



MANAGEMENT REPORT
OF
OPTeam S.A.
for 2017

TAJĘCINA, 27 APRIL 2018

CONTENTS

1. Basic information about the Issuer's organisation	3
2. Basic information about the Issuer's products and services.	4
3. Disclosure on the markets for the Issuer's products and services	8
4. Description of the Issuer's financial situation – key economic and financial data	10
5. Disclosure on significant contracts for the Issuer's operations, including agreements concluded between shareholders (partners), insurance, cooperation and collaboration agreements known to the Issuer.....	14
6. Disclosure on organisational or equity relations of the Issuer with other parties. Description of key investments, including capital investments.	15
7. Disclosure on significant transactions concluded by the Issuer or its subsidiary with related parties not at arm's length	16
8. Description of significant risk factors and threats, including the extent of exposure.	16
9. Identification of proceedings at court, arbitration bodies of proper jurisdiction or public administration bodies.	18
10. Disclosure on agreements related to borrowings.	18
11. Disclosure on loans, securities and bond issued and received in the course of the business year.	21
12. Disclosure on how the Issuer used proceeds from the issue of securities in the period covered by the report.	23
13. The Management's Board position on the viability of previously published performance forecasts.	23
14. Management of financial resources.	23
15. Investment plan viability assessment, including capital investments	23
16. Evaluation of extraordinary factors and events affecting the business result for the business year, including the extent of influence of those extraordinary factors or events on the generated result.	24
17. Characteristics of external and internal factors significant to the development of the Issuer's enterprise and a description of the Issuer's development outlook at least up to the end of the business year following the business year for which the financial statement was drawn up.	24
18. Changes in basic management principles of the Issuer's enterprise.	25
19. All agreements concluded between the Issuer and management officers, providing for compensation in the event of resignation or dismissal without cause, or if their dismissal or termination is due to the Issuer's consolidation through acquisition.	25
20. Remuneration, bonuses or benefits, including under incentive or bonus programmes based on the Issuer's capital for management and supervisory officers.	25
21. Specification of the total number and nominal value of all of the Issuer's shares as well as shares in the Issuer's related parties, held by management and supervisory officers (individually).	27
22. Disclosure on agreements known to the Issuer (including those concluded after the balance sheet date), which may in the future lead to changes in the stakes held by current shareholders.	27
23. Disclosure on the control system of the employee stock ownership plan.	27
24. Representation of the Management Board regarding corporate governance.	27
25. Disclosure on agreements with the certified auditor.	34

1. Basic information about the Issuer's organisation

Issuer: OPTeam S.A.
 Seat: 36-002 Tajęcina 113
 Telephone no.: +48 (017) 867-21-00
 Fax no.: +48 (017) 852-01-38
 KRS number: 0000160492
 REGON: 008033000
 NIP: 8130334531
 Authorised capital of PLN 730 000 fully paid up
 Web page: www.opteam.pl

Issuer's shares are noted on parallel market 5 PLUS of Warsaw Stock Exchange [Giełda Papierów Wartościowych w Warszawie S.A.]

Stock exchange	Warsaw Stock Exchange [Giełda Papierów Wartościowych w Warszawie S.A.] Ul. Książęca 4 00-498 Warszawa
WSE symbol	OPM
WSE sector	Information Technology
Parallel Market	5 PLUS
Indices	WIG
Depository, clearing and settlement system	National Depository for Securities [Krajowy Depozyt Papierów Wartościowych S.A. – KDPW] Ul. Książęca 4, 00-498 Warszawa

Composition of the Issuer's managing bodies as at the report date

1.1 Supervisory Board.

Janusz Bober	Chairman of the Supervisory Board
Andrzej Pelczar	Vice Chairman of the Supervisory Board
Wiesław Zaniwicz	Secretary of the Supervisory Board, Member of the Audit Committee
Marcin Lewandowski	Member of the Supervisory Board, Head of the Audit Committee,
Ryszard Woźniak	Member of the Supervisory Board
Wacław Irzeński	Member of the Supervisory Board
Piotr Kołodziejczyk	Member of the Supervisory Board, Member of the Audit Committee - since 25.05.2017
Andrzej Ziemiński	Member of the Supervisory Board – to 25.05.2017

1.2. Management Board

Tomasz Ostrowski	President of the Management Board - since 21.12.2017, Vice-President of the Management Board - since 25.05.2017
Radosław Bednarski	Vice-President of the Management Board
Wacław Szary	President of the Management Board - since 25.08.2017

2. Basic information about the Issuer's products and services.

As an integrator, the Company's commercial activities were based on the following product portfolio:

Comarch ERP –a group of ERP systems (Optima, XL, Altum) dedicated for business sector, comprising full implementations in small, medium and large companies starting from delivery and implementation to servicing and maintenance. OPTeam is a highly qualified integrator of these systems with many years of experience

The group of ERP systems include:

Comarch ERP XL - a multi-module, fully integrated ERP-class IT system dedicated to medium and large trade, production and service companies. Thanks to the extended functionality, it provides full support and automation of business processes in the enterprise.

The system enables online / offline work for multi-branch companies with a complex document flow. The software supports the work of sales representatives, salesmen and company branches perfectly. Comarch ERP XL allows the use of modern forms of electronic commerce through cooperation with EDI (Electronic Data Interchange) systems. There is also the option of leasing the system - that is, using it via the Internet in the ASP (Application Service Provision) model through the CDN Online platform. In the CDN Online system data is stored in the Comarch Data Centers (DC Comarch), which are built in accordance with the latest technology, allowing only authorized access to the system.

Comarch ERP Altum - a modern, intelligent ERP platform, dedicated to comprehensive support of all key business processes in medium and large trade and service companies and retail chains. The real benefits of the system include not only organizing the flow of information, better control over costs or operational activities, but also the possibility of total or partial automation of many activities.

This platform is perfect for companies that need to adapt the system to the specifics of the organization's operation. The standard composition of the platform includes advanced tools for automating Workflow processes and for creating Business Intelligence analyzes and reports, supporting employees in the field of information on factors that may affect the functioning of the company.

Comarch ERP Altum is a perfect software for companies that require an individual approach and tailored solutions.

Comarch ERP Optima - a program created for the market of small and medium-sized companies operating in various industries, focusing on innovation in work online. It contains several integrated (working with one database) application-modules supporting various areas of the company's operations. It supports company management, sales service, HR and payroll procedures, every form of accounting and customer relationship management. The functionalities of the program are determined by the client's needs that will be used at work. At any moment, the system can be extended with additional modules.

The mechanisms used allow secure, remote data exchange between independent computers with Comarch ERP OPTIMA.

Comarch ERP Optima is the only integrated program in this segment of the market, in which all modules form an entire system, which means "one-time data entry" - documents entered into the program through one module are automatically available in other modules, which allows for significant acceleration and automation of the company's work and provides the management team with the opportunity for comprehensive analyzes based on these data.

The multi-module structure of the system ensures its further extension along with the development of the company. The growing needs and requirements are implemented by adding new modules, eg. Analysis, CRM or Document Flow.

The Comarch ERP OPTIMA system complies with the current legal status and supports the Standard Audit File.

TETA ERP system - an integrated ERP-class system that simplifies and automates the current operations of the company, allows to focus on strategic activities. The system supports management in medium and large companies in key areas (finance, human resources and payroll, logistics, production and others).

The TETA ERP system is modular - each organization can select and configure only those applications that optimally adapt to the needs and specificity of the company. All elements of the TETA ERP package are closely integrated with each other, and also allow for cooperation with third party software.

TETA ERP is dedicated to medium and large enterprises representing various sectors of the economy: finance, banking and insurance, trade and services, production or public administration.

The modular structure allows you to configure the software depending on the individual needs of the client and the specifics of the industry in which it operates, as well as the expansion in the event of an increase in requirements.

The TETA ERP software architecture allows for two-way integration with various systems. Built-in Workflow and Transformation mechanisms allow administrators to personally build ready-made data transformations that enable cyclic import or export of data from another database, Excel file, XML file or text file. TETA ERP also has many predefined components for integration with various systems such as SAP, IFS, PeopleSoft, Workday, Oracle HF and other dedicated solutions of OPTeam.

The software is multi-lingual, multi-currency, allows you to work on many units of measurement and supports holding and multi-branch structures.

HR - a comprehensive tool dedicated to medium and large enterprises and institutions seeking advanced software in the field of hard and soft HR services.

Thanks to its modular structure, TETA HR allows customers to fit the solution optimally to the company profile. The system consists of a dozen or so applications that can be easily modified and integrated with any ERP class software.

TETA HR is characterized by a wide functional range, operational stability and ease of use. The system is a technologically advanced solution that comprehensively supports all areas of employee management - from the administration of human resources administration and payroll calculation to the management of the employee's professional development.

The complexity of the TETA HR system provides support for the full employer-employee relationship process. The system's possibilities include both payroll counting, bank transfers, sending tax statements (PIT) to the Tax Office, keeping a transparent record of employees employed on one or several positions, as well as managing competencies and employee development, training or recruitment.

The system is based on the Microsoft .NET development platform, which ensures a clear and transparent interface and a friendly graphic design. Comfortable navigation, numerous shortcuts and access keys, enable efficient and intuitive work with the system. The layout of the menus, icons, graphic layout, toolbar and status bar is approximate to Windows and Office programs.

The TETA HR software architecture allows for two-way integration and cooperation with various ERP systems such as SAP, IFS, PeopleSoft, Workday, Oracle HF and other dedicated solutions of OPTeam.

USOS - University Student Service System, developed since 1999; is the result of cooperation of the largest Polish universities. OPTeam is the only company in Poland that successfully implements this solution.

The USOS system was created as a result of the demand for a comprehensive IT tool used to manage the course of studies at the university.

The purpose of the USOS is to handle the matters related to studying process and to serve students, PhD students, post-graduate students and research and teaching staff. Its distinguishing feature is the use of a central database and the modularity of individual elements.

ERP industry-dedicated solutions

This product group includes proprietary systems providing extra functionalities to the ERP systems implemented by the Issuer:

OPTIBUD - a system designed mainly for companies from the construction industry, design companies and companies from the road and bridge construction industry. It gives the user the opportunity to exchange information during project management more quickly. The system is perfect for multi-division enterprises that run projects not only in the country, but also abroad. Its value and functionality is confirmed by the fact that it is used in the daily work of many enterprises in Poland. OPTIBUD allows you to monitor tenders, automate business processes, record employees' working time, manage construction equipment and full supervision over tasks and budgets. OPTIBUD is a solution that meets the current needs of the construction industry. OPTIBUD pozwala na monitorowanie przetargów, automatyzację procesów biznesowych, ewidencję czasu pracy pracowników, zarządzanie sprzętem budowlanym oraz pełny nadzór nad zadaniami i budżetem. OPTIBUD jest rozwiązaniem na miarę współczesnych potrzeb branży budowlanej.

OPTIPRODUKCJA - Production Process Management System. It is a response to the challenges of the modern market, the dynamics of which requires appropriate tools that facilitate running a business and achieving the goals set.

The heart of our solution is the library of business solutions, linking together business rationale in various areas. OPTIPRODUKCJA allows, among others, process modeling, optimization of creation of production technologies and production plan, and calculation of the technical cost of project implementation, enriched with subcontracting calculations. The great advantage of the application is undoubtedly the automatic generation of commercial documents.

OPTIPRODUKCJA is a tool supporting modern enterprises in business process modeling, production optimization and work supervision.

An additional advantage of our system is the use of bar codes at every stage of production and logistics. Thanks to this, supervision over the course of processes in the company becomes extremely easy. With all this, OPTIPRODUKCJA is a flexible tool that allows you to customize the interface and functionalities of individual modules to suit user's needs.

HR OPTiCenter, HR BPO - an employee portal that is an innovative internet platform in the outsourcing model, supporting HR management processes, thanks to which employees and managers of companies and institutions gain online access to their personal data, payroll and functions related to management of HR and payroll information.

HR OPTiCenter is a response to market requirements, which are manifested by the constantly growing interest in HR outsourcing. It is a perfect remedy for constantly changing economic indicators and uncertain economic forecasts.

HR OPTiCenter is a response to the growing demand of modern enterprises for cloud management solutions (cloud computing). They are a perfect complement to the HR outsourcing service.

The company based its sales on the following proprietary products and services:

OPTICAMP - a multi-application campus card system. It offers users a range of practical functionalities, including, of course, issuing and servicing electronic ID cards.

Many years of cooperation with universities throughout the country have allowed us to get to know their needs and expectations. Based on these experiments, we designed OPTICAMP. One of the most interesting functions of our system is the possibility of downloading and settlement of various fees at the University. The E-purse is an extremely convenient solution. The money is transferred from the user's account to its card in the charging terminals. The card loaded in this way can be used to pay for services or goods at the University. In particular, students may pay fees to the University using their ID card at information booths (kiosks).

OPTIPASS - card-based solutions for the public sector and enterprises. An electronic employee card is an excellent tool for medium and large companies as well as offices and institutions.

OPTIPASS is a comprehensive system based on an electronic employee card. It is successfully used by many enterprises and institutions regardless of their business profile. Depending on the configuration and needs, the card can perform a number of practical functions. You can mention here: employee identification, computer login, electronic signature, access control to premises, parking and company resources, or working time recording.

Web360 - a group of multiportal systems developed by the Issuer, designed for Universities (EDU web360), Public Institutions (Public web360), and large enterprises (ENTERPRISE web360), covering all development stages from design, through delivery and implementation to service and maintenance.

The multiportal environment web360 enables flexible creation of various types of portals or web applications containing any chosen functional scope. The system allows to build a solution that enables logical division into zones: Internet and intranet - with the possibility of defining any information flow between sites.

The web360 environment provides advanced e-services, content and content for all users looking for information in a given field - for both stakeholders (students, clients, customers) and employees (internal zone for logged in users). The solution is fully integrated with domain systems.

Due to the wide range of applications, the web360 solution acts as a central point for collecting, processing and publishing the most important information from the entire organizational unit. The product can be operated by universities and public offices (including branches and subsidiaries) and enterprises.

OPTIRCM - a document flow system based on the WEBCON BPS solution. OPTIRCM is a must-have system for larger organizations, processing both internal data and those coming from the environment: contracts with employees, scholarships, applications, leave requests, invoices, administrative letters or even patient cards in medical facilities. Tools that help organize workflow and streamline your work are extremely valuable.

OPTIRCM is a DMS (Document Management System) platform based on the popular Webcon Business Process Suite solution with its own workflow engine. Thanks to it, we can determine how the document should be forwarded - which people it should reach and what permissions will be given to these people; will they be able to edit it, comment on it, accept it or to have a read-only authorisation. It also gives the possibility of instant and easy access from anywhere to all data - both current and filed.

An important feature of OPTIRCM is the ability to connect it with systems operating within the institution - ERP, USOS, internet portals, domain systems. In this way, it becomes an even more comprehensive and effective solution that optimizes processes. Furthermore, thanks to the security features, it increases the level of protection of stored data.

The OPTIRCM platform, thanks to the open construction and external database, allows to handle hundreds of processes, thousands of users and millions of documents. In addition, thanks to a user-friendly interface and easy integration with other systems, it provides intuitive and trouble-free operation.

OPTiCommerce - solutions in the B2C and B2B areas. These systems are designed for handling online sales, offered in the SaaS model (Software as a Service). OPTiCommerce enables organizing and running a large, advanced B2C online store or a B2B distribution and sales system, including modules for managing products, orders, warehouses along with full logistics and customer relations. The system works with ERP systems, including SAP, Comarch CDN XL, Comarch Altum.

Integration & implementation services

Integration & implementation services include design, development, implementation and maintenance of comprehensive ICT solutions, as well as ICT system management services. Projects executed in this scope apply to the areas of: ICT security (data storage, internet and uninterruptible power supply, structural cabling of ICT networks, active LANs, access control systems and security systems). This category includes implementation services of third-party systems, including ERP system implementations in business and education sector, construction and design of power supply grids for the power industry.

Maintenance & post-sales services – customer retention

The Issuer provides maintenance services to a large group of clients (several hundred entities). Apart from the assistance in systems maintenance (help-desk) updating software and providing IT servicing, this category includes a great variety of additional services as requested by clients and resulting from ongoing usage of the systems.

Data Center services (OPTiCPD)

The services provided by the Issuer's Data Processing Centre include: delivering proprietary products in the SaaS model (Software as a Service), own and third-party system hosting/colocation, development of backup centres, email services, lease of software in a service model.

Usługi Data Center (OPTiCPD)

Usługi świadczone przez Centrum Przetwarzania Danych Emitenta obejmują: dostarczanie produktów własnych w modelu SaaS (ang. Software as a Service), hosting usług własnych i obcych, kolokację systemów, construction of backup centers, e-mail service, virtualization system, firewall protection system and software lease in the service model.

ICT Security services

The Issuer provides services related to data security, integrity, confidentiality and authenticity. The offer includes systems that protect data against unauthorized access, both from outside and inside the organization. The proposed solutions allow for safe use of services available in the Cloud mode. The solutions used for encryption and strong authentication and other mechanisms allow for data protection in terms of confidentiality and restriction of access to them. These solutions provide the possibility of securing information at the customer's premises as well as outside it.

Training services

The Issuer's training services include trainings provided as part of the integration and implementation projects and those provided by the Issuer's Training Centre – having the status of Microsoft training centre.

Research and Development in OPTeam S.A.

In 2017 OPTeam S.A. implemented the following R&D projects:

- Academic Career Development Office

The University Career Development Office (ABK) is the expansion of the Web360 multiportal platform developed in 2015-2016. The solution is dedicated to clients conducting educational activities (Universities, Training Centers). ABK enables the exchange of information between the University, Student and Employer as a platform for the exchange of information. Each user group has the option of sharing a range of information. The platform enables full support of processes related to:

- Conference / training service - registration of the event, registration, attendance of participants,
- Handling job offers - registration, application, evaluation of the candidate,
- Service for employers and students - profiles of students, employer profiles, search for employers and job offers.

- OPTicamp 4.0, Attendance List Module

The Attendance List Module, which is an extension of the OPTicamp 4.0 system developed in 2016, dedicated to clients conducting educational activities (Universities, Schools, Training Centers). The module enables integration with domain systems and OPTeam S.A systems from the OPTicamp group. The users of the module are mainly didactic employees and class participants. It allows you to record attendance at classes, generate reports, lists of attendance in the educational activities.

- OPTicamp 4.0, Room Booking Module

The Room Booking Module, which is an extension of the OPTicamp 4.0 system developed in 2016, is dedicated to clients managing buildings and rooms (e.g. universities, schools, training centers, hotels, private companies). The module enables integration with domain systems and OPTeam S.A systems from the OPTicamp group. The users of the module are room operators and users who make reservations. The module allows managing rooms and their additional equipment, creating and managing room bookings.

- D2D

A communication platform for the "door to door" market.

Dedicated solution for companies that provide services in a distributed model with simultaneous involvement of many groups of users. A service platform based on a distributed IT environment in which business processes are initiated and fully implemented at various end stations (server systems, workstations, desktops and mobile devices). The system enables the recording of the supported objects that are the subject of Door To Door services along with the registration of events related to them. It enables comprehensive service and information exchange between:

- target customers (e.g. vehicle users, recipients of services),
- contractors (for example: services, forwarders)
- system operators

The system supports the processes of service and execution of orders, allowing real-time tracking of the progress and costs of services.

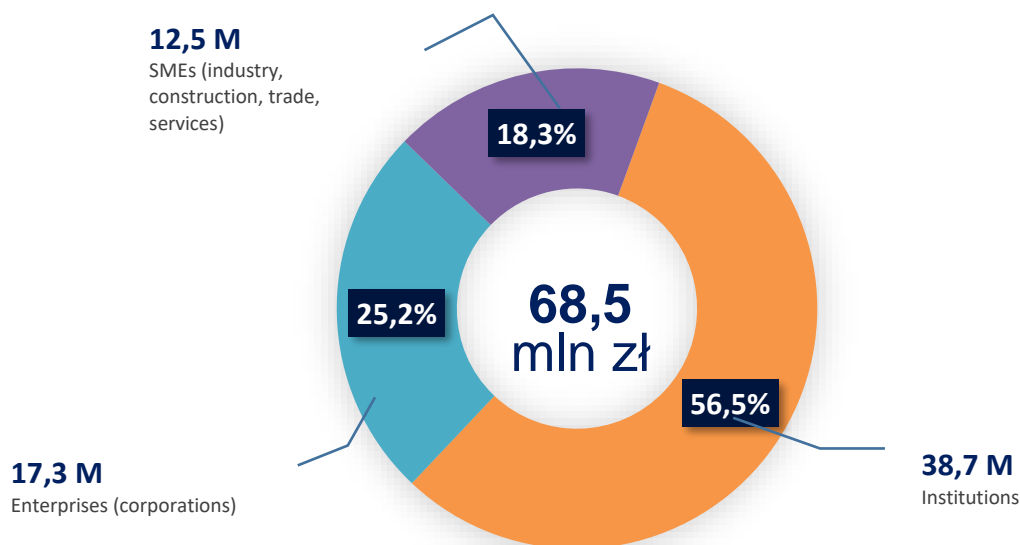
3. Disclosure on the markets for the Issuer's products and services

The offering of OPTeam in was aimed at 4 principal markets:

- 1) Institutions (public); universities, state and local administration,
- 2) Enterprises (corporations); industry, energy,
- 3) Enterprises (SMEs); industry, construction, trade, services

Sales revenues

MARKET/Sales revenues	2017	Structure	2016	Structure
	PLN 1000s	%	PLN 1000s	%
Total, OPTeam S.A., including:	68,508	100.0%	76,958	100.0%
Institutions	38,663	56.5%	22,330	29.0%
Enterprises (corporations)	17,291	25.2%	24,059	31.3%
Enterprises (SMEs)	12,554	18.3%	30,569	39.7%

**Sales revenues per market group in 2017****Third-level education market**

OPTeam is a major supplier of ICT solutions to the tertiary market. At present the Company's solutions function in more than 100 universities. Revenues from education market in 2017 amounted to PLN 13.4 M (in 2016: PLN 12.2M).

Energy

Sales revenues in the energy market segment in 2016 amounting to PLN 7.1 M originated from:

- supplies – mainly of infrastructure,
- regular maintenance contracts,
- sales of proprietary services and solutions.

In terms of proprietary solutions/services, the Company executed contracts on implementation of solutions of the OPTIRCM document flow and filing product group. Apart from implementation of software, OPTeam provided also services of digitisation and archiving of technical documentation.

Business sector

OPTeam's offer was aimed mainly at medium and large enterprises. Revenues in 2017 were particularly generated from:

- sales, implementation and post-sales maintenance of ERP systems (Comarch XL) and proprietary solutions (OPTiCOMMERCE, OPTIbudowa, iCenter),
- integration projects and supplying equipment and licences to large businesses.

The offering also included implementation services of sales systems with fiscal devices, mainly for large retail chains.

In 2017 OPTeam's revenues in business sector (corporations + SMEs, power sector excluded) amounted to PLN 22.6 M.

Central and local administration (public sector)

The revenues from sales in public sector in 2017 amounted to PLN 25.2 M which was 37% of total revenues of sales.

4. Description of the Issuer's financial situation – key economic and financial data**Statement of compliance with IFRS**

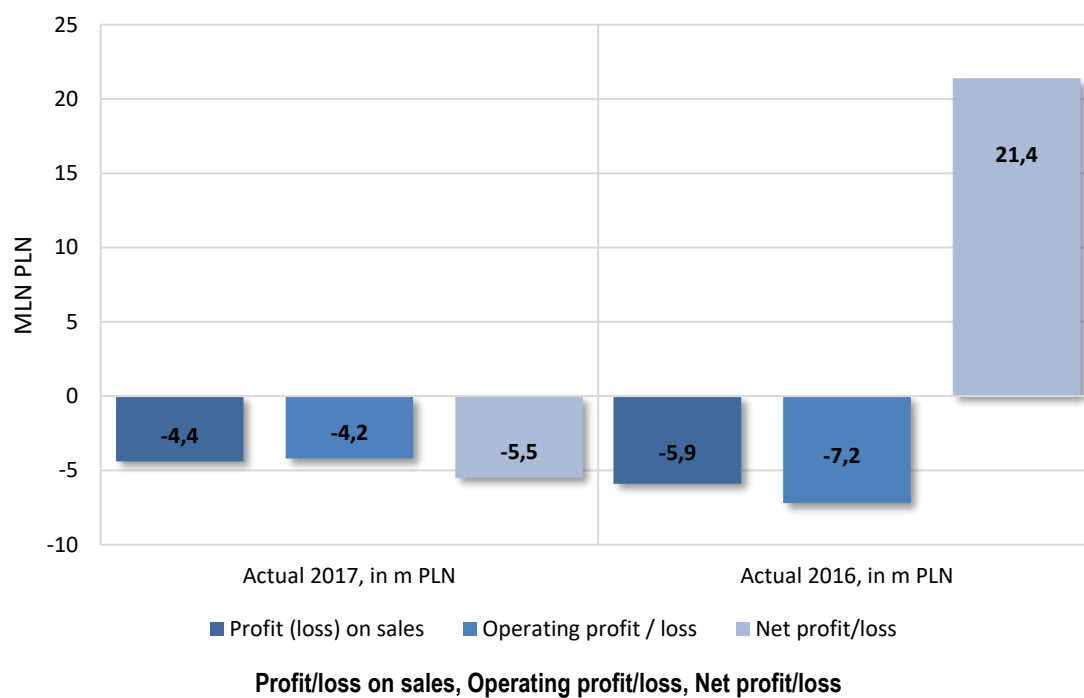
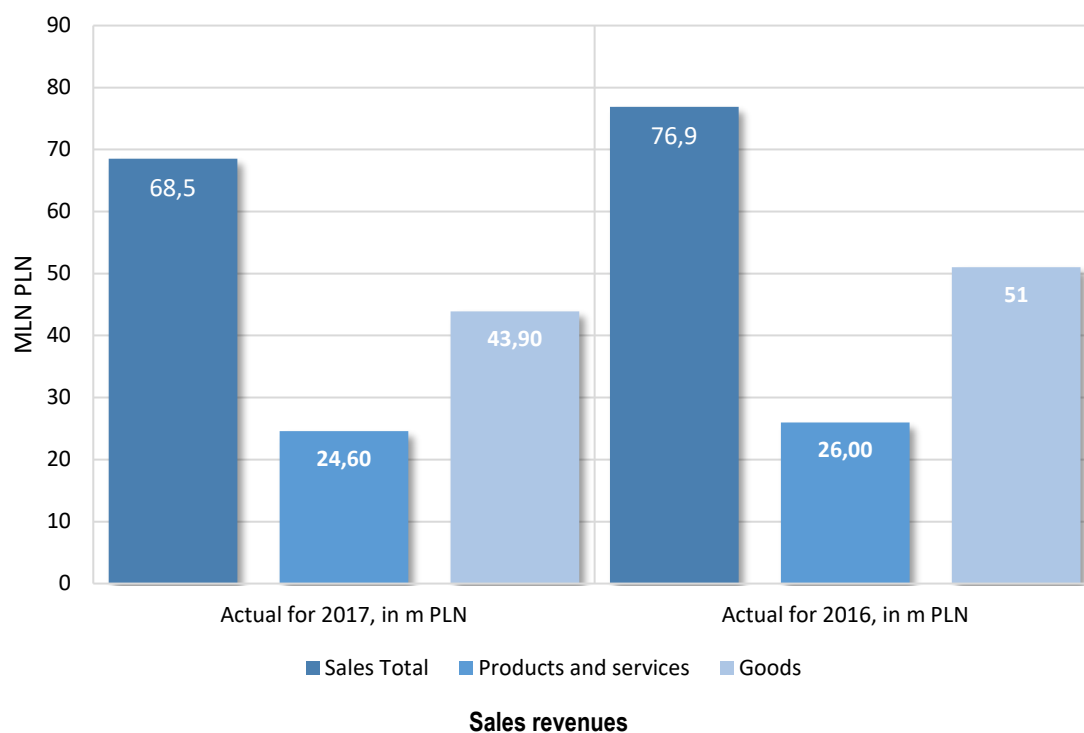
This interim condensed financial statement was drawn up in compliance with the requirements of *International Financial Accounting Standards* and the IFRS as approved by the European Union ("EU") for financial statements that cover the accounting year starting on 1st January 2017. These International Standards include standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretation Committee ("IFRIC").

The interim condensed financial statement for the period of twelve months ending 31 December 2017 was drawn up in compliance with the requirements of *Accounting Standard 1 "Presentation of Financial Statements"*, which was ratified by the European Union, and according to other applicable regulations.

4.1. 4.1. The Issuer's profit & loss statement in 2017 – 2016 (w k PLN).

Sales and financial result in k PLN	2017		2016		Change 2017/2016	
	PLN 1000s	Structure %	PLN 1000s	Structure %	PLN 1000s	%
Sales of products, services and goods total, including:	68,508	100%	76,958	100%	-8,450	89,0%
1) Sales of products and services	24 637	36,0%	25 995	33,8%	-1 357	94,8%
2) Sales of goods	43 871	64,0%	50 963	66,2%	-7 092	86,1%
Sales profit (loss)	- 4 396	-6,4%	- 5 928	-7,7%	1 532	74,1%
Operating profit (loss)	-4 158	-6,1%	-7 190	-9,3%	-3 032	57,8%
Gross profit (loss) – before tax	-5 533	-8,1%	26 875	34,9%	-32 407	-20,6%
Net profit (loss) from continued operations	-5 460	-8,0%	21 417	27,8%	-25 877	-25,5%

Sales revenues generated by OPTeam SA in 2017 reached PLN 68,508K, the after-tax profit/loss amounted to PLN -5 460K

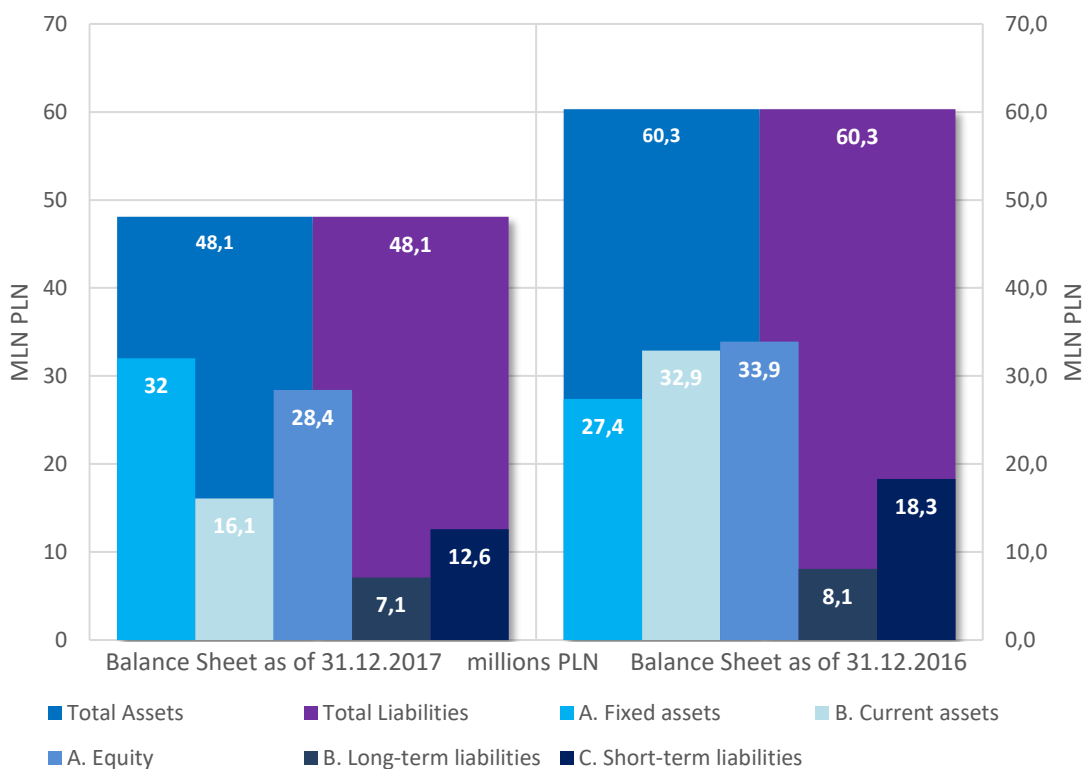


4.2. Economic position, debt, liquidity as of 31 December 2017

Financial statement

ASSETS	As of 31.12.2017		As of 31.12.2016		Change	
	PLN 1000s	Structure %	PLN 1000s	Structure %	1000s	%
A. Fixed assets	31,964	66,5%	27,409	45,5%	4,555	116,6%
B. Current assets	16,138	33,5%	32,878	54,5%	-16,740	49,1%
TOTAL ASSETS	48,102	100,0%	60,287	100%	-12,184	79,8%
LIABILITIES						
A. Equity	28,430	59,1%	33,890	76,9%	-5,460	83,9%
B. Long-term liabilities	7,113	14,8%	8,129	13,5%	-1,015	87,5%
C. Short-term liabilities	12,559	26,1%	18,268	30,3%	-5,709	68,7%
TOTAL LIABILITIES	48,102	100,0%	60,287	100,0%	-12,184	79,8%

In 2017 OPTeam's economic position was subject to change, total assets dropped by PLN 12M which was the result of acquisition of shares in the subsidiary and the negative net result for 2017.



Statement of financial position– balance sheet as of 31.12.2017 and 31.12.2016

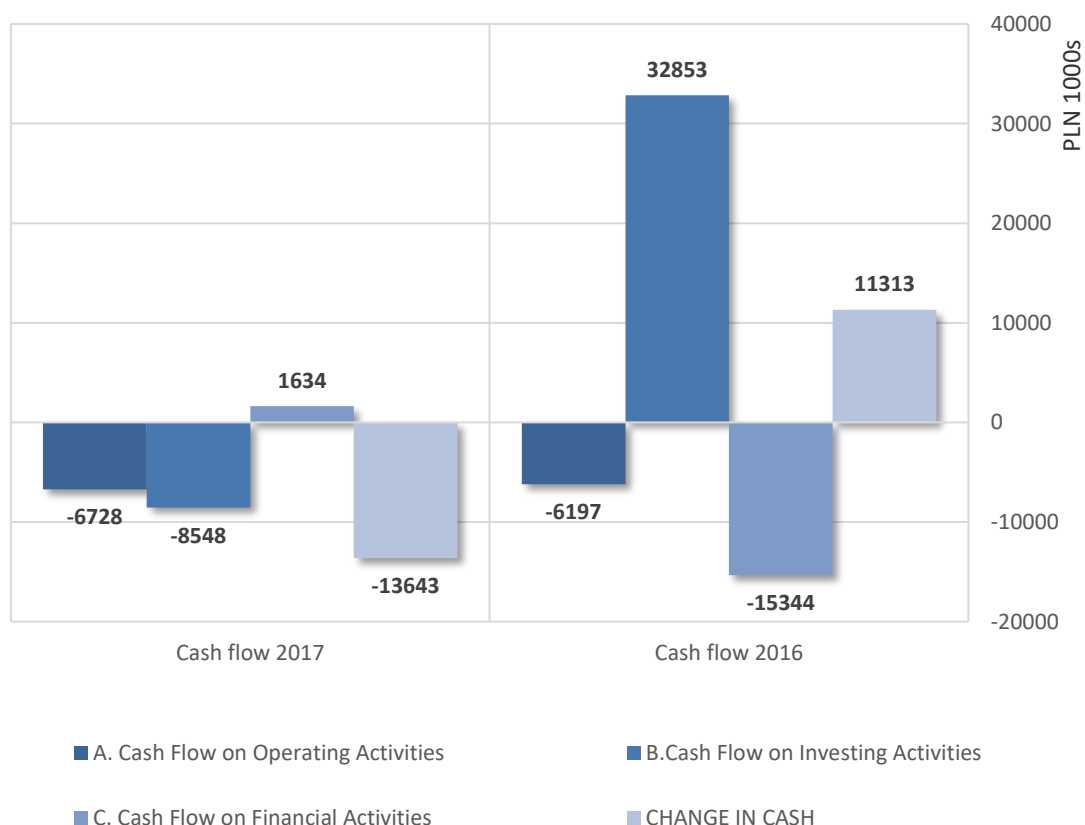
Debt, liquidity

Throughout 2017 the Company had financial resources – own resources, overdraft facility, investment loans, acquired investment funds, allowing the Company to fully meet its liabilities, without any threat to lose financial liquidity. Throughout 2017, the Company met its liabilities in a timely manner, with regard to suppliers, employees, banks, lessors, as well as the State Treasury.

To secure its financial liquidity, the Company uses working capital facilities in the form of overdrafts – the total credit limit in two banks amounts to PLN 8 M. As of 31 December 2017, the use of these working capital facilities reached PLN 2.45M.

CASH FLOWS in k PLN	From 01.01.2017 to 31.12.2017	From 01.01.2016 to 31.12.2016	Change	
			in PLN 1000s	%
A. Cash flows from operating activities	-6,728	-6,197	-531	8,6%
B. Cash flows from investing activities	-8,549	32,853	-41,402	,-126,0%
C. Cash flows from financing activities	1,634	-15,366	16,978	-110,7%
Net change in cash	-13,643	11,313	-24,956	-220,6%
Closing balance of cash	383	14,026	-13,643	-97,3%

Cash flows from operating activities, after covering the expenses related to statutory activities, were negative for 2017 and amounted to PLN 6,728K. The Company used the surplus inflows from operating activities to finance investments, including the acquisition of tangible and intangible assets, as well as to pay the lease instalments, debt servicing. The 2016 dividend to shareholders was paid in advance in December 2016 in the amount of PLN 12,842K upon the approval by the GMS.



Cash Flow Statement

4.3. Economic and financial ratios

Selected ratios describing the financial situation of OPTeam S.A. in 2017 – 2015, computed on the basis of data contained in the financial statements are presented below:

Ratio	Calculation formula	2017	2016	2015
Gross profit margin	<i>gross profit / net sales</i>	-8.1%	34.9%	2.8%
EBIT profitability	<i>operating profit / sales</i>	-6.1%	-9.3%	3.0%
EBITDA profitability	<i>operating profit + depreciation / sales</i>	-1.8%	-4.7%	7.2%
Net profit margin	<i>net profit / net sales</i>	-8.0%	27.8%	2.4%
Return on equity ROE	<i>net profit / equity minus current year's financial result</i>	-16.1%	85.8%	7.7%
Return on assets ROA	<i>net profit / total assets</i>	-11.4%	35.5%	3.7%
Current ratio	<i>current assets –short term prepayments and accruals/short-term liabilities</i>	1.38	2.03	1.46
Quick ratio	<i>short-term investments +short-term receivables /short-term liabilities</i>	1.08	1.89	1.28
Debt ratio	<i>total liabilities/ total assets</i>	0.41	0.44	0.48
Days sales outstanding	<i>average trade receivables *360 / sales</i>	66.80	65.47	84.96
Days inventory outstanding	<i>average inventory *360/ operating expenses</i>	13.52	9.77	11.69
Days payable outstanding	<i>average trade payables *360 / operating expenses- labour cost - depreciation</i>	60.97	61.08	71.49

In 2017 current ratios demonstrated slight fluctuations, including the current ratio decreasing from 2.03 to 1.38, quick ratio amounted to 1.08 and they belong to ranges deemed safe.

The analysis of debt ratios indicate a safe level of borrowed capital in financing activities, e.g. debt ratio (total liabilities with acquired funds to fixed assets/total assets) on 31 December 2017 amounts to 0.41.

In OPTeam SA the rules of hedge accounting are not applied.

5. Disclosure on significant contracts for the Issuer's operations, including agreements concluded between shareholders (partners), insurance, cooperation and collaboration agreements known to the Issuer.

In 2017 OPTeam SA recorded sales in excess of 10% of the overall revenue on sales of IT equipment to a single customer, i.e. State Treasury – the Government Centre for Network Management and Teleinformation Services (Resortowe Centrum Zarządzania Sieciami i Usługami Teleinformatycznymi), seated in Warsaw, to which during the twelve months of 2017 recorded sales in the amount of 23,1% of the overall revenue total.

The Issuer informs that it is not related in terms of capital and organization to any supplier and customer, whose share reaches at least 10% of the Issuer's sales revenues.

**6. Disclosure on organisational or equity relations of the Issuer with other parties.
Description of key investments, including capital investments.**

Description	As of 31.12.2017	As of 31.12.2016
Investments in subsidiaries in total	10,217,636.10	4,233,586.17
Shares in associates and joint ventures valued with use of equity method – stake in Polskie ePłatności S.A.	10,217,636.10	4,233,586.17

As of 31 December 2017, OPTeam S.A. holds in its financial assets a 24.23% stake in the authorised capital of Polish ePayment and 24,23 % of votes at the GMS.

The PeP S.A. shares were accounted for using the equity method. Information about subjective assessments and assumptions adopted by the Company on gaining major influence on Polskie ePłatności S.A. as of 30.06.2017 were presented in the financial report of 31 December 2016.

Capital ownership at Centre of Electronic Clearance Polish ePayment (Centrum Rozliczeń Elektronicznych Polskie ePłatności S.A.) as of 31 December 2017

Description	Number of shares	Number of votes	Share of votes at GMS (%)	Share nominal value zł	Share in equity (%)
OPTeam S.A.	8,348,568	8,348,568	24.23%	8,348,568	24.23%
INNOVA AF II S.à r.l with its seat in Luxembourg	25,799,876	25,799,876	74.89%	25,799,876	74.89%
Other shareholders	303,031	303,031	0.88%	303,031	0.88%
Total	34,451,475	34,451,475	100.00%	34,451,475	100.00%

On 27 April 2017 OPTeam signed an agreement to take 1,252,515 shares of PeP S.A. in the increased capital of Polskie ePłatności. On 4 May 2017 the Company contributed financial resources to cover the issue price. Taking shares of the new issue changes the share of OPTeam S.A. in Polskie ePłatności S.A. to 24.23%.

Since Polskie ePłatności S.A. are not listed on the open market, the cost of acquisition of a 24.23% stake in this company was compared to 24.23% of the value of its assets as of 31 December 2017 and the difference of shares in net assets above the acquisition price was recorded in the financial result.

Description	Value in PLN
PEP net assets as of 31.12.2017	42 169 360.72
OPTeam share in PeP net assets as of 31.12.2017	10 217 636.10
Balance-sheet value of PEP shares	9 652 142.27
Difference in the financial result, including:	565 493.83
- in 2016	1 908 656.65
- from 1.01.2017 to 31.12.2017	-1 343 162.82

Capital ownership at Centre of Electronic Clearance Polish ePayment as of 31 December 2016

Description	Number of shares	Number of votes	Share of votes at GMS (%)	Share nominal value zł	Share in equity (%)
OPTeam S.A.	7,096,053.00	7,096,053.00	24.45%	7,096,053	24.45%
INNOVA AF II S.à r.l with its seat in Luxembourg	21,929,183.00	21,929,183.00	75.55%	21,929,183	75.55%
Total	29,025,236.00	29,025,236.00	100.00%	29,025,236	100.00%

On 30 June 2016 OPTeam SA started to exercise a significant influence on PeP due to the fact that it had 20.58% at the GMS of Polskie ePłatności SA and according to the statute Polskie ePłatności SA the Issuer (OPTeam S.A.) may appoint 1 member of the Board, which consist of 2-5 members, and 1-2 members of the Supervisory Board, which consists of 3-6 members. According to IFS 28 Polskie ePłatności SA became an associated entity to OPTeam S.A. and should be valued on the balance-sheet date using the equity method.

According to ISF 28, par. 32, investments are recorded using the equity method from the day when the entity starts meeting the definition of an associated unit. In case of an acquisition, all share exceeding the acquisition price, held by the investing entity in the net fair value of identifiable assets and liabilities of the entity in which the investment was made, should be reported as an income when determining the entity's share in profit or loss of the associated entity for the relevant acquisition period.

Condensed financial statement of Polskie ePłatności SA as of 31.12.2017

Non-audited data

Balance Sheet	Status as of 31.12.2017	Status as of 31.12.2016
Assets	172,915,395.59	55,161,795.34
A. Fixed assets	107,441,634.57	27,424,445.50
B. Current assets	65,473,761.02	27,737,349.84
Liabilities	172,915,395.59	55,161,795.34
A. Equity (own)	42,169,360.72	17,316,697.35
B. Liabilities and provisions for liabilities	130,746,034.87	37,845,097.99

7. Disclosure on significant transactions concluded by the Issuer or its subsidiary with related parties not at arm's length

The Company did not conclude any transactions with related parties on terms other than arm's length. The transactions with related parties are described in Note C.66 and C.67.

8. Description of significant risk factors and threats, including the extent of exposure.**8.1. Risk related to the effect of macroeconomic situation on the Issuer's operations**

The Issuer's financial situation depends on the economic situation in Poland and worldwide. The financial results generated by the Company are affected by: GDP growth rate, inflation rate, unemployment rate as well as government fiscal and

monetary policy and changes in consumption. These factors exert a strong influence on purchases of ICT products. There is a risk that if the economic situation in Poland or worldwide deteriorates in the long term, consumer demand drops or the government introduces economic policies that might have a negative impact on the Company's market standing. The financial results it generates may decline.

The Issuer's bidding activity in business sectors where the influence of macroeconomic factors does not impact heavily on investment decisions, as well as product and market diversification, should limit the potentially harmful consequences of macroeconomic factors on the Company's operations. The Issuer is exposed to this risk at a medium range.

8.2. Risk related to technological changes in the sector and new product development.

The IT sector is characterised by the fast development of solutions and technologies, hence the product life cycle in the market is relatively short. The Issuer's operations depend to a large extent on the ability to apply cutting-edge technological solutions in its products and services.

There is a risk that new solutions may appear in the market that will cause the Issuer's products to become unattractive and fail to ensure the revenues anticipated during design and development stages. Moreover, there is a risk that new technological solutions designed or developed by the Issuer now or in the future fail to achieve the expected parameters, which would have a negative impact on the Issuer's ability to recover the costs incurred.

The Issuer analyses the new emerging market trends in IT technologies and product development and their potential applications. They also establish and maintain trade relations with key customers. These relations underlie activities aimed at adjusting the offered products to customer expectations. Staff are trained on implementing new IT solutions. The Issuer makes efforts to maintain the high technological level of its proprietary products and services, continually expanding the scope of functionalities and applications and due to this the threat resulting from this risk is reduced to minimum.

8.3. Risk of industry consolidation

Consolidation processes in the IT sector help reinforce the market position of several largest businesses, limiting growth potential of small and medium-sized enterprises in the ICT market. The strongest domestic businesses strive to take over weaker enterprises, especially from the SME sector, providing to niche segments of the IT market. As a result the largest businesses expand their competences and gain access to new customer groups. If consolidation activities intensify significantly, the Issuer may lose its market position, which may lead to a decline in sales and financial performance of the Company.

The Company continues to expand geographically operating in three branches: in Warsaw, Lublin, Cracow and Wrocław. Their goal is to reach out to new customer with the Company's full product and service range. The Issuer is also open to taking over smaller businesses from the sector to expand its offer and scope of activity.

In the coming years, these activities should improve the rate of return on sales and increase the scale of operations, which should translate into increasing the Issuer's investment appeal, hence the threat resulting from this risk is small.

8.4. Risk of competition

Poland's presence in the structures of the European Union brought new players into the Issuer's playing field, operating on an international scale. Those entities are not the Issuer's main competitors, however, due to a better knowledge of the domestic market, Polish companies pose a bigger threat to its competitive position. There is a risk of intensified competition in the Issuer's business segments, and if the Investor's response is not quick enough, it may lead to loss of market share, decline in sales and performance.

The Issuer is moderately subject to the risk related to competition's operating. It should be highlighted that by having a numerous group of regular trade partners and a very flexible process of production and system implementation, as well as due to the adopted growth strategy, the Issuer should be able to considerably limit the effects of enhanced competition in its market.

8.5. Risk related to the changed commercial terms by the suppliers.

Within the IT system integration area, the Issuer supplies equipment and technologies from manufacturers which can be regarded as global market leaders. The bargaining power of those companies is often incomparably stronger than the Issuer's, and terms of cooperation with customers are usually determined centrally and are non-negotiable. In the Issuer's

experience, an unfavourable change in the terms of cooperation with equipment and technology suppliers may not be transferred directly to the terms of cooperation with the Company and its customers. As a result, the Company's rate of return and liquidity may deteriorate, in spite of the supplier diversification policy in place.

8.6. Risk related to IT projects executed by the Issuer

The scope of the Issuer's operations includes providing IT services, particularly with regard to integration of advanced IT solutions, systems based on smart card technologies, ERP systems. Agreements concluded between the Issuer and its clients provide for the Issuer to execute certain activities comprising an IT project. In each project, proper cooperation is necessary between the project team originating from the Company and employees delegated by the service buyer. This generates a certain risk of human error. On the one hand, the conditions and circumstances of the service may be defined incorrectly by the service buyer's team, and on the other, the Issuer's staff may take an inappropriate approach. As a result, they may fail to deliver the right solution to the customer. This may lead to the latter incurring losses and consequently claiming damages from the Issuer, prolonging the involvement in the IT project, delaying payment. Such steps may have a negative impact on the Issuer's situation, hence the threats resulting from this risk are qualified as a medium ones.

To minimise this risk factor, procedures have been put in place and are applied consistently in project management and project execution monitoring, including project finance, using implemented software. The Issuer has implemented such tools and continues to develop them. At present, further works are pending, aimed at correlating the project management solutions with the product structure offered by the Company.

8.7. Financial instruments exposed to price, credit and other risks.

The Company is not significantly exposed to risks related to financial instruments, seen as the main financial instruments as of the date of the report were cash in the Polish currency, trade and other receivables, shares in Polish ePayment, as well as liabilities under trade, loans, leases. Taking into account the above, due to a little range of transactions in foreign currency, the risk related to currency is insignificant.

The Issuer has contingent liabilities under guarantee for liabilities of the affiliated company Centre of Electronic Clearance Polish ePayment with its seat in Rzeszów.

There is a potential risk that grounds may emerge for the Bank to exercise their rights under loan sureties. According to the Issuer's Management Board, looking at the potential of Polish ePayment and the business ratio analysis of its operations, that risk is insignificant.

9. Identification of proceedings at court, arbitration bodies of proper jurisdiction or public administration bodies.

Throughout the period covered by this Report, OPTeam S.A. was not involved in proceedings at court or another body regarding liabilities or debts, whose individual or combined amounts would reach at least 10% of equity.

10. Disclosure on agreements related to borrowings.

Description	Status as of 31.12.2017	Status as of 31.12.2016
Borrowings	2,451,021.28	0.00
- long-term	0.00	0.00
- short-term	2,451,021.28	0.00

Loan agreements:

1. Agreement with Polska Kasa Opieki S.A. – working capital facility

On 30 June 2008, the Company concluded the **Credit Agreement** with the Bank Polska Kasa Opieki S.A. with its seat in Warsaw – multiproduct credit line (subsequently amended, latest amendment No 10 dated 31 May 2017). The agreement

was concluded pursuant to the Agreement establishing general crediting terms dated 30 June 2008. The purpose of the Agreement is to extend credit amounting to PLN 3 000 000 for a period up to 31 May 2018, providing for potential automatic renewals of the loan repayment period, under the terms specified in the Agreement. The contract sureties are listed in the table.

Use of the loan as of 31 December 2017 amounted to PLN 1 213 188.24

Use of the loan as of 31 December 2016 amounted to PLN 0,00.

2. Agreement with ING Bank Śląski S.A.- multi-product agreement

On 18 August 2014, the Company concluded a Multi-Product Agreement no 887/2014/00000159/000 with amendments from 1 to 7 with ING Bank Śląski S.A. with its seat in Katowice on revolving credit limit up to a cap of PLN 7 000 000.00 for the following purposes:

- working capital facilities in bank accounts up to a cap of PLN 5 000 000.00,
- bank sureties up to PLN 2 000 000.00.

The contract sureties are listed in the table below. The multi-product agreement contains also additional commitments of the Company, including a commitment to keep the debt / EBITDA ratio calculated on a half-yearly basis within the loan period at the level of no more than 3 and higher than 0. Starting from the second semester of 2017 the Company did not meet this requirement which is acceptable by the Bank.

Use of the bank facility as of 31 December 2017 amounts to PLN 1 237 833.04. Use of the limit for bank sureties as of 31 December 2017 amounts to PLN 1 543 192.37

Use of the bank facility as of 31 December 2016 amounts to PLN 0.00. Use of the limit for bank sureties as of 31 December 2016 amounts to 781 848.13.

Ageing schedule of borrowings

Description	Status as of 31.12.2017	Status as of 31.12.2016
Borrowings total	2,451,021.28	0.00
- up to one year	2,451,021.28	0.00
- from 1 to 3 years	0.00	0.00
- from 4 to 5 years	0.00	0.00
- more than 5 years	0.00	0.00

Liabilities under borrowings as of 31.12.2017

Bank / Lender	Seat	Contractual amount		Amount outstanding		Repay ment date	Sureties
		Curre ncy	In PLN	Curre ncy	In PLN		
Bank Pekao S.A . in Cracow, multi-purpose credit line – contract no. PCK/9/2008 as of 30 June 2008 with amendments from no.1 to no.10. Current amendment dated on 31 May 2017.	Crac ow	-	3,000,000.00	-	1,213,188.24	31.05. 2018	<ul style="list-style-type: none"> - registered pledge on fixed assets (plant and machinery) amounting to PLN 1,043,565.98 including assignment of rights under insurance policy, - second rank contractual mortgage capped at PLN 4 500 000.00 on a property in Tajęcina entered into land & mortgage register KW RZ1Z/00162028/1, - contractual mortgage capped at PLN 4 500 000.00 on a property in Rzeszów, ul. Lisa-Kuli 3, entered into land & mortgage register KW RZ1Z/000067225/6 including assignment of rights under insurance policy capped at PLN 2,500,00.00
ING Bank Śląski S.A.- multi-product agreement no 887/2014/0000159/00 as of 18.08.2014 with amendments no 1 to 7, current amendment dated on 15.11.2017, incl. working capital facilities in credit accounts PLN 5M, bank sureties PLN 2 M.	Kato wice	-	5,000,000.00	-	1,237,833.04	15.08. 2018	<ul style="list-style-type: none"> - a capped mortgage on a property in Tajęcina, land & mortgage register KW RZ1Z/00162028/1 amounting to PLN 8 050 000.00, - the assignment of rights under property insurance policy - blank promissory note
Total			8,000,000.00		2,451,021.28		

As of 31.12.2017 there are no long-term liabilities under borrowings.

Liabilities under borrowings as of 31.12.2016

Bank / Lender	Seat	Contractual amount		Amount outstanding		Repay ment date	Sureties
		Curre ncy	In PLN	Curre ncy	In PLN		
Bank Pekao S.A. in Cracow, multi-purpose credit line – contract no. PCK/9/2008 as of 30 June 2008 with amendments from no.1 to no.9. Current amendment dated on 30 June 2016.	Crac ow	-	3,000,000.00	-	0.00	31.05.2017	<ul style="list-style-type: none"> - authorisation for the Bank granted by the Company to access its current account at Bank Pekao S.A. in Rzeszów - statement of OPTeam SA on voluntary submission to execution of a monetary benefit, - registered pledge on fixed assets (plant and machinery) amounting to PLN 1 690 157,63 including assignment of rights under insurance policy, - second rank contractual mortgage capped at PLN 4 500 000.00 on a property in Tajęcina entered into land & mortgage register KW RZ1Z/00162028/1, - blank promissory note
ING Bank Śląski S.A.- multi-product agreement no 887/2014/0000159/00 as of 18.08.2014 with amendments no 1 to 5, current amendment dated on 29.06.2016, incl. working capital facilities in bank accounts PLN 5M, bank sureties PLN 2 M, working capital facilities in credit accounts PLN 5M.	Kato wice	-	10,000,000.00	-	0.00	16.08.2017	<ul style="list-style-type: none"> - capped mortgage on a property in Tajęcina, land & mortgage register KW RZ1Z/00162028/1 amounting to PLN 8 050 000.00 - assignment of rights under property insurance policy - unconfirmed unconditional assignment of liabilities form financed contracts
Total			13,000,000.00	,	0.00		- Total

As of 31.12.2016 there are no long-term and short-term liabilities under borrowings.

11. Disclosure on loans, securities and bond issued and received in the course of the business year.

Contingent liabilities comprise insurance bonds granted to the Company and bank sureties related to performance bonds and bid bonds. These bonds and sureties are temporary and result respectively from the terms of the product supply agreement and requirements of the tendering procedure. The Company predicts that the bonds and sureties in question will not have to be activated.

Received bonds

Contingent liabilities	Status as of 31.12.2017	Status as of 31.12.2016
Received insurance bonds, including:	2,240,809.79	1,174,605.39
- for performance bonds	2,240,809.79	1,174,605.39
- for bid bonds in public tendering procedures	0.00	0.00
Received bank sureties, including:	1,543,192.38	781,848.13
- for performance bonds	1,513,192.38	486,848.13
- for bid bonds in public tendering procedures	30,000.00	295,000.00

Granted sureties

Entity	Regon	Type of liability	Amount of liability (PLN)	Term of surety from-to
Centre of Electronic Clearance Polish ePayment with its seat in Rzeszów – security for the payment of debt to mBank S.A. seated in Warsaw, ul. Senatorska 18 , under the contract agreement concluded on 24 April 2017, as annexed (Annex 1) on 10 May 2017.	180523400	Surety for liabilities – registered pledge and financial pledge on all shares of PeP S.A.	Surety up to PLN 142,500,000	From 16.05.2017 until the expiration of the guarantee period, no later than 24 April 2026
Centre of Electronic Clearance Polish ePayment with its seat in Rzeszów (formerly, the surety was granted to NeoTu Spółka z o.o., seated in Kielce, a company that was owned by Polish ePayment S.A. in 100%) - security for the payment of debt to P4 Spółka z o.o. seated in Warsaw („Play”) , under goods supply agreement for PeP S.A. (formerly: NeoTu).	9512120077	Surety for liabilities resulting from goods delivery	Surety up to PLN 9,600,000	For liabilities arising from 13.09.2017 to 30.06.2019; surety shall expire 12 months after the due date of the final invoice issued by P4 Spółka z o.o. in this period.

Surety to PeP S.A. for their credit agreement with mBank S.A.

In order to secure the claims of mBank that may result from credit agreements concluded with Polish ePayment, on 16 May 2017 the Management Board of OPTeam S.A. signed a surety agreement establishing a financial pledge and a registered pledge on all its shares in Centre of Electronic Clearance Polish ePayment, with OPTeam S.A. acting as the pledger and mBank S.A. seated in Warsaw acting as the pledgee. The following agreements were concluded:

1. “Agreement establishing a registered pledge and a financial pledge on shares” as a surety for Secured Liabilities, capped at the maximum of PLN 142,500,000.00, on all shares in Centre of Electronic Clearance Polish ePayment S.A. seated in Tajęcina (KRS: 0000347131) (PeP), between the Company acting as the pledger and mBank S.A., seated in Warsaw (the Bank), acting as the pledgee (the Pledge Agreement), in order to secure Bank's claims resulting from the credit agreement as of 24 April 2017 signed by, inter alia, PeP as the primary debtor and the Bank as the Organizer, Credit Agent, Surety Agent, Issuer Bank and Primary Creditor (the Credit Agreement). On the basis of this Contract Agreement the Bank shall provide PeP, under the conditions stated in the Credit

Agreement, with: (i) a term credit for maximum PLN 40,000,000 (Acquisition Credit), (ii) a term credit for maximum PLN 25,000,000 (Capex Credit), as well as the Bank shall make available to PeP a guarantee line of maximum PLN 30,000,000 (Guarantee Line). The Credit Agreement has been annexed by the Annex 1 so that the Bank shall provide PeP, provide PeP, under the conditions stated in the Credit Agreement, with: (i) the Acquisition Credit, (ii) the Capex Credit, and (iii) a multi-product line of maximum PLN 30,000,000 (thirty million zlotys), within the framework of which the Bank shall make available, under the conditions stated in the Credit Agreement: (a) a sublimit for the current account credit capped at PLN 20,000,000 (twenty million zlotys) ("Current Account Credit") and (b) a sublimit for the guarantee line capped at PLN 30,000,000 (thirty million zlotys) ("Guarantee Line").

2. Granting the power of attorney to the Bank for exercising the voting rights and other non-property rights on the PeP shares covered by the Pledge Agreement.
3. Committing themselves to the execution by the Bank on the PeP shares on the basis of the Company's statement or statements of voluntary execution in relation with the Pledge Agreement.

Surety for PeP S.A. (the legal successor of NeoTU Sp. z o.o. in Kielce) for the goods delivery agreement by P4 Spółka z o.o. with its seat in Warsaw.

On 13 September 2017 OPTeam S.A., Centre of Electronic Clearance Polish ePayment, acting as Guarantors, and NeoTU Sp. z o.o., with its seat in Kielce, acting as the Buyer, and P4 Spółka z o.o., with its seat in Warsaw, acting as the Seller, concluded the Surety Agreement, capped at PLN 9,600,000.00, that shall constitute a temporary guarantee of the timely and complete repayment of the Buyer's liabilities, which may arise out of the open-ended cooperation agreement concluded on 25.10.2010 between the Buyer and the Seller. The above-mentioned cooperation agreement involves the Seller providing goods to the Buyer for a fee.

Following the merger of NeoTU and PeP S.A., that took place on 20 December 2017, and resulted in transferring the entire assets of NeoTU to PeP S.A., the surety agreement remains valid and shall secure the liabilities of PeP S.A. as the legal successor of NeoTU throughout the period specified in the Surety Agreement.

In the period covered by this Statement and in 2016 Centre of Electronic Clearance Polish ePayment has fulfilled all its liabilities.

Fixed assets used as security for the working capital facilities extended to the Company are described in C 17 Note no 2.1.

12. Disclosure on how the Issuer used proceeds from the issue of securities in the period covered by the report.

In 2017, the Issuer did not issue shares or bonds.

13. The Management's Board position on the viability of previously published performance forecasts.

The Company did not publish forecasts for 2017.

14. Management of financial resources.

In 2015, the Issuer had financial resources – own funds and an investment loan, investment subsidies, allowing it to fully meet its financial liabilities, without the risk of losing financial liquidity.

15. Investment plan viability assessment, including capital investments

In 2017, OPTeam S.A. did not execute capital investments. Outlay on replacement investments included the acquisition of tangible assets (IT equipment, furnishing, vehicles) and software licences.

16. Evaluation of extraordinary factors and events affecting the business result for the business year, including the extent of influence of those extraordinary factors or events on the generated result.

As of 31 December 2017 and in the period covered by this Statement, there were no atypical item in the statement of OPTeam S.A. in terms of volume or frequency.

In the previous accounting year, June 2016, the Company completed the acquisition of 50% of shares of Centrum Rozliczeń Elektronicznych Polskie ePłatności S.A. and disposal of 75% of the shares of this entity. This transaction had a significant effect on the growth of the balance-sheet sum, equity (net profit), equal to PLN 26M. This transaction had an impact on cash-flow on financial operations, including inflow of about PLN 112.0M and expenditures of about PLN 76M. IT was a one-off transaction and the description thereof is provided in the Note C.24 of the 2016 Balance Sheet.

17. Characteristics of external and internal factors significant to the development of the Issuer's enterprise and a description of the Issuer's development outlook at least up to the end of the business year following the business year for which the financial statement was drawn up.

The condition of the Polish IT market is largely correlated with the overall economic situation of the country, the level of investment, plans for the development of domestic and foreign enterprises operating on our market. In the opinion of the Management Board of OPTeam SA, the current economic situation in Poland is good, it allows us to think positively about the upcoming business year of 2018. The most important external and internal factors that may directly or indirectly affect the results achieved in the following quarters of the year include:

External factors important for the development of the Company:

1. The economic situation in the country and EU countries;
2. The pace and way of using EU funds by domestic and foreign entities;
3. Increasing competition in the IT industry on the domestic market;
4. Risks related to rapid technological changes;
5. Possibilities of expanding the market and the product line.

Internal factors relevant to the development of the Company:

1. Stability and experience of the company management team;
2. Achievement of the assumed sales and margin levels for new products and markets which tare entered by the Company;
3. Effectiveness of sales activities for the assumed budget for 2018;
4. Implementation of new initiatives aimed at launching new products and services of the Company;
5. Effective implementation of the portfolio of projects and orders from current clients of the Company.

The company still intends to develop its activity on the domestic power supply market where it will be providing complementary IT services. The energy sector will continue both organizational and technological transformation processes in the coming years. In these activities, the Company sees its chances of deepening cooperation with the major players operating in this market over the next few years.

Other business sectors where the Company intends to strengthen its position as a reliable player in the IT market include education. The company has a very wide range of references and a wide portfolio of products that it can offer to higher education institutions operating on the domestic market, both public and private. The threat that must necessarily be taken into account when forecasting the development of sales in this market is the delay in launching the next stream of EU subsidies, which significantly affect the process of investment decisions in the area of IT technology.

In 2018, the Company plans to continue its active sales operations on the DACH markets (Germany, Austria, Switzerland). It is planned to acquire a portfolio of clients and contracts allowing for the construction of a high-margin business line, which will significantly contribute to the construction of positive financial ratios of the Company.

In 2018, the Company does not exclude the consideration and subsequent implementation (2019) of acquisition processes related to young, dynamic business entities that offer modern, innovative products fitting in with the latest business trends in the area of mobile technologies, e-commerce or blockchain solutions.

18. Changes in basic management principles of the Issuer's enterprise.

In 2017 there were no changes in the ways of managing the Issuer's business.

19. All agreements concluded between the Issuer and management officers, providing for compensation in the event of resignation or dismissal without cause, or if their dismissal or termination is due to the Issuer's consolidation through acquisition.

In 2015, the Issuer did not conclude agreements with management officers, providing for compensation in the event of resignation or dismissal without cause, or if their dismissal or termination is due to the Issuer's consolidation through acquisition.

20. Remuneration, bonuses or benefits, including under incentive or bonus programmes based on the Issuer's capital for management and supervisory officers.

Information regarding remuneration, specified separately for each management and supervisory officer of the Issuer, is presented in the Notes to the financial statement for 2017 – Note no 32.

On 31 October the Extraordinary General Meeting of Shareholders adopted the Resolution No. 5 on the establishment and implementation of the Incentive Programme, on issuing subscription warrants with exclusion of pre-emption rights for existing shareholders, on the conditional increase of the Company's share capital with exclusion of pre-emption rights for existing shareholders. The Extraordinary General Meeting established, approved and launched the Company's Incentive Programme for the Board of the Company and the Management Staff that shall follow the provisions as specified in the Resolution and the Regulations of the Incentive Programme.

Launching the Incentive Programme shall create additional incentives for the key persons in the Company to develop the Company so that its market value grows regularly thus increasing the share value for all shareholders.

The Incentive Programme shall be implemented via issue of Subscription Warrants incorporating, upon fulfilment of certain requirements, the right to acquire the New Issued Shares that shall be issued as a conditional increase of the Company's share capital with exclusion of pre-emption rights.

The Incentive Programme shall be based on the Result Goals and the Retention Goals for the business years of 2018-2019

The Resolution includes a conditional increase of the Company's share capital by not more than 58,400.00 (fifty-eight thousand four hundred) PLN by issuing not more than:

- 262.800 (two hundred sixty-two thousand eight hundred) Series E ordinary bearer shares with a nominal value of 0.10 (ten grosz) PLN each (hereafter: „Series E shares”), and
- 321.200 (three hundred twenty-one thousand two hundred) Series F ordinary bearer shares with a nominal value of 0.10 (ten grosz) PLN each (hereafter: „Series F shares” or „New Issued Shares”, if referred to collectively with the “Series E shares”)

By the decision of 15 January 2018 the District Court in Rzeszów, 12th Economic Department of the National Judicial Register approved the conditional increase of OPTeam S.A. share capital.

The goal of the conditional increase of the Company's share capital is to grant the rights to acquire the New Issued Shares to the owners of the Subscription Warrants that shall be issued on the grounds of this Resolution. The decision on the conditional increase of the share capital is motivated by the intention to implement the Company's Incentive Programme based on Subscription Warrants.

The right to acquire New Issued Shares shall be exercised only by the owners of the Subscription Warrants in accordance with the provisions of this Resolution and the Regulations of the Incentive Programme that was approved by the Supervisory Board of OPTeam S.A. on 9 November 2017.

The Entitled Persons of the Incentive Programme will be only those who are listed in the List of Entitled Persons approved by the Supervisory Board. While making this list the Supervisory Board will take into account the position, job seniority in the Company (including all forms of employment), assessment of the Person's contribution to the company value and the importance of the Person's position to the goals specified in the Incentive Programme Regulations. The list of Entitled Persons, approved on 23 November 2017, includes 14 persons and may be extended to include New Entitled Persons upon the request from the Board or the Supervisory Board and this extension will come into effect on the basis of a resolution of the Supervisory Board.

All Entitled Persons (14) concluded equivocal Incentive Programme Participation Agreements with the Company on 19 December 2017 and received named subscription warrants issued by OPTeam S.A. In compliance with the List of Entitled Persons a total number of 550 000 warrants were issued (247 000 of Series A, 302 500 of Series B). The Participation Agreement gives the Entitled Person the right to take Warrants that shall provide its owner with the right to acquire a specified number of the New Issued Shares on the terms defined in the Resolution and the Regulations.

The Subscription Warrants may be exercised by the Programme Participant within the deadlines and in accordance par 5, item 4, of the Incentive Programme Regulations, provided that certain performance requirements are met as defined and approved by the Supervisory Board (Performance Requirements and Loyalty Requirement, collectively referred to as "Exercise Requirements")

- 1) the company reaches a certain value of EBITDA in the accounting year 2018 or 2019 (Performance Requirements), that re specified in the Regulations for a given series of Warrants,
- 2) individual Programme Participants – will remain employees of the Company from the date of the Participant Agreement to the Warrant Exercise date, according to the Resolution and the Regulations (the Loyalty Requirement).

Addressing the IFRS 2 *Share-based Payment* the determination of fair value of the Incentive Programme was made on the basis of the Black-Scholes-Merton model.

Assumptions for the assessment:

- granting date	31.10.2017
- period to exercise rights	01.01.2018 to 31.12.2019
- share price on the granting date	PLN 5.20
- exercise price	PLN 4.63
- company's share volatility	7.51% (average, 4 years of 2014-2017)
- dividend rate	5.,77%
- risk-free rate of return	2.10%
- number of warrants	584 000
- option life	3.17 years

Since impact of the Programme valuation on the financial statement of the Company was irrelevant (total cost was PLN 224.42 for the period of 19-31.12.2017) and the first possible date (01.01.2018) when the Entitled Persons who signed Participation Agreements on 19.12.2017 may initiate actions to meet the requirements of the Programme (one of the key requirements refers to EBITDA for 2018 and then 2019), the Company will start reporting the effects of Programme valuation since 01.01.2018.

The Programme shall start on 01.01.2018 and upon this date it shall be probable that the Programme requirements may be met.

21. Specification of the total number and nominal value of all of the Issuer's shares as well as shares in the Issuer's related parties, held by management and supervisory officers (individually).

As of the publication of this Report OPTeam S.A. shares were held by the following management and supervisory officers:

OPTeam S.A., each person separately.

Shareholders	Number of shares and votes at the GMS	% share in the authorised capital and overall number of votes at the GMS
Janusz Bober – Chairman of the Supervisory Board	1,372,523	18.80%
Andrzej Pelczar – Vice-Chairman of the Supervisory Board	1,372,523	18.80%
Wacław Irzeński, - Member of the Supervisory Board	1,372,523	18.80%
Ryszard Woźniak - Member of the Supervisory Board	1,378,512	18.88%
Tomasz Ostrowski – Chairman of the Board	10,000	0.14%
Radosław Bednarski – Vice-Chairman of the Board	44,721	0.61%

22. Disclosure on agreements known to the Issuer (including those concluded after the balance sheet date), which may in the future lead to changes in the stakes held by current shareholders.

The Issuer's Management Board has no information on agreements (including those concluded after the balance sheet date), which may in the future lead to changes in the structure of shares held by current shareholders.

23. Disclosure on the control system of the employee stock ownership plan.

Except the Incentive Programme, as described in p. 20, in 2017 the Issuer did not implement an employee stock ownership plan.

24. Representation of the Management Board regarding corporate governance.

In 2017, the Company complied with the principles of corporate governance collected in "The Code of Best Practice for WSE Listed Companies 2016" (valid from 01.01.2016, hereinafter DPSN 2016), which is available at the web page of the Warsaw Stock Exchange at https://www.gpw.pl/lad_korporacyjny_na_gpw

The Issuer submitted a statement on applying respective recommendations and principles of DPSN 2016.

On 29.03.2018 the Issuer updated the extent of application of DPSN 2016 by submitting a relevant report via the EBI system.

24. 1. Identification of corporate governance principle that the Issuer does not observe on a permanent basis.

According to the status of the application of the Best Practices, valid as at the day of publication of this report, the Company does not apply two recommendations: III.R.1 and VI.R.1.

III.R.1. The company's structure should include separate units responsible for the performance of tasks in individual systems or functions, unless the separation of such units is not justified by the size or type of the company's activity.

There are no separate internal control units in the Company's structure. Due to their functions and tasks, the Management Board and the managerial staff are responsible for supervising the control of key operational processes. The Management Board does not exclude the appointment of separate organizational units in the future to perform the function of internal control.

VI.R.1. The remuneration of members of the company's governing bodies and key managers should follow the approved remuneration policy.

The Issuer does not have a formal document describing the principles of remunerating the company's managerial bodies and key managers. Remuneration for these people is determined based on the criteria of responsibility, risk taken, and competence and effectiveness of the action. The Issuer does not exclude the introduction of formal rules for remuneration of the company's bodies and key managers in the future. In this case, he will immediately change the classification of the status of this rule.

According to the status of the application of the Best Practices, valid as at the day of publication of this report, the Company does not apply the following detailed principles:

I.Z.1.3., I.Z.1.11., I.Z.1.16., I.Z.1.20., II.Z.1., II.Z.10.4., III.Z.3., III.Z.4., VI.Z.4., i.e.:

a) The Issuer does not apply the detailed principle I.Z.1.3 that results from the I.Z.1 principle - a chart showing the division of duties and responsibilities among members of the management board drawn up according to principle II.Z.1

Because the responsibility of individual members of the Management Board for the Company's affairs cannot be limited, the principle described above is not applied.

b) I.Z.1.11. information about the content of the company's internal rule of changing the company authorised to audit financial statements or information about the absence of such rule

In accordance with the Issuer's Statute (the Articles of Association), the decision on the appointment of a statutory auditor is taken by the Supervisory Board of the Company, guided by the principles of impartiality and fairness of the entity. The Company does not exclude that if the rules for the change of statutory auditors, authorized to audit financial statements, are developed, the above principle will be applied.

c) I.Z.1.16. information about the planned transmission of a general meeting, not later than 7 days before the date of the general meeting

The Issuer is of the opinion that the rules of participation in general meetings, currently in force at the Company, are compliant with the requirements of the Code of Commercial Companies for public companies, as well as the adopted manner of organizing general meetings, enable the shareholders' rights to be exercised and duly secure their interests. Application of the transmission rule of the general meeting may cause technical and legal threats and may have an impact on the uninterrupted and safe course of the general meeting. However, the Company does not exclude that if technical conditions and formal and legal circumstances exist that ensure the safe conduct of the general meeting, this rule will be applied.

d) I.Z.1.20. an audio or video recording of a general meeting,

The Issuer does not apply this principle – see explanation for the opt-out from the I.Z.1.16. principle.

e) II.Z.1. The internal division of responsibilities for individual areas of the company's activity among management board members should be clear and transparent, and a chart describing that division should be available on the company's website.

The Issuer does not apply this principle – see explanation for the opt-out from the I.Z.1.3. principle

f) II.Z.10.4. An assessment of the rationality of the company's policy referred to in recommendation I.R.2 or information about the absence of such policy.

As the Company is not concerned by the principle of I.R.2, this principle has been adequately excluded from application.

g) III.Z.3. The independence rules defined in generally accepted international standards of the professional internal audit practice apply to the person heading the internal audit function and other persons responsible for such tasks.

Since there are no separate internal control units in the Company's structure (see explanation for the opt-out from the III.R.1), this principle shall not apply.

h) III.Z.4. The person responsible for internal audit (if the function is separated in the company) and the management board should report to the Supervisory Board at least once per year with their assessment of the efficiency of the systems and functions referred to in principle III.Z.1 and table a relevant report.

Refer to the explanation for III.Z.3.

i) VI.Z.4. In the activity report, the company should report on the remuneration policy including at least the following:

- 1) general information about the company's remuneration system,
- 2) information about the conditions and amounts of remuneration of each management board member broken down by fixed and variable remuneration components, including the key parameters of setting the variable remuneration components and the terms of payment of severance allowances and other amounts due on termination of employment, contract or other similar legal relationship, separately for the company and each member of its group,
- 3) information about non-financial remuneration components due to each management board member and key manager,
- 4) significant amendments of the remuneration policy in the last financial year or information about their absence,
- 5) assessment of the implementation of the remuneration policy in terms of achievement of its goals, in particular long-term shareholder value creation and the company's stability.

The Issuer does not apply this principle – see explanation for the VI.R.1 recommendation. However, the Issuer provides information on the remuneration of Management Board members in periodic reports.

24.2. Characteristics of the internal control and risk management systems in place at OPTeam SA with regard to the process of drawing up financial statements and consolidated financial statements

The internal control system at OPTeam S.A. is the basic tool ensuring a reliable assessment of operational risk. It provides information and financial data underlying the financial statements. Responsibility for the system lies with the Management Board. The internal control system is based on the following structure:

- 1) Verification of budget assumptions.

The Company draws up an annual financial plan which is comprised of budgets prepared by individual operational departments. Compliance with budget assumptions is verified periodically by the Company's Management Board. At that time, measures are undertaken well in advance in order to limit or eliminate the risks to the execution of the assumed budget parameters.

- 2) Division of powers and responsibilities.

The Company has clearly divided powers and responsibilities. The Management Board verifies on an ongoing basis whether individual organisational units fulfil their obligations.

3) Verification of financial statements by independent external auditors.

Pursuant to the applicable legal regulations, the financial statements drawn up by the Management Board are verified by independent external auditors. Outcomes of the assessment are published.

Taking into account the input data to the risk analysis, the Management Board identifies risks related to the individual areas of the enterprise. Following the risk assessment, conclusions are formulated and decisions regarding the action plan are made. The aim is to eliminate uncertainty and optimally reduce the unfavourable factors which might disturb the organisation in certain areas. Such a verification is also periodically conducted by the Supervisory Board.

Moreover, the Management Board verifies the methods applied by individual organisational units to achieve their goals, their scopes of activities, provisions of internal regulations, procedures and internal normative acts of the Management Board.

24.3. Identification of shareholders directly or indirectly holding significant stakes in OPTeam SA

According to the information available to the Company, as of the publication date of the annual report for 2017, stakes exceeding 5% of the overall number of votes at the General Meeting of OPTeam S.A. were held by the following Shareholders:

Shareholders	Number of shares and votes at the GMS	% share in authorised capital and overall number of votes at the GMS
Janusz Bober	1,372,523	18.80%
Andrzej Pelczar	1,372,523	18.80%
Ryszard Woźniak	1,378,512	18.88%
Wacław Irzeński	1,372,523	18.80%
ZM Invest S.A.	450,000	6.16%

In 2017, OPTeam did not acquire treasury stock. The Company holds 334 own shares, left over from the settlement of transactions executed in 2010

The Management Board of OPTeam S.A. discloses that none of the shareholders hold special control powers related to the shares of OPTeam S.A. Nor are there any restrictions on exercising voting rights, or restrictions on transferring security ownership rights, apart from the principles stipulated in the generally applicable regulations on trading in financial instruments.

24.4. Description of rules governing appointments and dismissals of executive officers and their powers, especially the right to decide on issuing or redeeming shares.

The Company's Management Board.

According to the provisions of the Articles of Association of OPTeam S.A., the Management Board consists of one or more members appointed for a joint term of office, Management Board Members, including the President, are appointed and dismissed by the Supervisory Board, which specifies the number of Management Board Members in the given term of office. The mandate of a Management Board Member expires at the latest on the day of the General Meeting approving the financial statement for the last full business year in the course of the given term of office of the Management Board, so whose last day falling on 31 December was within the term of office of the Management Board counted in years from the date of appointment of the first Management Board Member of that term of office. The mandate of a Management Board

Member, appointed prior to the end of the given term of office, expires at the same time as the mandates of all the other Management Board Members.

The Supervisory Board may dismiss a Management Board Member or the entire Board at any time. In the event of compelling reasons, the Supervisory Board may suspend some or all Management Board Members. If the entire Management Board is dismissed before the end of the term, the term of the new Management Board runs from the beginning.

Management Board Members may be dismissed or suspended by the General Meeting.

Works of the Management Board are directed by the President of the Management Board. Resolutions of the Management Board are passed by a simple majority of votes. In the case of split votes, the President's vote breaks the tie.

The detailed operating procedure of the Management Board, as well as issues which can be addressed to its individual members, are specified in the Regulations of the Management Board adopted by the Management Board and approved by the Supervisory Board.

If the Management Board is composed of more than one person, to represent the Company two Board Members must cooperate or a Board Member jointly with the proxy.

To perform specific actions or specific types of actions, individuals may be authorised to act independently or in twos or threes within the scope of their powers. The Management Board keeps a record of the authorisations issued.

If the Management Board is composed of one person, the sole Management Board Member is authorised to make representations and sign on behalf of the Company.

In agreements, including those specifying terms of employment, and in other legal activities and disputes between the Company and Management Board Members, the Company shall be represented by the Supervisory Board. Representations on behalf of the Supervisory Board shall be made by a representative delegated by resolution of the Supervisory Board. The resolution of the Supervisory Board should specify terms of the agreement or legal activity referred to in the first sentence above.

The General Meeting has competences regarding decisions on the issue or redemption of shares, in accordance with the Code of Commercial Companies and the Company's Articles of Association.

Supervisory Board

The Supervisory Board exercises ongoing supervision over the Company's operations. According to the Articles of Association, the Supervisory Board is composed of no fewer than 5 and no more than 7 members. Apart from other competences specified in the Articles of Association, particularly Art. 22 section 2 of the Articles, in the Code of Commercial Partnerships and Companies and other legal regulations, the Supervisory Board is obliged to:

- a) once a year, draw up and present to the Ordinary General Meeting a brief assessment of the Company's situation, including the evaluation of internal controls and risk management system,
- b) once a year, conduct and present to the General Meeting a self-evaluation of its work,
- c) consider and provide opinion on issues to be subject to resolutions at the General Meeting.

Apart from issues stipulated in the Act, other provisions of the Articles of Association or resolutions of the General Meeting, the powers and duties of the Supervisory Board include:

- a) to audit the annual Balance Sheet and Profit & Loss Statement and ensure their verification by certified auditors,
- b) to audit and express opinion on the Management Report,
- c) to submit to the General Meeting a written report on activities referred to in items a) and b),
- d) to approve the Company's long-term and annual material and financial plans, as well as asset and capital investment plans,
- e) to evaluate the Management Board's conclusions regarding distribution of profit or coverage of loss,
- f) to appoint and dismiss individual Management Board Members or the entire Board,
- g) to suspend some or all Management Board Members for cause,
- h) to determine rules of remuneration for the Management Board Members, conclude contracts with them and represent the Company in matters between the Company and a Management Board Member,
- i) to approve appointment of proxies,
- j) to consent to the disposal, acquisition or encumbrance of the Company's real property, share in property or perpetual usufruct of property,

- k) to consent to transactions involving incurring liabilities, debt exemption, disposal, acquisition or encumbrance of the Company's assets, if the amount of the given transaction should exceed PLN 4,000,000.00 (in words: four million) zlotys;
- l) to consent to the Company making donations and sponsorship, if the amount of related transactions should exceed PLN 200,000.00 (in words: two hundred thousand) zlotys,
- m) to delegate Supervisory Board Members to temporarily fulfil the duties of the Management Board Members who were suspended, dismissed or who are otherwise unable to perform their function, as well as in the case of dismissing the entire Management Board or when the Management Board is otherwise unable to act, and to determine remuneration due to the delegated Supervisory Board Members,
- n) to consent to establishing a branch of the Company,
- o) to select the certified auditor to audit the Company's financial statements
- p) to approve the Regulations of the Management Board
- q) to consent to pay out provisions for dividend.

The detailed operating procedure and powers of the Supervisory Board is specified in the Articles of Association and Regulations of the Supervisory Board.

Since the Supervisory Board of OPTeam S.A. is currently composed of 7 people, the Audit Committee was appointed under the competence of the Supervisory Board in the following composition:

Marcin Lewanodowski – Head of the Audit Committee
 Wiesław Zaniewicz – Member of the Audit Committee
 Piotr Kołodziejczyk - Member of the Audit Committee

24.5. Composition of supervisory and management bodies and changes thereof in 2017 .

Issuer's Supervisory Board

Janusz Bober	Chairman of the Supervisory Board
Andrzej Pelczar	Vice Chairman of the Supervisory Board
Wiesław Zaniewicz	Secretary of the Supervisory Board, Member of the Audit Committee
Marcin Lewandowski	Member of the Supervisory Board, Head of the Audit Committee,
Ryszard Woźniak	Member of the Supervisory Board
Wacław Irzeński	Member of the Supervisory Board
Piotr Kołodziejczyk	Member of the Supervisory Board, Member of the Audit Committee - since 25.05.2017
Andrzej Ziemiński	Member of the Supervisory Board – to 25.05.2017

Issuer's Management Board

Tomasz Ostrowski	President of the Management Board - since 21.12.2017, Vice-President of the Management Board - since 25.05.2017
Radosław Bednarski	Vice-President of the Management Board
Wacław Szary	President of the Management Board - since 25.08.2017

24.6. Description of principles for amending the Articles of Association of OPTeam S.A.

Pursuant to Art. 26 item 5 of the Articles of Association, a resolution of the General Meeting is required to amend the Articles of Association of OPTeam S.A. The resolution on amending the Articles is passed by a $\frac{3}{4}$ vote majority.

24.7. Operating procedure of the General Meeting, its fundamental powers, shareholders' rights and ways of exercising them.

The Company's General Meeting may proceed as an ordinary or extraordinary meeting.

The Ordinary General meeting is convened by the Management Board no later than within six months after the end of the business year. The Supervisory Board may convene the Ordinary General Meeting, if the Management Board fails to convene it within the timeframe stipulated in the Code of Commercial Partnerships and Companies.

The Supervisory Board or shareholders representing no less than half of the authorised capital or no less than half of the votes may convene the Extraordinary General Meeting. When the Extraordinary General Meeting is convened by shareholders, they appoint the chairperson of that Meeting.

The agenda of the General Meeting is decided by the Management Board. The Supervisory Board and shareholders representing no less than 1/20 part of the authorised capital may demand that particular matters are put on the agenda of the nearest General Meeting.

The demand to put issues on the agenda of the General Meeting should be submitted no later than 21 days prior to the appointed date of the Meeting and should include a statement of reasons or a draft resolution concerning the proposed item on the agenda. Changes in the agenda introduced by request of the shareholders should be announced by the Management Board no later than 18 days prior to the Meeting date in a manner appropriate to convening the General Meeting.

The following issues require resolutions of the General Meeting:

- 1) consider and approve the Company's annual financial statements, annual reports on operations, as well as the Group's consolidated financial statements and Group's report on activities for the prior business year,
- 2) acknowledge the fulfilment of duties by members of the Supervisory and Management Boards,
- 3) decide on distribution of profit and coverage of losses, as well as allotment of funds created from profit,
- 4) appoint Supervisory Board Members and determine rules of remuneration of Supervisory Board Members,
- 5) amend the Articles of Association, including increasing and reducing the authorised capital, unless the provisions of the Code of Commercial Partnerships and Companies or these Articles provide otherwise,
- 6) make any provisions regarding claims for compensation of damage inflicted during establishing the Company or exercising supervisory or management powers,
- 7) consent to the disposal or lease of the enterprise or an organisational unit thereof, and establishing limited property rights thereupon,
- 8) decide on share redemption and consent to the acquisition of shares to be redeemed as well as specify the terms of redemption,
- 9) consent to issuing bonds, including convertible bonds and senior bonds,
- 10) dissolve, liquidate and transform the Company and consolidate it with another company,
- 11) create and dissolve capital reserves and other capitals and funds of the Company,
- 12) approve the Regulations of the Supervisory Board,
- 13) enact and amend the Regulations of the General Meeting.

Pursuant to the provisions of the Bylaws of the General Meeting, only people who were shareholders of the company sixteen days prior to the date of the General Meeting (registration date of participation in the General Meeting) are eligible to participate in it.

A person entitled under dematerialised bearer shares of a listed company may request, not before the publication of the General Meeting announcement and no later than on the first working day after registering participation in the General Meeting, that the securities depository should issue a personal certificate of entitlement to attend the General Meeting.

The Company determines the list of shareholders entitled to participate in the General Meeting pursuant to the list provided by the National Depository for Securities (KDPW), drawn up on the basis of personal certificates of entitlement to attend the General Meeting issued by the securities depository.

Proxy rights to attend the General Meeting and exercise voting rights shall be granted in writing or in electronic form. Proxy voting forms are available as of the date of convening the General Meeting on the Company's web site.

Shareholders notify the Company about appointing a proxy in electronic form, using the Company's email address provided in the General Meeting announcement. In the notice, the shareholder should provide their telephone number and email address, as well as the proxy's telephone number and email, by means of which the Company may contact the Shareholder and proxy. The proxy notification should also specify the scope of authorization, i.e. indicate the number of shares under which the voting rights will be exercised and the General Meeting date when they will be exercised.

Alongside the proxy notification in electronic form, the shareholder sends the letter of authorisation, excluding proxy voting instruction, a scan of their personal ID card or of another document identifying the authorising Shareholder and the proxy. If authorisation is granted by a body corporate or an organisational unit without legal personality but with legal capacity, the

shareholder shall submit a scan of the register entry wherein it is registered or a scan of another document confirming due authorisation of persons acting on behalf of such an entity.

If authorisation is granted to a body corporate or an organisational unit without legal personality but with legal capacity, the shareholder shall additionally submit a scan of the register entry wherein the proxy is registered or a scan of another document confirming the existence of such an entity.

Notification about appointing and/or revoking a proxy in electronic form should be submitted no later than three working days prior to the General Meeting date. The Company will undertake due measures to confirm the identity of the shareholder and proxy to verify the validity of authorisation granted in electronic form.

The detailed operating procedure of the General Meeting and powers of this governing body, as well as the powers of shareholders and how they can be exercised, are described in the appropriate provisions of the Articles of Association of OPTeam S.A. and the Bylaws of the General Meeting. These documents are published on the Company's website.

25. Disclosure on agreements with the certified auditor.

According to the Articles of Association of OPTeam S.A. the Supervisory Board, in their Resolution of 28 June 2017, appointed the entity authorised to audit the financial statement for OPTeam S.A. for 2017 and to review the financial statement for the first half of 2017. The appointed auditor is Grant Thornton Polska sp. z o.o. sp. komandytowa, seated in Poznan, ul. Abpa Antoniego Baraniaka 88E, and entered into the list of the National Board of Statutory Auditors at no 4055. In the Resolution of 10 July 2017, the Supervisory Board appointed the entity authorised to audit the financial statement of OPTeam S.A. for 2018 and to review the financial statement for the first half of 2018. The appointed auditor is Grant Thornton Polska sp. z o.o. sp. komandytowa, seated in Poznan.

The Board of OPTeam S.A. declares that Grant Thornton Polska sp. z o.o. sp. komandytowa, seated in Poznan, i.e. the entity authorized to audit financial statements, that performed the review of the financial statement of OPTeam S.A. for the accounting year of 2017, was appointed in compliance with the rules of law, and that the entity and the expert auditors that participated in the review met the requirements necessary to express independent and impartial opinion about the financial statement, according to the applicable regulations and professional standards (net remuneration paid in 2017 amounted to PLN 30,864.42).

On 18 June 2016 OPTeam S.A. signed an agreement with the entity authorised to audit the financial statement, i.e. SWGK Audyt Sp. z o.o. , seated in Poznan: 60-792 Poznań, ul. Wojskowa 4. The scope of the agreement was:

- to audit the financial statement for OPTeam S.A. for the periods of: from 01.01.2016 to 31.12.2016, from 01.01.2017 to 31.12.2017, to express their opinion on the statements and to make an audit report,
- to review the semi-annual financial statement of OPTeam S.A. for the periods of: from 01.01.2016 to 31.12.2016, from 01.01.2017 to 31.12.2017, to express their opinion on the statements and to make a report.

On 14 June 2017 this agreement with SWGK Sp. z o.o. for auditing / reviewing financial statements of OPTeam S.A. was terminated by an agreed decision of both parties and its termination shall be effective upon the completion of the auditing services for 2016, of which OPTeam informed in the current report No. 19/2017.

In 2017 SWGK sp. z o.o. was paid PLN 18,000.00 for the audit of the financial statement for 2016.

Management Board of OPTeam S.A.

Tomasz Ostrowski – President of the Board

Radosław Bednarski – Vice-President of the Board

Tajęcina, 27 April 2018.