



Consolidated annual financial statements of
the OPONEO.PL S.A. Group
as at 31 December

2021

06 April 2022

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1. GENERAL INFORMATION

1.1. INFORMATION ABOUT THE OPONEO.PL GROUP

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

State of registry: Poland

Description of the nature and principal scope of business: online retail sale of parts and accessories (mainly tyres and wheels) for motor vehicles

Entity's registered office: ul. Podleśna 17, 85-145 Bydgoszcz

Explanation of changes in the name of the reporting entity: there were no changes

Entity's legal form: joint stock company

Name of parent company: Oponeo.pl S.A.

Name of reporting entity: Oponeo.pl S.A.

Name of the ultimate parent of the group: Oponeo.pl S.A.

Principal 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 entity", "Company"). As at the date of preparation of this report, the Company's data was as follows:

Name	OPONEO.PL S.A.
Address	Bydgoszcz ul. Podleśna 17
REGON No [National Business Registry Number]	093149847
NIP No [Tax Id. number]	953-24-57-650
KRS No [National Court Register Number]	0000275601
Registry court	District Court in Bydgoszcz, XIII Commercial Division of the National Court Register
Duration	The duration of operations of individual entities comprising the OPONEO.PL Group is unspecified

The main scope of business of OPONEO.PL S.A. is retail sales of parts and accessories (mainly tyres) for motor vehicles. In addition to tyres, the range of products includes steel and aluminium wheels and snow chains. The OPONEO.PL Group is a pioneer in introducing on the Polish market a service

combining the supply of tyres with their servicing. Currently, this service is offered at nearly 1200 service points.

The company offers tyres for:

- passenger cars,
- light commercial vehicles,
- four-wheel drive vehicles (4x4),
- trucks,
- motorcycles,
- quads.

The offer includes more than 5 thousand tyre and wheel models, belonging to the premium, medium and budget segments. In order to provide appropriate adaptation to weather conditions, the Group offers year-round, winter and summer tyres.

The OPONEO Group is the leader in online tyre sales in Poland. In addition, it is present on 12 different European markets, i.e. in Austria, Belgium, Czech Republic, France, Spain, Holland, Ireland, Germany, Slovakia, Great Britain, Italy, and Hungary.

Composition of the Management Board and Supervisory Board of the Parent Company

The Management Board of the Parent Company, as at the date of approval the consolidated financial statements for publishing, i.e. 06.04.2022, comprised:

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

There were no changes in the composition of the Parent Company's Management Board in the period from 1 January 2021 to 06.04.2022.

As of 06.04.2022, the Supervisory Board of the Parent Company comprised:

- Siarkowska Monika – Chairman of the Supervisory Board
- Ciaciuch Lucjan – Member of the Supervisory Board
- Michał Kobus – Member of the Supervisory Board
- Małachowski Wojciech – Member of the Supervisory Board
- Sznajder Paweł – Member of the Supervisory Board

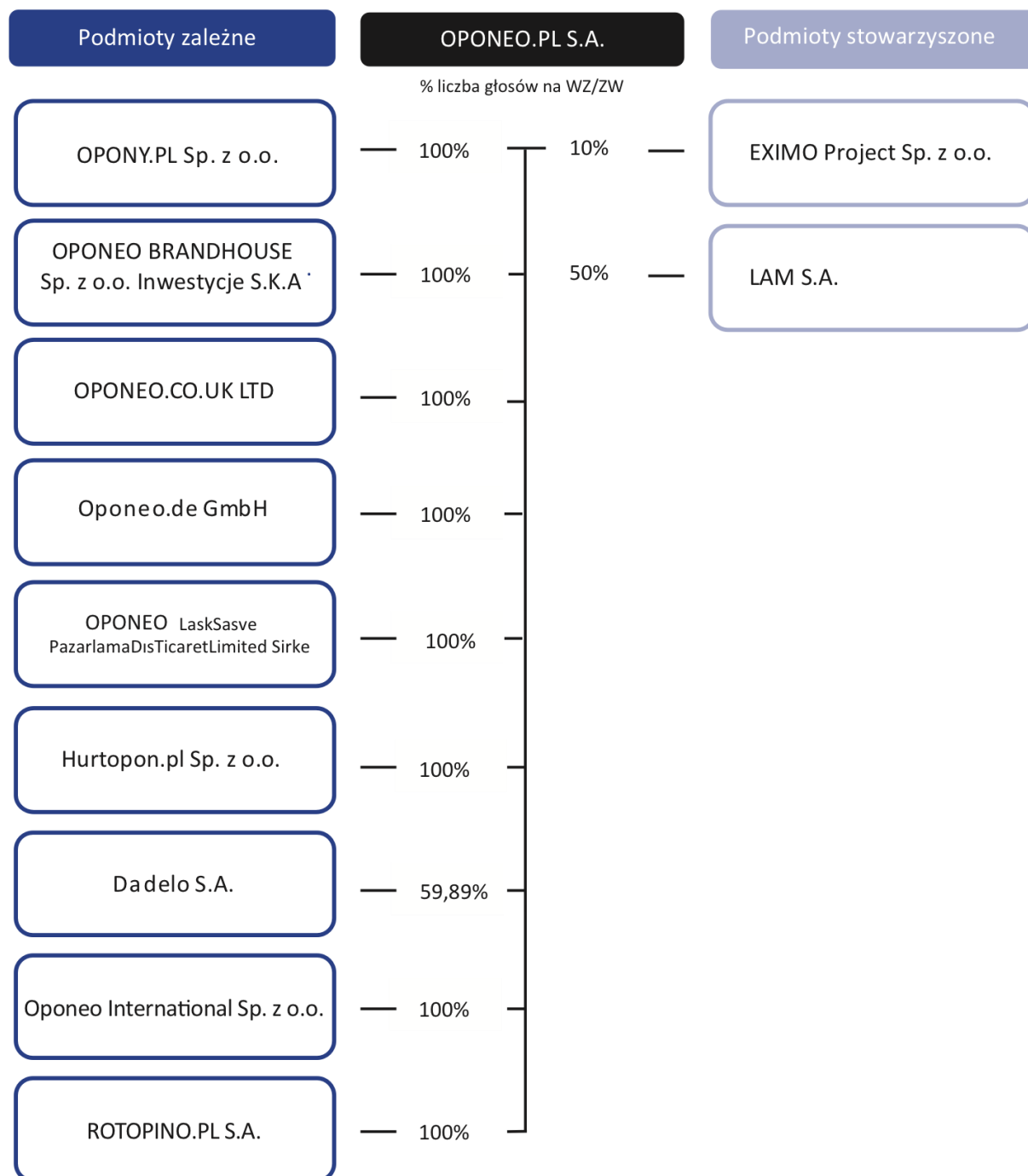
There were no changes in the composition of the Management Board in the period from 1 January 2021 to 06.04.2022.

1.2. COMPOSITION OF THE OPONEO.PL GROUP

In 2021, the structure of OPONEO.PL Group changed due to the acquisition of 50% of shares in LAM S.A. in January 2021.

As at 31 December 2021, the composition of the OPONEO.PL Group was as follows:

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2. CONSOLIDATED FINANCIAL STATEMENTS

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

	Note	01.01. - 31.12.2021	01.01. - 31.12.2020
Sales revenues	4.1.1.	1,514,546	1,063,260
Prime costs of the sale		1,205,427	846,037
Gross sales profit (loss)		309,119	217,223
Selling expenses	4.1.2.	207,555	161,360
General and administrative costs	4.1.2.	19,944	15,907
Other operating revenues	4.1.2.	3,398	2,871
Other operating expenses	4.1.2.	5,545	5,961
Operating income (loss)		79,473	36,866
Financial incomes	4.1.3.	849	299
Financial costs	4.1.3.	1,567	2,374
Share in profits (losses) of entities accounted for using the equity method		-269	0
Gross profit (loss)		78,486	34,791
Income tax	4.1.4.	15,660	2,680
Profit (loss) from continuing operations		62,826	32,111
Profit (loss) on discontinued operations		0	0
Net profit (loss), including:		62,826	32,111
attributable to shareholders of the parent		60,169	32,111
attributable to non-controlling shareholders		2,657	0
Other comprehensive income			
Currency translation profit/loss from 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 net comprehensive income		0	0
Comprehensive income in total, including:		62,826	32,111
attributable to the shareholders of the parent		60,169	32,111
attributable to non-controlling shareholders		2,657	0

Earnings per share (in PLN)

Description	31.12.2021	31.12.2020
Profit (loss) per ordinary share	4.51	2.30
- from continuing operations	4.51	2.30
- from discontinued operations	0.00	0.00
Diluted profit (loss) per ordinary share	4.51	2.30
- from continuing operations	4.51	2.30
- from discontinued operations	0.00	0.00

2.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	Note	31.12.2021	31.12.2020
Fixed assets			
Tangible fixed assets	4.2.1.	77,836	83,256
Goodwill	4.2.2.	41,730	40,890
Intangible assets	4.2.2.	45,429	47,728
Investment properties		0	0
Long-term financial assets	4.2.5.	1	1
Long-term receivables	4.2.4	1,760	1,713
Deferred tax assets	4.2.7.	1,100	1,213
Investments accounted using the equity method	4.2.6.	738	0
Fixed assets in total		168,594	174,801
Current assets			
Inventories	4.2.8.	158,873	100,175
Trade and other receivables	4.2.10.	78,207	49,968
Income tax receivables		57	5
Short-term financial assets	4.2.11.	2,548	1,019
Cash and cash equivalents	4.2.12.	210,429	55,336
Current assets excluding non-current assets held for sale		450,114	206,503
Non-current assets classified as held for sale		0	0
Current assets in total		450,114	206,503
Assets in total		618,708	381,304

Liabilities

	Note	31.12.2021	31.12.2020
Equity			
Share capital	4.2.13.	13,936	13,936
Share premium account	4.2.14.	125,560	26,145
Treasury shares	4.2.14.	-2,364	0
Other capitals	4.2.14	67,932	10,383
Retained earnings	4.2.14.	142,775	175,868
Equity attributable to equity holders of the parent		347,839	226,332
Equity attributable to non-controlling shareholders		2,657	0
Equity in total		350,496	226,332
Long-term liabilities			
Lease liabilities	4.2.16.	4,932	8,987
Deferred tax liabilities	4.2.7.	5,288	4,082
Liabilities on account of deliveries and services and other liabilities	4.2.15.	403	685
Long-term financial liabilities		24,441	0
Long-term liabilities in total		35,064	13,754
Short-term liabilities			
Liabilities on account of deliveries and services and other liabilities	4.2.16.	214,330	124,326
Lease liabilities	4.2.17.	4,297	8,667
Short-term financial liabilities		9,748	4,973
Liabilities due to current income tax	4.1.6.	2,532	2,285
Short-term provisions	4.2.18.	2,241	967
Current liabilities excluding liabilities relating to assets held for sale		233,148	141,218
Liabilities related to non-current assets held for sale		0	0
Short-term liabilities in total		233,148	141,218
TOTAL liabilities		268,212	154,972
Equity and Liabilities	0	618,708	381,304

2.3. CONSOLIDATED CASH FLOW STATEMENT

Description	01.01. - 31.12.2021	01.01. - 31.12.2020
Cash flows from operating activities		
Net profit (loss)	62,826	32,111
Adjustments in total	46,942	-10,780
Amortisation and/or depreciation	14,259	11,740
Profits (losses) due to foreign exchange differences	0	0
Interest expenses	247	0
interest income	-15	-15
Profit (loss) on investing activities	-830	866
Change in provisions	2,310	-4,032
Change in inventories	-60,215	11,796
Change in receivables	-13,941	597
Change in trade payables and other liabilities	90,397	-37,254
Adjustments arising from income tax expense	14,920	2,788
Other adjustments	-190	2,734
Dividend income	0	0
Total cash flows from operations	109,768	21,331
Income tax paid	-13,571	0
Net cash flows from operating activities in total	96,197	21,331
Cash flows from investing activities		
Disposal of intangible assets	0	6
Disposal of tangible fixed assets	11,966	22
Disposal of investment properties	0	0
Disposal of shares in subsidiaries	0	0
Disposal of other financial assets	0	0
Dividends received	0	10
Repayment of long-term loans	400	9,521
Repayment of interest relating to investment activities	28	52
Acquisition of intangible assets	-1,815	0
Acquisition of tangible fixed assets	-31,021	-5,083
Expenditure on investment property	0	-196
Acquisition of shares in subsidiaries	-1,006	0
Acquisition of other financial assets	0	-35,072
Long-term loans	-550	-11,500
Other investment inflows (outflows)	0	-550
Net cash flows from investing activities in total	-21,998	-42,790

OPONEO.PL Group

Consolidated annual financial statements of the OPONEO.PL Group
as at 31 December 2021

Amounts in PLN thous.

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Net inflows from issue of shares	78,101	0
Deposits and loans received	31,500	38,635
Acquisition of own shares	-2,365	0
Dividends paid	-13,936	-1,394
Repayment of deposits and loans	-8,185	-34,627
Payments under financial lease agreements	-7,076	-6,179
Interest rates paid	-497	0
Other financial inflows (outflows)	3,352	1,031
Net cash flows from financial activities in total	80,894	-2,534
Total cash flows prior to changes due to exchange differences	155,093	-23,993
Change in cash due to foreign exchange differences	0	0
Net cash flows in total	155,093	-23,993
Cash opening balance	55,336	79,329
Cash at the end of the period	210,429	55,336

2.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period 01.01.2021-31.12.2021

Statement of changes in equity	Share capital	Share premium account	Treasury shares	Other reserves	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to non-controlling shareholders	Equity in total
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
Share issue	0	77,167	0	0	0	77,167	0	77,167
Treasury shares repurchase	0	22,248	-2,364	0	-22,249	-2,366	0	-2,366
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	4,439	-3,966	473	0	473
Creation of the reserve capital	0	0	0	50,000	-50,000	0	0	0
Changes in equity	0	99,415	-2,364	57,051	-32,594	121,507	2,657	124,164
Closing balance of equity	13,936	125,560	-2,364	67,933	142,775	347,839	2,657	350,496

Period 01.01.2020-31.12.2020

Statement of changes in equity	Share capital	Share premium account	Treasury shares	Other reserves	Retained earnings	Equity attributable to shareholders of the parent	Equity attributable to non-controlling shareholders	Equity in total
Opening balance of equity	13,936	26,145	0	10,210	145,118	195,409	0	195,409
Net profit (loss)	0	0	0	0	32,111	32,111	0	32,111
Other comprehensive income	0	0	0	0	0	0	0	0
Total income	0	0	0	0	32,111	32,111	0	32,111
Share issue	0	0	0	0	0	0	0	0
Treasury shares repurchase	0	0	0	0	0	0	0	0
Transactions with non-controlling shareholders	0	0	0	466	-466	0	0	0
Dividend	0	0	0	0	-1,394	-1,394	0	-1,394
Other changes	0	0	0	206	0	206	0	206
Creation of the reserve capital	0	0	0	0	0	0	0	0
Changes in equity	0	0	0	672	30,251	30,923	0	30,923
Closing balance of equity	13,936	26,145	0	10,882	175,369	226,332	0	226,332

3. BASIS FOR DRAWING UP THE FINANCIAL STATEMENTS

3.1. BASIS FOR DRAWING UP THE FINANCIAL STATEMENTS

3.1.1. Statement of compliance with IFRS

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

The OPONEO.PL Group prepared these consolidated financial statements, as at 31 December 2021, and for the period from 1 January to 31 December 2021, in accordance with International Financial Reporting Standards (IFRS) approved by the European Union and effective for annual periods beginning on 1 January 2021.

The consolidated financial statements of the OPONEO.PL Group were prepared on the basis of the best knowledge of the Management Board in the scope of IFRS rules and in accordance with its interpretations, which were adopted and published to the period during which the statements were prepared.

3.2. DETAILED ACCOUNTING POLICY RULES

3.2.1. Business continuity

The consolidated financial statements of the OPONEO.PL Group were prepared on the assumption of continuing its business activity in the foreseeable future, i.e. for a period of at least one year from the balance sheet date. As of the date of approval of this report by the Management Board of OPONEO.PL S.A., there are no reported circumstances indicating any risk to the continuation of OPONEO.PL Group's activity.

3.2.2. Operating segments

The OPONEO.PL Group divides its operations into three segments: car accessories, bicycle accessories and tools. The sales structure of products is presented in note 4.1.1.

3.2.3. Borrowing costs

Borrowing costs include: interest (including discount), financing costs under finance lease agreements, foreign exchange losses, commissions, fees and other costs incurred in connection with borrowings, loans and other commitments that finance the acquisition of fixed assets.

The Group activates borrowing costs from the moment the entity simultaneously meets the following conditions:

- a commitment was made to acquire a fixed asset,
- borrowing costs for this commitment were incurred,
- the necessary activities related to the acquisition of the fixed asset have been initiated.

Activation of borrowing costs is suspended if the investment activity has been discontinued for a longer period. The Oponeo Group ceases to activate borrowing costs if the actions necessary for preparation of the qualifying asset item for use are completed or its construction is abandoned. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset should be capitalised as part of the cost of that asset.

3.2.4. Consolidation and business combinations

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

The Group is in control if:

- it has power over a given entity,
- it is exposed to variable returns or has rights to variable returns due to its commitment in a given entity,
- it has the possibility to use the power to shape the level of the generated returns.

The Group verifies the fact of having control over other entities if the situation, which indicates a change of one or more of the above mentioned control conditions, occurred. If the Company holds less than the majority of voting rights in a given entity, but the voting rights are sufficient to enable it to unilaterally direct its material activities, it means that it exercises control over it. When assessing whether the voting rights in a given entity are sufficient to ensure authority, the Company analyses all relevant circumstances, including:

- the size of the held voting rights block in comparison to the scale of shares and the degree of dispersion of the 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 which may demonstrate that the Company has or does not have a power to direct the relevant actions in moments of decision-making, including voting patterns observed during the previous meetings of shareholders.

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

If necessary, the financial statements of the subsidiaries are adjusted in such a way as to match the accounting rules applied by them to the Group's accounting policy.

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

In the case of mergers/acquisitions, the Group applies the principles of IFRS 3 "Business Combinations" to settle transactions. An acquisition method is used to settle a business combination/acquisition.

Applying the acquisition method requires:

- identifying the acquirer;
- determining the acquisition date;

- recognising and measuring the identifiable assets acquired, the liabilities assumed and any non-controlling interests in the acquiree,
- recognising and measuring goodwill or a gain from a bargain purchase.

IFRS 3 excludes business combinations that are subject to joint control, both before and after the transaction. A business combination involving entities that are subject to joint control is a business combination in which all merging entities or business entities are ultimately controlled by the same entity or entities, both before and after the merger, and such control is not temporary. In this case, the entity should apply IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", paragraphs 10 - 12, and appropriately select accounting policy by referring to, among others, the standards issued by other regulators which use, during the standard setting process, the IASB conceptual frames.

3.2.5. Changes in Group's interests in subsidiaries

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

3.2.6. Tangible fixed assets

Tangible fixed assets are recognised in the books at acquisition cost or production cost, and reduced by depreciation and impairment losses. The purchase price includes the price of purchase, the costs directly related to the purchase and adjustment of the asset to the condition of use, including transportation costs. Rebates, discounts, etc. decrease the purchase price. The costs of manufacture of an asset under construction, comprises all costs incurred up to the date of its adoption.

Depreciation is recognised as deduction for cost or valuation of an asset item (excluding land and property under construction) to the 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.

Fixed assets under construction arising for production or administrative purposes are specified in the statements of financial position at construction cost reduced by any recognised impairment losses. The construction cost includes fees and, for the relevant assets, borrowing costs capitalized in accordance with the Company's accounting rules. Depreciation concerning these fixed assets begins at the moment of their entry into service, in accordance with the Company's rules on other fixed assets.

An item of tangible fixed assets is derecognised at the moment of disposal or when no economic benefits are expected from the use of the asset item. Any gains or losses arising from the disposal or retirement of tangible fixed asset items are recognised as a result of the period in which the particular asset items are derecognised.

Depreciation rates have been used to determine the economic useful lives of fixed assets:

- machinery and equipment from 3 to 10 years,
- means of transport from 5 to 10 years,
- other tangible assets from 5 to 12 years.

3.2.7. Goodwill

The goodwill is initially recognised under IFRS 3 and is not subject to depreciation. An impairment test is carried out annually, in accordance with IAS 36.

Costs incurred due to development works in progress, which are carried out by the entity for own needs, are classified as intangible assets if:

- 1) the product or production technology is strictly defined and the related research and development expense are reliably estimated,
- 2) the product or technology has been found and documented to be technically useful, based on which the entity made a decision to produce the product or use the technology,
- 3) according to predictions, development work costs will be covered by revenues from the sale of these products or revenues generated from use of the technology.

Capitalisation of development work costs through classification as intangible assets occurs if the works are successful and capital return is highly probable.

3.2.8. Intangible assets

The acquired intangible assets with a defined economic useful life are recognised in the books at acquisition cost reduced by accumulated amortisation. Depreciation is recognised linearly in the estimated period of economic utility. The goodwill is not amortized. An entity evaluates the useful life of an intangible asset taking into account i.e. the life cycle of the component on the basis of comparisons with other similar assets (similarly used), loss of suitability for technological reasons and the amount of future outlays required to maintain the component.

Impairment of intangible assets

The annual impairment test covers the following asset items:

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

For other intangible and tangible fixed assets, annual assessments as to whether there are any indicators of impairment are conducted. If any event or circumstance may indicate that it is difficult to recover the carrying amount of an asset item, 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). Asset items that self-generate cash flows are tested individually.

If the carrying amount exceeds the estimated recoverable amount of the assets to which these assets belong, then the carrying amount is reduced to the recoverable amount. The recoverable amount corresponds to the higher of the following two values: fair value less selling expenses or value in use. While determining the value in use, estimated future cash flows are discounted to the present value using a discount rate reflecting the current market value of money over time and the risk associated with the particular assets item.

The impairment losses are recognised in other operating expenses in the statements of comprehensive income.

On subsequent days of the balance sheet, the conditions indicating an opportunity for reversing impairment allowances are assessed. A reversal of an impairment loss is recognised in the statement of comprehensive income, under other operating income.

Self-produced intangible assets - development costs are recognised in the statement of financial position if the following conditions are met:

- from a technical point of view, it is possible to complete an intangible asset item so that it is fit for use or sale,
- it is possible to prove the intention to complete the item and its use or sale,
- the item will be suitable for the usage or sell,
- it is known how the component will bring economic benefits in the future,
- the technical and financial means, required to complete the development work and its use or sale, will be provided,
- it is possible to reliably determine the expenditure incurred during the development work.

For the purpose of calculating amortisation, the following periods of economic use of intangible assets were applied:

- completed development work - 5 years,
- patents - from 10 to 20 years,
- trademarks - from 7 to 15 years,
- licenses - from 5 to 20 years.

3.2.9. Leasing

The qualification of fixed assets used under lease contracts concerning fixed assets specified in the financial statement depends on the fulfilment of the requirements resulting from IAS 16. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incident to ownership.

On the commencement date of a finance lease the asset item and liability for future lease payments are recognised in the balance sheet at amounts equal to the fair value of the leased property, determined at the inception of the lease or at amounts equal to the present value of the minimum lease payments, established at the lease commencement date, provided that it is lower than fair value.

The amortisation rules for assets subject to a finance lease agreement are consistent with those applied for depreciation of own assets.

3.2.10. Financial instruments

Financial assets

As at the acquisition date, financial assets are measured at fair value, i.e. most frequently as fair value of a consideration. Transaction costs are included by the Group in the initial value of the measurement of all financial assets, beyond the category of assets measured at fair value through profit or loss.

For the purposes of measurement upon initial recognition, financial assets other than derivative hedges are classified by the Group as follows:

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

These categories are established by measurement principles as at the balance sheet date and recognition of profits or losses from measurement in the profit or loss or other comprehensive income. The Group classifies financial assets into the category on the basis of the business model for

managing financial assets, implemented in the Group, and on the basis of contractual cash flows which characterise a financial asset.

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

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets,
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income, gains and losses from impairment and exchange differences related to these assets are calculated and recognised in profit or loss in the same way as in the case of financial assets measured at amortised cost. Other changes in the fair value are recognised through other comprehensive income. When an item of financial assets measured at fair value is no longer recognised through the other comprehensive income, cumulative gain or loss recognised earlier in the other comprehensive income are subject to reclassification from equity into loss or profit.

In the reporting period, the Group has no financial assets which qualify into this measurement category.

A financial asset item is measured at fair value through profit and loss if it does not meet the criteria for measurement at amortised cost or at fair value through other comprehensive income, and if it is not an equity instrument as at fair value through other comprehensive income upon initial recognition. Moreover, the category includes financial assets measured, at the initial recognition, at fair value through profit or loss due to the satisfaction of criteria specified in IFRS 9.

Financial assets recognised under the categories measured at amortised cost and measured at fair value through other comprehensive income due to a business model and the character of financial flows involved are subject to revaluation for every balance sheet date to recognise the expected loan loss, regardless of whether there is any evidence of impairment.

Financial liabilities

Financial liabilities other than derivative hedges are presented under the following financial statement items:

- loans, borrowings and other debt instruments,
- financial leasing,
- trade liabilities and other payables and
- financial derivatives.

As at the acquisition date, financial liabilities are measured at fair value, i.e. most frequently as fair value of the amount received. Transaction costs are included by the Group in the initial value of the

measurement of all financial liabilities, beyond the category of liabilities measured at fair value through profit or loss.

Upon initial recognition, financial liabilities are measured at amortised cost using the effective interest method, except for marketable financial liabilities or financial liabilities measured at fair value through profit and loss. As regards to the category of financial liabilities measured at fair value through profit or loss, the Group classifies derivative instruments other than hedging instruments. Short-term trade liabilities are measured at the amount due to insignificant discount effects.

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

Hedge accounting

All hedging derivatives are measured at fair value. In the portion of the hedging instrument which is determined to be an effective hedge, change of the instrument's fair value is recognised in other comprehensive income and accumulated in equity from measurement of cash-flow hedges. The ineffective portion shall be immediately recognised in profit or loss.

At the moment when the hedged item affects profit or loss, the accumulated gains and losses from measurement of hedging derivatives, previously recognised in other comprehensive income, are reclassified from equity to profit or loss. The reclassification is presented in the consolidated statements from profit or loss and other comprehensive income.

3.2.11. Inventories

Inventories (goods) are shown on the balance sheet at net value, i.e. less discounts received and impairment losses.

The goods are measured at purchase prices not higher than net sales prices.

The Company has adopted the principle of determining the value of stock removal, using the FI-FO method. If the cost of purchase of an inventory item is higher than its net realisable value, a write-down in the amount of the difference between the cost of processing or purchase of the item and its realisable net value is applied.

Inventory write-downs are also made in the case of loss of value due to their damage and the inability to restore their usefulness. In such situation, these stocks are disposed of.

Write-downs of tangible current asset items related to their impairment or valuation as at the balance date are charged to other operating expenses. If the reason for recognising a write-down on tangible current assets ceases to exist, the value is recognised as other operating income.

3.2.12. Subsidies

Subsidies are not recognised until there is a reasonable assurance that the Entity will meet the necessary conditions and receive such subsidies. Subsidies, the principal condition of which is the acquisition or production by the Entity of fixed assets or intangible fixed assets, are recognised in the statement of financial position as accruals and are recognised in the income statement on a systematic basis over the expected useful lives of those assets. Other subsidies are recognised on a systematic basis in revenues in the period necessary to offset the costs that were intended to be reimbursed.

3.2.13. Cash and cash equivalents

Cash and cash equivalents include: cash in hand, bank accounts and short-term liquidity investments (up to 3 months), easily convertible into cash, with insignificant risk of change in value, and also cash in transit (cash deposit takings from retail outlets to the bank account).

3.2.14. Equity

The equity includes:

- share capital,
- supplementary capital from the sale of shares above their value,
- the remaining supplementary capital - which is created in accordance with the Commercial Company Code and the Company's statute,
- revaluation capital - created in accordance with IFRS,
- reserve capital - which is created in accordance with the Commercial Companies Code and Company's statute,
- net profit (loss)
- profit (loss) from previous years - capital is affected by the effects of fundamental errors and financial effects of changes in accounting policy are recognised.

The nominal value of the Company's equity (excluding revaluation capital) results from contracts, statutes, and profits left in the entity or uncovered losses.

3.2.15. Provisions for employee benefits

The liabilities and provisions for employee benefits disclosed in the balance sheet, include the following headings:

- provisions for untaken leave,
- other long-term employee benefits, to which the Group qualifies also retirement benefits.

The value of liabilities under short-term employee benefits is determined without discount and is presented in the balance sheet at the amount of the required payment.

The Group creates a provision for the costs of accumulating paid absences, which it will have to incur as a result of unused employee entitlements, and which entitlement accrues at the balance sheet date. The provision for untaken leave is a short-term provision and is not discounted.

3.2.16. Others provisions

A provision is recognised, when the Group has an obligation under past events, and it is probable that the fulfilment of this obligation will be linked with the outflow of economic benefits. In the case where the effect of time value of money is significant, provisions are estimated by discounting the expected future cash flows based on the pre-tax rate that reflects current market estimates of changes of time value of money and the risk associated with a given liability component.

3.2.17. Contingent liabilities

Contingent liability is a possible obligation that arises as a result of past events, whose existence will only be confirmed upon the occurrence or non-occurrence of one or more uncertain future events that are not fully controlled by the entity or derive from a present obligation arising from past events, but it is not recognised in the financial statements because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- the amount of the obligation (liability) cannot be measured with sufficient reliability.

The contingent liabilities acquired through a business combination are recognised in the balance sheet as provisions for liabilities.

The possible inflows of economic benefits for the Group, which do not yet qualify for recognition as assets, are contingent assets, which are not recognised in the balance sheet. Information on liabilities and contingent assets is disclosed in the additional explanatory notes.

3.2.18. Interest bearing loans and borrowings

The loans and interest-bearing loans are classified by the Group as financial liabilities.

At initial recognition, interest-bearing loans and borrowings are measured at purchase price, i.e. the fair value of cash received, less the costs of obtaining a loan or borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method, including impairment. Interest income is recognised using the effective interest rate, except for short-term receivables when the discounting effect is immaterial. If the valuation of loans and borrowings at an adjusted purchase price does not materially differ from the valuation at the amount payable, the liabilities are measured at the balance sheet date at the amount payable.

3.2.19. Trade liabilities and other payables

Short-term liabilities include all liabilities from supplies and services, regardless of the contractual term of their payment obligations and the part of liabilities under other titles that is due within 12 months from the balance sheet date.

On initial recognition, liabilities are measured at the price of purchase, i.e. at the fair value of the consideration received. This value is based on the transaction price or (if that price cannot be determined) the discounted amount of all future payments made.

After initial recognition, all liabilities, except for held-for-trading liabilities, and derivative liabilities, are generally measured at amortised cost using the effective interest method. If the valuation at the adjusted purchase price does not materially differ from the valuation at the amount payable, the liability is measured at the balance sheet date at the amount payable.

For liabilities with a maturity of no more than 12 months starting from the balance sheet date, factors affecting the valuation of such liabilities at amortised cost (interest rate changes, possible additional cash flows and others) are analysed. On the basis of the results of the performed analysis, the liability is measured at the amount payable in the case where the difference between the value at amortised cost and the amount payable does not have a material effect on the qualitative nature of the financial statements.

Liabilities held for trading and derivative liabilities are measured after initial recognition at fair value.

3.2.20. Accruals

The Company discloses its prepaid expenses for future reporting periods in the assets of the balance sheet under "Short-term accruals".

On the liability side of the statement of financial position, under the item "Long-term accruals" and "Short-term accruals", the Company shows in particular:

- the equivalent of the funds received or due from counterparties for benefits that will be delivered in subsequent reporting periods,
- cash received for the funding of the acquisition or construction of fixed assets from the National Disabled Persons' Rehabilitation Fund, including fixed assets under construction and development works if, pursuant to other laws, they do not increase equity.

The amounts included in deferred revenue gradually increase other operating income, in parallel with depreciation or amortisation from fixed assets financed from these sources.

The accrued liabilities are recognised under "Trade liabilities and other payables".

3.2.21. Conversion rates

As at the balance sheet date, monetary items of assets and liabilities of the Entity in foreign currency (cash, receivables and liabilities), are measured at the exchange rate applicable on that day, i.e. at the average NBP [*National Bank of Poland*] exchange rate for a given currency. Other items of the statements of financial position are presented in the value resulting from the initial recognition in the books.

3.2.22. Revenue recognition

Sales revenues are recognised at the fair value of payments received or due and they represent amounts receivable for goods and products delivered under normal business activities after deduction of rebates, value added tax and other taxes relating to sales (excise tax). Revenues are recognised to the extent that it is probable that the Group will obtain the economic benefits associated with the transaction, and the amount of revenues can be reliably measured. Revenues from the sale of goods are recognised at the time of delivery to the customer, and all rights to it are transferred to the recipient after the following conditions are met:

- transfer of significant risks and benefits resulting from the ownership of goods, from the Company to the buyer,
- the possibility of making a reliable valuation of the amount of revenue,
- the probability that the Company will receive economic benefits associated with the transaction,
- it is possible to reliably evaluate the costs incurred or anticipated in connection with the transaction.

The revenues from the sale of services are recognised at the time of issuing the invoice, serving as the basis for the service delivery.

The interest income is recognised on an accrual basis.

The revenues from the promotional offer resulting from the signed agreement for the lease of warehouse space are settled on the basis of SIC 15, proportionally to the duration of the lease.

3.2.23. Income tax

Current tax is a liability relating to taxable income for a given year, determined using tax rates prevailing at the balance sheet date and tax adjustments relating to previous years.

Income tax shown in the statement of comprehensive income includes the current part and the deferred part. Income tax is recognised in profit or loss, except for amounts related to items settled directly with equity. In such case, it is recognised in equity.

Deferred tax is calculated with the use of 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.

Deferred tax provision is created against all taxable positive temporary differences, whilst deferred tax asset is recognised to the level at which it is probable that future tax profits will be deductible by recognised negative temporary differences. The deferred tax assets or liabilities are not derecognised if the temporary difference arises from goodwill or from initial recognition (other than situation where a business combination is recognized) of another asset or liability in a transaction that neither affects the tax result nor the accounting result.

The deferred tax liability is recognised for temporary tax differences arising from investments in subsidiaries, associates and interests in joint ventures, unless the Company is able to control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. The deferred tax assets due to timing differences in deductions associated with such investments and shares are recognised to the extent of probable taxable profits, which can be offset for timing differences, if it is likely that in the foreseeable future, these differences can reverse.

The carrying amount of deferred tax assets is subject to review as at the balance-sheet date, and in the case when expected future tax profits are insufficient for the recovery of an asset or its part, the value should be reduced accordingly.

Deferred tax assets and liabilities are calculated using tax rates effective from the date on which the asset is settled or the liability is chargeable, in accordance with tax regulations (rates) that are legally or actually applicable at the balance sheet date. Valuation of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the date of preparing the financial statements.

The assets and liabilities for deferred tax are compensated in the event of a right to compensation of current assets and tax liabilities, provided that the items are taxed by the same tax authority, and the Company intends to settle its current tax assets and liabilities on a net basis.

3.2.24. Material error

An error is significant if it can individually or in total with other errors affect the economic decisions of the users of the financial statements. Errors of the previous period are errors in financial statements covering one or more previous periods.

The amount of the correction of a material error relating to past financial periods should be disclosed in the financial statements as an adjustment to the profit/loss from previous years. Comparative information should be restated unless it is impracticable to do so. The conversion of comparative information shall be understood as bringing the data from the previous year to a state comparable to that of the current year. For this purpose, the amount of the material error should be shown in the financial statement for the previous year, as follows:

- if a material error arose in the previous year - as an encumbrance of the financial result of this year,

- if a material error occurred in the years preceding the previous year - as an encumbrance of profit / loss from previous years,

3.3. CHANGES IN THE ACCOUNTING RULES

Changes in accounting policies should be made only if there are changes in accounting standards and if the Company makes changes to ensure better presentation of the financial statements.

The adjustments resulting from the change in accounting policies, are shown as adjustments to the profit (loss) from previous year, and the financial data for the previous year is compared and presented in accordance with the rules applicable in the current year.

3.4. FUNCTIONAL AND REPORTING CURRENCY

The functional currency of the statements is Polish zloty (PLN). Amounts are quoted in PLN thousands, unless otherwise indicated.

Transactions carried out in a currency other than the functional currency shall be reported at the exchange rate prevailing at the date of the transaction. As at the balance sheet date, assets and liabilities denominated in foreign currencies, are translated at the NBP exchange rate applicable on a given day. The foreign exchange differences on cash items are recognised in the result of the period in which they arise.

Individual assets and liabilities are presented at the average NBP exchange rate as at the balance sheet date.

Exchange rates	31.12.2021 Table No 254/NBP/2021	31.12.2020 Table No 255/NBP/2020
EUR	4.5994	4.6148
GBP	5.4846	5.1327
USD	4.0600	3.7584
CZK	0.1850	0.1753
HUF	0.0124	0.0126
TRY	0.3016	0.5029

As at the balance sheet date, monetary items of assets and liabilities of the Group in foreign currency (cash, receivables and liabilities), are measured at the exchange rate applicable on that day, i.e. at the average NBP [National Bank of Poland] exchange rate for a given currency. Other items of the statements of financial position are presented in the value resulting from the initial recognition in the books.

3.5. COMPARABILITY OF DATA

Since 01 January 2019, the Group has adopted a new IFRS 16 "Leases" standard to be applied to the long-term agreement for the lease of warehouse space presented as the right of use. As at the date of application of IFRS 16 for the first time, lease liabilities were measured at the present value of other fees, discounted using an annual discount rate depending on the currency, purpose of use and term of the agreements, amounting to 2.19%, which reflects the conditions under which the Group would receive long-term financing from a bank.

In accordance with the IFRS 16 standard, the Group recognises the net right of use:

Classification of assets	2021-12-31	2020-12-31
Buildings	7,687	11,936
Total right of use	7,687	11,936

3.6. PRESENTATION OF FINANCIAL STATEMENTS

Presentation of a statement of financial position

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

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

According to IAS 1 "Presentation of Financial Statements", in the consolidated statement of comprehensive income, costs are presented using the function of expense method.

Presentation of a statement of cash flows

According to IAS 1 "Presentation of Financial Statements", a consolidated statement of cash flows is prepared using the indirect method.

Earnings per share

Earnings per share for the reporting period, are determined as the quotient of the net profit for the period attributable to shareholders and the weighted average number of shares, occurring during the reporting period.

In case of retrospective changes of accounting policies or correction of errors, the Company presents the balance, prepared additionally at the beginning of the comparative period.

3.7. MEASUREMENT PRINCIPLES

All financial assets, except for those measured at fair value through profit or loss, are subject to impairment. If the Group considers evidence of impairment, the procedure shall allow to determine the amount of impairment losses on assets.

3.8. ESTIMATES AND CORRECTIONS

The preparation of consolidated financial statements in accordance with IFRS/IAS requires estimates and assumptions that affect the amounts reported in the financial statements, including additional notes and explanations. Although the assumptions and estimates are based on the best knowledge of the Company's Management Board on current events and operations, actual results may differ from those anticipated.

The most common estimates include:

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

3.9. CHANGES IN THE ACCOUNTING PRINCIPLES (POLICIES)

Like the previous year, 2021 brought relatively few changes to accounting standards. The following new or amended standards and interpretations effective for annual periods beginning on or after 1 January 2021:

- **amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16** entitled Interest Rate Benchmark Reform - Phase 2. These changes enable entities to reflect the effects of switching from reference interest rates, such as interbank offered rates (IBORs), to alternative reference interest rates without producing accounting effects that would not provide useful information to users of financial statements. They are effective for annual periods beginning on or after January 1, 2021, with earlier application permitted.
- **Amendment to IFRS 16 "Leases"** - addresses changes to leases due to the coronavirus (COVID-19) pandemic, extending the period during which lessees can benefit from the simplification of not applying the IFRS 16 guidance on modifying lease contracts. Amendment endorsed by the IASB for use after 1 April 2021.

The above amendments to standards and interpretations have not affected the Group or had an intangible effect on the Group's financial standing, results of operations or the scope of information presented in these financial statements of the Group.

No voluntary early application of a standard or interpretation has been applied by the Group in these financial statements.

4. EXPLANATORY NOTES TO EACH ITEM OF THE FINANCIAL STATEMENTS

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

4.1.1. Sales revenues

Sales revenues	01.01. - 31.12.2021	01.01. - 31.12.2020
Revenues from sales of goods	1,498,708	1,053,265
Other sales revenues	15,838	9,995
Revenues in total	1,514,546	1,063,260

Revenues from sales achieved in 2021 constitute 100% of revenues from continued operations. The core business is the online retail sales of tyres and wheels. The commercial offer of the OPONEO.PL Group includes also other car accessories. The sale of these goods is treated as a single operating segment. Revenues from the sale of goods also include revenues from other operating segments identified in the Group, i.e. the sale of bicycle accessories and tools. Apart from the sale of goods, the Group obtains revenues from the sale of services, which account for 1.05% of total sales.

The structure of revenues from sales of goods

Revenues from sales of goods	01.01. - 31.12.2021	01.01. - 31.12.2020
Sale of car accessories	1,290,211	988,865
Sale of bicycle accessories	82,072	64,400
Sale of tools	126,425	0
Sale of goods	1,498,708	1,053,265

Sales revenues - geographical breakdown

Sales revenues	01.01. - 31.12.2021	01.01. - 31.12.2020
Country	1,227,084	857,301
Sale of car accessories	1,074,099	792,780
Sale of bicycle accessories	82,810	64,521
Sale of tools	70,175	0
Foreign	287,462	205,959
Sale of car accessories	230,360	205,959
Sale of bicycle accessories	0	0
Sale of tools	57,102	0
Sales revenues in total	1,514,546	1,063,260

In 2021, the OPONEO.PL Group continued to develop online sales in foreign European markets. Retail sales of the Group were conducted in 12 different European countries. The sales of the Group are classified as retail sales. The sales value per one recipient has not exceeded 10% of total sales in 2021.

4.1.2. Operating income and costs

Operating costs in total for the year 2021	Costs related to the sale of tyres and car accessories	Costs related to the sale of bicycles and bicycle accessories	Costs related to the sale of tools	In total
Selling expenses	172,224	16,063	19,268	207,555
General and administrative costs	15,288	3,183	1,473	19,944
Operating costs in total	187,511	19,246	20,742	227,499

Operating costs in total for the year 2020	Costs related to the sale of tyres and car accessories	Costs related to the sale of bicycles and bicycle accessories	Costs related to the sale of tools	In total
Selling expenses	150,778	10,582	0	161,360
General and administrative costs	13,872	2,035	0	15,907
Operating costs in total	164,650	12,617	0	177,267

The increase in the costs of external services and other operating costs in 2021 was most significantly influenced by the increase in the scope of the Group's operations and the resulting increase in warehouse-related outsourcing services, the increase in the number of shipments performed and the increase in payment fees and commissions. The increase in employment related to the Group's expansion, mainly through the recognition of Rotopono.pl S.A. in the Group, and changes in salaries resulting from the situation on the labour market impacted the increase in employee costs borne by the Group in the period from 01 January 2021 to 31 December 2021. The higher depreciation in 2021 compared to the previous year was due to the Group's growth, including the acquisition of ROTOPINO.PL S.A.

Structure of prime costs for the year 2021	Costs related to the sale of tyres and car accessories	Costs related to the sale of bicycles and bicycle accessories	Costs related to the sale of tools	In total
Amortisation and/or depreciation	11,991	1,526	742	14,259
Material and energy consumption	3,964	1,196	174	5,334
External services	82,073	10,468	12,994	105,535
Taxes and fees	2,797	245	171	3,213
Personnel costs	35,695	5,493	3,899	45,086
Other operating costs	50,992	318	2,762	54,072
Operating costs in total	187,511	19,246	20,742	227,499

Structure of costs by type for the year 2020	Costs related to the sale of tyres and car accessories	Costs related to the sale of bicycles and bicycle accessories	Costs related to the sale of tools	In total
Amortisation and/or depreciation	11,440	300	0	11,740
Material and energy consumption	3,400	600	0	4,000
External services	72,766	8,344	0	81,110
Taxes and fees	1,984	60	0	2,044
Personnel costs	30,650	3,049	0	33,699
Other operating costs	44,410	264	0	44,674
Operating costs in total	164,650	12,617	0	177,267

Year 2021	Tyres, wheels and accessories	Bicycles and bicycle accessories	Hand tools and power tools	Exclusions and consolidation adjustments	In total
Net profit (loss)	54,649	6,024	2,157	0	62,826
Total assets	508,014	110,002	34,078	0	652,094
Total liabilities	216,788	6,273	17,925	0	240,987
Segment gross margin	262,778	26,841	24,483	0	314,103
Segment revenues	1,358,998	82,814	127,280	0	1,569,092
Revenues from external customers	1,305,581	81,687	127,279	0	1,514,546
Revenues from inter-segment transactions	0	5	0	0	5
Own costs of sales	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
Amortisation and/or depreciation	11,879	1,638	742	0	14,259
Entity's share of profit or loss of associates or joint ventures accounted for using the equity method	0	0	0	0	0
Taxable revenues	1,365,214	83,410	127,434	0	1,576,058
Tax costs	1,302,083	75,109	124,593	0	1,501,785

OPONEO.PL Group

Consolidated annual financial statements of the OPONEO.PL Group
as at 31 December 2021

Amounts in PLN thous.

oponeo

Year 2020	Tyres, wheels and accessories	Bicycles and bicycle accessories	Hand tools and power tools	Exclusions and consolidation adjustments	In total
Net profit (loss)	26,861	5,250	0	0	32,111
Total assets	358,810	32,131	0	0	390,941
Total liabilities	136,484	12,364	0	0	148,848
Segment gross margin	202,300	18,948	0	0	221,248
Segment revenues	1,071,568	64,521	0	0	1,136,089
Revenues from external customers	998,739	64,521	0	0	1,063,260
Revenues from inter-segment transactions	0	0	0	0	0
Own costs of sales	800,464	45,573	0	0	846,037
interest income	125	153	0	0	278
Interest expenses	123	36	0	0	159
Amortisation and/or depreciation	11,440	300	0	0	11,740
Entity's share of profit or loss of associates or joint ventures accounted for using the equity method	0	0	0	0	0
Taxable revenues	1,072,169	64,752	0	0	1,136,920
Tax costs	1,040,113	58,091	0	0	1,098,204

Other operating revenues	01.01. - 31.12.2021	01.01. - 31.12.2020
Settlement of grants received	38	91
Settlement of sales of assets	312	10
Release of receivable write-downs	93	185
Recognised claims	1,254	1,407
Disclosure of goods	963	745
Other	738	432
Operating revenues in total	3,398	2,871

Other operating expenses	01.01. - 31.12.2021	01.01. - 31.12.2020
Write-downs on current assets	247	467
Write-downs on financial assets	53	0
Cost of sales of assets	126	486
Settlement of commercial goods	494	860
Claims	3,693	2,081
Liquidation of investment into design work	210	1,410
Other	722	657
Other operating costs in total	5,545	5,961

4.1.3. Financial revenues and costs

Financial incomes	01.01. - 31.12.2021	01.01. - 31.12.2020
Interest rates	58	280
Dividend	0	10
Profit from the sales of financial assets	0	0
Foreign exchange differences	740	0
Other	51	9
Financial revenues in total	849	299

Financial costs	01.01. - 31.12.2021	01.01. - 31.12.2020
Interest rates	703	158
Foreign exchange differences	196	1,756
Write-downs	0	0
Lease payments	368	444
Other	300	17
Financial costs in total	1,567	2,374

4.1.4. Income tax

Income tax	01.01. - 31.12.2021	01.01. - 31.12.2020
Current tax	14,284	7,212
Deferred tax charged to profit or loss	1,376	-4,532
deferred tax arising during the year	5,393	272
reversal of earlier write-downs	-4,017	-4,804
Income tax in total	15,660	2,680

Deferred tax applies to:

- discount adjustments for the fiscal year 2021, which are partially settled by the supplier in 2022, according to their date of issue or receipt,
- sales adjustments regarding fiscal year 2021, issued in 2022,
- the provision for employee benefits,
- settlement at the time of revenue from deferred payments and revenues related to the adaptation of warehouse space,
- non-amortized portions of acquired domains.
- operational lease recognised as financial lease,
- valuation of assets and liabilities as at the balance sheet date.

4.1.5. Reconciliation between accounting result and tax result

Reconciliation between accounting result and tax result	01.01. - 31.12.2021	01.01. - 31.12.2020
Gross profit (loss)	78,486	34,791
Off-balance-sheet income	0	23
Leasing instalments	-6,801	-6,175
Other non-balance sheet tax expenses	-10,639	0
Non-tax-deductible expenses	18,550	13,170
Non-taxable income	-2,227	-2,490
Adjustments arising from the different tax treatment of correcting invoices	-2,706	0
Taxable Income	74,667	39,319
Other adjustments - capital gains	0	0
Capital gain tax	0	0
Settlement of loss	-95	-748
Income taxed abroad	1,633	1,466
Tax on foreign income	426	162
Taxable base	72,939	37,105
Income tax	13,858	7,050
Total tax	14,284	7,212

4.1.6. Current tax assets and liabilities

Current tax	31.12.2021	31.12.2020
Current income tax	14,284	7,212
Tax assets in total	14,284	7,212

Tax liabilities	31.12.2021	31.12.2020
Payable income tax	2,532	2,285
Income tax in total	2,532	2,285

4.1.7. Earnings per share

Earnings per share	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Earning for the period attributable to shareholders of the parent	60,169	32,111
Weighted average number of ordinary shares (in pcs)	13,936,000	13,936,000
Profit (loss) per share - from continuing operations	4.32	2.30

The profit generated by the Group in 2021 (in total) refers to the profit from continuing operations. The basic earnings per share are calculated as the quotient of the continued profit attributable to Parent Company's shareholders and the weighted average number of ordinary shares during the reporting period.

In 2021, the number of ordinary shares was unchanged throughout the period, i.e. from 1 January 2021 to 31 December 2021 there were 13,936,000 ordinary shares.

The diluted earnings per share from continuing operations is calculated as the quotient of the continuing operations profit attributable to the Parent Company's shareholders and the weighted average number of diluted shares during the accounting period. As there is no stock dilution in the Entity, the index of diluted earnings per share from continuing operations is equal to the index of basic earnings per share from continuing operations.

4.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

4.2.1. Tangible fixed assets

The increase in the value of fixed assets in the period from 1 January 2021 to 31 December 2021 resulted mainly from including leased warehouse space in assets, in accordance with IFRS 16 "Leases".

The Group considers whether there are any premises of impairment of the owned tangible and intangible assets on an ongoing basis. As at 31 December 2021, the Group did not find any premises indicating a need to revalue its fixed assets. The value of tangible and intangible assets was determined as the net amount which results from the accounting record.

Tangible fixed assets 01.01.2021-31.12.2021

Tangible fixed assets	Land	Buildings and facilities	Machinery and equipment	Means of transport	Other	Fixed assets under construction and advances	Total
Gross value							
As at the beginning of the period	5,489	74,953	9,566	5,506	21,485	3,322	120,321
Increases	0	471	1,038	2,289	347	3,594	7,740
Reductions	0	0	7	160	27	1,288	1,482
As at the end of the period	5,489	75,424	10,597	7,634	21,805	5,627	126,578

Amortisation

As at the beginning of the period	0	17,104	7,205	2,153	11,303	0	37,764
Increases	0	7,630	775	875	1,884	0	11,163
Reductions	0	0	0	160	25	0	185
As at the end of the period	0	24,734	7,979	2,867	13,162	0	48,742
Net fixed assets – as at the end of the period	5,489	50,690	2,618	4,767	8,644	5,627	77,836

Tangible fixed assets 01.01.2020-31.12.2020

Tangible fixed assets	Land	Buildings and facilities	Machinery and equipment	Means of transport	Other	Fixed assets under construction and advances	Total
Gross value							
As at the beginning of the period	5,490	68,927	8,746	5,251	18,736	3,771	110,921
Increases	0	6,744	817	978	2,915	2,753	14,207
Reductions	0	6	91	724	72	3,201	4,094
As at the end of the period	5,490	75,665	9,472	5,505	21,579	3,323	121,033
Amortisation							
As at the beginning of the period	0	10,211	6,456	1,883	9,866	0	28,416
Increases	0	6,910	748	775	1,589	0	10,022
Reductions	0	4	91	507	59	0	661
As at the end of the period	0	17,117	7,112	2,151	11,396	0	37,776
Net fixed assets – as at the end of the period	5,490	58,548	2,359	3,354	10,183	3,323	83,256

Ownership structure of fixed assets	31.12.2021	31.12.2020
Own	68,349	69,510
Used based on the lease contract	9,487	13,746
- financial lease contract - KŚT 7	1,800	1,810
- financial lease contract - KŚT 1	7,687	11,936
Fixed assets in total	77,836	83,256

Description	Space rental	Other rental	In total
Gross value at the beginning of the period	24,462	2,357	26,819
Increases (new leases)	327	63	390
Revaluation of lease liabilities	0	0	0
Gross value at the end of the period	24,789	2,420	27,209
Depreciation at the beginning of the period	10,848	322	11,169
Depreciation during the period	6,255	298	6,553
Accumulated depreciation (amortisation) at the end of the period	17,102	619	17,722
Net value at the end of the period	7,687	1,800	9,487

4.2.2. Intangible assets

Intangible assets 01.01.2021-31.12.2021

Intangible assets	Goodwill	Copyright, licensing and other	Expenditures for uncompleted intangible assets	In total
Gross value				
As at the beginning of the period	40,890	71,939	11,282	124,112
Increases	840	2,195	1,814	4,848
Reductions	0	0	1,939	1,939
As at the end of the period	41,730	74,134	11,157	127,021
Amortisation				
As at the beginning of the period	0	36,285	501	36,786
Increases	0	3,076	0	3,076
Reductions	0	0	0	0
As at the end of the period	0	39,361	501	39,862
Net value at the end of the period	41,730	34,773	10,656	87,159

Intangible assets 01.01.2020-31.12.2020

Intangible assets	Goodwill	Copyright, licensing and other	Expenditures for uncompleted intangible assets	In total
Gross value				
As at the beginning of the period	19,950	41,759	12,580	74,288
Increases	20,940	33,292	29,198	83,430

Reductions	0	0	30,797	30,797
As at the end of the period	40,890	75,051	10,981	126,921
Amortisation				
As at the beginning of the period	0	34,278	0	34,278
Increases	0	4,025	0	4,025
Reductions	0	0	0	0
As at the end of the period	0	38,303	0	38,303
Net value at the end of the period	40,890	36,748	10,981	88,618

Intangible assets used by the Group are connected with the Group's core activity. At the balance sheet date, the Group does not use intangible assets whose useful lives are undetermined.

The total value of amortisation of the above-presented assets is recognised under "selling costs" in the statement of comprehensive income.

No impairment premises were present with regard to the presented intangible assets as at 31 December 2021.

4.2.3. Projects and development

In 2021, the OPONEO.PL Group continued to carry out online shopping projects for foreign markets, as well as for shops selling tyres and automotive accessories on the Polish market. The expenditures on projects are classified by the Company as a development work. Projects are implemented and financed out of own resources. At the balance sheet date, these assets were not depreciated, because they have not been adopted for use. In 2021, work was completed on online tyre and wheel stores dedicated to the French, Slovakian, Czech and Hungarian markets. They were taken into service with a three-year depreciable life. In the parent company, a project called WMS dedicated to one of the Group companies was also completed and accepted into operation.

At the balance sheet date, the Group had conducted tests regarding loss of value of development works which were not adopted for use. There was no impairment.

Expenditures on intangible assets	31.12.2021	31.12.2020
As at the beginning of the period	10,781	12,639
Costs incurred over the period	3,314	2,079
Adopted to use	3,126	2,475
Negative development	0	1,262
Sales	313	0
Expenditures in total	10,656	10,981

4.2.4. Long-term receivables

The long-term liabilities disclosed in the statements relate to loans granted by the Group in the period 2020-2021 and accrued interest from the loans. In the reporting period, a loan of PLN 600 thousand

was granted to to FAASSH S.A. Pursuant to the agreement concluded, the amount of PLN 50 thousand should be settled by 31 October 2022, and the date of repayment of the remaining amount was determined in two instalments by 31 October 2024. The loan values presented in the table below as at 31 December 2021 cover the loan amounts plus accrued interest.

Long-term investment	31.12.2021	31.12.2020
of which interest	44	22
As at the beginning of the period	1,713	91
of which interest	44	22
Loans granted	550	1,600
Interest accrued	4	22
Settlements in the period	509	0
of which interest	45	44
As at the end of the period	1,754	1,713

4.2.5. Long-term financial assets – associated companies

Structure of long-term financial assets	Shares owned as at 2021-12-31 Number of shares	Shares owned as at 2021-12-31 Value of shares
Eximo Project Sp. z o.o.	10.00%	1

As at the balance sheet date, the stocks and shares in related entities and other entities were disclosed by the OPONEO.PL Group in the financial statements. As at 31 December 2021, the assets in subsidiaries were evaluated according to their purchase price, which the Group recognised as their fair value as at the balance sheet date. According to the Group, the acquisition value of the stocks and shares represents their fair value mainly because the company Eximo, in which the entity holds stocks and shares, is not quoted in an active market.

4.2.6. Long-term financial assets valued at the equity method

On 7.12.2020, the joint stock company LAM S.A. was incorporated in accordance with notarial deed 6369/2020. The shares in the newly formed Company were subscribed in the following manner: 50% of shares with a value of PLN 1 million was acquired by Metalkas S.A., and 50% of shares with a value of PLN 1 million was acquired by Oponeo.pl S.A. The share in exercising voting rights of each shareholder amounts to 50%. LAM S.A. was registered in the National Court Register on 11 February 2021. LAM S.A. was recognised as a joint contractual undertaking in the form of a joint venture within the meaning of IFRS 11 "Joint contractual 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. This is because unanimity (cooperation) is required from Metalkas S.A. and Oponeo.pl S.A. when making decisions on actions affecting returns earned by LAM S.A.

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

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

Condensed financial information of LAM S.A.

Item	2021-12-31	2020-12-31
Current assets	4,195	0
Fixed assets	310	0
Short-term receivables	312	0
Long-term receivables	0	0
Short-term liabilities	3,030	0
Long-term liabilities	0	0
Revenues	9,846	0
Result on continued operations	-530	0
Comprehensive income	-530	0
Net result	-537	0
Cash and cash equivalents	1,800	0
Short-term financial liabilities	0	0
Long-term financial liabilities	0	0
Amortisation and/or depreciation	14	0
interest income	0	0
Interest expenses	0	0
Charges on the financial result relating to income tax	13	0

The financial result of LAM S.A. relates entirely to continuing operations. The Company also has no contingent liabilities. For the year 2021, a 50% loss of PLN 269 thousand was included in the Group's result.

4.2.7. Deferred tax

Deferred tax	01.01. - 31.12.2021	01.01. - 31.12.2020
Deferred tax assets		
As at the beginning of the period	1,246	1,050
Increases	1,087	1,675
Reductions	1,233	1,512
As at the end of the period	1,100	1,213
Deferred tax provision		
As at the beginning of the period	4,081	3,124
Increases	5,082	7,440
Reductions	3,875	6,482
As at the end of the period	5,288	4,082

The deferred tax disclosed in the current financial statements of the OPONEO.PL Group had been calculated from the temporary differences arising from the provision for unused holidays as at 31 December 2021.

The information on deferred tax calculation is presented in item 4.1.4.

4.2.8. Inventories

The inventories disclosed by the Group in the statement of financial position, as at 31 December 2021, relate to inventories of commercial goods. As at the balance sheet date, they were valued at their purchase price. Write-downs to inventories of commercial goods in the amount of PLN 142 thousand were made in 2021. The storage system allows for effective management of the warehouse inventory and its rotation. In the parent company automatic analysis of the date of tyre production influences the sequence of goods issue, thus preventing old, not rotating goods from remaining in stock. There are also no price fluctuations on the market, which would force the Group to sell goods with a negative margin.

Year 2021	Car accessories	Bicycles and bicycle accessories	Hand tools and power tools	In total
Carrying amount of the goods	86,883	51,414	20,577	158,873
Value of goods before revaluation	86,883	51,498	20,634	159,015
Write-down value	0	84	58	142

Year 2020	Car accessories	Bicycles and bicycle accessories	Hand tools and power tools	In total
Carrying amount of the goods	70,142	17,841	12,192	100,175
Value of goods before revaluation	70,142	17,867	12,192	100,201
Write-down value	0	26	0	26

4.2.9. 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 2021, refers to the following categories of financial instruments specified in IFRS 9:

- financial assets valued at amortised cost (AZK),
- financial assets measured at fair value through profit or loss – designated as measured in this way upon initial recognition or later (AWGW-W),
- financial assets measured at fair value through profit or loss – obligatorily measured in this way in accordance with IFRS 9 (AWGW-O),
- Equity instruments designated upon initial recognition to measurement at fair value through other comprehensive income (IKWGP),
- financial assets valued at 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 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 financial assets	0	0	0	0	0	0	0	0
Current assets								
Trade and other receivables	78,207	0	0	0	0	0	0	78,207
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	82,515	0	0	0	0	0	210,429	292,944

Classes of financial instruments 2020-12-31

Balance sheet items	AZK	AWGW- W	AWGW- O	IKWGP	AFWGP	IZ	Outside IFRS 9	Total
Financial assets								
Fixed assets								
Long-term receivables	1,713	0	0	0	0	0	0	1,713
Financial derivatives	0	0	0	0	0	0	0	0
Other long-term financial assets	0	0	0	0	0	0	0	0
Current assets								
Trade and other receivables	49,968	0	0	0	0	0	0	49,968
Loans	0	0	0	0	0	0	0	0
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	55,336	55,336
Total	51,681	0	0	0	0	0	55,336	107,017

The value of financial liabilities, presented in the consolidated statement of financial position as at 31 December 2021, refers to the following categories of financial instruments specified in IFRS 9:

- financial liabilities measured at amortised cost (ZZK),

- financial liabilities measured at fair value through profit or loss – designated as measured in this way upon initial recognition or later (ZWGW-W),
- financial liabilities measured at fair value through profit or loss – financial liabilities held for trading in accordance with IFRS 9 (ZWGW-O),
- financial guarantee contracts (UGF),
- contingent consideration in the business combination (WZP),
- financial instruments designated as hedging instruments (IZ),
- liabilities outside the scope of IFRS 9.

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	4,932	0	0	0	0	0	0	4,932
Short-term liabilities								
Liabilities on account of deliveries and services 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	4,297	0	0	0	0	0	0	4,297
Total	263,764	0	0	0	0	0	0	263,764

Classes of financial instruments 2020-12-31

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	0	0	0	0	0	0	0	0
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities	8,987	0	0	0	0	0	0	8,987
Short-term liabilities								
Liabilities on account of deliveries and services and other liabilities	124,326	0	0	0	0	0	0	124,326
Credits, loans other debt instruments	4,973	0	0	0	0	0	0	4,973
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities	8,667	0	0	0	0	0	0	8,667

Total	146,953	0	0	0	0	0	146,953
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Classification of financial instruments using a fair value hierarchy

Fair value is defined as the price that would have been received for a sale of an asset or paid for the transfer of a liability in a transaction conducted on normal terms between market participants at the measurement date.

The fair value hierarchy of financial instruments has the following levels:

- Level 1 – quoted market prices on the active market for identical assets or liabilities,
- Level 2 - input data other than prices quoted included within Level 1 observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. as derived from prices),
- Level 3 - input data for the asset or liability valuation not based on observable market data (unobservable inputs).

As at 31 December 2021 and in the comparative period, the Group had no financial instruments measured at fair value.

Reclassification

Both in 2021 and in the previous periods, the Group did not change its business model for managing financial assets in a way which required reclassification of these assets between categories of assets measured at fair value through profit or loss or comprehensive income, and also measured at amortised cost.

Derecognition of financial assets in the statement of financial position

As at 31.12.2021, the Group had no financial assets whose transfers would not qualify for derecognition in the statement of financial position.

Financial assets and financial liabilities subject to offsetting

The Group does not present financial assets and liabilities in net amounts, which meet the requirements of offsetting specified in IAS 32.

4.2.10. Trade and other receivables

Trade and other receivables	31.12.2021	31.12.2020
Trade and other receivables - related entities	55	63
Trade and other receivables - other entities	74,370	46,030
including pre-payments	10,445	2,390
A write-down on trade receivables	476	374
Tax receivables	2,786	2,836
Other receivables	564	180
Short-term prepaid expenses	908	1,233
Trade receivables and other receivables in total	78,207	49,968

Write-downs of receivables	31.12.2021	31.12.2020
As at the beginning of the period	374	334
Increases	290	244
Reductions	188	204
As at the end of the period	476	374

Trade and other receivables	31.12.2021	31.12.2020
Performing	62,564	39,136
Non-performing	11,385	6,583
up to 1 month	8,768	6,010
from 1 to 6 months	2,207	208
from 6 months to 1 year	76	195
over 1 year	334	170
Trade and other receivables in total	73,949	45,719

The provisions for doubtful receivables are based on an analysis of their collectability. The recognised impairment losses are the difference between the carrying amount of such trade receivables and the present value of the expected receipts. In 2021, write-downs of receivables due by over 365 were made in the total amount of PLN 290 thousand. The Group has no hedging against the indicated amounts.

The accruals presented in the assets of the OPONEO.PL Group's financial statements as at 31 December 2021 relate to the costs of training, licences and insurance of the future reporting period.

4.2.11. Short-term investment

Short-term investment	31.12.2021	31.12.2020
As at the beginning of the period	1,020	218
Loans granted	1,550	950
Interest accrued	47	17
Repayments	69	17
Other financial assets	0	69
Write-down	0	218
As at the end of the period	2,548	1,019

In 2021, the OPONEO.PL S.A. granted a short-term loan to an employee in the amount of PLN 1,500 thousand. with a repayment date of 30 November 2022.

4.2.12. Cash and cash equivalents

The cash of the OPONEO.PL Group, amounting to PLN 210,429 thousand, guaranteed the financing of its day-to-day operations.

Cash and cash equivalents	31.12.2021	31.12.2020
Cash in hand	0	4
Cash at bank	147,896	45,119
Deposits	58,000	3,511
Other	4,532	6,702
Total	210,429	55,336

The bank deposits are set up for various periods ranging from one day to several weeks, depending on the Group's current cash requirements. The interest rates on deposits are agreed individually on the day of their establishment. As at 31 December 2021, the item other cash covers the amount of PLN 4,532 thousand, which results from electronic payments.

Currency structure of cash (in PLN)

Cash and cash equivalents - currency structure	31.12.2021	31.12.2020
PLN	177,723	33,349
EUR	20,138	16,583
GBP	3,009	2,343
USD	2,692	1,205
HUF	899	353
TRY	0	74
CZK	5,967	1,428
Total	210,429	55,336

Description	Year 2021	Year 2020	Change (%)
Short-term loans	3,857	4,973	-22.44%
Long-term loans	24,441	0	---
Bonds	0	0	---
Cash	210,429	55,336	280.28%
Net debt	182,131	50,363	261.64%

Description	Year 2020	Year 2019	Change (%)
Short-term loans	4,973	964	415.87%
Long-term loans	0	0	---
Bonds	0	0	---
Cash	55,336	79,329	-30.24%
Net debt	50,363	78,365	-35.73%

4.2.13. Share capital

The share capital of OPONEO.PL S.A, as at 31 December 2021, amounted to 13,936,000 and was 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 series C, nominal PLN 1.00 each.

The structure of shareholders holding at least 5% of the total number of votes of OPONEO.PL S.A as at 31 December 2021.

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%	3,081,200	22.11%
Dariusz Topolewski	2,901,592	20.82%	3,001,592	21.54%
Generali PTE S.A.	1,963,005	14.09%	1,531,274	10.99%
AEGON Otwarty Fundusz Emerytalny	1,155,000	8.29%	1,155,000	8.29%
Norges Bank	968,838	6.95%	968,838	6.95%
Other	4,162,911	29.87%	4,198,096	30.12%
Total	13,936,000	100%	13,936,000	100%

4.2.14. Other equity

Supplementary capital

The Group creates a supplementary capital from net profit, to which at least 8% of profit for the fiscal year is transferred, until the amount of the supplementary capital will be equal to at least 1/3 of the share capital. The supplementary capital in part formed from profit may be allocated to the dividend.

Description	31.12.2021	31.12.2020
Surplus from the sale of shares	125,560	26,145
Treasury shares	-2,364	0
Other reserves	67,380	10,192
Exchange differences arising on conversion	552	191
Retained earnings	142,775	175,868
Including profit of the financial year	60,169	32,111
Total	333,903	212,396

Payment of dividend from profit

Dividend	01.01.2021- 31.12.2021	01.01.2020- 31.12.2020
Amount of dividend paid from profit	13,936	1,394
Amount for shares	1.00	0.10

Reserve capital

The Group created reserve capital, from its supplementary capital, for repurchase of own shares. The capital, partly formed from the profit, could also be allocated to the dividend and to advance on the expected dividend.

4.2.15. Financial liabilities

OPONEO.PL S.A. has the possibility to use the multipurpose credit line taken from the BNP Paribas S.A. Bank. The limit resulting from this line amounts to PLN 120,000 thousand. The credit term was determined by 23 August 2028. The interest rate on the credit is the WIBOR base rate for one-month deposits plus a margin of 0.8 p.p.

As of 31 December 2021, the Company did not use the multipurpose credit line. As at the end of the previous settling period, that is at 31 December 2020, the credit line also had been unused.

The credit line is secured by the following:

- blank promissory note,
- capped mortgage up to PLN 50,000,000,
- assignment of claims from the property insurance contract,
- assignment of claims from the inventory insurance contract,
- borrower's declaration of submission to Bank's debt enforcement,
- registered pledge on stock,
- transfer of existing and future receivables for all commercial receivables which are payable to the Borrower from all its debtors.

At mBank S.A., OPONEO.PL S.A. has the possibility to use a line for financing current activities, granted on the basis of an agreement dated 28 October 2020. The limit resulting from this line is PLN 19,000 thousand. The period of use of the Line is set until 30 June 2022. The interest rate on the credit is the WIBOR base rate for one-month deposits plus a margin of 1.0 p.p.

As at 31 December 2021, the Company had not used any part of the credit.

The obligation under the line for financing current operations is secured by:

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

On 16 February 2021, the Company entered into a non-revolving credit agreement with BNP Paribas Bank Polska S.A. for the amount of PLN 31,500,000, which refinanced a significant part of own funds intended for the purchase of ROTOPINO.PL SA. The credit bears interest on the basis of a variable base rate of 3-month WIBOR + a margin of 0.85 p.p. and is repaid in 60 monthly instalments (the last balancing instalment of PLN 12.6 million). The loan is secured with a blank promissory note,

contractual mortgage on the company's real estate, assignment of the insurance policy for the real estate and a pledge on the shares of the purchased company.

ROTOPINO.PL S.A., on the basis of an agreement dated 16 April 2021, uses a credit line in PKO Bank Polska up to the amount of PLN 3,000 thousand. The credit term was determined by 16 April 2022. The credit line is secured by a blank promissory note. On 01 July 2021, ROTOPINO.PL S.A. signed a credit line agreement with BNP Paribas Bank Polska up to the limit of PLN 5,000 thousand for the period of 120 months, i.e. until 30 June 2031. The obligation under the line of credit to finance the company's current operations is secured by a blank promissory note. As at 31 December 2021, the value of credit lines used by the company amounted to PLN 5,908 thousand.

Until 30 September 2032, OPONEO.PL S.A. guarantees an agreement on a multi-purpose credit line granted to its subsidiary Dadelo S.A. by BNP Paribas Bank Polska Spółka Akcyjna for the amount of PLN 32,000 thousand. The guarantee was granted up to PLN 48,000 thousand. Dadelo S.A. did not use the credit line as at the balance sheet date.

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

OPONEO.PL S.A. has concluded contracts for the lease of warehouse space with the following companies:

- AIFM PL III Sp. z o.o. (earlier: PDC Industrial Center 43 Sp. z o.o.),
- AIFM PL I Sp. z o.o. (earlier: ACCOLADE PL IV Sp. z o.o.)

which, in accordance with point 13, oblige it to present to the landlord within 21 days from the day of its signing its unconditional, transferable and payable on first demand bank guarantee expressed in EUR. The guarantee is to be maintained for the entire rental period of the storage facilities.

Due to the conclusion of an agreement with AIFM PL III Sp. z o.o. (earlier: PDC Industrial Center 43 Sp. z o.o.) for the lease of storage space, on 26 January 2022 the bank guarantee issued by BNP Paribas was changed to EUR 321.2 thousand. The guarantee is valid until 14 October 2022.

Due to the conclusion of a further agreement with AIFM PL I Sp. z o.o. for the lease of additional storage space, on 26 January 2022, the bank guarantee was issued by BNP Paribas to EUR 247,3 thousand. The guarantee is valid until 14 October 2022.

In connection with the development of the company's warehouse base, BNP Paribas issued a bank guarantee for Castleport Investments sp. z o. o., ul. Towarowa 28, 00-839 Warsaw up to the amount of EUR 1,126 thousand. The guarantee is valid until 31 December 2022.

During the period covered by the report, the Company continued leasing agreements with Millenium Leasing Sp. z o.o. in Warsaw concerning the purchase of forklifts used to handle orders in the warehouses of Oponeo.pl S.A. The leasing period covers the years 2019-2024 for a total amount of PLN 1,824 thousand. The agreements are secured with blank bills of exchange without protest, issued by the Company.

4.2.16. Trade liabilities and other payables

Liabilities on account of deliveries and services and other liabilities	31.12.2021	31.12.2020
Trade and other receivables - related entities	1,758	119
Trade and other receivables	160,927	90,455
Advances received	3,864	2,098
Bill of exchange liabilities	24,678	24,181
Liabilities due to other taxes, fees and social benefits	20,559	1,388
Payroll liabilities	1,879	4,370
Short-term prepaid expenses	660	1,699
Other liabilities	6	16
Total liabilities on account of deliveries and services and other liabilities	214,330	124,326

The trade liabilities and other payables also include income tax liabilities which are included in the Statement of financial position in a separate item.

Obligations under a promissory note determined by the Group concern payments in commercial transactions. They result from the deferred payment for the supplier for goods purchased by the Group. Promissory notes are paid on the determined day without any additional charges and interests. Commitments and promissory notes are stated at face value, as they are due in the short term.

In accordance with SIC 15, prepayments which are presented in liabilities, as at 31 December 2021, relate to settlements of received EU subsidies and future periods related to settling in time the measures for warehouse adaptation. The table presents the accruals of income, divided into short-term and long-term (over one year).

Accruals	31.12.2021	31.12.2020
Settlement of subsidies	267	288
Other	796	2,096
Accrued expenses in total	1,063	2,384
Short-term	660	1,699
Long-term	403	685

Trade and other receivables	31.12.2021	31.12.2020
Performing	182,474	115,126
Non-performing	8,752	1,727
up to 1 month	8,544	1,250
from 1 to 6 months	0	258

from 6 months to 1 year	0	125
over 1 year	208	94
Trade liabilities in total	191,226	116,853

4.2.17. Other financial liabilities

During the period covered by the report, the Group continued leasing agreements with Millenium Leasing Sp. z o.o. in Warsaw concerning the purchase of forklifts used to handle orders in the warehouses of Oponeo.pl S.A. The leasing period covers the years 2019-2024 for a total amount of PLN 1,824,000. The agreements are secured with blank bills of exchange without protest, issued by the Group.

Since 01 January 2019, the Group has adopted a new IFRS 16 "Leases" standard to be applied to the long-term agreement for the lease of warehouse space presented as the right of use. As at the date of application of IFRS 16 for the first time, lease liabilities were measured at the present value of other fees, discounted using an annual discount rate depending on the currency, purpose of use and term of the agreements, totalling 2.19%, in the total amount of PLN 18,590,000.

In 2020, the Group entered into a long-term lease agreement for storage space for other accessories, presenting it as a lease in the accounts under IFRS "Leases". The value was assessed as the value of the fees, discounted using an annual discount rate of 1.67% for an amount of PLN 3,380 thousand.

Lease liabilities - current value of lease payments	31.12.2021	31.12.2020
Under one year	4,297	6,225
From one to five years	4,932	3,591
Over five years	0	0
Lease liabilities in total	9,229	9,816

Lease commitments - minimum lease payments	31.12.2021	31.12.2020
Under one year	4,297	6,225
From one to five years	4,932	3,591
Over five years	0	0
Lease liabilities in total	9,229	9,816

4.2.18. Short-term provisions

Short-term provisions	31.12.2021	31.12.2020
Provisions for untaken leave	1,256	949
Provisions for liabilities	985	18
Short-term provisions in total	2,241	967

In the statement of financial position, as at 31 December 2021, the Group presents short-term provisions covering employee benefits provisions and a provision for the costs of external services.

Provisions for untaken leave	31.12.2021	31.12.2020
As at the beginning of the period	949	486
Increases	4,303	2,933
Reductions	3,996	2,470
As at the end of the period	1,256	949

Other provisions	31.12.2021	31.12.2020
As at the beginning of the period	18	27
Increases - charges of the financial result	985	18
Reductions - crediting of the financial result	18	27
As at the end of the period	985	18

5. OTHER INFORMATION

5.1. BASIC CONSOLIDATED DATA OF SUBSIDIARIES

Basic data of subsidiaries	Fixed assets 2021-12-31	Balance sheet total 2021-12-31	Net result 01.01.2021-31.12.2021
Opony.pl Sp. z o.o.	0	977	-289
Oponeo International sp. z o.o.	17	4,082	106
Oponeo.de GmbH	0	6,146	684
OPONEO.CO.UK LTD	0	6,267	522
OPONEO Lastik Satış ve Pazarlama Dış Ticaret Limited Şirketi	0	93	-18
Oponeo Brandhouse S.K.A.	38	5,099	-16
Rotopino.pl S.A.	3,133	34,077	2,157
Hurtopon.pl Sp. z o.o.	0	190	116
Dadelo S.A.	13,678	110,002	6,024

5.2. ERROR CORRECTION

The OPONEO.PL Group did not make any correction of an accounting error for the years preceding the reporting period from 1 January 2021 to 31 December 2021.

5.3. CONTINGENT LIABILITIES

The contingent liabilities arising from lines of credit and bank guarantee are described in detail in section 4.2.15.

5.4. OBJECTIVES AND PRINCIPLES OF MANAGING FINANCIAL RISK

Financial risk

Elements that affect operations of the OPONEO.PL Group:

5.4.1. Currency risk

Foreign exchange risk - the Group conducts trade activities outside of Poland, mainly within the European Union, and therefore fluctuations in exchange rates affect its results. The Group strives to balance revenues and expenses in a given currency and concludes forward hedging transactions in respect of payments and receivables in foreign currency.

Year 2021	Assets	Liabilities
EUR	32,492	45,671
GBP	5,952	740
USD	4,124	14,442
CZK	6,056	0
TRY	0	0

HUF	898	17
Year 2020	Assets	Liabilities
EUR	26,851	25,430
GBP	7,075	871
USD	1,600	1,150
CZK	1,465	264
TRY	228	285
HUF	365	1,390

In the case of exchange rate fluctuations of 15%, the assets and liabilities for 2021, would be as follows:

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

Year 2020	Current Assets	Current Liabilities	Increase of exchange rate by 15% - Assets	Increase of exchange rate by 15% - Liabilities	Decrease of exchange rate by 15% - Assets	Decrease of exchange rate by 15% - Liabilities
EUR	26,851	25,430	30,879	29,244	22,823	21,615
GBP	7,075	871	8,136	1,002	6,013	740
USD	1,600	1,150	1,840	1,323	1,360	978
CZK	1,465	264	1,685	304	1,245	224
TRY	228	285	262	328	194	242
HUF	365	1,390	420	1,599	311	1,185

5.4.2. Interest rate risk

Interest rate risk - the companies in the OPONEO.PL Group use variable rate credit lines; therefore, increases in official interest rates may pose a risk of increased financing costs of the Group. The Group uses hedging instruments to a limited extent for interest rate risk.

Year 2021	Value	Impact on result, +1% change	Impact on result, - 1% change	In total
Financial Assets				
Loans	4,301	43	-43	4,301
Cash	210,489	2,104	-2,104	210,489
Security 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 tax	214,790	1,739	-1,739	214,790
Financial liabilities				
Bank loans	34,798	-348	348	34,798
Impact on financial liabilities before tax	34,798	-348	348	34,798
19% tax	0	66	-66	0
Impact on financial liabilities after tax	34,798	-282	282	34,798
Total	179,992	2,021	-2,021	179,992

Year 2020	Value	Impact on result, +1% change	Impact on result, - 1% change	In total
Financial Assets				
Loans	0	0	0	0
Cash	55,336	553	-553	55,336
Security deposits	0	0	0	0
Impact on financial assets before tax	55,336	553	-553	55,336
19% tax	0	-105	105	0
Impact on financial assets after tax	55,336	448	-448	55,336
Financial liabilities				
Bank loans	0	0	0	0
Impact on financial liabilities before tax	0	0	0	0
19% tax	0	0	0	0
Impact on financial liabilities after tax	0	0	0	0
Total	55,336	448	-448	55,336

5.4.3. Credit risk

Credit risk - this may be due to the economic downturn, which will worsen the payment situation of counterparties. However, such risk is negligible, as payments for goods are largely carried out by down payments and cash on delivery. If customers are granted commercial credit, they are subject to verification. In addition, trade receivables are insured at KUKE.

Description	31.12.2021	31.12.2020
Loans	4,301	0
Trade and other receivables	75,134	44,492
Other receivables	6,094	2,015
Forwards	0	0
Cash	207,551	48,931
Total	293,081	95,438

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

Description	31.12.2021	31.12.2020
Performing	62,564	39,136
Non-performing	11,385	6,583
Up to one year	11,051	6,413
Over 1 year	334	170
Total	73,949	45,179

Liquidity risk – The OPONEO.PL Group constantly monitors the chargeability of receivables and liabilities. OPONEO.PL aims to maintain financial balance also through the use of various sources of financing (bank credit, buyers' credits). A threat to the Group may be the tightening of lending policy or limiting of the possibility to obtain external financing.

Maturities of financial liabilities - the year 2021	up to 6 months	from 6 to 12 months	1 to 3 years	more than 3 years
Non-derivative financial liabilities	166,212	2,596	16,511	12,882
financial 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
options	0	0	0	0
Total	166,212	2,596	16,511	12,882

Maturities of financial liabilities - the year 2020	up to 6 months	from 6 to 12 months	1 to 3 years	more than 3 years
Non-derivative financial liabilities	120,586	8,767	8,251	736
financial liabilities	116,853	0	0	0
lease liabilities	3,733	3,794	8,251	736
bank loans	0	4,973	0	0
bonds issued	0	0	0	0
Derivatives	0	0	0	0
options	0	0	0	0
Total	120,586	8,767	8,251	736

5.5. COURT PROCEEDINGS

In the period covered by this report, the OPONEO.PL Group did not make any significant settlements in court proceedings.

In 2021, as well as until the date of submission of this annual report, there had been no pending proceedings before a court or an arbitration or public administration body, any proceedings relating to liabilities or receivables of the Group, the value of which individually or collectively represents at least 10% of the capital of OPONEO.PL.

5.6. TRANSACTIONS WITH RELATED ENTITIES

During the period covered by this report, there was not even one significant transaction, between the OPONEO.PL Group and related parties, that was signed on terms other than market conditions. In the report of the OPONEO.PL Group for the period from 1 January to 31 December 2021, related party transactions covered by full consolidation were eliminated. The tables below show the net values of the transactions.

Transactions with entities being the subject to full consolidation

Description	31.12.2021	31.12.2020
Sales	54,140	72,839
Purchase	337	126
Sale of tangible and intangible assets	1,500	0
Purchase of tangible and intangible assets	0	0
Loans granted	0	0
Interest received on loans granted	0	0
Dividend received	0	0

Transactions with other related entities

Description	31.12.2021	31.12.2020
Sales	1,136	49
Purchase	3,168	2,165
Dividend received	0	10

Receivables and payables with related entities

The balance of receivables and payables 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 statements.

Year 2021	Sales	Purchase	Receivables	Liabilities
Fully consolidated entities				
Oponeo.pl	0	0	0	0
Opony.pl Sp. z o.o.	18	144	0	76
Oponeo.de GmbH	47,266	0	17	902
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
Fully consolidated entities in total	55,640	337	2,181	997
Other related entities				
Eximo Project Sp. z o.o.	53	2,263	5	1,727
LAM S.A.	1,059	1	22	0
Stratos Dariusz Topolewski	23	750	28	0
Escrita Monika Siarkowska	1	154	0	31
Other related entities in total	1,136	3,168	55	1,758

OPONEO.PL Group

Consolidated annual financial statements of the OPONEO.PL Group
as at 31 December 2021

Amounts in PLN thous.

oponeo

Year 2020	Sales	Purchase	Receivables	Liabilities
Fully consolidated entities				
Oponeo.pl	0	0	0	0
Opony.pl Sp. z o.o.	18	111	2	53
Oponeo.de GmbH	35,165	0	2,650	0
Oponeo.co.uk LTD	36,643	0	43	619
Hurtopon.pl Sp. z o.o.	18	14	14	14
Oponeo International Sp z o.o.	7	0	1	0
Rotopino.pl S.A.	25	1	3	3
Oponeo Brandhouse S.K.A.	0	0	0	0
Dadelo S.A.	963	0	95	30
Fully consolidated entities in total	72,839	126	2,808	719
Other related entities				
Eximo Project Sp. z o.o.	48	1,034	63	106
LAM S.A.	0	0	0	0
Stratos Dariusz Topolewski	0	1,000	0	0
Escrita Monika Siarkowska	1	131	0	13
Other related entities in total	49	2,165	63	119

5.7. EMPLOYMENT

Employment structure	31.12.2021	31.12.2020
Employment in total	541	468
Sales department	237	221
IT Department	81	66
Warehouse	110	105
Other	113	76

5.8. REMUNERATION OF PERSONS MANAGING AND SUPERVISING THE COMPANIES

Management Board	Due to performance of function in the Board - current period	Due to employment contract within the Company - current period	Due to performance of function in the Board - previous period	Due to employment contract within the Company - previous period
Management Board in the Parent Company	6,631	214	1418	199
Management Boards in other Companies within the Group	1,983	408	715	92

Supervisory Board	Due to performance of function in the Supervisory Board - current period	Due to employment contract within the Company - current period	Due to performance of function in the Supervisory Board - previous period	Due to employment contract within the Company - previous period
Supervisory Board in the Parent Company	43	0	18	0
Supervisory Boards in other Companies within the Group	45	0	0	0

5.9. STATUTORY AUDITOR'S REMUNERATION

Remuneration of the entity authorised to audit financial statements	31.12.2021	31.12.2020
Audit of annual financial statements and consolidated financial statements	126	120
Other assurance services, including review of financial statements / consolidated financial statements	40	25
Tax advisory services	3	0
Other services (annual audit of subsidiaries' statements)	0	0
Total	169	145

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

In the period from 1 January to 31 December 2020, the amount of gross remuneration paid to the auditor firm for the audit and review of financial statements and other related services was PLN 145 thousand net.

5.10. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On 16 March 2022, a decision was taken to withdraw from the investment agreement concluded between the Company Oponeo.pl S.A., Arkadiusz Młynarczyk and FAASSH S.A. with its registered office in Warsaw concerning the Company's investment in FAASSH. The Management Board of OPONEO.PL S.A. analysed and evaluated the current market status of the planned undertaking covered by the aforementioned investment agreement and, having in mind the best interest of the Company and its stakeholders, decided not to pursue further cooperation under the investment agreement in question.

5.11. STATEMENT OF THE MANAGEMENT BOARD

We declare, in accordance with our best knowledge and belief, that:

The consolidated annual financial statements and comparative data were prepared in accordance with applicable accounting principles and reflect a true and fair view of the financial position of the OPONEO.PL Group and its financial performance. The consolidated annual Management report gives a true picture of the development and achievements of the OPONEO.PL Group, including

a description of the main risks and threats. The Group complied with the law, as well as the terms and conditions of concluded agreements, relevant to our business and especially its continuation.

We made available to the auditor / auditing team the accounting books and full documentation supporting the state of the accounting records.

Submitted to the statutory auditor / auditing team examining the constituent, registered and statutory documents are valid as at the date of commencement of audit of the financial statements.

As far as we know, the consolidated financial statements are free from significant errors and omissions, and settlements concerning tax were made in accordance with the applicable provisions for which appropriate supervisory bodies did not report any objections.

In the consolidated financial statements of the OPONEO.PL Group, the valuation of assets and liabilities was presented correctly and the revenues and expenses relating to the reporting period were included in a complete manner. The necessary reserves were created, and foreign exchange differences were accounted for in foreign settlements.

The consolidated financial statements have been prepared on the assumption that the business will continue in the foreseeable future and that there are no circumstances that could jeopardize the continuation of the entity.

We have identified all stocks that do not show traffic, analysing the potential for their sale, which did not result in their revaluation. In the consolidated financial statements we have disclosed all receivables and liabilities, including contingent liabilities, guarantees (also bills of exchange), pledges and disputed settlements.

We have all the legal titles to the assets listed on the balance sheet.

We have provided the statutory auditor / auditing team with lists of court cases established by our Company and its affiliates and pending against them, as well as the ones in the process of preparing for legal proceedings.

We also presented a list of external controls and a list of collateral on the entity's assets, as set out in the notes.

In settling our receivables, we waived interest on late payments.

No penalty rates payable to contractors in connection with past due payment of liabilities were recognised in the accounting books as typically, settlements with suppliers are made in the amount of principal outstanding.

We revealed links with all natural and legal persons, concerning the direct or indirect involvement in the management and control and participation in the capital affiliated with our company.

We had disclosed to the statutory auditor / auditing team any events that occurred after the balance sheet date that may have influenced the opinion of the audited financial statements and the assessment of the financial position of OPONEO.PL S.A. Group.

As at 31 December 2021, the OPONEO.PL Group has no open financial instruments, in particular: futures, forward contracts, option contracts, swaps; other than those disclosed in the financial statements as at 31 December 2021.

We declare that there are no formal or informal agreements with another entity, regarding the equalization of cash balances and capitals or funds.

In addition, we declare that the entity authorized to audit financial statements, HLB M2 AUDIT PIE SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ, which audited the consolidated annual financial statements of OPONEO.PL S.A for the period from 1 January to 31 December 2021, was selected in accordance with the law and met the conditions for release an impartial and independent audit opinion in accordance with the relevant regulations and professional standards.

These financial statements were accepted for publication on 06 April 2022.

APPROVAL FOR PUBLICATION

The consolidated financial statements were approved for publication by the Management Board of OPONEO.PL S.A. on 06 April 2022. Shareholders of the entity are not authorised to make any changes in the published financial statements.

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 entrusted with bookkeeping:

Małgorzata Nowicka

Chief Accounting Officer

Bydgoszcz, 06 April 2022

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