OEX GROUP

Report on the activities in the period from 1 January 2021 to 31 December 2021

WARSAW, 11 April 2022

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1. Information about the Issuer;

Name:	OEX
Legal form:	Spółka Akcyjna *(Polish joint-stock company)*
Seat:	02-797 Warszawa, ul. Klimczaka 1
Registration authority:	District Court for the Capital City of Warsaw in Warsaw, 13th Commercial Division of the National Court Register
Statistical number (REGON):	630822208

2. Principles of the preparation of the consolidated annual financial statements;

The principles governing the preparation of the annual consolidated financial statements were described in the annual consolidated financial statements for 2021 in the part entitled 'Drawing up basis and accounting rules'.

As regards the financial reporting, the internal control system and the risk management system are managed directly by the Company's Management Board. The supervision over the process of preparation of the financial statements is maintained by the Chief Financial Officer (Member of the Management Board).

The consolidated financial statements in 2021 were prepared by a professional external company providing accounting services with the use of a software dedicated to preparing financial statements on the basis of separate statements of subsidiaries as approved by the Management Boards of such companies. The software allows an identification and elimination of intercompany transactions.

Additionally, during the performance of consolidation procedures, a reconciliation of transactions made within the Group between its member companies is made. After the consolidated financial statements have been prepared, it is verified by Consolidation and Accounting Policy Director of the external entity and then by the CFO.

Any errors identified are immediately corrected. After the verification, the statements are submitted to the Management Board for approval and to the Audit Committee

3. Description of the organisation of the issuer's group, with an indication of consolidated entities, and description of changes in the organisation of the issuer's group, with an identify underlying reasons;

The OEX Group is made up from the parent company OEX S.A. (Issuer) and the subsidiaries presented in the table below:

- **SUBSIDIARY COMPANY**

SUBSIDIARIES OF OEX SA			
Name of the Company	Registered office	% of shares/participations held directly	% of shares/participations held indirectly
Tell Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	
Europhone Sp. z o.o.	ul. Forteczna 19A, 61-362 Poznań	100	
PTI Sp. z o. o.	ul. Forteczna 19A, 61-362 Poznań	100	
OEX Cursor S.A.	ul. Równoległa 4A, 02-235 Warszawa	100	
Merservice Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
Pro People Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
OEX E-Business Sp. z o.o.	ul. Równoległa 4A, 02-235 Warszawa	100	
Divante 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	58.1	
OEX B2B Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	100	
4Shops Sp. z o.o.	ul. Klimczaka 1, 02-797 Warszawa	0	100

Brand Active Sp. z o.o.	ul. Jana i Jędrzeja Śniadeckich 20C/3, 35-006 Rzeszów		Group's direct share 70 Indirect share 35,72
Divante GmbH	Fulda, Germany		Group's direct share 100 Indirect share 51,03
Open Loyalty Sp. z o.o.	ul. Dmowskiego 17, 50-203 Wrocław		Group's direct share 100 Indirect share 51,03

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.

All the subsidiaries of the OEX S.A. Group presented above are subject to full consideration.

In 2020, the Group also included an associate Face and Look S.A. In 2021, the Group sold all its shares in that associate.

4. Information about basic products, goods or services, with a breakdown into volumes and value as well as the shares of particular products, goods and services (if they are material) or their groups in total sale of the issuer, changes in this respect during the year;

The Group has 3 operational segments:

- Retail Sale Network Management,
- Sale Support,
- eCommerce Services.

Results of iPOS S.A., acquired in 2020. have not been assigned 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.

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 carried out 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.

Value of the sale network of the Retail Network Management segment

NUMBER OF STORES AS AT THE BALANCE SHEET DAY				
	as at 31/12/2021	as at 31/12/2020	change y/y in pcs.	change y/y in pcs.
Orange network stores	168	176	-8	-4.5%
T-Mobile network stores	118	119	-1	-0.8%
Plus network stores	64	64	-	--
Total stores	**350**	**359**	**-9**	**-2.5%**

AVERAGE NUMBER OF STORES IN THE FINANCIAL YEAR				
	average in the period 01/01-31/12/2021	average in the period 01/01-31/12/2020	change y/y in pcs.	change y/y in %
Orange network stores	173.0	177.0	-4.0	-2.3%
T-Mobile network stores	118.0	94.4	+23.6	25.0%
Plus network stores	64.0	64.0	-	-

Total stores	**355.0**	**335.4**	**19.6**	**+5.8%**

The increase in the average number of T-Mobile stores results from the take-over of 27 stores from Mobile MIX, finalized on
30/11/2020.

Revenue volumes and breakdown - the retail sale network management segment

BREAKDOWN OF REVENUE			
	01/01-31/12/2021	01/01-31/12/2020	change y/y in %
Revenue from commissions on the sale of telecommunication services	148455	127036	116.9%
Sets and pre-paid refillments	4962	4340	114.3%
Postpaid contract phones	38733	39594	97.8%
Other revenue	8529	5972	156.5%
Total	**200678**	**176942**	**113.8%**

VOLUMES OF SERVICES SOLD			
	01/01-31/12/2021	01/01-31/12/2020	change y/y in %
Postpaid activations	992865	861311	15.3%
Prepaid activations	117545	123714	-5.0%
Total	**1110410**	**985025**	**12.7%**

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, electric and pharmaceutical sector companies and financial Institutions. 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.

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.

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.

E-Commerce Services Segment

In relation with the sale of Divante S.A. together with its subsidiary Brand Active Sp. z o.o. and the intended sale of OEX24 Sp. z o.o. and 4Shops Sp. z o.o., the segment only counts OEX E-Business Sp. z o.o. and Voice Contact Center Sp. z o.o.. In consequence, the values given in the segment note concerning the eCommerce Services segment comprise the results of those companies only. The results of Divante S.A., Brand Active Sp. z o.o OEX24 Sp. z o.o. and 4Shops Sp. z o.o., previously included in that segment, were presented in the results of assets held for sale.

The segment provides mainly services dedicated the eCommerce sector, including the areas of customer experience and logistics.

The **logistic operations** are provided by OEX E-Business Sp. z o.o. The comprise the execution of orders related to e-shop and E-Commerce platform 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 provided by OEX E-Business Sp. z o.o. 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, Shopify, SAP, Allegro, Inpost, DPD, FedEx, UPS.

The **purchase processing services** provided by OEX E-Business Sp. z o.o. are related to the optimisation 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 66,500 sq.m. and capacity of 100,000 pallet and shelf places. The operation quality consistency is ensured by ISO 9001:2015 and the warehouse management system.

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, Łodz and Lublin, where there are approx. 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.

Revenues and results of operating segments

REVENUES AND RESULTS OF OPERATING SEGMENTS	Retail Sale Network Management	Sale Support	eCommerce Services*	Not allocated	Total*
FOR THE PERIOD FROM 01/01 TO 31/12/2021					
Revenue from external customers	200104	217519	181207	5471	604301
Revenue from the sales between segments	12	604	1521	5487	7624
Total revenues	200116	218123	182728	10958	611925
Segment's operating result	21630	7298	11962	- 12,128	28762
EBITDA	**32540**	**10439**	**24360**	**- 10,015**	**57324**
Amortisation and depreciation	10911	3142	12398	2112	28563
Financial income					1189
Financial costs					6857
Disposal of a subsidiary					1360
Share in the profit (loss) of entities measured using the equity method (+/-)					- 7
Pre-tax profit					24447
Income tax					8838
Net profit on continued activities					15609
Net profit on assets held for sale					10128
FOR THE PERIOD FROM 01/01 TO 31/12/2020 (restated)					
Revenue from external customers	176400	138435	135734	1401	451970
Revenue from the sales between segments	19	646	1294	4511	6470
Total revenues	176419	139081	137028	5912	458440
Segment's operating result	17427	3861	4144	- 7,193	18239
EBITDA	**29485**	**6629**	**14494**	**- 6,362**	**44246**
Amortisation and depreciation	12058	2768	10350	831	26007
Financial income					764
Financial costs					9883
Disposal of a subsidiary					5108
Share in the profit (loss) of entities measured using the equity method (+/-)					- 152
Pre-tax profit					14076
Income tax					3978
Net profit on continued activities					10098
Net profit on assets held for sale					4470

* data presented for the periods 01/01-31/12/2021 and 01/01-31/12/2020 include the presentation of Divante S.A., Divante GmbH, Brand Active Sp. z o.o., OEX24 Sp. z o.o., OEX B2B Sp. z o.o. and 4Shops Sp. z o.o. as assets held for sale

Below are presented the results of the OEX Group's operating segments for 2021 and 2020 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.

	Retail Sale Network Management	Sale Support	eCommerce Services*	Not allocated*	Total
FOR THE PERIOD FROM 01/01 TO 31/12/2021					
Segment's operating result as per IFRS 17	20749	7243	10669	- 12,064	26597
EBITDA as per IAS 17	**22765**	**9944**	**14555**	**- 10,432**	**36832**

* data presented for the periods 01/01-31/12/2021 include the presentation of Divante S.A., Divante GmbH, Brand Active Sp. z o.o., OEX24 Sp. z o.o., OEX B2B Sp. z o.o. and 4Shops Sp. z o.o. as assets held for sale

	Retail 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	16617	3788	2847	- 7,122	16130
EBITDA as per IAS 17	**18979**	**6037**	**5947**	**- 6,566**	**24397**

* the data presented for the period 01/01-31/12/2020 include a presentation of Divante S.A., OEX24 Sp. z o.o. and OEX B2B Sp. z o.o. as assets held for sale

The financial results of the segments were discussed in item 6.

5. Information on markets, with a breakdown into domestic and foreign markets, information about sources of materials for production, goods and services, with an indication of dependence on one or more supplier or client, and in case the share of one supplier or client reaches at least 10% of total sale revenue - name of supplier or client, his share in sale or supply as well as formal links with the issuer;

The main marketing outlets for the Group are in Poland, however the share of foreign sale is growing.

The only counterparty whose share in the Group's turnover in 2021 exceeds 10% is Orange Polska S.A. None of the Group's companies has any formal links with Orange Polska S.A.

6. Discussion of the basic economic and financial data disclosed in the annual consolidated financial statements;

In 2021, the Group made its history's best financial results, almost exclusively on the basis of its core operating activities. The Group did not see any significant non-recurring events whose impact on the results would be significant. In relation with the execution in December 2021 of a pre-contract on the sale of all shares held in its subsidiary Divante and with the decision on the commencement of the process of sale of shares in OEX24, the results of those companies (and their subsidiaries) were excluded from the part of the statements representing the continued activities and qualified as assets held for sale. It was for the needs of that presentation that the comparable data for 2020 were transformed. Nevertheless, in order to reflect the scale of results made by the Group in 2021, it should be stressed that had there been no exclusion as described above, the Group's EBITDA for 2021 in accordance with IFRS 16 would amount to kPLN 72,394, i.e. over 41 % more than in the previous year, and in accordance with IAS 17, it would amount to kPLN 51,410, i.e. over 65.6% more than in 2020. The above values point to a relatively high share of results of companies transferred to assets held for sale in the Group's total results. Additionally, it should be stressed that in 2021 Divante generated considerable y/y result growths and its EBITDA in accordance with IAS 17 amounted to kPLN 18,587 in 2021. On the other hand, OEX24's EBITDA in 2021 was negative and amounted to kPLN –2,952 (mainly due to the write-offs made). The 2021 financial statements do not comprise the result on the sale of shares in Divante nor the sale of shares in OEX24. The transaction of the sale of Divante's shares was closed in 2022. The sale of shares in OEX24 is also planned for 2022.

It should also be noted that the above discussion of the Group's results, particularly with regard to the operating segments, is based on the continued activities both as regards 2021 and 2020, which is of significance mainly when it comes to the analysis of results of the eCommerce services segment, where Divante and OEX24 belonged. Irrespective of the presentation changes indicated, the results of companies still remaining in the eCommerce services segment are very good and EBITDA dynamics remains the highest among all the three operating segments of the Group.

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

REVENUE

The Group's sales revenue in 2021 amounted to kPLN 604,301 and were higher by 33.7% than in the corresponding period of previous year. Each operating segment saw increased revenues.

The impact of iPOS S.A.'s revenue on the Group's revenue in 2021 amounted to kPLN 5,392. The Company was included in the scope in September 2020. The company was not assigned to any of the three operating segments and its results were disclosed in item 'not allocated' in the Segment note, together with the result of OEX S.A.

In 2021, the **Retail Sale Network Management Segment** generated revenue at the level of kPLN 200,104, which is a growth of 13.4% when compared to 2020. The segment's revenues in 2021 constituted 33.1% of the Group's total revenues, while in the previous year - 39.0%.

The revenue of the **Sale Support** segment in 2021 amounted to kPLN 217,519 and were higher by 57.1% when compared to the previous year. The segment's revenues in 2021 constituted 36.0% of the Group's total revenues, while in the corresponding period of the previous year - 30.6%.

The eCommerce Services segment in 2021 generated revenues in the amount of kPLN 181,207. They were higher by 33.5% than the revenues generated by the segment in the previous year. The eCommerce Services segment's revenues in 2021 constituted 30.0% of the Group's total revenues, similarly as in 2020.

EBITDA

The Group's EBITDA of 2021 amounted to kPLN 57,324 and was higher by 29.6% than the previous year After elimination of the impact of IFRS 16 with regard to the commercial space lease contracts, EBITDA for 2021 amounted to kPLN 36,832 and was higher by 51% than in 2020. EBITDA went up in the Group's all operating segments.

Further analysis of EBITDA (below), as broken down into operating segments, refers exclusively to the values after the exclusion of the impact of IFRS 16 with regard to the space lease contracts. 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.

In 2021, EBITDA of the **Retail Sale Network Management segment** generated was at the level of kPLN 22,765, which is a growth of 19.9% when compared to 2020. The segment's EBITDA constitutes 48.2% of the total EBITDA of all the three operating segments of the Group, while in the previous year - 61.3%.

EBITDA of the **Sale Support** segment in 2021 amounted to kPLN 9,944 vs kPLN 6,037 in 2020, which is a growth by 64.7% when compared to 2020. The segment's EBITDA in 2021 constituted 21.0% of the total EBITDA of all the three operating segments of the Group while in the previous year - 19.5%.

In 2021, EBITDA of the **eCommerce Services** segment amounted to kPLN 14,555 and was higher by 144,7% than in 2020. The **eCommerce Services** segment's EBITDA in 2021 constituted 30.8% of the total EBITDA of all the three operating segments of the Group, while in the previous year - 19.2%.

iPOS had a significant influence on the Group's total EBITDA in 2021, as it noted a negative result in the amount of kPLN -4,073. In 2020, iPOS also generated a negative EBITDA, in the amount of kPLN -2,432, whereby, due to the fact that the company was included in the consolidation starting from September 2020, its impact on the Group's results was limited to the amount of kPLN -1,161.

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

The **financial costs** in 2021 amounted to kPLN 6,857 and were lower by 30.6% than the financial costs in 2020. Over 46% of the financial costs of 2021 resulted from the application of IFRS 16 in its part concerning the space lease contracts.

The financial costs resulting from the use of banking finance went down significantly in 2021 and amounted to kPLN 1,510 vs kPLN 1,939, in 2020. The main reason behind the significant cost reduction was the lower level of utilisation of revolving instruments. A detailed breakdown of financing costs is given in Note 18.2 to the consolidated financial statements of the Group.

The **pre-tax profit** reported in 2021 amounted to kPLN 24,447 and was higher by 73.7% than in the previous year.

The **net profit on continued activities** reported in 2021 amounted to kPLN 15,609 and was higher by 54.6% than in the previous year.

The **net profit on assets held for sale**, representing the consolidated net profit of Divante S.A., Brand Active Sp. z o.o., Divante Gmbh, OEX24 Sp. z o.o., OEX B2B Sp. z o.o. and 4Shops Sp. z o.o. (in 2020: Divante S.A., OEX24 Sp. z o.o., OEX B2B Sp. z o.o.) amounted in 2021 to kPLN 10,128. The income statement of companies classified as assets held for sale was presented in Note 12 to the consolidated statements of the Group.

The Group's total net on continued activities and on assets held for sale in 2020 amounted to kPLN 25,737, while in the previous year it amounted to kPLN 14,568, which constitutes an increase by 76.7%.

The **net profit attributable to the shareholders of the parent company (OEX S.A.)** in 2021 amounted to kPLN 20,513 vs kPLN 11,866 in the previous year.

Income Statement of the Group

Below is presented a comparison of the consolidated statement of profit or loss statement with a specification of the impact of IFRS 16 on the statements for 2021. 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.

	01/01-31/12/2021	01/01-31/12/2021	01/01-31/12/2021	01/01-31/12/2020 As per IAS 17
	As per IFRS 16	As per IAS 17	Impact of IFRS 16	
Sales revenue	**604301**	**609493**	**- 5,192**	**455283**
Operating expense	**572986**	**580195**	**- 7,209**	**439899**
Other operating revenue	2792	2591	201	5620
Other operating expenses	5345	5292	53	4874
Operating profit	**28762**	**26597**	**2165**	**16130**
EBITDA	**57324**	**36832**	**20492**	**24397**
Financial income	1189	181	1008	381
Financial costs	6857	3682	3175	2602
Profit on the sale of shares and participations	1360	1360		5108
Share in the profit (loss) of entities measured using the equity method (+/-)	- 7	- 7		- 152
Pre-tax profit	**24447**	**24449**	**- 2**	**18865**
Income tax	8838	8804	34	4860
Net profit on continued activities	**15609**	**15645**	**- 36**	**14004**
Discontinued operations and assets held for sale				
Net profit on assets held for sale	10128	10128		4544
Net profit - share of	**25737**	**25773**	**-36**	**18548**
- the parent company shareholders	20513	20549	-36	15824
- non-controlling shares	5224	5224		2738

Basic profitability ratio

	01/01-31/12/2021 As per IFRS 16	01/01-31/12/2021 As per IAS 17	01/01-31/12/2020 As per IAS 17
EBITDA rate	9.49%	6.04%	5.36%
Rate of the operating profit	4.76%	4.36%	3.54%
Pre-tax profit margin	4.05%	4.01%	4.14%

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

The flows from operating activities in 2021 reached a value of kPLN 45,643. The highest impact on the y/y change of flows from operating activities stemmed from the change in receivables, being mainly a result of the earlier payment in December 2020 by the mobile phone operators of their amounts due scheduled for January 2021 in favour of the companies from the Retail Sale Network Management segment. In result of this shift, there was an artificial lowering of the balance of the Group's receivables in the opening balance for 2021. In 2021, the changes in the working capital had a negative impact on the flows from operating activities.

Of significant influence on the cash flow statement was also the IFRS 16 standard in its part concerning the space lease contracts. After the exclusion of the above-mentioned impact, the flows from operating activities in 2021 amounted year on a to kPLN 26,610.

Significant items of the flows from investing activities comprise the inflows from the final settlement of the sale of shares in ArchiDoc S.A., in result of which the Group obtained an additional payment to the price in the amount of kPLN 15,000.

The flows from financial activity were negative and amounted to kPLN– 43,409. They mainly result from purchase of treasury shares and the repayment of liabilities under the rights of use assets as per IFRS 16, in particular in the part related to the lease of space.

The total net flows in 2021 were positive and amounted to kPLN 7,411. The cash position at the end of 2021 amounted kPLN 59,797 vs kPLN 52,386 at the end of 2020.

Cash flow statement of the Group

	Note	01/01-31/12/2021*	01/01-31/12/2020*
CASH FLOW FROM OPERATING ACTIVITY			
Pre-tax profit		**24447**	**14076**
Adjustments			
Depreciation and amortisation of fixed assets	22	33574	28679
Profit on the sale of shares	19	1360	- 5,108
(Profit) loss on the sale or liquidation of non-financial fixed assets		- 2,636	- 465
Exchange difference (profit) losses		- 280	3531
Interest expense		6005	6058
Interest income		- 595	- 542
Other adjustments	22	4154	6020
Change in inventories	22	- 3,734	- 2,885
Change in receivables	22	- 35,312	- 453
Change in liabilities	22	28545	25425
Change in provisions	22	1268	799
Adjustments made to reconcile the total profit (loss)		**32349**	**61059**
		56796	**75135**
Taxes paid		- 11,153	- 5,506
Net cash flows provided by operating activities		**45643**	**69629**
CASH FLOW FROM INVESTING ACTIVITY			
Expenses to purchase fixed assets		- 10,884	- 9,862
Inflows from the sale of fixed assets		708	299
Net expenses to purchase subsidiaries less cash of such subsidiaries		- 42	- 4,901
Inflows from the sale of shares less cash of such subsidiaries		15031	7479
Received repayments of loans granted		1157	116
Loans granted		- 155	- 1,789
Inflows from the sale of other financial assets		4	
Interest income		556	631
Other inflows (outflows) of cash	22	- 1,198	- 549
Net cash flows provided / (used) by investing activities		**5177**	**- 8,576**
CASH FLOW FROM FINANCIAL ACTIVITY			
Inflows from the issue of shares		1327	21
Purchase of treasury shares		- 15,633	
Inflows from loans and credits contracted		15652	19320
Repayment of loans and advances		- 12,866	- 30,171
Other inflows (outflows) of cash	22	- 565	- 5,035
Payments under the right of use assets		- 23,621	- 22,224
Interest paid		- 5,377	- 6,082
Dividends paid to non-controlling interests		- 2,326	- 20,225
Net flows provided / (used) by financing activities		**- 43,409**	**- 64,396**
Net cash flows before the exchange difference changes		**7411**	**- 3,343**
Change in cash and cash equivalents due to exchange differences			
Total net cash flows		**7411**	**- 3,343**
Cash and cash equivalents at period beginning		52386	55729
Cash and cash equivalents at period end		**59797**	**52386**

* data presented for the periods 01/01-31/12/2021 and 01/01-31/12/2020 do not include a presentation of Divante S.A. Divante GmbH, Brand Active Sp. z o.o., OEX24 Sp. z o.o., OEX B2B Sp. z o.o. and 4Shops Sp. z o.o. as assets held for sale. The impact of the elimination of Divante S.A., Divante GmbH, Brand Active Sp. z o.o., OEX24 Sp. z o.o., OEX B2B Sp. z o.o. and 4Shops Sp. z o.o. to assets held for sale on the consolidated cash flow statements for 2021 and 2020 was presented in Note 12 of the consolidated financial statements of the Group.

7. Characteristics of the structure of assets and equity&liabilities of the consolidated balance sheet, including from the point of view of the issuer's capital group liquidity;

The balance sheet total in the Group's consolidated balance sheet as at 31 December 2021 amounted to kPLN 447,665 and was higher by 12.8% than in than the previous year. As regards the assets, the share of fixed assets and the current assets was, respectively, 45.8% and 44.2%. The remaining 10.0% of the balance sheet total constitute assets classified as held for sale

The highest fixed asset item is the goodwill in the amount of kPLN 79,127, i.e. 38.6% of fixed assets. The second item of fixed assets in terms of value are assets arising in relation with the application of the IFRS 16 standard in the part concerning the rental contracts only, in the amount of kPLN 62,483. It constitutes 30.5 % of the Group's fixed assets. In total. the goodwill and the assets arising in relation with the application of the IFRS 16 standard make up for 74.7% of fixed assets and 31,6% of the Group's total assets in the balance as at 31/12/2021. Other significant fixed assets are long-term financial assets, an item in which the Group includes the valuation of its shares in VSF Sp. z o.o. in the amount of kPLN 14,129, described in Note 7.6 to the consolidated financial statements.

As regards the current assets, the trade receivables and other receivables (including prepayments) constitute over 60%. They are also the Group's largest asset item in terms of value (kPLN 120,339), constituting 26.9% of the total value. The inventories constitute 6.4% of total current assets.

The cash position at the end of 2021 amounted to kPLN 59,797 and was higher than at the end of 2020. The cash as at 31 December 2021 constituted 30.2% of the current assets. The current assets are higher by 19.7% than the short-term liabilities. In the assessment of the Group's Management Board, the company has a very good situation in terms of financial liquidity.

In the current assets as at 31/12/2021, there is also a value of kPLN 4,462, resulting from the IFRS 16 application to the sub-rental contracts. In consequence, the total value of assets recognised in the Group's assets in accordance with the IFRS 16 standard and concerning the space lease contracts as at 31 December 2021 amounts to kPLN 66,945, i.e. approx. 14.9% of total assets.

With regard to the equity and liabilities, the proportion between the shareholder's equity and the liabilities as at 31/12/2021 was, respectively, 39.3% and 60.7%. The value of shareholder's equity amounted kPLN 176,105 vs kPLN 155,135 at the end of 2020.

As regards the equity and liabilities, the largest item is the trade liabilities and other liabilities in the value of kPLN 115,367. They accounts for over 42% of total liabilities and 25.8% of the Group's total equity and liabilities.

The Group's debt to banks amounted to the total of kPLN 32,987 as at 31/12/2021, which constitutes 12.1% of the Group's total liabilities and 7.4% of the balance sheet total. The Group increased its debt to banks by 10.1%, however the growth results from the contraction by OEX S.A. of a term loan earmarked for the purchase of treasury shares, the balance of which as at 31/12/2021 amounted to kPLN 14,070, i.e. 42.7% of the Group's total debts to banks. The loan was repaid in whole in the first quarter of 2022.

The liabilities recognised under the IFRS 16 standard with regard to the rental contracts constitute a total of kPLN 74,918, i.e. 27.6% of the Group's total liabilities and 16.7% of the Group's balance sheet total.

Balance sheet of the Group

	Note	31/12/2021*	31/12/2020
ASSETS			
FIXED ASSETS			
Goodwill	3	79127	81482
Intangible fixed assets	4	17022	20537
Tangible fixed assets	5	10588	9630

Right-of-use assets	6	67519	72725
Investments settled using the equity method	2		247
Other long-term financial assets	7.2	14719	2513
Long-term receivables from the right of use assets	10	6430	7190
Other long-term receivables	10	1963	3725
Deferred income tax assets	8	7519	10180
Fixed assets		**204887**	**208229**
CURRENT ASSETS			
Inventories	9	12739	9364
Trade Receivables and Other Receivables	10	120339	122094
Current income tax assets	10	523	640
Other short-term financial assets	7.2	161	301
Short-term receivables from the right of use assets	10	4462	3847
Cash and cash equivalents	11	59797	52386
		198021	188632
Fixed assets or groups of assets for trading classified as held for sale	12	44757	
Current assets		**242778**	**188632**
Total assets		**447665**	**396861**
TOTAL EQUITY & LIABILITIES			
Shareholder's equity			
Shareholders' equity - share of the Parent Company shareholders:			
Share capital	13	1514	1598
Share premium	13	63004	63004
Treasury shares (-)	13	- 15,633	- 8,072
Retained profits	13	114329	90925
Shareholders' equity - share of the Parent Company shareholders		163214	147455
Non-controlling interests	13	12891	7680
Shareholder's equity		**176105**	**155135**
LIABILITIES			
LONG-TERM LIABILITIES			
Long-term credits and loans	7.3	17515	10575
Long-term liabilities from the right of use assets	7.1	56597	64624
Deferred income tax liabilities	8	12394	12884
Provisions for employee benefits	14	161	161
Long-term provisions		161	161
Long-term liabilities		**86667**	**88244**
SHORT-TERM LIABILITIES			
Trade liabilities and other liabilities	16	115366	102417
Short-term credits and loans	7.3	11245	15262
Other short-term financial liabilities	16	4909	5290
Short-term liabilities from the right of use assets	7.1,16	27479	25088
Current tax liabilities	16	2271	2159
Provisions for employee benefits	14	3083	3214
Other short-term provisions	15	1032	52
Short-term provisions		4115	3266
		165385	153482
Short term liabilities included in the groups held for sale	12	19507	
Short-term liabilities		**184893**	**153482**
Total provisions		**271560**	**241726**
Total equity and liabilities		**447665**	**396861**

* data presented as at 31/12/2021 take into account a presentation of Divante S.A. Divante GmbH, Brand Active Sp. z o.o., OEX24 Sp. z o.o., OEXB2B Sp. z o.o. and 4Shops Sp. z o.o. as assets held for sale

8. More important events with a considerable influence on the activities and financial performance of the issuer's group in the financial year or which may have an influence in the subsequent years to come;

On 28 June 2021, OEX S.A. signed with Offsite Archive Storage & Integrated Services (Ireland) Ltd. Annex No. 1 to the agreement on the sale of shares in ArchiDoc S.A., in which the parties confirmed that OEX S.A. is entitled to an additional payment to the selling price of shares in ArchiDoc in the amount of PLN 15 million. The amount was transferred to the company's account on 30 June 2021. In relation with the fact that OEX S.A. received additional payments to the selling price in its maximum amount as foreseen in the SPA, OEX S.A. recognised a revenue of kPLN 1,478 in 2021, which constitutes a difference between the actual and final value of the additional payment to the selling price (i.e. kPLN 15,000), and the values estimated in the revenues for 2019 and 2020 (i.e. the total of kPLN 13,522).

On 17/12/ 2021, OEX S.A. and the remaining shareholders in Divante S.A. of the one part and Sappho Zweiundzwanzigste Holding GmbH with registered office in Linz on the other part executed a pre-contract of sale of 100% of shares in Divante S.A., following which, on 17/01/2022 a final sale agreement was signed. The sale will be recognised in the Group's statements in 2022. In exchange for its 51.03% of shares in the share capital of Divante, the Company received in January 2022 the amount of kPLN 89,338. That amount will be additionally increased by kPLN 2,150. Furthermore, the Company and the remaining former shareholders of Divante will be entitled to an earn-out payable in proportion to the number of shares in Divante sold in case in the 2021 calendar year Divante has exceeded the pre-defined level of standardised EBITDA, in the total amount not exceeding kPLN 85,333, whereby upon the day of the publication of the Group's statements for 2021 the actual amount to be earned by the Company and former shareholders of Divante is not known yet. Details of the agreement were described in Note No. 12 to the Group's consolidated financial statements.

9. Assessment of the factors and non-typical events influencing the result of the financial year, specifying the degree of influence of such factors or non-typical events on the result achieved;

In 2021, the Group did not identify any factors or non-typical events influencing the result of the financial year.

10. Characteristics of external and internal factors significant for the development of the issuer's business and description of the issuer's activity development perspective at least until the end of the financial year following the financial year for which the financial statements were made, including elements of the issuer's market strategy;

The main external factors that are significant for the development of the Group will concern Poland's macroeconomic situation in relation with the geopolitical situation caused by the war in Ukraine and the situation on the sector-specific market, where the subsidiaries operate, with particular attention put to the FMCG segment, e-commerce, mobile telephony as well as commerce. They shall comprise, in particular:

a) situation on the labour market, both as regards the pay pressure and the availability of personnel;

b) level of inflation, the further rise of which will lead to increased operating costs and increased financial costs due to subsequent interest rate growths;

c) the epidemic situation related to Covid-19, as a factor with a potentially significant negative impact on the activity of the Group's companies and their clients;

d) uninterrupted performance of the existing contracts as well as acquisition of new contracts in accordance with the internal plans at satisfactory conditions;

e) performance of agreements with the mobile phone operators, taking into account:
   - seasonality;
   - promotional actions planned by the mobile phone operators;
   - performance level of sale plans imposed on the Group companies by operators;

Among internal factors that are important for the Group's development, the following should be mentioned:

a) settlement of the transaction of the sale of shares in Divante S.A., as mentioned in point 8;

b) achievement of business and financial objectives by the companies in the initial investment stage. In accordance with its strategy, the Issuer mainly invests in enterprises related to the eCommerce services sector. It concerns both start-up projects as well as existing ones. In particular this will concern iPOS S.A., where OEX S.A. as at the date of publication of the 2021 financial statements, holds over 84.45% of shares and the total value of the investment made by OEX S.A. to acquire the shares in that company amounted to kPLN 15,133. At present, the company does not generate positive results and flows and in the next year there may be a similar situation, which may require further investments by the Group. A similar situation concerns Open Loyalty Sp. z o.o., a company formed as a spin-off from an organised part of business of Divante S.A., and which remained the Group's property after the disposal of shares in Divante S.A. in the same proportion as Divante S.A. was in its time. As for VSF Sp. z o.o., no investments by the Group are anticipated and the company is not subject to consolidation, co its results do not impact the Group's results. However, due to the fact that the Group's shares held in that company were valued in the balance sheet at kPLN 14,219, they constituted a significant asset of the Group and that value may be subject to significant fluctuations in the year to come due to the fact that VSF is still a start-up type of a company and its further development depends on the success of further rounds of financing addressed to external investors.

c) monitoring of the pursuit of objectives and the profitability of contracts realised, including cost control,

d) potential equity transactions - acquisitions or potential sales of subsidiaries. The Issuer does not rule out any equity transactions concerning mature subsidiaries. Such transactions may mean both an acquisition of external investors as well as the sale of selected companies.

e) continuation of reinforcement of the internal control systems on the basis of an internal audit unit.

11. Description of risk and threat factors, with a specification to what extent the Issuer's Group is exposed to them;

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

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

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

The sale of mobile phone services takes place via a few sale channels, the main one being: traditional commercial outlets (including showrooms and stands in shopping malls), sale representatives, call centres and the Internet. Considering the development of modern sale channels, it is possible that the clients will become less interested in the direct service in traditional sales outlets. This tendency may be additionally supported by a better offer addressed by operators to clients using channels other than the traditional one. Any possible change in the sale structure of the mobile phone operators related to the distribution channels and the restriction of the role of traditional outlets may influence a decrease in the revenue from the sales of the OEX Group companies which operate in the Retail Outlet Network Management segment. The development of new segments of business, both by acquisitions and by creation of own innovative solutions, especially in the eCommerce Services area, reduces the said risk.

Risk of a slowdown on the eCommerce market

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

Risk related to negative tendencies at the retail and wholesale markets

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

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

A threat to the Sale Support segment may also be stem from the tendency among the FMCG producers to reduce their budgets for promotions in the form of product tasting and sampling, event organisation, animation etc.

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

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

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

Risk related to the price pressure from a part of clients

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

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

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

Risk of delayed payment of amounts receivable from clients

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

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

Subcontractor risk

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

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

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

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

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

Risk related to the destruction or loss of stored materials

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

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

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

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

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

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

Risk of higher market competition

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

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

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

The eCommerce Services segment is very distributed, there are a lot of companies of different sizes and new enterprises emerge all the time. in the assessment of the Management Board, smaller enterprises or the newly established ones, without any history of cooperation, significant experience in the e-commerce segment, have poor changes to acquire clients for whom these elements are the key elements in the decision process, particularly in the areas of logistics and customer support. One should also remember that the inflow of new clients to eCommerce is, in large simplification, comparable to the year-to-year rise of that market and the trends observed in this area are double digit high. This means that each year there are many new clients who need e-business services in the large sense.

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

Labour market risk

The unemployment level, which has been decreasing in recent year, constitutes an important factor on the Polish labour market. In 2021, the labour market saw a fall in the unemployment level, still remaining at historically low levels. At the end of 2021, the unemployment rate was 5.4%. The economy achieved this condition, seeing, at the same time, a lack of employment stability and a growing significance of flexible forms of cooperation. The main challenge in front of employers was to acquire and maintain employees, as well as their growing pay expectations. The number of potential job candidates is also influenced by demographic factors and economic migration. The above-mentioned elements combined with pay rises, both resulting from the changes of the minimum wage changes and from the pay pressure stemming from a limited pool of candidates, translate directly into the availability of employees and, consequently, increase the employee acquisition costs.

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

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

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

The Issuer attaches great importance to the compliance with the law and the planned changes concerning the labour law and social insurance, including those that may increase the costs or otherwise lower the attractiveness of the flexible forms of employment used by the company, are of great significance for the business of the OEX Group companies. All initiatives concerning amendments to regulations in this area and any advancing legislative work concerning the selected provisions of the law are very closely monitored by the Issuer and the plans for further activities are, to the extent possible, adjusted as appropriate to the most probable scenarios.

Currently, the OEX Group concentrates its activities on tight cost control, productivity increase and project management improvement. The Issuer also sees additional development opportunities in the area of outsourcing solutions for clients that search ways to optimise costs.

Risk of departure of key employees

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

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

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

Risk related to improper service performance

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

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

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

Risk related to the conduction of business using IT technologies

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

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

Risk related to the necessity to ensure information confidentiality

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

Risk resulting from changes in the personal data protection provisions

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

Risk of claims against the OEX Group companies

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

Risk of termination of agreements by banks or lease companies

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

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

Risk of changes in interest rates

As at 31 December 2021, the OEX Group had interest financial liabilities bearing variable interest. In view of the foregoing, the Issuer's Group is exposed to the risk of changes in interest rates as any rise in such rates will increase the costs of financing and, consequently, lower the profitability. That situation occurred in 2021 in consequence of a few interest rate growths announced by the National Bank of Poland. For example, the WIBOR 3M rate went up from 0.21% to 2.54% during a period of one year. The interest rate rise policy was continued also in 2022, therefore the further borrowing cost hikes seem probable. However, the Group's indebtedness is at a low level when compared to the scale of its business and is still decreasing, therefore no hikes in borrowing costs will be of significant impact for the Group's financial performance.

Risk of exchange rate fluctuations

Among the macroeconomic factors that impact the financial situation of the OEX Group there also are exchange rates. their fluctuations, especially those dramatic ones, e.g. caused by the Covid pandemic outburst, or the war in Ukraine, may impact the Group's financial performance to some extent. Nevertheless, due to the fact that currently the value of the Group's revenue in foreign currencies significantly exceed the value of costs incurred in foreign currencies (mainly EURO and USD), it is the appreciation and not the depreciation of PLN that may have a negative impact on the Group's financial results. In order to hedge significant exchange fluctuations, in 2021 the Group used forward type hedging transactions and does not exclude that it will resort to that type of hedging instruments in the future.

Risks related to the legal environment

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

In the Issuer's opinion, of particular importance to its situation may be tax-related risks. To the best of the Management Board's knowledge, the Issuer and its subsidiaries comply with the tax laws and do their best to ensure that their business operations always allowed for all the aspects of the law, including its amendments and – to the extent possible – latest interpretations. Despite this, it may not be excluded that the activities of the tax authorities in consequence of an audit of the observance of specific provisions, especially an interpretation thereof, may have a negative impact on the financial and cash situation of the OEX Group. The tax audits in progress in the Group companies (mainly related to the VAT settlements, including VAT refunds) are many a time prolonged frequently and this have an impact on the operation of the companies - the Management Boards and the key personnel is involved, their time is taken and additional costs are generated (e.g. tax consulting). This also impacts the cash position, especially when the period for the VAT tax refund is extended in result of such audits or in situations when the IRS offices set up securities in the form of a seizure of amounts due as VAT refunds or holds on bank accounts. The companies apply in such cases all legal tools available to them to protect their interests, nevertheless in case there is a growth in the scale of activities carried out by the tax authorities, the character or such activities is changed or there are decisions made that are unfavourable for the companies, the potential negative impact of such events on the situation of the Issuer's Group may be immense.

Risks related to the COVID-19 epidemic

The scale and the pace of the spread of the COVID-19 pandemic in the previous two years had a negative impact not only on the national but also the global economy. In accordance with the common expectations of a majority of economists, the impact may be a long-term one, even after the termination or significant containment of the direct COVID-19 threat. This, in turn, may have an influence on the basic conditions underlying the demand and supply processes of many goods and services, and, consequently, may result in a harsher operating environment for the enterprises. The OEX Group companies may also be subject to the above-mentioned factors and that may – especially in case of a significant reduction of the consumer's demand, and, consequently, the indirect demand for selected services among the clients of the OEX Group – have a considerably adverse impact on the Group's financial position and its development potentialities. On the other hand, the pandemic proved to be a development stimulus for certain services, in particular related to the eCommerce solutions or remote client support, where the OEX Group is a provider.

The Group is of the opinion that there are the following main areas of potential risk related to COVID-19:

- Administrative restrictions concerning the operation of the Retail Sale Network Management segment companies consisting in the obligatory shutdown of commercial outlets, particularly those located in shopping malls;
- Decisions undertaken by the Group's clients to downscale their business, entailing in some cases a total resignation from certain services for them despite the fact that the OEX Group companies have discharged their contractual obligations.
- Restrictions concerning the availability of personnel;
- Contractors' difficulties, both those related to their own financial or operational situation as well as those resulting from restrictions in international transport, commerce, or logistics.

The management boards of the OEX Group companies closely monitor the epidemic situation ant the experience gathered with respect to the management in the conditions of pandemic as well as the identification of related risks allow them to conclude that the Group companies are well prepared to undertaking appropriate preventive measures aimed at the elimination or mitigation of potential negative consequences in case new waves of the pandemic appear or there are related restrictions or risks.

Risks related to the war in Ukraine

The aggression of the Russian Federation against Ukraine that started in February 2022 entails a potentially significant economic and political risk for Poland, Europe and the whole world. The risks stem both from the prospective escalation of the acts of war as well as from the interruption of economic ties between Russia and Europe, in particular in the area of energy fuels, as the economies of many European countries are heavily dependent on their imports. Currently, it is difficult to anticipate all the consequences of that situation, however it should be assumed that there will be long-term and heavy turmoil in most areas of the global economy, including soaring energy material prices, and consequently the prices of energy and fuels. This in turn will lead to significant hikes in the costs of all the remaining sectors of economy and in the costs of living of the general populace.

The OEX Group does not have any business relations with Russia and Ukraine. Ukrainians constitute only a minute percentage of the total headcount of the Group. The Group does not serve any direct clients from Russia and Ukraine. In view of the foregoing, in the short-term perspective and on a direct basis the war in Ukraine does not have any impact on the operations of the Group companies. It cannot be rules out, however, that the above-mentioned global threats may lead to indirect and significant negative consequences for the Group.

12. Assessment of financial resources management and its grounds, in particular the ability to discharge liabilities incurred, determination of possible threats and measures undertaken or to planned by the issuer to counteract such threats;

The OEX Group has a rational financial management as evidenced by the ratio-based analysis. The Group companies timely discharged their liabilities.

Ratio-based analysis

No.	Name of ratio	Formula	Measure	2021	2020
1	**Efficiency ratio**				
1.1	Cost level ratio	tax deductible cost / revenue from the sales		0.95	0.96
1.2	Asset turnover ratio	revenue from the sales / total assets		1.3	1.1
1.3	Fixed asset turnover ratio	sale revenue / fixed assets		2.9	2.2
1.4	Inventory cycle indicator	inventories x number of days in the period / sale revenue	days	7.7	7.6
1.5	Receivables cycle indicator	receivables x number of days in the period / sale revenue	days	73	99
2	**Effectiveness ratios**				
2.1	ROS - gross	profit on economic activity x 100 / sale revenue	%	4.0	3.1
2.2	ROS - net	net profit x 100 / sale revenue	%	3.4	2.6
2.3	Rate of return	net profit x 100 / total assets at period end	%	5.7	3.7
2.4	ROE	net profit x 100 / equity	%	14.6	9.4
3	**Financial liquidity ratios**				
3.1	Liquidity I ratio	total current assets / current liabilities		1.31	1.23
3.2	Liquidity II	current assets - inventories / current liabilities		1.24	1.17
3.3	Liquidity III ratio	cash / current liabilities		0.32	0.34
4	**Capital structure,ratios**				
4.1	Debt ratio	outside capital / shareholders' equity		1.5	1.6
4.2	Equity to debt ratio	shareholders' equity / outside capital		0.6	0.6
4.3	Asset to equity leverage ratio	shareholders' equity / total capital		0.4	0.4
4.4.	Asset to liabilities leverage ratio	liabilities to suppliers and other / total capital		0.3	0.3

13. Characteristics of the policy related to the lines of development of the Issuer's Group;

The Group intends to develop its offer of modern services for the business gradually. The Management Board sees the growth potential in the Retail Network Management segment mainly in consequence of further market consolidation, while in case of the remaining segments - by both further organic growth and the reinforcement of the market position as well as by selective capital transactions aimed at the creation of a permanent value for the shareholders. The Company treats the areas related to the use of new technologies and specialised logistics, especially related to the comprehensive e-commerce support as particularly prospective.

14. Indication of significant legal, arbitration and administrative proceedings;

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

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

15. Information on contracts significant for the business of the Issuer's Group, including contracts between shareholders known to the issuer, insurance contracts and cooperation contracts;

a) Agreements significant for the business of the OEX Group companies

Agency Contract of 20 November 2012

The key contract for TELL Sp. z o.o. is the Agency Contract with Orange of 20 November 2012 (superseding previous contracts and effective as of 1 October 2012) on the basis of which TELL Sp. o.o. provides mobile phone system agency services for Orange Polska S.A.

Agency Agreement of 01 April 2001

The key contract for Euro-Phone Sp. z o.o. is the Agency Contract of 01/04/2001 on the basis of which Euro-Phone Sp. z o.o. provides mobile phone system agency services for T-Mobile Polska S.A. Additionally, the Company and T-Mobile Polska S.A. concluded the Distribution Contract of 01/07/2001.

Cooperation Agreement with the Strategic Authorised Sales Representative of 15 December 2016.

Until the end of 2016, the Agency Contract of 30/06/2010 (superseding previous contracts) had been the key contract for PTI Sp. z o.o. and PTI Sp. z o.o. provided mobile phone agency services for Polkomtel Sp. z o.o. on its basis. In addition to the above-mentioned contract, the Company and Polkomtel also concluded the Goods Distribution Contract concerning pre-paid products, the DTH Distribution Cooperation Agreement and the Agency Agreement concerning intermediation in banking activities. In December 2016, the Company signed a new agreement for the next 5 years with Liberty Poland SA (a member of the Polsat Group), in accordance with which since 1 January 2017 it has been providing agency agreements related to mobile phones and other products and services offered by the Polsat Group. In accordance with the Annex dated 30/12/2021, which came into force on 01/01/2022, the agreement was prolonged until 31/12/2027.

Credit agreement dated 28 October 2020 made by and between OEX S.A. and the Issuer's subsidiaries on the one hand and Santander Bank Polska S.A. and Santander Faktoring sp. z o.o. on the other hand

Details of the agreement are described in item 18.

Investment agreement dated 24 August 2020 by and between OEX S.A., iPOS S.A. with registered office in Warsaw, and all the existing shareholders in iPOS S.A.

Details of the agreement were described in Note No. 2 to the Group's consolidated financial statements.

A pre-contract of sale of shares in Divante S.A. dated 17 December 2021 made by and between OEX S.A. and the remaining shareholders in Divante S.A. on the one part and Sappho Zweiundzwanzigste Holding GmbH with registered office in Linz on the other part

Details of the agreement were described in Note No. 12 to the Group's consolidated financial statements.

b) Agreements made between the shareholders

On 11 June 2021, an agreement within the meaning of Art. 87 (1) (5) of the Act of 29 July 2005 on public trading and on conditions of introduction of financial instruments into organised trading systems and on public companies was signed by and between the Company and its 13 shareholders holding a total of 6,042,966 shares in the Company, representing 83.0% of the total number of votes at the General Meeting of Shareholders of the Company. The purpose of the agreement was to ensure that the Company ceased to be a listed company in consequence of a procedure of withdrawal of its shares from the regulated market of the Warsaw Stock Exchange, preceded by an acquisition by the company of its 1,525,966 dematerialised ordinary bearer shares of the par value of PLN 0.20 each, held by the remaining shareholders and listed at the Warsaw Stock Exchange. The shares represented 17.05% of the total number of votes at the General Meeting of Shareholders.

In result of the call, between 15 July 2021 and 13 August 2021, the Company acquired, in accordance with the terms and conditions of the call and for a total price of PLN 15,633,187.50 a total of 727,125 treasury shares, which represented 8.12% of the total number of votes at the General Meeting of Shareholders of the Company.

On 17 February 2022, the above-mentioned agreement of the shareholders was terminated. The agreement was terminated due to the identified lack of perspectives as to the achievement of the agreement's purpose and further effective cooperation between the Parties to the agreement with a view to ensuring the Company's share withdrawal from the Warsaw Stock Exchange, in particular because of the following facts: (i) a failure on the part of the parties to the agreement to obtain at least 95% of the total number of votes at the General Meeting of Shareholders of the Company (which was a pre-condition for the squeeze-out of the Company's shares as per the procedure laid down in Art. 82 of the Act), (ii) the maintaining for a longer period of time of a stock market valuation of the shares at a level significantly exceeding the maximum price level (PLN 21.50), at which it was allowed to acquire the shares under the programme of acquisition of the Company's own treasury shares as per the agreement. After the termination of the Agreement, the entities that were the Parties to the agreement do not have any agreement between each other within the meaning of Art. 81 (1) (5) of the Act.

In relation with the termination of the agreement, the Company's Management Board adopted a resolution to terminate as of 17 February 2022 the process of acquisition of the Company's shares at the terms and conditions as determined in Resolution No. 3 of the Extraordinary General Meeting of Shareholders dated 8 July 2021 concerning the approval of the process of acquisition of the Company's treasury shares for redemption.

16. Information about organisational or capital links of the issuer with other entities and determination of its main domestic and foreign investments (securities, financial instruments, intangible assets and real estates), including equity investments made outside the group of related entities as well as description of their financing;

Information on organizational and capital links was presented in item 3.

The Group's main equity investment in 2021 was the subscription of subsequent issues of shares in iPOS S.A. Throughout 2021, the Group tool over the share issues of the total value of kPLN 7,575, in part in consequence of a conversion of its loans sanctioned earlier to the company. Ever since the beginning of its investment in iPOS, i.e. August 2020, the Group invested in that company a total of kPLN 15,133. As at 31/12/2021, the value of that investment amounted to kPLN 13,757. As at the date of the publication of its consolidated financial statements, the Group held a total of 291,882 shares in IPOS S.A., constituting 84.45% of the total of shares.

17. Information about transactions made by the issuer or its subsidiary with related parties at terms and conditions other than those at arm's length, including amounts of such transactions and information on the transaction character - the obligations is deemed to have been fulfilled by indicating the place where the information is included in the financial statements;

The transactions between the Group entities were made at arm's length. Details concerning the transactions with related parties were given in point 23 of the financial statements of OEX S.A.

18. Information about loan and credit contracts signed or terminated in the given financial year, with a specification of at least their values, type and amount of the interest rates, currency and maturity dates;

No agreement executed with the Group companies concerning loans and credits was terminated earlier.

On 11 June 2021, OEX S.A. entered into a credit agreement concerning a term loan with Santander Bank Polska S.A. In accordance with that agreement, the Bank undertook to grant the company payment guarantees and credit facilities of up to PLN 23 million to be used to co-finance the acquisition of the treasury shares by OEX S.A. under the process initiated on the basis on the agreement of shareholders as mentioned in item 15 (b) herein above.

The credit was sanctioned for a period of 5 years and was to be repaid in half-yearly instalments starting from 31/12/2021. Pursuant to the Credit Agreement, the applicable interest rate was a sum of the WIBOR 3M rate plus the Lender's margin, the amount of which, in the opinion of OEX S.A., did not differ from the ones applicable to borrowing terms and conditions available on the financial market. The Credit Agreement contained a number or customary obligations on the part of the Company, including, but not limited to, an obligation that the debt level as measured by means of the ratio of consolidated net debt to the consolidated EBITDA of the OEX Group ('Debt Ratio') would not go above the level of 3.0.

The Credit Agreement foresaw a security in the form of guarantees given by selected subsidiaries of the Group, a pledge on the shares and participations in the subsidiaries of OEX S.A., a pledge on the shares in OEX S.A. held by one of the shareholders, pledges on the bank accounts of OEX S.A. and the guarantors and an assignment of rights under selected insurance policies. Additionally, OEX S.A. and the guarantors submitted statements in which they declared and agreed to be subject to enforcement and execution proceedings in accordance with Art. 777§ 1 (5) of the Polish Code of Civil Procedure for the benefit of the Lender.

The credit was sanctioned in the amount of kPLN 15,633. On 7 February 2022, the Company repaid the credit in whole.

On 4 November 2021, OEX S.A. and the Group's selected subsidiaries on the one part and Santander Bank Polska S.A. on the other part made an Annex to the Multiline Credit Agreement of 28 October 2020. On the basis of the Annex, the availability of the overdraft facility and the limit for guarantees were extended until 6 November 2022. The total value of limits of the above-mentioned facilities did not change and amounts to kPLN 41,300. The remaining significant terms and conditions of the Multiline Credit Agreement of 28 October 2020 remained unchanged.

19. Information on the loans extended in the given financial year, with particular attention paid to loans extended to the Issuer's related parties, with a specification of at least the loan amounts, types and interest rates, currencies and maturity dates;

The information about loans granted and repaid in 2021 by OEX S.A. to the Group companies is presented in the table below. The interest rate applicable to the loans is variable and is a total of the following components: arithmetic mean of the WIBOR 1M rate for deposits of the previous calendar month plus a margin of 2.0% to 3.5%. The loan maturities do not exceed 12 months with a rollover option.

Borrower	Balance as at 31/12/2020	Loan granted in 2021	Loan repaid in 2021	Balance as at 31/12/2021
Europhone Sp. z o.o.	4680	-	1400	3280
OEX E-Business Sp. z o.o.	150	-	150	-
OEX Cursor S.A	-	1500	1500	-
OEX24 Sp. z o.o.	5950	319	-	6269

iPOS S.A.	2000	4000	6000	-
OEX B2B	-	303	-	303
Total	**12784**	**6122**	**9050**	**9852**

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

Information on securities and guarantees granted was presented in section 24 of the Group's consolidated financial statements.

In 2021, OEX S.A. gave one new guarantee in the form of accession to a debt agreement. On 7 December 2021, OEX S.A. signed with Santander Factoring Sp. z o.o. a Debt Accession Agreement, on the basis of which OEX S.A. gave the Factor a guarantee concerning the potential liabilities of OEX Cursor S.A. resulting from the Factoring Agreement by and between OEX Cursor S.A. and the Factor, up to the amount of k PLN 5,000. After the balance sheet date, in relation with the repayment by OEX Cursor S.A. of all its liabilities under the factoring agreement, the debt accession agreement expired.

21. In case of issue of securities in the reporting period, description of the use by the issuer of the proceeds from the issue until the date of the report on activities;

In the reporting period, the Group did not issue securities.

22. Explanation of differences between the financial results disclosed in the annual statement and result forecasts published earlier for the given year;

The Group did not publish any forecasts of results for 2021.

23. Assessment of the feasibility of investment plans, including equity investments, when compared to the funds held, taking into account possible changes in the financing structure;

The investment intentions will be pursued owing to the funds earned in the current operations and funds obtained from the sales of shares in subsidiaries. The Group has at its disposal considerable own funds and, at the same time, a relatively low debt level, in particular the investment loan debt.

24. Changes in basic business management principles concerning the issuer and the group;

In 2021, there were no changes in the principles of governance of the Issuer's enterprise and the Group when compared to the previous year. OEX S.A., as a holding company, is responsible for the formulation of the Group's development strategy and supervision over its implementation, the acquisition policy and for the support given to subsidiaries in such areas as finance, controlling or HR management. The subsidiaries concentrate on the development of their core competences and the building of competitive edge within particular operational segments.

25. All contracts made between the issuer and the managing persons providing for compensation in case of resignation or dismissal from the position without a goof reason or when the recalling or dismissal takes place due to the combination of the issuer by merger;

The Issuer is a party to two work contracts which provide for compensation in case of resignation or dismissal from the position taken without an important reason with regard to two members of the issuer's management board. The total value of compensation resulting from these agreements amounts to kPLN 360.

26. Value of remuneration, bonuses or benefits, including the ones resulting from incentive programmes or bonus programmes based on the issuer's equity;

The information about the value of remuneration and other benefits paid to the persons who manage or supervise the Issuer was presented in point 28.3 of the Group's consolidated financial statements.

27. Determination of the total number of shares in the issuer and shares in issuer's related parties that are held by the persons in management and supervisory bodies;

The persons in the management and supervisory bodies of the Issuer do not have any shares in subsidiaries. The list of Issuer's shares held by the persons in the managing and supervising bodies as at 31 December 2021 is presented in the table below.

	Total shares	Total votes	% of share capital	% of votes
Members of the Supervisory Board `				
Piotr Cholewa, indirectly via Silquern S.a r.l.	801096	801096	10.03%	8.55%
Members of the Management Board				
Jerzy Motz, indirectly via Precordia Capital Sp. z o.o. and Real Management S.A.	2278773	2281381	30.11%	27.24%
Rafał Stempniewicz	98719	98719	1.30%	1.10%
Robert Krasowski	10889	10889	0.14%	0.12%
Tomasz Kwiecień	24150	24150	0.32%	0.27%

28. Information about contracts known to the issuer (including also contracts concluded after the balance sheet date) in result of which they may be in the future any changes in the proportion of shares held by present shareholders and debenture holders;

The issuer has no such information.

29. Information about the acquisition of treasury shares, in particular the purpose of the acquisition, the number and nominal value, specifying the part of the share capital they represent, the purchase price and the sale price in case they were sold;

On 11 June 2021, the Management Board of OEX S.A. passed a resolution on the commencement of the process of the acquisition by the company for redemption of 1,525,966 ordinary bearer shares in the company having the par value of PLN 0.20 each, dematerialised and quoted at the Warsaw Stock Exchange. Those shares represent 17.05% of the total number of shares at the General Meeting of Shareholders of the company. The resolution also concerned the determination of the terms and condition of the acquisition. The Resolution of the Management Board was passed as an implementation of the agreement made on the same day by the company and its 13 shareholders holding a total of 6,042,966 shares in the company and representing 82.95% of the total number of votes at the General Meeting of Shareholders. The agreement concerned a cooperation with a view to ensuring that the company ceased to be a listed company in consequence of a procedure of withdrawal of its shares from the regulated market of the Warsaw Stock Exchange, preceded by the acquisition by the company of its treasury shares held by the remaining shareholders of the company as part of the acquisition of treasury shares for redemption, in particular on the basis on a Call for Subscription for the Sale of Treasury Shares in an amount leading to the achievement by the parties to the Agreement of 100% of votes at the General Meeting of Shareholders.

In accordance with the text of the Resolution of the Management Board, the acquisition process was carried out in accordance with the following terms and conditions:

- the Treasury Shares were acquired for redemption;

- the acquisition concerned not more than 1,525,966 treasury shares, whereby in each case the total nominal value of the Treasury Shares acquired could not exceed 20% of the company's share capital as at the date of the resolution, taking also into account the nominal value of the remaining Treasury Shares which were not disposed of or redeemed by the company;
- the acquisition of the Treasury Shares was financed from the funds of the company's supplementary capital originating from the company's retained profits or other amounts that could have been allocated for distribution among the company's Shareholders. The Treasury Shares were purchased from the company's shareholders for remuneration paid by the company exclusively from the above-mentioned funds, transferred from the company's supplementary capital to reserve capital set up purposefully by virtue of a resolution of the General Meeting of Shareholders;
- the total value of the funds earmarked for the payment by the company of the price for the Treasury Shares acquired, increased by the acquisition costs, will not exceed mPLN 33.5, whereby it may not exceed the value of the reserve capital;
- the acquisition of the Treasury Shares may take place until 30 June 2022, no longer than until the use of all the funds earmarked for the acquisition of the Treasury Shares;
- the Treasury Shares are to be acquired by the company mainly on the basis of the Call announced by the company acting jointly with the Shareholders who, in result of the execution of the agreement, exceeded, as regards the number of shares held in the company, the threshold of 66% of the total number of votes at the General Meeting of Shareholders;
- the Treasury Share acquisition price has been determined at the level not higher than PLN 21.50;
- the Treasury Shares, which were not acquired in result of the Call, may be acquired by the company (from the Shareholders who are not parties to the Agreement) acting in accordance with the Agreement – provided that in the given case the conditions allowing the execution of the given transaction in accordance with the applicable regulations of the law have been fulfilled – by means of a squeeze-out procedure.

The General Meeting of Shareholders of OEX S.A., which took a decision on the approval of the process of acquisition of the company's treasury shares for redemption and the setting up of a reserve capital to cover the related costs took place on 8 July 2021.

The subscription for the sale of shares under the call took place between 15 July and 13 August 2021.

On 16 August 2021, the Management Board of OEX S.A. received information about the results of the Call. During the period of subscription for the shares covered by the Call, correct subscriptions were made for a total of 727,125 shares, representing 8.12% of the total number of votes at the General Meeting of Shareholders. In consequence, pursuant to the terms and conditions set out in the Call, by 18 August 2021, the acquisition transactions had been executed by the company with regard to the said Shares covered by the Call and the transaction was settled with the National Depository for Securities on 23 August 2021, resulting in the transfer of the shares to the company.

After the balance sheet date, on 17 February 2022, the agreement between OEX S.A. and its 13 shareholders, i.e. Neo Fund 1 sp. z o.o., NEO BUSINESS PROCESS OUTSOURCING S.à r.l., PRECORDIA CAPITAL sp. z o.o., REAL MANAGEMENT S.A., Silquern S.à r.l. and 8 natural persons terminated their Agreement executed on 11 June 2021 concerning a cooperation to ensure that the company would cease to be publicly listed in consequence of a procedure of withdrawal of its shares from the trade on a regulated market of the Warsaw Stock Exchange. The Agreement was terminated due to the identified lack of perspectives as to the achievement of the Agreement's purpose and further effective cooperation between the Parties to the Agreement with a view to ensuring the Share Withdrawal.

30. Information about the most important achievements in research and development;

The research and development activities are conducted by Open Loyalty Sp. z o.o., a spin-off created from an organised part of the business of Divante SA. In 2021, as part of development of its own products, Open Loyalty invested in the improvement of the current version of platform Open Loyalty 4 and a construction of its successor, Open Loyalty 5. Besides the research work, Open Loyalty also conducted developmental work related to the extension of the platform to include new generation loyalty solutions with the use of the blockchain technology, machine learning, artificial intelligence and mobile technologies. For its development work, the company obtained a grant from the National Research and Development Fund in the amount of PLN 5.987 million, which will cover approx. 60% of the expected expenditure.

31. Information about the employee shareholding plan control system;

Companies of the Group do not run any employee share schemes.

32. Information on the Issuer's agreement with an audit firm authorised to audit the financial statements;

The information about an agreement executed and remuneration of an entity authorised to audit the financial statements was given in point 28.4 of the Group's consolidated financial statements.

33. Information about the policy concerning sponsoring, charitable or similar activities;

For many years, the OEX Group companies have been involved in activities supporting the local communities. The Group becomes engaged in actions whereby assistance is provided to children and young people in difficult situations as well as in activities related to the environment protection and healthy lifestyle promotion. The actions have a long-term character and have been developed ever since the establishment of the OEX Group companies. We do our best to ensure that the assistance produced measurable results.

The OEX Group companies carry out activities aimed at increasing the awareness of significant social problems and encouraging the involvement of all employees in the pursuit of social responsibility area projects. A significant part of these activities constitutes employee voluntary work whereby the Group supports its employees who become involved in various charitable initiatives.

The OEX Group does not have a formalised social impact policy. The OEX Group companies individually carry out their activities for the benefit of local communities and such activities are frequently promoted among the employees all over the OEX Group.

In 2021, the OEX Group companies made donations in the total amount of kPLN 33. The list of beneficiaries include the following foundations: Podaruj Wigilię [*Gift for Christmas Eve*], Kapital Światełko [*Captain Light*], Digital University, Ultrakrew [*Ultrablood*] and the Administrative Centre of Day Care Centres. As part of a sponsoring agreement, OEX SA donated kPLN 40 to the Virtuosa Foundation to modernise the Check-in Desk for 30 Specialist Outpatient Clinics within the Children's Memorial Health Institute.

Detailed information concerning this area has been presented in the Statement of Non-financial Data.

34. Report on non-financial information

Pursuant to Art. 49b (1) of the Accounting Act, the Company as a separate entity drew up the Statement of the OEX Group on non-financial information for 2021 attached to this report on the activities of OEX S.A.

35. Corporate Governance report

The 2021 corporate governance statement, constituting a part of these financial statements of the Issuer's Group, was prepared in the form of an annex entitled '*The 2021 Corporate Governance Statement*'.

36. Management Board's Statement and approval for publication

In accordance with the generally applicable legislation, internal regulations and corporate governance rules adopted, the chartered auditor was appointed by the Supervisory Board of OEX S.A. by virtue of the resolution of 15 June 2021 on the appointment of a chartered auditor. PKF Consult spółka z ograniczoną odpowiedzialnością Sp. k. with registered office in Warsaw (hereinafter referred to as 'PKF Consult'), entered into the list of entities authorised to audit financial statements under number 477, was selected to be the auditor. The Supervisory Board made the above appointment so as to guarantee full independence and objectivity of the appointment process as well as the performance of his duties by the statutory auditor.

The Issuer executed a contract with PKF Consult on 13 July 2021. Pursuant to the contract, PKF Consult shall audit the separate and consolidated of the annual financial statements of the Issuer for 2021 as well as review the half-yearly, consolidated and separate interim financial statements prepared by the Issuer.

So far, the Issuer used the services of PKF Consult to audit the separate and consolidated financial services as well as to review the abbreviated half yearly financial statements for the years 2015-2020. Additionally, the Issuer requested PKF Consult to provide services that fall within the category of services allowed to be rendered by auditing companies.

Information about the remuneration of the auditing company is provided in item 28.4 of the financial statements.

The Management Board hereby declares that:

a) the entity authorised to audit the financial statements that audited the consolidated financial statements has been appointed in accordance with the legal regulations and that this entity as well as the chartered auditors in charge of the audit, meet the requirements allowing them to issue an impartial and independent opinion on the audit as per the applicable laws and professional standards;

b) the Company observes the regulations governing the rotation of auditing companies and key statutory auditors as well as the mandatory grace periods;

c) the Issuer has in place a policy governing the appointment of an auditing company as well as a policy governing the provision for the issuer by an auditing company, an entity related to an auditing company or a member of its network of additional services outside auditing, including services conditionally exempt from the ban on the provision of performances by an audit firm.

Signatures of all Management Board Members

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