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Separate annual financial statements of OPONEO.PL S.A. as at 31 December

2021

6 April, 2022

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1. GENERAL INFORMATION

1.1. INFORMATION ABOUT OPONEO.PL S.A.

The parent company of the OPONEO.PL Group ("OPONEO.PL Group", "Group”) is OPONEO.PL S.A. (“Parent entity”, “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 introduction to the Polish market of a service which combines connects delivery of tyres with their servicing. Currently, this service is offered at over 1 129 service points.

The company offers tyres for:

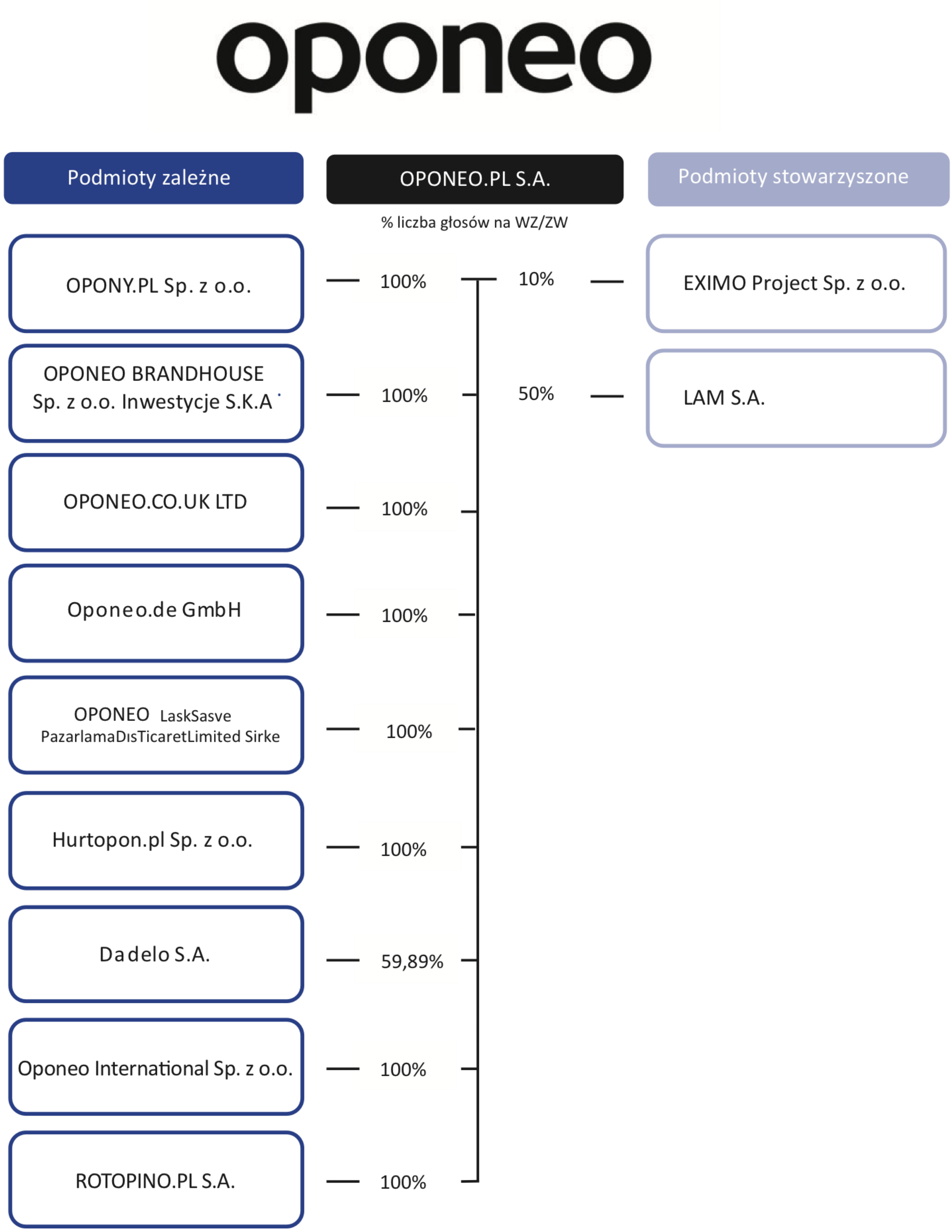
- passenger cars,
- light commercial vehicles,
- four-wheel drive vehicles (4x4),
- trucks,
- motorcycles,
- quads.

The offer on the Polish market includes about 65,7 thousand tyres, with 4,5 thousand models from 216 manufacturers. In order to provide appropriate adaptation to weather conditions, the Company offers year-round, winter and summer tyres.

The OPONEO.PL Company is the leader in online tyre sales in Poland. In addition, it is present on 9 different European markets, i.e. in Austria, Belgium, Czech Republic, France, Spain, Holland, Ireland, Slovakia and Hungary.

1.2. INFORMATION ABOUT THE OPONEO.PL GROUP

As at 31 December 2021, the composition of the GROUP was as follows:



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

2. SEPARATE FINANCIAL STATEMENTS

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

	Note	01.01. - 31.12.2021	01.01.- 31.12.2020
Sales revenue	4.1.1.	**1,259,058**	**981,323**
Prime costs of the sale		1,006,743	786,132
Gross profit (loss)		252,316	195,191
Selling expenses		168,265	148,735
General and administrative costs		15,346	13,815
Other operating revenues		4,285	2,641
Other operating expenses		4,418	6,434
Operating income (loss)		**68,572**	**28,847**
Financial incomes	4.1.3.	371	135
Financial costs	4.1.3.	1,707	2,227
Share in profits (losses) of entities accounted for using the equity method		-269	0
Gross profit (loss)		**66,967**	**26,755**
Income tax	4.1.4.	13,039	1,394
Profit (loss) from continuing operations		53,928	25,361
Profit (loss) on discontinued operations		0	0
Net profit (loss), including:		**53,928**	**25,361**
attributable to shareholders of the parent		53,928	25,361
attributable to non-controlling shareholders		0	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:		**53,928**	**25,361**
attributable to the shareholders of the parent		53,928	25,361
attributable to non-controlling shareholders		0	0

Description	31.12.2021	31.12.2020
Profit (loss) per ordinary share	**3.87**	**1.82**
- from continuing operations	3.87	1.82
- from discontinued operations	0.00	0.00
Diluted profit (loss) per ordinary share	**3.87**	**1.82**
- from continuing operations	3.87	1.82
- from discontinued operations	0.00	0.00

2.2. SEPARATE STATEMENT OF FINANCIAL POSITION

Assets

	Note	31.12.2021	31.12.2020
Fixed assets			
Tangible fixed assets	4.2.1.	68,795	74,895
Goodwill		0	0
Intangible assets	4.2.2.	45,204	46,190
Investment properties		0	0
Long-term financial assets	4.2.4.	69,960	70,584
Investments accounted using the equity method	4.2.4.	738	0
Long-term receivables	4.2.5.	1,754	1,706
Deferred tax assets	4.2.6.	635	911
Fixed assets in total		**187,086**	**194,286**
Current assets			
Inventories	4.2.7.	85,750	69,831
Trade and other receivables	4.2.9.	48,903	40,339
Income tax receivables	4.1.5.	0	0
Short-term financial assets	4.2.10.	1,982	469
Cash and cash equivalents	4.2.12	166,624	41,800
Current assets excluding non-current assets held for sale		**303,259**	**152,439**
Non-current assets classified as held for sale		0	0
Current assets in total		**303,259**	**152,439**
Assets in total		**490,345**	**346,725**

Liabilities

	Note	31.12.2021	31.12.2020
Equity			
Share capital	4.2.13.	13,936	13,936
Share premium account	4.2.14.	37,485	26,145
Treasury shares	4.2.14.	-2,365	0
Other capitals	4.2.14.	50,000	0
Retained earnings	4.2.14.	154,046	175,690
Profit from previous years	4.2.14.	100,117	150,328
Loss from previous years		0	0
Equity attributable to equity holders of the parent		253,102	215,771
Equity attributable to non-controlling shareholders		0	0
Equity in total		**253,102**	**215,771**
Long-term liabilities			
Lease liabilities	4.2.17.	341	3,591
Deferred tax liabilities	4.2.6.	4,977	3,903
Liabilities on account of deliveries and services and other liabilities	4.2.16.	247	685
Long-term financial liabilities	4.2.8.	24,438	0
Long-term liabilities in total		**30,002**	**8,179**
Current liabilities excluding liabilities relating to assets held for sale		207,241	122,776
Short-term liabilities			
Liabilities on account of deliveries and services and other liabilities	4.2.16.	196,353	113,593
Lease liabilities	4.2.17.	3,241	6,225
Short-term financial liabilities	4.2.8.	3,852	0
Liabilities due to current income tax	4.1.5.	1,832	2,123
Short-term provisions	4.2.18.	1,964	835
Liabilities related to non-current assets held for sale		0	0
Short-term liabilities in total		207,241	122,776
TOTAL liabilities		**237,243**	**130,955**
Equity and Liabilities		**490,345**	**346,725**

2.3. SEPARATE CASH FLOW STATEMENT

	01.01. - 31.12.2021	01.01.-31.12.2020
Cash flows from operating activities		
Net profit (loss)	**53,928**	**25,361**
Adjustments in total	**83,964**	**-3,004**
Amortisation and/or depreciation	11,989	11,438
Profits (losses) due to foreign exchange differences	0	0
Interest expenses	0	0
interest income	0	-10
Profit (loss) on investing activities	-1,499	1,424
Change in provisions	2,479	-4,180
Change in inventories	-15,919	18,545
Change in receivables	-8,569	704
Change in trade payables and other liabilities	82,766	-36,753
Adjustments arising from income tax expense	13,039	2,833
Other adjustments	-322	2,995
Dividend income	0	0
Total cash flows from operations	137,892	22,357
Income tax paid	-11,980	0
Net cash flows from operating activities in total	**125,912**	**22,357**
Cash flows from investing activities		
Disposal of intangible assets	1,499	6
Disposal of tangible fixed assets	0	0
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	-3,676	-4,014
Expenditure on investment property	0	-196
Acquisition of shares in subsidiaries	-1,006	0
Acquisition of other financial assets	0	-35,222
Long-term loans	-550	-11,500
Other investment inflows (outflows)	0	0
Net cash flows from investing activities in total	**-5,120**	**-41,343**
Net inflows from issue of shares	0	0
Deposits and loans received	31,500	34,627
Acquisition of own shares	-2,365	0
Dividends paid	-13,936	-1,394
Repayment of deposits and loans	-3,210	-34,627
Payments under financial lease agreements	-6,157	-6,122

Interest rates paid	-251	0
Other financial inflows (outflows)	-1,550	11
Net cash flows from financial activities in total	4,032	-7,505
Total cash flows prior to changes due to exchange differences	124,824	-26,491
Change in cash due to foreign exchange differences	0	0
Net cash flows in total	**124,824**	**-26,491**
Cash opening balance	**41,800**	**68,291**
Cash at the end of the period	**166,624**	**41,800**

2.4. SEPARATE 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 non-controlling shareholders	Equity in total
Opening balance of equity	**13,936**	**26,145**	**0**	**0**	**175,690**	**0**	**215,771**
Net profit (loss)	0	0	0	0	53,928	0	**53,928**
Other comprehensive income	0	0	0	0	0	0	**0**
Comprehensive income	0	0	0	0	53,928	0	**53,928**
Share issue	0	0	0	0	0	0	**0**
Treasury shares repurchase	0	11,340	-2,365	0	-11,340	0	**-2,365**
Transactions with non-controlling shareholders	0	0	0	0	0	0	**0**
Dividend	0	0	0	0	-13,936	0	**-13,936**
Creation of the reserve capital	0	0	0	50,000	-50,000	0	**0**
Other changes	**0**	**0**	**0**	**0**	**-297**	**0**	**-297**
Changes in equity	**0**	**11,340**	**-2,365**	**50,000**	**-21,644**	**0**	**37,331**
Closing balance of equity	**13,936**	**37,485**	**-2,365**	**50,000**	**154,045**	**0**	**253,102**

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 non-controlling shareholders	Equity in total
Opening balance of equity	**13,936**	**26,145**	**0**	**0**	**151,722**	**0**	**191,803**
Net profit (loss)	0	0	0	0	25,361	0	**25,361**
Other comprehensive income	0	0	0	0	0	0	**0**
Comprehensive income	0	0	0	0	25,361	0	**25,361**
Share issue	0	0	0	0	0	0	**0**
Treasury shares repurchase	0	0	0	0	0	0	**0**
Transactions with non-controlling shareholders	0	0	0	0	0	0	**0**
Dividend	0	0	0	0	-1,394	0	**-1,394**
Changes in equity	0	0	0	0	23,967	0	**23,967**
Closing balance of equity	**13,936**	**26,145**	**0**	**0**	**175,690**	**0**	**215,771**

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.

TheOPONEO.PL S.A. company has prepared these separate financial statements as at 31 December 2021 and for the period from 01 January to 31 December 2021, in accordance with the International Accounting Standard (IAS) 27 - “Separate Financial Statements” and with International Financial Reporting Standards (IFRS).

The separate financial statements of OPONEO.PL S.A. were prepared on the basis of the best knowledge of the management board in the scope of IFRS rules and in accordance with their 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 separate financial statements of OPONEO.PL S.A. 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, there are no reported circumstances indicating any risk to the continuation of OPONEO.PL S.A.'s activity.

3.2.2. Operating segments

OPONEO.PL S.A. does not unbundle operating segments due to the fact that the Company's main product is the sale of tyres. Other products do not exceed the 10% threshold in total sales and do not meet the remaining quantitative thresholds specified in paragraph 13 of IFRS 8. 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 Company 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 Company 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. 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 cost of manufacturing an item of property, plant and equipment under construction includes all costs incurred up to the date of its commissioning.

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.

3.2.5. 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 amortised. 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.

Costs incurred due to development works in progress, which are carried our 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.

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.

3.2.6. 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.

3.2.7. 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 Company 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 Company 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 Company 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 Company 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 Company 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.

3.2.8. 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.

3.2.9. 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.

3.2.10. 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.

3.2.11. 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.

3.2.12. 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, including retirement severance pay.

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 Company creates a provision for the costs of accumulated paid absences, which it will have to bear as a result of an entitlement not used by employees, and which accrues as at the balance sheet date. The provision for untaken leave is a short-term provision and is not discounted.

3.2.13. Other provisions, contingent assets and liabilities

A provision is recognized, when the Company has an obligation under past events, padding 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.

3.2.14. Contingent assets and 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 statement 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 Company, 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.

3.2.15. Interest bearing loans and borrowings

Interest-bearing loans and borrowings are classified by the Company 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.

3.2.16. Liabilities on account of deliveries and services and other liabilities

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. 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.

3.2.17. 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 statements 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 which 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”.

3.2.18. 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 exchange rate for a given currency. Other items of the statement of financial position are presented in the value resulting from the initial recognition in the books.

3.2.19. 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 in the amount of probable economic benefits gained by the Company in connection with a given transaction and when the amount of revenues can be measured in a reliable way. 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,
- 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 revenue 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.

3.2.20. 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.
and deferred tax. 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 recognised) of another asset or liability in a transaction that does not affect the tax result, or 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.

3.2.21. 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. The errors of the previous period, are errors in the financial report covering one or more previous periods.

The amount of the correction of the material error relating to past financial periods should be disclosed in the financial statement 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.

3.2.22. Provisions

Provisions are created when the Entity has an obligation, legal or constructive, resulting from past events, and it is probable that the fulfilment of this obligation will cause an outflow of funds, and it is possible to estimate the amount of the obligation.

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.

The accounting principles (policies) applied in the preparation of these financial statements are consistent with those applied in the preparation of the Company's annual financial statements for the year ended 31 December 2020.

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 Entity in foreign currency (cash, receivables and liabilities), are measured at the exchange rate applicable on that day, i.e. at the average NBP 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

From 01 January 2019, OPONEO.PL applies the IFRS 16 standard "Leases" 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 Company would receive long-term financing from a bank.
In accordance with the new IFRS 16 standard, the Company recognises the right of use:

Classification of assets	2021-12-31	2020-12-31
Buildings	2,657	7,967
Total right of use	**2,657**	**7,967**

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 a 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 a separate 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 separate 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. ESTIMATES AND CORRECTIONS

The preparation of separate 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,
- contingent liabilities
- impairment tests,
- deferred tax assets.

3.8. 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 Company or had an intangible effect on the Company's financial standing, results of operations or the scope of information presented in these financial statements of the Company.

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

4. EXPLANATORY NOTES TO EACH ITEM OF THE FINANCIAL STATEMENTS

4.1. INDIVIDUAL STATEMENTS 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	1,240,552	967,424
Other sales revenues	18,507	13,899
Revenues in total	**1,259,058**	**981,323**

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 Company includes also other car accessories. The sale of these goods is treated as a single operating segment. Apart from the sale of goods, the Company obtains revenues from the sale of services, which account for 1.47% of total sales. Therefore, the Company does not divide its activity into separate business segments.

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	1,240,552	967,424
Sale of bicycle accessories	0	0
Sale of tools	0	0
Sale of goods	**1,240,552**	**967,424**

Sales revenues - geographical breakdown

Sales revenues	01.01. - 31.12.2021	01.01. - 31.12.2020
Country	**1,075,147**	**778,584**
Sale of car accessories	1,075,147	778,584
Sale of bicycle accessories	0	0
Sale of tools	0	0
Foreign	**183,912**	**202,739**
Sale of car accessories	183,912	202,739
Sale of bicycle accessories	0	0
Sale of tools	0	0
Sales revenues in total	**1,259,058**	**981,323**

In 2021, the Company continued to develop online sales in European markets. The retail sales of OPONEO.PL S.A. were conducted, in addition to Poland, in 9 different European countries. The sales of the Company 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	168,265	0	0	168,265
General and administrative costs	15,346	0	0	15,346
Operating costs in total	**183,611**	**0**	**0**	**183,611**

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	148,735	0	0	148,735
General and administrative costs	13,815	0	0	13,815
Operating costs in total	**162,550**	**0**	**0**	**162,550**

Structure of costs by type	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	11,989	0	0	11,989
Material and energy consumption	3,966	0	0	3,966
External services	80,481	0	0	80,481
Taxes and fees	2,163	0	0	2,163
Personnel costs	35,078	0	0	35,078
Other operating costs	49,934	0	0	49,934
Operating costs in total	**183,611**	**0**	**0**	**183,611**

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	11,438	0	0	11,438
Material and energy consumption	3,387	0	0	3,387
External services	73,652	0	0	73,652
Taxes and fees	1,984	0	0	1,984
Personnel costs	30,017	0	0	30,017
Other operating costs	42,073	0	0	42,073
Operating costs in total	**162,550**	**0**	**0**	**162,550**

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 company's operations and the resulting increase in warehouse-related outsourcing services and the increase in the number of shipments performed.

The increase in salaries related to the increase in the scale of operations and the change in salaries resulting from the situation on the labour market and the payment of one-off bonuses for the results achieved by the company.

Other operating revenues	01.01. - 31.12.2021	01.01. - 31.12.2020
Settlement of grants received	12	18
Settlement of sales of assets	1,499	6
Release of receivable write-downs	82	185
Recognised claims	1,254	1,276
Disclosure of goods	878	745
Other	560	410
Operating revenues in total	**4,285**	**2,640**

Other operating expenses	01.01. - 31.12.2021	01.01.-31.12.2020
Write-downs on current assets	100	393
Write-downs on financial assets	0	1,262
Cost of sales of assets	19	0
Settlement of commercial goods	494	860
Claims	3,357	2,060
Liquidation of investment into design work	0	1,410
Other	448	449
Other operating costs in total	**4,418**	**6,434**

4.1.3. Financial revenues and costs

Financial incomes	01.01. - 31.12.2021	01.01. - 31.12.2020
Interest rates	43	125
Dividend	0	10
Profit from the sales of financial assets	0	0
Foreign exchange differences	283	0
Other	45	0
Financial revenues in total	**371**	**135**

Financial costs	01.01. - 31.12.2021	01.01.-31.12.2020
Interest rates	451	122
Foreign exchange differences	0	1,657
Write-downs	625	0
Lease payments	368	444
Other	263	5
Financial costs in total	**1,707**	**2,227**

4.1.4. Income tax

Income tax	01.01. - 31.12.2021	01.01. - 31.12.2020
Current tax	11,689	5,923
Deferred tax charged to profit or loss	1,350	-4,529
deferred tax arising during the year	5,417	260
reversal of earlier write-downs	-4,067	-4,789
Income tax in total	**13,039**	**1,394**

The main component creating deferred tax are discount corrections for the fiscal year 2021, which are settled according to their date of issue or receipt in 2022. Reconciliation between accounting result and tax result

Reconciliation between accounting result and tax result	01.01. - 31.12.2021	01.01. - 31.12.2020
Income tax	11,689	3,925
Total tax	**11,689**	**3,925**
Gross profit (loss)	66,967	26,755
Tax revenue - non-balance	0	23
Leasing instalments	-6,157	-6,122
Other tax off balance-sheet expenses	-10,639	0
Non-tax-deductible expenses	16,025	0
Non-taxable income	-1,910	0
Adjustments arising from the different tax treatment of correcting invoices	-2,766	0
Taxable income	**61,520**	**20,656**
Other adjustments - capital gains	0	0
Capital gain tax	0	0
Settlement of loss	0	0
Income taxed abroad	0	0
Tax on foreign income	0	0
Tax base	**61,520**	**20,656**

4.1.5. Current tax assets and liabilities

Tax liabilities	31.12.2021	31.12.2020
Payable income tax	1,832	2,123
Income tax in total	**1,832**	**2,123**

4.1.6. 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	53,928	25,361
Weighted average number of ordinary shares (in pcs)	13,936,000	13,936,000
Profit (loss) per share - from continuing operations	**3.87**	**1.82**

The profit generated by the Company 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 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 Company's shareholders and the weighted average number of diluted shares during the accounting period. As there is no stock dilution in the Company, 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. SEPARATE STATEMENT OF FINANCIAL POSITION

4.2.1. Tangible fixed assets

The Company 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 Company did not find any premises indicating a need to revaluate 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**	**68,909**	**9,046**	**5,014**	**20,395**	**3,097**	**111,950**
Increases	0	0	719	177	34	3,535	4,465
Reductions	0	0	0	160	0	1,063	1,224
As at the end of the period	**5,489**	**68,909**	**9,765**	**5,031**	**20,429**	**5,569**	**115,192**
Amortisation							
As at the beginning of the period	**0**	**16,865**	**6,959**	**1,988**	**11,242**	**0**	**37,055**
Increases	0	6,647	552	699	1,604	0	9,502
Reductions	0	0	0	160	0	0	160
As at the end of the period	**0**	**23,512**	**7,511**	**2,528**	**12,846**	**0**	**46,397**
Net fixed assets – as at the end of the period	**5,489**	**45,397**	**2,254**	**2,503**	**7,583**	**5,569**	**68,795**

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**	**68,909**	**8,512**	**4,984**	**18,522**	**3,771**	**110,188**
Increases	0	0	582	723	1,873	2,528	5,706
Reductions	0	0	48	693	0	3,201	3,942
As at the end of the period	**5,490**	**68,909**	**9,046**	**5,014**	**20,395**	**3,098**	**111,952**
Amortisation							
As at the beginning of the period	**0**	**10,211**	**6,319**	**1,809**	**9,691**	**0**	**28,030**
Increases	0	6,655	690	677	1,551	0	9,573
Reductions	0	0	48	498	0	0	546
As at the end of the period	**0**	**16,866**	**6,961**	**1,988**	**11,242**	**0**	**37,057**
Net fixed assets – as at the end of the period	**5,490**	**52,043**	**2,085**	**3,026**	**9,153**	**3,098**	**74,895**

Ownership structure of fixed assets	31.12.2021	31.12.2020
Own	**64,697**	**65,304**
Used based on the lease contract	**4,098**	**9,591**
- financial lease contract - KŚT 7	**1,441**	**1,624**
- financial lease contract - KŚT 1	**2,657**	**7,967**
Fixed assets in total	**68,795**	**74,895**

Right-of-use assets	Space rental	Other rental	Right-of-use assets in total
Gross value at the beginning of the period	**18,590**	**1,824**	**20,414**
Increases (new leases)	0	0	0
Revaluation of lease liabilities	0	0	0
Gross value at the end of the period	**18,590**	**1,824**	**20,414**
Depreciation at the beginning of the period	**10,622**	**200**	**10,822**
Depreciation during the period	5,311	182	5,494
Accumulated depreciation (amortisation) at the end of the period	**15,933**	**383**	**16,316**
Net value at the end of the period	**2,657**	**1,441**	**4,098**

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	**0**	**69,120**	**10,781**	**79,901**
Increases	0	1,627	1,814	3,440
Reductions	0	0	1,939	1,939
As at the end of the period	**0**	**70,747**	**10,656**	**81,403**
Amortisation				
As at the beginning of the period	**0**	**33,711**	**0**	**33,711**
Increases	0	2,487	0	2,487
Reductions	0	0	0	0
As at the end of the period	**0**	**36,199**	**0**	**36,199**
Net value at the end of the period	**0**	**34,548**	**10,656**	**45,204**

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	**0**	**39,584**	**12,580**	**52,164**
Increases	0	29,536	28,998	58,534
Reductions	0	0	30,797	30,797
As at the end of the period	**0**	**69,120**	**10,781**	**79,901**
Amortisation				
As at the beginning of the period	**0**	**31,845**	**0**	**31,845**
Increases	0	1,866	0	1,866
Reductions	0	0	0	0
As at the end of the period	**0**	**33,711**	**0**	**33,711**
Net value at the end of the period	**0**	**35,409**	**10,781**	**46,190**

Intangible assets used by the Company are connected with the Entity's core activity. At the balance sheet date, the Company 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 Company 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 the Company's resources. In 2021, work was completed on online stores dedicated to the French, Slovakian, Czech and Hungarian markets. They were taken into service with a three-year depreciable life. A project called WMS dedicated to one of the affiliated companies was also completed. The project costs were charged to other operating expenses relating to the sale of non-financial fixed assets. The income from the sale of completed works was recognised in other operating income from the sale of non-financial fixed assets.

At the balance sheet date, other project assets were not depreciated as they had not been adopted for use.

At the balance sheet date, the Company had conducted an analysis 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	12,580
Costs incurred over the period	1,814	1,879
Adopted to use	1,626	2,416
Negative development	0	1,262
Sales	313	0
Expenditures in total	**10,656**	**10,781**

4.2.4. Long-term financial assets

Structure of long-term financial assets	Domestic	Data if subscription of shares	Size of the holding	Book value of shares at the end of the period	Fair value at the end of the period
Opony.pl Sp. z o.o.	Poland	02.2020	100.00%	14,571	14,571
Hurtopon.pl Sp. z o.o.	Poland	12.2013	100.00%	841	841
Eximo Sp. z o.o.	Poland	10.2010	10%	1	1
Oponeo.de GmbH	Germany	10.2012	100%	106	106
Oponeo.CO.UK	United Kingdom	04.2013	100%	1	1
Oponeo Lastik Satis ve Pazarlama Dis Ticaret Limited Sirketi	Turkey	08.2012	100%	0	0
Oponeo Brandhouse Inwestycje SKA sp. z o.o.	Poland	08.2013	100%	4,786	4,786
Oponeo International Sp. z o.o.	Poland	06.2020	100%	150	150
Dadelo S.A.	Poland	09.2017	59.89%	14,415	14,415
Rotopino.pl S.A.	Poland	12.2020	100%	35,089	35,089
Lam S.A.	Poland	01.2021	50%	738	738
Long-term assets in total				**70,698**	**70,698**

As at the balance sheet date, the stocks and shares in related entities and other entities were disclosed by the Company in the financial statements. As at 31 December 2021, the Company recognised an impairment loss on assets in the amount of PLN 625,000 relating to the company Hurtopon.pl. sp. z o.o. In January 2021, the Company acquired 50% of shares in LAM S.A. Due to the fact that the 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.
As at 31 December 2021, the assets in other subsidiaries were evaluated according to their purchase price, which the Company recognised as their fair value as at the balance sheet date.

4.2.5. Long-term investment

Long-term investment	31.12.2021	31.12.2020
of which interest	**4**	**22**
As at the beginning of the period	1,706	84
of which interest	22	0
Loans granted	550	1,600
Interest accrued	4	22
Settlements in the period	506	0
of which interest	**22**	**0**
As at the end of the period	1,754	1,706

The long-term investments disclosed in the statements relate to loans granted by the Company in the period 2020-2021 and accrued interest from the loans. In the reporting period, a long-term loan of PLN 550,000 was granted. To FAASSH S.A with a repayment deadline until 2024. The amount presented as at 31 December 2021 covers loan amounts plus accrued interest.

4.2.6. Deferred tax

Deferred tax	01.01. - 31.12.2021	01.01. - 31.12.2020
Deferred tax provision		
As at the beginning of the period	3,903	8,548
Increases	4,754	7,264
Reductions	3,680	11,909
As at the end of the period	**4,977**	**3,903**
Deferred tax assets		
As at the beginning of the period	911	1,027
Increases	556	1,373
Reductions	832	1,489
As at the end of the period	**635**	**911**

The deferred tax disclosed in the current financial statements of the Company had been calculated from the temporary differences arising from the provision for employee benefits as at 31 December 2021 and from discount adjustments included in the balance sheet with tax settlements in the next year.

4.2.7. Inventories

The inventories disclosed by the Company in the statement of financial position, as at 31 December 2021, relate to inventories of commercial goods. No write-downs of inventories of commercial goods were made in 2021. The storage system allows for effective management of the warehouse inventory and its rotation. Automatic analysis of the date of tyre production influences the sequence of goods issue, thus preventing old, not rotating goods from leaving in the warehouses. There are also no price fluctuations on the market, which would force the Company to sell goods with a negative margin.

Stock of goods by product range as at 31.12.2021	Car accessories	Bicycles and bicycle accessories	Hand tools and power tools
Carrying amount of the goods	85,750	0	0
Value of goods before revaluation	85,750	0	0
Write-down value	**0**	**0**	**0**

Stock of goods by product range as at 31.12.2020	Car accessories	Bicycles and bicycle accessories	Hand tools and power tools
Carrying amount of the goods	69,831	0	0
Value of goods before revaluation	69,831	0	0
Write-down value	**0**	**0**	**0**

4.2.8. Classification of financial instruments – financial assets and liabilities

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 31.12.2021								
Balance sheet items	AZK	AWGW-W	AWGW-O	IKWGP	AFWGP	IZ	Outside IFRS 9	Total
Financial assets								
Fixed assets								
Long-term receivables	1,754	0	0	0	0	0	0	1,754
Financial derivatives	0	0	0	0	0	0	0	0
Other long-term financial assets	0	0	0	0	0	0	70,701	70,701
Current assets								
Trade and other receivables	48,903	0	0	0	0	0	0	48,903
Loans	1,982	0	0	0	0	0	0	1,982
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	166,624	166,624
Total	**52,638**	**0**	**0**	**0**	**0**	**0**	**237,325**	**289,963**

Classes of financial instruments 31.12.2020								
Balance sheet items	AZK	AWGW-W	AWGW-O	IKWGP	AFWGP	IZ	Outside IFRS 9	Total
Financial assets								
Fixed assets								
Long-term receivables	84	0	0	0	0	0	0	84
Financial derivatives	0	0	0	0	0	0	0	0
Other long-term financial assets	0	0	0	0	0	0	70,584	70,584
Current assets								
Trade and other receivables	39,501	0	0	0	0	0	0	39,501
Loans	2,000	0	0	0	0	0	0	2,000
Financial derivatives	0	0	0	0	0	0	0	0
Other short-term financial assets	69	0	0	0	0	0	0	69
Cash and cash equivalents	0	0	0	0	0	0	41,800	41,800
Total	**41,654**	**0**	**0**	**0**	**0**	**0**	**112,384**	**154,038**

The value of financial liabilities, presented in the separate 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 (Outside IFRS9).

Classes of financial instruments 2021-12-31								
Balance sheet items	ZZK	ZWGW-O	ZWGW-W	UGF	WZP	IZ	Outside IFRS 9	Total
Financial liabilities								
Long-term liabilities								
Credits, loans other debt instruments	24,438	0	0	0	0	0	0	24,438
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities	341	0	0	0	0	0	0	341
Short-term liabilities								
Liabilities on account of deliveries and services and other liabilities	198,185	0	0	0	0	0	0	198,185
Credits, loans other debt instruments	3,852	0	0	0	0	0	0	3,852
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities	3,241	0	0	0	0	0	0	3,241
Total	**230,056**	**0**	**0**	**0**	**0**	**0**	**0**	**230,056**

Classes of financial instruments 2020-12-31								
Balance sheet items	ZZK	ZWGW-O	ZWGW-W	UGF	WZP	IZ	Outside 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	3,591	0	0	0	0	0	0	3,591
Short-term liabilities								
Liabilities on account of deliveries and services and other liabilities	114,023	0	0	0	0	0	0	114,023
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	6,225	0	0	0	0	0	0	6,225
Total	**123,839**	**0**	**0**	**0**	**0**	**0**	**0**	**123,839**

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 Company had no financial instruments measured at fair value.

Reclassification

Both in 2021 and in the previous periods, the Company 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 December 2021, the Company 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 Company does not present financial assets and liabilities in net amounts, which meet the requirements of offsetting specified in IAS 32.

4.2.9. Trade and other receivables

Trade and other receivables	31.12.2021	31.12.2020
Trade and other receivables - related entities	3,121	2,898
Trade and other receivables - other entities	44,778	36,460
including pre-payments	8,326	2,390
A write-down on trade receivables	285	374
Tax receivables	479	506
Other receivables	8	12
Short-term prepaid expenses	802	839
Trade receivables and other receivables in total	**48,903**	**40,339**

Write-downs of receivables

Write-downs of receivables	31.12.2021	31.12.2020
As at the beginning of the period	374	334
Increases	100	244
Reductions	188	204
As at the end of the period	**285**	**374**

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 overdue receivables for which there are reasonable doubts about their repayment were made in the amount of PLN 100 thousand.

Trade and other receivables	31.12.2021	31.12.2020
Performing	36,469	33,341
Non-performing	11,430	6,159
up to 1 month	8,924	5,600
from 1 to 6 months	2,196	192
from 6 months to 1 year	76	195
over 1 year	234	172
Trade and other receivables in total	**47,899**	**39,500**

4.2.10. Short-term investment

Short-term investment	31.12.2021	31.12.2020
As at the beginning of the period	469	218
Loans granted	1,550	400
Interest accrued	32	17
Repayments	69	17
Other financial assets	0	69
Write-down	0	218
As at the end of the period	**1,982**	**469**

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

4.2.11. Accruals

The accruals presented in the assets of the Company's financial statements as at 31 December 2021 relate to the costs of training, licences, funds for a new investment and insurance of the future reporting period.

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).

4.2.12. Cash and cash equivalents

The cash of OPONEO.PL S.A., amounting to PLN 166,624 thousand, guaranteed the financing of its day-to-day operations without the need to launch an existing credit line.

Cash and cash equivalents	31.12.2021	31.12.2020
Cash in hand	0	4
Cash at bank	104,113	31,583
Deposits	58,000	3,511
Other	4,511	6,702
Total	**166,624**	**41,800**

Bank deposits are set up for various periods ranging from one day to several weeks, depending on the Company'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 3,791 thousand resulting from electronic payments and the amount of PLN 720 thousand constituting cash in transit.

At the end of 2021, the Company held PLN 166,624 thousand and shows PLN 138,334 thousand after deducting debt. In the previous period, the company reported PLN 41,800 thousand and had no loan debt.

The following tables show the balance of short-term loans, long-term loans, bonds and the level of net cash in PLN thousand.

Description	Year 2021	Year 2020	Change (%)
Long-term loans	24,438	0	---
Short-term loans	3,852	0	---
Bonds	0	0	---
Cash	166,624	41,800	298.62%
Net debt	**138,334**	**41,800**	**230.94%**

Description	Year 2020	Year 2019	Change (%)
Long-term loans	0	0	---
Short-term loans	0	0	---
Bonds	0	0	---
Cash	41,800	68,291	-38.79%
Net debt	**41,800**	**68,291**	**-38.79%**

Currency structure of cash (in PLN)

Cash and cash equivalents - currency structure	31.12.2021	31.12.2020
PLN	150,415	27,292
EUR	8,676	11,187
GBP	225	1,506
USD	441	34
HUF	899	353
TRY	0	0
CZK	5,967	1,428
Total	**166,624**	**41,800**

4.2.13. Share capital

The share capital of the Company, 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 the Parent 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 Company 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	37,485	26,145
Treasury shares	-2,365	0
Other reserves	50,000	0
Retained earnings	154,049	175,689
Including profit of the financial year	53,932	25,361
Total	**239,169**	**201,834**

The change in retained earnings as at 31 December 2021 is mainly due to profit for the year, dividends paid and purchase of treasury shares.

Payment of dividend from profit in the period

Dividend	01.01.2020-31.12.2020	01.01.2019-31.12.2019
Amount of dividend paid from profit	13,936	1,394
Amount for shares	**1.00**	**0.10**

Reserve capital

In the previous years, the Company created reserve capital, from its supplementary capital, for repurchase of own shares. On the basis of Resolution No. 5 of the EGM of 14 October 2021, a reserve capital of PLN 50,000 thousand was created for the purchase of treasury shares.

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 thousand, 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.

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 31.12.2022

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	1,869	838
Trade and other receivables	146,028	63,068
Advances received	3,409	1,880
Bill of exchange liabilities	24,678	24,181
Liabilities due to other taxes, fees and social benefits	18,496	18,077
Payroll liabilities	1,429	3,850
Short-term prepaid expenses	439	1,694
Other liabilities	5	5
Total liabilities on account of deliveries and services and other liabilities	**196,353**	**113,593**

Accruals	31.12.2021	31.12.2020
Settlement of subsidies	267	288
Other	418	2,091
Accrued expenses in total	**685**	**2,379**
Short-term	439	1,694
Long-term	247	685

Obligations under a promissory note determined by the Company concern payments in commercial transactions. They result from the deferred payment for the supplier for goods purchased by the Company. 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.

Trade and other receivables	31.12.2021	31.12.2020
Performing	139,345	88,236
Non-performing	8,552	1,731
up to 1 month	8,533	1,250
from 1 to 6 months	0	258
from 6 months to 1 year	0	125
over 1 year	20	98
Trade liabilities in total	**147,897**	**89,967**

4.2.17. Other financial liabilities

As at 31 December 2021, the company has operating lease agreements 11 forklifts, concluded in 2019 and recognised as financial lease.

Since 01 January 2019, OPONEO.PL 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.

Lease liabilities - current value of lease payments	31.12.2021	31.12.2020
Under one year	3,241	6,225
From one to five years	341	3,591
Over five years	0	0
Lease liabilities in total	**3,581**	**9,816**

Lease commitments - minimum lease payments	31.12.2021	31.12.2020
Under one year	3,241	6,225
From one to five years	341	3,591
Over five years	0	0
Lease liabilities in total	**3,581**	**9,816**

4.2.18. Short-term provisions

Short-term provisions	31.12.2021	31.12.2020
Provisions for untaken leave	1,077	835
Provisions for liabilities	887	0
Short-term provisions in total	**1,964**	**835**

In the statement of financial position, as at 31 December 2021, the Company presents short-term provisions covering employee benefits provisions.

Provisions for untaken leave	31.12.2021	31.12.2020
As at the beginning of the period	**835**	486
Increases	4,194	2,819
Reductions	3,952	2,470
As at the end of the period	**1,077**	**835**

5. OTHER INFORMATION

5.1. Error correction

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

5.2. Contingent liabilities

Contingent financial liabilities are described in section 4.2.15.

5.3. Objectives and principles of managing financial risk

Financial risk

Elements that affect operations of OPONEO PL S.A.;

- Foreign exchange risk - the Company conducts trade activities outside of Poland, mainly within the European Union, and therefore fluctuations in exchange rates affect its results. The Company 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
HUF	898	17
TRY	0	0
CZK	6,056	0
USD	1,693	14,442
GBP	478	61
EUR	19,814	39,930

Year 2020	Assets	Liabilities
HUF	365	1,390
TRY	0	0
CZK	1,465	264
USD	436	1,150
GBP	1,541	445
EUR	18,683	24,022

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	19,814	39,930	22,787	45,920	16,842	33,941
GBP	478	61	549	70	406	52
TRY	0	0	0	0	0	0
CZK	6,056	0	6,964	0	5,148	0
HUF	898	17	1,033	20	763	15
USD	1,693	14,442	1,946	16,608	1,439	12,275

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	18,683	24,022	21,486	27,625	15,881	20,419
GBP	1,541	445	1,772	512	1,310	378
TRY	0	0	0	0	0	0
CZK	1,465	264	1,685	304	1,245	224
HUF	365	1,390	420	1,599	311	1,182
USD	436	1,150	501	1,323	371	978

- Interest rate risk - OPONEO.PL S.A. uses variable rate credit lines; therefore, increases in official interest rates may pose a risk of increased financing costs, Considering that the Company rarely uses the credit lines granted, OPONEO.PL S.A. applies hedging instruments for interest rate risk to a limited extent.

Year 2021	Value	Impact on result, +1% change	Impact on result, - 1% change
Financial Assets			
Loans	3,735	37	-37
Cash	166,624	1,666	-1,666
Security deposits	0	0	0
Impact on financial assets before tax	170,359	1,704	-1,704
19% tax	0	-324	324
Impact on financial assets after tax	170,359	1,380	-1,380
Financial liabilities			
Bank loans	28,890	-289	289
Impact on financial liabilities before tax	**28,890**	**-289**	**289**
19% tax	0	55	-55
Impact on financial liabilities after tax	**28,890**	**-234**	**234**
Total	**141,469**	**1,614**	**-1,614**

Year 2020	Value	Impact on result, +1% change	Impact on result, - 1% change
Financial Assets			
Loans	0	0	0
Cash	41,800	418	-418
Security deposits	0	0	0
Impact on financial assets before tax	41,800	418	-418
19% tax	0	-79	79
Impact on financial assets after tax	41,800	339	-339
Financial liabilities			
Bank loans	0	0	0
Impact on financial liabilities before tax	**0**	**0**	**0**
19% tax	0	0	0
Impact on financial liabilities after tax	**0**	**0**	**0**
Total	**41,800**	**339**	**-339**

- 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 SA.

Description	31.12.2021	31.12.2020
Loans	3,735	0
Trade and other receivables	47,899	38,975
Other receivables	1,004	1,364
Forwards	0	0
Cash	166,624	41,799
Total	**219,262**	**82,137**

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

Description	31.12.2021	31.12.2020
Performing	36,469	33,341
Non-performing	11,430	5,732
Up to one year	11,196	5,633
Over 1 year	234	98
Total	**47,899**	**39,073**

Liquidity risk – The Company 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 Company may be the tightening of lending policy or limiting of the possibility to obtain external financing.

Maturities of financial liabilities	up to 6 months	from 6 to 12 months	1 to 3 years	more than 3 years
Non-derivative financial liabilities, of which:	**152,907**	**2,064**	**11,916**	**12,882**
financial liabilities	147,878	0	20	0
lease liabilities	3,103	138	341	0
bank loans	1,926	1,926	11,556	12,882
bonds issued	0	0	0	0
Derivatives	0	0	0	0
options	0	0	0	0

5.4. Court proceedings

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

In 2021, as well as until the date of submission of this periodic 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 Company, the value of which individually or collectively represents at least 10% of the capital of OPONEO.PL S.A.

5.5. The impact of the geopolitical situation on the Company's activities

The Company does not operate on the Russian market and has no operations located in Ukraine. Nevertheless, the consequences of the ongoing armed conflict could be serious for national, European and global economies. Given that both Ukraine and Russia play a key role in the energy supply chain, considerable turbulence can be expected in the market. The current record oil and gas prices will undoubtedly translate into higher prices of production factors, transport and services. This will in the near future increase the dynamics of inflation and cause a decrease in the purchasing power of consumers. The National Bank of Poland, in an attempt to curb rising inflation, will undoubtedly raise interest rates, which will affect the availability of credit and significantly increase borrowing costs. At present, exchange rates are also trading at historic highs. In view of these factors, a drop in consumption is to be expected, which will undoubtedly affect the entire automotive market. As a result, a reduced demand for new cars and a reduced market demand for new tyres can be expected. In January and February 2022, the number of registered cars was 245,877, compared to 263,510 registered in the same period of 2021, a decrease of 6.69%. The coming months will show whether this trend is lasting or whether there will be a change in trend. At this time, it is difficult to accurately estimate the actual impact of the economic situation on the Company's results. The situation will be dynamic, and the next few months will be marked by uncertainty.

5.6. Transactions with related entities

During the period covered by this report, there was not even one significant transaction between the Company and related entities, that was signed on terms other than market conditions.

The tables show the net values of the transactions with entities covered by full consolidation.

Description	01.01. - 31.12.2021	01.01. - 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

Receivables and payables with related entities

The balance of receivables and payables between related parties covered by full consolidation, was adjusted for the purposes of the consolidated statements with the values in the table below.

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**

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**

Transactions with other related entities	31.12.2021	31.12.2020
Sales	1,136	49
Purchase	3,168	2,165
Dividend received	0	10

5.7. Employment and employee benefits

Employment structure	31.12.2021	31.12.2020
Employment in total	396	427
Sales department	174	207
IT Department	73	66
Warehouse	83	84
Other	66	70

5.8. Remuneration of persons managing and supervising the Company

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	6,631	214	1418	199

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	43	0	18	0

5.9. Audit firm'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	35	50
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	**78**	**75**

In the period from 1 January to 31 December 2021, the amount of gross remuneration paid to the auditor firm for the audit and review of financial statements and other related services was PLN 78 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 75,000 net.

5.10. Significant events after the balance sheet date

On 16 March 2022, the Management Board of OPONEO.PL S.A. decided to withdraw from the investment agreement concluded between the Company and 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 separate 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 OPONEO.PL S.A. and its financial performance. The yearly separate statements of the Management Board's operation include a true picture of the development and achievements as well as situation of OPONEO.PL S.A., including a description of the main risks and threats. The Company 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 separate financial statements are free from material errors and omissions, and settlements concerning tax were made in accordance with the applicable provisions for which appropriate supervisory bodies have not reported any objections.

In the separate financial statements of OPONEO.PL S.A., 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 separate 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, and no need to cut their prices was indicated. In the separate 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 pending against the entity, 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 have disclosed to the auditor/auditing team all events that occurred after the balance sheet date, and that may affect the opinion on the audited financial statements and the assessment of the financial position of OPONEO.PL S.A.

As at 31 December 2021, OPONEO.PL S.A. 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 authorised to audit financial statements, HLB M2 AUDIT PIE Spółka z ograniczoną odpowiedzialnością, which audited the separate 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 individual 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 and 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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