

oponeo

Annual consolidated financial statements
of the OPONEO.PL Group
as at 31 December

2022

5 April 2023

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1. GENERAL INFORMATION

1.1. INFORMATION ON THE OPONEO.PL GROUP

Address of the registered office of the entity: ul. Podleśna 17 85-145 Bydgoszcz

State of registration: Poland

Description of the nature of the company and core business: online retail sale of parts and accessories (mainly tyres and rims) for motor vehicles

Seat of the entity: Poland

Legal form of the entity: joint stock company

Name of parent company: OPONEO.PL S.A.

Name of reporting entity: OPONEO.PL S.A.

Name of the group's ultimate parent company: OPONEO.PL S.A.

Main place of business: ul. Podleśna 17, 85-145 Bydgoszcz

The parent company of the OPONEO.PL Group ("OPONEO.PL Group", "Group") is OPONEO.PL S.A. ("Parent Company", "Company"). As at the day of drawing up of this report, the data of the Company were as follows:

Name	OPONEO.PL S.A.
Address	Bydgoszcz ul. Podleśna 17
REGON	093149847
NIP	953-24-57-650
KRS	0000275601
Registry Court	District Court in Bydgoszcz, 13th Commercial Department of the National Court Register
Duration	The duration of activity of individual entities included in the OPONEO.PL Group is unlimited

The core business of OPONEO.PL S.A. is the retail sale of spare parts and accessories (mainly tyres) to motor vehicles. In addition to tyres, the range of products sold also includes steel and aluminium rims and wheel chains. OPONEO.PL Group is a pioneer in the introduction of a service combining tyre delivery and tyre service to the Polish market. At the end of 2022, the service was available at 6,072 service points in Poland and abroad

The Company offers tyres for:

- personal cars,

-
- delivery vans,
 - cars with four-wheel drive (4x4),
 - lorries,
 - motorcycles,
 - quads.

The range includes more than 5,000 tyre and rim models belonging to the premium, medium and budget segments. Due to its adaptation to weather conditions, the Group offers all-season, winter and summer tyres.

OPONEO.PL Group is the leader in online tyre sales in Poland. In addition, it is present in 12 European markets abroad, i.e. Austria, Belgium, the Czech Republic, France, Spain, the Netherlands, Ireland, Germany, Slovakia, the United Kingdom, Italy and Hungary.

Composition of the Management Board and Supervisory Board of the parent company

As at the date of approval of the consolidated financial statements for publication, i.e. 5 April 2023, the Management Board of the Parent Company consisted of the following persons:

- Topolewski Dariusz - President of the Management Board
- Butkiewicz Michał - Member of the Management Board
- Karpusiewicz Maciej - Member of the Management Board
- Pujso Ernest - Member of the Management Board
- Topolewski Wojciech - Member of the Management Board

In the period from 1 January 2022 to 5 April 2023, no changes in composition of the Management Board of the Parent Company occurred.

As at 5 April 2023, the Supervisory Board of the Parent Company consisted of the following persons:

- Siarkowska Monika – Chairwoman of the Supervisory Board
- Ciaciuch Lucjan - Member of the Supervisory Board
- Michał Kobus - Member of the Supervisory Board
- Krzysztof Barczewski - Member of the Supervisory Board
- Krzysztof Bednarek - Member of the Supervisory Board

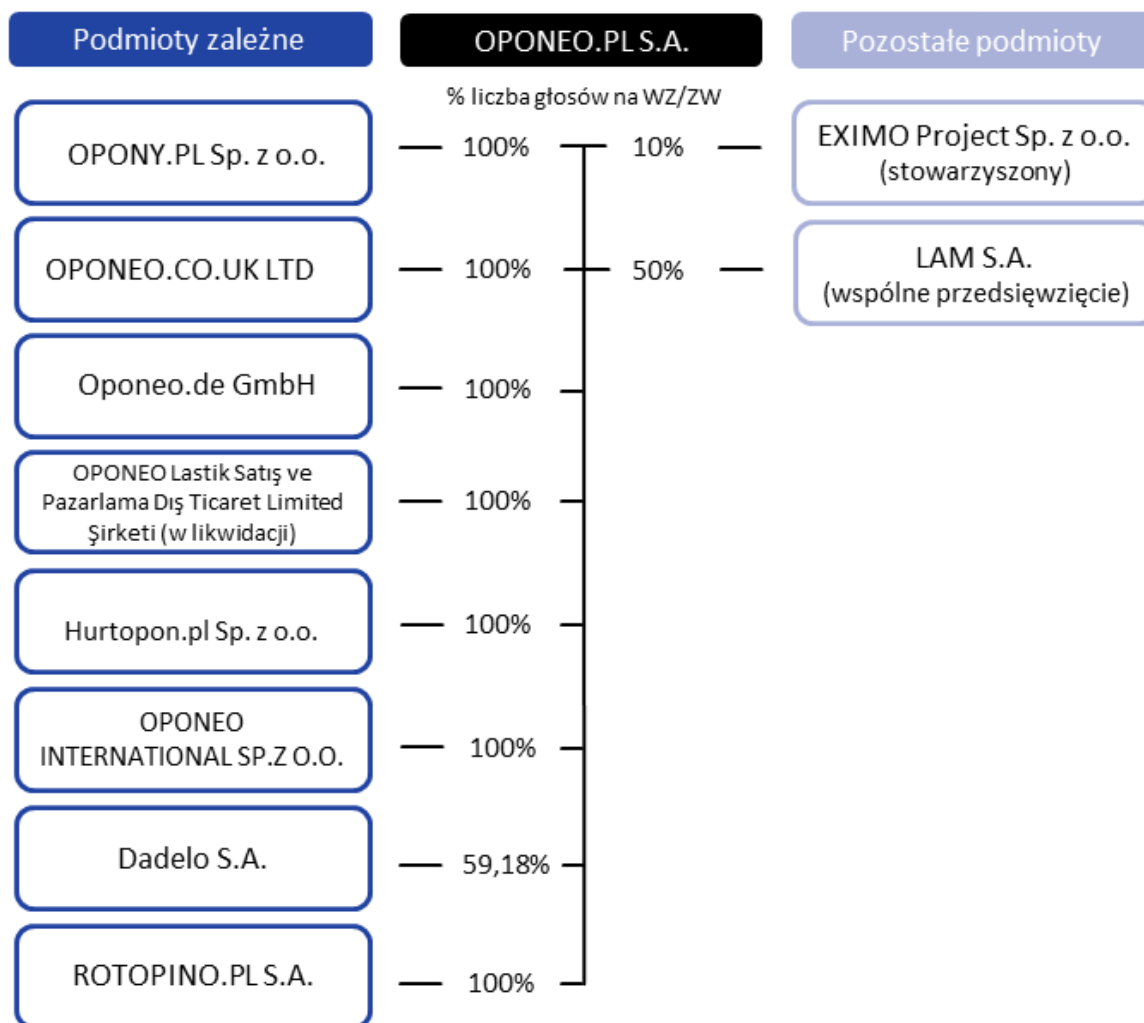
On 11 May 2022, the Ordinary General Meeting of Shareholders of OPONEO.PL S.A. elected the members of the Supervisory Board for a five-year term of office. Krzysztof Bednarek was appointed as a member of the Supervisory Board, replacing Wojciech Małachowski.

1.2. COMPOSITION OF THE OPONEO.PL GROUP

In 2022, the structure of the OPONEO.PL Group changed due to the acquisition of Oponeo Brandhouse Sp. z o.o. Inwestycje SKA by OPONEO.PL S.A. in October 2022.

As at 31 December 2022, the composition of the OPONEO.PL Group was as follows:

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Podmioty zależne	Subsidiaries
Pozostałe podmioty	Other entities
% liczba głosów na WZ/ZW	% number of votes at GM/MS
Stowarzyszony	Affiliate
Wspólne przedsięwzięcie	Joint venture

2. CONSOLIDATED FINANCIAL STATEMENTS

2.1. CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Sales revenue	4.2.1.	1,695,103	1,514,546
Cost of goods sold		1,360,452	1,205,427
Gross profit (loss) on sales		334,651	309,119
Sales costs	4.2.2.	241,323	207,555
General and administrative expenses	4.2.2.	28,985	19,944
Other operating income	4.2.3.	4,639	3,398
Other operating expenses	4.2.4.	5,717	5,545
Operating profit (loss)		63,265	79,473
Financial income	4.2.5	1,820	849
Financial expenses	4.2.5.	12,187	1,567
Share in profits (losses) of UNITS measured using the equity method		-221	-269
Gross profit (loss)		52,677	78,486
Income tax	4.2.6.	10,396	15,660
Profit (loss) from continued operations		42,281	62,826
Profit (loss) from discontinued operations		0	0
Net profit (loss), including:		42,281	62,826
attributable to shareholders of the parent company		40,680	60,169
attributable to non-controlling shareholders		1,601	2,657
Other comprehensive income			
Currency translation on foreign operations		0	0
Other comprehensive income to be reclassified to profit or loss		0	0
Other comprehensive income before tax		0	0
Income tax relating to other comprehensive income to be reclassified to profit or loss		0	0
Other comprehensive income, net of tax		0	0
Total comprehensive income, of which:		42,281	62,826
attributable to shareholders of the parent company		40,680	60,169
attributable to non-controlling shareholders		1,601	2,657

Profit per share in PLN

Description	31.12.22	31.12.21
Profit (loss) per ordinary share:	2.92	4.31
- from continued operations	2.92	4.31
- from discontinued operations	0.00	0.00
Diluted profit (loss) per ordinary share:	2.92	4.31
- from continued operations	2.92	4.31
- from discontinued operations	0.00	0.00

2.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	Note	31.12.22	31.12.21
Fixed assets			
Tangible fixed assets	4.3.1.	167,257	77,836
Goodwill	4.3.2.	41,692	41,730
Intangible assets	4.3.3.	45,715	45,429
Investment property		0	0
Long-term financial assets	4.3.6.	1	1
Long-term receivables	4.3.5.	1,420	1,760
Deferred tax assets	4.3.8.	1,107	1,100
Investments settled in accordance with the equity method	4.3.7.	518	738
Total fixed assets		257,710	168,594
Current assets			
Inventory	4.3.9.	242,037	158,873
Trade receivables and other receivables	4.3.11.	60,964	78,207
Receivables due to income tax	4.2.8.	413	57
Short-term financial assets	4.3.12.	459	2,548
Cash and cash equivalents	4.3.13	125,916	210,429
Current assets excluding fixed assets held for sale		429,789	450,114
Fixed assets classified as held for sale		0	0
Total current assets		429,789	450,114
Total Assets	1	687,499	618,708

Liabilities

	Note	31.12.22	31.12.21
Equity			
Share capital	4.3.14.	13,936	13,936
Share premium	4.3.15.	125,560	125,560
Treasury shares	4.3.15.	-9,290	-2,364
Other capital	4.3.15.	74,268	67,932
Retained earnings		155,529	142,775
Equity attributable to shareholders of the parent company		360,003	347,839
Equity attributable to non-controlling shareholders		4,258	2,657
Total equity		364,261	350,496
Long-term liabilities			
Lease liabilities	4.3.18	73,302	4,932
Liabilities due to deferred income tax	4.3.8.	4,258	5,288
Trade and other liabilities	4.3.17.	234	403
Long-term financial liabilities	4.1.16.	20,586	24,441
Total non-current liabilities		98,380	35,064
Short-term liabilities			
Trade and other liabilities	4.3.17.	201,489	214,330
Lease liabilities	4.3.18.	6,919	4,297
Short-term financial liabilities	4.1.16.	12,118	9,748
Liabilities due to current income tax	4.2.8.	2,764	2,532
Short-term provisions	4.3.19.	1,568	2,241
Short-term liabilities excluding liabilities relating to assets held for sale		224,858	233,148
Liabilities relating to fixed assets held for sale		0	0
Total current liabilities		224,858	233,148
TOTAL liabilities		323,238	268,212
Equity and liabilities		687,499	618,708

2.3. CONSOLIDATED STATEMENT OF CASH FLOWS

Description	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Cash flows from operating activity		
Gross profit (loss)	52,677	78,486
Total adjustments	-60,526	32,202
Depreciation	19,260	14,259
Exchange gains (losses)	1,260	0
Interest expenses	764	247
Interest income	-221	-15
Profit (loss) on investment activities	45	-830
Change in provisions	-435	2,301
Change in inventory	-83,678	-60,215
Change in receivables	14,040	-13,941
Change in the balance of trade liabilities and other liabilities liability	-10,037	90,586
Other adjustments	-1,524	-190
Revenues due to dividend	0	0
Total cash flows from operations	-7,849	110,688
Income tax paid	-11,519	-14,284
Net cash flows from operating activities	-19,368	96,404
Cash flows from investment activities		
Disposal of intangible assets	0	0
Disposal of tangible fixed assets	193	0
Disposal of investment real estate	0	11,966
Disposal of shares in subsidiaries	0	0
Disposal of other financial assets	0	0
Dividend received	0	0
Repayment of long-term loans granted	403	400
Repayment of interest related to investment activities	119	28
Acquisition of intangible assets	-2,690	-1,815
Acquisition of property, plant and equipment	-28,285	-6,654
Expenditure on investment real estate	0	-24,575
Acquisition of shares in subsidiaries	0	-1,005
Acquisition of other financial assets	0	0
Long-term loans granted	-115	-550
Other investment inflows (expenditure)	1,500	0
Total net cash flows from investment activities	-28,875	-22,205
Net proceeds due to issue of shares	0	78,101

OPONEO.PL GroupAnnual consolidated financial statements of the OPONEO.PL Group
as at 31 December 2022

Data in PLN thousand

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Loans and borrowings received	102,881	31,500
Purchase of treasury shares (stocks)	-6,925	-2,365
Dividends paid	-19,473	-13,936
Repayment of credits and loans	-106,735	-8,185
Payments arising from financial lease agreements	-6,940	-7,076
Interest paid	-764	-497
Other financial inflows (expenditure)	1,686	3,352
Total net cash flows from financial activities	-36,270	80,894
Cash flows before exchange rate gains or losses	-84,513	155,093
Change in cash due to exchange differences	0	0
Total net cash flows	-84,513	155,093
Cash opening balance	210,429	55,336
Cash closing balance	125,916	210,429

2.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period: 01.01.2022-31.12.2022

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling shareholders	Total equity
Opening balance of equity	13,936	125,560	-2,364	67,932	142,775	347,839	2,657	350,496
Net profit (loss)	0	0	0	0	40,680	40,680	1,601	42,281
Other comprehensive income	0	0	0	0	0	0	0	0
Total income	0	0	0	0	40,680	40,680	1,601	42,281
Issue of shares	0	0	0	0	0	0	0	0
Purchase of own shares	0	0	-6,926	0	0	-6,926	0	-6,926
Transactions with non-controlling shareholders	0	0	0	2,157	-2,157	0	0	0
Dividend	0	0	0	0	-19,473	-19,473	0	-19,473
Other changes	0	0	0	4,179	-6,296	-2,118	0	-2,118
Creation of reserve capital	0	0	0	0	0	0	0	0
Changes in equity	0	0	-6,926	6,336	12,754	12,163	1,601	13,764
Closing balance of equity	13,936	125,560	-9,290	74,268	155,529	360,003	4,258	364,261

Period: 01.01.2021-31.12.2021

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Equity attributable to shareholders of the parent company	Equity attributable to non-controlling shareholders	Total equity
Opening balance of equity	13,936	26,145	0	10,882	175,369	226,332	0	226,332
Net profit (loss)	0	0	0	0	60,169	60,169	2,657	62,826
Other comprehensive income	0	0	0	0	0	0	0	0
Total income	0	0	0	0	60,169	60,169	2,657	62,826
Issue of shares	0	77,167	0	0	0	77,167	0	77,167
Purchase of own shares	0	22,249	-2,365	0	-22,249	-2,365	0	-2,365
Transactions with non-controlling shareholders	0	0	0	2,612	-2,612	0	0	0
Dividend	0	0	0	0	-13,936	-13,936	0	-13,936
Other changes	0	0	0	4,438	-3,965	473	0	473
Creation of reserve capital	0	0	0	50,000	-50,000	0	0	0
Changes in equity	0	99,416	-2,365	57,050	-32,593	121,508	2,657	124,165
Closing balance of equity	13,936	125,560	-2,364	67,932	142,775	347,839	2,657	350,496

3. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

3.1. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

3.1.1. Statement of compliance with the IFRS

These financial statements have been prepared on the basis of International Financial Reporting Standards and related interpretations promulgated as regulations of the European Commission.

The OPONEO.PL Group prepares these consolidated financial statements as at 31 December 2022 and for the period from 1 January to 31 December 2022 in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union, effective for annual periods beginning on 1 January 2022.

The consolidated financial statements of the OPONEO.PL Group have been prepared on the basis of the Management Board's best knowledge of the IFRS regulations and in accordance with their interpretations which have been adopted and published up to the period in which these statements were prepared.

3.2. DETAILED PRINCIPLES OF ACCOUNTING POLICY

3.2.1. Going concern

These consolidated financial statements of the OPONEO.PL Group were prepared with the assumption of business continuation as a going concern in the foreseeable future, i.e. for the period of at least one year following the balance sheet day. As at the date of approval of these financial statements by the Management Board of OPONEO.PL S.A., no circumstances indicating a threat to the continuation of operations by the OPONEO.PL Group as a going concern were identified.

3.2.2. Operating segments

The OPONEO.PL Group separates three operating segments according to the classification into car accessories, bicycle accessories and tools. The structure of product sales is presented in note 4.1.1.

3.2.3. Borrowing costs

Borrowing costs include: interest (including discounts), financing costs under finance leases, foreign exchange losses, commissions, fees and other costs incurred in connection with borrowings and other liabilities financing the acquisition of fixed assets.

The Group capitalises borrowing costs as soon as the following conditions are simultaneously met by the entity:

- a liability has been incurred to acquire a fixed asset,
- borrowing costs of this liability have been incurred,
- the necessary activities associated with the acquisition of the fixed asset have been commenced.

The activation of borrowing costs is suspended if the investment activity has been interrupted for an extended period. OPONEO.PL Group ceases to capitalise borrowing costs if the activities necessary to prepare the adapted asset for use are completed or its construction is abandoned.

Borrowing costs which may be directly attributed to the purchase, construction or manufacturing of an assets component under adjustment as a part of purchase price or manufacturing cost are subject to activation.

3.2.4. Consolidation and business combination

The consolidated financial statements include the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries.

The group has control if:

- it has authority over the entity concerned,
- it is subject to exposure to variable returns or has rights to variable returns due to its exposure to the entity concerned,
- it has the ability to use power to shape the level of returns generated.

The Group reviews its control over other entities if a situation has arisen that indicates a change in one or more of the above-mentioned control conditions. If the Company holds less than the majority of the voting rights in an entity, but the voting rights held are sufficient to enable the Company to guide unilaterally the significant activities of that entity, it means that the Company exercises authority over that entity. In assessing whether the voting rights of an entity are sufficient to provide authority, the Company analyses all relevant circumstances, including:

- the size of the voting rights holding compared to the size of the shareholding and the degree of dispersion of voting rights held by other shareholders;
- potential voting rights held by the Company, other shareholders or other parties;
- rights under other contractual arrangements; and
- additional circumstances that may demonstrate that the Company does or does not have the ability to guide significant actions at decision-making moments, including voting patterns observed at previous shareholder meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ends when it loses that control. The income and expenses of a subsidiary acquired or disposed of during the year are recognised in the consolidated statement of profit or loss and other comprehensive income in the period from the date the Company acquired control to the date it lost control of that subsidiary. The financial result and all components of other comprehensive income are attributed to the Company's owners and non-controlling interests. The comprehensive income of subsidiaries is attributed to the Company's owners and non-controlling interests, even if this results in a deficit on the non-controlling interests' side.

Where necessary, the financial statements of the subsidiaries are adjusted to align their accounting policies with those of the Group.

During full consolidation, all intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are fully eliminated.

In the case of business combinations/acquisitions, the Group applies the principles of IFRS 3 "Business Combinations" to account for the transaction. The acquisition method is used to account for business combinations/acquisitions.

The application of the takeover method requires:

- identification of the acquiring entity,
- determination of the acquisition date,
- recognition and fair value measurement of identifiable assets acquired, liabilities assumed and any non-controlling interest in the acquired entity,
- recognition and measurement of goodwill or profit from a bargain purchase.

IFRS 3 excludes from its scope business combinations that are under joint control both before and after the transaction. A business combination involving entities under joint control is a business combination in which all of the combining entity or entities are ultimately controlled by the same entity or entities, both before and after the combination, and the control so exercised is not provisional. In such a case, the entity should apply paragraphs 10-12 of IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" and select the accounting policy accordingly, among others by referring to standards issued by other regulators who use the IASB conceptual framework when setting standards.

3.2.5. Joint ventures

Under IFRS 11, joint control occurs when decisions on significant activities require an unanimous consent of the parties exercising joint control. IFRS 11 requires the parties to an agreement to identify the type of joint operation in which they are engaged through the rights and obligations under that agreement. The standard distinguishes between two types of joint agreements:

- joint operations - joint contractual arrangements whereby the jointly controlling parties have rights to assets and obligations for liabilities under the arrangement, it is required that the parties to the joint operation recognise their share of assets, liabilities, income and expenses in accordance with the applicable standard;

- joint venture - a joint initiative that gives the jointly controlling parties the rights to its net assets. The parties to the joint venture account for their share using the equity method.

The agreement concerning a separate and distinct entity is classified as a joint venture. The group determines the type of joint agreement by analysing factors such as the legal form of the entity, the contractual terms and other relevant facts and circumstances. In assessing the contractual terms affecting the classification of joint agreements, the contractual provisions related to the following items shall apply:

- rights to assets:

- the parties to the agreement determine the right to assets in certain proportions - joint actions,
- assets contributed to the venture or acquired after incorporation by the venture itself belong exclusively to the venture, the parties do not have a direct share in the assets - joint venture,

- obligations arising from venture-related liabilities:

- the parties to the agreement share the obligations related to the liabilities as well as the costs in certain proportions and are responsible for any third party claims against the venture - joint action,
- the venture as a separate entity is responsible for the liabilities incurred, with the liabilities of the parties limited to their share in the venture. Third parties have no recourse against the

parties to the venture in respect of liabilities incurred by the venture in its own name - joint venture,

- revenues and costs:

- the agreement establishes a revenue and cost share based on an estimate of each party's results - joint action,
- the agreement determines the rules for the distribution of profits and losses from the activities of the venture - joint venture.

The Group's share in profit or loss of entities accounted for using the equity method - a joint venture - is recognised in the statement of profit or loss and other comprehensive income from the date of acquisition.

3.2.6. Change in the shares of the Group in subsidiaries

Changes in the Group's shares in subsidiaries that do not result in a loss of control are accounted for as equity transactions. When the Group loses control of a subsidiary, a profit or loss is calculated as the difference between the sum of the consideration received and the value of the retained interest and the carrying amount of the assets and liabilities of the subsidiary and it is recognised in profit or loss.

3.2.7. Tangible fixed assets

Components of tangible fixed assets are captured in the ledgers according to their purchase price or manufacturing cost, less depreciation charges and impairment losses. The purchase price comprises the purchase price and the costs directly associated with the purchase and adjustment of a component of assets to the usable status, including costs of transport. Rebates, discounts and other reduce the acquisition value. Costs of manufacturing a tangible fixed asset under construction comprise all costs incurred up to the date such asset is taken into use.

Depreciation is recognised so as to write down the cost or valuation of an asset (excluding land and assets under construction) to its residual value using the straight-line method. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period.

The economic useful lives of non-current assets have been applied to determine depreciation rates:

- machines and equipment - from 3 to 10 years,
- vehicles - from 5 to 10 years,
- other tangible fixed assets - from 5 to 12 years.

Fixed assets under construction created for production or administrative purposes are presented in the statement of financial position at the manufacturing cost less any recognised impairment losses. The manufacturing cost comprises fees and, for relevant assets, borrowing costs capitalised in accordance with the Company's accounting policies. Depreciation in respect of these tangible fixed assets commences as soon as they are brought into use, in accordance with the rules applicable to other tangible fixed assets of the Company.

An item of property, plant and equipment is derecognised from the balance sheet upon disposal or when no future economic benefits are expected from the use of the asset. Any profits or losses arising

from the disposal or decommissioning of items of property, plant and equipment are recognised in the result of the period in which the assets are derecognised.

3.2.8. Goodwill

Goodwill is initially recognised at a purchase price and calculated as the difference between the two values:

- the sum of the consideration transferred for control, the non-controlling interests and the fair value of the shareholdings (interests) held in the acquired company prior to the acquisition date and
- the fair value of the identifiable net assets of the entity acquired.

The surplus of the sum calculated as indicated above over the fair value of the identifiable net assets of the entity acquired is recognised in the assets of the statement of financial position as goodwill. The goodwill corresponds to the payment made by the acquiring company while expecting the future economic benefits due to assets which may not be individually identified or separately recognised.

On an annual basis, the Group measures goodwill at the reporting date at cost less any accumulated impairment losses to date and reductions due to the disposal of the portion of the shares to which it was previously allocated. Impairment losses up to the amount of goodwill allocated to a cash-generating unit are not reversed. Goodwill is tested for impairment before the end of the reporting period in which the merger occurred and in each annual reporting period thereafter. Where indications of impairment occur, an impairment test is performed before the end of each reporting period in which such indications occur. Goodwill is tested for impairment in accordance with IAS 36.

3.2.9. Intangible assets

Acquired intangible assets with a defined economic life are recognised at cost less depreciation. Depreciation is recognised on a straight-line basis over the estimated economic life. The goodwill is not subject to depreciation. The entity assesses the useful life of an intangible asset by considering, among other things, the asset life cycle based on comparisons with other assets of a similar nature used in a similar way, technological obsolescence and the amount of future expenditure required to maintain the asset.

Internally generated intangible assets and expenditure on unfinished development are recognised in the statement of financial position as intangible assets when the following conditions are met:

- from the technical perspective, a possibility exists to complete the intangible asset so that it is suitable for use or sale,
- it is possible to substantiate the intention to complete the asset as well as to use it or sell it,
- the component will be capable of use or sale,
- the way of providing its future economic benefits by the asset is known,
- technical and financial means shall be provided necessary to complete the development works and to use or sell the asset,
- there is a possibility to assess the expenditure incurred during the development works in a reliable way.

The activation of development costs by way of classification as intangible assets takes place if the development work has been successful and reimbursement is highly probable. If, despite previous assumptions, the conditions for recognising the expenditure as a self-generated intangible asset are not met and the Group does not consider it appropriate to recognise these costs as non-current

assets, they are charged to other operating expenses as negative development costs when the project is abandoned.

Impairment in value of intangible assets

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

- intangible assets with an indefinite useful life,
- intangible assets that are not yet in use.

For other intangible assets, an annual assessment is made as to whether there are indications of impairment. If it is determined that any events or circumstances may indicate difficulty in recovering the carrying amount of an asset, an impairment test is performed.

For the purpose of impairment testing, assets are grouped at the lowest level at which they generate cash flows independently of other assets or groups of assets (so-called cash-generating units). Assets that independently generate cash flows are tested individually.

If the carrying amount exceeds the estimated recoverable amount of the assets to which the assets belong, the carrying amount is reduced to the recoverable amount. The recoverable amount corresponds to the higher of fair value less costs of sale or value in use. While determining the usable value, the estimated future cash flows are discounted to the current value, applying the discount rate reflecting the current market assessments of money over time and the risk associated with the specific component of assets.

Impairment losses are recognised under other operating expenses in the statement of comprehensive income.

At subsequent balance sheet dates, indications that impairment losses may be reversed are assessed. The reversal of the write-down is recognised in the statement of comprehensive income under other operating income.

The following economic useful lives of intangible assets have been applied to calculate depreciation rates:

- completed development - 5 years,
- Patents - from 10 to 20 years,
- trademarks - from 7 to 15 years,
- licences - from 5 to 20 years.

3.2.10. Lease

The classification of fixed assets used under lease as fixed assets recognised in the financial statements depends on meeting the prerequisites under IAS 16. A lease agreement is classified as a finance lease if substantially all the risks and rewards of ownership of the leased asset are transferred. A lease agreement is classified as a operating lease if substantially all the risks and rewards of ownership of the leased asset are not transferred.

At the commencement of the finance lease term, the asset and the liability for future lease payments are recognised in the balance sheet at amounts equal to the fair value of the leased asset determined at the inception of the lease, or at amounts equal to the present value of the minimum lease payments determined at the inception of the lease if it is less than fair value.

The depreciation rules of assets subject to financial lease agreements are consistent with the rules applied at depreciation of own assets.

3.2.11. Financial instruments

Financial assets

As at the date of acquisition, the Group measures financial assets at the fair value, i.e. usually at the fair value of the consideration paid. The Group includes transaction costs in the initial measurement of all financial assets, except for the category of assets measured at fair value through profit or loss. For the purposes of measurement after initial recognition, financial assets other than hedging derivatives are classified by the Group as follows:

- financial assets measured at an amortised cost,
- financial assets measured at a fair value through other comprehensive income,
- financial assets measured at a fair value through profit or loss, and
- equity instruments measured at a fair value through other comprehensive income.

These categories determine the measurement rules at the balance sheet date and the recognition of measurement gains or losses in profit or loss or other comprehensive income. The Group classifies financial assets into categories on the basis of the business model operating in the Group in the scope of managing financial assets and the contractual cash flows specific to the financial asset.

The financial asset is measured at amortised cost if both of the following conditions are met (and have not been designated upon initial recognition as at fair value through profit or loss):

- the financial asset is held in accordance with a business model whose objective is to hold financial assets for acquisition contractual cash flows,
- the contractual terms of the financial asset give rise to cash flows on specified dates, which represent only the repayment of the principal and interest on the par value outstanding.

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- the financial asset is held in accordance with a business model whose objective is both to receive contractual cash flows and to sell financial assets,
- the contractual terms of the financial asset give rise to cash flows on specified dates, which represent only the repayment of the principal and interest on the par value outstanding.

Interest income, impairment gains and losses and foreign exchange gains and losses related to these assets are calculated and recognised in profit or loss in the same way as for financial assets measured at amortised cost. Other changes in the fair value of these assets are recognised through other comprehensive income. When a financial asset measured at fair value through other comprehensive income is no longer recognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from capital to profit or loss.

A financial asset is measured at fair value through profit or loss if it does not meet the criteria for measurement at amortised cost or fair value through other comprehensive income and is not an equity instrument designated on initial recognition as at fair value through other comprehensive income. Moreover, this category includes financial assets designated on initial recognition to be measured at fair value through profit or loss due to meeting the criteria set out in IFRS 9.

Financial assets classified as measured at amortised cost and measured at fair value through other comprehensive income due to their business model and the nature of the flows associated with them are assessed at each balance sheet date to recognise expected credit losses, regardless of whether there is any indication of impairment.

Impairment in value of financial assets

Financial assets classified as measured at amortised cost and measured at fair value through other comprehensive income due to their business model and the nature of the flows associated with them are assessed at each balance sheet date to recognise expected credit losses, regardless of whether there is any indication of impairment. The manner in which this assessment and the estimation of the allowance for expected credit losses is made differs for individual classes of financial assets:

- For trade receivables, the Company applies a simplified approach that assumes the calculation of allowances for expected credit losses for the entire life of the instrument. Allowance estimates are made on an aggregate basis, receivables have been grouped by overdue period. The estimate of the write-down is based primarily on historical overdue data and a link between arrears and actual repayment over the past 3 years, taking into account available forward-looking information.
- For loans, other receivables and other asset classes, for instruments for which the increase in credit risk since initial recognition has not been significant or the risk is low, default losses are assumed to be recognised first for the following 12 months. If the increase in credit risk since initial recognition was recognised as significant, losses appropriate to the life of the instrument are recognised. The Management Board of the Company has assumed that a considerable increase in risk occurs when the payment is overdue by more than 90 days or when the borrower's financial situation deteriorates significantly. The Management Board of the Company assumes that a default occurs when a debt is 365 days overdue or when the borrower refuses to make payment of its obligation.

Financial liabilities

Financial liabilities other than hedging derivatives are recognised under the following headings in the statement of financial position:

- credits, loans, other debt instruments,
- financial lease,
- trade liabilities.

As at the date of acquisition, the Group measures financial liabilities at the fair value, i.e. usually at the fair value of the amount received. The Group includes transaction costs in the initial measurement of all financial liabilities, except for the category of liabilities measured at fair value through profit or loss.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities held for trading or designated as at fair value through profit or loss. In the category of financial liabilities measured at fair value through profit or loss, the Group recognises derivatives other than hedging instruments. Short-term trade liabilities are measured at the value to be paid due to insignificant discounting effects.

Profits and losses on the measurement of financial liabilities are recognised in profit or loss under financing activities.

Hedge accounting

All derivative hedging instruments are measured at the fair value. To the extent that a hedging instrument is an effective hedge, the change in fair value of the instrument is recognised in other comprehensive income and accumulated in the cash flow hedge measurement reserve. The ineffective part of the hedge is recognised immediately in profit or loss.

When the hedged item affects profit or loss, the cumulative gains and losses on the measurement of hedging derivatives previously recognised in other comprehensive income are transferred from equity to profit or loss. The reclassification is presented in the consolidated statement of profit or loss and other comprehensive income.

3.2.12. Inventory

Inventory (goods) is recognised in the balance sheet at the net value, i.e. less discounts received and impairment losses.

Goods are measured at purchase prices not higher than net selling prices.

The Company has adopted the principle of determining the outgoing value of inventory using the FIFO method. If the cost of purchasing an inventory item is higher than its net achievable value, an allowance is applied for the difference between the cost of processing or purchasing the item and its net achievable value.

Write-downs on inventory are also applied when inventories are impaired due to damage and cannot be restored to their usable features. In such circumstances, the inventory is subject to disposal.

Impairment losses on tangible current assets related to their impairment or valuation at the balance sheet date are charged to other operating expenses. When the reason for the write-down ceases, the value of tangible current assets is credited to other operating income.

3.2.13. Subsidies

Subsidies are not recognised until the justified certainty that the Group shall meet the required conditions and receive such subsidies. The subsidies for which the basic condition is the purchase or generation of fixed assets or intangible assets by the entity are recognised in the statement of financial position as prepayments and charged systematically in the profit and loss account throughout the expected period of economic life of these assets. Other subsidies are recognised systematically in revenues over a period required to compensate the costs which such subsidies were intended to refund.

3.2.14. Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank accounts, and highly liquid short-term investments (up to three months) that are easily convertible to cash and for which the risk of value conversion is negligible, as well as cash in transit.

3.2.15. Equity

Equity consists of:

- share capital
- share premium,
- treasury shares - recognised with a "-" sign Group's treasury shares are bought back on the basis of a resolution of the General Meeting of Shareholders for disposal or cancellation, and measured at purchase price
- other capitals including translation differences, retained earnings,

The nominal value of the capitals results from contracts, statutes, as well as profits or unabsorbed losses left in Group entities.

3.2.16. Provisions for employee benefits

The liabilities and provisions for employee benefits reported in the balance sheet include the following items:

- provision for unused holiday leave,
- other long-term employee benefits, where the Group includes retirement benefits.

The value of short-term liabilities due to employee benefits is determined without discounting and recognised in the balance sheet at the amount payable.

The Group creates a provision for the cost of accumulating compensated absences that it will have to incur as a result of employees' unused entitlement, which has accrued as at the balance sheet date. The provision for unused leave is a short-term provision and it is not discounted.

If a non-competition agreement is concluded after a member of the management board has been dismissed when the legal relationship between the member of the management board and the Group was based on an appointment pursuant to the resolution of the Supervisory Board, the remuneration costs associated with the non-competition agreement are recognised on an ongoing basis without creating the provision for this benefit. The Group recognises that the economic benefits of non-competition will accrue for the term of effectiveness of the non-competition agreement. Therefore, the corresponding costs of a non-competition agreement arising from these benefits are recognised in the periods in which the benefits are achieved.

3.2.17. Other provisions

The provision is recognised when the Group has an obligation as a result of past events and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is material, provisions are estimated by discounting expected future cash flows based on a pre-tax rate that reflects current market estimates of changes in the time value of money and the risks associated with the liability component.

3.2.18. Contingent liabilities

A contingent liability is a possible obligation that arises from past events, the existence of which will not be confirmed until the occurrence or non-occurrence of one or more uncertain future events that are not wholly within the control of the entity, or arises from the current obligation that arises from past events but is not recognised in the financial statements because:

-
- it is not probable that it is necessary to spend funds containing economic benefits in order to fulfil the obligation, or
 - the amount of the obligation (liability) cannot be measured in sufficiently reliable manner.

Contingent liabilities acquired through business combinations are recognised in the balance sheet as provisions for liabilities.

Potential receipts containing economic benefits for the Group that do not yet meet the criteria for recognition as assets are contingent assets that are not recognised in the balance sheet. Information on contingent liabilities and assets is disclosed in the additional notes.

3.2.19. Interest-bearing credits and loans

Interest-bearing credits and loans are classified by the Group as financial liabilities.

Upon initial recognition, bank loans, borrowings and debt securities are measured at the purchase price, i.e. at the fair value of cash received, less costs related to obtaining a loan or borrowings.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost, using the effective interest method and taking account of impairment. The interest income is recognised applying the effective interest rate, excluding the situation where recognising of the interest would not be significant. If the valuation of interest-bearing loans and borrowings at adjusted purchase price does not differ materially from the valuation at the amount payable, the liabilities are measured at the amount payable as at the balance sheet date.

3.2.20. Trade and other liabilities

Short-term liabilities comprise all trade payables irrespective of the contractual payment date and that part of other liabilities that is due within 12 months from the balance sheet date.

Upon initial recognition, liabilities are measured at a purchase price, i.e. at the fair value of the payment received. This value is determined on the basis of the transaction price or (where this price cannot be determined) the discounted sum of all future payments made.

After initial recognition, all liabilities, except for liabilities held for trade and derivatives that are liabilities, are measured, in principle, at amortised cost using the effective interest method. If the measurement at adjusted purchase price does not differ materially from the measurement at the amount payable, the liabilities are measured at the amount payable as at the balance sheet date.

In the case of liabilities with a maturity of 12 months or less from the balance sheet date, the premises affecting the valuation value of such liabilities at amortised purchase price (interest rate changes, possible additional cash flows and others) are analysed. Based on the results of the analysis, liabilities are measured at the amount payable when the difference between the value at amortised acquisition cost and the value at the amount payable does not have a material impact on the qualitative characteristics of the financial statements.

The Group also recognises accruals in trade and other liabilities, in particular:

- cash received to finance the acquisition or production of fixed assets from PFRON, including fixed assets under construction and development work, if they do not increase equity under other laws.

3.2.21. Trade and other receivables

Trade receivables are recognised and reported at the amounts originally invoiced, including an allowance for receivables at risk of repayment. The effect of the measurement is recognised in the financial result in other operating expenses.

The Group recognises prepaid costs relating to future reporting periods under trade and other receivables.

3.2.22. Conversion rates.

As at the balance sheet date, the entity's monetary assets and liabilities in foreign currency (cash, receivables and liabilities) are measured at the spot exchange rate prevailing on that day, i.e. at the average exchange rate of the National Bank of Poland (NBP) set for the currency concerned. Other items in the statement of financial position are presented at their original book value.

3.2.23. Recognition of revenues

Revenues on sales are recognised at fair value of payments received or due and represent receivables for goods and products supplied under the standard business activities, less the rebates, value added tax and the other taxes related to sales (excise duty). The revenues are recognised at such a level which makes it probable that the Group will gain economic benefits associated with the particular transaction and if the amount of revenue can be measured in a reliable way. Revenue from the sale of goods is recognised when the goods have been delivered to the customer and all rights to the goods have been transferred to the customer and when the conditions have been met:

- the transfer from the Company to the purchaser of the significant risks and rewards of ownership of the goods,
- the ability to make a reliable estimate of the amount of revenue,
- the occurrence of the likelihood that the Company will receive the economic benefits associated with the transaction,
- it is possible to reliably assess the costs incurred or anticipated in connection with the transaction.

Revenue from the sale of services is recognised when the invoice giving rise to the service is issued.

The revenue from the promotional offer resulting from the signed agreement for the lease of warehouse space is accounted for on the basis of SIC 15 in proportion to the duration of the lease agreement.

Interest income is recognised on an accrual basis.

3.2.24. Income tax

Current tax is the tax liability on the taxable income for a given year determined by applying tax rates effective as at the balance sheet date and adjustments to the tax relating to previous years.

Income tax recognised in the statement of comprehensive income comprises the current part and the deferred part. Income tax is recognised in the financial result, except amounts related to items settled directly with equity. It is then recognised in equity.

Deferred tax is calculated using the balance sheet liability method, based on temporary differences between the value of assets and liabilities determined for accounting purposes and their value determined for tax purposes.

The provisions for deferred income tax is recognised against all positive temporary differences subject to taxation, whereas the component of assets due to deferred tax is recognised up to the level at which it probable that the future tax gains can be decreased by the recognised negative temporary differences. The item of assets or liabilities due to deferred income tax shall not occur if the temporary difference arises due to goodwill, or due to original recognition (besides the situation of recognising after merger of economic entities) of other component of assets or a liability in the transaction which neither affects the tax result not the book result.

The provision due to deferred tax is recognised on temporary tax differences arising from investments in subsidiaries, affiliated entities and shares in joint ventures, unless the Company is able to control the moment of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from temporary differences in deductions related to such investments and interests are recognised to the extent of the probable taxable profits that will be available to offset the temporary differences if it is probable that the differences will reverse in the foreseeable future.

The balance sheet value of the component of assets due to deferred tax shall be subject to review on each balance sheet day, and in case the expected tax gains are not sufficient to recover the component of assets or its part, its write-off shall take place.

Deferred tax assets and liabilities are calculated using the tax rates that will apply when the asset item is realised or the liability is due, in accordance with the tax laws (rates) legally or actually in force at the balance sheet date. The measurement of deferred tax assets and liabilities reflects the tax consequences of how the Company expects to recover or settle the carrying amount of assets and liabilities at the date of the financial statements.

Deferred tax assets and liabilities are offset when the right to offset current tax asset and liability items arises, provided the items are taxed by the same tax authority and the Company wishes to account for its current tax assets and liabilities on a net basis.

3.2.25. Material error

An error is material if it can individually or in aggregate with other errors affect the economic decisions of users of the financial statements. Prior period errors are errors for one or more previous periods in the financial statements.

The amount of the adjustment of a material error relating to previous financial periods should be recognised in the financial statements as an adjustment to retained earnings/losses. Comparable data should be restated except where this is impracticable. The restatement of comparable data should be understood as bringing the previous year's data into comparability with the current year's data. For this purpose, the amount of the material error should be recognised in the financial statements for the previous year as follows:

- if the material error arose in the previous year, as a charge against the financial result of that year,
- if the material error arose in years prior to the previous year, as a charge against retained earnings/losses,

3.3. CHANGES IN THE ACCOUNTING PRINCIPLES APPLIED

Accounting policies should only be changed when amendments to accounting standards take place and when the Company makes changes to ensure a better presentation of financial statements.

Adjustments arising from a change in the accounting policy are recognised as adjustments to previous years' profit (loss) and the previous year's financial figures are brought to comparability and presented according to the rules applicable in the current year.

3.4. FUNCTIONAL AND THE REPORTING CURRENCY

The functional currency of the financial statements is Polish zloty (PLN). The amounts are presented in thousand PLN unless otherwise indicated.

Transactions processed in currency other than the functional currency are recognised at currency exchange rate applicable on the transaction day. As at the balance sheet day assets and liabilities in foreign currency shall be converted according to the NBP exchange rate applicable on that day. Exchange gains and losses on monetary items are recognised in the result of the period in which they arise.

Individual items of assets and liabilities are presented according to the average exchange rate of the National Bank of Poland (NBP) applicable on the balance sheet day.

Currency exchange rates	30.12.22 Table of no. 252/NBP/2022	31.12.21 Table of no. 254/NBP/2021
EUR	4.6899	4.5994
GBP	5.2957	5.4846
USD	4.4018	4.0600
CZK	0.1942	0.1850
HUF	0.0117	0.0124
TRY	0.2349	0.3016

As at the balance sheet date, the Group's monetary assets and liabilities in foreign currency (cash, receivables and liabilities) are measured at the spot exchange rate prevailing on that day, i.e. at the average exchange rate of NBP set for the currency concerned. Other items in the statement of financial position are presented at their original book value.

3.5. DATA COMPARABILITY

In the case of changes in the presentation of financial data, the Group recognises the effects of changes in applied policies retrospectively. This means that the new rules are applied to past events, transactions and conditions as if they had always been applied. This means in the preparation of the current financial statements according to the revised rules, verifying and making adjustments to the comparative data presented in the financial statements for the previous reporting period. In addition, information is provided on the nature of the changes made to the accounting policy, the reasons for the changes and the impact on the financial result of the adjustments related to the changes.

3.6. PRESENTATION OF FINANCIAL STATEMENTS

Presentation of the statement of financial position

In accordance with IAS 1 "Presentation of Financial Statements", assets and liabilities are presented as short-term and long-term in the statement of financial position.

Presentation of the statement of profit or loss and other comprehensive income

In accordance with IAS 1 “Presentation of Financial Statements”, expenses are presented on a functional basis in the consolidated statement of comprehensive income.

Presentation of the statement of cash flows

In accordance with IAS 1 “Presentation of Financial Statements”, the consolidated statement of cash flows is prepared using the indirect method.

Profit per share

Profit per share for the reporting period is determined by dividing the net profit for the period attributable to shareholders by the weighted average number of shares outstanding during the period.

In the case of retrospective implementation of amendments to accounting policies or correction of errors, the Company presents a balance sheet prepared additionally at the beginning of the comparative period.

3.7. MEASUREMENT RULES

All financial assets, except those measured at fair value through profit or loss, are subject to an impairment assessment. If the Group determines that a financial asset is impaired, it recognises an allowance in accordance with IFRS9 for expected credit losses, which are measured at the fair value through profit or loss.

3.8. ESTIMATES AND ADJUSTMENTS

In order to prepare the consolidated financial statements in accordance with the IFRS/IAS, estimations and assumptions are required which have an impact on the values indicated in the financial statements, including the additional information and notes. Although the assumptions and estimates used are based on the best knowledge of the Management Board of the Company concerning current activities and events, actual results may differ from those projected.

The most common estimates include:

- depreciation rates,
- provisions,
- revaluation write-offs.

3.9. CHANGES IN THE ACCOUNTING PRINCIPLES APPLIED

2022 brought relatively few changes in the accounting standards compared to previous years. Current accounting standards provide additional clarifications or simplifications that may be helpful in the preparation of financial statements.

Amendments approved by the IASB for application after 1 January 2022

- **amendments to IFRS 3 - “Business Combinations”** - the amendment that introduces additional options and simplifications and does not impose additional obligations,

- **amendment to IAS 16 - “Property, Plant and Equipment”** - the amendment relates to the recognition of revenue from products produced while the property, plant and equipment is prepared for operation. The standard regulates the cost of property, plant and equipment and amounts received from the sale of items produced during the testing phase. Requires that revenue from the sale of test production and related costs should be recognised in the statement of profit and loss for current periods, eliminating the possibility of adjusting the value of newly constructed fixed assets by these amounts,
- **amendments to IAS 37 - “Provisions, Contingent Liabilities and Contingent Assets”** - the amendment is intended to clarify the costs recognised in the analysis of whether a contract is an onerous contract and will generate losses,
- **Annual programme of amendments 2018-2020** - the amendments provide clarifications and specify the guidance of the standards in the scope of recognition and measurement: **IFRS 1 “First-time Adoption of International Financial Reporting Standards”, IFRS 9 “Financial Instruments”, IAS 41 “Agriculture”** and illustrative examples to **IFRS 16 “Leases”**.

These amendments to standards and interpretations did not affect the Group or had an immaterial impact on the Group's financial position, results of operations or the scope of information presented in these Group's financial statements.

Amendments approved by the IASB for application after 1 January 2023

- **IFRS 17 “Insurance Contracts”** and amendments to this standard,
- **Amendments to IAS 1 “Presentation of Financial Statements”** and IFRS Board guidance on accounting policy disclosures in practice - the issue of materiality in relation to accounting policies,
- **Amendments to IAS 8 “Accounting policies, changes in accounting estimates and errors”** - definition of estimated values,
- **Amendments to IAS 12 “Income Taxes”** - obligation to recognise deferred income tax in relation to assets and liabilities arising from a single transaction,

The Group has not applied voluntary early application of a standard or interpretation in these financial statements.

4. EXPLANATORY NOTES TO INDIVIDUAL ITEMS OF THE FINANCIAL STATEMENTS

4.1. OPERATING SEGMENTS OF THE OPONEO.PL GROUP

for the period: 01.01-31.12.2022

OPERATING SEGMENTS - P&LA	Tyres, rims and accessories	Bicycles and bicycle accessories	Tools, power tools	Exclusions and consolidation adjustments	Total
Net profit (loss)	40,839	3,917	-1,561	-2,515	40,680
Total assets	570,102	119,685	32,984	-35,271	687,499
Total liabilities	296,929	13,729	18,393	-5,812	323,238
Gross margin of the segment	280,445	35,734	26,011	0	342,190
Revenues of the segment	1,502,957	117,201	126,922	0	1,747,079
Revenues gained from external customers	1,452,383	115,801	126,919	0	1,695,103
Revenues gained from inter-segment transactions	1,725	1,399	2	0	3,127
Cost of goods sold	1,222,380	81,466	100,911	-44,306	1,360,451
Interest income	1,021	276	2	0	1,299
Interest expenses	3,420	65	540	0	4,025
Depreciation	16,676	2,427	500	-344	19,260
Share of the entity in profit or loss of affiliates or joint ventures consolidated using the equity method	-221	0	0	0	-221
Tax revenues	1,509,553	117,764	127,255	0	1,754,571
Tax expenses	1,455,096	111,617	128,891	0	1,695,604

For the period: 01.01-31.12.2021

OPERATING SEGMENTS - P&LA	Tyres, rims and accessories	Bicycles and bicycle accessories	Tools, power tools	Exclusions and consolidation adjustments	Total
Net profit (loss)	54,646	6,024	2,157	-2,657	60,169
Total assets	508,014	110,002	34,078	0	652,094
Total liabilities	216,788	6,273	17,925	0	240,987
Gross margin of the segment	262,778	26,841	24,483	0	314,103
Revenues of the segment	1,358,998	82,814	127,280	0	1,569,092
Revenues gained from external customers	1,249,488	81,691	127,279	0	1,458,458
Revenues gained from inter-segment transactions	2,683	0	0	0	2,683
Cost of goods sold	1,046,658	55,973	102,796	0	1,205,427
Interest income	58	0	0	0	58
Interest expenses	455	71	175	0	702
Depreciation	11,879	1,638	742	0	14,259
Share of the entity in profit or loss of affiliates or joint ventures consolidated using the equity method	0	0	0	0	0
Tax revenues	1,365,214	83,410	127,434	0	1,576,058
Tax expenses	1,302,083	75,109	124,593	0	1,501,785

For the period: 01.01-31.12.2022

OPERATING SEGMENTS - BALANCE SHEET	Tyres, rims and accessories	Bicycles and bicycle accessories	Tools, power tools	Exclusions and consolidation adjustments	Total
Tangible fixed assets	155,542	9,038	2,676	0	167,257
Goodwill	0	6,095	0	35,598	41,693
Intangible assets	45,051	305	15	344	45,715
Investment property	0	0	0	0	0
Long-term financial assets	65,174	0	0	-65,173	1
Investments settled in accordance with the equity method	518	0	0	0	518
Long-term receivables	1,414	37	0	-30	1,420
Assets due to deferred income tax	412	376	318	0	1,107
Inventory	142,661	78,452	21,033	-108	242,037
Trade receivables and other receivables	44,681	14,904	7,281	-5,902	60,964
Receivables due to income tax	89	154	170	0	413
Short-term financial assets	459	0	0	0	459
Cash and cash equivalents	114,101	10,324	1,491	0	125,916
Lease liabilities -long-term	68,202	2,739	2,362	0	73,302
Liabilities due to deferred income tax	4,024	0	233	0	4,258
Trade and other liabilities - long-term	263	0	0	-30	233
Financial liabilities - long-term	20,586	0	0	0	20,586
Trade and other liabilities - short-term	189,763	9,760	7,748	-5,782	201,489
Lease liabilities - short-term	5,509	1,079	332	0	6,919
Financial liabilities - short-term	4,519	0	7,598	0	12,118
Liabilities due to current income tax	2,764	0	0	0	2,764
Short-term provisions	1,298	151	120	0	1,568

For the period: 01.01-31.12.2021

OPERATING SEGMENTS - BALANCE SHEET	Tyres, rims and accessories	Bicycles and bicycle accessories	Tools, power tools	Exclusions and consolidation adjustments	Total
Tangible fixed assets	68,795	6,224	2,816	0	77,836
Goodwill	38	6,095	0	35,598	41,730
Intangible assets	45,204	1,119	73	-967	45,429
Investment property	0	0	0	0	0
Long-term financial assets	69,960	0	0	-69,959	1
Investments settled in accordance with the equity method	738	0	0	0	738
Long-term receivables	1,754	37	0	30	1,820
Assets due to deferred income tax	652	203	244	0	1,100
Inventory	86,949	51,414	20,577	-66	158,873
Trade receivables and other receivables	56,623	15,966	8,765	-3,147	78,207
Receivables due to income tax	17	40	0	0	58
Short-term financial assets	2,548	0	0	0	2,548
Cash and cash equivalents	179,922	28,903	1,603	0	210,429
Lease liabilities -long-term	341	2,200	2,391	0	4,932
Liabilities due to deferred income tax	4,978	52	258	0	5,288
Trade and other liabilities - long-term	247	186	0	-30	403
Financial liabilities - long-term	24,441	0	0	0	24,441
Trade and other liabilities - short-term	205,761	3,046	8,670	-3,147	214,330
Lease liabilities - short-term	3,241	719	337	0	4,297
Financial liabilities - short-term	4,011	0	5,908	-171	9,748
Liabilities due to current income tax	2,279	0	252	0	2,532
Short-term provisions	2,062	69	109	0	2,241

The OPONEO.PL Group divides its activities into the following operating segments:

- Sales of car accessories (tyres, rims and car accessories) - represents the largest segment in the Group. The value of segment revenue accounts for 85.68% of the Group's total revenue from external customers for 2022,
- Sales of bicycle accessories (bicycles and bicycle accessories) - revenues from this segment represent 6.83% of total revenues for 2022,
- Tool sales (tools and power tools) - shares in revenues from this segment for 2022 amounted to 7.49%

4.2. CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

4.2.1. Sales revenue

Sales revenue	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Revenue on sales of goods	1,679,314	1,498,708
Other sales revenues	15,789	15,838
Total revenue	1,695,103	1,514,546

The sales revenue achieved in 2022 consists of 100% of revenue from continued operations. The core business is online retail sales by segment, i.e. car accessories, bicycles and bicycle accessories and power tools. In addition to the sales of goods, the Group derives revenue from the sale of services, which accounts for 0.93% of total sales revenue.

Structure of revenues on sales of goods

Revenue on sales of goods	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Sales of car accessories	1,437,792	1,290,211
including rim sales	63,458	63,439
Sales of bicycles and bicycle accessories	115,274	82,072
Sales of tools	126,247	126,425
Total sales of goods	1,679,314	1,498,708

Revenues on sales - geographical breakdown

Sales revenue	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Country	1,380,451	1,227,084
Sales of car accessories	1,190,854	1,074,099
Sales of bicycles and bicycle accessories	115,801	82,810
Sales of tools	73,796	70,175
Foreign countries	314,652	287,463
Sales of car accessories	261,528	230,360
Sales of bicycles and bicycle accessories	0	0
Sales of tools	53,124	57,103
Total revenue on sales	1,695,103	1,514,546

In 2022, the OPONEO.PL Group continued to develop its online sales in foreign European markets. The Group's retail sales covered an area of 13 countries across Europe. Sales conducted by the Group are sales classified as retail sales. In 2022, the value of sales to a single customer did not exceed 10% of total sales.

4.2.2. Operating costs

Total operating expenses for 2022	Costs associated with the sales of car tyres and accessories	Costs associated with the sales of bicycles and bicycle accessories	Costs associated with the sales of tools	Total
Cost of sales	191,597	25,340	24,385	241,323
General and administrative expenses	24,830	2,492	1,664	28,985
Total operating expenses	216,427	27,832	26,049	270,308

Total operating expenses for 2021	Costs associated with the sales of car tyres and accessories	Costs associated with the sales of bicycles and bicycle accessories	Costs associated with the sales of tools	Total
Cost of sales	172,224	16,063	19,268	207,555
General and administrative expenses	15,288	3,183	1,473	19,944
Total operating expenses	187,511	19,246	20,742	227,499

Operating costs in 2022 compared to 2021 increased by 18.82%. The highest percentage rate of increase in costs relates to operating costs associated with the bicycle and bicycle accessories sales segment. The increase results mainly from increased expenditure on advertising and marketing campaigns.

Cost structure by type for 2022	Costs associated with the sales of car tyres and accessories	Costs associated with the sales of bicycles and bicycle accessories	Costs associated with the sales of tools	Total
Depreciation	16,676	2,083	500	19,260
Consumption of materials and energy	6,032	2,100	169	8,302
Services from third parties	93,402	14,940	15,558	123,899
Taxes and fees	3,098	230	292	3,619
Employee Costs	39,646	8,203	4,907	52,755
Other operating expenses	57,573	274	4,626	62,473
Total operating expenses	216,427	27,829	26,052	270,308

Cost structure by type for 2021	Costs associated with the sales of car tyres and accessories	Costs associated with the sales of bicycles and bicycle accessories	Costs associated with the sales of tools	Total
Depreciation	11,991	1,526	742	14,259
Consumption of materials and energy	3,964	1,196	174	5,334
Services from third parties	82,073	10,468	12,994	105,535
Taxes and fees	2,797	245	171	3,213
Employee Costs	35,695	5,493	3,899	45,086
Other operating expenses	50,992	318	2,762	54,072
Total operating expenses	187,511	19,246	20,742	227,499

The analysis of the Group's costs by type incurred in 2022 and their comparison to the previous period shows the total increase of 18.82%. Changes in costs by type are not uniform across operating segments.

In 2022, depreciation increased by 35.07% compared to the previous year. The increase relates to the car tyre and accessories sales segment, which is associated with the acceptance for use, under a long-term agreement of a new warehouse and its equipping with racking systems for storing goods and additional forklift trucks necessary for efficient logistics service.

The rise in energy and fuel prices and the increase in consumption due to the use of more storage space contributed to a 55.64% increase in expenditure on materials and energy consumption compared to 2021. The highest increase in these generic costs is shown by the bicycle segment.

High fuel prices also drove up third-party services, mainly transport and freight forwarding in each segment. In addition, in the car tyre and accessories sales segment, one-off freight costs of PLN 1,875 thousand were incurred in 2022 to transport goods to the new warehouse. The increase in third-party service costs is also due to higher operating and maintenance costs associated with the leased warehouse space. Costs of external services compared to 2021 increased by 17.40%.

A slight increase by 12.62% is recorded in the cost of fees and taxes. The biggest change in these costs by type relates to the power tool sales segment.

Employee costs in the Group increased by 17.01%, driven by salary increases due to the labour market situation and the payment of one-off incentive bonuses to employees and the Management Board. The highest increase in the employee costs is recorded in the bicycle segment.

Higher expenditure on marketing campaigns and increased service of electronic payments translated into a 15.54% increase in other operating expenses in 2022 compared to the previous period. The power tool sales segment shows the highest percentage increase in these generic costs.

4.2.3. Other operating income

Other operating income	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Settlement of grants received	21	38
Settlement of sales of assets	0	312
Reversal of allowance for receivables	42	93
Accepted complaints	1,987	1,254
Disclosures of goods	1,703	963
Other	886	738
Total operating revenues	4,639	3,398

4.2.4. Other operating expenses

Other operating expenses	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Revaluation write-downs on current assets	573	301
Revaluation write-downs on financial assets	0	0
Cost of sales of assets	49	126
Settlement of commercial goods	1,132	494
Complaints	2,990	3,693
Elimination of expenditure on design work	0	210
Other	973	721
Other operating expenses, total	5,717	5,545

4.2.5. Financial revenues and costs

Financial revenues	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Interest	1,299	58
Dividend	0	0
Profit on sales of financial assets	0	0
Exchange gains or losses	245	740
Other	276	51
Total financial revenues	1,820	849

The financial revenues generated by the Group in 2022 result mainly from interest on short-term bank deposits and interest on loans granted in the previous period.

Financial expenses	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Interest	4,025	703
Exchange gains or losses	5,903	196
Impairment	742	0
Leasing fees	741	368
Other	777	300
Total financial expenses	12,187	1,567

The commencement of hostilities by Russia against Ukraine in February 2022 led to the destabilisation of the foreign exchange market and sharp fluctuations mainly against the US dollar. This translated into an unfavourable balance of exchange rate differences for the Group for 2022. As a result of rising interest rates triggered by inflation in 2022, the Group's interest costs associated with the use of external financing - loans and leases - have increased.

4.2.6. Income tax

Income tax	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Current Tax	11,519	14,284
Deferred tax recognised in the financial result	-1,123	1,376
deferred tax arising during the year	2,712	5,393
reversals of previous write-downs	-3,835	-4,017
Total income tax	10,396	15,660

Deferred tax arises from temporary differences between the carrying amount of an asset or liability and its tax value. For 2022, deferred tax in the Group applies to:

- rebate adjustments for 2022 taxed according to their date of issue by the supplier partially in 2023,
- sales adjustments issued in 2023, relating to the 2022 financial year,
- provision created for employee benefits,
- unamortised balance sheet portion of the acquired domains,
- operating lease recognised in the accounts as finance lease,
- measurement of assets and liabilities on the balance sheet day.

4.2.7. Reconciliation of accounting to tax result

Reconciliation of accounting to tax result	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Gross profit (loss)	52,677	78,486
Non-balance sheet tax revenue	-5	0
Lease instalments	-6,604	-6,801
Other non-balance sheet tax expenses	-7,535	-10,639
Costs excluded from tax deductible costs	21,946	16,021
Non-taxable income	-1,186	-2,227
Adjustments arising from different tax treatment of correcting invoices	-200	-2,706
Taxable income	59,093	72,134
Other adjustments - capital gains	0	0
Tax on capital gains	0	0
Loss settlement	-159	-95
Income taxed abroad	106	1,633
Tax on foreign income	27	426
Taxable amount	58,828	70,406
Income tax	11,492	13,435
Total tax	11,519	13,862

4.2.8. Current assets and liabilities

Current Tax	31.12.22	31.12.21
Current income tax	11,519	13,734
Total tax assets	11,519	13,734

Receivables and liabilities due to income tax

Tax receivables	31.12.22	31.12.21
Income tax refundable from the Tax Office	413	57
Total income tax refundable from the Tax Office	413	57

Tax liabilities	31.12.22	31.12.21
Income tax due	2,764	2,532
Total income tax	2,764	2,532

4.2.9. Earnings per share

Earnings per share	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Profit for the period attributable to shareholders of the parent company	40,680	60,169
Average weighted number of ordinary shares (pcs.)	13,936,000	13,936,000
Profit (loss) per share - ordinary from continued operations	2.92	4.31

The profit generated by the Group in 2022 relates entirely to profit from continued operations. The basic profit from continued operations per share is calculated as the ratio of profit gained from continued operations attributable to shareholders of the Parent Company and the average weighted number of ordinary shares during the reporting period.

In 2022, the number of ordinary shares was constant throughout the period, i.e. from 1 January 2022 to 31 December 2022 it amounted to 13,936,000 pcs.

The diluted profit from continued operations per share is calculated as the ratio of profit gained from continued operations attributable to shareholders of the Parent Company and the average weighted diluted number of shares during the reporting period. Due to the fact that diluted shares occur in the Group, the ratio of diluted earnings from continued operations per share is presented in the table below.

Description	31.12.22	31.12.21
Profit (loss) per ordinary share:	2.92	4.31
- from continued operations	2.92	4.31
- from discontinued operations	0.00	0.00
Diluted profit (loss) per ordinary share	2.92	4.31
- from continued operations	2.92	4.31
- from discontinued operations	0.00	0.00

Diluted shares outstanding in the Group do not affect the level of diluted earnings per share

4.3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.3.1. Tangible fixed assets

The increase in the value of tangible fixed assets from 1 January 2022 to 31 December 2022 resulted mainly from recognition of leased warehouse space in the Group's assets, in accordance with IFRS 16 "Leases".

The Group considers on an ongoing basis whether indications of impairment of its tangible and intangible assets have occurred. As at 31 December 2022, the Group has not identified any premises indicating that the revaluation of fixed assets is required. The value of tangible fixed assets and intangible assets is recognised at the net value resulting from the ledgers.

Tangible fixed assets 01.01.2022-31.12.2022

Tangible fixed assets	Land	Buildings and facilities	Machines and equipment	Means of transport	Other	Fixed assets under construction and advance payments	Total
Gross value							
Opening balance	5,489	75,424	10,538	7,634	21,805	5,627	126,518
Increases	0	76,166	630	4,109	2,687	29,685	113,276
Decreases	0	18,929	44	187	83	7,764	27,008
Closing balance	5,489	132,662	11,124	11,556	24,408	27,548	212,787
Depreciation							
Opening balance	0	24,734	7,920	2,867	13,162	0	48,683
Increases	0	11,850	670	1,351	2,016	0	15,887
Decreases	0	18,800	26	130	83	0	19,039
Closing balance	0	17,784	8,564	4,088	15,094	0	45,530
Net fixed assets - closing balance	5,489	114,878	2,560	7,468	9,314	27,548	167,257

Tangible fixed assets 01.01.2021-31.12.2021

Tangible fixed assets	Land	Buildings and facilities	Machines and equipment	Means of transport	Other	Fixed assets under construction and advance payments	Total
Gross value							
Opening balance	5,489	74,953	9,566	5,506	21,485	3,322	120,321
Increases	0	471	979	2,289	347	3,594	7,680
Decreases	0	0	7	160	27	1,288	1,482
Closing balance	5,489	75,424	10,538	7,634	21,805	5,627	126,519
Depreciation							
Opening balance	0	17,104	7,205	2,153	11,303	0	37,764
Increases	0	7,630	715	875	1,884	0	11,104
Decreases	0	0	0	160	25	0	185
Closing balance	0	24,734	7,920	2,867	13,162	0	48,683
Net fixed assets - closing balance	5,489	50,690	2,618	4,767	8,644	5,627	77,836

Tangible fixed assets presented by the Group in the financial statements as other mainly relate to the equipment of leased warehouse space with systems for storing commercial goods (racks, pallets,

bins), logistics-related services (terminals, goods packing stations), as well as sets of office furniture used by Group companies.

Ownership structure of tangible fixed assets	31.12.22	31.12.21
Own	87,523	68,349
Used under a lease agreement	79,734	9,487
finance lease agreement - KŚT 1 (Classification of Fixed Assets)	73,358	7,687
finance lease agreement - KŚT 3	0	0
finance lease agreement - KŚT 7	4,778	1,800
finance lease agreement - KŚT 8	1,597	0
Total tangible fixed assets	167,257	77,836

Description	Lease of space	Other lease	Total
Gross value opening balance	24,789	2,420	27,209
Increases (new lease)	76,166	5,239	81,406
Revaluation of lease liabilities	0	0	0
Gross value closing balance	100,956	7,659	108,615
Opening balance of depreciation	17,102	619	17,722
Depreciation and amortisation in the period	10,495	664	11,159
Cumulative amortisation (depreciation) - closing balance	27,597	1,284	28,881
Net value closing balance	73,358	6,375	79,734

4.3. Goodwill

Description	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Gross value		
Opening balance	41,730	40,890
Increases	0	840
Decreases	38	0
Closing balance	41,692	41,730
Depreciation		
Opening balance	0	0
Increases	0	0
Decreases	0	0

Closing balance	0	0
Net value - closing balance	41,692	41,730

In accordance with IAS 36 and the accounting policy, an impairment test was performed as at 31 December 2022 for goodwill by segment, presented in the statement of financial position for 2022 in the amount of PLN 41,692 thousand.

For the analysis of the individual sales segments, the planned annual growth forecasts for revenue and costs in the years 2023-2030 were adopted at a rate of approximately 10% for revenue and approximately 5% growth for costs assuming their optimisation.

The parameters adopted are compliant with the past experience and consistent with information from external sources.

The analysis of the assumptions adopted did not result in the need to create a goodwill impairment charge in respect of the individual segments.

4.3.3. Intangible assets

Intangible assets 01.01.2022-31.12.2022

Description	Copyrights, licenses and other	Expenditure for unfinished intangible assets	Total
Gross value			
Opening balance	75,354	10,656	86,010
Increases	4,361	2,656	7,017
Decreases	0	4,326	4,326
Closing balance	79,715	8,986	88,701
Depreciation			
Opening balance	39,614	0	39,614
Increases	3,373	0	3,373
Decreases	0	0	0
Closing balance	42,986	0	42,986
Net value - closing balance	36,729	8,986	45,715

Intangible assets 01.01.2021-31.12.2021

Description	Copyrights, licenses and other	Expenditure for unfinished intangible assets	Total
Gross value			
Opening balance	71,939	11,282	83,221
Increases	2,195	1,814	4,009
Decreases	0	2,440	2,440
Closing balance	74,134	10,656	84,790
Depreciation			
Opening balance	36,285	0	36,285
Increases	3,076	0	3,076
Decreases	0	0	0
Closing balance	39,361	0	39,361
Net value - closing balance	34,773	10,656	45,429

The intangible assets used by the Group are related to the Group's core business. As at the balance sheet date, the Group does not use intangible assets with indefinite useful lives in its operations.

The total depreciation and amortisation of the components presented in the table above is included under cost of sales in the statement of comprehensive income.

As at 31 December 2022, there were no premises of impairment in relation to the intangible assets presented.

4.3.4. Projects and development

In 2022, the OPONEO.PL Group continued to implement projects of online stores for foreign markets and stores on the Polish market for the sale of tyres and automotive accessories. The company classifies project expenditure as development work. The projects are implemented using own funds. As at the balance sheet date, these assets were not depreciated as they had not been accepted for use. In 2022, online tyre and rim stores dedicated to the Austrian, Belgian, Spanish, Dutch, Irish and German markets were completed. They were accepted for use with a depreciation period of three years.

As at the balance sheet date, the Group carried out impairment tests on development work not accepted for use. No impairment has occurred.

Expenditure on intangible assets	31.12.2022	31.12.2021
Opening balance	10,656	10,781
Expenditure in the period	2,691	3,314
Acceptance for use	4,361	3,126
Negative development works	0	0
Sale	0	313
Total expenditure	8,986	10,656

4.3.5. Long-term receivables

Long-term receivables recognised in the financial statements relate to the loans granted by the Group in the years 2020-2021 and the interest accrued on these loans. In the reporting period, a loan of PLN 100 thousand was granted to the FAASSH S.A. company. Due to the high probability of default for two loans granted by the Group to FAASSH S.A., the decision was taken to write down the entire value of the debt resulting from these loans, including accrued interest, as at 31 December 2022.

Long-term investments	31.12.22	31.12.21
Opening balance	1,760	1,713
including interest	4	44
Loans granted	100	550
Interest accrued	92	4
Settlements in the period	532	507
including interest	96	22
Closing balance	1,420	1,760
including interest	70	4

4.3.6. Long-term financial assets – affiliated entities

Structure of long-term financial assets	Shares held as at 2022-12-31 Number of shares	Shares held as at 2022-12-31 Value of shares
Eximo Project Sp. z o.o.	10.00%	1

As at the balance sheet date, the OPONEO.PL Group disclosed shares and interests in related parties and other entities in the financial statements. As at 31 December 2022, the shares in subsidiaries were measured at the purchase price, which the Group considered as their fair value as at the balance sheet date. In the Group's opinion, the acquisition value of the shares corresponds to their fair value mainly due to the fact that the Eximo company, where the parent company holds shares and interests, is not quoted on an active market.

4.3.7. Investments settled in accordance with the equity method - joint ventures

On 7 December 2020, the joint stock company LAM S.A. was incorporated pursuant to notarial deed 6369/2020. The shares in the newly established Company have been subscribed as follows: 50% of the shares with a value at the acquisition price of PLN 1 million was acquired by the Metalkas S.A. company and 50% of shares with a value at the acquisition price of PLN 1 million was acquired by the OPONEO.PL S.A. company. The share in the exercise of voting rights of each shareholder is 50%. The LAM S.A. Company was registered in the National Court Register (KRS) on 11 February 2021. LAM S.A. has been recognised as a contractual joint venture in the form of a joint venture within the meaning of IFRS 11 "Joint Arrangements".

The structures of competence and influence of the individual shareholders of LAM S.A. result in the conclusion that Metalkas S.A. and OPONEO.PL S.A. exercise joint control over LAM S.A. within the meaning of paragraph 7 of IFRS 11. The reason is that the companies, Metalkas S.A. and OPONEO.PL S.A. are required to be unanimous (cooperative) in taking their decisions regarding the actions by LAM affecting the returns earned by LAM S.A.

Due to the fact that the parent company exercises joint control over the entity in which it has acquired interest, the investment is recognised in accordance with IFRS 11 as a joint contractual arrangement (joint venture) and measured in the historical financial information using the equity method in accordance with IAS 28.

The LAM S.A. Company operates in the e-commerce sector and specialises in the sale of aluminium ladders and racks manufactured by Metalkas S.A. The relationship between the companies is not strategic.

Condensed financial information of LAM S.A.

Item	2022-12-31	2021-12-31
Fixed assets	284	310
Current assets	2,749	4,195
Short-term trade liabilities with related parties	1,322	2,697
Short-term liabilities	1,997	3,030
Long-term liabilities	0	0
Income	16,286	9,846
Net financial result from continued operations	-441	-537
Depreciation	28	14
Interest income	0	0
Interest expenses	3	0
Cash and equivalents	231	1,800
Short-term financial liabilities	0	0
Long-term financial liabilities	0	0
Financial result charges due to income tax	14	-12

The financial result of LAM S.A. relates entirely to continued operations. The Company also has no contingent liabilities. For 2022, a 50% loss of PLN 221 thousand was included in the Group's result.

4.3.8. Deferred Tax

Deferred Tax	01.01.2022- 31.12.2022	01.01.2021- 31.12.2021
Assets due to deferred income tax		
Opening balance	1,100	1,246
Increases	1,888	1,087
Decreases	1,881	1,233
Closing balance	1,107	1,100
Provision due to deferred tax		
Opening balance	5,288	4,081
Increases	10,505	5,082
Decreases	11,536	3,875
Closing balance	4,258	5,288

Deferred tax recognised in the current financial statements of the OPONEO.PL Group was calculated on temporary differences due to the provision for unused leave as at 31 December 2022.

Information on the calculation of deferred tax is presented in section 4.2.6.

4.3.9. Inventory

The inventory reported by the Group in the statement of financial position as at 31 December 2022 relates to inventories of trade goods by segment. As at the balance sheet day, they were measured at a purchase price. In 2022, write-downs of trade goods inventories from the bicycle segment in the amount of PLN 240 thousand were applied. The warehouse system in place at the Group companies allows for efficient management of stock level and turnover. In the parent company, the automatic analysis of the tyre production date (DOT) influences the order in which the goods are issued and thus prevents old, non-rotating tyres from remaining in stock. High inventories of goods - mainly in the segment of automotive accessories - due to increases in commodity prices in the market caused by inflation in the next period, may have a positive impact on the Group's margin on sales.

Goods as at 31.12.2022	Car accessories	Bicycles and accessories	Tools and power tools	Total
Carrying amount of goods	142,553	78,452	21,033	242,037
Value of goods before revaluation	142,553	78,692	21,033	242,277
Value of impairment losses	0	240	0	240

Goods as at 31.12.2021	Car accessories	Bicycles and accessories	Tools and power tools	Total
Carrying amount of goods	86,883	51,414	20,577	158,873
Value of goods before revaluation	86,883	51,498	20,634	159,015
Value of impairment losses	0	84	58	142

4.3.10 Classification of financial instruments

Categories of financial assets and liabilities

The value of financial assets presented in the statement of financial position as at 31 December 2022 relates to the following categories of financial instruments as defined in IFRS 9:

- financial assets measured at an amortised cost (AZK),
- financial assets measured at the fair value through profit or loss - designated as so measured on initial recognition or subsequently (AWGW-W),
- financial assets measured at the fair value through profit or loss - mandatory measurement in this way under IFRS 9 (AWGW-O),
- equity instruments designated upon initial recognition to be measured at the fair value through other comprehensive income (IKWGP),
- financial assets measured at the fair value through other comprehensive income (AFWGP),
- financial instruments designated as hedging instruments (IZ),
- assets outside the scope of IFRS 9.

Classes of financial instruments 2022-12-31								
Balance sheet items	AZK	AWGW-W	AWGW-O	IKWGP	AFWGP	IZ	Outside IFRS 9	Total
Financial assets								
Fixed assets								
Long-term receivables	838	0	0	0	0	0	0	838
Financial derivatives	0	0	0	0	0	0	0	0
Other long-term-term financial assets	65,694	0	0	0	0	0	0	65,694
Current assets								
Trade and other receivables	66,825	0	0	0	0	0	0	66,825
Loans	459	0	0	0	0	0	0	459
Financial derivatives	0	0	0	0	0	0	0	0
Other short-term financial assets	0	0	0	0	0	0	0	0
Cash and cash equivalents	125,266	0	0	0	0	0	1,936	127,203
Total	259,082	0	0	0	0	0	1,936	261,018

Classes of financial instruments 2021-12-31								
Balance sheet items	AZK	AWGW-W	AWGW-O	IKWGP	AFWGP	IZ	Outside IFRS 9	Total
Financial assets								
Fixed assets								
Long-term receivables	1,760	0	0	0	0	0	0	1,760
Financial derivatives	0	0	0	0	0	0	0	0

Other long-term-term financial assets	0	0	0	0	0	0	0	0
Current assets								
Trade and other receivables	78,237	0	0	0	0	0	0	78,237
Loans	2,548	0	0	0	0	0	0	2,548
Financial derivatives	0	0	0	0	0	0	0	0
Other short-term financial assets	0	0	0	0	0	0	0	0
Cash and cash equivalents	0	0	0	0	0	0	210,429	210,429
Total	82,545	0	0	0	0	0	210,429	292,974

The value of financial liabilities presented in the consolidated statement of financial position as at 31 December 2022 relates to the following categories of financial instruments as defined in IFRS 9:

- financial liabilities measured at an amortised cost (ZZK),
- financial liabilities measured at the fair value through profit or loss - designated as so measured on initial recognition or subsequently (ZGWG-W),
- financial liabilities measured at the fair value through profit or loss - financial liabilities held for trade under IFRS 9 (ZGWG-O),
- financial guarantee agreements (UGF),
- conditional payment in the context of business combination (WZP),
- financial instruments designated as hedging instruments (IZ),
- liabilities outside the scope of IFRS 9.

Classification of financial instruments 2022-12-31								
Balance sheet items	ZZK	ZWG W-O	ZWGW- W	UGF	WZP	IZ	Outsid e IFRS 9	Total
Financial liabilities								
Long-term liabilities								
Credits, loans, other debt instruments,	20,586	0	0	0	0	0	0	20,586
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	73,302	73,302
Short-term liabilities								
Trade and other liabilities	200,747	0	0	0	0	0	0	200,747
Credits, loans, other debt instruments,	11,453	0	0	0	0	0	0	11,453
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	6,919	6,919
Total	232,786	0	0	0	0	0	80,221	313,007

Classes of financial instruments 2021-12-31								
Balance sheet items	ZZK	ZWG W-O	ZWGW- W	UGF	WZP	IZ	Outsid e IFRS 9	Total
Financial liabilities								
Long-term liabilities								
Credits, loans, other debt instruments,	24,441	0	0	0	0	0	0	24,441
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	4,932	4,932
Short-term liabilities								
Trade and other liabilities	214,330	0	0	0	0	0	0	214,330
Credits, loans, other debt instruments,	15,765	0	0	0	0	0	0	15,765
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities	0	0	0	0	0	0	4,297	4,297
Total	254,536	0	0	0	0	0	9,229	263,765

Classification of financial instruments using the fair value hierarchy

The fair value is defined as the price to be received for the sales of a component of assets or paid for the transfer of liability in the transaction carried out under ordinary terms between market participants as at the measurement day.

The fair value hierarchy of financial instruments is formed by the following levels:

- Level 1 - prices quoted on an active market for identical assets or liabilities,
- Level 2 - input data other than prices quoted classified at Level 1 observable for a component of assets or liabilities, either directly (as prices) or indirectly (based on prices),

- Level 3 - input data for the measurement of assets or liabilities that are not based on observable market data (non-observable input data).

Reclassification

Neither in 2022 nor in previous periods has the Group changed its business model for managing financial assets so that a change would result in the need to reclassify these assets between the categories of assets measured at fair value through profit or loss as well as measured at an amortised cost.

Discontinued recognition of financial assets in the statement of financial position

As at 31 December 2022, the Group had no financial assets whose transfers do not qualify for cessation of recognition in the statement of financial position

Financial assets and financial liabilities subject to offsetting

The Group does not recognise financial assets and financial liabilities on a net basis that meet the offsetting requirements of IAS 32.

4.3.11. Trade and other receivables

Trade receivables	31.12.2022	31.12.2021
Trade receivables - other parties	55,751	74,370
including prepayments	8,799	10,445
Trade receivables - related parties	44	55
Allowance for uncollectible accounts due to trade receivables	251	476
Receivables due to taxes	2,935	2,786
Other receivables	744	564
Short-term prepayments	1,741	908
Total trade and other receivables	60,964	78,207

Allowance for uncollectible accounts	31.12.22	31.12.21
Opening balance	476	374
Increases	121	290
Decreases	346	188
Closing balance	251	476

Trade receivables	31.12.2022	31.12.2021
Timely	41,930	62,564
Overdue	5,065	11,385
up to 1 month	1,316	8,768
from 1 to 6 months	3,237	2,207
from 6 months to 1 year	102	76
over 1 year	410	334
Total trade receivables	46,996	73,949

Provisions for doubtful debts are created based on the analysis of their collection rate. The impairment losses recognised represent the difference between the carrying amount of such trade receivables and the present value of expected inflows. In 2022, allowances were applied for receivables over 365 days in the amount of PLN 121 thousand. The Group has no collateral for the amounts indicated.

Accruals presented in the assets of the Financial Statements of the OPONEO.PL Group as at 31 December 2022 represent the costs of licences, support and insurance of the future reporting period.

4.3.12. Short-term investments

Short-term investments	31.12.22	31.12.21
Opening balance	2,548	1,020
Loans granted	13	1,550
Interest accrued	63	47
Repayment	1,539	69
Other financial assets	0	0
Change in presentation	566	0
Revaluation write-down	60	0
Closing balance	459	2,548

In short-term investments, the Group shows the instalment of the loan granted in 2020 including accrued interest to be repaid in 2023.

In 2022, in accordance with the annex concluded, the repayment term of the loan granted by the Group in the previous period with a total amount of PLN 566 thousand, including accrued interest, was changed to a period of three years.

4.3.13. Cash and cash equivalents

The cash held by the OPONEO.PL Group, amounting to PLN 125,916 thousand, guaranteed financing of current operations.

Cash and cash equivalents	2022-12-31	2021-12-31
Cash in hand	0	0
Cash at bank	44,886	147,896
Deposits	76,410	58,000
Other	4,620	4,532
Total	125,916	210,429

Bank deposits are created for various periods ranging from one day, known as *overnight*, to several weeks, depending on the Group's current cash requirements. Interest rates on deposits are agreed individually on the day they are opened. The other cash item as at 31 December 2022 includes the amount of PLN 4,620 thousand arising from electronic payments.

Currency structure of cash (converted into PLN)

Cash and cash equivalents - currency structure	2022-12-31	2021-12-31
in PLN	91,003	177,723
in EUR	23,220	20,138
in GBP	2,190	3,009
in USD	3,583	2,692
in HUF	318	899
in TRY	0	0
in CZK	5,601	5,967
Total	125,916	210,429

4.3.14 Share capital

The share capital of OPONEO.PL S.A. as at 31 December 2022 amounts to 13,936,000 and it is divided into 8,676,000 ordinary bearer shares of A series, 4,000,000 ordinary bearer shares of B series and 1,260,000 ordinary bearer shares of C series, with the face value of PLN 1.00 per share.

Structure of shareholders holding at least 5% in the general number of votes in OPONEO.PL S.A. as at 31 December 2022

Shareholder	Number of shares at the end of the current period	Share in the share capital and in the number of votes at the general meeting in %, at the end of the current period	Number of shares at the end of the previous period	Share in the share capital and in the number of votes at the general meeting in %, at the end of the previous period
Ryszard Zawieruszyński	2,784,654	19.98%	2,784,654	19.98%
Dariusz Topolewski	2,901,592	20.82%	2,901,592	20.82%
Generali PTE S.A.	1,963,005	14.09%	1,963,005	14.09%
AEGON Otwarty Fundusz Emerytalny	1,155,000	8.29%	1,155,000	8.29%
TFI Allianz Polska S.A.	714,551	5.13%	0	0%
Norges Bank	0	0%	968,838	6.95%
Other	4,417,198	31.69%	4,162,911	28.87%
Total	13,936,000		13,936,000	

4.3.15 Other equity

In the Group, a supplementary capital is created as retained earnings from the write-off of pure profit, to which at least 8% of the profit for the financial year is transferred until the amount of the supplementary capital equals at least one-third of the share capital. The supplementary capital, in its part created based on profit, may be allocated for dividend.

Description	2022-12-31	2021-12-31
Surplus from sale of shares	125,560	125,560
Treasury shares	-9,290	-2,365
Other supplementary capitals	73,826	67,380
Exchange differences from conversion	442	552
Retained earnings	155,529	142,776
Including profit for the financial year	40,680	60,169
Total	346,068	333,904

Payment of dividend from profit

Dividend	01.01.2022-31.12.2022	01.01.2021-31.12.2021
Amount of dividend paid from profit	18,773	13,936
Amount per share	1.36	1.0

Number of shares covered by the dividend in 2022 amounts to 13,803,516. The remaining shares are treasury shares held by OPONEO.PL S.A. in the number of 132,484 pcs which, pursuant to Article 364§2 of the Code of Commercial Companies, are excluded from dividends. As at 31 December 2022, the number of shares held by the Group was 170,220 pcs.

4.3.16. Financial liabilities

OPONEO.PL S.A. has an option of using a multi-purpose credit facility contracted with BNP Paribas Bank Polska S.A. Total lending limit for three currencies: PLN, EUR, USD totalled PLN 167,700 thousand. The tenor of the loan is determined to 23 August 2028. The interest rate on the facility in PLN is the WIBOR base rate for monthly deposits, increased by a margin of 0.8 p.p. The interest rate on the EUR loan is the sum of EURIBOR 1M and a margin of 1.9 p.p., while the interest rate on the USD loan is based on the SOFR ON. plus a 1.9 p.p. margin.

As at 31 December 2022, the Company had no recourse to the multi-purpose facility. At the end of the previous accounting period, i.e. 31 December 2021, the lending facility was also not used.

The liability under the lending facility is secured by:

- blank bill of exchange,
- collateral mortgage up to PLN 50,000 thousand,
- assignment of claims under the real estate insurance contract,
- assignment of claims under the inventory insurance contract,
- Borrower's statement of submission to enforcement in favour of the Bank,
- registered pledge on warehouse stocks,
- transfer of existing and future receivables for all trade receivables due to the Borrower from all its debtors.

OPONEO.PL S.A. has a facility with mBank S.A. to use a lending line for financing current trade payments, granted on the basis of the agreement of 28 October 2020. The limit arising from this line amounts to PLN 60,000.00 thousand. The tenor for using the facility is determined by 30 June 2022. The interest rate on the facility is the WIBOR base rate for monthly deposits, increased by a margin of 1.0 p.p.

As at 31 December 2022, the Company had zero utilisation rate of the loan.

The liability under the mBank S.A. facility for financing the current operations is secured by:

- a blank promissory note with a declaration
- 2 blank promissory notes with a declaration - for any guarantees issued under the guarantee line.

On 16 February 2021, the Company concluded a non-revolving loan agreement with BNP Paribas Bank Polska S.A. for the amount of PLN 31,500,000, which refinanced a significant part of own funds earmarked for the acquisition of ROTOPINO.PL SA. The loan bears interest based on a floating base

rate of 3-month WIBOR + margin of 0.85 p.p. and is repayable in 60 monthly instalments (the last balancing instalment of PLN 12.6 million).

The loan is secured by a blank promissory note, a contractual mortgage on the company's real estate, an assignment of the insurance policy for these properties and a pledge on the shares of the purchased company.

The Dadelo S.A. Company has a lending facility with BNP Paribas Bank Polska S.A. in the amount of PLN 5,000 thousand. The period of use of the facility is determined from 20 September 2019 to 18 May 2023. As at 31 December 2022, the Company had no recourse to the lending facility.

On 14 March 2022, ROTOPINO.PL S.A. signed an annex to the lending facility agreement with BNP Paribas Bank Polska S.A. increasing the amount of the limit to PLN 10,000 thousand. The credit agreement was concluded on 1 July 2021 for a period of 120 months, i.e. until 30 June 2031. The liability under the facility to finance the company's current operations is secured by a blank promissory note; as at 31 December 2022, the utilisation rate of the lending facility amounts to PLN 7,598 thousand.

The liability arising from the facility for financing of the current operations of the company is secured by a blank promissory note.

On 14 April 2022, OPONEO.PL S.A. granted a surety under civil law up to the amount of PLN 1,500 thousand as a collateral for a credit limit up to PLN 1,000 thousand in an overdraft account granted by BNP Paribas Bank Polska S.A. to the LAM S.A. Company. The tenor of the loan is determined to 3 November 2032. As at 31 December 2022, the LAM S.A. Company had no recourse to the lending facility.

Moreover, neither OPONEO.PL S.A. nor its subsidiaries have granted any credit or loan sureties or guarantees to a single entity or its subsidiary of a value significant for the OPONEO.PL Group's business.

4.3.17. Trade and other liabilities

Trade and other liabilities	2022-12-31	2021-12-31
Trade liabilities - other	135,648	161,036
Trade liabilities - related parties	22	1,758
Advance payments received	2,375	3,864
Bill-of-exchange liabilities	39,489	24,678
Liabilities due to other taxes, fees and social benefits	21,265	20,559
Payroll liabilities	2,093	1,770
Revenues of future periods - subsidies	0	0
Short-term prepayments	200	660
Other liabilities	398	6
Total trade liabilities and other liabilities	201,489	214,330

Trade liabilities	31.12.2022	31.12.2021
Timely	174,842	182,474
Overdue	317	8,752
up to 1 month	286	8,544
from 1 to 6 months	3	0
from 6 months to 1 year	11	0
over 1 year	16	208
Total trade liabilities	175,159	191,226

The promissory note liabilities recognised by the Group relate to payment in commercial transactions. They result from deferred payments to the supplier for goods purchased by the Group. Bills of exchange are payable on the designated date without additional fees or interest. Trade liabilities and bills of exchange have been recognised at a par value, since they are due in the short term.

The accruals recognised in liabilities as at 31 December 2022 relate to settlements of EU grants received.

Prepayments and accruals	31.12.2022	31.12.2021
Settlement of subsidies	242	267
Other	192	825
Total prepayments and accruals	434	1,093
Short-term	200	660
Long-term	234	433

4.3.18. Other financial liabilities - leases

In the reporting period, the Group continued lease agreements with Millenium Leasing Sp. z o.o. in Warsaw concerning the purchase of forklifts used to handle orders in the warehouses of the OPONEO.PL S.A. company. The lease term covers the years 2019-2024 for the total amount of PLN 1,824 thousand. The Group also continued its agreement concluded with BMV Financial Services Polska sp. z o.o. concerning the leasing of a passenger car for the gross value of PLN 228 thousand. The agreement covers the period of 2020-2023.

The lease agreements are secured by blank promissory notes without protest issued by the Group. The Group has an agreement concluded with AIFM PL XI sp. z.o.o. for the lease of warehouse space for the gross value of PLN 3,324 thousand, presenting it in the ledgers as leases under IFRS "Leases". The values were measured as the value of the fees discounted using an annual discount rate of 1.76%. The Agreement covers the period up to 2025.

The lease agreement is secured by a bank guarantee.

The Group took over the lease of a passenger car worth PLN 94,000 in March 2022 by signing an agreement with GETIN Noble Bank S.A. for a period of 26 months. A promissory note of guarantee was issued as the security for the agreement.

The Group also has two lease agreements with Volkswagen Financial Services Polska Sp z o.o. for two passenger cars for the value of PLN 718,000, the term covers the years 2019-2025.

The lease agreements are secured by blank promissory notes without protest issued by the Group.

The Group continued the lease agreements concluded in the previous period with VB leasing for office furniture for a gross value of PLN 136 thousand. The agreement was concluded for a period from June 2020 to May 2023. The agreement is secured by furniture.

Due to the change in the location of the warehouse for car tyres and accessories and the related increase in floorspace, the Group concluded new equipment lease agreements with Millenium Leasing Sp. z o.o. in the period from March to August 2022 concerning a set of goods storage racks and 38 lift trucks for the total amount of PLN 5,017 thousand. The agreements were concluded for a period of five years, i.e. until 2027.

The lease agreements are secured by blank promissory notes without protest issued by the Company.

The Group continued the lease agreement for office space in Arkada Biznes concluded in 2020 with FOR 2 sp. z.o.o. for a period of 7 years with an extension option for a further period of 3 years. The values were measured for the amount of PLN 2,875 thousand as the value of the fees discounted using the annual discount rate of 5%.

In 2022, the Group concluded a new lease agreement for additional office space in Arkada Business until 2027. The values were measured for the amount of PLN 281 thousand as the value of the fees discounted using the annual discount rate of 5%.

The lease agreements are secured by a security deposit of PLN 179 thousand.

In view of the Group's growth, the agreement for the long-term lease of office space was concluded with Grottgera4.pl sp. z o.o. on 1 November 2022. The lease period will terminate on 30 September 2027. The Group presents the lease in the ledgers under IFRS 16 "Leases". The value of the subject of the agreement was measured as the value of the fees discounted using the annual discount rate of 9.51% for the amount of PLN 1,618 thousand.

In 2022, the Group concluded long-term lease agreements for warehouse space intended for the storage of commercial goods, presenting them as leases in the accounts under IFRS "Leases". The values were assessed as the value of the fees, discounted using an annual discount rate of 7.26% for an amount of PLN 61,397 thousand in relation to the lease agreement for warehouse space in Zelgoszcz and 6.81% for the amount of PLN 8,851 thousand in relation to the lease agreement for warehouse space in Bydgoszcz. The warehouse space in Bydgoszcz is used by companies in the Group.

Lease liabilities - current value of lease payments	31.12.2022	31.12.2021
Below one year	6,919	4,297
One to five years	68,102	4,932
Over five years	5,200	0
Total lease liabilities	80,221	9,229

Lease liabilities - minimum lease fees	31.12.2022	31.12.2021
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Below one year	6,919	4,297
One to five years	68,102	4,932
Over five years	5,200	0
Total lease liabilities	80,221	9,229

4.3.19. Short-term provisions

Short-term provisions	31.12.2022	31.12.2021
Provision for unused holiday leave	1,313	1,256
Provisions for liabilities	255	985
Total short-term provisions	1,568	2,241

In the statement of financial position as at 31 December 2022, the Group recognises short-term provisions comprising provisions for employee benefits and the provision for costs of third-party services.

Provision for unused holiday leave	31.12.2022	31.12.2021
Opening balance	1,256	949
Increases	4,758	4,303
Decreases	4,700	3,997
Closing balance	1,313	1,256

Other provisions	31.12.2022	31.12.2021
Opening balance	99	18
Increases - charge to profit or loss	255	985
Decreases - recognition of profit or loss	99	18
Closing balance	255	985

5. OTHER INFORMATION

5.1. BASIC CONSOLIDATED DATA OF SUBSIDIARIES

Basic data of subsidiaries	Fixed assets 31.12.2022	Balance sheet total 31.12.2022	Net result 01.01.2022-31.12.2022
Opony.pl Sp. z o.o.	612	1,130	150
Oponeo International sp. z o.o.	4	3,145	45
Oponeo.de GmbH	0	4,517	43
OPONEO.CO.UK LTD	0	5,269	36
Rotopino.pl S.A.	3,009	32,984	-1,561
Hurtopon.pl Sp. z o.o.	0	239	56
Dadelo S.A.	15,851	119,685	3,617

A merger by acquisition of Oponeo Brandhouse sp. z o.o. Inwestycje S.K.A. took place in 2022. As a result of this operation, the parent company took over the assets of the acquired company in the form of cash in the amount of PLN 5,057 thousand.

5.2. ADJUSTMENT OF ERROR

The OPONEO.PL Group did not correct an error for the years prior to the reporting period from 1 January 2022 to 31 December 2022.

5.3. CONTINGENT LIABILITIES

In 2022, the Group used bank guarantees to secure the payment of rent for the lease of warehouse space.

On 12 September 2022, a bank guarantee issued by BNP Paribas Bank Polska up to the amount of EUR 75 thousand in favour of AIFM PL XI sp. z o.o. was changed at the Group's request. The guarantee is valid until 25 October 2023.

As at 31 December 2022, the remaining bank guarantees on behalf and under the liability of the Group were issued by BNP Paribas Bank Polska in favour of AIFM PL I Sp. z o.o up to the amount of EUR 234.4 thousand, valid until 13 October 2023 and in favour of Castleport Investments Sp. z o. o., ul. Towarowa 28, 00-839 Warsaw up to the amount of EUR 1,099 thousand, valid until 29 December 2023.

5.4. OBJECTIVES AND PRINCIPLES OF FINANCIAL RISK MANAGEMENT

Financial risk

Elements affecting the operations of OPONEO PL Group:

5.4.1. Currency risk

Currency risk - the group conducts trading outside Poland, mainly in the territory of the European Union, resulting in currency fluctuations, particularly in relation to the USD and EUR affecting the

results. The Group seeks to balance income and expenses in a given currency and enters into *forward* hedging contracts for payments and receivables in foreign currencies. The Group uses the business customer solution at Bank BNP Paribas Bank Polska when purchasing currencies and entering into *forward* contracts. 2022 was a challenging year for the Group in terms of currency hedging mainly in relation to the US dollar, due to rapid and unpredictable fluctuations in exchange rates and the payment of liabilities in this currency while there were no sales in USD. The Group also conducts transactions in EUR, whose exchange rate stabilised at the end of 2022.

2022	Assets	Liabilities
Currency - EUR	131,743	122,186
Currency - GBP	5,365	2,608
Currency - USD	4,269	12,278
Currency - CZK	5,817	396
Currency - TRY	0	0
Currency - HUF	324	36

2021	Assets	Liabilities
Currency - EUR	32,492	45,671
Currency - GBP	5,952	740
Currency - USD	4,124	14,442
Currency - CZK	6,056	0
Currency - TRY	0	0
Currency - HUF	898	17

In the event of a 15% increase or decrease in exchange rates, the assets and liabilities presented in the Group's financial statements at the end of the reporting and preceding periods would be as follows:

2022	Current Assets	Current Liabilities	Exchange rate increase of 15% - Assets	Exchange rate increase of 15% - Liabilities	Exchange rate decrease of 15% - Assets	Exchange rate decrease of 15% - Liabilities
Currency - EUR	131,743	122,186	151,504	140,514	111,981	103,858
Currency - GBP	5,365	2,608	6,170	2,900	4,561	2,207
Currency - USD	4,269	12,278	4,909	14,119	3,629	10,436
Currency - CZK	5,817	396	6,690	455	4,945	336
Currency - TRY	0	0	0	0	0	0
Currency - HUF	324	36	372	42	275	31

2021	Current Assets	Current Liabilities	Exchange rate increase of 15% - Assets	Exchange rate increase of 15% - Liabilities	Exchange rate decrease of 15% - Assets	Exchange rate decrease of 15% - Liabilities
Currency - EUR	32,492	45,671	37,365	52,522	27,618	38,820
Currency - GBP	5,952	740	6,845	852	5,059	629
Currency - USD	4,124	14,442	4,743	16,608	3,506	12,275
Currency - CZK	6,056	0	6,964	0	5,148	0
Currency - TRY	0	0	0	0	0	0
Currency - HUF	898	17	1,033	20	763	15

5.4.2 Interest rate risk

Interest rate risk - OPONEO.PL Group companies use credit facilities with floating interest rates, therefore increases in official interest rates may create a risk of an increase in the Group's financing costs. The Group makes limited use of hedging instruments for interest rate risk.

2022	Value	Impact on result change +1%	Impact on result change -1%	Total
Financial assets				
Loans	1,873	19	-19	1,873
Cash	125,916	1,342	-1,342	125,916
Deposits	75	1	-1	75
Impact on financial assets before tax	127,864	1,362	-1,362	127,864
19% tax	0	180	-180	0
Impact on financial assets after taxation	127,864	1,542	-1,542	127,864
Financial liabilities				
Bank loans	32,036	320	-320	32,036
Impact on financial liabilities before tax	32,036	320	-320	32,036
19% tax	0	-61	61	0
Impact on financial liabilities after taxation	32,036	259	-259	32,036
Total	95,827	1,283	-1,283	95,827

2021	Value	Impact on result change +1%	Impact on result change -1%	Total
Financial assets				
Loans	4,301	43	-43	4,301
Cash	210,489	2,104	-2,104	210,489
Deposits	0	-10	10	0
Impact on financial assets before tax	214,790	2,138	-2,138	214,790

19% tax	0	-398	398	0
Impact on financial assets after taxation	214,790	1,739	-1,739	214,790
Financial liabilities				
Bank loans	37,717	-380	380	37,717
Impact on financial liabilities before tax	37,717	-380	380	37,717
19% tax	0	72	-72	0
Impact on financial liabilities after taxation	37,717	-308	308	37,717
Total	177,073	2,047	-2,047	177,073

5.4.3. Credit risk

Credit risk - it can arise from a volatile economic growth that will impair the payment position of customers. However, such risks are negligible as payments for goods are largely made through prepayments and collection of cash on delivery. When trade credit is granted to customers, they are subject to verification. Moreover, receivables arising from commercial activities are insured with KUKI.

Description	31.12.2022	31.12.2021
Loans	1,261	4,301
Trade liabilities	55,960	75,134
Other receivables	10,726	6,094
Forward contracts	0	0
Cash	125,916	207,551
Total	193,863	293,081

The table presented below shows the classification of trade receivables by length of period of arrears.

Description	31.12.2022	31.12.2021
Timely	41,930	59,063
Overdue	5,065	11,502
Up to one year	4,656	11,261
Over 1 year	410	241
Total	46,996	70,565

5.4.4. Liquidity risk

The OPONEO.PL Group constantly monitors the maturity of receivables and liabilities. OPONEO.PL strives to maintain financial balance also by using various sources of financing (bank loan, trade credits). Tightening of lending policy, limiting the Group's ability to raise external funding, could be a threat to the Group.

Maturities of financial liabilities	up to 6 months	from 6 to 12 months	from 1 to 3 years	over 3 years
Non-derivative financial liabilities	186,722	6,962	58,904	31,160
trade liabilities	182,649	261	27	0
lease liabilities	2,146	4,774	42,142	31,160
bank loans	1,927	1,927	16,734	0
bonds issued	0	0	0	0
Derivatives	0	0	0	0
forward contracts	0	0	0	0
Total	186,722	6,962	58,904	31,160

Maturities of financial liabilities -2021	up to 6 months	from 6 to 12 months	from 1 to 3 years	over 3 years
Non-derivative financial liabilities	166,212	2,596	16,511	12,882
trade liabilities	160,658	0	20	0
lease liabilities	3,627	670	4,932	0
bank loans	1,927	1,927	11,559	12,882
bonds issued	0	0	0	0
Derivatives	0	0	0	0
forward contracts	0	0	0	0
Total	166,212	2,596	16,511	12,882

5.5. EQUITY MANAGEMENT

The Group manages equity in order to provide for the ability of the Group to continue operations and to ensure the adequate level of liquidity and the expected rate of return for shareholders and other entities interested in the financial position of the OPONEO Group.

The Group monitors the level of financial security on the basis of, among other things, the Net Debt/EBITDA ratio, which is calculated based on the data contained in the Group's Consolidated Financial Statements.

Net debt is the sum of loans and leases payable less cash held. Its value for 2022 amounted to PLN -12,991 thousand. On the other hand, in the previous period it amounted to PLN -167,011 thousand. EBITDA as total operating profit plus depreciation and amortisation amounted to PLN 82,525 thousand in 2022 and PLN 93 832 thousand in 2021, respectively.

In both the current and in the previous period, the Net Debt/EBITDA ratio shows negative values, which means that the Group is not excessively indebted and is able to handle the burden of its loan and lease liabilities.

5.6. LITIGATION

In the period covered by this report, the OPONEO.PL Group did not perform any significant settlements due to court proceedings.

In 2022, as well as by the date of submission of this annual report, there were no proceedings pending or in progress before any court, the authority competent for arbitration proceedings or the public administration body concerning liabilities or receivables of the Group, the value of which constitutes individually or jointly at least 10% of OPONEO.PL's equity.

5.7. TRANSACTIONS WITH RELATED PARTIES

In the period covered by these financial statements neither one nor many transactions were concluded in the OPONEO.PL Group on terms other than arm's length basis. Transactions with related parties are recorded in the ledgers on separate booking accounts. The Group prepares the documentation of transfer prices in accordance with Article 11k of the Act on Corporate Income Tax. In the financial statements of the OPONEO.PL Group for the period from 1 January to 31 December 2022, mutual transactions of fully consolidated related parties have been eliminated. The tables below present the net values of the parent company's transactions with other entities in the Group.

Transactions with fully consolidated entities

Description	31.12.2022	31.12.2021
Sales	52,010	54,140
Purchase	1,749	337
Sales of fixed assets and intangible assets	0	1,500
Purchase of fixed assets and intangible assets	0	0
Loans granted	0	0
Interest on loans granted	0	0
Dividend received	1,030	0

Transactions with other related parties

Description	31.12.2022	31.12.2021
Sales	944	1,515
Purchase	3,710	3,515
Dividend received	0	0

Receivables and liabilities with related parties

The status of receivables and liabilities between related parties is presented in the tables below. Transactions and settlements with fully consolidated related parties have been eliminated for the purposes of the consolidated financial statements.

For 2022	Sales	Purchase	Receivables	Liabilities
Entities subject to full consolidation				
Opony.pl Sp. z o.o.	18	132	0	64
OPONEO.PL	0	0	963	3,625
Oponeo.de GmbH	41,272	9	1,999	0
Oponeo.co.uk LTD	1,176	0	1,155	0
Hurtopon.pl Sp. z o.o.	18	199	0	18
Oponeo International sp. z o.o.	6,054	8	1,224	0
Rotopino.pl S.A.	3	2	0	0
Oponeo Brandhouse S.K.A.	0	0	0	0
Dadelo S.A.	1,722	1,399	471	881
Total entities subject to full consolidation	52,010	1,749	5,812	4,588
Other related parties				
Eximo Project Sp. z o.o.	50	2,492	5	38
LAM S.A.	884	67	33	0
Stratos Dariusz Topolewski	10	1,000	6	0
Escrita Monika Siarkowska	0	151	0	0
Total other related parties	944	3,710	44	38

For 2021	Sales	Purchase	Receivables	Liabilities
Entities subject to full consolidation				
Opony.pl Sp. z o.o.	18	144	0	76
OPONEO.PL	2	0	0	168
Oponeo.de GmbH	47,266	0	902	17
Oponeo.co.uk LTD	1,174	6	73	0
Hurtopon.pl Sp. z o.o.	18	181	0	19
Oponeo International sp. z o.o.	4,794	0	1,922	0
Rotopino.pl S.A.	0	2	0	0
Oponeo Brandhouse S.K.A.	0	0	0	0
Dadelo S.A.	2,370	5	168	0
Total entities subject to full consolidation	55,642	337	3,066	280
Other related parties				
Eximo Project Sp. z o.o.	53	2,471	5	1,744
LAM S.A.	1,438	140	168	0
Stratos Dariusz Topolewski	23	750	28	0
Escrita Monika Siarkowska	1	154	0	31
Total other related parties	1,515	3,515	201	1,774

5.8. HEADCOUNT

Employment structure	31.12.2022	31.12.2021
Total headcount	485	541
Sales Department	240	237
IT Department	92	81
Warehouse	34	110
Other	119	113

5.9. REMUNERATION OF MANAGING AND SUPERVISING PERSONS IN THE COMPANIES

Management Board	Due to service on the Management Board - current period	Due to employment contract in the Company - current period	Due to service on the Management Board - previous period	Due to employment contract in the Company - previous period
Management Board in the parent company	7,498	221	6,631	214
Management Boards in other Group Companies	1,795	554	1,983	408

Supervisory Board	Due to service on the Supervisory Board - current period	Due to employment contract in the Company - current period	Due to service on the Supervisory Board - previous period	Due to employment contract in the Company - previous period
Supervisory Board in the Parent Company	37	0	43	0
Supervisory Boards in other Group Companies	92	0	45	0

5.10. STATUTORY AUDITOR'S REMUNERATION

Remuneration of the entity authorised to audit financial statements	31.12.2022	31.12.2021
Audit of the annual financial statements and consolidated financial statements	120	126
Other certifying services, including the review of the financial statements / consolidated financial statements	55	40
Tax advisory services	3	3
Other services (annual audit of subsidiaries' financial statements)	0	0
Total	178	169

In the period from 1 January to 31 December 2022, the amount of the remuneration paid to the statutory auditor for the audit and review of financial statements and other related services amounted to PLN 178 thousand net.

In the period from 1 January to 31 December 2021, the amount of the remuneration paid to the audit firm for the audit and review of financial statements and other related services amounted to PLN 169 thousand net.

5.11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DAY

There were no events after the balance sheet date that significantly affect the Group's position in subsequent periods.

5.12. DECLARATION OF THE MANAGEMENT BOARD

We declare to the best of our knowledge and belief that:

The consolidated annual financial statements and the comparative data have been prepared in accordance with the accounting principles in force and reflect in an accurate, reliable and clear way the economic and financial position of the OPONEO.PL Group and the financial result. The Annual consolidated Report on activities of the Management Board provides a true picture of the development, achievements as well as position of the OPONEO.PL Group, including the description of the main threats and risks. The Group complied with the legal regulations as well as the terms and conditions of concluded agreements significant from the point of view of our activity, in particular its continuation.

We made the ledgers and full documentary evidence confirming the accounting records available to the statutory auditor / the auditing team.

The submitted incorporation, registration, statutory documents made available to the statutory auditor / the auditing team are valid as at the day of commencement of the financial statements audit.

According to our knowledge, the consolidated financial statements are free from material errors and omissions and the settlements arising from tax and non-tax titles were performed in compliance with the applicable provisions to which the competent control authorities did not raise any objections.

In the consolidated financial statements of the OPONEO.PL Group, the valuation of assets and liabilities was presented in an accurate manner and revenues and costs related to the reporting period were recognised in a complete manner, required provisions were created and exchange differences were cleared in the foreign settlements.

The consolidated financial statements were prepared under the assumption of business continuation as a going concern in the foreseeable future and no circumstances exist indicating any threat to the continuity of the entity's business.

We identified all non-moving inventory by performing the analysis of sales opportunities which did not result in any discounting. In the consolidated financial statements we recognised all receivables and liabilities, including those contingent such guarantees, sureties (including bill of exchange guarantees) as well as pledges and disputable settlements,

We hold all legal titles pertaining to the components of assets recognised in the balance sheet.

We provided the auditor/the audit team with lists of lawsuits established by and pending against our Company and related companies and in preparation for litigation.

We also presented a list of external audits and a list of security interests in the entity's assets included in the notes.

We abandoned the accrual of interest for late payment of our receivables.

We have not recognised any penalty interest due to counterparties for late payment of liabilities, as it is customary to settle with suppliers in the principal amount of the liability.

We have disclosed all relationships with natural and legal persons regarding direct or indirect participation in the management and control and participation in the capital of entities related to our company.

We disclosed to the statutory auditor/auditing team all events that occurred after the balance sheet date which could affect the opinion on the financial statements audited and the assessment of the economic and financial situation of the OPONEO.PL Group

The OPONEO.PL Group does not have any open financial instruments as at 31 December 2022, in particular: futures, forward contracts, option contracts, swap contracts, other than those shown and disclosed in the financial statements prepared as at 31 December 2022.

We declare that no formal or informal arrangements with other entity exist, related to setting off cash balances and capitals or funds.

Furthermore, we declare that the entity authorised to audit the financial statements, HLB M2 AUDIT PIE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ, which audited the annual consolidated financial statements of the OPONEO.PL Group for the period from 1 January to 31 December 2022, was selected in accordance with the provisions of the law and fulfilled the conditions for issuing an impartial and independent audit opinion, in accordance with the relevant regulations and professional standards.

These financial statements were adopted for publication on 5 April 2023.

APPROVAL FOR PUBLICATION

The consolidated financial statements were approved by the Management Board of OPONEO.PL S.A. on 5 April 2023. Shareholders of the entity are not authorised to make changes in the financial statements published.

Signatures of persons representing the Company:

Dariusz Topolewski

President of the Management Board

Michał Butkiewicz

Member of the Management Board

Maciej Karpusiewicz

Member of the Management Board

Ernest Pujszo

Member of the Management Board

Wojciech Topolewski

Member of the Management Board

Signature of the person in charge of bookkeeping:

Małgorzata Nowicka

Chief Accountant

Bydgoszcz, 5 April 2023

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