



**ANNUAL FINANCIAL STATEMENT
of OPTeam S.A.
for 2017**

**DRAWN UP IN COMPLIANCE WITH INTERNATIONAL FINANCIAL REPORTING
STANDARDS**

(financial data subject to audit)

TAJĘCINA, 27 APRIL 2018

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A. Introduction to the financial statement for 2017 of OPTeam S.A.

A.1. Identification data of the company

OPTeam Spółka Akcyjna with its seat in Tajęcina 113 near Rzeszów, hereinafter referred to as the Company. OPTeam has been in operation since 1988, initially under the name COMFORT Sp. z o.o., and after 1992 as OPTIMUS-COMFORT Sp. z o.o. In its current legal form, the Company has been in operation since 5.05.2003. Since 11 October 2010, the Company's shares are listed on the Warsaw Stock Exchange.

OPTeam S.A. is entered into the National Court Register of Domestic Entrepreneurs at number 000160492 kept by the Regional Court in Rzeszów, 12th Commercial Division of the National Court Register. The company holds the statistical number REGON 008033000 and tax ID number NIP 813 03 34 531.

OPTeam S.A. runs its business within the Mielec SEZ pursuant to the Licence of the Industrial Development Agency no 149/ARP/2008 of 18 September 2008.

The Company's core business includes:

- software-related activities, including: systems analysis, development and programming,
- advisory services related to information technology,
- activities related to managing IT equipment,
- other services related to information and computer technologies,
- data processing, management of Internet sites (hosting) and similar activities
- wholesale of computers, fiscal devices, peripheral devices and software,
- execution of electrical installations and other construction installations,
- repair and maintenance of computers and peripheral devices, telecommunications equipment,
- extramural education.

A.2. Life of the Company

OPTeam S.A. was established to continue until terminated.

A.3. Periods covered in the financial statement and comparable figures

This financial statement covers the period of 12 months ending 31 December 2017 and contains comparable data for the period of 12 months ending 31 December 2016.

This report has been drawn up in compliance with International Financial Reporting Standards (IFRS) for the current and comparable period.

A.4. Composition of the Management Board and Supervisory Board

During the period covered by this report, and as of the date of the financial statement approval for publication, the **Management Board** of OPTeam S.A. was composed of:

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

During the period covered by this report, and as of the date of the financial statement approval for publication the **Supervisory Board** of OPTeam S.A. was composed of:

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

A.5. Certified Expert Auditor

Grant Thornton Polska Spółka z o.o. Sp.k.

Ul. Abpa Antoniego Baraniaka 88E

61-131 Poznań

Entered into the list of the National Board of Statutory Auditors at no 4055.

A.6. Performance in the regulated market

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

A.7. Shareholders

As of 31 December 2017, the following shareholders held a stake exceeding 5% of votes at the General Meeting of 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 %
Wacław Szary	407,899	5.59 %
Other shareholders – holding less than 5% at the GMS	1,396,020	19.12 %
Total share capital	7,300,000	100.00 %

A.8. Subsidiaries

As of 31 December 2017, i.e. as of the date of this statement and the end of the preceding year the Issuer did not have subsidiaries

A.9. Consolidated financial statement

OPTeam S.A. is not a holding company, as it does not have subsidiaries. In view of the above, the Issuer does not draw up consolidated financial statements.

A.10. Company consolidation

In the course of 2017, no changes took place in the structure of the Issuer's business, nor were there any mergers, acquisitions, disposals of subsidiaries or long-term investments. There was a change to long-term investments. On 27 April 2017 the Company concluded a contract to take 1,252,515 shares of PeP S.A. in an increased capital of Polskie ePłatności. On 4 May 2017 the Company contributed a financial input to cover the issue price. 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, valued with use of equity method.

A.11. Going concern assumption

The financial statement was drawn up on the assumption that the Company will remain a going concern for no less than 12 months after 31 December 2017. There are no circumstances indicating any threats to continuing operations by the Company.

A.12. Approval for publishing

This financial statement for the period ending on 31 December 2017 was approved for publication on 27 April 2018.

A.13. Principles adopted when drawing up the report and statement of compliance

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.

Pursuant to the Ordinance of the Minister of Finance of 19 February 2009 on current and interim information submitted by the issuers of securities, and on conditions of considering as equivalent the information required by law of a non-member state (consolidated text Journal of Laws No of 2014, item 133) the Company is obliged to publish its annual financial statement.

Changes in the accounting principles applied

The accounting principles (policy) applied to this financial report are consistent with those used when drawing up the comparable financial statements of the Company.

Changes in the standards or interpretations

The new or amended IAS and IFRS regulations, as well as new IFRIC interpretations which the Company adopted in the period commencing 1 January 2017, are presented below. Their adoption had no significant impact on the financial statement.

1. Change to IAS 12 „Income Tax”

IASB provided details on:

- presentation of deferred income tax as an asset if the company reported an uncovered loss
- calculation of future taxable income necessary to report the deferred income tax.

2. Change to IAS 7 „Cash Flow Statement”

The amended standard requires disclosing information that allow the users of the financial statement to assess the changes in Company’s liabilities (changes in credits and loans taken).

3. Changes to IFRS 12 resulting from the „Draft Corrections: 2014-2016 cycle”. It is specified that disclosures of shares in other entities, covered by this standard, are also obligatory when these shares are classified as intended for sales according to IFRS 5. This change has no significant impact on the financial statement of Company since the Company has not qualified any shares as intended for sales.

Adoption of standards or interpretations prior to its effective date.

In this Statement the Company did not adopt any standard or interpretation prior to its effective date.

Standards and interpretations, which were issued, but have not been effective for the periods starting on 1 January 2017 and its impact on the Company’s Report

The following new or amended Standards and Interpretations, valid for yearly periods upon 2017, have been published prior to the date of this Financial Statement.

1. New IFRS 9 „Financial Instruments”

The new standard will replace the current IAS 39. Changes made by the accounting standard for financial instruments mainly include:

- other categories of financial assets on which the asset valuation method depends; the allocation of assets to the category is made depending on the business model relating to a given asset and the nature of flows from it,
- new hedge accounting principles that reflect risk management to a greater extent,
- a new model of impairment of financial assets based on anticipated losses and necessitating faster recognition of costs in the financial result.

IFRS 9 applies to annual periods beginning on January 1, 2018 and later, with the possibility of earlier application.

In order to determine the impact on the financial statements of the new IFRS 9, the Company carried out an analysis of its financial instruments, which concluded that the potential impact on the financial statements may be generated only by a change in assessment of credit risk related to trade receivables.

The company analyzed the structure of trade receivables at the end of each quarter of 2017 by customer category, as well as the analysis of planned sales revenues for 2018. The planned average structure of gross receivables is as follows:

50% for the sales to institutions,
35% for the sales to large companies - corporations,
15% for the sales to SMEs.

With respect to receivables from sales to institutions and corporations, no significant credit risk was identified. Such risk was identified in relation to receivables from sales to SMEs and it was estimated at 3%, which means impact on equity in the amount of PLN 129K as of the date of first application, i.e. on 1 January 2018.

As of	Receivables from SMEs, total in PLN	Receivables from SMEs written off as revaluation charges or as other operating expenses	% of credit risk	Impact on the opening balance of 2018, in PLN
31.12.2015	4,583,057.10	150,020.86		
31.12.2016	4,994,429.70	168,104.01		
31.12.2017	4,308,097.83	96,533.28		
Total	13,885,584.63	414,658.15	3%	128,650.53

In addition, the Management Board carried out an analysis regarding changes in the classification and measurement of financial assets and financial liabilities in accordance with IFRS 9 and IAS 39 as of the first application date, ie 1 January, 2018. As a result of applying the new IFRS, the classification and valuation of financial instruments will not change. This assessment is based on currently available information and may be subject to changes resulting from the acquisition of rational and documentable additional information during the period when the Company applies IFRS 9 for the first time.

2. New IFRS 15 "Revenue from contracts with customers"

The new standard will replace the existing IAS 11 and IAS 18 by providing one consistent revenue recognition model. The new 5-step model will depend on the recognition of revenue from the client's obtaining control over good or service (the so-called Five Steps Model for recognizing revenues resulting from contracts with clients). In addition, the standard introduces additional disclosure requirements and guidance on several specific issues. The standard is effective for annual periods beginning on January 1, 2018 or later. In 2017, the Company carried out a detailed assessment of the impact of the introduction of IFRS 15 on the accounting principles (policy) applied by the Company with respect to the operations of the Company or its financial results.

For the first time, OPTeam will apply IFRS 15 "Revenue from contracts with customers" and Amendments to IFRS 15 in the financial statements prepared for 2018. The company decided to apply the standard retrospectively with the combined effect of the first application recognized on the first application date.

As part of the approach chosen by the Company, the principles of the new standard will be applied only to ongoing contracts on the day of the first application, ie on January 1, 2018.

The Company's revenues include the sale of IT services and software. Revenues are generated mainly in four areas:

- sales of own services, mainly implementation and modification, and after the implementation of maintenance services,
- sales of own licenses,
- sale of foreign services and licenses,
- sale of IT equipment and related services.

As part of the preparation for the implementation of the Standard, the Company analyzed these revenue streams to identify possible types of performance obligations that arise from contracts existing in the Company and indicate if, and if so how, new income recognition methods for each of the new regulations will change. these commitments.

The company analyzed the impact of the standard on the financial statements. Its results indicate that its revenue recognition and the Company's results will not change significantly.

3. Amendment to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures"

The rules governing the settlement of loss of control over a subsidiary so far provided for a gain or loss to be recognized at that time. In turn, the principles of using the equity method indicated that the result of transactions with entities accounted for using the equity method is included only up to the share of other shareholders in these entities. In a situation where a parent company sells or contributes shares in a subsidiary to a subject priced on the basis of the equity method in such a way that it loses control over it, the above-mentioned regulations would be contradictory. The amendment to IFRS 10 and IAS 28 eliminates this collision as follows:

- if the entity over which control is lost is a business entity (business), the result on the transaction is recognized in full,
- if the entity over which control is lost does not constitute an enterprise, the result is recognized only to the amount of the share of other investors.

The date of entry into force of this change has been postponed by IASB for an indefinite period.

4. New IFRS 16 „Leasing”

The new standard regulating lease agreements (including rental and lease agreements) includes a new definition of leasing. Significant changes concern the lessee: for each lease contract the standard requires recognition in the balance sheet of the value of the "right to use an asset" and an analogous financial liability. The right to use the assets is then depreciated, while the liability is measured at amortized cost. Simplifications are foreseen for short-term contracts (up to 12 months) and low-value assets. The accounting approach to leasing from the lessor's side is similar to the principles set out in the previous IAS 17.

The company estimates that the new standard will not have a material impact on its financial statements. OPTeam is a lessee in the case of office space lease agreements, but the underlying asset component is of low value. Exemptions for short-term contracts and low-value contracts are planned.

The changes are effective for annual periods beginning on January 1, 2019 or later.

5. Amendment to IFRS 2 "Share-based payments"

The IAS Board settled three issues:

- the manner of including terms and conditions other than vesting conditions in the valuation of a cash-settled program,
- share payment classification in the case when the entity is required to collect a tax from the employee,
- modification of the program, which results in a change from a program settled in cash into a program settled in capital instruments.

The company estimates that the change in the standard will not affect its financial statements due to the fact that there were no transactions covered by the changes.

The changes are effective for annual periods beginning on January 1, 2018 or later.

6. Amendment to IFRS 4 "Insurance Contracts"

In connection with the entry into force in 2019 of the new standard on financial instruments (IFRS 9), the IASB Council introduced transitional rules (until the entry into force of the new IFRS 17) for the application of new accounting principles in the financial statements of insurers. Otherwise, their results would be exposed to considerable volatility.

Two alternative approaches have been proposed:

- adjusting the volatility caused by IFRS 9 for some assets through a separate item in the income statement and other comprehensive income,
- exemption from the application of IFRS 9 until the entry into force of the new insurance standard (or the year of 2021).

The change in the standard will not affect the Company's financial statements due to the fact that it does not conduct insurance activities.

The changes are effective at the time of applying IFRS 9.

7. Amendments to IFRS 1 and IAS 28 resulting from the "Annual amendments project: cycle 2014-2016". Amendments to standards include:

- IFRS 1: some short-term exemptions that were applied when switching to IFRS were removed due to the fact that they concerned periods that have already passed and their application was no longer possible.
The change will not affect the Company's financial statements, as it is already prepared in accordance with IFRS.
- IAS 28: clarified that in situations where IAS 28 allows the valuation of investments either using the equity method or at fair value (by high risk capital management organizations, mutual funds, etc. or shares in investment units), this choice may be made separately for each of them investment.

The change will have no impact on the financial statements of the Company, as it does not have the possibility to choose the method of investment valuation in affiliates and joint ventures to fair value.

The changes will come into force for annual periods beginning on January 1, 2018.

8. Amendment to IAS 40 "Investment Property"

The amendment clarifies the rules according to which the real estate is reclassified to or from the investment property category from or to fixed assets or inventories.

First of all, the change of classification takes place when the way of use changes and this change has to be proved.

The standard says that changing the intention of the Board is not enough.

The change of the standard should be applied to all changes in use, which will occur after the amendment to the standard comes into force and to all investment properties owned as of the effective date of the change in the standard.

The company estimates that the change in the standard will not affect its financial statements, as it does not have investment properties.

9. New IFRIC 22 "Foreign currency transactions and advances"

The interpretation defines which exchange rate should be used in the case of sale or purchase in a foreign currency, which is preceded by receiving or paying an advance in that currency. According to the new interpretation, the advance payment as of the date of payment should be settled in the exchange rate for that day. Then, when recorded in the profit and loss statement, income in a currency or cost or asset acquired should be recorded at the exchange rate effective on the day when the advance payment was recorded, not at the exchange rate when the income or cost or asset was recorded.

The company assessed that the new interpretation will not have a material impact on its financial statements, as it performs few transactions with foreign counterparties and does not make advance payments.

The interpretation applies to annual periods beginning on 1 January 2018 or later.

10. New IFRIC 23 „Uncertainty over Income Tax Treatments"

The interpretation to IAS 12 "Income tax" determines the approach to the situation when the interpretation of income tax regulations is not unambiguous and it cannot be definitively decided which solution will be accepted by tax authorities, including courts. The management should first assess whether its interpretation is likely to be accepted by tax authorities. If so, the interpretation should be used to prepare the financial statements. If not, the uncertainty of amounts related to income tax should be taken into account with the most probable value or expected value method. The company should assess any changes in facts and circumstances affecting the determined value. If the value is subject to correction, it is treated as a revaluation in respect in accordance with IAS 8.

The company estimates that the new interpretation will not have a material impact on its financial statements, as it does not carry out transactions concerned by the changes.

The interpretation applies to annual periods beginning on January 1, 2019 or later.

11. New IFRS 17 („Insurance Contracts")

A new standard regulating the recognition, valuation, presentation and disclosures regarding insurance and reinsurance contracts. The standard replaces the previous IFRS 4.

The company estimates that the new standard will not affect its financial statements because it does not conduct insurance activities.

The standard is valid for annual periods beginning on January 1, 2021 or later.

OPTeam intends to implement the above regulations within the time limits provided for by standards or interpretations.

A.14. Comparability of financial data

The statement drawn up as of 31 December 2017 contains comparable financial data for the year ending 31 December 2016. In the present statement drawn up for 12 months ending 31 December 2017, there were no changes in presentation.

A.15. Adjustments due to errors

The financial statement for 2017 does not account for the consequences of errors made in preceding periods. According to the authorised audit entities, the financial statements and comparable data for the years included herein give rise to no objections.

A.16. Economic events recognised by the previous years result

In the financial report for 2017 the Company did not recognize any changes to the previous years' result.

A.17. Accounting policy

The accounting principles (policy) applied to this financial report are consistent with those used when drawing up the comparable financial statements of the Company.

The business year coincides with the calendar year, beginning on 1 January, and ending 31 December. The Company prepares its Profit & Loss Statement under the multiple-step method, and its Cash Flow Statement using the indirect method.

In its bookkeeping, apart from the overriding principles, the Company adheres to the following general requirements:

- The books are kept in the Polish language and functional currency. The functional currency is the Polish Zloty;
- The accounting books of companies established under Polish law are kept according to the provisions of Chapter 2 of the Accountancy Act dated 29 September 1994 and can be found at the Company's head office.

It is the objective of the Management Board of OPTeam S.A. to make sure that all events significant in the assessment of the assets and finance as well as the financial result of the Company are identified in accounting in compliance with the overriding accounting principles listed hereunder, which guarantee that the economic content of the events and transactions is reflected truthfully, and not only their legal form.

Materiality principle

The materiality principle means that the financial statement should present information which is useful and of importance in the assessment of assets, finance and business bottom line. The materiality principle is connected with the rule of individual assessment of items in assets and liabilities, incomes and related costs, as well as extraordinary gains and losses, and with the prohibition of netting off which rules that you must not set off (net off) different types of assets and liabilities, or revenues and costs related to them.

The materiality principle applies to the presentation of assets, finance and business' bottom line in the financial statement.

The following criteria of materiality are adopted for OPTeam:

- 0.5% of the balance sheet total, or
- 0.25% of the revenues total.

Correction of misstatements

A misstatement exists, if on its own or combined with other misstatements it may affect the economic decisions of the users of financial statements. Misstatements from prior periods are misstatements made in statements for one or several preceding periods.

Adjustment of a misstatement from a prior business period should be disclosed in the financial statement as an adjustment of retained profit/loss. Comparable data should be modified, except in situations when it is impossible for practical reasons.

Modification of comparable data should be understood as making the preceding years' data comparable with the current year's data. To this end, the amount of the misstatement should be disclosed in the preceding year's financial statement in the following manner:

- if the misstatement arose in the preceding year – as a charge on the financial result of that year,
- if the material misstatement arose in years prior to the preceding year – as a charge on retained profit/loss.

Changes in the accounting policy

Changes in the accounting policy should be made only as a consequence of changes in accounting standards and when the Entity makes changes voluntarily to improve the presentation of financial statements.

Presentation of changes in accounting policy in the financial statement

In order to ensure comparability of financial data, changes in accounting policy should also be applied to comparable data (usually, the preceding year) presented in the financial statement for the current year, except when it is reasonably impossible to determine the amount of adjustments due to the change with regard to prior business periods. Adjustments due to changes in accounting policy should be disclosed as adjustments to retained profit/loss. Comparable data should be modified, except in situations when it is impossible for practical reasons. The principles stipulated for the presentation of

comparable data in the event of a misstatement apply to the presentation of comparable data. Making the data comparable involves recalculation of financial data for the preceding year according to the principles applicable in the current year. When making the preceding year's data comparable, adjustments are not entered into the accounts of the preceding year (being made comparable).

Comparable data are disclosed directly in the balance sheet, profit & loss statement, etc., and the description of changes is provided in the notes. It is unacceptable to present comparable data in the notes only.

Goodwill

The initial value of goodwill of the Company is presented according to IFRS 3. Goodwill is not subject to depreciation but on the yearly basis it is subject to the goodwill impairment test according to IAS 36.

Intangible assets

Intangible assets include trademarks, patents and licenses, computer software, development costs and other intangible assets that meet the recognition criteria specified in IAS 38. This item also includes intangible assets that have not yet been put into use (intangible assets in during manufacture).

Intangible assets as at the balance sheet date are shown at the purchase price or manufacturing cost less depreciation and impairment write-downs. Intangible assets with a definite useful life are amortized using the straight-line method for the period of their economic usefulness. Useful lives of individual intangible assets are subject to annual verification and, if necessary, they are adjusted from the beginning of the next financial year. The Company applies the following depreciation periods to its intangible assets:

Software licences:	from 2 to 5 years,
Copyright:	from 2 to 5 years,
Development outlay:	from 3 to 5 years,
Other:	from 2 to 5 years.

Costs associated with software maintenance, incurred in later periods, are recognized as an expense of the period when incurred.

The costs of research works are recognized in the result at the time they are incurred.

The Company carries out development works related to the implementation of IT projects, including: design and development of B2B platforms, design and implementation of innovative IT systems for managing business processes. The development works, concluded with a positive economic effect, constitute a significant support for the sale of the Company's products and services.

Expenses directly related to development works are recognized as intangible assets only when the following criteria are met:

- the completion of an intangible asset is technically feasible to make it fit for use or sale,
- the company intends to complete the component and use it or sell it,
- the company is capable of using or selling an intangible asset,
- the intangible asset will bring economic benefits, and the Company can prove this advantage, among others through the existence of a market or the utility of the asset for the Company's needs,
- technical, financial and other means are available to complete the development work in order to sell or use the asset,
- expenditures incurred during development works can be reliably valued and assigned to a given component of intangible assets.

Expenditures incurred on development work carried out within a given project are transferred to the next period, if it can be assumed that they will be recovered in the future.

After the initial recognition of expenditures for development works, the historical cost model is applied, according to which the assets are recognized at acquisition or production cost less accumulated amortization and accumulated impairment write-offs. Completed development works are amortized on a straight-line basis over the anticipated period of obtaining benefits, which is 3-5 years on average.

Profits or losses resulting from the disposal of intangible assets are defined as the difference between the sales revenues and the net value of these intangible assets and are reported in the result in other operating income or expenses.

Fixed tangible assets

Fixed tangible assets are initially recognized at their purchase price or production cost. The purchase price is increased by all costs directly related to the purchase and adaptation of the asset to a usable condition.

After initial recognition, property, plant and equipment are carried at acquisition or production cost less depreciation and impairment losses. Property, plant and equipment under construction are not depreciated until construction or assembly is completed and the asset is ready for use.

Charges for depreciation on fixed assets are made using the straight-line method over a period corresponding to their estimated useful life. The Company depreciates its tangibles over the following periods:

- | | |
|------------------------------|----------------------|
| a) Buildings and structures: | from 10 to 40 years, |
| b) Plant and machinery: | from 3 to 12 years, |
| c) Vehicles: | from 2 to 5 years, |
| d) Computers: | from 2 to 5 years. |

Depreciation starts in the month in which the fixed asset is available for use. Economic useful lives and depreciation methods are verified once a year, resulting in a possible adjustment of depreciation write-offs in subsequent years.

Fixed assets are divided into components that are items of significant value, for which a separate period of economic usability can be assigned. The components also include the costs of general inspections as well as relevant spare parts and equipment, if they are used for more than a year. Current maintenance costs incurred after the date of putting the fixed asset into use, such as maintenance and repair costs, are recognized in the result at the time they are incurred.

A given item of tangible assets may be removed from the statement of financial position after its disposal or in the event that no economic benefits are expected from the continued use of such an asset. Gains or losses from the sale, liquidation or cessation of use of fixed assets are defined as the difference between sales revenue and the net value of these fixed assets and are reported in the profit and loss statement under other operating income or expenses.

Assets in lease

The financial leasing agreement, based on which the Company transfers substantially all the risks and benefits of ownership of the leased asset to the Company, is reported in the assets and liabilities as of the commencement of the leasing period. The value of assets and liabilities is determined as of the lease commencement date at the lower of the following two values: the fair value of the fixed asset being the subject of the lease or the current value of the minimum lease payments.

Minimum lease payments are divided between financial costs and reduction of the lease liability balance in a way that enables obtaining a fixed interest rate in relation to the unpaid liability balance. Contingent lease payments are reported in the costs of the period in which they were incurred.

Fixed assets used under finance lease agreements are depreciated according to the same principles as those applied to the Company's own assets.

Lease agreements, according to which the lessor retains substantially all the risk and all benefits resulting from possessing the leased object, are classified as operating lease agreements. Lease payments under operating leases are recognized as costs as a result of the straight-line method for the duration of the lease.

Impairment of non-financial non-current assets

The following assets are tested for impairment on an annual basis:

- goodwill, for the first time the impairment test is carried out until the end of the period in which the merger took place,
- intangible assets with an indefinite useful life and
- intangible assets that are not yet used.

With regard to other components of intangible assets and property, plant and equipment, an assessment is made as to whether there were any indications that their value may be lost. If it is found that any events or circumstances may indicate a difficulty in recovering the carrying amount of a given asset, an impairment test is performed.

Financial assets

For the purpose of valuation after initial recognition, the Company classifies financial assets other than hedging derivatives broken down into:

- loans and receivables,

- financial assets at fair value through profit or loss,
- investments held to maturity, and
- financial assets available for sale.

These categories define the valuation principles as at the balance sheet date and the recognition of revaluation gains or losses in the financial result or other comprehensive income. Profits or losses recognized in the financial result are presented as financial income or costs, except for write-downs of trade receivables, which are presented as other operating costs.

All financial assets, except for those measured at fair value through profit or loss, are subject to assessment at each balance sheet date due to indications of impairment. The financial asset component is subject to write-downs if there is objective evidence that its value has been lost. Indicators of impairment are analyzed separately for each category of financial assets, as presented below.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. Loans and receivables are measured at amortized cost using the effective interest rate method. The valuation of short-term receivables is carried out at the value requiring payment due to insignificant discount effects.

Financial assets classified as loans and receivables are disclosed in the statement of financial position as:

- long-term assets in the item "Receivables and loans" and
- short-term assets in the items "Loans", "Trade receivables and other receivables" and "Cash and cash equivalents".

Write-offs for doubtful debts are estimated when the collection of the full amount of receivables ceased to be probable. Significant balances of receivables are subject to individual assessment in the case of debtors defaulting on payment or when objective evidence has been obtained that the debtor may not pay the debts (eg difficult financial situation of the debtor, court proceedings against the debtor, unfavorable changes in the business environment for the debtor).

Financial assets at fair value through profit or loss include assets classified as held for trading or designated on initial recognition for measurement at fair value through profit or loss, due to meeting the criteria set out in IAS 39.

Financial liabilities

Financial liabilities, other than hedging derivatives, are recognized in the following items of the statement of financial position:

- credits, loans, other debt instruments,
- financial leasing,
- liabilities due to deliveries of goods and services and other liabilities, and
- derivative financial instruments.

After initial recognition, the financial liabilities are measured at amortized cost using the effective interest method, except for financial liabilities held for trading or designated as measured at fair value through the financial result. The Company classifies derivatives other than hedging instruments to the category of financial liabilities at fair value through the financial result (profit or loss). Short-term liabilities for deliveries and services are valued at the value of the payment due to insignificant discount effects.

Gains and losses on the measurement of financial liabilities are recognized in profit or loss in financial activities.

Inventories

Inventories are valued at the lower of the two values: purchase price / production cost or net realizable value. The purchase price or production cost consists of purchase costs, processing costs and other costs incurred while bringing the inventories to their current location and condition.

Release of materials and goods is determined using the "first in, first out" (FIFO) method.

Net realizable value is the estimated selling price determined in the ordinary course of business, less the costs of completion and the costs necessary to make the sales.

Cash and cash equivalents

Cash and cash equivalents include cash at hand and in bank accounts, deposits payable on demand and short-term investments with high liquidity (up to 3 months), easily convertible into cash, for which the risk of change in value is negligible.

Equity

The basic capital is shown in the nominal value of the issued shares, in accordance with the Company's Articles of Association and the entry in the National Court Register.

OPTeam shares acquired and retained by the Company reduce equity. Own shares are valued at the purchase price.

Capital from the sale of shares above their nominal value arises from the surplus of the issue price over the nominal value of the shares, reduced by the issue costs.

Retained earnings show results from previous years (including those transferred to equity by shareholder resolutions) and the financial result of the current year.

Share-based payments

The Company implements an incentive programs, under which key members of the managerial staff are granted replacement warrants for the OPTeam shares.

The fair value of the option is measured as at the granting date, where the non-market vesting (entitlement) requirements (achieving the assumed level of the financial result) are not included in the fair value calculation of the share options.

The cost of remuneration and, on the other hand, an increase in equity are recognized on the basis of the best available estimates as to the number of options to which entitlement rights will be acquired in a given period. The non-market vesting requirements are taken into account when determining the number of options to which the vesting will take place.

The company adjusts these estimates if later information indicates that the number of options granted differs from previous estimates. Adjustments to estimates regarding the number of options granted are recognized in the financial result for the current period - no adjustments are made to previous periods.

After the option of convertible into shares, the amount of capital from the valuation of the options granted is transferred to capital from the sale of shares above their nominal value, less share issue costs.

Employee benefits

The liabilities and provisions for employee benefits disclosed in the statement of financial position include the following titles:

- short-term employee benefits due to wages (including bonuses) and social security contributions,
- reserves for unused holidays and
- other long-term employee benefits, to which OPTeam includes retirement benefits.

Short-term employee benefits

The value of liabilities due to short-term employee benefits is determined at no discount and is shown in the statement of financial position in the amount due.

Provisions for unused holidays

The Company creates a provision for the costs of accumulated paid absences, which it will have to incur as a result of unused entitlement by employees arisen as at the balance sheet date. The provision for unused holidays is a short-term provision and is not discounted.

Retirement benefits

In accordance with the remuneration systems in force at OPTeam S.A. Company employees have the right to retirement bonuses. Retirement bonuses are paid once at the time of retirement. The amount of retirement benefits depends on the employee's average remuneration.

The Company creates a provision for future liabilities related to retirement benefits in order to allocate costs to periods of employees' rights acquisition.

The current value of provisions as at each balance sheet date is estimated by the Company. The calculated provisions are equal to discounted payments that will be made in the future and relate to the period until the balance sheet date. The effects of the measurement of the provision for future liabilities due to retirement benefits are recognized in the result.

Provisions, liabilities and contingent assets

Provisions are created when the Company has an existing obligation (legal or fairly expected) resulting from past events, and when it is probable that fulfillment of this obligation will cause the outflow of economic benefits and a reliable estimate of the amount of such liability can be made. The date of incurring and the amount requiring settlement may be uncertain.

Reserves are created, among others for pending court proceedings and disputes. Provisions for future operating losses are not created.

Provisions are recognized in the amount of estimated expenditures necessary to fulfill the current obligation, based on the most reliable evidence available as at the date of preparation of the consolidated financial statements, including those regarding risk and degree of uncertainty. If the Company expects that the costs covered by the provision will be returned, for example under an insurance contract, then this return is recognized as a separate asset, but only if there is sufficient certainty that the return will actually take place. However, the value of this asset cannot exceed the amount of the provision. Information on contingent liabilities is disclosed in the descriptive part of the financial statements in note 30.

Accruals

OPTeam shows in assets, in the item "Accruals", pre-paid costs related to future reporting periods, including in particular the cost of insurance, service care, subscriptions, rents.

In the item "Accruals" included in the liabilities, deferred income is presented, including cash received for financing fixed assets, which are accounted for in accordance with IAS 20 "Government grants". Passive accrued expenses are recognized under "Trade and other payables".

Subsidies are recognized only when there is sufficient certainty that the Company will meet the conditions related to the given subsidy and that the given subsidy will actually be received.

The subsidy for a given cost item is recognized as revenue in a manner commensurate with the costs that the subsidy is intended to compensate.

A subsidy financing an asset is gradually recognized in the result as an income over the periods in proportion to depreciation charges made on that asset. For the purpose of presentation in the statement of financial position, the Company does not subtract subsidies from the carrying amount of assets, but shows subsidies as deferred income in the item "Accrued settlements".

Sales revenues

Sales revenues are recognized at the fair value of payments received or receivable and represent receivables for products, goods and services provided as part of normal business operations, net of rebates, tax on goods and services. Revenues are recognized in the amount in which it is probable that the Company will obtain economic benefits related to a given transaction and when the amount of revenues can be measured reliably.

Interest income is recognized successively as it grows in accordance with the effective interest rate method. Dividends are recognized when the shareholders' rights to receive them are established.

Operating expenses are recognized in the financial result, pursuant to the matching of revenues and expenses. OPTeam presents costs in the financial statements by origin.

Income tax (including deferred tax)

The tax burden on the financial result includes current and deferred income tax, which was not recognized in other comprehensive income or directly in equity.

The current tax burden is calculated on the basis of the tax result (tax base) of a given financial year. Tax profit (loss) differs from accounting profit (loss) before tax due to the temporary postponement of taxable income and costs that are tax-deductible costs to other periods and the exclusion of items of costs and revenues that will never be taxable. Tax charges are calculated based on tax rates applicable in a given financial year.

Deferred tax is calculated using the balance-sheet method as the tax to be paid or returned in the future on the differences between the balance sheet values of assets and liabilities and the corresponding tax values used to calculate the tax base.

The deferred tax provision is created from all positive temporary differences subject to taxation, whereas the deferred tax asset is recognized up to the amount in which it is probable that it will be possible to reduce future tax profits by recognized negative temporary differences.

Deferred tax is calculated using tax rates that will apply when the asset is realized or the provision settled, taking as a basis the legal regulations applicable as at the balance sheet date.

The value of the deferred tax asset is subject to analysis as at each balance sheet date, and if the expected future tax profits are not sufficient to realize the asset or its part, it is written off.

Information on the tax calculation including deferred tax is disclosed in the descriptive part of the financial statement in note 29.

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Tajęcina, 27 April 2018

***B. Balance sheet, profit & loss statement,
statement of comprehensive income,
statement of changes in equity and cash flow
statement***

B.1. Selected financial data converted in EURO

No	Selected financial data	In k PLN		In k EUR	
		For the period from 01.01.2017 to 30.06.2017	For the period from 01.01.2016 to 30.06.2016	For the period from 01.01.2017 to 30.06.2017	For the period from 01.01.2016 to 30.06.2016
I	Net sales of products, goods and materials	68,508	76,958	16,140	17,588
II	Sales profit (loss)	-4,396	-5,928	-1,036	-1,355
III	Operating profit (loss)	-4,158	-7,190	-980	-1,643
IV	Earnings (loss) before tax	-5,533	26,875	-1,304	6,142
V	Net profit (loss)	-5,460	21,417	-1,286	4,895
VI	Net cash flows from operating activities	-6,728	-6,197	-1,585	-1,416
VII	Net cash flows from investing activities	-8,549	32,853	-2,014	7,508
VIII	Net cash flows from financing activities	1,634	-15,343	385	-3,506
IX	Total net cash flows – change in cash	-13,643	11,313	-3,214	2,585
X	Earnings (loss) per common share (PLN / EUR)	-0.75	2.93	-0.18	0.67
		In k PLN		In k EUR	
		Status as of 30.06.2017	Status as of 31.12.2016	Status as of 30.06.2017	Status as of 31.12.2016
XI	Total assets	48,102	60,287	11,533	13,627
XII	Long-term liabilities and provisions	7,113	8,129	1,705	1,837
XIII	Short-term liabilities and provisions	12,559	18,268	3,011	4,129
XIV	Equity	28,430	33,890	6,816	7,660
XV	Authorised capital	730	730	175	165
XVI	Weighted average number of shares	7,300,000	7,300,000	7,300,000	7,300,000
XVII	Book value per common share (PLN/ EUR)	3.89	4.64	0.93	1.05

Selected financial data presented in the financial statement were converted to EUR using the following approach:

- balance sheet items were converted according to the average exchange rate published by the National Bank of Poland as of the balance sheet date

on 31 December 2017, 1 EUR = PLN 4.1709

on 31 December 2017, 1 EUR = PLN 4.4240

- figures in the profit and loss statement, statement of comprehensive income and cash flow statement were converted using the exchange rate which is the arithmetic mean of the average exchange rates published by the National Bank of Poland as of the last day of each month in the reporting period

in the period from 1 January 2017 to 31 December 2017 1 EUR = PLN 4.2447

in the period from 1 January 2017 to 31 December 2017 1 EUR = PLN 4.3757

highest rate 4.4157 as of 02.01.2017, 4.5035 as of 06.12.2016,

lowest rate 4.1709 as of 29.12.2017, 4.2355 as of 04.04.2016

B.2. Balance sheet of OPTeam S.A.

ASSETS	Number of note in additional information	As of 31.12.2017	As of 31.12.2016
A. Fixed assets		31,964,598.49	27,408,942.57
1. Goodwill	1	184,193.99	184,193.99
2. Other intangible assets	1	4,601,629.66	5,167,517.50
3. Tangible assets	2	16,165,817.44	16,829,411.87
4. Investment real estate		-	-
5. Long-term receivables	3	100,558.48	103,275.17
6. Investment in subsidiaries	4	10,217,636.11	4,233,586.17
7. Financial assets	4	400,000.00	400,000.00
8. Deferred income tax assets	6	294,762.81	490,957.87
9. Other accruals	11	-	-
B. Current assets		16,137,871.29	32,878,026.16
1. Inventories	8	3,447,095.13	2,127,604.79
2. Trade receivables	9	11,637,287.61	13,786,096.21
3. Other accounts receivable	9	183,764.22	326,556.01
4. Taxes, subsidies, customs duty, social insurance	9	227,037.88	2,037,877.77
5. Financial assets		-	12,831,492.56
6. Cash and cash equivalents	10	382,753.09	1,552,120.04
7. Accruals	11	259,933.36	216,278.78
C. Fixed assets for sales	5	-	-
TOTAL ASSETS		48,102,469.78	60,286,968.73
LIABILITIES			
A. Equity		28,430,224.98	33,890,268.01
1. Share capital	12	730,000.00	730,000.00
2. Treasury stock (negative figure)	12	- 1,095.46	- 1,095.46
3. Supplementary capital	15	27,549,556.09	19,177,836.45
4. Capital reserve	16	5,611,807.38	5,611,807.38
5. Retained profit (loss)	14	-	- 562,639.00
6. Net profit (loss)		- 5,460,043.03	21,416,787.50
7. Write-offs from current year's profit		-	- 12,482,428.86
B. Long-term liabilities		7,113,299.69	8,128,691.18
1. Bank loans	17	-	-
2. Financial liabilities	19	286,221.97	549,104.78
3. Trade payables		-	-
4. Other liabilities		-	-
5. Provision for deferred income tax	7	574,074.27	842,851.73
6. Provisions for other liabilities	20	60,864.64	42,701.62
7. Accruals	21	6,192,138.81	6,694,033.05
C. Short-term liabilities		12,558,945.11	18,268,009.54
1. Bank loans	17	2,451,021.28	-
2. Financial liabilities	19	263,214.92	672,130.29
3. Trade payables	18	7,028,074.21	12,498,782.70
4. Other liabilities	18	248,538.02	369,190.40
5. Income tax and other tax liabilities	18	1,205,898.50	2,572,892.88
6. Provisions for liabilities	20	699,251.60	1,590,784.66
7. Accruals	21	662,946.58	564,228.61
D. Liabilities related to fixed assets for sale		-	-
TOTAL LIABILITIES		48,102,469.78	60,286,968.73

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Tajęcina, 27 April 2018

B.3. Profit and loss statement of OPTeam S.A.

Profit and loss statement	Number of note in additional information	As of 31.12.2017	As of 31.12.2016
A. Continued operations			
I. Sales of products, goods and materials, including:	23	68,508,177.84	76,957,885.52
1. Sales of products and services		24,637,505.06	25,994,976.19
2. Sales of goods and materials		43,870,672.78	50,962,909.33
II. Cost of products, goods and materials sold, including:	24	62,063,846.92	69,193,590.03
1. Cost of products and services sold		25,047,408.26	24,821,002.46
2. Cost of goods and materials sold		37,016,438.66	44,372,587.57
III. Gross sales profit (loss)		6,444,330.92	7,764,295.49
1. Selling expenses		5,372,772.10	6,393,525.92
2. General and administrative expenses		5,467,107.08	7,298,764.25
IV. Sales profit (loss)		-4,395,548.26	-5,927,994.68
1. Other operating income	25	1,051,953.43	1,156,007.29
2. Other operating expenses	26	814,739.05	2,418,420.38
V. Operating profit (loss)		-4,158,333.88	-7,190,407.77
1. Financial incomes	27	131,452.52	32,407,724.18
2. Financial expenses	28	162,581.26	251,313.45
3. Share in the net result of an associated entity valued with the equity method	4	-1,343,162.81	1,908,656.65
VI. Earnings (loss) - before tax		-5,532,625.43	26,874,659.61
1. Income tax	29	-72,582.40	5,457,872.11
VII. Net profit (loss) from continued operations		-5,460,043.03	21,416,787.50
B. Discontinued operations		0.00	0.00
I. Net profit (loss) from discontinued operations		0.00	0.00
C. Net profit (loss) for the business year		-5,460,043.03	21,416,787.50
Net profit for the business year (in PLN)		-5,460,043.03	21,416,787.50
Weighted average number of common shares		7,300,000	7,300,000
Earnings per common share (in PLN)		-0.75	2.93
Diluted weighted average number of common shares		7,300,000	7,300,000
Diluted earnings per common share (in PLN)		-0.75	2.93

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B.4. Statement of comprehensive income of OPTeam S.A.

Statement of comprehensive income	For the period from 01.01.2017 to 30.06.2017	For the period from 01.01.2016 to 30.06.2016
I. Net profit (loss)	-5,460,043.03	21,416,787.50
II. Other comprehensive income	0.00	0.00
1. To be re-classified to financial result on a later date	0.00	0.00
Income tax applicable to items of other comprehensive income subject to re-classification to the financial result	0.00	0.00
2. Not to be re-classified to financial result on a later date	0.00	0.00
Income tax applicable to items of other comprehensive income not subject to re-classification to the financial result	0.00	0.00
III. Total comprehensive income	-5,460,043.03	21,416,787.50

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B.5. Cash flow statement of OPTeam S.A.

CASH FLOW STATEMENT	For the period from 01.01.2017 to 30.06.2017	For the period from 01.01.2016 to 30.06.2016
A. CASH FLOWS FROM OPERATING ACTIVITIES		
I. Earnings (loss) before tax	-5,532,625.43	26,874,659.61
II. Total adjustments (1-10)	-1,195,698.45	-33,071,476.14
1. Depreciation	2,911,714.15	3,584,131.68
2. Profit (loss) from exchange rate differences	0.00	0.00
3. Interest and profit sharing (dividends)	46,987.19	-12,095.94
4. Profit (loss) from investing activities	1,310,224.45	-34,126,173.58
5. Net change in provisions	-873,370.04	1,290,000.00
6. Net change in inventory	-1,319,490.34	353,172.60
7. Net change in receivables	4,105,156.97	-775,372.15
8. Net change in short-term liabilities except loans and credits	-7,649,075.98	3,517,722.99
9. Net change in accruals	-446,830.85	-848,141.74
10. Other adjustments	0.00	0.00
11. Income tax paid	718,986.00	-6,054,720.00
III. Net cash flows from operating activities (I+/-II)	-6,728,323.88	-6,196,816.53
B. CASH FLOWS FROM INVESTING ACTIVITIES		
I. Inflows	473,956.96	113,065,104.25
1. Disposal of intangible and tangible assets	45,972.76	100,451.62
2. Disposal of investments in real estate and intangible assets	0.00	0.00
3. Disposal of financial assets	427,984.20	112,964,652.63
4. Other investing inflows	0.00	0.00
II. Outflows	9,022,479.03	80,211,658.91
1. Acquisition of intangible and tangible assets	1,695,266.28	3,173,285.75
2. Investments in real estate and intangible assets	0.00	0.00
3. On financial assets	7,327,212.75	77,038,373.16
4. Other investing expenses	0.00	0.00
III. Net cash flows from investing activities (I-II)	-8,548,522.07	32,853,445.34
C. CASH FLOWS FROM FINANCING ACTIVITIES		
I. Inflows	2,451,021.28	22,235.07
1. Net inflows from issue of stock (shares) and other capital instruments	0.00	0.00
2. Borrowings	2,451,021.28	0.00
3. Issue of debt securities	0.00	0.00
4. Other financing inflows – subsidies to assets	0.00	22,235.07
II. Outflows	816,932.65	15,365,906.23
1. Acquisition of treasury stock	0.00	0.00
2. Dividends and other payments to shareholders	0.00	13,723,372.08
3. Profit sharing outflows other than payment to shareholders	0.00	0.00
4. Repayment of borrowings	0.00	658,757.57
5. Redemption of debt securities	0.00	0.00
6. Due to other financial liabilities	0.00	0.00
7. Payment of liabilities under financial lease	700,063.45	831,219.89
8. Interest	116,869.20	152,556.69
9. Other financing outflow	0.00	0.00
III. Net cash flows from financing activity (I-II)	1,634,088.63	-15,343,671.16
D. TOTAL NET CASH FLOWS (A.III +/- B.III +/- C.III)	-13,642,757.32	11,312,957.65
E. NET CHANGE IN CASH, INCLUDING	-13,642,757.32	11,312,957.65
- change in cash due to foreign exchange differences	0.00	0.00
F. OPENING BALANCE OF CASH	14,025,510.41	2,712,552.76
G. CLOSING BALANCE OF CASH (F +/- D), INCLUDING:	382,753.09	14,025,510.41
- with limited availability	0.00	0.00

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Tajęcina, 27 April 2018

B.6. Statement of changes in equity

Statement of changes in equity of OPTeam S.A. in 2017

Description	Share capital	Treasury stock (negative figure)	Supplementary capital	Capital reserve	Retained profit (loss)	Net profit (loss)	Current year's profit write-offs	Total equity
Status as of 1 January 2017	730,000.00	-1,095.46	19,177,836.45	5,611,807.38	8,371,719.64	0.00	0.00	33,890,268.01
Distribution of retained financial result, including:	0.00	0.00	8,371,719.64	0.00	-8,371,719.64	0.00	0.00	0.00
- supplementary capital	0.00	0.00	8,371,719.64	0.00	-8,371,719.64	0.00	0.00	0.00
- dividend payment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total comprehensive income - net profit	0.00	0.00	0.00	0.00	0.00	-5,460,043.03	0.00	-5,460,043.03
Current year's profit write-offs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Status as of 31 December 2017	730,000.00	-1,095.46	27,549,556.09	5,611,807.38	0.00	-5,460,043.03	0.00	28,430,224.98

Statement of changes in equity of OPTeam S.A. in 2017

Description	Share capital	Treasury stock (negative figure)	Supplementary capital	Capital reserve	Retained profit (loss)	Net profit (loss)	Current year's profit write-offs	Total equity
Status as of 1 January 2016 - approved	730,000.00	-1,095.46	18,575,708.78	5,611,807.38	1,843,070.89	0.00	0.00	26,759,491.59
Retained financial result	0.00	0.00	0.00	0.00	-562,639.00	0.00	0.00	-562,639.00
Status as of 1 January 2016 – after adjustment	730,000.00	-1,095.46	18,575,708.78	5,611,807.38	1,280,431.89	0.00	0.00	26,196,852.59
Distribution of retained financial result, including:	0.00	0.00	602,127.67	0.00	-1,843,070.89	0.00	0.00	-1,240,943.22
- supplementary capital	0.00	0.00	602,127.67	0.00	-602,127.67	0.00	0.00	0.00
- dividend payment	0.00	0.00	0.00	0.00	-1,240,943.22	0.00	0.00	-1,240,943.22
Total comprehensive income - net profit	0.00	0.00	0.00	0.00	0.00	21,416,787.50	0.00	21,416,787.50
Current year's profit write-offs	0.00	0.00	0.00	0.00	,	,	-12,482,428.86	-12,482,428.86
Status as of 31 December 2016	730,000.00	-1,095.46	19,177,836.45	5,611,807.38	-562,639.00	21,416,787.50	-12,482,428.86	33,890,268.01

Signature of a person responsible
for keeping accounting books

Signatures of the Members of the Board

Tajęcina, 27 April 2018

C. Additional information to the financial statement of OPTeam S.A.

C.1. Changes in the accounting principles applied

Changes in the accounting policy

Changes in the accounting policy should be made only as a consequence of changes in accounting standards and when the Entity makes changes voluntarily to improve the presentation of financial statements.

Presentation of changes in accounting policy in the financial statement

In order to ensure comparability of financial data, changes in accounting policy should also be applied to comparable data (usually, the preceding year) presented in the financial statement for the current year, except when it is reasonably impossible to determine the amount of adjustments due to the change with regard to prior business periods. Adjustments due to changes in accounting policy should be disclosed as adjustments to retained profit/loss. Comparable data should be modified, except in situations when it is impossible for practical reasons. The principles stipulated for the presentation of comparable data in the event of a misstatement apply to the presentation of comparable data. Making the data comparable involves recalculation of financial data for the preceding year according to the principles applicable in the current year. When making the preceding year's data comparable, adjustments are not entered into the accounts of the preceding year (being made comparable).

Comparable data are disclosed directly in the balance sheet, profit & loss statement, etc., and the description of changes is provided in the notes. It is unacceptable to present comparable data in the notes only.

C.2. Subjective Board's estimates and uncertainty of estimates

Change in the estimations of financial statement items

Estimation is the process of determining the value of a given item in the financial statement which requires that own discretion be exercised based on the most up-to-date, available and credible information. Entities are obliged to continue verifying their estimates depending on the changing circumstances on which they are based. The most frequently used estimates include:

- depreciation rates,
- provisions,
- write-downs,
- deferred tax.

Presentation of changes in estimations in the financial statement

Changes of estimates regarding individual items in the financial statement should be taken into account when calculating net profit/loss figures in the period in which the estimates are changed, if they apply to that period or in the period in which the estimates are changed and future periods, if they apply to all those periods. In order to ensure comparability of data, the consequences of changing an estimate should be presented using classification criteria applied in preceding years, i.e. disclose in the same item of the profit and loss statement as the estimate was previously classified.

To draw up an annual financial report, it is necessary to make estimations and assumptions which affect figures disclosed in the financial statement. Even though the assumptions and estimations adopted rely on the management's best knowledge of current activities and events, the actual performance may differ from projections.

Information on estimates and assumptions that are significant for the financial statement are provided below.

Periods of economic usefulness of fixed assets

The Management Board of the Company verifies periods of economic usefulness of fixed assets subject to depreciation every year. As at 31/12/2017, the Management Board estimates that the useful lives of assets, accepted by the Company for purposes of depreciation, reflect the expected period of bringing economic benefits by these assets in the future. However, the actual periods of benefiting from these assets in the future may differ from the assumed ones, also due to the technical aging of assets. The carrying amount of non-current assets subject to depreciation is presented in notes 1 and 2.

Provisions

The provision for post-employment benefits is recognised by the Company using actuarial method calculations. The value of provision for post-employment benefits, reported in the statement, is PLN 60.9K (2016: PLN 42.7K). The value of these provisions is affected by the discount rate and salary growth rate assumed.

Income tax, assets and provisions for deferred income tax, other taxes

The applicable tax regulations in Poland are subject to frequent changes, leading to differences of opinion, both concerning the legal interpretation of tax regulations and its application. Tax authorities may inspect accounting books and verify the taxation base (in most cases over five previous accounting years) and impose additional reassessed taxes on the Company, including penalties and fines.

From July 15, 2016, the Tax Code will also take into account the provisions of the General Anti-Avoidance Rule (GAAR), which is intended to prevent the creation and use of artificial legal structures created to avoid taxation. The GAAR clause should be applied to both transactions after its entry into force and to transactions that were carried out prior to the entry into force of the GAAR clause, but for which, after the entry into force of the clause, the benefits were or are still being achieved.

The probability of settling a deferred tax asset with future taxable profits is based on the Company's budget. If the projected financial results indicate that the Company will generate sufficient taxable income, assets for deferred tax are recognized in full. The management of the Company believes that the realization of the asset recognized in the financial statements of the Company in the amount of PLN 294,762.81 is very probable based on the current financial plan and the current tax regulations.

Compared to the financial statement prepared for the previous year, minor changes were introduced in the estimate figures presented below except for write-off of financial assets (appraisal of PeP S.A. shares for 2017 by means of equity method is (-)1 343 162,81 zł).

Information on significant changes of estimate figures, including adjustments of provisions and write-downs made on asset items

Title	As of 31.12.2017	As of 31.12.2016	Change
Deferred income tax assets	294,762.81	490,957.87	-196,195.06
Provision for deferred income tax	574,074.27	842,851.73	-268,777.46
Provision for payroll	760,116.24	1,633,486.28	-873,370.04
Other provisions	0.00	0.00	0.00
Write-downs of short-term receivables	2,774,385.49	3,008,657.59	-234,272.10
Write-downs on financial assets	565,493.84	1,908,656.65	-1,343,162.81
Write-downs on inventories for sale	142,500.14	197,335.87	-54,835.73

C.3. Changes in presentation

In the annual statement drawn up for 12 months ending 31 December 2017, there were no changes in presentation.

C.4. Seasonality or circularity of OPTeam S.A. operations

Like most companies in the IT sector, the sales of OPTeam are subject to seasonal fluctuations. Sales are usually at their highest in the fourth quarter of the year, and at their lowest in the first quarter. The seasonality effect as well as certain irregularity of revenues may lead to periodic disruptions of the financial performance.

C.5. Functional and reporting currency

The functional currency (the currency of the principal economic environment in which an economic entity operates) is the Polish Zloty (PLN). The reporting currency (presentation currency) is the Polish Zloty (PLN). All data are presented in the zloty and grosz

C.6. Principles for converting the zloty into EUR

Selected financial data presented in the financial statement were converted to EUR using the following approach:

- balance sheet items were converted according to the average exchange rate published by the National Bank of Poland as of the balance sheet date

on 31 December 2017 1 EUR = PLN 4.1709

on 31 December 2016 1 EUR = PLN 4.4240

- items of the profit and loss statement and cash flow statement were converted using the exchange rate which is the arithmetic mean of the average exchange rates published by the National Bank of Poland as of the last day of each month in the reporting period

in the period from 1 January 2017 to 31 December 2017 1 EUR = PLN 4.2447

in the period from 1 January 2016 to 31 December 2016 1 EUR = PLN 4.3757

average EUR rate according to NBP high (PLN 4.4157) and low (PLN 4.1709) in 2017

average EUR rate according to NBP high (PLN 4.5035) and low (PLN 4.2355) in 2016

C.7. Operating segments

The Company runs its business solely in information technology, involving the sale of IT services and supplying computer hardware. Nearly all of the revenue is also generated in Poland. For this reason, the Company did not present the division into operating segments for 2017 and 2016.

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.

In the twelve months of 2016 the Company did not record sales to any single customer in excess of 10% of the overall revenue total.

C.8. Events with significant impact on the business operations

In the course of the business year, in 12 months ending 31 December 2017 there were no events which would have a significant impact on the operations of OPTeam.

In 2016 a significant impact on the operations of OPTeam was made by the sales of the shares of Polskie ePłatności S.A.

C.9. Acquisition of treasury stock

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

C.10. Note 1. Intangible assets

Intangible assets include Company's assets which do not have a physical form, which can be identified and reliably measured and which in the future will cause an inflow of economic benefits to the business. Intangible assets are initially disclosed at purchase price or cost of production.

C.11. Note 1.1. Goodwill

Description	Status as of 31.12.2017	Status as of 31.12.2016
Elektra Sp. z o.o.	184,193.99	184,193.99
Goodwill total	184,193.99	184,193.99

Goodwill comprises solely the goodwill of the acquired Elektra Sp. z o.o. In 2006, OPTeam S.A. acquired 51% of shares in the authorised capital of Elektra Sp. z o.o. and subsequently, on 3 January 2011 the companies consolidated. The consolidation took place pursuant to Art. 492 § 1 item 1 of CCC (merger by acquisition) by transfer of all the assets of ELEKTRA Sp. z o.o., as the Acquired Company, onto OPTeam S.A., as the Acquiring Company, in return for shares that the Acquiring Company issued to the partner of the Acquired Company.

Core business of Elektra Sp. z o.o. included operations related to ERP class enterprise management software implementations, and sales of computer equipment. The transaction was recognised in the books in compliance with the purchase method. Operations of the acquired Elektra Sp. z o.o. are continued within the framework of the ERP department.

Following the impairment review, the Management Board of OPTeam S.A. decided not to record provisions for impairment of goodwill either in 2017 or in 2016. The impairment review was based on a discounted cash flow approach.

Changes in goodwill

Description	Elektra Sp. z o.o.	Total
Gross book value		
Status as of 31 December 2016	184,193.99	184,193.99
Status as of 31 December 2017	184,193.99	184,193.99
Net book value		
Status as of 31 December 2016	184,193.99	184,193.99
Status as of 31 December 2017	184,193.99	184,193.99

C.12. Note 1.2. Other intangible assets

Description	Status as of 31.12.2017	Status as of 31.12.2016
Completed development works expenditure	3,758,101.14	1,994,900.89
Copyright	0.00	0.00
Know-how	0.00	0.00
Trademark	0.00	0.00
Software licences	843,528.52	1,199,379.80
Development works in progress	0.00	1,973,236.81
Advances for intangible assets	0.00	0.00
Other intangible assets total	4,601,629.66	5,167,517.50

Completed development works expenses include IT projects executed by OPTeam S.A. including: design and development of an online B2B platform, and implementation of an innovative IT system to manage business processes. Completed with positive results development works constitute a significant support for sales of products and services of the Company.

Development works comply with the criteria of presenting intangible assets pursuant to IAS 38. Expenses related to research are presented in the expenses of the period on a regular basis, whereas expenses related to development are activated. Depreciation of expenses is parallel to granted subsidy.

Development works in progress (as of 31 December 2016) are:

- 1) A communication platform for "door-to-door" services
- 2) OPTIcamp Cahsless Campus system that allows use and settlements of micro-payments in a closed environment.

Licences include primarily those for computer systems and software tools used in Company operations.

Changes in intangibles in 2017

Description	Completed development works expenditure	Other intangible assets				Advances	Total
		Copyright	Know-how	Development works in progress	Software licences		
Changes in intangibles in 2017							
Gross book value							
Status as of 1 January	6,239,736.15	0.00	0.00	1,973,236.81	3,560,483.15	0.00	11,773,456.11
Total additions, including:	2,474,394.20	0.00	0.00	0.00	377,616.87	0.00	2,852,011.07
Acquisition	0.00	0.00	0.00	0.00	377,616.87	0.00	377,616.87
Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Completed development works	2,474,394.20	0.00	0.00	0.00	0.00	0.00	2,474,394.20
Total reductions, including:	0.00	0.00	0.00	1,973,236.81	180,615.77	0.00	2,153,852.58
Sale, liquidation, completion of dev. works	0.00	0.00	0.00	1,973,236.81	180,615.77	0.00	2,153,852.58
Status as of 31 December 2017	8,714,130.35	0.00	0.00	0.00	3,757,484.25	0.00	12,471,614.60
Accumulated depreciation and revaluation write-down							
Status as of 1 January	4,244,835.26	0.00	0.00	0.00	2,361,103.35	0.00	6,605,938.61
Depreciation for the year 2017	711,193.95	0.00	0.00	0.00	733,468.15	0.00	1,444,662.10
Revaluation write-downs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reductions: sales, liquidation	0.00	0.00	0.00	0.00	180,615.77	0.00	180,615.77
Status as of 31 December	4,956,029.21	0.00	0.00	0.00	2,913,955.73	0.00	7,869,984.94
Net value as of 31.12.2017	3,758,101.14	0.00	0.00	0.00	843,528.52	0.00	4,601,629.66

Changes in intangibles in 2016

Description	Completed development works expenditure	Other intangible assets				Advances	Total
		Copyright	Know-how	Development works in progress	Software licences		
Changes in intangibles in 2016							
Gross book value							
Status as of 1 January	4,477,588.00	0.00	0.00	1,682,998.15	3,055,985.73	0.00	9,216,571.88
Total additions, including:	1,762,148.15	0.00	0.00	2,052,386.81	504,497.42	0.00	4,319,032.38
Acquisition	0.00	0.00	0.00	0.00	504,497.42	0.00	504,497.42
Development	0.00	0.00	0.00	2,052,386.81	0.00	0.00	2,052,386.81
Completed development works	1,762,148.15	0.00	0.00	0.00	0.00	0.00	1,762,148.15
Total reductions, including:	0.00	0.00	0.00	1,762,148.15	0.00	0.00	1,762,148.15
Sale, liquidation, completion of dev. works	0.00	0.00	0.00	1,762,148.15	0.00	0.00	1,762,148.15
Status as of 31 December 2016	6,239,736.15	0.00	0.00	1,973,236.81	3,560,483.15	0.00	11,773,456.11
Accumulated depreciation and revaluation write-down							
Status as of 1 January	3,510,611.45	0.00	0.00	0.00	1,435,026.40	0.00	4,945,637.85
Depreciation for the year 2017	734,223.81	0.00	0.00	0.00	926,076.95	0.00	1,660,300.76
Revaluation write-downs	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reductions: sales, liquidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Status as of 31 December	4,244,835.26	0.00	0.00	0.00	2,361,103.35	0.00	6,605,938.61
Net value as of 31.12.2016	1,994,900.89	0.00	0.00	1,973,236.81	1,199,379.80	0.00	5,167,517.50

Structure of intangibles

Description	Status as of 31.12.2017	Status as of 31.12.2016
Structure of intangibles	4,601,629.66	5,167,517.50
a) owned	4,601,629.66	5,167,517.50
b) used under financial lease agreement	0.00	0.00
c) other	0.00	0.00

C.13. Note 2. Tangible assets

Tangible assets include fixed assets and outlay on tangible assets under construction, which the Company intends to use in its operations and for administrative purposes over a period of more than 1 year, and which in the future will cause an inflow of economic benefits to the business. Outlay on fixed assets includes incurred investment outlay as well as expenses on future supplies of machines, equipment and services related to the production of fixed assets (prepayments made).

At least once a year, on the balance sheet day, fixed assets are measured according to purchase prices or costs of production, or revalued amounts (fair values of fixed assets acquired during hyperinflation due to adoption of IAS/IFRS), less depreciation or amortisation as well as impairment losses.

Charges for depreciation are included in the profit & loss statement under operating expenses.

C.14. Note 2.1. Tangible assets - specification

Description	Status as of 31.12.2017	Status as of 31.12.2016
Total tangible assets, including:	16,165,817.44	16,829,411.87
a) fixed assets, including:	16,161,317.44	16,545,752.38
- land (including perpetual usufruct)	531,342.00	531,342.00
- buildings, premises and civil engineering structures,	13,785,386.50	13,424,075.54
- plant and machinery,	981,576.15	1,227,865.61
- means of transport	814,093.90	1,312,599.27
- other tangible fixed assets	48,918.89	49,869.96
b) fixed assets under construction and advance payments	4,500.00	283,659.49

The Company has no liabilities to the State Treasury due to transfer of ownership. All of the land recognised in assets constitutes own land.

The Company has a 11,180-square-metre plot, developed with a service and office building of the Design Center of Modern Technologies (CPNT) within the SEZ EURO –PARK MIELEC land and mortgage register no RZ1Z/00162028/1.

The fair value of the land property developed with a service and office building with a total usable area of 920.28 m², situated in Rzeszów at ul. Lisa Kuli 3, entered into the land and mortgage register at number KW RZ1Z/00672225/6 kept in the Regional Court in Rzeszów, according to the appraisal study (April 2017) amounts to PLN 3,697,849.00. The carrying value as of 31 December 2017 amounts to PLN 2,282,524.80 and is lower than the fair value of the property.

The fair values of other properties held by the Company do not differ significantly from their carrying values.

Securities established on the Company's fixed assets as of 31 December 2017

	Agreement	Security on tangible assets
1	Bank Pekao S.A . in Cracow, multi-purpose credit line for 3m zlotys – contract no. PCK/9/2008 as of 30 June 2008 with amendments from no.1 to no.11. Current amendment dated on 15 January 2018.	The security for the credit includes a <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
2	ING Bank Śląski S.A.- multi-product agreement no 887/2014/0000159/00 as of 18.08.2014 with amendments no 1 to 8, current amendment dated on 24.11.2017, working capital facilities in credit accounts PLN 5M, bank sureties PLN 2 M.	The security (for the credit and surety) includes a capped mortgage on a property in Tajęcina, land & mortgage register KW RZ1Z/00162028/1 amounting to PLN 8 050 000.00 and the assignment of rights under property insurance policy

Securities established on the Company's fixed assets as of 31 December 2016

	Agreement	Security on tangible assets
1	Bank Pekao S.A . in Cracow, multi-purpose credit line for 3m zlotys – 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.	The security for the credit includes a <ul style="list-style-type: none"> - 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,
2	ING Bank Śląski S.A.- multi-product agreement including revolving credit facility in the bank account, credit facility in the credit account and bank sureties – capped at PLN 12M, contract no 887/2014/0000159/00 as of 18.08.2014 with amendments no 1 to 5, current amendment dated on 29.07.2016	The loan and sureties are secured by: capped mortgage on a property in Tajęcina near Rzeszów KW RZ1Z/00162028/1 amounting to PLN 8,050,000 including assignment of rights under property insurance policy.

C.15. Note 2.2. Changes in tangibles

Changes of net book value of tangible assets in 2017

Description	Land	Buildings and structures	Machinery and technical equipment	Vehicles	Other tangible assets	TA under construction and advances	Total
Changes in tangible in 2017							
Gross book value							
As of 1 January 2017	531,342,00	15,554,331,23	7,205,477,72	4,563,007,30	1,031,614,29	283,659,49	29,169,432,03
Additions	0,00	699,774,14	364,900,20	-4,829,14	35,806,31	673,750,65	1,769,402,16
Additions – acquisition	0,00	0,00	111,764,20	-4,829,14	35,806,31	673,750,65	816,492,02
Additions – transfer from assets under construction	0,00	699,774,14	253,136,00	0,00	0,00	0,00	952,910,14
Additions – financial lease	0,00	0,00	0,00	0,00	0,00	0,00	0,00
Reductions	0,00	5,294,87	422,834,42	357,770,80	32,378,49	952,910,14	1,771,188,72
Reductions due to liquidation or sale	0,00	5,294,87	422,834,42	357,770,80	32,378,49	0,00	818,278,58
Investment completed – transfer to fixed assets	,	0,00	0,00	0,00	0,00	952,910,14	952,910,14
Reductions, other	,0,00	0,00	0,00	0,00	0,00	0,00	0,00
Gross value – as of 31 December 2017	531,342,00	16,248,810,50	7,147,543,50	4,200,407,36	1,035,042,11	4,500,00	29,167,645,47
Depreciation and impairment losses							
As of 1 January 2017	0.00	2,130,255.69	5,977,612.11	3,250,408.03	981,744.33	0.00	12,340,020.16
Additions	0.00	336,168.74	606,293.20	487,832.73	36,757.38	0.00	1,467,052.05
Depreciation for the year	0.00	336,168.74	606,293.20	487,832.73	36,757.38	0.00	1,467,052.05
Other additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reductions	0.00	3,000.43	417,937.96	351,927.30	32,378.49	0.00	805,244.18
Disposal (sale, retirement, transfer)	0.00	3,000.43	417,937.96	351,927.30	32,378.49	0.00	805,244.18
Depreciation – status as of 31 December 2017	0.00	2,463,424.00	6,165,967.35	3,386,313.46	986,123.22	0.00	13,001,828.03
Net value – as of 31 December 2017.	531,342.00	13,785,386.50	981,576.15	814,093.90	48,918.89	4,500.00	16,165,817.44

Changes of net book value of tangible assets in 2016

Description	Land	Buildings and structures	Machinery and technical equipment	Vehicles	Other tangible assets	TA under construction and advances	Total
Changes in tangible in 2016							
Gross book value							
As of 1 January 2016	531,342.00	15,554,331.23	7,195,031.17	5,007,465.66	1,028,459.62	28,000.00	29,344,629.68
Additions	0.00	0.00	352,173.53	134,924.92	3,997.76	255,659.49	746,755.70
Additions – acquisition	0.00	0.00	302,173.53	54,570.74	3,997.76	255,659.49	616,401.52
Additions – transfer from assets under construction	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Additions – financial lease	0.00	0.00	50,000.00	80,354.18	0.00	0.00	130,354.18
Reductions	0.00	0.00	341,726.98	579,383.28	843.09	0.00	921,953.35
Reductions due to liquidation or sale	0.00	0.00	341,726.98	579,383.28	843.09	0.00	921,953.35
Investment completed – transfer to fixed assets	,	0.00	0.00	0.00	0.00	0.00	0.00
Reductions, other	,0.00	0.00	0.00	0.00	0.00	0.00	0.00
Gross value – as of 31 December 2016	531,342.00	15,554,331.23	7,205,477.72	4,563,007.30	1,031,614.29	283,659.49	29,169,432.03
Depreciation and impairment losses							
As of 1 January 2016	0.00	1,798,063.41	5,402,963.30	3,167,635.45	936,471.90	0.00	11,305,134.06
Additions	0.00	332,192.28	900,730.66	644,792.46	46,115.52	0.00	1,923,830.92
Depreciation for the year	0.00	332,192.28	900,730.66	644,792.46	46,115.52	0.00	1,923,830.92
Other additions	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Reductions	0.00	0.00	326,081.85	562,019.88	843.09	0.00	888,944.82
Disposal (sale, retirement, transfer)	0.00	0.00	326,081.85	562,019.88	843.09	0.00	888,944.82
Depreciation – status as of 31 December 2016	0.00	2,130,255.69	5,977,612.11	3,250,408.03	981,744.33	0.00	12,340,020.16
Net value – as of 31 December 2016	531,342.00	13,424,075.54	1,227,865.61	1,312,599.27	49,869.96	283,659.49	16,829,411.87

Structure of fixed assets

Description	Status as of 31.12.2017	Status as of 31.12.2016
Ownership structure of total fixed assets, including	16,161,317.44	16,545,752.38
a) owned	15,438,451.93	15,090,231.00
b) used under lease agreement	722,865.51	1,455,521.38

Fixed assets under construction

Description	Status as of 31.12.2017	Status as of 31.12.2016
Total fixed assets under construction, including	4,500.00	283,659.49
1. Modernization of the building in Tajęcina 113	4,500.00	283,659.49
2. Advance payments towards fixed assets under construction	0.00	0.00

C.16. Note 3. Long-term receivables

Description	Status as of 31.12.2017	Status as of 31.12.2016
Long-term receivables	100,558.48	103,275.17
- Contract securities paid	100,558.48	103,275.17

Long-term receivables ageing 2017

Description	Gross value	Write-downs	Net value
Long-term receivables (specification)	100,558.48	0.00	100,558.48
- Receivables due within 2 years of the balance sheet date	8,729.55	0.00	8,729.55
- Receivables due between 2 and 5 years after the balance sheet date	91,828.93	0.00	91,828.93
- Receivables due in more than 5 years after the balance sheet date	0.00	0.00	0.00

Long-term receivables ageing 2016

Description	Gross value	Write-downs	Net value
Long-term receivables (specification)	103,275.17	0.00	103,275.17
- Receivables due within 2 years of the balance sheet date	14,430.00	0.00	14,430.00
- Receivables due between 2 and 5 years after the balance sheet date	74,646.00	0.00	74,646.00
- Receivables due in more than 5 years after the balance sheet date	14,199.17	0.00	14,199.17

C.17. Note 4. Financial assets

Description	Status as of 31.12.2017	Status as of 31.12.2016
Financial assets, total	400,000.00	400,000.00
Shares	0.00	0.00
Granted loans	0.00	0.00
Other long-term financial assets (deposits over 12 months), incl.	400,000.00	400,000.00
- Financial assets available for sale	0.00	0.00
- Marketable financial assets	0.00	0.00

The deposit is used as a surety for the insurance policy contract concluded with PZU S.A. on 17 November 2004 (as amended) capped at PLN 3,500,00.00.

C.18. Note 4.1. Investments in subsidiaries

Description	Status as of 31.12.2017	Status 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 (Centrum Rozliczeń Elektronicznych Polskie ePłatności S.A.) 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 Articles of Association of 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

C.19. Note 5. Fixed assets for sale and discontinued operations

OPTeam S.A. did not have fixed assets for sale, either at the end of 2017 or at the end of 2016. Discontinued operations did not occur in both presented business years.

C.20. Note 6. Deferred income tax assets

Description	Status as of 31.12.2017	Status as of 31.12.2016
Deferred income tax assets total in balance sheet, including	294,762.81	490,957.87
- Non-invoiced subcontractor services	39,032.68	29,314.69
- Provisions, including:	144,422.08	310,362.40
a. towards severance pay on retirement	11,564.28	8,113.36
b. for leave	75,857.80	64,749.04
c. salaries of the Board	57,000.00	237,500.00
- Payroll and ZUS contributions paid in subsequent year	68,845.04	101,851.71
- Write-downs on inventories	27,075.03	37,493.81
- Compensation write-down to CSBF	0.00	0.00
- Financial lease of fixed assets	15,387.98	11,935.26
- Other	0.00	0.00

C.21. Note 7. Provision for deferred income tax

Description	Status as of 31.12.2017	Status as of 31.12.2016
Deferred income tax provision total in balance sheet, including	574,074.27	842,851.73
Fixed asset (vehicles) depreciation - in the period of financial lease agreement	32,951.44	46,527.97
Fixed asset (vehicles) depreciation past lease period	0.00	0.00
Revaluation of fixed assets to fair value due to adopting IFRS	433,679.00	433,679.00
Tax revenues (booked)	107,443.83	362,644.76

C.22. Note 8. Inventories

Description	Status as of 31.12.2017	Status as of 31.12.2016
Inventories total in the balance sheet, including;	3,447,095.13	2,127,604.79
Materials	0,00	0,00
Work in progress – IT services	1,643,071.32	838,226.01
Finished products – software developed for sale	0,00	0,00
Goods – computer equipment and software licence for resale	1,790,147.05	1,078,368.78
Advance payments for deliveries	13,876.76	211,010.00

At OPTeam S.A., individual items of tangible current assets are measured as follows:

- finished products – at cost of production, □
- semi-products and work in progress – at cost of production,
- materials and goods – at purchase price.

In the item Work in progress, the Company records the cost incurred up to the balance sheet date due to ongoing projects which are not completed as of the balance sheet date. Goods include mainly equipment bought for the sake of pending IT projects.

Inventories are measured as of the balance sheet date according to purchase prices or cost of production, albeit not higher than their net sales price. If the value of inventories at purchase prices or cost of production exceeds their net sales price, the adjustment made to the level not higher than their value at net sales prices is recorded respectively as other operating expenses and as deviations from registered prices due to revaluation. Inventory revaluation is also conducted due to impairment and overstock. All inventory pending for more than a year and up to two years is covered by a write-down amounting to 50% of its carrying value, whereas inventory pending for more than two years is covered by a write-down amounting to 100%.

Gross inventory, inventory write-downs and net inventory

Description	Status as of 31.12.2017	Status as of 31.12.2016
Inventories total in the balance sheet, including;	3,447,095.13	2,127,604.79
Gross value	3,589,595.27	2,324,940.66
- Materials	0.00	0.00
- Work in progress – IT services	1,643,071.32	838,226.01
- Finished products	0.00	99,823.94
- Goods	1,932,647.19	1,175,880.71
- Advance payments for deliveries	13,876.76	211,010.00
Write-downs on inventories	142,500.14	197,335.87
- Materials	0.00	0.00
- Work in progress – IT services	0.00	0.00
- Finished products	0.00	99,823.94
- Goods	142,500.14	97,511.93
Net value	3,447,095.13	2,127,604.79
- Materials	0.00	0.00
- Work in progress – IT services	1,643,071.32	838,226.01
- Finished products	0.00	0.00
- Goods	1,790,147.05	1,078,368.78
- Advance payments for deliveries	13,876.76	211,010.00

C.23. Note 8.1. Write-downs on inventories

Description	Status as of 31.12.2017	Status as of 31.12.2016
Opening balance	197,335.87	171,677.94
Additions	44,988.21	25,657.93
Reductions	99,823.94	0.00
Closing balance	142,500.14	197,335.87

C.24. Note 9. Trade receivables and other receivables

Description	Status as of 31.12.2017	Status as of 31.12.2016
Trade receivables and other receivables in the balance sheet	12,048,089.71	16,150,529.99
Trade receivables	11,637,287.61	13,786,096.21
Tax, subsidies, customs duty, social and health insurance and other statutory payments	227,037.88	2,037,877.77
Other receivables, including:	183,764.22	326,556.01
- assets due to the Corporate Social Benefit Fund (ZFŚS)	0.00	0.00
- payroll settlements	18,402.42	44,030.60
- deposits and bid bonds paid (contractual securities)	164,231.33	212,736.40
- other	1,130.47	69,789.01
Net receivables	12,048,089.71	16,150,529.99
Write-downs on receivables	2,774,385.49	3,008,657.59
Gross receivables	14,822,475.20	19,159,187.58
<i>Including from affiliated entities:</i>	173,452.69	183,596.98

Trade receivables for goods and services do not bear interest and are usually due for payment between 14 and 60 days. The Company has a policy in place of only selling to verified customers. As a result, in the management's opinion, there is no additional credit risk exceeding the level of write-down for non-collectible debts.

The fair value of receivables does not differ from the carrying values disclosed in the balance sheet.

The Company creates write-downs on the carrying values of the following items:

- receivables from debtors undergoing liquidation or bankruptcy proceedings, up to the amount of receivables not covered by bond or another security reported to the liquidator or the official receiver in bankruptcy proceedings,
- receivables from debtors if the bankruptcy proposal was rejected, and the debtor's assets are not sufficient to satisfy the costs of bankruptcy proceedings – up to the full amount receivable,
- receivables questioned by debtors (disputed receivables) and past due amounts, if based on the assessment of their assets and finance, payment of the full contracted amount is not likely – up to the amount of the claim that is not covered by bond or another security,
- receivables equivalent to amounts increasing receivables, which were previously written-down – in the actual amount until it is received or written off,
- receivables past due for more than twelve months – amounting to 100%,
- receivables past due for more than six months and less than twelve – between 50 and 100%, based on individual assessment of the debtor's situation and confidence level as to the payment,
- receivables past due for up to six months based on individual assessment of the debtor's situation and confidence level as to the payment,
- for default interest on receivables write-downs are established amounting to 100% charged to financial costs, whereas at the same time the interest note is recognised in financial incomes,

Write-downs are made in every case, except for situations where payment is certain, e.g. if the amount receivable is reliably secured by a mortgage, bank guarantee, receivables insurance, pledge.

C.25. Note 9.1. Write-downs on receivables

Description	Status as of 31.12.2017	Status as of 31.12.2016
Opening balance of write-downs	3,008,657.59	1,200,909.25
Additions	400,426.80	2,181,946.26
Reductions – reversal of write-downs	319,541.99	141,089.66
Use	315,156.91	233,108.26
Closing balance of write-downs	2,774,385.49	3,008,657.59

C.26. Note 9.2. Ageing of trade receivables

Description	Status as of 31.12.2017	Status as of 31.12.2016
Ageing of trade receivables		
Current receivables	9,488,088.93	11,280,185.25
Past due up to 3 months	1,813,545.82	1,827,671.29
Past due up between 3 and 6 months	46,935.81	2,317,090.26
Past due up between 6 and 12 months	363,890.15	76,056.78
Past due for more than a year	2,647,865.39	1,138,993.22
Trade receivables, gross	14,360,326.10	16,639,996.80
Write-downs on receivables	2,723,038.49	2,853,900.59
Trade receivables, net	11,637,287.61	13,786,096.21

C.27. Note 9.3. Trade receivables – currency structure

Description	Status as of 31.12.2017	Status as of 31.12.2016
Trade receivables (currency structure), including:	11,637,287.61	13,786,096.21
a. in Polish zlotys	9,983,379.78	12,011,058.13
b. in foreign currencies (according to currencies and converted into PLN)	1,653,907.83	1,775,038.08
- in EUR	396,535.00	391,125.00
- in USD	0.00	10,695.83

C.28. Note 10. Cash and cash equivalents

Description	Status as of 31.12.2017	Status as of 31.12.2016
Cash and cash equivalents total in the balance sheet	382,753.09	14,025,510.41

Cash at hand and in bank	380,453.09	14,017,480.98
- cash at hand	34,236.38	42,543.99
- cash in bank	346,216.71	1,501,546.62
- short-term deposits	0.00	12,473,390.37
Other cash	0.00	0.00
Cash equivalents: surplus cash in CSBF account over the Fund	2,300.00	8,029.43
Cash and cash equivalents total	382,753.09	14,025,510.41
- Including cash with limited availability	0.00	0.00

The fair value of cash and cash equivalents is equal to its carrying value. With regard to the disclosed figures, there are no restrictions to availability of cash and cash equivalents, except for the funds of the Corporate Social Benefits Fund.

C.29. Note 10.1. Cash - currencies

Description	Status as of 31.12.2017	Status as of 31.12.2016
Cash (currencies) total in the balance sheet	382,753.09	14,025,510.41
a. in Polish zlotys	226,639.53	13,077,649.33
b. in foreign currencies (according to currencies and converted into PLN)	156,113.56	947,861.08
- in EUR	34,833.28	187,420.92
- in USD	3,110.17	28,404.50

C.30. Note 11. Accruals

Description	Status as of 31.12.2017	Status as of 31.12.2016
Accruals total in assets	259,933.36	216,278.78
Long-term	0.00	0.00
Other	0.00	0.00
Short-term	259,933.36	216,278.78
Property and vehicle insurance	89,000.00	92,256.40
Utility costs of the next period	0.00	25,808.71
IT service	162,359.60	98,213.67
Other	8,858.33	0.00

C.31. Note 12.1. Share capital

Description	Status as of 31.12.2017	Status as of 31.12.2016
Share capital		
Share capital – in PLN	730,000.00	730,000.00
Share nominal value in PLN	0.10	0.10
Number of shares	7,300,000	7,300,000

Share nominal value.

All the issued shares have a nominal value of PLN 0.10 and have been paid for in full. In the reporting period, the share capital of OPTeam S.A. remained unchanged.

Authorised capital following registration amounts to PLN 730 000 and is divided into 7 300 000 shares at nominal value of PLN 0.10 each. The overall number of votes resulting from all the shares issued by OPTeam S.A. following registration of authorised capital change is 7 300 000 votes.

The structure of authorised capital after the change was registered is as follows:

- 5 000 000 series A shares, which constitutes 68.49% of the Company's authorised capital, 5 000 000 votes, which constitutes 68.49% of the overall number of votes at the Company's GM,
- 500 000 series B shares, which constitutes 6.85 % of the Company's authorised capital, 500 000 votes, which constitutes 6.85 % of the overall number of votes at the Company's GM,
- 800 000 series C shares, which constitutes 10.96 % of the Company's authorised capital, 800 000 votes, which constitutes 10.96 % of the overall number of votes at the Company's GM,
- 1 000 000 series D shares, which constitutes 13.70 % of the Company's authorised capital, 1 000 000 votes, which constitutes 13.70 % of the overall number of votes at the Company's GM.

By resolution no 1004/2010 of the Management Board of the Warsaw Stock Exchange dated 8 October 2010, ordinary bearer shares series A, B, C and D of OPTeam S.A. were introduced to trading in the WSE Main Market. The shares were admitted to exchange trading in the main market in the continuous trading system under the abbreviated name "OPTTEAM" and the code "OPM". The shares of OPTeam S.A. were listed for the first time (floated) on 11 October 2010.

C.32. Note 12.2. Registered share capital

Registered share capital as of 31 December 2017

Description series/issue	Share type	Type of preference shares	Type of restriction on rights	Number of shares	Series/issue total (in PLN)	Capital coverage method	Registration date	Dividend entitlement (as of)
Series A	ordinary bearer shares	none	none	5,000,000	500 000,00	contribution in kind in the form of assets of OPTIMUS – COMFORT Sp. z o.o.	05.05.2003	
Series B	ordinary bearer shares	none	none	500,000	50 000,00	cash	21.12.2007	
Series C	ordinary bearer shares	none	none	800,000	80 000,00	cash	28.10.2009	
Series D	ordinary bearer shares	none	none	1,000,000	100 000,00	cash	05.08.2010	
Number of shares				7 300 000				
Registered share capital, total (in PLN)					730,000.00	Nominal value per share equals PLN 0.10		

Registered share capital as of 31 December 2016

Description series/issue	Share type	Type of preference shares	Type of restriction on rights	Number of shares	Series/issue total (in PLN)	Capital coverage method	Registration date	Dividend entitlement (as of)
Series A	ordinary bearer shares	none	none	5,000,000	500 000,00	contribution in kind in the form of assets of OPTIMUS – COMFORT Sp. z o.o.	05.05.2003	
Series B	ordinary bearer shares	none	none	500,000	50 000,00	cash	21.12.2007	
Series C	ordinary bearer shares	none	none	800,000	80 000,00	cash	28.10.2009	
Series D	ordinary bearer shares	none	none	1,000,000	100 000,00	cash	05.08.2010	
Number of shares				7 300 000				
Registered share capital, total (in PLN)					730,000.00	Nominal value per share equals PLN 0.10		

C.33. Note 12.4. Share capital ownership structure

Share capital ownership structure as of 31 December 2017

To the best of the Company's knowledge, as of 31 December 2017 the following shareholders held at least 5 % of the overall number of votes at the General Meeting of OPTeam S.A. directly or indirectly through subsidiaries:

Shareholders	Number of shares and votes at the GMS	% share in the 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%
Wacław Szary	407,899	5,59%
Other shareholders (under 5%)*	1,396,020	19,12%
Total	7,300,000	100,00%

The shareholding structure is updated on the basis of formal notifications from shareholders holding no less than 5 % of the overall number of votes at the General Meeting of the Company's Shareholders.

Share capital ownership structure as of 31 December 2016

Shareholders	Number of shares and votes at the GMS	% share in the 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 %
Wacław Szary	407,899	5,59 %
Other shareholders (under 5%)*	1,396,020	19,12 %
Total	7,300,000	100,00 %

* As of 31.12.2017 and 31.12.2016, OPTeam SA held 334 own shares which had been acquired in preceding years

C.34. Note 12.4. Incentive Programme

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.

C.35. Note 13. Retained earnings

Description	Status as of 31.12.2017	Status as of 31.12.2016
Status as of 1 January –prior years' retained earnings	26,653,235.97	19,522,459.55
Dividends paid	0.00	13,723,372.08
Net profit for the business year	-5,460,043.03	21,416,787.50
Prior years' profit/loss	0.00	-562,639.00
Status as of 31 December	21,193,192.94	26,653,235.97

In the reporting year, the Company did not pay out dividend to the shareholders for 2017. In 2016 the Company paid out dividend to shareholders out of the profits for 2015, amounting to PLN 0.17 per share and made an advance payment for dividend for 2016, amounting to PLN 1.71per share.

The profit for 2016 left after the dividend payment, pursuant to the decision of the GMS, was put in full into the Company's supplementary capital in the amount of PLN 8,934,358.64.

C.36. Note 14. Structure of prior years' retained earning

Description	Status as of 31.12.2017	Status as of 31.12.2016
Structure of prior years' retained earnings total, including:	26,653,723.50	17,719,364.86
Supplementary capital,	27,549,556.09	19,177,836.45

including		
- From the sale of shares above nominal value – series C and D issue	-6,508,127.50	-6,508,127.50
Tangible asset revaluation reserve	981,103.69	981,103.69
Other capital reserve	4,631,191.22	4,631,191.22
Net profit deductions during business year	0.00	0.00
Undistributed profit of prior years'	0.00	-562,639.00

C.37. Note 15. Supplementary capital

Description	Status as of 31.12.2017	Status as of 31.12.2016
Statutory	243,333.33	243,333.33
Created under Articles of Association above the statutory (minimal) amount	20,798,095.26	12,426,375.62
From the sale of shares above nominal value	6,508,127.50	6,508,127.50
Supplementary capital total	27,549,556.09	19,177,836.45

Supplementary capital includes prior years' retained profits as per decisions made by the General Meetings of Shareholders. Pursuant to the Code of Commercial Partnerships and Companies (Art. 396§ 1 CCPC), to cover losses supplementary capital must be established, where no less than 8 % of the profit for a given business year is transferred, until the capital reaches no less than one third of the stated capital. Supplementary capital amounting to PLN 243 333.33, according to the CCPC, may not be distributed among the shareholders, as it can only be used to cover losses.

C.38. Note 16. Other capital reserve

Description	Status as of 31.12.2017	Status as of 31.12.2016
Other capital reserve total, including	5,611,807.38	5,611,807.38
Revaluation reserve	980,616.16	980,616.16
- due to fixed asset revaluation - IAS	1,210,637.16	1,210,637.16
- due to regulatory fixed asset revaluation	0.00	0.00
- due to gains/losses on financial instrument valuation	0.00	0.00
- due to deferred tax	-230,021.00	-230,021.00
Other capital reserve (according to purpose)	4,631,191.22	4,631,191.22
- To pay advance dividend payments	631,191.22	631,191.22
- To acquire treasury stock	4,000,000.00	4,000,000.00

Fixed asset revaluation reserve arose as a result of revaluing a building (a historic tenement in Rzeszów, ul Lisa Kuli 3) to its fair value as of the date when the Company changed from PAS to IFRS (as of 1 January 2007).

Pursuant to the Resolution no 2 of the Ordinary General Meeting of Shareholders of OPTeam S.A. in Rzeszów of 14 June 2010, the Company established a capital reserve of OPTeam S.A. for the purpose of acquiring treasury stock. The amount of PLN 4 M was taken from the supplementary capital of OPTeam S.A., created from prior years' profits, and moved to the capital reserve for the purpose of acquiring treasury stock of OPTeam S.A. The goals of setting aside capital reserves have been fulfilled.

Capital management

OPTeam manages its capital to ensure safe values of capital-based indicators that support company's business operations and increased its value for shareholders and other stakeholders interested in the company's financial position.

OPTeam S.A. monitors the level of capital on the basis of the balance-sheet value of own equity. The Company manages its capital structure and modifies it depending on the fluctuations of economic environment. In order to keep or to adjust the capital structure OPTeam may pay dividend to the shareholders, return capital to the shareholders or to issue shares. In the accounting periods ending on 31.12.2017 and 31.12.2016 no changes were introduced to the goals, rules and processes in this area.

C.39. Note 17. 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		Repayment date	Sureties
		Currency	In PLN	Currency	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.	Cracow	-	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 - 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 7, current amendment dated on 15.11.2017, incl. working capital facilities in credit accounts PLN 5M, bank sureties PLN 2 M.	Katowice	-	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 31.12.2017

Bank / Lender	Seat	Contractual amount		Amount outstanding		Repayment date	Sureties
		Currency	In PLN	Currency	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.	Cracow	-	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.	Katowice	-	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		

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

C.40. Note 18 Trade payables and other liabilities

Description	Status as of 31.12.2017	Status as of 31.12.2016
Trade payables and other liabilities		
Long-term	0.00	0.00
a. trade payables	0.00	0.00
b. other liabilities	0.00	0.00
Short-term	8,482,510.73	15,440,865.98
a. trade payables	7,028,074.21	12,498,782.70
b. tax, customs duty, social insurance and other statutory payments, including:	1,205,898.50	2,572,892.88
c. payroll	186,050.34	304,083.11
d. advance payments received for deliveries	41,305.98	0.00
e. other liabilities	21,181.70	65,107.29
<i>Including from affiliated entities:</i>	<i>0.00</i>	<i>0.00</i>

Trade payables for goods and services do not bear interest and are usually due for payment between 14 and 60 days. The amount resulting from the difference between output and input VAT is paid to appropriate tax authorities on a monthly basis.

Ageing of trade payables

Description	Status as of 31.12.2017	Status as of 31.12.2016
Trade payables total, including:	7,028,074.21	12,498,782.70
Up to 3 months	7,002,938.71	11,824,399.15
From 3 to 6 months	627.23	1,646.83
From 6 to 12 months	22,666.57	667,197.17
More than a year	1,841.70	5,539.55

Trade payables – currency structure

Description	Status as of 31.12.2017	Status as of 31.12.2016
Trade payables, currency structure, including:	7,028,074.21	12,498,782.70
a. in Polish zlotys	6,568,472.42	9,311,784.05
b. in foreign currencies (according to currencies and converted into PLN) in PLN	459,601.79	3,186,998.65
- in EUR	15,635.62	322,699.72
- in USD	113,287.33	420,973.63

C.41. Note 19. Other financial liabilities

Description	Status as of 31.12.2017	Status as of 31.12.2016
Financial lease liabilities, including:	549,436.89,	1,208,148.53,
Long-term – under financial leases	286,221.97,	549,104.78,
Short-term – under financial leases	263,214.92,	659,043.75,
Other financial liabilities, including:	0.00,	13,086.54,
Short-term liabilities on forward contracts	0.00,	13,086.54,
Other financial liabilities total	549,436.89,	1,221,235.07,

As of 31 December 2017, OPTeam S.A. has the following financial lease agreements:

- for the use of 12 cars – total value of lease contracts is PLN 975 723.50, sum of outstanding instalments with interest is PLN 497 735.45 and
- for the use of IT equipment (on-site services) – total value of lease contracts is PLN 386 994.40, sum of outstanding instalments with interest is PLN 66 199.16.

As of 31 December 2016, OPTeam S.A. has the following financial lease agreements:

- for the use of 15 cars – total value of lease contracts is PLN 1 254 910.58, sum of outstanding instalments with interest is PLN 823 079.17, and
- for the use of IT equipment (on-site services) – total value of lease contracts is PLN 1 545 600.60, sum of outstanding instalments with interest is PLN 431 708.43.

C.42. Note 19.1. Financial lease liabilities

Description	Status as of 31.12.2017	Status as of 31.12.2016
Total amount of minimal lease payments, payable in:	563,934.61	1,254,787.60
- up to one year	273,322.25	691,976.62
- two to five years	290,612.36	562,810.98
- more than 5 years	0.00	0.00
Of which in future interest:	14,497.72	46,639.07
Current value of future liabilities, payable in:	549,436.89	1,208,148.53
- up to one year	263,214.92	659,043.75
- two to five years	286,221.97	549,104.78
- more than 5 years	0.00	0.00

C.43. Note 20. Long-term provisions

Long-term provisions

Description	Status as of 31.12.2017	Status as of 31.12.2016
Provisions for post-employment benefits	60,864.64	42,701.62
Other provisions	0.00	0.00
Long-term provisions	60,864.64	42,701.62

The long-term provision for post-employment benefits applies in full to retirement benefits, which may potentially be paid out to Company employees upon retirement. OPTeam S.A. will pay out severance pay to retiring employees in compliance with the Labour Code amounting to an average one month's pay. The provision for post-employment benefits was recognised by the Company using actuarial method calculations.

The amount of provision for post-employment benefits is determined using the Projected Unit Credit Method. First-time recognition of such a reserve is treated as a change in accounting policy. If severance pay due to retirement/disability is paid out during the business year, the provision is debited respectively. It is not acceptable to debit current operating expenses with the amounts of paid out benefits and adjust the provision at end of period. On the other hand, reversal of provisions for severance pay upon retirement is credited to other operating income.

Main assumptions as of the last day of 2017:

Discount rate: 3.2%

Assumed average yearly growth of the reference base for post-employment benefits: 3.5%

Inflation (yearly): 2.5%

Short-term provisions

Description	Status as of 31.12.2017	Status as of 31.12.2016
Provisions for employment benefits	399,251.60	340,784.66
Provisions for salaries of the Board of OPTeam S.A.	300,000.00	1,250,000.00
Other provisions	0.00	0.00
Short-term provisions total	699,251.60	1,590,784.66

The short-term provision for employment benefits applies in full to unused annual leave of OPTeam S.A. employees. Provision for unused annual leave is measured as of the end of business year based on the actual number of unused holidays in the current period and added to the number of unused holidays in prior periods.

The provision for salaries of the Board of OPTeam S.A. was created in relation with the earned bonus for 2016.

Provision for warranty repairs.

In 2017 and 2016, the Company did not create provisions for warranty repairs – warranties for the computer equipment sold by the Company (merchandise) are provided by the manufacturers.

Restructuring provision

In 2017 and 2016, the Company did not plan restructuring and did not create provisions for the costs of restructuring

Change in long-term provisions 2017

Description	Provisions for post-employment benefits	Provisions for business risk	Provisions for warranty repairs	Provisions for restructuring	Other provisions	Total
Status as of 1 January 2017	42,701.62	0.00	0.00	0.00	0.00	42,701.62
Established in the business year	18,163.02	0.00	0.00	0.00	0.00	18,163.02
Use	0.00	0.00	0.00	0.00	0.00	0.00
Reversal	0.00	0.00	0.00	0.00	0.00	0.00
Status as of 31 December 2017	60,864.64	0.00	0.00	0.00	0.00	60,864.64

Change in long-term provisions 2016

Description	Provisions for post-employment benefits	Provisions for business risk	Provisions for warranty repairs	Provisions for restructuring	Other provisions	Total
Status as of 1 January 2016	37,756.62	0.00	0.00	0.00	0.00	37,756.62
Established in the business year	4,945.00	0.00	0.00	0.00	0.00	4,945.00
Use	0.00	0.00	0.00	0.00	0.00	0.00
Reversal	0.00	0.00	0.00	0.00	0.00	0.00
Status as of 31 December 2016	42,701.62	0.00	0.00	0.00	0.00	42,701.62

Change in short-term provisions 2017

Description	Provisions for post-employment benefits	Provisions for business risk	Provisions for warranty repairs	Provisions for restructuring	Other provisions	Total
Status as of 1 January 2017	340,784.66	0.00	0.00	0.00	1,250,000.00	1,590,784.66
Established in the business year	58,466.94	0.00	0.00	0.00	0.00	58,466.94
Use	0.00	0.00	0.00	0.00	950,000.00	950,000.00
Reversal	0.00	0.00	0.00	0.00	0.00	0.00
Status as of 31 December 2017	399,251.60	0.00	0.00	0.00	300,000.00	699,251.60

Change in short-term provisions 2016

Description	Provisions for post-employment benefits	Provisions for business risk	Provisions for warranty repairs	Provisions for restructuring	Other provisions	Total
Status as of 1 January 2016	305,729.66	0.00	0.00	0.00	0.00	305,729.66
Established in the business year	35,055.00	0.00	0.00	0.00	1,250,000.00	1,285,055.00
Use	0.00	0.00	0.00	0.00	0.00	0.00
Reversal	0.00	0.00	0.00	0.00	0.00	0.00
Status as of 31 December 2016	340,784.66	0.00	0.00	0.00	1,250,000.00	1,590,784.66

C.44. Note 21. Other accruals

Description	Status as of 31.12.2017	Status as of 31.12.2016
Other accruals total	6,855,085.39	7,258,261.66
Long-term	6,192,138.81	6,694,033.05
- subsidies	6,192,138.81	6,694,033.05
Short-term	662,946.58	564,228.61
- subsidies	662,946.58	564,228.61

The Company executes projects subsidised by the European Union.

As of 31 December 2017 and 31 December 2016, both long-term and short-term accruals include mainly the received investment subsidies for the construction of tangible assets, including the co-financing of the Design Center of Modern Technologies and subsidies towards development works.

The amounts credited to accruals revenues received to finance the acquisition or production of fixed assets, including capital work in progress and development works, are credited to other operating income, alongside depreciation or amortisation write-downs on fixed assets and development works.

C.45. Note 22. Sales revenues

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Structure of sales revenues	68,508,177.84	76,957,885.52
Sales of products	24,637,505.06	25,994,976.19
Sales of goods	43,870,672.78	50,962,909.33

C.46. Note 23. Subsidies to sales and assets

Description	Project title	Duration	Influence on other items of the financial statement	Amount of the grant	
				31.12.2017	31.12.2016
Subsidy to sales, including:				294,091.74	-
POPW.01.02.00-18-0124/16-00	Development of the Internationalisation Plan for the Construction Project Management System of OPTeam SA	from 01.10.2016 to 31.01.2017	Increasing other operating revenues	47,200.00	-
RPPK.09.0300-18-0250/16-00	Computer – A Window to the World for Adults from the Podkarpace Province.	from 01.05.2017 to 30.06.2018	Increasing other operating revenues	246,891.74	-
Subsidy to assets, including				-	22,235.07
INNOTECH-K3/HI3/28//229385/NCBR/14	Prototype of innovative and technologically advanced B2B OPTIbud platform in terms of INNOTECH programme	from 01.07.2014 to 29.02.2016	Increasing accruals	-	22,235.07
Total				294,091.74	22,235.07

C.47. Note 24. Operating expenses

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Operating expenses		
Depreciation	2,911,714.15	3,584,131.68
Consumption of materials and energy, including	6,620,434.05	6,423,126.86
- consumption of direct materials	5,471,806.53	5,262,247.80
- consumption of indirect materials	852,943.39	874,853.52
- consumption of energy	295,684.13	286,025.54
Third-party services, including	12,460,040.25	13,850,158.43
- rental of office and service space	201,934.93	275,676.61
- telecommunications services	182,306.84	198,340.44
- renovation services	433,224.39	349,533.22
- subcontractor services	9,796,142.44	11,125,214.32
- other services	1,846,431.65	1,901,393.84
Taxes and charges	233,619.06	208,405.00
Wages and salaries	11,152,306.33	12,233,923.42
Social security and other benefits, including	2,488,975.04	2,235,355.28
- social security contributions (ZUS)	1,947,027.33	1,829,039.38
Other prime costs, including	1,318,708.52	2,015,153.96
- business travel	469,642.37	998,064.08
- advertising and entertainment	488,205.56	687,250.24
- property and vehicle insurance	257,838.12	230,508.85
- other prime costs	103,022.47	99,330.79
Total prime costs	37,185,797.40	40,550,254.63
Selling, general and administrative expenses	10,839,879.18	13,692,290.17
Net change in inventories, products and accruals and own work capitalised	1,298,509.96	2,036,962.00
Cost of products and services sold	25,047,408.26	24,821,002.46

C.48. Note 25. Other operating incomes

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Other operating incomes total, including	1,051,953.43	1,156,007.29
Profit from the sale of non-financial fixed assets	38,107.82	81,162.61
Subsidies, including	575,965.47	848,663.12
- subsidies to tangible and intangible assets	558,457.47	848,663.12
- subsidies to expenses	17,508.00	0.00
Other operating incomes:	437,880.14	226,181.56
- damages received	94,461.55	64,670.04
- reversal of write-downs on receivables and inventories	315,251.52	107,107.40
- abandoned and time-barred liabilities	5,040.81	6,774.56
- other incomes	23,126.26	47,629.56

Other operating incomes include earnings and profits not directly related to the Company's operations. This category contains received subsidies, gains from the sale of tangible assets, received compensation related to reimbursement of court fees, overpaid tax liabilities, except for corporate income tax, and damages received for impairment to Company's assets which were insured. Corresponding costs related to the impairment of Company's insured assets are recognised as other operating expenses

C.49. Note 26. Other operating expenses

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Other operating expenses total, including	814,739.05	2,418,420.38
Loss from the disposal of non-financial fixed assets	0.00	0.00
Revaluation of non-financial assets	44,988.21	25,657.93
- write-downs on inventories	44,988.21	25,657.93
Other operating expenses:	769,750.84	2,392,762.45
- write-downs on receivables	400,426.80	2,193,946.26
- donations	10,666.02	17,643.71
- costs of car accident repairs	60,253.78	36,671.44
- penalties and damages	149,082.67	49,225.81
- expired and non-collectible receivables	17,632.67	10,364.66
- other	131,688.90	84,910.57

Other operating expenses include costs and losses not directly related to the Company's operations. This category includes losses from the sale of tangible assets, revaluation of receivables, donations made both in kind and in cash to other organisations, including public benefit organisations and other.

C.50. Note 27. Financial incomes

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Financial incomes total, including:	-1,211,710.29	34,316,380.83
Profit from the disposal of investments	0.00	32,150,073.84
Dividends and profit sharing	0.00	0.00
Interest, including:	115,007.46	175,121.32
- bank interest	58,736.29	152,740.79
- interest from contractors	56,271.17	22,380.53
Revaluation of investments	13,086.54	0.00
Other financial incomes	3,358.52	82,529.02
- surplus positive foreign exchange differences over negative	0.00	48,546.76
- other	3,358.52	33,982.26
Share in the net result of PeP SA valued with the equity method	-,1,343,162.81	1,908,656.65

In 2017 the share in the net result of an associated entity is negative. In 2016 other financial incomes were mainly a result of a positive valuation of the share in the net result of an associated entity (PeP S.A.) using the equity method.

C.51. Note 28. Financial expenses

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Financial expenses total, including:	162,581.26	251,313.45
Interest:	136,602.18	156,226.91
- on loans	85,812.57	81,763.83
- on financial leases	31,056.63	70,792.86
- interests	19,732.98	3,670.22
Loss from the disposal of investments	0.00	0.00
Revaluation of investments	0.00	13,086.54
Other financial expenses	25,979.08	82,000.00
- surplus negative foreign exchange differences over positive	25,979.08	0.00
- other	0.00	82,000.00

Financial expenses include costs related to the use of external sources of financing, interest payable under financial lease agreements to which the Company is party as a lessee. The item of other expenses constituted mainly write-offs formed for statutory interests payables.

C.52. Note 29. Income tax

Current tax liabilities are calculated in compliance with the applicable tax regulations. Regulations on corporate and personal income tax, goods and services tax (VAT) or social insurance contributions are subject to frequent changes concerning not only the wording of these regulations but also its interpretation by tax authorities and administration courts. It is worth mentioning that the authorities tend to use ambiguous terms and definitions that have fundamental importance for application of law.

This creates considerable difficulties in application of tax law. In particular, it is often not possible to obtain an unambiguous guidelines from inland revenue services and tax counsellors on how to operate to ensure that the tax settlements are made properly and in a duly manner. Tax authorities may inspect accounting books and verify the taxation base and impose additional reassessed taxes on the Company, including penalties, fines and interests.

An additional risk increasing uncertainty of the tax settlements are the new (effective on 15 July 2016) regulations incorporating the General Anti-Avoidance Rule (GAAR) into the Polish tax system. The main purpose of these regulations is to provide tax authorities the right to assess whether a particular business operation is performed mainly to get tax benefits that are in contrary to the scope and purpose of the provisions of the Taxation Act.

These factors lead to a situation that the final determination of tax liabilities in some situations may depend on subjective opinions and evaluations of particular circumstances against general and vague provisions of the taxation law. Consequently, determination of taxes, assets and provisions for deferred income tax may require considerable reassessments, including past transaction, and the amounts disclosed in the financial statement may be subject to change at a later date, after final reassessment by tax authorities.

In the fiscal years 2017 and 2016, at OPTeam S.A. there were no inspections of tax returns.

In terms of income tax, the Company is subject to general provisions in this scope. The Company is not part of a group of companies in terms of tax.

Since August 2010, the Company has been running its business within a Special Economic Zone pursuant to the Licence of the Industrial Development Agency dated 18 September 2008 to conduct business operations within the Special Economic Zone EURO-PARK MIELEC. In the income tax returns for 2017 and 2016, the Company did not exempt the income generated within the SEZ from tax in the scope provided for under the licence to operate in the zone.

The fiscal year and the balance sheet year coincide with the calendar year.

Income tax in the Profit & Loss Statement

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Income tax disclosed in the Profit & Loss Statement, including:	-72,582.40	5,457,872.11
Current income tax	0.00	5,414,223.00
Deferred income tax	-72,582.40	43,649.11

Reconciliation of income tax

The difference between the amount of tax disclosed in the Profit & Loss Statement and the amount calculated from the profit before tax results from the following items:

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Gross profit before tax	-5,532,625.43	26,874,659.61
Applicable corporate income tax rate	0.19	0.19
Theoretical tax at the applicable tax rate of 19% of gross profit	0,00	5,106,185,33

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Tax base, including:	-4,728,580.10	28,495,911.40
Gross profit before tax	-5,532,625.43	26,874,659.61
Book incomes not recognised as tax incomes:	-981,271.96	-2,859,915.17
Tax incomes not recognised as book incomes:	402,979.02	68,085.42
Tax expenses not recognised as book expenses:	-2,161,387.57	-1,673,611.46
Book expenses temporarily not recognised as tax expenses:	528,605.21	1,900,260.29
Book expenses permanently not recognised as tax expenses:	3,309,212.37	4,218,668.47
Income deductions – donations	0.00	-10,000.69
Exempt incomes – inflows of investment subsidies and incomes within SEZ	-294,091.74	-22,235.07
Actual income tax charge:	0.00	5,414,223.00
Effect of change in deferred income tax calculated on temporary differences:	-72,582.40	43,649.11
Change in deferred tax due to change in tax rate	0.00	0.00
Effective tax rate	0.00%	20.31%
Income tax (debit) disclosed in the Profit & Loss Statement	-72,582.40	5,457,872.11

The outstanding limit of state aid as of 31.12.2017 due to running a business in SEZ is PLN 991 968.79. OPTeam S.A. may use state aid during the term of the Licence in the next years, when taxable income is achieved for the business scope as specified in their SEZ Licence.

Income tax – deferred income tax provisions and assets in the Balance Sheet and Profit & Loss Statement.

Description	Balance sheet – Statement of financial position		Profit & Loss Statement	
	31.12.2017	31.12.2016	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Provision for deferred income tax				
Surplus tax depreciation over book depreciation	203,658.00	203,658.00	0.00	0.00
Revaluation of fixed assets to fair value due to adopting IFRS	230,021.00	230,021.00	0.00	0.00
Surplus tax depreciation over book depreciation – car lease following compensation	32,951.44	46,527.97	-13,576.53	-2,554.63
Tax revenues booked	107,443.83	362,644.76	-255,200.93	362,644.76
Gross provision for deferred income tax	574,074.27	842,851.73	-268,777.46	360,090.13
Deferred income tax assets				
Unpaid remuneration and ZUS contributions owed by the Company	68,845.04	339,351.71	270,506.67	-303,475.37

Description	Balance sheet – Statement of financial position		Profit & Loss Statement	
	31.12.2017	31.12.2016	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Provision for subcontractor costs	39,032.68	29,314.69	-9,717.99	10,119.81
Write-downs on goods inventories	27,075.03	37,493.81	10,418.78	-4,875.00
Provisions for post-employment benefits	144,422.08	72,862.40	-71,559.68	-7,600.00
Other incomes – inflow of taxable subsidy	0.00	0.00	0.00	0.00
Difference in book and tax value of financial liabilities (net financial lease)	15,387.98	11,935.26	-3,452.72	-11,935.26
Compensation write-down to CSBF	0.00	0.00	1,134.84	1,134.84
Write-downs on receivables	0.00	0.00	0.00	0.00
Other	0.00	0.00	189.96	189.96
Gross deferred income tax	294,762.81	490,957.87	196,195.06	-316,441.02
Charge to financial result due to deferred income tax	-	-	-72,582.40	43,649.11

As of 31 December 2017, the Company verified its estimates of anticipated future taxable incomes and decided that the asset will be recoverable in the future in full.

C.53. Note 30. Contingent liabilities

Contingent liabilities include surety bonds furnished to the Company in connection with performance bonds and bid bonds. These bonds 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 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 NeTU 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 14 Note no 2.1.

C.54. Note 30.1 Identification of proceedings at court, arbitration bodies of proper jurisdiction or public administration bodies

As of 31 December 2017 and 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.

C.55. Note 31. Information on related parties

OPTeam is equity-linked to Polish ePayment. Other related parties of the Company are Members of its Management and Supervisory bodies, and close family members of those people.

Commercial transactions with equity-related parties.

Transactions made from 1 January to 31 March 2017 between OPTeam S.A. and the related party Polish ePayment are disclosed below:

	Revenue – sales of goods and services	Purchase of goods and services	Accounts payable	Accounts receivable
Centrum Rozliczeń Elektronicznych Polskie ePłatności S.A. (Centre of Electronic Clearance Polish ePayment SA)	1,161,964.66	53,930.66	0.00	173,452.69

Transactions made from 1 January to 31 March 2016 between OPTeam S.A. and the related party Polish ePayment are disclosed below:

	Revenue – sales of goods and services	Purchase of goods and services	Accounts payable	Accounts receivable
Centrum Rozliczeń Elektronicznych Polskie ePłatności S.A. (Centre of Electronic Clearance Polish ePayment SA)	1,520,508.37	96,660.79	0.00	183,596.98

Commercial transactions with personally-related parties

Commercial transactions with personally-related parties from 1 January to 31 March 2017

Description	Sales of services	Purchase of services	Sales of goods	Purchase of goods	Liabilities	Accounts receivable
Elżbieta Jolanta Pelczar	0.00,	35,178.00,	100.86,	0.00,	0.00,	0.00,
Kancelaria Adwokacka W. Zaniewicz, H. Zaniewicz s.c. (through Mr W. Zaniewicz)	12,258.27,	0.00,	7,991.31,	0.00,	0.00,	0.00,
Central Europe Trust Polska through Mr Piotr Kołodziejczyk	0.00,	70,314.67,	246.00,	0.00,	0.00,	0.00,
Total	12,258.28,	105,492.67,	8,092.17,	0.00,	0.00,	0.00,

Commercial transactions with personally-related parties from 1 January to 31 March 2016

Description	Sales of services	Purchase of services	Sales of goods	Purchase of goods	Liabilities	Accounts receivable
TECHTRADE Bogdan Niziolek	0.00,	0.00,	275.52,	0.00,	0.00,	0.00,
Elżbieta Jolanta Pelczar	1,820.00,	55,719.00,	6,143.24,	0.00,	0.00,	0.00,
Kancelaria Adwokacka W. Zaniewicz, H. Zaniewicz s.c. (through Mr W. Zaniewicz)	651.90,	0.00,	16,962.90,	0.00,	0.00,	0.00,
Antares Corporate Finance Warszawa Marcin Lewandowski	0.00	56,580.00	0.00	0.00	0.00	0.00
JB GROUP Janusz Bober	0.00,	0.00,	246.00,	0.00,	0.00,	0.00,
Total	2,471.90,	112,299.00,	23,627.66,	0.00,	0.00,	0.00,

On 31.12.2017 and as of 31 December 2016, there were no receivables or payables to/from personally related parties.

C.56. Note 32. Payments to key management

Payments to key management – total

Description	2017	2016
Remuneration paid out	2,237,971.20	1,073,294.15
- to the Management Board	1,995,480.88	995,294.15
- to the Supervisory Board	242,490.32	78,000.00
Remuneration due	1,114,903.48	2,532,984.45
- to the Management Board	835,790.58	2,454,984.45
- to the Supervisory Board	279,112.90	78,000.00

Remuneration of individual management and supervisory officers – paid out

Description	2017	2016
A. For service, total remuneration – paid out	2,150,680.90	913,194.15
Management Board of OPTeam S.A.	1,908,190.58	835,194.15
Wacław Szary	912,222.84	234,000.00
Bogdan Niziołek	150,000.00	340,474.33
Ryszard Woźniak	200,000.00	178,552.38
Radosław Bednarski	400,967.74	82,167.44
Tomasz Ostrowski	245,000.00	0.00
Supervisory Board of OPTeam S.A.	242,490.32	78,000.00
Janusz Bober	51,814.64	24,000.00
Andrzej Pelczar	34,251.68	12,000.00
Wiesław Zaniewicz	34,251.68	12,000.00
Andrzej Ziemiński	6,000.00	12,000.00
Ryszard Woźniak	30,543.08	3,000.00
Wacław Irzeński	30,543.08	3,000.00
Piotr Kołodziejczyk	24,543.08	0.00
Marcin Lewandowski	30,543.08	12,000.00
B. Other remuneration – the Management Board	87,290.30	160,100.00
Bogdan Niziołek	59,690.30	150,000.00
Ryszard Woźniak	0.00	5,500.00
Radosław Bednarski	27,600.00	4,600.00
Total remuneration paid out (A+B)	2,237,971.20	1,073,294.15

Remuneration of individual management and supervisory officers – due

Description	2017	2016
A. For service, total remuneration – paid out	1,087,303.48	2,313,194.15
Management Board of OPTeam S.A.	808,190.58	2,235,194.15
Wacław Szary	162,222.84	984,000.00
Bogdan Niziołek	0.00	490,474.33
Ryszard Woźniak	0.00	678,552.38
Radosław Bednarski	400,967.74	82,167.44
Tomasz Ostrowski	245,000.00	0.00
Supervisory Board of OPTeam S.A.	279,112.90	78,000.00

Description	2017	2016
Janusz Bober	58,768,30	24,000,00
Andrzej Pelczar	39,814,60	12,000,00
Wiesław Zaniewicz	39,814,60	12,000,00
Andrzej Ziemiński	6,000,00	12,000,00
Ryszard Woźniak	35,178,85	3,000,00
Wacław Irzeński	35,178,85	3,000,00
Piotr Kołodziejczyk	29,178,85	0,00
Marcin Lewandowski	35,178,85	12,000,00
B. Other remuneration – the Management Board	27,600,00	219,790,30
Bogdan Niziołek	0,00	209,690,30
Ryszard Woźniak	0,00	5,500,00
Radosław Bednarski	27,600,00	4,600,00
Total remuneration paid out (A+B)	1,114,903,48	2,532,984,45

The Incentive Programme for 2018-2019 (details in C.34 Note 12.4) also refers to the Members of the Board. The final number of Subscription Warrants for the Members of the Board will depend on fulfilment of the requirements specified in the Programme Regulations and the decision of the Supervisory Board as for the List of Entitled Persons.

C.57. Note 33. Labour costs

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Labour costs, including:	13,641,281,37	14,469,278,70
Wages and salaries	11,152,306,33	12,233,923,42
Contributions towards social security and other benefits	1,947,027,33	1,829,039,38
Contribution to CSBF and other employee benefits	541,947,71	406,315,90

Labour costs include wages and salaries paid in compliance with the terms of employment contracts with individual employees. The costs of social insurance include compulsory contributions, in the part applicable to the employer, for retirement, disability, accident insurance, and Guaranteed Employee Benefit Fund and Labour Fund. The Company maintains a Corporate Social Benefit Fund amounting to the statutory contribution stipulated in the CSBF Act. Other employee benefits include medical services for employees and their families, employee training costs, and the costs of benefits under health and safety regulations.

C.58. Note 34. Employment structure

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Average headcount in the reporting period	165	189
Management Board	2	3
Production departments	94	95

Commercial departments	34	53
Maintenance departments	20	21
Finance and administration departments	15	16

C.59. Note 35. Earnings per share and diluted earnings per share

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Earnings per share and diluted earnings per share		
Net profit for the business year (in PLN)	-5,460,043.03	21,416,787.50
Weighted average number of common shares	7,300,000	7,300,000
Earnings per common share (in PLN)	-0.75	2.93
Diluted weighted average number of common shares	7,300,000	7,300,000
Diluted earnings per common share (in PLN)	-0.75	2.93

In 2017 as well as in the preceding year earnings were not diluted, the Company did not issue new shares.

C.60. Note 36. Dividend

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Dividends paid (total)	0.00	13,723,372.08
Amounts paid out to company's owners during the year 2016	0.00	12,482,428.86
Dividend for the year ending 31 December 2015	0.00	1,240,943.22

OPTeam has not made any dividend payments in 2017.

On 07.11.2016 the Management Board of OPTeam S.A. adopted a resolution to pay out an advance payment for the dividend for 2016 to the shareholders of OPTeam S.A. in the designated amount of PLN 1.71 (one zloty seventy-one grosz) per share, i.e. the total amount of PLN 12 482 428.86. On the basis of the resolution of the Supervisory Board as of 14.11.2016 that approved the payment it was decided that the date of record for the dividend payment would be 20 December 2016 and the date of payment - 28 December 2016

On 28 December 2016 the advance dividend payment was made to the shareholders of OPTeam S.A. in the designated amount of PLN 12 482 428.86 which was 58.3% of the Company net profit for 2016.

Under resolution no 7/2017 of the Ordinary General Meeting of OPTeam S.A. of 25 May 2017 regarding distribution of profit of OPTeam S.A. for the business year 2016, the amount of PLN 12,482,428.86, i.e. PLN 1.71 per share was designated for dividend payment. Since the advance dividend payment was made, the net profit for the fiscal year of from 01.01.2016 to 31.12.2016 that was intended for distribution between the shareholders, has been already paid out in its full amount.

Under resolution no 7/2016 of the Ordinary General Meeting of OPTeam S.A. of 11 May 2016 regarding distribution of profit of OPTeam S.A. for the business year 2015, the amount of PLN 1,240,943.22, i.e. PLN 0.17 per share was designated for dividend payment. On 7 June 2016 the payment of dividend for 2015 was made to the shareholders of OPTeam S.A. in the designated amount of PLN 1,240,943.22.

C.61. Nota 37. Instrumenty finansowe

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Financial assets (total)	12,603,804.92	28,538,162.63
Credit and receivables	12,603,804.92	28,538,162.63
- trade receivables	11,637,287.61	13,786,096.21
- other accounts receivable	183,764.22	326,556.01
- cash	400,000.00	400,000.00
Financial assets for disposal	382,753.09	14,025,510.41
Financial assets available for sale	0.00	0.00
Financial assets (total)	0.00	0.00
Financial liabilities (total)	10,277,070.40	14,089,208.17
Financial liabilities valued at amortised cost, including:	9,727,633.51	12,867,973.10
- bank loans	2,451,021.28	0.00
- trade payables	7,028,074.21	12,498,782.70
- other liabilities	248,538.02	369,190.40
Liabilities under financial lease and other financial liabilities	549,436.89	1,221,235.07

Reclassification of assets

In 2017 and 2016, the Company did not reclassify items of financial assets valued at cost or amortised cost to items valued at fair value, nor did it reclassify items of financial assets valued at fair value to items valued at cost or amortised cost.

Exclusion of assets

In the period covered by this financial statement, the Company did not transfer any financial assets causing any risks or benefits to arise in the future resulting in a liability or cost.

Liabilities and contingent liabilities secured on financial assets

As of the reporting date there were no liabilities secured on financial assets.

Financial assets established as security for liabilities

In 2014 the Company established a bank deposit in an interest bearing account, constituting a security for liabilities, the agreement and its security are continued in 2017 as of the date of this statement.

Financial assets established as security for liabilities of OPTeam S.A. as of 31 December 2017

Agreement	Financial assets established as a security
Państwowy Zakład Ubezpieczeń S.A. w Warsaw, Commission agreement on periodically granting contract bonds no UO/GKR/162/04-131 as of 17.11.2004 along with Amendement no 15 of 25.08.2017 – an exposure limit of PLN 3,500,000	Funds in the amount of PLN 400,000 in the account alongside the authorization for PZU S.A. to administer the bank account constitute a security of repayment of possible claims of PZU S.A. against OPTeam S.A. It will be valid until all liabilities are paid out including interests, payments and other costs.

Assets or non-financial assets secured to the Company's benefit

No securities were established to the Company's benefit on financial or non-financial assets, for which the Company was entitled to sell the security or register another pledge in the case of owner of the secured assets fulfilling all of their obligations.

Hedge accounting

The Company is not involved in hedging activities.

Fair value of financial instruments

In the opinion of the Management Board, the fair value of financial assets and liabilities does not differ significantly from the carrying values disclosed in the balance sheet. The Company did not apply fair value to the measurement of assets and liabilities and consequently the requirements of IFRS 13 in terms of fair value hierarchy and the related disclosures do not apply.

Interest incomes and expenses related to financial instruments:

Interest incomes	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Bank interest	58,736.29	152,740.79
Interest from counterparties	56,271.17	22,380.53
Total	115,007.46	175,121.32
- including from impaired assets	0.00	0.00

Interest expenses	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Interest on loans	85,812.57	81,763.83
Interest on financial leases	31,056.63	70,792.86
Other interest	19,732.98	3,670.22
Total	136,602.18	156,226.91

Impairment losses according to the financial instrument category

Impairment losses according to the financial instrument category	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Credit and receivables	418,059.47	2,204,310.92
Assets available for sale	0.00	0.00
Financial liabilities	0.00	0.00
Total	418,059.47	2,204,310.92

C.62. Note 38. Credit risk

Credit risk refers to the risk that a counterparty will not fulfil their obligations, thus exposing the Company to financial losses. The Company adheres to the principle of doing business only with counterparties with a proven credit score. Credit risk is checked by limits verified and approved by the Management Board.

The Company is not exposed to significant credit risk from a single counterparty or group of similar counterparties. There is also no risk accumulation due to the existence of one or a group of related customers with whom the Company would generate income exceeding 10% of the overall sales revenue, except for sales revenues to one buyer, 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 Company limits its credit risk by contracting solely with entities with a good credit score, the cooperation with whom is preceded by internal preliminary verification procedures. Moreover, as a result of monitoring accounts receivable on an ongoing basis, the Company's exposure to the risk of irrecoverability is not significant.

Write-downs of financial assets apply to own receivables and as of 31 December 2017 amount to PLN 2 774 385.49 , as of 31 December 2016 they amounted to PLN 3 008 657.59.

Trade receivables from some counterparties were secured by blank promissory note agreements. Due to other financial assets held by the Company, no significant securities were established to its benefit.

C.63. Note 39. Liquidity risk

The Company manages its liquidity risk by maintaining an adequate level of capital reserve, making use of banking services on offer, participating in EU co-financing programmes, monitoring anticipated and actual cash flows on an ongoing basis, as well as analysing maturity profiles of financial assets and liabilities.

Financial liabilities under loans have been secured on fixed assets. Securities are described in C.39 Note C 17.

C.64. Note 40. Ageing schedule of financial liabilities

Ageing schedule of financial liabilities 2017

Description	Under 1 year	From 1 to 3 years	From 4 to 5 years	More than 5 years	Total
Trade payables – Note 18	7,026,232.51	1,841.70	0.00	0.00	7,028,074.21
Borrowings – Note 17	2,451,021.28	0.00	0.00	0.00	2,451,021.28
Other liabilities – Note 18	248,538.02	0.00	0.00	0.00	548,538.02
Financial lease liabilities – Note 19.1	263,214.92	286,221.97	0.00	0.00	549,436.89
Other financial liabilities – forward contract measurement – Note 19	0.00,	0.00,	0.00	0.00	0.00
Total	9,989,006.73	288,063.67	0.00	0.00	10,577,070.40

Ageing schedule of financial liabilities 2016

Description	Under 1 year	From 1 to 3 years	From 4 to 5 years	More than 5 years	Total
Trade payables – Note 18	12,493,243.15	5,539.55	0.00	0.00	12,498,782.70
Borrowings – Note 17	0.00	0.00	0.00	0.00	0.00
Other liabilities – Note 18	369,190.40	0.00	0.00	0.00	369,190.40
Financial lease liabilities – Note 19.1	659,043.75	549,104.78	0.00	0.00	1,208,148.53
Other financial liabilities – forward contract measurement – Note 19	13,086.54,	0.00,	0.00	0.00	13,086.54
Total	13,534,563.84	554,644.33	0.00	0.00	14,089,208.17

C.65. Note 41. Interest rate risk

The risk caused by changes in interest rates is related primarily to liabilities under loans as well as cash and cash equivalents. The Company uses working capital credit facilities based on the variable WIBOR rate. The terms and dates provided for in loan agreements are described in p. C.46, Note no 17 herein. In 2017 as well as in 2016, the interest rate risk was not significant for the Company.

The Company also has long-term liabilities under financial leases, though because of their nature these items can be treated as fixed-rate items.

C.66. Note 42. Currency risk

The Company is exposed to this type of risk by concluding sales or purchase transactions in currencies other than its functional currency. The Company is not involved in business activities exposed to currency risk.

In 2017 and 2016, sales transactions in foreign currencies accounted for 2.29% and 9% respectively. At the same time, purchases in foreign currencies accounted for 1.01% and 0.88% of the Company's operating expenses respectively. With regard to the currency risk, the Company hedges transactions through concluding forward contracts. Foreign exchange differences applicable to overall operations are recognised as financial incomes and expenses.

Due to the negligible scope of transactions in foreign currencies, currency risk is insignificant.

The carrying value of the Company's financial assets and liabilities expressed in foreign currencies as of the balance sheet date applies to receivables and payables for goods and services. These figures in PLN are as follows:

Description	Liabilities		Assets	
	Status as of 31.12.2017	Status as of 31.12.2016	Status as of 31.12.2017	Status as of 31.12.2016
EURO	65,214.61	1,427,623.56	1,799,193.96	2,559,487.15
USD	394,387.18	1,759,375.09	10,827.43	163,412.01
Total	459,601.79	3,186,998.65	1,810,021.39	2,722,899.16

C.67. Note 43. Events occurring after the balance sheet date

After the balance sheet date and up to the date of drawing up the financial statement for the business year, i.e. up to 27 April 2018, there did not occur any events which were not and should be disclosed in the accounts for the business year and this financial statement.

C.68. Note 44. Disclosure on agreements with the auditing entity

Description	from 01.01.2017 to 31.12.2017	from 01.01.2016 to 31.12.2016
Remuneration due for the statutory audit of the annual financial statement and review of the semi-annual statement	41,500.00	30,000.00
Other services	0.00	0.00
Total	41,500.00	30,000.00

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 for 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.

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.

C.69. Note 45. Information about the nature and economic purpose of contracts concluded by the entity which are not included in the balance sheet in the scope necessary to assess their impact on the entity's assets, finance and financial result

OPTeam S.A. did not conclude agreements not disclosed in the financial statement for 2017 and for the comparable period.

C.70. Note 46. Disclosure on important transactions (including the amounts involved) concluded by the entity in breach of the arm's length principle with related parties, understood as affiliated entities

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.

C.71. Note 47. Adjustment of previous years result and change in presentation

In the financial statement for 2017 the Company did not account for Adjustment of previous years result. The data for the comparable period of 2016 included adjustments of presentation and the previous years' result.

Adjustment of previous years' results as of 31.12.2016

In the financial statement for 2016 the Company included the adjustment of costs for subcontracted services that had been provided in the year before (2015) in the net amount of PLN 562,639.00. These services were settled with the subcontractors

in 2016. The financial result of this event was presented in the *Financial Statement* of 31 December 2016 as the “previous years’ result”. The effects of this adjustment were presented in p. C83, Note 47, for the financial statement for the accounting year ending on 31 December 2016.

C.72. Note 48. Assessment of atypical factors and events with significant impact on business activity result in the financial year, including the degree of their impact on achieved 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.

Signature of a person responsible
for keeping accounting books

Signatures of the Members of the Board

Tajęcina, 27 April 2018