



Condensed half-yearly individual financial statements
of OPONEO.PL S.A.
as at 30 June

2022

18 August 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", "Company"). As at the date of preparation of these condensed statements, the Company's data were 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 the 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 car accessories. The OPONEO.PL S.A. is a leader in the introduction of a service on the Polish market that connects the delivery of tyres with their assembly service. Currently, this service is offered at nearly 1200 service points.

The company offers tyres for:

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

The offer includes more than 6,000 tyre and wheel models, belonging to the premium, medium and budget segments. In order to provide appropriate adaptation to weather conditions, the Group offers year-round, winter and summer tyres.

OPONEO.PL S.A.

Condensed half-yearly individual financial statement of OPONEO.PL S.A.
as at 30 June 2022

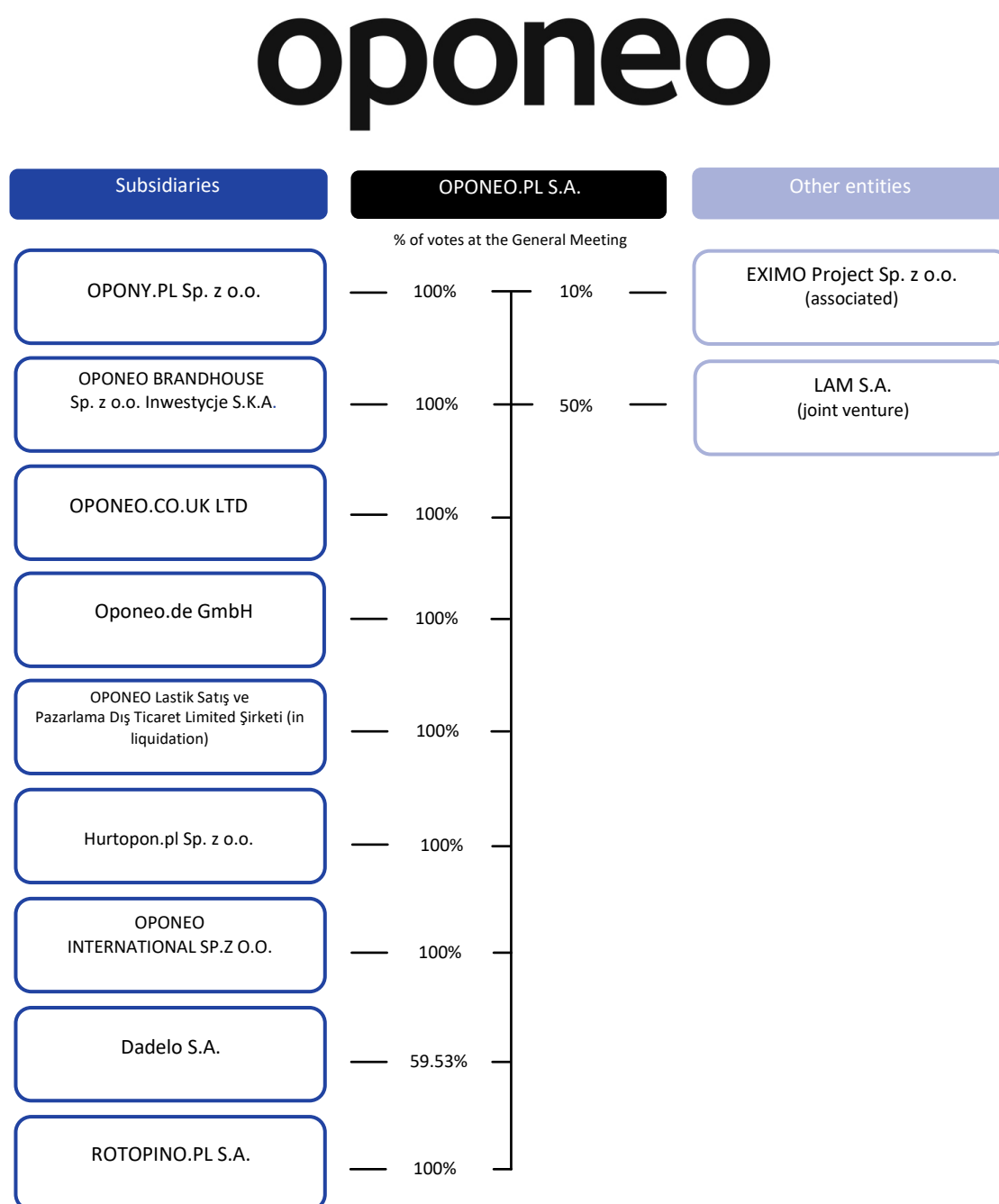
Amounts in PLN thous.

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The OPONEO.PL Company is the leader in online tyre sales in Poland. In addition, it is present on 8 different European markets, i.e. in Austria, Belgium, Czech Republic, Spain, Holland, Ireland, Slovakia and Hungary.

1.2. INFORMATION ABOUT THE OPONEO.PL GROUP

On 30 June 2022, the composition of the OPONEO.PL Group was as follows:



2. CONDENSED INDIVIDUAL INTERIM FINANCIAL STATEMENTS

2.1. CONDENSED INDIVIDUAL INTERIM STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	01.01.-30.06.2022	01.01.-30.06.2021
Sales revenue	4.1.1.	539,992	497,906
Prime costs of the sale		428,933	393,586
Gross profit (loss)		111,058	104,320
Selling expenses	4.1.2.	84,865	74,424
General and administrative costs	4.1.2.	15,441	10,023
Other operating revenues	4.1.3.	1,649	2,721
Other operating expenses	4.1.3.	2,217	2,622
Operating income (loss)		10,184	19,972
Financial incomes	4.1.4.	1,188	1,007
Financial costs	4.1.4.	3,092	402
Share in profits (losses) of entities accounted for using the equity method	4.2.5.	-140	0
Gross profit (loss)		8,140	20,577
Income tax	4.1.5.	2,514	3,593
Profit (loss) from continuing operations		5,626	16,984
Profit (loss) on discontinued operations		0	0
Net profit (loss), including:		5,626	16,984
attributable to shareholders of the parent		5,626	16,984
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:		5,626	16,984
attributable to the shareholders of the parent		5,626	16,984
attributable to non-controlling shareholders		0	0

Earnings per share (in PLN)

Description	30.06.2022	30.06.2021
Profit (loss) per ordinary share	0.40	1.22
- from continuing operations	0.40	1.22
- from discontinued operations	0.00	0.00
Diluted profit (loss) per ordinary share	0.40	1.22
- from continuing operations	0.40	1.22
- from discontinued operations	0.00	0.00

2.2. CONDENSED INDIVIDUAL INTERIM STATEMENTS OF FINANCIAL POSITION

Assets

	Note	30.06.2022	31.12.2021	30.06.2021
Fixed assets				
Tangible fixed assets	4.2.1.	129,815	68,795	71,059
Goodwill		0	0	0
Intangible assets	4.2.2.	44,720	45,204	45,670
Investment properties		0	0	0
Long-term financial assets	4.2.4.	69,960	69,960	70,584
Investments accounted using the equity method	4.2.5.	711	738	1,106
Long-term receivables		1,477	1,754	1,285
Deferred tax assets	4.1.5.	534	635	590
Fixed assets in total		247,216	187,086	190,294
Current assets				
Inventories	4.2.6.	296,341	85,750	157,067
Trade and other receivables	4.2.7.	59,234	48,903	41,102
Income tax receivables		2,109	0	0
Short-term financial assets		450	1,982	836
Cash and cash equivalents	4.2.9	31,736	166,624	71,501
Current assets excluding non-current assets held for sale		389,871	303,259	270,506
Non-current assets classified as held for sale		0	0	0
Current assets in total		389,871	303,259	270,506
Assets in total		637,087	490,345	460,800

Liabilities

	Note	30.06.2022	31.12.2021	30.06.2021
Equity				
Share capital	4.2.10.	13,936	13,936	13,936
Share premium account	4.2.11.	37,485	37,485	37,485
Treasury shares	4.2.11.	-8,595	-2,365	0
Other capitals	4.2.11.	50,000	50,000	0
Retained earnings	4.2.11.	140,898	154,045	167,042
Equity attributable to equity holders of the parent		233,725	253,102	218,463
Equity attributable to non-controlling shareholders		0	0	0
Equity in total	4.2.13.	233,725	253,102	218,463
Long-term liabilities				
Lease liabilities	4.2.15.	62,974	341	467
Deferred tax liabilities	4.1.5.	5,876	4,977	4,095
Liabilities on account of deliveries and services and other liabilities	4.2.8.	266	247	257
Long-term financial liabilities	4.2.15.	22,512	24,438	26,364
Long-term liabilities in total		91,629	30,002	31,183
Short-term liabilities				
Liabilities on account of deliveries and services and other liabilities	4.2.13.	250,014	196,353	185,561
Lease liabilities	4.2.15.	482	3,241	6,212
Short-term financial liabilities	4.2.15.	59,431	3,852	17,788
Liabilities due to current income tax		0	1,832	253
Short-term provisions	4.2.14.	1,805	1,964	1,340
Current liabilities excluding liabilities relating to assets held for sale		311,733	207,241	211,154
Liabilities related to non-current assets held for sale		0	0	0
Short-term liabilities in total		311,733	207,241	211,154
TOTAL liabilities		403,362	237,243	242,337
Equity and Liabilities		637,087	490,345	460,800

2.3. CONDENSED INDIVIDUAL INTERIM STATEMENTS OF CASH FLOWS

Specification	01.01.-30.06.2022	01.01.-30.06.2021
Cash flows from operating activities		
Net profit (loss)	5,626	16,984
Adjustments in total	-157,338	-8,459
Amortisation and/or depreciation	7,823	5,899
Profits (losses) due to foreign exchange differences	0	0
Interest expenses	0	0
interest income	-158	0
Profit (loss) on investing activities	-99	-1,448
Change in provisions	843	1,018
Change in inventories	-210,591	-87,237
Change in receivables	-10,331	-1,609
Change in trade payables and other liabilities	53,692	72,387
Adjustments arising from income tax expense	2,514	2,531
Other adjustments	0	0
Dividend income	-1,030	0
Total cash flows from operations	-151,712	8,525
Income tax paid	-5,454	-5,289
Net cash flows from operating activities in total	-157,166	3,236
Cash flows from investing activities		
Disposal of intangible assets	0	1,780
Disposal of tangible fixed assets	156	0
Disposal of investment properties	0	0
Disposal of shares in subsidiaries	0	0
Disposal of other financial assets	0	0
Dividends received	1,030	0
Repayment of long-term loans	400	400
Repayment of interest relating to investment activities	119	0
Acquisition of intangible assets	-1,011	-940
Acquisition of tangible fixed assets	-3,858	-936
Expenditure on investment property	0	0
Acquisition of shares in subsidiaries	-117	0

OPONEO.PL S.A.

Condensed half-yearly individual financial statement of OPONEO.PL S.A.
as at 30 June 2022

Amounts in PLN thous.



Acquisition of other financial assets	0	-1,003
Granted long-term loans	-100	0
Other investment inflows (outflows)	1,500	0
Net cash flows from investing activities in total	-1,881	-699
Net inflows from issue of shares	0	0
Deposits and loans received	55,579	31,500
Acquisition of own shares	-6,230	0
Dividends paid	-18,773	0
Repayment of deposits and loans	-1,926	-1,284
Payments under financial lease agreements	-4,491	-3,052
Interest rates paid	0	0
Other financial inflows (outflows)	0	0
Net cash flows from financial activities in total	24,159	27,164
Total cash flows prior to changes due to exchange differences	-134,888	29,701
Change in cash due to foreign exchange differences	0	0
Net cash flows in total	-134,888	29,701
Cash opening balance	166,624	41,800
Cash at the end of the period	31,736	71,501

2.4. CONDENSED INDIVIDUAL INTERIM STATEMENTS OF CHANGES IN EQUITY

Period 01.01.2022-30.06.2022

Condensed 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	37,485	-2,365	50,000	154,045	0	253,102
Net profit (loss)	0	0	0	0	5,626	0	5,626
Other comprehensive income	0	0	0	0	0	0	0
Comprehensive income	0	0	0	0	5,626	0	5,626
Share issue	0	0	0	0	0	0	0
Treasury shares repurchase	0	0	-6,230	0	0	0	-6,230
Transactions with non-controlling shareholders	0	0	0	0	0	0	0
Dividend	0	0	0	0	-18,773	0	-18,773
Creation of the reserve capital	0	0	0	0	0	0	0
Other changes	0	0	0	0	0	0	0
Changes in equity	0	0	-6,230	0	-13,147	0	-19,377
Closing balance of equity	13,936	37,485	-8,595	50,000	140,898	0	233,725

Period 01.01.2021-31.12.2021

Condensed 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
Total 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 01.01.2021-30.06.2021

Condensed 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	37,485	0	0	164,349	0	215,770
Net profit (loss)	0	0	0	0	16,984	0	16,984
Other comprehensive income	0	0	0	0	0	0	0
Comprehensive income	0	0	0	0	16,984	0	16,984
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	-13,936	0	-13,936
Creation of the reserve capital	0	0	0	0	0	0	0
Other changes	0	0	0	0	-355	0	-355
Changes in equity	0	0	0	0	2,693	0	2,693
Closing balance of equity	13,936	37,485	0	0	167,042	0	218,463

3. THE BASIS FOR PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

3.1. THE BASIS FOR PREPARATION OF CONDENSED INTERIM FINANCIAL STATEMENTS

3.1.1. Statement of compliance with IFRS

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

The OPONEO.PL Company, serving as the Parent, has prepared these individual consolidated financial statements as at 30 June 2022 and for the period from 01 January to 30 June 2022, in accordance with the International Financial Reporting Standards no. 34 - "Interim financial reporting" accepted by the European Union, and they include data extended on the basis of International Financial Reporting Standards No. 1 - "Presentation of financial statements".

The interim condensed individual financial statements do not include all information and disclosures required in the annual financial statements and should be read together with the individual financial statements of the Company for the year concluded on 31 December 2021 authorised for issue on 06 April 2022.

The separate condensed 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 its interpretations, which were adopted and published to the period during which the condensed statements were prepared.

3.2. DETAILED ACCOUNTING POLICY RULES

3.2.1. Business continuity

These condensed individual 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 these condensed statements 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.

3.2.3. Borrowing costs

The Company activates borrowing costs, if they are directly related to the acquisition or construction of fixed assets. 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. Non-deferred external financing costs are directly attributable to the financial result.

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 costs of manufacture of an asset under construction, comprises all costs incurred up to the date of its adoption.

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

Fixed assets under construction arising for production or administrative purposes are specified in the condensed statement 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 amortized. An entity evaluates the useful life of an intangible asset taking into account i.e. the life cycle of the component on the basis of comparisons with other similar assets (similarly used), loss of suitability for technological reasons and the amount of future outlays required to maintain the component.

Impairment of intangible assets

The annual impairment test covers the following asset items:

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

For other intangible and tangible fixed assets, annual assessments as to whether there are any indicators of impairment are conducted. If any event or circumstance may indicate that it is difficult to recover the carrying amount of an asset item, an impairment test is performed.

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

If the carrying amount exceeds the estimated recoverable amount of the assets to which these assets belong, then the carrying amount is reduced to the recoverable amount. The recoverable amount

corresponds to the higher of the following two values: fair value less selling expenses or value in use. While determining the value in use, estimated future cash flows are discounted to the present value using a discount rate reflecting the current market value of money over time and the risk associated with the particular assets item.

The impairment losses are recognised in other operating expenses in the condensed 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 condensed statement of comprehensive income, under other operating income.

Self-produced intangible assets - development costs are recognised in the condensed 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 condensed 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 items of the condensed financial statement:

- 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 Company 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 condensed individual 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 purchase price includes all purchase costs incurred in the course of bringing the inventories to their present location and condition. The purchase costs consist of: purchase price, import duty and other taxes, transport costs and other costs directly related to the purchase of goods.

The Company has adopted the principle of determining the value of stock removal, using the FI-FO method.

Inventory write-downs are also made in the case of loss of value due to 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 condensed statement of financial position as accruals and are recognised in the profit and loss account 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, for which the risk of exchange is insignificant and cash in transit (cash deposits between bank accounts) as well as cash kept on the company's accounts in the case of companies involved in on-line payments.

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. Provision for unused holidays is a short-term provision and is not discounted.

3.2.13. Other provisions, contingent liabilities and contingent assets

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.

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 condensed financial statements because:

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

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

The possible inflows of economic benefits for the 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.

3.2.14. Financial liabilities

The financial liabilities other than hedging derivatives are recognized in the following balance sheet items:

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

Upon initial recognition, financial liabilities are measured at the amount payable due to the insignificant discount effects, except for financial liabilities held for trading or designated at fair value through profit or 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. Gains and losses on valuation of financial liabilities are recognized in the condensed statement of comprehensive income as financial revenues or expenses.

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.

Trade liabilities and other payables

Short-term liabilities include all liabilities from supplies and services, regardless of the contractual term of their payment obligations and that part of other titles, which 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 paid.

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 condensed financial statements.

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

3.2.15. 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 condensed statement of financial position, under the item "Long-term accruals" and "Short-term accruals", the Company shows in particular:

- The equivalent of the funds received or due from counterparties for benefits 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".

3.2.16. 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 condensed statement of financial position are presented in the value resulting from the initial recognition in the books.

3.2.17. 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,
- the possibility of making a reliable valuation of the amount of revenue,
- the probability that the Company will receive economic benefits associated with the transaction,
- it is possible to reliably evaluate the costs incurred or anticipated in connection with the transaction.

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

The interest income is recognised on an accrual basis.

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

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

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

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

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

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

Deferred tax assets and liabilities are calculated using tax rates effective from the date on which the asset is settled or the liability is chargeable, in accordance with tax regulations (rates) that are legally

or actually applicable at the balance sheet date. Valuation of deferred tax assets and liabilities reflects the tax consequences of the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the date of preparing the condensed 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.

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

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

3.2.20. 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

The interim condensed individual financial statements do not include all information and disclosures required in the annual individual financial statements and should be read together with the individual financial statements of the Company for the year concluded on 31 December 2021, which was published on 6 April 2022. The Company's Management Board hereby declares that, to the best of its knowledge, these condensed interim individual financial statements and comparative figures have been prepared in accordance with the accounting principles applicable to the Company and that they reflect the Company's assets, financial position and financial result in a true, fair and clear manner. New or amended standards and interpretations that are first applicable in 2022 have no material impact on the Company's condensed interim individual financial statements.

Currently, the International Financial Reporting Council has developed or is developing the following amendments, which at the date of these condensed statements have not yet been endorsed for use by the EU:

- IFRS 17 "Insurance Contracts" - a new interpretation - endorsed by the EU and IASB - effective for annual periods beginning 1 January 2023;
- Amendments to IFRS 1 "Presentation of Financial Statements" - an amendment to the standard - not endorsed by the EU up to the date of approval of these financial statements - applicable to annual periods beginning on or after 1 January 2023;

- Amendments to IAS 1 Presentation of Financial Statements - and the guidelines of the International Accounting Standards Board (IASB) on disclosure of accounting policies in practice - materiality concept in accounting policy - endorsed by the EU applicable for annual periods beginning on 1 January 2023;
- Amendments to IAS 8 "Accounting policies, changes in accounting estimates and errors" - determination of accounting estimates - endorsed by the EU - applicable for annual periods beginning on 1 January 2023;
- Amendments to IAS 12 "Income Taxes" - deferred tax liability on transactions such as leases - not endorsed by the EU - effective for annual periods beginning 1 January 2023.

The effective dates are dates resulting from the content of the standards issued by the International Accounting Standards Board. The effective dates for standards in the European Union may differ from the effective dates resulting from the content of the standards and are announced at the time of approval for application by the European Union.

3.4. SIGNIFICANT ACCOUNTING RULES

Data for these condensed individual interim financial statements have been prepared using the same accounting principles and calculation methods as in the last annual consolidated financial statements for 2021.

3.5. FUNCTIONAL AND REPORTING CURRENCY

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

The transactions in a currency other than functional currency are carried 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	30.06.2022 Table no. 125/A/NBP/2022	30.06.2021 Table no. 124/A/NBP/2021
EUR	4.6806	4.5208
GBP	5.4429	5.2616
USD	4.4825	3.8035
CZK	0.1892	0.1773
HUF	0.0118	0.0129
TRY	0.2689	0.4370

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 condensed statement of financial position are presented in the value resulting from the initial recognition in the books.

For the purpose of converting the presented data into euro, the following euro exchange rates were used:

- 4.6806 – NBP exchange rate as at 30 June 2022 - table No 125/A/NBP/2022,
- 4.5208 – NBP exchange rate as at 30 June 2021 - table No 124/A/NBP/2021,
- – 4.6427 – the exchange rate calculated as the average of NBP exchange rates for the last day of each month for the first half of 2022,
- – 4.5471 – the exchange rate calculated as the average of NBP exchange rates for the last day of each month for the first half of 2021.

3.6. CURRENCY RISK - SENSITIVITY ANALYSIS

If exchange rates fluctuated by 15%, assets and liabilities as at 30 June 2022 would be as follows:

Sensitivity analysis as of 30.06.2022

	Assets	Liabilities
EUR	87,904	97,845
GBP	1,013	68
USD	7,761	11,985
CZK	14,107	1,099
TRY	0	0
HUF	1,300	12

Sensitivity analysis as of 30.06.2022 – currency exchange rate increase of 15%

	Assets	Liabilities
EUR	101,089	112,521
GBP	1,165	79
USD	8,925	13,783
CZK	16,223	1,264
TRY	0	0
HUF	1,495	14

Sensitivity analysis as of 30.06.2022 – currency exchange rate decrease of 15%

	Assets	Liabilities
EUR	74,718	83,168
GBP	861	58
USD	6,597	10,188
CZK	11,991	934
TRY	0.00	0.00
HUF	1,105	10

3.7. ESTIMATES AND CORRECTIONS

The preparation of the condensed individual financial statements in accordance with IFRS/IAS requires estimates and assumptions that affect the amounts reported in the condensed financial statement, 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 - the amount of depreciation rates is determined on the basis of the projected period of economic usability of tangible fixed asset items and intangible assets. The tangible fixed asset items or their significant and individual parts are amortized during the period of their economic usability using the straight-line method. A depreciation charge is made until the residual value of the asset item does not exceed its carrying amount. The Company verifies accepted periods of economic usability on the basis of current estimates annually.
- provisions - as at the balance sheet date the Company makes provisions for the expected employee benefits concerning unused holidays. Due to age structure of the Company's employees, the Company does not make any provisions for gratuities.
- write-downs - on the balance sheet date, the Company evaluates whether there are objective evidences of impairment. If value possible to recover the asset item is lower than its balance sheet value, the Company establishes an impairment write-down to the level of current value of planned cash flows, taking into account the customers' payment capacity, its rating as well as risk of impairment.
- impairment test - at the balance sheet date, the Company evaluates whether there are any prerequisites indicating that loss in value of one of the asset item. An enterprise should assess at each balance sheet date whether there is any indication that an asset may be impaired.
- deferred tax assets - the Company recognises the item of deferred tax assets on the basis of assumption that tax profit enabling to its use will be achieved. The deteriorations of the achieved tax results in the future could lead to a situation, in which this assumption would become unjustified. On the other hand maintaining or improving the future tax results with applying the same accounting rules will cause higher than recognised deferred tax assets.

3.8. SECURITIES

Within the hedge accounting, securities are classified as:

- the fair value hedge securing against the risk of changes in the fair value of a recognised component of assets of liabilities, or
- cash flow hedges securing against the changes in cash flows, which can be attributed to a specific kind of risk related to a recognised component of assets, liability or forecasted transaction, or
- hedging shares in the net assets within a foreign entity.

Hedging of currency risk

Hedging the currency risk of the substantiated future liability is settled as the cash flow hedge.

At the inception of the hedge, the Company formally determines and documents the hedging relationship as well as the risk management objective and strategy for establishing the hedge. The documentation includes an identification of the hedging instrument, secured item or transaction, character of the protected risk as well as method of assessment of economic link. In the first instance an assessment using the qualitative method is performed, and in the case where there is no possibility to demonstrate the economic link using this method, the assessment has quantitative nature. The hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk is assessed. The economic link is evaluated on a continuing basis in order to check whether the hedging instrument value and hedged item value change due to the same risk, which is the hedged risk.

Fair value hedge

The fair value hedge is a hedge against changes in the fair value of a recognised component of assets or liability, or an unrecognised substantiated future liability, or an individual part of such a component of assets, liability or substantiated future liability, which can be attributed to a specific type of risk, and which could influence profit or loss. In case of hedging the fair value, the balance sheet value of the hedged item is adjusted with profits and/or losses for changes of the fair value, resulting from the hedged risk, the hedging instrument is measured to the fair value, and profits or losses for the hedging instrument and the hedged item are recognised in the profit or loss.

Cash flow hedge

The cash flow hedge is a hedge against the exposure to variability in cash flows, which can be attributed to a specific type of risk related to a recognised component of assets, liability or highly probable planned transaction, and which could influence profit or loss.

Hedging shares in the net assets within a foreign entity

Hedges of a net investment in a foreign entity, including a hedge of a monetary item that is accounted for a part of the net investment.

As at 30 June 2022 and 31 December 2021, the Company did not hold any forward contracts which would constitute a hedge of cash flows. It also did not conclude any contracts which could constitute a hedged instruments of the fair value or net investment in the foreign entity.

3.9. COMPARABILITY OF DATA

Since 01 January 2022, the Company has not changed the presentation of financial data. Comparability of data with the same period last year was maintained.

3.10. SEASONALITY OF SALES

The main source of income (over 90%) for the Company is sales of tyres which is characterised by significant cyclical fluctuation. The observed cyclical fluctuations occur twice during the calendar year. This is connected with the seasonal change of tyres which depends closely on meteorological conditions which influence the conditions of driving by means of motor vehicles. The first peak is at the turn of winter and spring when the drivers change winter tyres to summer tyres. The second peak is at the turn of autumn and winter, when the drivers decide to change summer tyres to winter tyres. It should be noted that the actual weather conditions may differ from the conditions typical for particular seasons. This in turn translates to changes in the variable levels of sales in the particular periods. The sale of wheels is evenly distributed throughout the year.

3.11. THE BASIC TYPES OF BUSINESS RISK

Elements that affect the Company's operations:

- Currency 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 Group seeks to balance revenues and expenses in a given currency, and concludes the hedging forward contracts in relation to the payment and receivables in foreign currencies. Approximately one month before the start of the current sales season, OPONEO.PL estimates the amount of foreign exchange purchases. This is the moment when national companies announce their price lists and terms of purchase. These elements are the reference points for deciding on the volume of purchases in a foreign currency. In order to calculate the purchase price in PLN, the exchange rates applicable at the time of estimation of purchases are taken into account. As regards handling and securing foreign exchange transactions, the entity cooperates with BNP Paribas Bank Polska S.A. A sensitivity analysis of currency fluctuations according to the Company's assets and liabilities denominated in foreign currencies is presented in note 3.6.

- Interest rate risk

The OPONEO.PL Company uses variable rate credit lines; therefore, increases in official interest rates may pose a risk of increased financing costs for the Company. The Group applies hedging instruments for interest rate risk in cooperation with BNP Paribas Bank Polska S.A.

- 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 cash on delivery. In the case where the Company grants the buyers' credit to customers, they are verified. In addition, trade receivables are insured at KUKE.

- Liquidity risk

The Company constantly monitors the chargeability of receivables and liabilities. The Company 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.

3.11.1. Risk associated with the macroeconomic situation

The financial situation of the Company depends both on the economic situation of Poland and global economic situation, and in particular on:

- the pace of economic growth and the share of consumption in creating GDP growth - the increase in the wealth level of society and the climate conducive to making purchasing decisions translate into an increase in demand for means of transport and their equipment. The recession can lead to:
 - the limitation of demand for tyres and other car accessories, as well as a decrease in their prices and dealer margins; at the same time, a low number of new registrations may have a positive impact on the mid-term tyre demand associated with replacing old tyres with new tyres;
 - the reduction of individual modes of transport due to lack of funds for their maintenance; this will reduce tyre wear and thus reduce the need for replacement;
- monetary policy, including the level of interest rates, which together with the banks' lending policy determine the level of purchases for credit;
- situation on currency markets and situation of the zloty [*PLN*], influencing the rise in prices of imported goods, may translate into a drop in demand for imported cars and accessories;
Depreciation of the local currencies in relation to euro, for which the Company purchases the products it sells, has a negative impact on the competitive position of the Company on local markets;
- higher prices of raw materials, especially crude oil and rubber, which will lead to higher tyre prices;
- overproduction of tyres, which may result in a decrease in their prices;
- increasing competition in the market - low entry barriers for online shops, may cause an increase in competitive pressure and decrease margins.

3.11.2. Risk associated with the strategy

Strategy risk is connected with financial consequences which may be caused by wrong decisions concerning the long-term plans of the Company, resulting from inappropriate assessment of factors influencing the company's development; these are in particular:

- the pace of e-commerce development - higher than the Group's long-term plans pace of market development may result in unsuitable sales processes, and the Company may lose its leading position on the market.
- technological developments - i.e. new tyre production technologies, the use of drones in delivery of consignments, etc.;
- future customer preferences, regarding the use of the latest technology (mobile sales, abandonment of private cars for public transport).

3.11.3. Operational risk

While conducting business in the e-commerce area, the Company is exposed to the following risks:

- IT risk, i.e. problems related to:
 - ensuring the continuity of the application - any problems with the correct functioning of IT systems could mean a reduction in sales volume or even prevent it from running. In order

to prevent occurrence of such a situation, the Company uses high quality hardware with low failure rate and secures itself by a full multiplication of hardware and software;

- potential system intrusions - connecting IT systems to the Internet poses a risk of being exposed to computer crimes committed via the network, such as hacking into a computer system and destroying it or damaging or denial of service. The Company does not underestimate this risk by maintaining a team of people responsible for the security of the portal and by applying appropriate security and safety procedures.
- the risk of problems related to logistics. The company is guaranteeing the availability of goods in the warehouse, proper complementation and packing of goods, as well as cooperation with couriers,
- risk associated with an excessive stockpiling - it is the risk of improper assessment, such as weather - large tyre stocks generate additional costs and cause their aging,
- the risk related to concentration of commodity in one place - any accidental events (fire, flood, etc.) would result in serious disruptions of supply continuity to the recipients. In order to minimize the possible negative effects of this risk factor, a system was implemented to allow systematic backups of all information and possible immediate recovery of an IT network based on an emergency system. There are also insurance contracts that cover any possible losses.
- the risk of outflow of skilled workers - lack of qualified personnel may lead to an increase in errors in order processing.

3.11.4. Legal risk

The activities of the OPONEO.PL Company depend primarily on legal changes in the following areas:

- the tax system - an increase in fiscal burdens can lead to a lower profitability of this activity;
- labour and social security laws that can translate into increased employment costs;
- regulations concerning entities operating in the telecommunications market;
- changes in regulations concerning environmental protection, such as implementing a green tax.

There is also a risk of differences in interpretation of tax laws. The activities of the Company and its tax treatment in declarations and tax returns may be considered by the tax authorities to be incompatible. If the tax authorities interpret tax regulations differently than those used to calculate the tax liability made by the Company, such a situation could have a material impact on its business.

4. EXPLANATORY NOTES TO EACH ITEM OF THE CONDENSED FINANCIAL STATEMENTS

4.1. CONDENSED INDIVIDUAL STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

4.1.1. Sales revenues

Sales revenues	01.01.-30.06.2022	01.01.-30.06.2021
Revenues from sales of goods	530,997	489,202
Other sales revenues	8,995	8,704
Revenues in total	539,992	497,906

Revenues from sales achieved in H1 2022 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 1.67% of total sales in the first half of 2022. Therefore, the Company does not divide its activity into individual business segments.

The structure of revenues from sales of goods

Revenues from sales of goods	01.01.-30.06.2022	01.01.-30.06.2021
Sale of tyres	500,014	460,043
Sale of wheels	30,319	28,713
Sale of other goods	664	446
Sale of car accessories in total	530,997	489,202

Sales revenues - geographical breakdown

Sales revenues	01.01.-30.06.2022	01.01.-30.06.2021
Sale of car accessories - domestic	454,024	427,542
Sale of car accessories - foreign	85,968	70,364
Sales revenues in total	539,992	497,906

In the first half of 2022, the Company continued to develop online sales in European markets. The retail sales of OPONEO.PL S.A. were conducted 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 the first half of 2022.

4.1.2. Operating costs - selling expenses and administrative costs

Sale costs related to the sale of tyres and car accessories

Operating costs	30.06.2022	30.06.2021
Selling expenses	84,865	74,424
General and administrative costs	15,441	10,023
Operating costs in total	100,306	84,447

Costs by type related to the sale of tyres and car accessories

Structure of prime costs	30.06.2022	30.06.2021
Amortisation and/or depreciation	7,823	5,899
Material and energy consumption	2,431	2,142
External services	40,266	35,263
Taxes and fees	975	1,075
Personnel costs	25,256	18,964
Other operating costs	23,556	21,104
Costs by type in total	100,306	84,447

The cost of outsourced services is the main component of OPONEO.PL Company's operating expenses. In the first half of 2022 they amounted to PLN 40,266 thousand. They were higher by 14.2% than in the same period in the previous year. This increase is due to the change of location of the warehouse and the need to adapt the new increased space. The increase in third-party services costs was also driven by the cost of transporting stock of goods to the new warehouse. The costs related to employment amounted to PLN 25,256 thousand. and were higher by 33.8%. This is mainly due to the payment of a one-off bonus for the company's performance. The past half of 2022 also saw a 32.6% increase in depreciation due to the acquisition of new warehouse space presented as a lease in the books and an 11.6% increase in other operating expenses. The increase in other operating expenses is mainly due to higher banking costs and commission costs for electronic payments due to an increase in the volume of orders processed.

4.1.3. Other operating costs and revenues

Other operating revenues	01.01.-30.06.2022	01.01.-30.06.2021
Settlement of grants received	4	27
Settlement of sales of assets	99	1,437
Release of receivable write-downs	0	0
Recognised claims	745	613
Disclosure of goods	773	601
Other	28	43
Operating revenues in total	1,649	2,721

The main items of other operating income are complaints recognised by suppliers and shipping companies, and warehouse adjustments, while the item Sale of assets includes the sale of some warehouse equipment.

Other operating expenses	01.01.-30.06.2022	01.01.-30.06.2021
Write-downs on current assets	0	494
Write-downs on financial assets	0	0
Cost of sales of assets	0	19
Settlement of commercial goods	0	35
Claims	1,936	1,983
Liquidation of investment into design work	0	0
Other	281	91
Other operating costs in total	2,217	2,622

The amount resulting from recognised merchandise complaints in the period covered by the abbreviated report and in the same period last year is the main item of other operating expenses.

4.1.4. Financial revenues and costs

Financial incomes	01.01.-30.06.2022	01.01.-30.06.2021
Odsetki	158	53
Dividend	1,030	0
Profit from the sales of financial assets	0	0
Foreign exchange differences	0	954
Other	0	0
Financial revenues in total	1,188	1,007

Financial costs	01.01.-30.06.2022	01.01.-30.06.2021
Odsetki	434	269
Foreign exchange differences	1,945	0
Write-downs,	0	0
Lease payments	713	96
Other	0	37
Financial costs in total	3,092	402

The domestic and international economic situation due to the ongoing war in Ukraine since February 2022 adversely affected the Company's H1 2022 foreign exchange balance. Most significant in terms of settlements with counterparties were changes in the EUR and USD exchange rates, the currencies in which the Company executes most transactions. The increase in finance costs in H1 2022, compared to the same period last year, was also influenced by changes in interest rates. These changes resulted in higher interest charges on the Company's financial liabilities.

4.1.5. Income tax

Income tax	01.01.-30.06.2022	01.01.-30.06.2021
Current tax	1,573	3,080
Deferred tax charged to profit or loss	941	513
Deferred tax arising during the year	5,170	-1,205
Reversal of earlier write-downs	-4,229	1,718
Income tax in total	2,514	3,593

The increase in operating expenses in the current period, compared to H1 2021, had the effect of reducing the Company's income tax charge.

Deferred tax	01.01.-30.06.2022	01.01.-31.12.2021	01.01.-30.06.2021
Deferred tax assets			
As at the beginning of the period	635	911	911
Increases	450	556	193
Reductions	551	832	514
As at the end of the period	534	635	590
Deferred tax provision			
As at the beginning of the period	4,977	3,903	3,903
Increases	5,821	4,754	3,684
Reductions	4,922	3,680	3,492
As at the end of the period	5,876	4,977	4,095

Deferred tax applies to:

- discount correction for H1 2022, taxable at the date of issue,
- the provision for employee benefits,
- settlement at the time of revenue from deferred payments and revenues related to the adaptation of warehouse space,
- leasing settlement,
- foreign currency valuation of assets and liabilities,
- non-amortized portions of acquired domains.

The deferred tax was not calculated from provisions for accounts receivable due to their non-tax character.

Reconciliation between accounting result and tax result

Reconciliation between accounting result and tax result	01.01.- 30.06.2022	01.01.- 31.12.2021	01.01.- 30.06.2021
Gross profit (loss)	8,140	66,967	20,577
Off-balance-sheet income	0	0	0
Leasing instalments	-4,290	-6,157	-3,051
Other non-balance sheet tax expenses	-4,071	-10,639	-4,003
Non-tax-deductible expenses	9,548	14,246	4,199
Non-taxable income	-2,059	-1,910	-1,706
Adjustments arising from the different tax treatment of correcting invoices	1,010	-2,766	192
Taxable Income	8,276	59,740	16,208
Other adjustments - capital gains	0	0	0
Capital gain tax	0	0	0
Settlement of loss	0	0	0
Income taxed abroad	0	0	0
Tax on foreign income	0	0	0
Taxable base	8,276	59,740	16,208
Income tax	1,573	11,351	3,080
Total tax	1,573	11,351	3,080

The profit generated by the Company in the first half of 2022 (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 the Company's shareholders and the weighted average number of ordinary shares during the accounting period.

In the first half of 2022 the number of ordinary shares was unchanged throughout the period, i.e. from 1 January 2022 to 30 June 2022 it was 13,936,000 pieces.

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 Entity, the index of diluted earnings per share from continuing operations is equal to the index of basic earnings

per share from continuing operations. Earnings per ordinary share and diluted earnings from continuing operations are presented together with the condensed interim statement of profit or loss and other comprehensive income on page 7.

4.2. CONDENSED INDIVIDUAL 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 30 June 2022, the Company did not state any indications that there is a need of revaluations of tangible assets. The value of tangible and intangible assets was determined as the net amount which results from the accounting record.

Tangible fixed assets 01.01.2022-30.06.2022

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	9,765	5,031	20,429	5,569	115,192
Increases	0	65,166	244	930	1,919	3,529	71,788
Reductions	0	0	0	149	0	4,383	4,532
As at the end of the period	5,489	134,075	10,009	5,812	22,348	4,714	182,448
Amortisation							
As at the beginning of the period	0	23,512	7,511	2,528	12,846	0	46,397
Increases	0	4,866	274	349	838	0	6,328
Reductions	0	0	0	92	0	0	92
As at the end of the period	0	28,378	7,785	2,785	13,684	0	52,633
Net fixed assets – as at the end of the period	5,489	105,697	2,224	3,027	8,664	4,714	129,815

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 01.01.2021-30.06.2021

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	5,490	68,909	9,046	5,014	20,395	3,098	111,952
Increases	0	0	506	178	34	914	1,632
Reductions	0	0	0	0	0	717	717
As at the end of the period	5,490	68,909	9,552	5,192	20,429	3,295	112,867
Amortisation							
As at the beginning of the period	0	16,866	6,961	1,988	11,242	0	37,057
Increases	0	3,326	275	347	803	0	4,751
Reductions	0	0	0	0	0	0	0
As at the end of the period	0	20,192	7,236	2,335	12,045	0	41,808
Net fixed assets – as at the end of the period	5,490	48,717	2,316	2,857	8,384	3,295	71,059

As at 30 June 2022, on the basis of concluded lease agreements, the Company used fixed assets classified as buildings, belonging to group 7, means of transport belonging and other fixed assets belonging to group 8, for the total net value of PLN 67,554 thousand. Fixed assets belonging to the group of buildings are related to leased warehouse space and were entered into the records in accordance with IFRS 16 "Leases". As at 30 June 2022, the net value of fixed assets used under lease agreements represented 52.04% of the total net value of fixed assets disclosed in the Company's condensed statement of financial position.

Ownership structure of fixed assets	30.06.2022	31.12.2021	30.06.2021
Own	62,260	64,697	64,082
Used based on the lease contract	67,554	4,098	6,977
- financial lease contract - Classification of fixed assets (KŚT) 1	63,615	2,657	5,312
- financial lease contract - Classification of fixed assets (KŚT) 3	0	0	0
- financial lease contract - KŚT 7	2,261	1,441	1,665
- financial lease contract - Classification of fixed assets (KŚT) 8	1,678	0	0
Fixed assets in total	129,815	68,795	71,059

4.2.2. Intangible assets

Intangible assets 01.01.2022-30.06.2022

Intangible assets	Goodwill	Copyright, licensing and other	Expenditures for uncompleted intangible assets	In total
Gross value				
As at the beginning of the period	0	70,747	10,656	81,403
Increases	0	912	1,011	1,923
Reductions	0	0	912	912
As at the end of the period	0	71,659	10,755	82,414
Depreciation				
As at the beginning of the period	0	36,199	0	36,199
Increases	0	1,495	0	1,495
Reductions	0	0	0	0
As at the end of the period	0	37,693	0	37,693
Net value at the end of the period	0	33,966	10,755	44,720

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 01.01.2021-30.06.2021

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	1,154	940	2,094
Reductions	0	0	1,466	1,466
As at the end of the period	0	70,274	10,255	80,529
Amortisation				
As at the beginning of the period	0	33,711	0	33,711
Increases	0	1,148	0	1,148
Reductions	0	0	0	0
As at the end of the period	0	34,859	0	34,859
Net value at the end of the period	0	35,415	10,255	45,670

4.2.3. Investment and development

In the first half of 2022, the Company continued to implement projects for new versions of online stores for foreign markets and stores on the Polish market for the sale of tyres and automotive accessories. 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 H1 2022, the Company completed work on a new version of the Spanish store and accepted the oponeo.com.es website into the intangible asset register. The use period was set by the Company at three years.

Expenditures on intangible assets	30.06.2022	31.12.2021	30.06.2021
As at the beginning of the period	10,656	10,781	10,781
Costs incurred over the period	1,011	1,814	940
Adopted to use	912	1,626	1,154
Negative development	0	0	0
Sales	0	313	312
Expenditures in total	10,755	10,656	10,255

4.2.4. Long- and short-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	02.2010	100%	14,571	14,571
Hurtopon.pl Sp. z o.o.	Poland	12.2013	100%	841	841
Eximo Sp. z o.o.	Poland	10.2010	10%	1	1
Oponeo.de GmbH	Germany	10.2012	100%	107	107
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 sp. z o.o. Inwestycje SKA	Poland	08.2013	100%	4,786	4,786
Oponeo International sp. z o.o.	Poland	06.2020	100%	150	150
Dadelo S.A.	Poland	09.2014	59.53	14,415	14,415
Rotopino.pl S.A.	Poland	12.2020	100	35,090	35,090
Long-term assets in total				69,960	69,960

As at the balance sheet date, the stocks and shares in related entities and other entities were disclosed by the Company in the condensed financial statements. As at 30 June 2022, shares in subsidiaries have been valued at the purchase price. In the opinion of the Entity, the acquisition value of shares corresponds to their fair value.

4.2.5. Investments accounted using the equity method

On 7 December 2020, the joint stock company LAM S.A. was incorporated in accordance with notarial deed 6369/2020. The shares in the newly formed Company were subscribed in the following manner: 50% of shares with a value of PLN 1 million was acquired by Metalkas S.A., and 50% of shares with a value of PLN 1 million was acquired by OPONEO.PL S.A. The share in exercising voting rights of each shareholder amounts to 50%. LAM S.A. was registered in the National Court Register on 11 February 2021. LAM S.A. was recognised as a joint contractual undertaking in the form of a joint venture within the meaning of IFRS 11 "Joint contractual arrangements".

The structures of competence and influence of the individual shareholders of LAM S.A. result in the conclusion that Metalkas S.A. and OPONEO.PL S.A. exercise joint control over LAM S.A. within the meaning of paragraph 7 of IFRS 11. This is because unanimity (cooperation) is required from Metalkas S.A. and OPONEO.PL S.A. when making decisions on actions affecting returns earned by LAM S.A.

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

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

In H1 2022, LAM S.A. reported a loss of PLN 280 thousand. After taking into account the 50% loss, the value of the investment as at 30 June 2022 in the books of OPONEO.PL S.A. amounts to PLN 711 thousand.

4.2.6. Inventories

The inventories disclosed by the Company in the condensed statements of financial position as at 30 June 2022 relate to inventories of commercial goods. As at the balance sheet date, they were valued at their purchase price. The inventory value disclosed in the condensed statement of financial position includes the rebates concerning unsold goods as at 30 June 2022. In the first half of 2022 there were no new write-downs of commercial goods.

The Company's 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.

It should be noted that the warehouse inventory as at 30 June 2022 is dominated by tyres no older than 1 year (approx. 97%), while the remaining 3% is dominated by tyres no older than 2 years. In accordance with the Polish Standard, full tyres are considered to be of full value if they are not older than 3 years from the date of production.

Inventory

Inventories	30.06.2022	31.12.2021	30.06.2021
Value of goods before revaluation	296,341	85,750	157,561
Write-down value	0	0	-494
Net value of goods	296,341	85,750	157,067

4.2.7. Trade and other receivables

Trade and other receivables	30.06.2022	31.12.2021	30.06.2021
Trade and other receivables - related entities	2,921	3,121	4,283
Trade and other receivables - other entities	51,832	44,778	34,253
including pre-payments	13,091	8,326	2,228
A write-down on trade receivables	285	285	374
Tax receivables	3,930	479	2,109
Other receivables	26	8	11
Short-term prepaid expenses	810	802	820
Trade receivables and other receivables in total	59,234	48,903	41,102

Trade receivables - other entities - include, among others, receivables for discount adjustments from dealers for the first half of 2022 and constitute 49% of that amount. The remaining value is in more than 98% of receivables within the range of up to 90 days, resulting mainly from the agreed terms of settlements with payment intermediaries and courier companies.

This note also includes receivables from prepayments made for the purchase of trade goods representing 22% of the total amount of receivables reported in the current period.

Write-downs of receivables

Write-downs of receivables	30.06.2022	31.12.2021	30.06.2021
As at the beginning of the period	285	374	374
Increases	0	100	0
Decreases	0	188	0
As at the end of the period	285	285	374

The provisions for doubtful receivables are based on an analysis of their collectability. The recognized impairment losses are the difference between the carrying amount of such trade receivables and the present value of the expected receipts.

4.2.8. Accruals

Accruals	30.06.2022	31.12.2021	30.06.2021
Settlement of subsidies	257	267	277
Other	30	418	1,255
Accrued expenses in total	287	685	1,532
Short-term	21	439	1,275
Long-term	266	247	257

Accruals determined in the assets result from the rule of matching of costs with revenues. According to this rule, the costs concerning future settlement periods are recognised as accruals.

Deferred income shown under liabilities relates to settlements of deposits and grants received in previous periods.

4.2.9. Cash and cash equivalents

Cash and cash equivalents	30.06.2022	31.12.2021	30.06.2021
Cash in hand	0	0	3
Cash at bank	19,807	104,113	27,450
Deposits	7,584	58,000	39,161
Other	4,345	4,511	4,887
Total	31,736	166,624	71,501

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. Other cash is funds on the company's accounts in the companies involved in on-line payments.

Currency structure of cash (in PLN)

Cash and cash equivalents - currency structure	30.06.2022	31.12.2021	30.06.2021
PLN	12,609	150,415	59,497
EUR	13,648	8,676	5,736
GBP	248	225	344
USD	1,788	441	3,088
HUF	1,295	899	602
TRY	0	0	0
CZK	2,148	5,967	2,234
Total	31,736	166,624	71,501

4.2.10. Share capital

The share capital of the Company, as at 30 June 2022, 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 share capital was fully paid.

The structure of shareholders holding at least 5% of the total number of votes of the Parent as at 30 June 2022.

Shareholder	Number of shares at the end of the current period	Share in the share capital and in the number of votes at the general meeting in %, at the end of the current period	Number of shares at the end of the previous period	Share in the share capital and in the number of votes at the general meeting in %, at the end of the previous period
Topolewski Dariusz	2,901,592	20.82	2,901,592	20.82
Zawieruszyński Ryszard	2,784,654	19.98	2,784,654	19.98
Generali PTE S.A.	1,963,005	14.09	1,963,005	14.09
AEGON Otwarty Fundusz Emerytalny	1,155,000	8.29	1,155,000	8.29
Norges Bank	968,838	6.95	968,838	6.95
Other	4,162,911	29.87	4,162,911	29.87
Total	13,936,000		13,936,000	

4.2.11. Other equity

Description	30.06.2022	31.12.2021	30.06.2021
Surplus from the sale of shares	37,485	37,485	37,485
Treasury shares	-8,595	-2,365	0
Other reserves	50,000	50,000	0
Exchange differences arising on conversion	0	0	0
Retained earnings	140,898	154,045	167,042
Including profit of the financial year	5,626	53,928	16,984
Total	219,789	239,166	204,527

Retained earnings

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.

Reserve capital

A reserve capital for the repurchase of treasury shares in the amount of PLN 50,000 thousand was created in the Company from the supplementary capital based on a resolution of the Management Board of 10 November 2021.

As at 30 June 2022, the Company held 153,323 treasury shares, representing 1.1% of the total number of shares with a value of PLN 8,595 thousand.

4.2.12. Financial liabilities

As of 30 June 2022, OPONEO.PL S.A. has the possibility to use a multipurpose credit line taken from the BNP Paribas Bank Polska S.A. bank. The credit limit is 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 pp.

The credit line is secured by the following:

- blank promissory note,
- capped mortgage up to PLN 50,000 thousand.
- assignment of claims resulting from contract of property and inventory insurance,
- 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.

As at 30 June 2022, the Company has drawn down PLN 55,579 thousand from the credit line.

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 pp.

As at 30 June 2022, 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 S.A. The credit bears interest on the basis of a variable base rate of 3-month WIBOR + a margin of 0.85 pp 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.

As at 30 June 2022, PLN 26,364 thousand remained to be repaid.

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 October 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 October 2022, the bank guarantee was issued by BNP Paribas Bank Polska S.A. 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 Bank Polska S.A. issued a bank guarantee for Castleport Investments sp. z o.o., ul. Towarowa 28, 00-839 Warsaw up to the amount of EUR 1,126 thousand. The guarantee is valid until 31 December 2022.

On 14 April 2022, OPONEO.PL S.A. granted a surety under civil law to the amount of PLN 1,500 thousand as collateral for a credit limit of up to PLN 1,000 thousand in the current account, granted by BNP Paribas Polska S.A. to LAM S.A. The loan period was determined until 03 November 2032. As at 30 June, the drawdown of the credit line was at PLN 69.2 thousand.

Moreover, OPONEO.PL S.A. has not 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.

In the reporting period, the Company continued eleven lease agreements with Millenium Leasing Sp. z o.o. in Warsaw, concerning forklift trucks used as warehouse equipment. In addition, from 01 January 2019, the Company presents warehouse rental liabilities as leases in accordance with IFRS 16 "Leases".

In H1 2022, the Company entered into new lease agreements for five-year periods for new warehouse equipment relating to twelve forklift trucks and a warehouse racking system.

On the basis of an agreement dated 14 October 2019 concluded with Castleport Investments sp. z o.o. in April 2022, Oponeo.pl S.A. took over the operation of the warehouse space for a period of 7 years. In accordance with IFRS 16 "Leases", the Company presents long-term leases as leases in its accounts.

The net value of the objects used by the Company under leasing agreements is presented in note 4.2.1.

Lease liabilities are presented in the liabilities of the Company's condensed statements with a breakdown into short-term and long-term liabilities. A detailed breakdown of lease liabilities is presented in note 4.2.15.

4.2.13. Trade liabilities and other payables

Liabilities on account of deliveries and services and other liabilities	30.06.2022	31.12.2021	30.06.2021
Trade and other receivables - related entities	167	1,869	865
Trade and other receivables - other	203,011	146,028	151,423
Advances received	2,089	3,409	2,100
Bill of exchange liabilities	35,295	24,678	21,666
Liabilities due to other taxes, fees and social benefits	7,653	18,496	6,924
Payroll liabilities	1,760	1,429	1,304
Short-term prepaid expenses	21	439	1,275
Other liabilities	17	5	4
Total liabilities on account of deliveries and services and other liabilities	250,014	196,353	185,561

The tax liability consists of VAT liabilities on the domestic and foreign markets and liabilities to ZUS [Social Insurance Institution]. The payables shown at the end of the reporting period result from the payment date set in the regulations for the 10th day of the following month. In addition to increased purchases of commercial goods, the increase in liabilities is also influenced by the development of business by increasing the purchase of third-party services, especially forwarding services and advertising. Commitments and promissory notes are stated at face value, as they are due in the short term.

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.

4.2.14. Short-term provisions

Short-term provisions	30.06.2022	31.12.2021	30.06.2021
Provisions for untaken leave	1,362	1,077	1,340
Provisions for liabilities	443	887	0
Short-term provisions in total	1,805	1,964	1,340

In the condensed statement of financial position, as at 30 June 2022, the Company presents short-term provisions covering employee benefits provisions.

Provisions for untaken leave	30.06.2022	31.12.2021	30.06.2021
As at the beginning of the period	1,077	835	835
Increases	2,734	4,194	2,376
Reductions	2,449	3,952	1,871
As at the end of the period	1,362	1,077	1,340

4.2.15. Long- and short-term financial liabilities

Description	30.06.2022	31.12.2021	30.06.2021
Financial liabilities - short-term	59,913	7,093	24,000
dividends	0	0	13,936
leasing	482	3,241	6,212
loans	59,431	3,852	3,852
other	0	0	0
Long-term financial liabilities	85,486	24,779	26,831
leasing	62,974	341	467
including up to 2 years	8,886	341	467
loans	22,512	24,438	26,364
including up to 2 years	7,704	7,704	7,704
Financial liabilities in total	145,399	31,872	50,831

Short-term financial liabilities reported in the condensed interim statement as at 30 June 2022 include liabilities under lease agreements payable within 12 months, as well as liabilities under loans.

The long-term financial liabilities include the amount of lease interests and loan payable in subsequent periods, i.e. exceeding 12 months (including in the period up to two years).

5. OTHER INFORMATION

5.1. FAIR VALUE OF FINANCIAL INSTRUMENTS

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.

Fair value of financial instruments does not differ from their accounting value both for the data as at the day of preparation of the condensed statement, i.e. 30 June 2022, and for comparative data.

The Company did not assess the fair value for receivables and trade liabilities - their carrying amount is recognised by the Company as reasonable approximation to fair value.

As at 30 June 2022 and in the comparative period, the Company had no financial instruments measured at fair value.

In the first half of 2022, there was no change of the method for assessment of financial instruments.

5.2. CONTINGENT ASSETS AND LIABILITIES

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 October 2022 the bank guarantee issued by BNP Paribas was changed to EUR 321.2 thousand. The guarantee is valid until 14 October 2022.

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

On 14 April 2022, Oponeo.PL S.A. granted a surety under civil law to the amount of PLN 1,500 thousand as collateral for a credit limit of up to PLN 1,000 thousand in the current account, granted by BNP Paribas Polska S.A. to LAM S.A. The loan period was determined until 03 November 2032. As at 30 June, the drawdown of the credit line was at PLN 69.2 thousand.

Moreover, OPONEO.PL S.A. has not 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.

In the reporting period, the Company continued eleven lease agreements with Millenium Leasing Sp. z o.o. in Warsaw, concerning forklift trucks used as warehouse equipment. In addition, from 01 January 2019, the Company presents warehouse rental liabilities as leases in accordance with IFRS 16 "Leases".

In the reporting period, the Company concluded new lease agreements for 5 year periods for new warehouse equipment. The lease agreements concern twelve forklift trucks and a warehouse racking system.

On the basis of an agreement dated 14 October 2019 concluded with Castleport Investments sp. z o.o. in April 2022, Oponeo.pl S.A. took over the operation of the warehouse space for a period of 7 years. In accordance with IFRS 16 "Leases", the Company presents long-term leases as leases in its accounts.

5.3. LIABILITIES SECURED ON PROPERTY

The information about securities on the property was described in point 4.2.12 and 5.2.

5.4. TRANSACTIONS WITH RELATED ENTITIES

In the reporting period, there was not even one significant transaction between the Company and related parties that was signed on terms other than market conditions.

The tables show the net values of the transactions.

Data as of 30 June 2022 and for the period 01 January 2022 to 30 June 2022.

Description	Sales	Purchase	Receivables	Liabilities
Fully consolidated entities				
Oponeo.pl	0	0	0	0
Oponeo.pl Sp. z o.o.	9	61	0	36
Oponeo.de GmbH	18,008	2	1,083	0
Oponeo.co.uk LTD	580	0	576	0
Hurtopon.pl Sp. z o.o.	9	97	4	21
Oponeo International Sp z o.o.	2,075	2	960	0
Rotopino.pl S.A.	3	0	0	4
Oponeo Brandhouse S.K.A.	0	0	0	0
Dadelo S.A.	441	0	269	30
Fully consolidated entities in total	21,125	162	2,892	93
Other related parties				
Eximo Project Sp. z o.o.	26	1,657	5	104
LAM S.A.	113	67	22	0
Stratos Dariusz Topolewski	4	1,000	2	0
Escrita Monika Siarkowska	0	75	0	0
Other related entities in total	143	2,799	29	104

Data as of 31 December 2021 and for the period 01 January 2021 to 31 December 2021.

Description	Sales	Purchase	Receivables	Liabilities
Fully consolidated entities				
Oponeo.pl	0	0	0	0
Oponeo.pl Sp. z o.o.	18	144	0	76
Oponeo.de GmbH	47,266	0	902	17
Oponeo.co.uk LTD	1,174	6	73	0
Hurtopon.pl Sp. z o.o.	18	181	0	19
Oponeo International Sp z o.o.	4,794	0	1,922	0
Rotopino.pl S.A.	0	2	0	0
Oponeo Brandhouse S.K.A.	0	0	0	0
Dadelo S.A.	2,370	5	168	0
Fully consolidated entities in total	55,640	337	3,066	112
Other related parties				
Eximo Project Sp. z o.o.	53	2,263	5	1,727
LAM S.A.	1,059	1	22	0
Stratos Dariusz Topolewski	23	750	28	0
Escrita Monika Siarkowska	1	154	0	31
Other related entities in total	1,136	3,168	55	1,758

OPONEO.PL S.A.

Condensed half-yearly individual financial statement of OPONEO.PL S.A.

as at 30 June 2022

Amounts in PLN thous.



Data as of 30 June 2021 and for the period 01 January 2021 to 30 June 2021.

Description	Sales	Purchase	Receivables	Liabilities
Fully consolidated entities				
Oponeo.pl	0	0	0	0
Oponeo.pl Sp. z o.o.	9	63	45	0
Oponeo.de GmbH	16,006	0	1,168	0
Oponeo.co.uk LTD	496	0	1,368	717
Hurtopon.pl Sp. z o.o.	9	81	52	15
Oponeo International Sp z o.o.	1,333	0	386	0
Rotopino.pl S.A.	0	0	0	0
Oponeo Brandhouse S.K.A.	0	0	0	0
Dadelo S.A.	2,207	0	943	30
Fully consolidated entities in total	20,060	144	3,962	762
Other related parties				
Eximo Project Sp. z o.o.	25	591	5	89
LAM S.A.	852	1	312	0
Stratos Dariusz Topolewski	0	0	0	0
Escrita Monika Siarkowska	0	68	0	14
Other related entities in total	877	660	317	103

Transactions with other related entities	30.06.2022	31.12.2021	30.06.2021
Sales	143	1,136	877
Purchase	2,799	3,168	660
Dividend received	0	0	0

5.5. REMUNERATION OF PERSONS MANAGING AND SUPERVISING THE COMPANY

Remuneration of the Management Board

Remuneration of the Management Board	30.06.2022	30.06.2021
Due to performance of functions	5,973	5,301
Due to employment contract	107	104
Remuneration of the Management Board in total	6,080	5,405

Remuneration of the Supervisory Board

Remuneration of the Supervisory Board	30.06.2022	30.06.2021
Due to performance of functions	16	29
Due to employment contract	0	0
Remuneration of the Supervisory Board in total	16	29

5.6. UNTYPICAL EVENTS AND ITEMS

According to the Management Board, at present there are no premises that would indicate a threat to the continuation of operations of OPONEO.PL. As at the date of publication of these condensed financial statements, the Company has not identified any limitations on the execution of current payments and has various sources of financing available to ensure its financial liquidity.

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, 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, has been raising interest rates, which affects the availability of credit and significantly increases borrowing costs. At present, exchange rates are also trading at very high levels.

5.7. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the balance sheet date.

5.8. STATEMENTS OF THE MANAGEMENT BOARD

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

The condensed half-yearly individual 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 condensed half-yearly individual statements of the Management Board's operation includes 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 condensed financial statements.

As far as we know, the condensed individual 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 condensed individual 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 condensed individual financial statements have been prepared on the assumption that the business will continue in the foreseeable future and that there are no circumstances that could jeopardize the continuation of the entity.

We have identified all stocks that do not show traffic, analysing the potential for their sale, which did not result in their revaluation. In the condensed individual 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 condensed financial statements and the assessment of the financial position of OPONEO.PL S.A.

As at 30 June 2022, OPONEO.PL S.A. had no open financial instruments, in particular: futures, forward contracts, option contracts, swaps; other than those disclosed in the condensed financial statements as at 30 June 2022.

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 spółka z o.o., which audited the condensed half-yearly individual financial statements of the OPONEO.PL Group for the period from 1 January to 30 June 2022, was selected in accordance with the law and the auditor, who performed the review or study, met the conditions for release impartial and independent audit report in accordance with the relevant regulations and professional standards.

These condensed financial statements were accepted for publication on 18 August 2022.

APPROVAL FOR PUBLICATION

The condensed individual financial statements were approved for publication by the Management Board of OPONEO.PL S.A. on 18 August 2022.

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 Board

Person entrusted with bookkeeping:

Małgorzata Nowicka

Chief Accounting Officer

Bydgoszcz, 18 August 2022

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