

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

The funds allocated for the acquisition of the Company's treasury shares could not be higher than PLN 8,000, thousand. The funds originated from the Company's own funds at the reserve capital set up on the basis of Resolution No. 22 of the Ordinary General Meeting of Shareholders in the Company dated 25 June 2019.

The amount of the reserve capital was determined at PLN 8,300 thousand. The reserve capital was created from a transfer of PLN 8,300 thousand from the Company's supplementary capital. The reserve capital was allocated in whole for the acquisition of the Company's treasury shares, including all the acquisition costs. Until 31 December 2020, OEX S.A. purchased 421,052 treasury shares. The share purchase price was PLN 8,072 thousand. The shares in the Parent Company were not held by the subsidiaries.

13.4. Non-controlling interests

	31/12/2020	31/12/2019
NON-CONTROLLING INTERESTS		
Non-controlling interests at period beginning	3,263	2,475
Share in the profit of the period	2,702	1,767
Change in the shareholding structure	21	
Acquisition of a subsidiary	4,359	
Dividends for the non-controlling interests	- 2,665	- 979
State as at period end	7,680	3,263

The capital of the non-controlling interests. at 31/12/2020 and 31/12/2019 is related to the settlement of the acquisition of control over Divante S.A. and as at 31 December 2020 over iPOS S.A. The OEX Group holds 51.03% of shares in Divante S.A. and 50.99% of shares in iPOS S.A.

Information concerning non-controlling interests and abbreviated financial information for Divante S.A. and iPOS S.A.:

	31/12/2020		31/12/2019
	iPOS S.A.	Divante S.A.	Divante S.A.
Non-controlling interest (%)	49.01%	48.97%	48.97%
Non-controlling interest as at the period end	3,638	4,042	3,263
Financial result attributable to non-controlling interest	- 722	3,424	1,767
Current assets	8,008	15,174	10,155
Fixed assets	3,648	8,963	7,585
Short-term liabilities	4,230	10,403	7,105
Long-term liabilities		1,477	1,493
Revenue from sales	1,401	51,829	41,743
Operating profit (loss)	- 1,464	7,422	5,668
Profit (loss) before taxation	- 1,473	7,199	5,031
Profit (loss) after taxation	- 1,473	7,251	3,942

14. Employee benefits

14.1. Costs of employee benefits

	01/01-31/12/2020	01/01- 31/12/2019*
COSTS OF EMPLOYEE BENEFITS		
Payroll costs	151,921	149,659
Social insurance costs	21,516	22,051
Costs of future benefits (provisions, retirement benefits)	255	819
Costs of provisions for accrued holidays	604	1,077
Other benefits	1,324	831
State as at period end	175,620	174,437

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

14.2. Provisions for employee benefits

The provisions for employee benefit in the consolidated statement of financial position comprise:

	31/12/2020	31/12/2019
PROVISIONS FOR EMPLOYEE BENEFITS		
SHORT-TERM EMPLOYEE BENEFITS		
Provisions for accrued holidays	3,214	2,877
State as at period end	3,214	2,877
LONG-TERM EMPLOYEE BENEFITS		
Provisions for retirement benefits	161	111
State as at period end	161	111

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

	Provisions for long-term employee benefits			
	Jubilee bonuses	Retirement benefits	Other	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2020				
State as at period beginning		111		111
Changes recognised in the statement of profit or loss:				
- Current and past service costs		50		50
Provisions as at 31/12/2020		161		161
FOR THE PERIOD FROM 01/01 TO 31/12/2019				
State as at period beginning		121		121
Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)		- 39		- 39
Changes recognised in the statement of profit or loss:				
- Current and past service costs		29		29
Provisions as at 31/12/2019		111		111

15. Other provisions

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

OTHER PROVISIONS				
	31/12/2020		31/12/2019	
	Short-term provisions	Long-term provisions	Short-term provisions	Long-term provisions
Provision for cases in court	52		52	
State as at period end	52		52	

	Other long-term and short-term provisions for:			
	damages	litigations in Court	other	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2020				
State as at period beginning		52		52
Provisions as at 31/12/2020		52		52
FOR THE PERIOD FROM 01/01 TO 31/12/2019				
State as at period beginning		35	112	147
Provision increase carried as expense in the period		17		17
Provision increase carried as income in the period (-)			- 44	- 44

Sale of subsidiaries ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. (-)			- 68	- 68
Provisions as at 31/12/2019		52		52

16. Trade liabilities and other liabilities

The specification of balance sheet item *The trade liabilities and other liabilities* (cf. also Note No. 7) is as follows:

	31/12/2020	31/12/2019
TRADE LIABILITIES AND OTHER LIABILITIES		
Trade liabilities	66,076	52,165
Liabilities under the purchase of fixed assets	275	929
Other tax liabilities	6,622	10,146
Payroll liabilities	7,837	4,000
Liabilities under social insurance	4,956	2,872
Other employee liabilities	5,240	2,665
Other liabilities	5,292	2,188
Short-term prepayments	6,119	2,094
Total trade liabilities and other liabilities	102,417	77,059

The specification of balance sheet item *Other short-term financial liabilities* is as follows:

	31/12/2020	31/12/2019
OTHER SHORT-TERM FINANCIAL LIABILITIES		
Factoring liabilities	4,134	9,169
Other financial liabilities	1,156	29
Total other short-term financial liabilities	5,290	9,198

Breakdown of short-term liabilities into financial and non-financial:

	31/12/2020	31/12/2019
SHORT-TERM LIABILITIES		
FINANCIAL LIABILITIES		
Trade liabilities	66,076	52,165
Liabilities under the purchase of fixed assets	275	929
Factoring liabilities	4,134	9,169
Liabilities under the right-of-use assets – premises and warehouses (IFRS 16)	21,610	19,891
Liabilities under the right-of-use assets – other tangible fixed assets (IFRS 16)	3,478	3,420
Other financial liabilities:	16,418	29,711
- loans	15,262	29,682
- other financial liabilities	1,156	29
Financial Liabilities	111,991	115,285
NON-FINANCIAL LIABILITIES		
Other tax and other benefit liabilities:	27,869	22,560
- payroll liabilities	7,837	4,000
- liabilities under social insurance	4,956	2,872
- other tax liabilities	6,622	10,146
- provisions for accrued holidays	3,214	2,877
- other employee liabilities	5,240	2,665
Income tax liabilities	2,159	2,273
Other non-financial liabilities:	11,463	4,334
- other short-term liabilities	5,292	2,188
- short-term accruals	6,119	2,094

- other short-term provisions	52	52
Non-financial liabilities	41,491	29,167
Total short-term liabilities	153,482	144,452

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

17. Operating revenue and costs

17.1. Revenue from the sale of goods and services

	Note	01/01-31/12/2020	01/01- 31/12/2019*
REVENUE FROM SALES			
Revenue from the sale of services		454,783	437,967
Revenue from the sale of goods and materials		55,388	141,481
Revenue from sales		510,171	579,448

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

17.2. Cost of sales

	Note	01/01-31/12/2020	01/01- 31/12/2019*
COST OF SALES			
Costs of services sold		375,538	363,127
Cost of goods and materials sold		49,452	131,833
Cost of sales		424,990	494,960

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

17.3. Costs by type

	Note	01/01-31/12/2020	01/01- 31/12/2019*
COSTS PER TYPE			
Depreciation and amortization of fixed assets	4.5	6,807	5,660
Depreciation/amortisation of the right-of-use assets (IRFS 16)	6	21,872	22,302
Consumption of materials and energy		26,982	28,036
Contracted services		196,070	187,536
Taxes and fees		3,924	3,730
Employee benefits		175,856	174,203
Other costs by type		8,728	10,384
Total costs per type		440,239	431,851
Value of goods and materials sold		49,452	131,833
Change in products and work in progress (+/-)		- 36	- 319
Own cost of the sale, selling costs and administration costs		439,958	431,385

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

17.4. Other operating revenue

	Note	01/01-31/12/2020	01/01- 31/12/2019*
OTHER OPERATING REVENUE			
Profit from the sale of non-financial fixed assets		175	12
Reversal of impairment of financial receivables	10	192	386
Reversal of impairment of non-financial receivables	10	40	
Write-back of unused provisions		14	255

Penalties and indemnities received		373	191
Subsidies received		3,531	
Liabilities written-off		611	1,295
Occasional profit IFRS 16		1,045	
Sale of an organised part of business		271	
Other revenue		1,111	958
Total other operating revenue		7,363	3,097

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

17.5. Other operating expenses

	Note	01/01-31/12/2020	01/01- 31/12/2019*
OTHER OPERATING EXPENSES			
Impairment of financial receivables	10	598	2,227
Impairment of non-financial receivables	10		108
Impairment of inventories	9	541	1,945
Set-up of provisions		244	56
Penalties and indemnities paid		136	157
Receivables written-off		801	1,572
Inventory differences		29	609
Liquidation of fixed assets		285	277
Revaluation of project costs		1,483	381
Costs of notes issued to agents		181	
Other costs		936	1,695
Total other operating costs		5,234	9,027

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

18. Financial income and expenses

18.1. Financial income

	Note	01/01-31/12/2020	01/01- 31/12/2019*
FINANCIAL INCOME			
INTEREST INCOME CONCERNING FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS			
Cash and cash equivalents (deposits)	11	15	20
Loans and receivables	7.2, 10	661	663
Interest income concerning financial instruments not carried at fair value through profit or loss		676	683
OTHER			
Other financial income		104	112
Total financial income		780	795

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

18.2. Financial costs

	Note	01/01-31/12/2020	01/01- 31/12/2019*
FINANCIAL COSTS			
INTEREST EXPENSE CONCERNING FINANCIAL INSTRUMENTS NOT CARRIED AT FAIR VALUE THROUGH PROFIT OR LOSS			
Liabilities under the right-of-use assets – premises and warehouses (IFRS 16)		3,856	4,060
Liabilities under the right-of-use assets – other tangible fixed assets (IFRS 16)		360	360
Credits and loans	7.3	1,332	3,769

Factoring		688	1,092
Trade liabilities and other liabilities	16	24	70
Interest expense concerning financial instruments not carried at fair value through profit or loss		6,260	9,351
EXCHANGE DIFFERENCE (GAINS) LOSSES (+/-)			
Cash and cash equivalents		66	662
Loans and receivables		5	
Financial liabilities measured at amortised cost		3,362	802
Exchange difference (gains) losses (-/+)		3,433	1,464
OTHER			
Other financial costs		499	507
Total financial costs		10,192	11,322

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

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

19. Profit on the sale of shares and participations

Profit on the sale of shares disclosed in 2019:

On 17 October 2019, OEX S.A. signed with Offsite Archive Storage & Integrated Services Ltd. with registered office in Dublin, an agreement on the sale of 4,250,000 shares in ArchiDoc S.A. with registered office in Chorzów, constituting 100% of its share capital.

The preliminary share selling price was PLN 65,000,000. The selling price took into account the payment by ArchiDoc to OEX S.A. of a dividend of PLN 3,414,580.58 on the transaction day.

The above-mentioned selling price, less PLN 3,500,000 was paid by OASIS on 17 October 2019, whereby:

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

The above-mentioned preliminary selling price was then increased, in accordance with the terms and conditions of SPA, by an amount of PLN 1,331,000 in consequence of verification of selected balance sheet items of ArchiDoc S.A. as at 30 September 2019. The value of the additional payment is an element of the total transaction price recognised in the result for 2019. OASIS paid the additional amount, i.e. PLN 1,331,000 to the bank account of OEX S.A. on 14 February 2020.

The preliminary selling price was also increased in consequence of a final calculation of profitability of one of the projects pursued by ArchiDoc S.A. in 2019, which was verified on the basis of approved and audited financial statements of ArchiDoc S.A. for 2019. The value of the additional payment related to the project settlement was estimated at PLN 500,000 and constituted an element of the total transaction price recognised in the result for 2019.

The above-mentioned amount of PLN 3,500,000 was paid by OASIS on the day the SPA was signed, i.e. 17 October 2019 to an escrow account and was credited at the account of OEX S.A. on 26 June 2020.

The Parties also agreed in the SPA that OEX S.A. would be entitled to conditional additional payments to the preliminary selling price (hereinafter referred to as the 'earn-out') that would be due in case ArchiDoc exceeded the agreed standardised EBITDA value in the period from 1 January 2020 to 31 December 2020 and from 1 January 2021 to 31 December 2021. The total maximum amount of additional payments to the price on this account may amount to PLN 15,000,000.

In 2019, the Management Board estimated to the best of its knowledge that the earn-out would amount to PLN 8,250,000. The value constitutes an element of the total share selling price recognised in the Group's financial result for 2019.

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

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

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

Below is presented a calculation of the result on the disposal of shares in ArchiDoc S.A. recognised directly in the consolidated statement of profit or loss of 2019:

DISPOSAL OF A SUBSIDIARY	
	ArchiDoc Group
Date of sale	17/10/2019
Percentage of shares sold	100%
Selling price of shares, including:	75,081
Revenue made on 17/10/2019	61,500
Frozen revenue (escrow)	3,500
Estimated additional payments to the price under the Completion Accounts	1,331
Estimated additional payments to the price under the project profitability recalculation	500
Estimated additional payments to the price under the earn-out	8,250
Costs related to the share sale, including:	50,516
Net assets of the ArchiDoc Group	9,193
Goodwill attributed to the ArchiDoc Group	36,526
Costs incurred in relation with the share sale	3,991
Estimated costs of selling depending on the value of additional payment to the price	806
Result on the sale of shares	24,565
Net cash flow in result of the sale of shares	59,870
- total cash flow in result of the sale of shares	61,500
- cash at bank accounts of the companies sold as at the selling date	1,630

Revaluation of the profit on the share sale in 2020:

In 2020, the Group reassessed the value of expected additional payment to the selling price of shares in ArchiDoc S.A. that depended on the financial performance of ArchiDoc S.A. (earn-out). After reanalysis, the Group estimated the additional payment to amount to kPLN 5,272 . The total estimated price of such additional payments amounts as at the balance sheet day amounted to kPLN 13,522 . Additionally, after recalculation of the profitability of one of the projects pursued by ArchiDoc S.A., in 2020 the Group also had additional profit from the additional payment to the selling price for shares in ArchiDoc S.A. in the amount of kPLN 280 .

Below is presented the impact of a recalculation of revenue and costs related to the sale of shares in ArchiDoc S.A. which had an impact on the Group's financial performance in 2020.

RESULT ON THE SALE OF SHARES

Share selling price, including:	5,552
Estimated additional payments to the price under the earn-out	5,272
Settlement of the additional payments to the price under the project profitability recalculation	280
Costs related to the share sale, including:	444
Estimated costs of selling depending on the value of additional payment to the price	422
Costs incurred in relation with the project profitability recalculation	22
Result on the sale of shares	5,108

20. Income tax

	Note	01/01- 31/12/2020	01/01- 31/12/2019*
INCOME TAX			
CURRENT TAX			
Settlement of tax for the reporting period		6,346	7,091
Adjustment of tax for previous periods		- 760	- 31
Current tax		5,586	7,060
DEFERRED INCOME TAX			
Temporary difference occurrence and reversal	8	- 1,720	- 455
Deferred income tax		- 1,720	- 455
Total income tax		3,866	6,605

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

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

	Note	01/01- 31/12/2020	01/01- 31/12/2019*
Pre-tax result		18,434	24,203
Tax rate applied by the Parent Company		19%	19%
Income tax as per the domestic tax rate in the country of the Parent Company		3,502	4,599
RECONCILIATION OF THE INCOME TAX DUE TO:			
Non-taxable revenues (-)		- 1,133	- 336
Permanently non-tax deductible costs (+)		1,995	2,338
Utilisation of the previously non-recognised deductible temporary differences (-)		- 635	- 514
Unrecognised deferred tax asset concerning deductible temporary differences (+)		754	482
Unrecognised deferred tax asset concerning tax losses (+)		518	
Adjustment of tax for previous periods (+/-)		- 525	- 40
Other adjustments (+/-)		- 610	77
Income tax		3,866	6,606
Average tax rate applied		21%	27%

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

21. Earnings per share and dividends paid

21.1. Earnings per share

The earnings per share are calculated in accordance with the formula: net profit attributable to the Parent Company's shareholders divided by average weighted number of ordinary shares in the given period.

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

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

	01/01-31/12/2020	01/01-31/12/2019
AVERAGE WEIGHTED NUMBER OF SHARES		
Average weighted number of ordinary shares (items)	7,568,932	7,957,684
Average weighted diluted number of ordinary shares (items)	7,568,932	7,957,684

	01/01- 31/12/2020**	01/01- 31/12/2019*/**
Continued activities		
Net profit on continued activities (in PLN)	11,866,202.58	15,831,038.06
- basic earnings per share (PLN)	1.57	2.09
- diluted earnings per share (PLN)	1.57	2.09
Assets held for sale		
Net profit on assets held for sale (in PLN)	-	4,368,592.07
- basic earnings per share (PLN)	-	0.58
- diluted earnings per share (PLN)	-	0.58
Continued operations and assets held for sale		
Net profit on continued activities and assets held for sale (in PLN)	11,866,202.58	20,199,630.13
- basic	1.57	2.67
- diluted	1.57	2.67

* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

**the net profit per ordinary share for the years 2020 and 2019 was calculated based on the number of shares issued, including the treasury shares purchased

21.2. Dividends

On 25 August 2020, the General Meeting of Shareholders of OEX S.A. adopted a resolution on the payment of the dividend from the profits made by the Company in 2019 in the amount of PLN 2.32 per share, i.e. the total amount of PLN 17,559,922.24. The dividend date was set for 3 September 2020. The dividend was paid on 11 September 2020.

22. Cash flows

Below are the notes to the consolidated cash flow statement:

	01/01-31/12/2020	01/01- 31/12/2019*
ADJUSTMENTS		
Depreciation of tangible fixed assets	2,895	3,233
Amortisation of intangible fixed	3,912	3,238
Depreciation of the right-of-use assets - premises and warehouses (IFRS 16)	18,302	21,680
Depreciation of the right-of-use assets - other fixed assets (IFRS 16)	3,570	3,911
Profit on the sale of the ArchiDoc Group	- 5,108	- 26,202
Profit (loss) on the sale of non-financial fixed assets	- 465	273
Exchange difference (gains) losses	3,531	776
Interest expense	6,058	9,437
Interest income	- 542	- 496
Gross profit of the ArchiDoc Group as assets held for sale		5,166
Other adjustments	1,662	90
Change in inventories	- 2,885	4,690
Change in receivables	- 453	27,229

Change in liabilities	25,425	1,861
Change in provisions	799	755
Adjustments made to reconcile the total profit (loss)	56,701	55,641

* the data presented for the period 01/01-31/12/2019 do not include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

Reasons underlying the inconsistencies between the balance sheet changes and changes in those positions as disclosed in the cash flow statements:

	01/01-31/12/2020	01/01-31/12/2019
Change in inventories		
Disclosed in the cash flow statement	-2,885	4,690
Resulting from the change in the statement of financial position	- 5,425	4,690
Explanation:		-
Consolidation of iPOS S.A.	2,540	
Change in receivables		
Disclosed in the cash flow statement	-453	22,683
Resulting from the change in the statement of financial position	-6,253	25,489
Explanation:		
Change in receivables and income tax assets	2,185	
Consolidation of iPOS S.A.	2,515	
Adjustment of receivables from right of use assets	994	
Settlement of the sale of ArchiDoc		13,581
Loss of control over ArchiDoc and ArchiDoc MED		-15,697
Other, including a change in investment receivables	-76	-690
Change in liabilities		
Disclosed in the cash flow statement	25,425	982
Resulting from the change in the statement of financial position	25,358	-10,502
Explanation:		
Consolidation of iPOS S.A.	-1,160	
Change in liabilities and income tax liabilities	1,253	
Change in liabilities from future costs related to the transaction of the sale of ArchiDoc and ArchiDoc MED		-878
Loss of control over ArchiDoc and ArchiDoc MED		- 8,807
Other, including a change in investment liabilities	160	-1,799

Other cash inflows and outflows in investing activity are as follows:

	01/01-31/12/2020	01/01-31/12/2019
OTHER INFLOWS (OUTFLOWS) OF CASH		
Expenses related to the sale of subsidiaries	- 549	
Total flows from operating activity	- 549	

Other cash inflows and outflows in financial activity are as follows:

	01/01-31/12/2020	01/01-31/12/2019*
OTHER INFLOWS (OUTFLOWS) OF CASH		
Factoring inflows	22,896	41,990
Repayment of factoring liabilities	- 27,931	- 44,137
Other adjustments		23
Total flows from financial activity	- 5,035	- 2,124

* the data presented for the period 01/01-31/12/2019 do not include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

23. Transactions with related parties

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

23.1. Transactions with key management personnel

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

	01/01-31/12/2020	01/01-31/12/2019
BENEFITS FOR THE MANAGEMENT PERSONNEL		
Short-term employee benefits	6,399	5,703
Work termination benefits	20	
Other benefits	118	203
Total benefits	6,537	5,906

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

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

23.2. Transactions with associated companies, joint-ventures and other 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 12 months ended on 31 December 2020 and on 31 December 2019 have been presented below:

	01/01-31/12/2020	01/01-31/12/2019
TRANSACTIONS WITH RELATED PARTIES		
Sale to related parties	5,697	6,159
companies with personal links	5,369	5,614
key management personnel	82	365
associate company and joint venture	246	180
Purchase from related entities	4,385	6,122
companies with personal links	3,867	5,712
key management personnel	393	393
associate company and joint venture	125	17

The Group's transactions with related parties comprising transactions with members of the Management Board and the Supervisory Board of the Parent Company on account of remuneration are presented in item 28.3 of the statements.

24. Information concerning the changes in contingent assets and liabilities

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.

	31/12/2020	31/12/2019
LIABILITIES TO OTHER PARTIES		
Guarantees originated	15,784	14,937
Disputed cases and cases in court	145	145

Other Contingent Liabilities	4,725	4,725
Total other parties	20,654	19,807

The most significant items of contingent liabilities concerning guarantees are lease-related guarantees constituting securities for lease contracts.

Other contingent liabilities concern, for example, the value of a bill of exchange issued to one of the mobile phone operator by a company from the Retail Sale Network Management segment.

25. Risk relating to the financial instruments

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

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

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

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

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

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

25.1. Market Risk

CURRENCY RISK

Most of the Group's transactions are effected in PLN, however a part of transactions of the Group companies (both purchases and sales) are settled in foreign currencies, mainly EUR and USD. In this relation, the Group is exposed to the currency risk.

Below is presented the sensitivity analysis of the financial result and other comprehensive income with regard to the potential fluctuations of the exchange rates up and down by 1% and 5%. The calculation was made on the basis of the change of the average exchange rate of the National Bank of Poland for the given currency as at 31 December 2020.

	Exchange rate fluctuations	Impact on the net financial result	
		31/12/2020	31/12/2020
Exchange rate increase/decrease		+/- 1%	+/- 5%
Impact on the net financial result	1%	-258/258	-1,290/1,290
Impact on other comprehensive income	-5%	-258/258	-1,290/1,290

INTEREST RATE RISK

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

- credits,
- loans,
- lease liabilities.

The characteristics of the above instruments, including the variable and fixed interest rates, is presented in Notes No. 7.2 and 7.3.

Below is presented the sensitivity analysis of the financial result and other comprehensive income with regard to the potential fluctuations of the interest rate up and down by 1%. The calculation was made on the basis of a shift in the average interest rate in the period by (+/-) 1% and with reference to those financial assets and liabilities that are sensitive to interest rate changes, i.e. those with a variable interest rate.

	Rate fluctuations	Impact on the net financial result		Impact on other comprehensive income	
		31/12/2020	31/12/2019	31/12/2020	31/12/2019
Interest rate rise	1%	- 969	- 1,084	- 969	- 1,084
Interest rate fall	-1%	969	1,084	969	1,084

25.2. Credit risk

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

	Note	31/12/2020	31/12/2019
Loans	7.2	1,985	294
Trade receivables and other financial receivables	10	119,359	111,166
Cash and cash equivalents	11	52,386	55,729
Contingent liabilities under guarantees and sureties	24	20,654	19,807
Total exposure to credit risk		194,384	186,996

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

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

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

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

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

25.3. Liquidity risk

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

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

	Note	Short-term		Long-term			Flows before discounting
		within 6 months	6 to 12 months	1 to 3 years	3 to 5 years	above 5 years	
AS AT 31/12/2020							
Overdraft facilities, revolving loans and term loans	7.3	3,525	11,737	2,670	7,905		25,837
Liabilities under the right-of-use assets – premises and warehouses (IFRS 16)	7.1	7,993	13,617	28,702	6,124	25,238	81,674
Liabilities under the right-of-use assets – other tangible fixed assets (IFRS 16)	7.1	801	2,677	3,997	563		8,038
Factoring liabilities	16	4,134					4,134
Trade liabilities	16	66,351					66,351
Other financial liabilities	16	1,156					1,156
Total exposure to liquidity risk		82,804	28,031	35,369	14,592	25,238	187,190
AS AT 31/12/2019							
Overdraft facilities, revolving loans and term loans	7.3	21,786	7,896	6,958			36,640
Liabilities under the right-of-use assets – premises and warehouses (IFRS 16)	7.1	7,257	12,634	26,055	32,168	1,519	79,633
Liabilities under the right-of-use assets – other tangible fixed assets (IFRS 16)	7.1	1,383	2,037	2,583	2,431		8,434
Factoring liabilities	16	9,169					9,169
Trade liabilities	16	53,094					53,094
Other financial liabilities	16	29					29
Total exposure to liquidity risk		92,718	22,567	35,596	34,599	1,519	186,999

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

As at particular balance sheet days, the Group also had free credit limits under financial instruments in the following amounts:

	31/12/2020	31/12/2019
Overdraft facilities, working capital credit limits, factoring limits and average value of term loans	72,247	72,500
Value of credits and factoring limits used	- 29,971	- 45,809
Free credit limits and factoring limits	42,276	26,691

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 (earnings before interest, taxes, depreciation and amortisation) for the period of the last 12 months (LTM), excluding the impact of IFRS 16. The impact of IFRS 16 is understood as the difference caused in the financial statements by the application of the IFRS 16 standard in place of the previously applied IAS 17 (until the end of 2018), i.e. a change from a different classification of contracts of lease of such spaces as warehouses, shops or offices.

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

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

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

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

	31/12/2020 As per IFRS 16	31/12/2020 As per IAS 17	31/12/2019 As per IFRS 16	31/12/2019 As per IAS 17
EQUITY				
Shareholder's equity	155,135	155,135	156,412	156,412
Total equity	155,135	155,135	156,412	156,412
SOURCES OF FINANCE				
Shareholder's equity	155,135	155,135	156,412	156,412
Loans, credits, other debt instruments	25,837	25,837	36,640	36,640
Lease	89,712	8,038	88,066	8,433
Factoring liabilities	4,134	4,134	9,169	9,169
Total sources of finance	274,818	193,144	290,287	210,654
Total capital to sources of finance ratio	0.56	0.80	0.54	0.74
EBITDA LTM				
Operating profit LTM	22,890	20,823	10,299	8,128
Depreciation and amortisation LTM	28,679	10,451	27,962	9,152
EBITDA LTM	51,569	31,274	38,262	17,280
NET DEBT				
Loans, credits, other debt instruments	25,837	25,837	36,640	36,640
Lease	89,712	8,038	88,066	8,433
Factoring liabilities	4,134	4,134	9,169	9,169
Cash	- 52,386	- 52,386	- 55,729	- 55,729
Net debt	67,297	- 14,377	78,146	- 1,487
Net debt to EBITDA LTM ratio	1.30	-0.46	2.04	-0.09

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

27. Events after the balance sheet date

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

After the date on which these consolidated financial statements were made, there were the following significant events:

Registration of a decrease of the share capital of the Parent Company

On 21 January 2021, the District Court for the Capital City of Warsaw in Warsaw, XIII Commercial Division of the National Court Register, registered an amendment to the Articles of Association of the Company made by virtue of a resolution of the General Meeting of Shareholders of the Company No. 20 dated 25 August 2020 concerning a decrease in the share capital of the Company in relation with the redemption of treasury shares and an amendment to the Articles of Association of the Company.

In relation with the adoption of the Resolution and the registration of the amendments to the Articles of Association,, the share capital in OEX S.A. was decreased from PLN 1,597,996.80 to PLN 1,513,786.40.

As at the date of registration of the share capital decrease, the total number of votes from all the shares in the Company amounts to 8,950,244 and the share capital is divided into 7,568,932 shares of the nominal value of PLN 0.20 each.

Purchase of shares in Brand Active Sp. z o.o.

On 4 February 2021, Divante S.A. purchased 70% of shares in Brand Active Sp. z o.o. with registered office in Rzeszów. The object of the business of Brand Active Sp. z o.o. is to provide consulting and to create Internet stores.

Sale of shares in Face and Look S.A.

On 15 February 2021, the Group company – OEX24 Sp. z o.o. sold all the shares it held in the Group's associate: Face and Look S.A. The selling price for the package of 31% of shares in the company was kPLN 31 .

28. Other information

28.1. Selected financial data converted into EUR

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.

	01/01-31/12/2020	01/01-31/12/2019
F/X RATE OF EUR		
average exchange rate as at the period end	4.6148	4.2585
average exchange rate of the period	4.4742	4.3018

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:

	01/01-31/12/2020	01/01-31/12/2019*	01/01-31/12/2020	01/01-31/12/2019*
	k PLN		k EUR	
CONSOLIDATED STATEMENT OF PROFIT OR LOSS				
Revenue from sales	510,171	579,448	114,025	134,699
Operating profit	22,890	10,299	5,116	2,394
Pre-tax profit	18,434	24,203	4,120	5,626
Net profit on continued activities	14,568	17,598	3,256	4,091
Net profit on assets held for sale		4,369		1,016
Total net profit	14,568	21,967	3,256	5,106
Net profit - share of the shareholders of the Parent Company	11,866	20,200	2,652	4,696
Earnings per share (PLN; EUR)	1.57	2.67	0.35	0.62
Diluted earnings per share (PLN; EUR)	1.57	2.67	0.35	0.62

Average exchange rate PLN / EUR in the period	X	X	4.4742	4.3018
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* the data presented for the period 01/01-31/12/2019 include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	01/01-31/12/2020	01/01-31/12/2019*	01/01-31/12/2020	01/01-31/12/2019*
	k PLN		k EUR	
CONSOLIDATED CASH FLOW STATEMENT				
Net cash flows provided by operating activities	69,629	70,891	15,562	16,479
Net cash flows provided / (used) by investing activities	- 8,576	51,167	- 1,917	11,894
Net cash flows provided / (used) by financing activities	- 64,396	- 92,909	- 14,393	- 21,598
Total net cash flow	- 3,343	29,149	- 747	6,776
Average exchange rate PLN / EUR in the period	X	X	4.4742	4.3018

* the data presented for the period 01/01-31/12/2019 do not include a presentation of ArchiDoc S.A. and ArchiDoc MED Sp. z o.o. as assets held for sale

	31/12/2020	31/12/2019	31/12/2020	31/12/2019
	k PLN		k EUR	
CONSOLIDATED STATEMENT OF FINANCIAL POSITION				
Assets	396,861	384,233	85,997	90,227
Long-term liabilities	88,244	83,369	19,122	19,577
Short-term liabilities	153,482	144,452	33,259	33,921
Shareholder's equity	155,135	156,412	33,617	36,729
Equity - share of the parent company shareholders	147,455	153,149	31,953	35,963
PLN / EUR exchange rate at period end	X	X	4.6148	4.2585

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

Shareholders holding at least 5% of votes at the General Meeting of Shareholders as at 31 December 2020:

Shareholder	Total shares	Total votes	% of share capital	% of votes
Neo Investment S.A. indirectly via subsidiaries:	2,563,285	3,784,989	32.08%	40.39%
- Neo Fund 1 Sp. z o.o. directly	1,689,872	2,911,576	21.15%	31.07%
- 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:	2,121,773	2,281,381	26.56%	24.34%
- Precordia Capital Sp. z o.o. directly	1,153,519	1,313,127	14.44%	14.01%
- 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	1,614,008	1,614,008	20.20%	17.22%
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 31 December 2019:

Shareholder	Total shares	Total votes	% of share capital	% of votes
Neo Investment S.A. indirectly via subsidiaries:	2,535,101	3,756,805	31.73%	40.09%
- Neo Fund 1 Sp. z o.o. directly	1,661,688	2,883,392	20.80%	30.77%
- Neo Found 1 Sp. z o.o. indirectly via Neo BPO S.a r.l.	873,413	873,413	10.93%	9.32%
Jerzy Motz, indirectly via subsidiaries:	2,002,687	2,162,295	25.06%	23.07%
- Precordia Capital Sp. z o.o. directly	1,034,433	1,194,041	12.95%	12.74%

- Precordia Capital Sp. z o.o. indirectly via Real Management S.A.	968,254	968,254	12.12%	10.33%
Piotr Cholewa, indirectly via subsidiary Silquern S.a r.l.	801,096	801,096	10.03%	8.55%
Michał Szramowski directly and indirectly via:	468,770	468,770	5.87%	5.00%
- MS Investments spółka z ograniczoną odpowiedzialnością sp.k.	459,733	459,733	5.75%	4.91%
Treasury shares in OEX S.A.	421,052	421,052	5.27%	4.49%
Others	1,761,278	1,761,278	22.04%	18.79%
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.

28.3. Remuneration of members of the Management and Supervisory Boards of the Parent Company

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

	01/01-31/12/2020	01/01-31/12/2019
remuneration under work contract - members of the Management Board	128	128
Remuneration for the function of the Management Board member	1,412	1,476
Other benefits	100	167
Total	1,640	1,771

	in the Parent Company		in subsidiaries		Total
	Remuneration under work contract or appointment	Other benefits	Remuneration under work contract or appointment	Other benefits	
FOR THE PERIOD FROM 01/01 TO 31/12/2020					
Jerzy Motz	882				882
Rafał Stempniewicz	60	2	636		698
Robert Krasowski	411	6			417
Tomasz Słowiński	236				236
Artur Wojtaszek	15		204		219
Tomasz Kwiecień	28				28
Total	1,632	8	840		2,480
FOR THE PERIOD FROM 01/01 TO 31/12/2019					
Jerzy Motz	1,008				1,008
Rafał Stempniewicz	60	2	636		698
Robert Krasowski	416	6			422
Tomasz Słowiński	255				255
Artur Wojtaszek	24		240		264
Total	1,763	8	876		2,647

The value of remuneration for the members of the Supervisory Board of the Parent Company was the following:

	01/01-31/12/2020	01/01-31/12/2019
REMUNERATION OF MEMBERS OF THE SUPERVISORY BOARD OF THE COMPANY		
Piotr Beaupre	120	120
Michał Szramowski	42	42
Tomasz Mazurczak	60	60
Piotr Cholewa	24	24
Tomasz Kwiecień	31	42
Marcin Malka	6	
Total	283	288

28.4. Remuneration of the auditing company

The auditor auditing and reviewing the consolidated financial statements and reports of the Group companies for 2020 and 2019 is PKF Consult Spółka z ograniczoną odpowiedzialnością Sp. k.

	01/01-31/12/2020	01/01-31/12/2019
Audit of annual financial statements	218	160
Review of financial statements	77	103
Other services	14	3
Total	309	266

The remaining services that the Issuer ordered from PKF Consult in 2020 concerned the provision of services included in the scope of permitted services that may be provided by auditing companies, i.e. performance of agreed procedures related to the confirmation of fulfilment of conditions of loan contracts executed - on the basis of analysis of financial information from the financial statements audited by the given auditing company.

28.5. Employment

The average employment in the Group as broken down into particular professional groups was as follows:

	01/01-31/12/2020	01/01-31/12/2019
White collar	1,302	1,474
Blue collar	112	102
Total	1,414	1,577

29. Impact of the Covid-19 epidemics on the activity of the OEX Group

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 numerous 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 2020. In particular, the results of the first quarter were significantly different from the level that could be deemed normal.

Among the main factors with a significant influence on all the areas of the OEX Group's business was the limitation of availability of personnel in relation with the shutdown of schools and the resulting necessity for the employees to take care of their children as well as the enhanced care demonstrated by the Management Boards of the Group companies as well as by the employees themselves resulting from the infection concerns as well as changes in the work organisation resulting from the implementation of procedures to minimise the infection probability among employees, in particular the delegation of employees to work remotely from home.

Then, one should mention the administrative orders to close down commercial centres and a limitation by certain groups of clients of the scope of cooperation pursued.

The negative impact affected the operating segments differently. In certain areas of operation of the Group companies, in turn, there were tendencies that were profitable to the business. In particular, it affected the services provided to entities from the eCommerce sector or from traditional sectors, which, however, in consequence of the pandemic, significantly accelerated their processes of transformation towards eCommerce.

Of particularly significance for the Group's results was the decrease in 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. To a certain extent, the companies from that segment also received support from the mobile phone operators. Later in the year, the stores run by the segment companies were open, despite a temporary shutdown in November and during a few days of December of other stores in commercial centres. In spite of the noticeable lower traffic in stores, both the number and the value of transactions allowed the companies to restore the segment results.

In relation with the pandemic, in the Sale Support segment, there was a significant reduction of the scale of operations in key areas. On the one hand it resulted from the discontinuation of activities by clients in the Area of product promotion services (in consequence of cancelled fairs or events - the business the organisation of which the companies from this segment are involved in), and on the other hand - from the restrictions introduced by a part of retail outlets in relation with the recommendations of the Minister of Health and other competent bodies concerning the precautions to be followed by commercial outlets. This translated into a significant restrictions concerning the operation of sales reps employed by the segment companies who serviced the stores. In case of a number of key clients, certain solutions were jointly developed to allow the maintenance of jobs in field structures despite the events described above. In spite of the COVID-19 epidemic, the segment companies generated positive results in 2020, which were higher than in the previous year. It should be stressed, however, that the 2019 results were significantly burdened with non-recurring costs of provisions and reorganisation costs concerning OEX Cursor.

In the eCommerce Services segment, despite the reduction on the part of certain clients of the scale of cooperation in specific areas, there was no significant decrease in the level of revenues generated by the segment as a whole, which was also related to the simultaneous demand for other types of services. In particular this concerns the programming and logistic services provided to clients operating in the eCommerce and contact center sectors. There were, however, noticeable restrictions concerning employee availability that, in case of certain segment companies, affected 20% of the total headcount. There also was a reduction in the performance of services related to the support of purchasing processes concerning products manufactured in Asia and in international logistics. Those services constitute a supplementary source of revenues in the segment. A considerable part of employees of the segment companies still works remotely from home, which is related to a necessity to incur additional costs to provide them with computer equipment and led to challenges related to work organisation. In 2020, the segment generated much better results than in the previous year. It resulted from both a dynamic growth in the revenues and y/y profits in Divante and Voice Contact Center, as well as a significant improvement in the performance by OEX E-Business.

In relation with the epidemic situation, the Management Board of the Group companies and the Issuer undertook activities aimed at ensuring the continuity of the business of the companies and at the minimising of negative effects resulting from the epidemic. Numerous initiatives were implemented aimed to decrease the level of fixed costs or to prolong the payment terms to support the financial liquidity. Investment expenditure was reduced significantly.

The Group companies that suffered most from the pandemic effects took advantage of the public aid under the so-called Shield 1.0 programme. The aid had a form of co-financing of the remuneration of employees in order to maintain jobs. The total value of the aid was kPLN 3,531 .

The OEX Group maintained good financial liquidity throughout the year.

By the date of the publication of these financial statements, the epidemic situation did not have any worse impact on the Group's performance than in the period of the previous few months. It may not be ruled out, however, that a maintained or growing number of COVID-19 cases may lead to the introduction by the government of strict limitations on the operation of enterprises similar to the ones at the turn of the first and second quarter of 2020. Despite a much better preparation of the Group companies to operating in conditions of a pandemic and despite the experience gained in this context, the situation would certainly have an adverse impact on the Group's financial position.

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

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

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

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

Below presented a comparison of the consolidated statement of financial position, 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 2020.

The impact of IFRS 16 is understood as the difference caused in the financial statements by the application of the IFRS 16 standard in place of the previously applied IAS 17 (until the end of 2018), i.e. a change from a different classification of contracts of lease of such spaces as warehouses, shops or offices.

	31/12/2020 As per IFRS 16	31/12/2020 As per IAS 17	31/12/2020 Impact of IFRS 16
ASSETS			
FIXED ASSETS			
Goodwill	81,482	81,482	
Intangible fixed assets	20,537	20,537	
Tangible fixed assets	9,630	9,630	
Right-of-use assets	72,725	9,993	62,732
Investments settled using the equity method	247	247	
Other long-term financial assets	2,513	2,513	
Long-term receivables from the right of use assets	7,190		7,190
Other long-term receivables	3,725	3,725	
Deferred income tax assets	10,180	9,305	875
Fixed assets	208,229	137,432	70,797
CURRENT ASSETS			
Inventories	9,364	9,364	
Trade Receivables and Other Receivables	122,094	122,094	
Current income tax assets	640	640	
Other short-term financial assets	301	301	
Short-term receivables from the right of use assets	3,847		3,847
Cash and cash equivalents	52,386	52,386	
Current assets	188,632	184,785	3,847
Total assets	396,861	322,217	74,644
TOTAL EQUITY & LIABILITIES			
Shareholder's equity			
Shareholders' equity - share of the Parent Company shareholders:			
Share capital	1,598	1,598	
Share premium	63,004	63,004	

Treasury shares (-)	- 8,072	- 8,072	
Retained profits	90,925	97,920	- 6,995
Shareholders' equity - share of the Parent Company shareholders	147,455	154,450	- 6,995
Non-controlling interests	7,680	7,716	- 36
Shareholder's equity	155,135	162,166	- 7,031
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term credits and loans	10,575	10,575	
Long-term liabilities from the right of use assets	64,624	4,559	60,065
Deferred income tax liabilities	12,884	12,884	
Provisions for employee benefits	161	161	
Other long-term provisions			
Long-term provisions	161	161	
Other long-term liabilities			
Long-term liabilities	88,244	28,179	60,065
SHORT-TERM LIABILITIES			
Trade liabilities and other liabilities	102,417	102,417	
Short-term credits and loans	15,262	15,262	
Other short-term financial liabilities	5,290	5,290	
Short-term liabilities from the right of use assets	25,088	3,478	21,610
Current tax liabilities	2,159	2,159	
Provisions for employee benefits	3,214	3,214	
Other short-term provisions	52	52	
Short-term provisions	3,266	3,266	
Short-term liabilities	153,482	131,872	21,610
Total provisions	241,726	160,051	81,675
Total equity and liabilities	396,861	322,217	74,644

	01/01-31/12/2020	01/01-31/12/2020	01/01-31/12/2020	01/01-31/12/2019*
	As per IFRS 16	As per IAS 17	Impact of IFRS 16	As per IAS 17
Revenue from sales	510,171	513,484	- 3,313	580,052
Operating expense	489,410	493,768	- 4,358	567,962
Other operating revenue	7,363	6,237	1,126	5,065
Other operating expenses	5,234	5,130	104	9,027
Operating profit	22,890	20,823	2,067	8,128
EBITDA	51,587	31,292	20,295	17,280
Financial income	780	397	383	375
Financial costs	10,192	2,872	7,320	6,455
Profit on the sale of shares and participations	5,108	5,108		24,565
Share in the profit (loss) of entities measured using the equity method (+/-)	- 152	- 152		- 134
Profit (loss) before taxation	18,434	23,304	- 4,870	26,479
Income tax	3,866	4,741	- 875	6,981
Net profit (loss) on continued activities	14,568	18,562	- 3,994	19,498
Discontinued operations and assets held for sale				
Net profit on assets held for sale				4,570
Net profit (loss) - share of:	14,568	18,562	- 3,994	24,068
- the parent company shareholders	11,866	15,824	- 3,958	22,319
- non-controlling shares	2,702	2,738	- 36	1,749

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

	01/01-31/12/2020	01/01-31/12/2020	01/01-31/12/2020
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	As per IFRS 16	As per IAS 17	Impact of IFRS 16
Profit (loss) before taxation	18,434	23,303	- 4,870
Adjustment of operating activities	51,195	28,024	23,172
Net cash flows provided by operating activities	69,629	51,327	18,302
Net cash flows provided / (used) by investing activities	- 8,576	- 8,576	
Net cash flows provided / (used) by financing activities	- 64,396	- 46,094	- 18,302
Total cash flow	- 3,343	- 3,343	

Approval for publication

The consolidated financial statements of the OEX Group for the year ended on 31 December 2020 (including the comparable data) were approved for publication by the Management Board of OEX S.A. on 31 March 2021.

Signatures of all Management Board Members

Date	Name and Surname	Function	Signature
31/03/2021	Jerzy Motz	President of the Management Board	
31/03/2021	Rafał Stempniewicz	Management Board Member	
31/03/2021	Robert Krasowski	Management Board Member	
31/03/2021	Tomasz Słowiński	Management Board Member	
31/03/2021	Tomasz Kwiecień	Management Board Member	

Signature of the person preparing the consolidated statements:

Date	Name and Surname	Function	Signature
31/03/2021	Aleksandra Jaraczewska	Consolidation Director - Business Support Solution S.A.	