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

2023

29 April 2024

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Data in PLN thousand

1. GENERAL INFORMATION

1.1. INFORMATION ON OPONEO.PL GROUP

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

State of registration: Poland

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

Seat of the entity: Poland

Legal form of the entity: joint stock company

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

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

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

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

The core business of OPONEO.PL S.A. is the retail sale of spare parts and accessories (mainly tyres) to motor vehicles. In addition to tyres, the range of products sold also includes steel and aluminium rims and wheel chains. The OPONEO.PL Group is a pioneer in the introduction of a service combining tyre delivery and tyre service to the Polish market. At the end of 2023, the service was available at 6,072 service points in Poland and abroad

The Company offers tyres for:

- personal cars,
- delivery vans,
- cars with four-wheel drive (4x4),
- lorries,

- motorcycles,
- quads.

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

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

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

As at the date of approval of the consolidated financial statements for publication, i.e. 29 April 2024, the Management Board of the Parent Company consisted of the following persons:

- Topolewski Dariusz - President of the Management Board
- Butkiewicz Michał - Member of the Management Board
- Pujszo Ernest - Member of the Management Board
- Topolewski Wojciech - Member of the Management Board
- Arkadiusz Kocemba - Member of the Management Board

On 24 May 2023, the Supervisory Board of the OPONEO.PL S.A. Company adopted a resolution on dismissing Mr Maciej Karpusiewicz from the Management Board of the Parent Company as of 25 May 2023. On 20 March 2024, the Supervisory Board of OPONEO.PL S.A. adopted a resolution on appointing Mr Arkadiusz Kocemba as a Member of the Management Board.

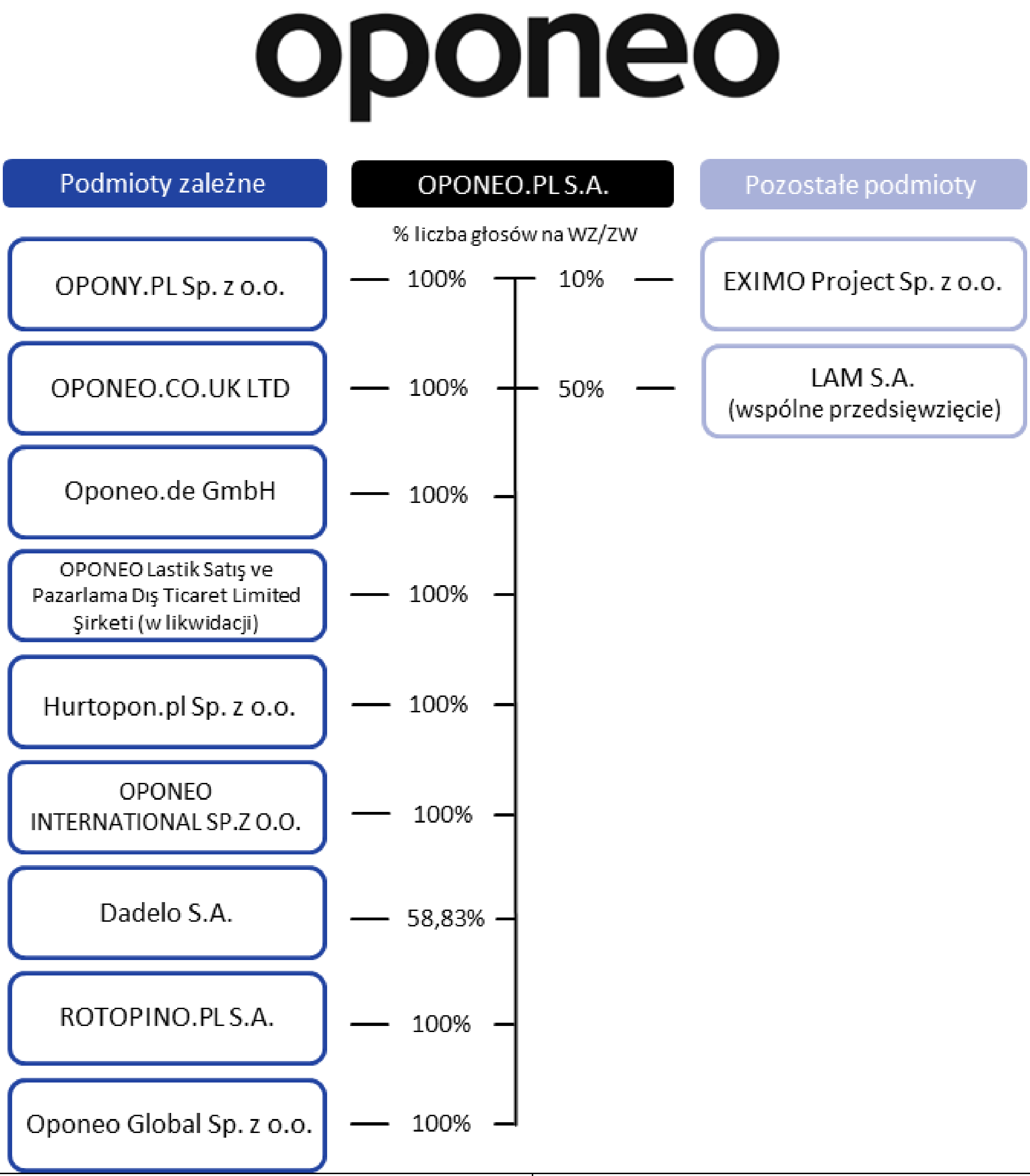
As at 29 April 2024, the Supervisory Board of the Parent Company consisted of the following persons:

- Siarkowska Monika – Chairwoman of the Supervisory Board
- Ciaciuch Lucjan - Member of the Supervisory Board
- Rafał Markiewicz - Member of the Supervisory Board
- Adam Knothe - Member of the Supervisory Board
- Krzysztof Bednarek - Member of the Supervisory Board

On 11 July 2023, OPONEO.PL S.A. received a declaration of resignation of Mr Michał Kobus from his membership in the Supervisory Board of the Company effective as of 11 July 2023. On 12 July 2023, the Extraordinary General Meeting of Shareholders of OPONEO.PL S.A. adopted a resolution on the appointment of Mr Rafał Markiewicz as a member of the Company's Supervisory Board. As of 31 October 2023, Mr Krzysztof Barczewski resigned from the Supervisory Board in accordance with the declaration submitted. In accordance with the resolution of the Extraordinary General Meeting of 31 October 2023, Mr Adam Knothe was appointed to the Supervisory Board.

1.2. COMPOSITION OF THE OPONEO.PL GROUP

On 16 November 2023, the Oponeo Global Sp. z o.o. company, in which 100% of the shares were acquired by OPONEO.PL S.A., was registered in the National Court Register in Bydgoszcz. The capital contribution of PLN 100.00 thousand was paid in January 2024. The registration of the entity resulted in a change in the structure of the OPONEO.PL Group, which as at 31 December 2023 was as follows:



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

Data in PLN thousand

2. CONSOLIDATED FINANCIAL STATEMENTS

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

	Note	01.01.2023-31.12.2023	01.01.2022 - 31.12.2022
Sales revenue	4.2.1.	1,871,968	1,695,103
Cost of goods sold		1,501,159	1,360,452
Gross profit (loss) on sales		**370,809**	**334,651**
Sales costs	4.2.2.	273,216	241,323
General and administrative expenses	4.2.2.	30,426	28,985
Other operating income	4.2.3.	4,375	4,639
Other operating expenses	4.2.4.	7,659	5,717
Operating profit (loss)		**63,883**	**63,265**
Financial revenues	4.2.5.	**14,304**	**1,820**
Financial expenses	4.2.5.	**8,817**	**12,187**
Share in profits (losses) of UNITS measured using the equity method	4.3.7.	-510	-221
Gross profit (loss)		**68,860**	**52,677**
Income tax	4.2.6.	14,366	10,396
Profit (loss) from continued operations		**54,494**	**42,281**
Profit (loss) from discontinued operations		0	0
Net profit (loss), including:		**54,494**	**42,281**
attributable to shareholders of the parent company		54,460	40,680
attributable to non-controlling shareholders		34	1,601
Other comprehensive income			
Currency translation on foreign operations		0	0
Other comprehensive income to be reclassified to profit or loss		0	0
Other comprehensive income before tax		**0**	**0**
Income tax relating to other comprehensive income to be reclassified to profit or loss		**0**	**0**
Other comprehensive income, net of tax		**0**	**0**
Total comprehensive income, of which:		**54,494**	**42,281**
attributable to shareholders of the parent company		54,460	40,680
attributable to non-controlling shareholders		34	1,601

Data in PLN thousand

Profit per share in PLN

Description	31.12.2023	31.12.2022
Profit (loss) per ordinary share:	**3.91**	**2.92**
- from continued operations	3.91	2.92
- from discontinued operations	0.00	0.00
Diluted profit (loss) per ordinary share	**3.91**	**2.92**
- from continued operations	3.91	2.92
- from discontinued operations	0.00	0.00

Data in PLN thousand

2.2. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Assets

	Note	31.12.2023	31.12.2022
Fixed assets			
Tangible fixed assets	4.3.1.	171,744	167,257
Goodwill	4.3.2.	41,692	41,692
Intangible assets	4.3.3.	45,241	45,715
Investment property		0	0
Long-term financial assets		1	1
Long-term receivables	4.3.5.	1,465	1,420
Assets due to deferred income tax	4.3.8.	2,155	1,107
Investments settled in accordance with the equity method	4.3.7.	8	518
Total fixed assets		**262,306**	**257,710**
Current assets			
Inventory	4.3.9.	260,479	242,037
Trade receivables and other receivables	4.3.11.	69,446	60,964
Receivables due to income tax	4.2.8.	862	413
Short-term financial assets	4.3.12.	537	459
Cash and cash equivalents	4.3.13.	85,434	125,916
Current assets excluding fixed assets held for sale		**416,758**	**429,789**
Fixed assets classified as held for sale		0	0
Total current assets		**416,758**	**429,789**
Total Assets		**679,064**	**687,499**

Data in PLN thousand

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Liabilities

	Note	31.12.2023	31.12.2022
Equity			
Share capital	4.3.14.	13,936	13,936
Share premium	4.3.15.	88,777	88,919
Treasury shares	4.3.15.	-112,297	-9,290
Other capital	4.3.15	156,680	74,268
Retained earnings	4.3.15	100,010	155,529
Equity attributable to shareholders of the parent company		247,106	323,362
Equity attributable to non-controlling shareholders		40,933	40,899
Total equity		**288,039**	**364,261**
Long-term liabilities			
Lease liabilities	4.3.18.	68,679	73,302
Liabilities due to deferred income tax	4.3.8.	4,149	4,258
Trade liabilities and other liabilities		225	234
Long-term financial liabilities		16,734	20,586
Total non-current liabilities		**89,787**	**98,380**
Short-term liabilities			
Trade liabilities and other liabilities	4.3.17.	227,988	201,489
Lease liabilities	4.3.18.	15,449	6,919
Short-term financial liabilities		52,735	12,118
Liabilities due to current income tax	4.2.8.	3,227	2,764
Short-term provisions	4.3.19	1,839	1,568
Short-term liabilities excluding liabilities relating to assets held for sale		301,238	224,858
Liabilities relating to fixed assets held for sale		0	0
Total current liabilities		**301,238**	**224,858**
TOTAL liabilities		**391,025**	**323,238**
Equity and liabilities		**679,064**	**687,499**

Data in PLN thousand

2.3. CONSOLIDATED STATEMENT OF CASH FLOWS

Description	01.01.2023-31.12.2023	01.01.2022 - 31.12.2022
Cash flows from operating activity		
Gross profit (loss)	**68,860**	**52,677**
Total adjustments	**25,845**	**-60,526**
Depreciation	23,408	19,260
Exchange gains (losses)	-4,003	1,260
Interest expenses	7,886	764
Interest income	-288	-221
Profit (loss) on investment activities	-33	45
Change in provisions	198	-435
Change in inventory	-18,537	-83,678
Change in receivables	-6,214	14,040
Change in the balance of trade liabilities and other liabilities liability	22,839	-10,037
Other adjustments	589	-1,524
Revenues due to dividend	0	0
Total cash flows from operations	**94,705**	**-7,849**
Income tax paid	**-15,889**	**-11,519**
Net cash flows from operating activities	**78,816**	**-19,368**
Cash flows from investment activities		
Disposal of intangible assets	0	0
Disposal of tangible fixed assets	16,451	193
Disposal of investment real estate	0	0
Disposal of shares in subsidiaries	0	0
Disposal of other financial assets	0	0
Dividend received	0	0
Repayment of long-term loans granted	0	403
Repayment of interest related to investment activities	0	119
Acquisition of intangible assets	-4,243	-2,690
Acquisition of property, plant and equipment	-18,608	-28,285
Expenditure on investment real estate	0	0
Acquisition of shares in subsidiaries	0	0
Acquisition of other financial assets	0	0
Long-term loans granted	0	-115
Other investment inflows (expenditure)	12	1,500
Total net cash flows from investment activities	**-6,388**	**-28,875**
Net proceeds due to issue of shares	0	0

Data in PLN thousand

Loans and borrowings received	130,081	102,881
Purchase of treasury shares (stocks)	-103,007	-6,925
Dividends paid	-27,532	-19,473
Repayment of credits and loans	-89,412	-106,735
Payments arising from financial lease agreements	-10,451	-6,940
Interest paid	-7,886	-764
Other financial inflows (expenditure)	-4,703	1,686
Total net cash flows from financial activities	**-112,910**	**-36,270**
Cash flows before exchange rate gains or losses	**-40,482**	**-84,513**
Change in cash due to exchange differences	0	0
Total net cash flows	**-40,482**	**-84,513**
Cash opening balance	**125,916**	**210,429**
Cash closing balance	**85,434**	**125,916**

Data in PLN thousand

2.4. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Period 01.01.2023-31.03.2023

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	Capitals attributable to shareholders of parent company	The capitals attributable to non-controlling shareholders	Total equity
Opening balance of equity, before adjustments	**13,936**	**125,560**	**-9,290**	**74,268**	**155,529**	**360,002**	**4,258**	**364,261**
Adjustments		**-36,641**				**-36,641**	**36,641**	**0**
Opening balance of equity	**13,936**	**88,919**	**-9,290**	**74,268**	**155,529**	**323,361**	**40,899**	**364,261**
Net profit (loss)	0	0	0	0	54,460	54,460	34	54,494
Other comprehensive income	0	0	0	0	0	**0**	0	0
Total income	**0**	**0**	**0**	**0**	**54,460**	**54,460**	**34**	**54,494**
Issue of shares	0	0	0	0	0	0	0	0
Purchase of own shares	0	0	-103,007	0	0	-103,007	0	-103,007
Transactions with non-controlling shareholders	0	0	0	-1,561	1,561	0	0	0
Dividend	0	0	0	0	-27,532	-27,532	0	-27,532
Other changes	0	-142	0	77,288	-77,351	-205	0	-205
Creation of reserve capital	0	0	0	6,686	-6,657	28	0	28
Changes in equity	**0**	**-142**	**-103,007**	**82,413**	**-55,519**	**-76,256**	**34**	**-76,222**
Closing balance of equity	**13,936**	**88,777**	**-112,297**	**156,680**	**100,010**	**247,105**	**40,933**	**288,039**

Data in PLN thousand

Period: 01.01.2022-31.12.2022

Statement of changes in equity	Share capital	Share premium	Treasury shares	Other reserve capitals	Retained earnings	The capitals attributable to shareholders of parent company	The capitals attributable to non-controlling shareholders	Total equity
Opening balance of equity, before adjustments	**13,936**	**125,560**	**-2,364**	**67,932**	**142,775**	**347,839**	**2,657**	**350,496**
Adjustments		**-36,641**				**-36,641**	**36,641**	
Opening balance of equity	**13,936**	**88,919**	**-2,364**	**67,932**	**142,775**	**311,198**	**39,298**	**350,496**
Net profit (loss)	0	0	0	0	40,680	40,680	1,601	42,281
Other comprehensive income	0	0	0	0	0	0	0	0
Total income	**0**	**0**	**0**	**0**	**40,680**	**40,680**	**1,601**	**42,281**
Issue of shares	0	0	0	0	0	0	0	0
Purchase of own shares	0	0	-6,926	0	0	-6,926	0	-6,926
Transactions with non-controlling shareholders	0	0	0	2,157	-2,157	0	0	0
Dividend	0	0	0	0	-19,473	-19,473	0	-19,473
Other changes	0	0	0	4,179	-6,296	-2,118	0	-2,118
Creation of reserve capital	0	0	0	0	0	0	0	0
Changes in equity	**0**	**0**	**-6,926**	**6,336**	**12,754**	**12,163**	**1,601**	**13,764**
Closing balance of equity	**13,936**	**88,919**	**-9,290**	**74,268**	**155,529**	**323,361**	**40,899**	**364,261**

3. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

3.1. Basis for preparation of financial statements

3.1.1. Statement of compliance with the IFRS

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

The OPONEO.PL Group prepares these consolidated financial statements as at 31 December 2023 and for the period from 1 January to 31 December 2023 in accordance with the International Financial Reporting Standards (IFRS) approved by the European Union, effective for annual periods beginning on 1 January 2023.

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

3.2. Detailed principles of accounting policy

3.2.1. Going concern

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

3.2.2. Operating segments

IFRS 8 Operating Segments requires businesses to disclose information about the entity's operating segments, as well as its products and services, the geographical areas of its operations. The definition of operating segments is based on the Group's internal reports and related to the allocation of resources and the results of operations within a separate segment. Under IFRS 8, an operating segment is defined as a component of the Group that engages in business activities in relation to which revenues can be earned and expenses incurred and whose operating results are regularly reviewed by the chief body responsible for operating decisions and used in making decisions about resources allocated to the segment and in assessing segment performance. The intention of IFRS 8 is to present financial information in accordance with the reporting structure for the Group's internal decision-making needs. Based on IFRS 8, the Group presents separate information on each operating segment demonstrating similar economic characteristics regarding the type of products or services offered.

In accordance with IFRS 8, in preparing its financial statements, the Group is required to disclose information to assist the user in assessing the nature and financial effects of the business activities in which the Group is engaged and the economic environment in which it operates. Moreover, total assets and liabilities for each reportable segment are presented. As part of the disclosures, the Group also provides information on:

- revenue on account of each product (product group) and service,
- geographical areas (if this information is available and the cost of obtaining it is reasonable for information purposes).

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

3.2.3. Borrowing costs

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

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

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

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

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

3.2.4. Consolidation and business combination

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

The group has control if:

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

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

- the size of the voting rights holding compared to the size of the shareholding and the degree of dispersion of voting rights held by other shareholders;
- potential voting rights held by the Company, other shareholders or other parties;
- rights under other contractual arrangements; and

- additional circumstances that may demonstrate that the Company does or does not have the ability to guide significant actions at decision-making moments, including voting patterns observed at previous shareholder meetings.

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

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

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

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

The application of the takeover method requires:

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

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

3.2.5. Joint ventures

Under IFRS 11, joint control occurs when decisions on significant activities require an unanimous consent of the parties exercising joint control. IFRS 11 requires the parties to an agreement to identify the type of joint operation in which they are engaged through the rights and obligations under that agreement. The standard distinguishes between two types of joint agreements:
- joint operations - joint contractual arrangements whereby the jointly controlling parties have rights to assets and obligations for liabilities under the arrangement, it is required that the parties to the

joint operation recognise their share of assets, liabilities, income and expenses in accordance with the applicable standard;

- joint venture - a joint initiative that gives the jointly controlling parties the rights to its net assets. The parties to the joint venture account for their share using the equity method.
The agreement concerning a separate and distinct entity is classified as a joint venture. The group determines the type of joint agreement by analysing factors such as the legal form of the entity, the contractual terms and other relevant facts and circumstances. In assessing the contractual terms affecting the classification of joint agreements, the contractual provisions related to the following items shall apply:

- rights to assets:
    - the parties to the agreement determine the right to assets in certain proportions - joint actions,
    - assets contributed to the venture or acquired after incorporation by the venture itself belong exclusively to the venture, the parties do not have a direct share in the assets - joint venture,
- obligations arising from venture-related liabilities:
    - the parties to the agreement share the obligations related to the liabilities as well as the costs in certain proportions and are responsible for any third party claims against the venture - joint action,
    - the venture as a separate entity is responsible for the liabilities incurred, with the liabilities of the parties limited to their share in the venture. Third parties have no recourse against the parties to the venture in respect of liabilities incurred by the venture in its own name - joint venture,
- revenues and costs:
    - the agreement establishes a revenue and cost share based on an estimate of each party's results - joint action,
    - the agreement determines the rules for the distribution of profits and losses from the activities of the venture - joint venture.

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

3.2.6. Change in the shares of the Group in subsidiaries

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

3.2.7. Tangible fixed assets

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

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

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

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

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

Current repairs and maintenance of tangible fixed assets used by the Group are recognised in current costs.

An item of property, plant and equipment is derecognised from the balance sheet upon disposal or when no future economic benefits are expected from the use of the asset. Any profits or losses arising from the disposal or decommissioning of items of property, plant and equipment are recognised in the result of the period in which the assets are derecognised.

3.2.8. Goodwill

Goodwill is initially recognised at a purchase price and calculated as the difference between the two values:
- the sum of the consideration transferred for control, the non-controlling interests and the fair value of the shareholdings (interests) held in the acquired company prior to the acquisition date
and
- the fair value of the identifiable net assets of the entity acquired.

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

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

3.2.9. Intangible assets

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

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

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

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

Impairment in value of intangible assets

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

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

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

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

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

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

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

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

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

3.2.10. Lease

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

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

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

3.2.11. Financial instruments

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

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

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

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

- the financial asset is held in accordance with a business model whose objective is to hold financial assets for acquisition contractual cash flows,

- the contractual terms of the financial asset give rise to cash flows on specified dates, which represent only the repayment of the principal and interest on the par value outstanding.

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

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

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

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

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

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

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

the Company assumes that a default occurs when a debt is 365 days overdue or when the borrower refuses to make payment of its obligation.

Financial liabilities

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

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

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

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

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

Hedge accounting

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

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

3.2.12. Inventory

Inventory (goods) is recognised in the balance sheet at the net value, i.e. less discounts received and impairment losses.
Goods are measured at purchase prices not higher than net selling prices.
The Company has adopted the principle of determining the outgoing value of inventory using the FI-FO method. If the cost of purchasing an inventory item is higher than its net achievable value, an allowance is applied for the difference between the cost of processing or purchasing the item and its net achievable value.
Write-downs on inventory are also applied when inventories are impaired due to damage and cannot be restored to their usable features. In such circumstances, the inventory is subject to disposal.
Impairment losses on tangible current assets related to their impairment or valuation at the balance sheet date are charged to other operating expenses. When the reason for the write-down ceases, the value of tangible current assets is credited to other operating income.

3.2.13. Subsidies

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

3.2.14. Cash and cash equivalents

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

3.2.15. Equity

Equity consists of:

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

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

3.2.16. Provisions for employee benefits

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

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

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

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

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

3.2.17. Other provisions

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

3.2.18. Contingent liabilities

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

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

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

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

3.2.19. Interest-bearing credits and loans

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

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

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

3.2.20. Trade liabilities and other liabilities

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

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

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

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

In trade liabilities and other liabilities, the Group also reports liabilities due to the budget (excluding income tax liabilities) as well a prepayments and accruals, in particular:

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

3.2.21. Trade and other receivables

Trade receivables are recognised and reported at the amounts originally invoiced, including an allowance for receivables at risk of repayment. The effect of the measurement is recognised in the financial result in other operating expenses.
The Group recognises prepaid costs relating to future reporting periods under trade and other receivables.

3.2.22. Conversion rates.

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

3.2.23. Recognition of revenues

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

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

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

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

Interest income is recognised on an accrual basis.

3.2.24. Income tax

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

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

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

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

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

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

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

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

3.2.25. Material error

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

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

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

3.3. Changes in the accounting principles applied

Accounting policies should only be changed when amendments to accounting standards take place and when the Company makes changes to ensure a better presentation of financial statements.
Adjustments arising from a change in the accounting policy are recognised as adjustments to previous years' profit (loss) and the previous year's financial figures are brought to comparability and presented according to the rules applicable in the current year.

3.4. Functional and the reporting currency

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

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

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

Currency exchange rates	29.12.2023 Table of no. 251/NBP/2023	30.12.22 Table of no. 252/NBP/2022
EUR	4.3480	4.6899
GBP	4.9997	5.2957
USD	3.9350	4.4018
CZK	0.1759	0.1942
HUF	0.0113	0.0117
TRY	0.1337	0.2349

Data in PLN thousand

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

3.5. Data comparability

In the case of changes in the presentation of financial data, the Group recognises the effects of changes in applied policies retrospectively. This means that the new rules are applied to past events, transactions and conditions as if they had always been applied. This means in the preparation of the current financial statements according to the revised rules, verifying and making adjustments to the comparative data presented in the financial statements for the previous reporting period. In addition, information is provided on the nature of the changes made to the accounting policy, the reasons for the changes and the impact on the financial result of the adjustments related to the changes.
The Management Board identified a presentation error in the statement of equity and a change was introduced in 2023. The change was also applied retrospectively. The table below presents the correction of the error between the share premium and the equity attributable to non-controlling shareholders.

	Data before adjustment	Adjustment	Data after adjustment
	31.12.2022	Adjustment	31.12.2022
Equity			
Share capital	13,936		13,936
Share premium	125,560	-36,641	88,919
Treasury shares	-9,290		-9,290
Other capital	74,268		74,268
Retained earnings	155,529		155,529
Equity attributable to shareholders of the parent company	360,003	-36,641	323,362
Equity attributable to non-controlling shareholders	4,258	36,641	40,899
Total equity	**364,261**	**0**	**364,261**

3.6. Presentation of financial statements

Presentation of the statement of financial position

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

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

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

Presentation of the statement of cash flows

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

Profit per share

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

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

3.7. MEASUREMENT RULES

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

3.8. ESTIMATES AND ADJUSTMENTS

Due to the inherent uncertainty that surrounds business activities, many items in the financial statements cannot be precisely calculated, but only estimated. The use of estimates in the accounts and in the financial statements is necessary and stems from the definition of assets and liabilities, the measurement of which depends on the ability to generate or use economic benefits. IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" clarifies that the use of reliable estimates is an essential part of the preparation of financial statements and does not undermine their accuracy. Although the assumptions and estimates used are based on the best knowledge of the Management Board of the Company concerning current activities and events, actual results may differ from those projected.

The most common estimates include:

- useful lives, residual values and the methodology for applying depreciation and amortisation: tangible assets, intangible assets, real estate investments;
- receivables with collection rate that may be doubtful (amount of write-down);
- inventories measured at purchase prices due to their loss of economic usefulness for the Group (amount of write-down);
- provisions for liabilities and accrued expenses treated equally, e.g. provisions for employee benefits, provisions for losses on business transactions in progress (e.g. pending litigation, guarantees, sureties granted).
- assets and provision due to deferred income tax;

3.9. CHANGES IN THE ACCOUNTING PRINCIPLES APPLIED

Current accounting standards provide additional clarifications or simplifications that may be helpful in the preparation of financial statements.

Amendments approved by the IASB for application after 1 January 2023

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

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

Amendments approved by the IASB for application after 1 January 2024

- **Amendments to IFRS 16 "Leases" -** the amendment to IFRS 16 relates to specifying the requirements that a seller-lessee is required to apply in measuring the lease liability associated with a sale and leaseback transaction so that it does not recognise a gain or loss associated with a right-of-use that it retains,
- **Amendments to IAS 1 "Presentation of financial statements"** - amendments associated with the classification of liabilities as short-term and long-term.
- **Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments - Disclosures" -** the aim of the amendments is to increase the transparency and usefulness of the information provided by entities on the financing arrangements concerning their obligations to suppliers, such as the obligation to disclose information on contracts with suppliers, as a result of which the user of the financial statements will be able to assess their impact on the liabilities and cash flows and on the liquidity of the entity.

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

4. EXPLANATORY NOTES TO INDIVIDUAL ITEMS OF THE FINANCIAL STATEMENTS

4.1. OPERATING SEGMENTS OF THE OPONEO.PL GROUP

4.1.1. Geographical breakdown and financial data by segment

The Group separates three operating segments in the report according to the type of sales assortment.
The segments identified in the Group are presented below, including the location and name of the entity.

Location	Name of entity
Sales of car accessories segment	
Poland	OPONEO.PL S.A.
Poland	Opony.pl sp. z o.o.
Poland	Hurtopon.pl sp. z o.o.
Poland	Oponeo International sp. z o.o.
Poland	Oponeo Global sp. z o.o.
Germany	Oponeo.de GmbH
United Kingdom	Oponeo.CO.UK. Ltd.
Sales of bicycles and bicycle accessories segment	
Poland	Dadelo S.A.
Tool sales segment	
Poland	Rotopino.pl S.A.

The tables below present financial data broken down by segments identified in the OPONEO.PL Group and consolidation exclusions.

Financial data for 01.01.23-31.12.23

OPERATING SEGMENTS - P&LA	Tyres, rims and accessories	Bicycles and bicycle accessories	Tools, power tools	Exclusions and consolidation adjustments	Total
Net profit (loss)	58,604	82	-4,119	-106	54,460
Total assets	513,898	141,651	23,515	0	679,064
Total liabilities	254,933	35,572	10,733	0	301,238
Gross margin of the segment	307,712	51,896	20,278	-9,077	370,809
Revenues of the segment	1,624,967	189,087	111,891	-53,976	1,871,968
Revenues gained from external customers	1,572,918	0	0	0	1,572,918
Revenues gained from inter-segment transactions	5,843	0	0	0	5,843
Cost of goods sold	1,316,575	137,190	91,613	-44,218	1,501,160
Interest income	1,570	229	2	0	1,801
Interest expenses	4,639	395	358	0	5,392
Depreciation	19,680	3,207	521	0	23,408
Share of the entity in profit or loss of affiliates or joint ventures consolidated using the equity method	-510	0	0	0	-510
Tax revenues	1,638,176	190,877	116,941	0	1,638,176

Data in PLN thousand

Tax expenses	1,559,193	189,321	113,010	0	1,559,193

Financial data for the period 01.01.22-31.12.22

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

Data in PLN thousand

Data for the period 01.01.23-31.12.23

OPERATING SEGMENTS - BALANCE SHEET	Tyres, rims and accessories	Bicycles and bicycle accessories	Tools, power tools	Exclusions and consolidation adjustments	Total
Tangible fixed assets	149,884	19,108	2,752	0	171,744
Goodwill	0	6,095	0	35,598	41,693
Intangible assets	44,808	4	0	429	45,241
Investment property	0	0	0	0	0
Long-term financial assets	65,174	0	0	-65,173	1
Investments settled in accordance with the equity method	8	0	0	0	8
Long-term receivables	1,458	7	0	0	1,465
Assets due to deferred income tax	1,814	176	165	0	2,155
Inventory	142,005	103,106	15,634	-266	260,478
Trade receivables and other receivables	57,237	11,537	3,889	-3,216	69,446
Receivables due to income tax	307	452	103	0	862
Short-term financial assets	537	0	0	0	537
Cash and cash equivalents	83,293	1,166	974	0	85,434
Lease liabilities -long-term	61,522	4,975	2,182	0	68,679
Liabilities due to deferred income tax	4,005	14	130	0	4,149
Trade and other liabilities - long-term	225	0	0	0	225
Financial liabilities - long-term	16,734	0	0	0	16,734
Trade and other liabilities - short-term	195,402	28,403	7,280	-3,097	227,988
Lease liabilities - short-term	13,275	1,829	344	0	15,449
Financial liabilities - short-term	49,840	0	2,895	0	52,735
Liabilities due to current income tax	3,227	0	0	0	3,227
Short-term provisions	1,274	350	214	0	1,839

Data in PLN thousand

Data for the period 01.01.22-31.12.22

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

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

- Sales of car accessories (tyres, rims and car accessories) - represents the largest segment in the Group. The value of segment revenue accounts for 83.95% of the Group's total revenue from external customers for 2023,
- Sales of bicycle accessories (bicycles and bicycle accessories) - revenues from this segment represent 10.07% of total revenues for 2023,
- Tool sales (tools and power tools) - shares in revenues from this segment for 2023 amounted to 5.98%

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

4.2.1. Sales revenue

Sales revenue	01.01.2023-31.12.2023	01.01.2022 -31.12.2022
Revenue on sales of goods	1,855,567	1,679,314
Other sales revenues	16,401	15,789
Total revenue	**1,871,968**	**1,695,103**

The sales revenue achieved in 2023 consists of 100% of revenue from continued operations.

The core business of the OPONEO.PL Group is online retail sales by segment, i.e. car accessories, bicycles and bicycle accessories and power tools. In addition to the sales of goods, the Group derives revenue from the sale of services, which accounts for 0.88% of total sales revenue.

Structure of revenues on sales of goods

Revenue on sales of goods	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Sales of car accessories	1,556,693	1,437,792
Sales of bicycles and bicycle accessories	187,459	115,274
Sales of tools	111,416	126,247
Total sales of goods	**1,855,567**	**1,679,314**

Revenues on sales - geographical breakdown

Sales revenue	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Country	**1,545,211**	**1,380,451**
Sales of car accessories	1,288,557	1,190,854
Sales of bicycles and bicycle accessories	188,794	115,801
Sales of tools	67,860	73,796
Foreign countries	**326,757**	**314,652**
Sales of car accessories	282,744	261,528
Sales of bicycles and bicycle accessories	0	0
Sales of tools	44,013	53,124
Total revenue on sales	**1,871,968**	**1,695,103**

In 2023, the OPONEO.PL Group continued to develop its online sales in foreign European markets. The Group's retail sales covered an area of 13 countries across Europe. Sales conducted by the Group are sales classified as retail sales, mainly via websites. In addition, the bicycle and bicycle accessories sales segment has carried out sales from at a traditional store in Warsaw since March 2023. In 2023, the value of sales to a single customer did not exceed 10% of total sales.

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4.2.2. Operating expenses

Data in PLN thousand

Total operating costs for 2023	Costs associated with the sales of car tyres and accessories	Costs associated with the sales of bicycles and bicycle accessories	Costs associated with the sales of tools	Total
Cost of sales	211,146	41,050	21,019	273,216
General and administrative expenses	23,070	5,179	2,177	30,426
Total operating expenses	**234,217**	**46,229**	**23,196**	**303,642**

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

Operating costs in 2023 compared to 2022 increased by 12.33%. Operating costs related to the automotive accessories sales segment increased by 8.22%. In the tool sales segment, costs decreased by 10.93%. This is the result of cost optimisation related to logistics processes. Operating costs associated with the segment of sales of bicycles and bicycle accessories increased by 66.10%. The increase is mainly due to the launch of the traditional store in Warsaw in March 2023.

Structure of costs by segments.

Structure of costs by type for 2023	Costs associated with the sales of car tyres and accessories	Costs associated with the sales of bicycles and bicycle accessories	Costs associated with the sales of tools	Total
Depreciation	19,680	3,207	521	23,408
Consumption of materials and energy	6,999	4,332	155	11,485
Services from third parties	96,326	23,698	12,996	133,020
Taxes and fees	4,825	337	227	5,389
Employee Costs	39,431	14,303	4,962	58,696
Other operating expenses	66,956	352	4,336	71,644
Total operating expenses	**234,217**	**46,229**	**23,196**	**303,642**

Data in PLN thousand

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

The analysis of the Group's costs by type incurred in 2023 and their comparison to the previous period shows the total increase of 12.33%. Changes in costs by type are not uniform across operating segments.

In 2023, depreciation increased by 21.54% compared to the previous year. The growth applies to all operating segments. The highest increase of 18.01% relates to the segment of sales of tyres and car accessories, which is associated with equipping of the warehouse in Zelgoszcz with further sets of tyre storage baskets.

The rise in energy and fuel prices and the increase in consumption due to the use of more storage space contributed to a 38.34% increase in the Group's expenditure on materials and energy consumption compared to 2022. The highest increase in these generic costs is shown by the bicycle segment.

The costs of third-party services, mainly transport and freight forwarding, increased in total by 7.36% compared to the previous year. The bicycle sales segment showed an increase of 58.62%, which is the result of increased operating costs due to the launch of the traditional store. The tool sales segment recorded a 16.47% decrease in third-party service costs. The decrease of the level of these costs by type in a segment concerned is the result of optimising the logistics costs.

The Group recorded a 48.91% increase in the cost of fees and taxes compared to 2022. The greatest change in these costs by type refers to the car tyre and accessories sales segment, up 55.75%. The main reason for the rise in costs were the increased environmental and recycling fees associated with the tyre trade.

Group staff costs increased by 11.26% in 2023 compared to the previous period. The highest increase of 75.72% was recorded in the bicycle sales segment. This was affected by the increase in employment as a result of the launch of the traditional store in Warsaw.

Higher expenditure on marketing campaigns and increased service of electronic payments translated into a 14.68% increase in other operating expenses in 2023 compared to the previous period. The tyre and car accessories sales segment shows the highest percentage increase in these costs by type - by 26.30%.

Data in PLN thousand

4.2.3. Other operating income

Other operating income	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Settlement of grants received	13	21
Settlement of sales of assets	516	0
Reversal of allowance for receivables	139	42
Accepted complaints	2,154	1,987
Disclosures of goods	33	1,703
Other	1,519	886
Total operating revenues	**4,375**	**4,639**

4.2.4. Other operating expenses

Other operating expenses	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Revaluation write-downs on current assets	918	573
Revaluation write-downs on financial assets	0	0
Cost of sales of assets	0	49
Settlement of commercial goods	1,073	1,132
Complaints	4,107	2,990
Elimination of expenditure on design work	0	0
Other	1,561	973
Other operating expenses, total	**7,659**	**5,717**

4.2.5. Financial revenues and costs

Financial revenues	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Interest	1,801	1,299
Dividend	0	0
Profit on sales of financial assets	0	0
Exchange gains or losses	11,760	245
Other	743	276
Total financial revenues	**14,304**	**1,820**

The financial revenue generated by the Group in 2023 is mainly due to a favourable balance of exchange rate differences both in the timing of the financial year and in the balance sheet valuation of foreign currency items, as well as interest on short-term bank deposits and interest on loans granted in the previous period.

Data in PLN thousand

Financial expenses	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Interest	5,392	4,025
Exchange gains or losses	0	5,903
Impairment	745	742
Leasing fees	2,680	741
Other	0	777
Total financial expenses	**8,817**	**12,187**

In 2023, the interest costs associated with the use of external financing - loans and leases - increased in the Group.

4.2.6. Income tax

Income tax	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Current Tax	15,437	11,519
Deferred tax recognised in the financial result	-1,071	-1,123
deferred tax arising during the year	2,620	2,712
reversals of previous write-downs	-3,691	-3,835
Total income tax	**14,366**	**10,396**

Deferred tax arises from temporary differences between the carrying amount of an asset or liability and its tax value. For 2023, deferred tax in the Group applies to:

- rebate adjustments for 2023 taxed according to their date of issue by the supplier partially in 2024,
- sales adjustments issued in 2024, relating to the 2023 financial year,
- provision created for employee benefits - holiday provision,
- unamortised balance sheet portion of the acquired domains,
- operating lease recognised in the accounts as finance lease,
- measurement of assets and liabilities on the balance sheet day.

Data in PLN thousand

4.2.7. Reconciliation of accounting to tax result

Reconciliation of accounting to tax result	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Gross profit (loss)	68,860	52,677
Non-balance sheet tax revenue	**630**	**-5**
Lease instalments	-8,493	-6,604
Other non-balance sheet tax expenses	-12,246	-7,535
Costs excluded from tax deductible costs	27,339	21,946
Non-taxable income	-5,648	-1,186
Adjustments arising from different tax treatment of correcting invoices	6,350	-200
Taxable income	76,791	59,093
Other adjustments - capital gains	**0**	**0**
Tax on capital gains	0	0
Loss settlement	-17	-159
Income taxed abroad	288	106
Tax on foreign income	51	27
Taxable amount	76,486	58,828
Income tax	15,385	11,492
Total tax	**15,436**	**11,519**

4.2.8. Current assets and liabilities

Current Tax	31.12.2023	31.12.2022
Current income tax	15,436	11,519
Total tax assets	**15,436**	**11,519**

Receivables and liabilities due to income tax

Tax receivables	31.12.2023	31.12.2022
Income tax refundable from the Tax Office	862	413
Total income tax refundable from the Tax Office	**862**	**413**

Tax liabilities	31.12.2023	31.12.2022
Income tax due	3,227	2,764
Total income tax	**3,227**	**2,764**

Data in PLN thousand

4.2.9. Earnings per share

Earnings per share	01.01.2022-31.12.2022	01.01.2022-31.12.2022
Profit for the period attributable to shareholders of the parent company	54,460	40,680
Average weighted number of ordinary shares (pcs.)	13,936,000	13,936,000
Profit (loss) per share - ordinary from continued operations	**3.91**	**2.92**

The profit generated by the Group in 2023 relates entirely to profit from continued operations. The basic profit from continued operations per share is calculated as the ratio of profit gained from continued operations attributable to shareholders of the Parent Company and the average weighted number of ordinary shares during the reporting period.

In 2023, the number of ordinary shares was unchangeable throughout the period, i.e. from 1 January 2023 to 31 December 2023 and amounted to 13,936,000 pcs.

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

Description	31.12.23	31.12.22
Profit (loss) per ordinary share:	**3.91**	**2.92**
- from continued operations	3.91	2.92
- from discontinued operations	0.00	0.00
Diluted profit (loss) per ordinary share	**3.91**	**2.92**
- from continued operations	3.91	2.92
- from discontinued operations	0.00	0.00

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

4.3. Consolidated statement of financial position

4.3.1. Tangible fixed assets

The increase in the value of tangible fixed assets from 1 January 2023 to 31 December 2023 resulted mainly from recognition of leased warehouse space and the warehouse equipment in the Group's assets, in accordance with IFRS 16 “Leases”.

The Group considers on an ongoing basis whether indications of impairment of its tangible and intangible assets have occurred. As at 31 December 2023, the Group has not identified any premises indicating that the revaluation of fixed assets is required.

The value of tangible fixed assets and intangible assets is recognised at the net value resulting from the ledgers.

Data in PLN thousand

Tangible fixed assets 01.01.2023-31.12.2023

Tangible fixed assets	Land	Buildings and facilities	Machines and equipment	Means of transport	Other	Tangible fixed assets under construction	**Total**
Gross value							
Opening balance	**5,565**	**132,662**	**11,183**	**11,556**	**24,408**	**27,548**	**212,923**
Increases	0	11,592	31,639	1,774	13,460	20,383	78,848
Decreases	0	0	14,723	3,046	394	38,366	56,530
Closing balance	**5,565**	**144,254**	**28,100**	**10,284**	**37,474**	**9,565**	**235,241**
Depreciation							
Opening balance	**0**	**17,784**	**8,624**	**4,088**	**15,094**	**0**	**45,590**
Increases	15	14,914	847	1,510	2,810	0	20,096
Decreases	0	0	111	1,695	383	0	2,189
Closing balance	**15**	**32,698**	**9,359**	**3,903**	**17,522**	**0**	**63,497**
Net fixed assets - closing balance	**5,550**	**111,555**	**18,740**	**6,381**	**19,952**	**9,565**	**171,744**

Tangible fixed assets 01.01.2022-31.12.2022

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

Tangible fixed assets presented by the Group in the financial statements as other mainly relate to the equipment of leased warehouse space with systems for storing commercial goods (racks, pallets, bins), logistics-related services (terminals, goods packing stations), as well as sets of office furniture used by Group companies.

Ownership structure of tangible fixed assets	31.12.23	31.12.22

Own	**86,607**	**87,523**
Used under a lease agreement	**85,137**	**79,734**
finance lease agreement - KŚT 1	65,161	73,358
finance lease agreement - KŚT 3	0	0
finance lease agreement - KŚT 7	4,023	4,778
finance lease agreement - KŚT 8	1,345	1,597
finance lease agreement - KŚT 6	14,607	0
Total tangible fixed assets	**171,744**	**167,257**

Description	Lease of space	Other lease	Total
Gross value opening balance	**82,366**	**7,659**	**90,025**
Increases (new lease)	4,942	14,693	19,635
Revaluation of lease liabilities	0	267	267
Gross value closing balance	**87,308**	**22,085**	**109,393**
Opening balance of depreciation	**9,007**	**1,284**	**10,291**
Depreciation and amortisation in the period	13,139	825	13,965
Cumulative amortisation (depreciation) - closing balance	**22,147**	**2,109**	**24,256**
Net value closing balance	**65,161**	**19,976**	**85,137**

4.3.2 Goodwill

Description	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Gross value		
Opening balance	**41,692**	**41,730**
Increases	0	0
Decreases	0	38
Closing balance	**41,692**	**41,692**
Depreciation		
Opening balance	**0**	**0**
Increases	0	0
Decreases	0	0
Closing balance	**0**	**0**
Net value - closing balance	**41,692**	**41,692**

In accordance with IAS 36 and the accounting policy, an impairment test was carried out as at 31 December 2023 for goodwill by segment, presented in the statement of financial position for 2023 in the amount of PLN 41,692 thousand, including to the tool sales segment in the amount of PLN

Data in PLN thousand

20,940 thousand and to the automotive accessories sales segment in the amount of PLN 14,461 thousand.

When analysing the goodwill of the tool and power tool sales segment, the discounted cash flow (DCF FCFF) method was used. The free cash flow projection and the discount rate projection were adopted at a face value.

The projection, which forms the basis of the test, was prepared for the period 2024-2028 and includes revenue growth compared to 2023 at an average annual rate of 7.9% (2023: PLN 112 million, 2028: PLN 164 million) and growth of costs at a rate of 6.5%, implying an increase in EBITDA profitability in 2028 to 3.9% (PLN 6,390 thousand), below the EBITDA profitability of the entire Group in 2023 and below the record high profitability of this segment (4.5% in 2020). The projected increases are deemed to result from, among others: personnel changes performed (industry specialists were recruited), optimisation of costs, including in particular those related to assortment selection and purchasing levels, changes to the main sales process in terms of IT and procedures, streamlining of logistics and goods turnover issues. It should also be emphasised that the projection is based on prudential assumptions since, for example, the industry indicators for e-commerce revenue growth in the following years are clearly higher than the ROTOPINO SA forecast assumptions.

The discount rate was estimated at a level of 10.8% (weighted average cost of capital). The cost of equity was adopted as the risk-free interest rate plus the risk premium for the Polish operations, multiplied by the beta index (estimated as the average of the deleveraged *Retail* industry indices from the base of A. Damodaran - 0.95) and increased by the segment-specific risk (in this case the *size premium* - 0.8%, for the Group).

When analysing the goodwill of the car accessories sales segment, the same method was applied - the discounted cash flow (DCF FCFF) method. The free cash flow projection and the discount rate projection were adopted at a face value.

The parameters adopted are compliant with the market practice and consistent with information from external sources.
The test indicated the lack of the need to create a goodwill impairment charge in respect of the individual segments.

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

4.3.3. Intangible assets

Intangible assets 01.01.2023-31.12.2023

Description	Copyrights, licenses and other	Expenditure for unfinished intangible assets	Total
Gross value			
Opening balance	**82,278**	**8,986**	**91,264**
Increases	475	2,388	2,863
Decreases	505	0	505
Closing balance	**82,247**	**11,374**	**93,621**

Data in PLN thousand

Depreciation			
Opening balance	**45,549**	**0**	**45,549**
Increases	3,312	0	3,312
Decreases	481	0	481
Closing balance	**48,380**	**0**	**48,380**
Net value - closing balance	**33,867**	**11,374**	**45,241**

Intangible assets 01.01.2022-31.12.2022

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

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

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

The Group's records of intangible assets include registered trademarks related to its operations in the automotive accessories sales segment. The carrying value of the trademarks in the ledgers at the date of adoption amounted to PLN 27,120 thousand. The asset is not subject to depreciation.

As at the balance sheet date, the Group carried out an impairment test for trademarks. The test was prepared using the discounted cash flow method - the royalty exemption method. The approach is based on the assumption that, if the Group did not owe the trademarks measured, it would have to incur licensing costs by paying a fee to the licensor of such a trademark in order to achieve the identical economic benefits it obtains by using the trademarks it owns. This is a variety of the DCF method. Potential royalties are discounted and their current value corresponds to the value of the trademark. For the purposes of the test performed, a rate of 1% of revenue was adopted, in order to keep prudence (rates observed in the market range from 0.5% to 5%). This translated into a baseline revenue level for calculating the value of the trademarks at a level of PLN 15 million. No growth in these revenues has been assumed beyond 2023. The discount rate was estimated at a level of 11.9% (weighted average cost of capital), with an additional premium of 2 percentage points to the cost of equity, due to the specific intangible nature of the assets measured. The value of the assets tested based on the test performed was not destroyed.

Data in PLN thousand

As at 31 December 2023, there were no premises of impairment in relation to the intangible assets presented..

4.3.4. Projects and development

In 2023, the OPONEO.PL Group in 2023 continued to implement the project of an online shop for the Polish market, a platform for the sale of tyres and automotive accessories and the WMS system. The Group classifies project expenditure as development work. The projects are implemented using own funds. As at the balance sheet date, these assets were not depreciated as they had not been accepted for use.
As at the balance sheet date, the Group carried out impairment tests on development work not accepted for use. No impairment has occurred.

Expenditure on intangible assets	31.12.2023	31.12.2022
Opening balance	8,986	10,656
Expenditure in the period	2,388	2,691
Acceptance for use	0	4,361
Negative development works	0	0
Sale	**0**	**0**
Total expenditure	**11,374**	**8,986**

4.3.5. Long-term receivables

Long-term receivables recognised in the financial statements relate to the loans granted by the Group in the years 2020-2021 and the interest accrued on these loans.

Long-term investments	31.12.2023	31.12.2022
Opening balance	**1,420**	**1,760**
including interest	70	4
Loans granted	0	100
Interest accrued	45	92
Settlements in the period	0	532
including interest	0	96
Closing balance	**1,465**	**1,420**
including interest	115	70

Data in PLN thousand

4.3.6. Long-term financial assets - associated entities

Structure of long-term financial assets	Shares held as at 2023-12-31 Number of shares	Shares held as at 2023-12-31 Value of shares
Eximo Project Sp. z o.o.	10.00%	1

As at the balance sheet date, the OPONEO.PL Group disclosed shares and interests in related parties and other entities in the financial statements. As at 31 December 2023, the shares in subsidiaries were measured at the purchase price, which the Group considered as their fair value as at the balance sheet date. In the Group's opinion, the acquisition value of the shares corresponds to their fair value mainly due to the fact that the Eximo company, where the parent company holds shares and interests, is not quoted on an active market.

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

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

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

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

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

Data in PLN thousand

Condensed financial information of LAM S.A.

Item	31.12.2023	31.12.2022
Fixed assets	300	284
Current assets	3,351	2,749
Short-term trade liabilities with related parties	1,821	1,322
Short-term liabilities	394	1,997
Long-term liabilities	0	0
Income	18,042	16,286
Net financial result from continued operations	-1,020	-441
Depreciation	33	28
Interest income	0	0
Interest expenses	48	3
Cash and equivalents	240	231
Short-term financial liabilities	1,440	0
Long-term financial liabilities	0	0
Financial result charges due to income tax	2	14

The financial result of LAM S.A. relates entirely to continued operations. The Company also has no contingent liabilities. For 2023, a 50% loss of PLN 1,020 thousand was included in the Group's result.

4.3.8. Deferred Tax

Deferred Tax	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Assets due to deferred income tax		
Opening balance	1,107	1,100
Increases	8,079	1,888
Decreases	7,031	1,881
Closing balance	**2,155**	**1,107**
Provision due to deferred tax		
Opening balance	4,258	5,288
Increases	8,007	10,505
Decreases	8,116	11,536
Closing balance	**4,149**	**4,258**

Deferred tax indicated in the current financial statements of theOPONEO.PL Group results from the recognition of income and expenses for balance sheet and tax purposes in different periods. Deferred tax involves the establishment of assets and the creation of provisions in the event of negative and positive temporary differences, respectively.

Data in PLN thousand

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

4.3.9. Zapasy

The inventory reported by the Group in the statement of financial position as at 31 December 2023 relates to inventories of trade goods by segment. As at the balance sheet day, they were measured at a purchase price. In 2023, write-downs of trade goods inventories of the bicycle segment in the amount in the amount of PLN 857 thousand and the tool segment in the amount of PLN 28 thousand were applied. The warehouse system in place at the Group companies allows for efficient management of stock level and turnover. In the parent company, the automatic analysis of the tyre production date (DOT) influences the order in which the goods are issued and thus prevents old, non-rotating tyres from remaining in stock. As a result, there is no need to apply write-downs on trade goods in the parent company.

Goods as at 31.12.2021	Car accessories	Bicycles and accessories	Tools and power tools	Total
Carrying amount of goods	141,746	103,098	15,635	260,479
Value of goods before revaluation	141,746	103,956	15,661	261,364
Value of impairment losses	**0**	**857**	**28**	**885**

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

4.3.10 Classification of financial instruments

Categories of financial assets and liabilities

The value of financial assets presented in the statement of financial position as at 31 December 2023 relates to the following categories of financial instruments as defined in IFRS 9:

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

Balance sheet items 31.12.2023

Balance sheet items	AZK	AWGW-W	AWGW-O	IKWGP	AFWGP	IZ	Outside IFRS 9	Total
Financial assets								
Fixed assets	**1,466**	**0**	**0**	**0**	**0**	**0**	**0**	**1,466**
Long-term receivables	1,465	0	0	0	0	0	0	1,465
Financial derivatives	0	0	0	0	0	0	0	0
Other long-term-term financial assets	1	0	0	0	0	0	0	1
Current assets	**155,417**	**0**	**0**	**0**	**0**	**0**	**0**	**155,417**
Trade receivables and other receivables	69,446	0	0	0	0	0	0	69,446
Loans	537	0	0	0	0	0	0	537
Financial derivatives	0	0	0	0	0	0	0	0
Other short-term financial assets	0	0	0	0	0	0	0	0
Cash	85,434	0	0	0	0	0	0	85,436
Total	**156,883**	**0**	**0**	**0**	**0**	**0**	**0**	**156,883**

	Balance sheet items 31.12.2022							
Balance sheet items	AZK	AWGW-W	AWGW-O	IKWGP	AFWGP	IZ	Outside IFRS 9	Total
Financial assets								
Fixed assets	**1,421**	**0**	**0**	**0**	**0**	**0**	**0**	**1,421**
Long-term receivables	1,420	0	0	0	0	0	0	1,420
Financial derivatives	0	0	0	0	0	0	0	0
Other long-term-term financial assets	1	0	0	0	0	0	0	1
Current assets	**187,349**	**0**	**0**	**0**	**0**	**0**	**0**	**187,349**
Trade receivables and other receivables	60,964	0	0	0	0	0	0	60,964
Loans	459	0	0	0	0	0	0	459
Financial derivatives	0	0	0	0	0	0	0	0
Other short-term financial assets	0	0	0	0	0	0	0	0
Cash	125,916	0	0	0	0	0	0	125,916
Total	**188,770**	**0**	**0**	**0**	**0**	**0**	**0**	**188,770**

The value of financial liabilities presented in the consolidated statement of financial position as at 31 December 2023 relates to the following categories of financial instruments as defined in IFRS 9:

- financial liabilities measured at an amortised cost (ZZK),
- financial liabilities measured at the fair value through profit or loss - designated as so measured on initial recognition or subsequently (ZWGW-W),
- financial liabilities measured at the fair value through profit or loss - financial liabilities held for trade under IFRS 9 (ZWGW-O),

Data in PLN thousand

- financial guarantee agreements (UGF),
- conditional payment in the context of business combination (WZP),
- financial instruments designated as hedging instruments (IZ),
- liabilities outside the scope of IFRS 9.

Classification financial instruments 31.12.2023								
Balance sheet items	ZZK	ZWGW-O	ZWGW-W	UGF	WZP	IZ	Outside IFRS 9	Total
Financial liabilities								
Long-term liabilities	**85,413**	**0**	**0**	**0**	**0**	**0**	**0**	**85,413**
Credits, loans, other debt instruments	16,734	0	0	0	0	0	0	16,734
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities - leases	68,679	0	0	0	0	0	0	68,679
Short-term liabilities	**294,709**	**0**	**0**	**0**	**0**	**0**	**0**	**294,709**
Trade liabilities and other liabilities	227,988	0	0	0	0	0	0	227,988
Credits, loans, other debt instruments	51,272	0	1,463	0	0	0	0	52,735
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities - leases	15,449	0	0	0	0	0	0	15,449
Total	**380,122**	**0**	**1,463**	**0**	**0**	**0**	**0**	**381,585**

Data in PLN thousand

Classes of financial instruments 31.12.2022								
Balance sheet items	ZZK	ZWGW -O	ZWGW -W	UGF	WZP	IZ	Outside IFRS 9	Total
Financial liabilities								
Long-term liabilities	**93,888**	**0**	**0**	**0**	**0**	**0**	**0**	**93,888**
Credits, loans, other debt instruments	20,586	0	0	0	0	0	0	20,586
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities - leases	73,302	0	0	0	0	0	0	73,302
Short-term liabilities	**220,526**	**0**	**0**	**0**	**0**	**0**	**0**	**220,526**
Trade liabilities and other liabilities	201,489	0	0	0	0	0	0	201,489
Credits, loans, other debt instruments	12,118	0	0	0	0	0	0	12,118
Financial derivatives	0	0	0	0	0	0	0	0
Other liabilities - leases	6,919	0	0	0	0	0	0	6,919
Total	**314,414**	**0**	**0**	**0**	**0**	**0**	**0**	**314,414**

Classification of financial instruments using the fair value hierarchy

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

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

- Level 1 - prices quoted on an active market for identical assets or liabilities,
- Level 2 - input data other than prices quoted classified at Level 1 observable for a component of assets or liabilities, either directly (as prices) or indirectly (based on prices),
- Level 3 - input data for the measurement of assets or liabilities that are not based on observable market data (non-observable input data).

Reclassification

Neither in 2023 nor in previous periods has the Group changed its business model for managing financial assets so that a change would result in the need to reclassify these assets between the categories of assets measured at fair value through profit or loss as well as measured at an amortised cost.

Discontinued recognition of financial assets in the statement of financial position

As at 31 December 2023, the Group had no financial assets whose transfers do not qualify for cessation of recognition in the statement of financial position

Financial assets and financial liabilities subject to offsetting

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

4.3.11. Trade receivables and other receivables

Data in PLN thousand

Trade receivables	31.12.2023	31.12.2022
Trade receivables - other parties	64,826	55,751
including prepayments	11,741	8,799
rebate adjustments	17,407	0
Trade receivables - related parties	17	44
Allowance for uncollectible accounts due to trade receivables	302	251
Receivables due to taxes	2,576	2,935
Other receivables	1,364	744
Short-term prepayments	965	1,741
Total trade and other receivables	**69,446**	**60,964**

Changes in impairment losses on receivables

Allowance for uncollectible accounts	31.12.2023	31.12.2022
Opening balance	251	476
Increases	196	121
Decreases	145	346
Closing balance	**302**	**251**

Trade receivables	31.12.2023	31.12.2022
Timely	63,261	50,730
Overdue	1,581	5,065
up to 1 month	1,012	1,316
from 1 to 6 months	385	3,237
from 6 months to 1 year	60	102
over 1 year	124	410
Total trade receivables	**64,843**	**55,795**

Provisions for doubtful debts are created based on the analysis of their collection rate. The impairment losses recognised represent the difference between the carrying amount of such trade receivables and the present value of expected inflows.

The Group's core business is the online sales based on the fulfilment of an order upon receipt of payment from the customer or the marking of cash on delivery. The Group's online sales model limits the potential for receivables to arise against which there is a possibility of default.
Deferred sales relate to transactions with equity (to be excluded in the consolidated accounts) or commercial related parties (suppliers), budgetary entities and partner services.

Receivables reported in the Group's financial statements at 31 December 2023 result mainly from rebate adjustments settled after reconciliation with the counterparty in the form of offsetting or

Data in PLN thousand

receipt of funds in bank accounts, and receivables from shipping companies for collections from customers. Payments from courier companies are made twice a week for collections performed in advance.
In 2023, allowances were applied for receivables over 365 days in the amount of PLN 196 thousand. The Group has no collateral for the amounts indicated.

Accruals presented in the assets of the Financial Statements of the OPONEO.PL Group as at 31 December 2023 represent the costs of licences, support and insurance of the future reporting period.

4.3.12. Short-term investments

Short-term investments	31.12.2023	31.12.2022
Opening balance	459	2,548
Loans granted	0	13
Interest accrued	88	63
Repayment	10	1,539
Other financial assets	0	0
Change in presentation	0	566
Revaluation write-down	0	60
Closing balance	**537**	**459**

In short-term investments, the Group shows the instalment of the loan granted in 2020 including accrued interest to be repaid in 2024.

4.3.13. Cash and cash equivalents

The cash held by the OPONEO.PL Group, amounting to PLN 85,434 thousand, guaranteed financing of current operations.

Cash and cash equivalents	31.12.2023	31.12.2022
Cash in hand	103	0
Cash at bank	77,424	44,886
Deposits	3,101	76,410
Other	4,806	4,620
Total	**85,434**	**125,916**

Bank deposits are created for various periods ranging from one day, known as *overnight*, to several weeks, depending on the Group's current cash requirements. Interest rates on deposits are agreed individually on the day they are opened. The other cash item as at 31 December 2023 includes the amount of PLN 4,806 thousand arising from electronic payments.

Currency structure of cash (converted into PLN)

Cash and cash equivalents - currency structure	31.12.2023	31.12.2022
in PLN	63,562	91,003

Data in PLN thousand

in EUR	14,926	23,220
in GBP	3,891	2,190
in USD	660	3,583
in HUF	1,003	318
in TRY	0	0
in CZK	1,391	5,601
Total	**85,434**	**125,916**

4.3.14 Share capital

The share capital of OPONEO.PL S.A. as at 31 December 2023 amounts to 13,936,000 and it is divided into 8,676,000 ordinary bearer shares of A series, 4,000,000 ordinary bearer shares of B series and 1,260,000 ordinary bearer shares of C series, with the face value of PLN 1.00 per share.

Structure of shareholders holding at least 5% in the general number of votes in OPONEO.PL S.A. as at 31 December 2023

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
Dariusz Topolewski	2,901,592	20.82	2,901,592	20.82
Ryszard Zawieruszyński	2,784,654	19.98	2,784,654	19.98
OPONEO.PL S.A.	2,700,220	19.38	-	-
Generali PTE S.A.	1,519,948	10.91	1,963,005	14.09
AEGON OFE	-	-	1,155,000	8.29
TFI Allianz Polska S.A.	-	-	714,551	5.13
Other	4,029,586	28.91	4,417,198	31.69
Total	**13,936,000**	**100.00**	**13,936,000**	**100.00**

4.3.15 Other equity

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

Data in PLN thousand

Description	31.12.2023	31.12.2022
Surplus from sale of shares	88,777	88,919
Treasury shares	-112,297	-9,290
Other reserve capitals	156,480	73,826
Exchange differences from conversion	200	442
Retained earnings	100,010	155,529
Including profit for the financial year	54,460	40,680
Total	**233,170**	**318,716**

Payment of dividend from profit

Dividend	01.01.2023-31.12.2023	01.01.2022-31.12.2022
Amount of dividend paid from profit	27,532	18,773
Amount per share	**2.00**	**1.36**

In previous years, the Group created a reserve capital from the supplementary capital earmarked for the repurchase of treasury shares. Pursuant to Resolution No. 22 of the EGM of 17 May 2023, the reserve capital of PLN 29,700 thousand was created for the purchase of treasury shares. On the basis of the subsequent EGM Resolution No. 6 of 16 October 2023, the reserve capital created in accordance with Resolution No. 22 of 17 May 2023 was dissolved and a new one of PLN 99,000 thousand was created for the purchase of treasury shares. As at 31 December 2023, the Company held 2,700,220 treasury shares, representing 19.38% of interest in the share capital. The treasury shares acquired by the Company may be used for further resale of shares, the incentive programme or for reducing the share capital through the redemption of shares.
Number of shares covered by the dividend in 2023 amounts to 11,235,780. The remaining shares are the treasury shares held by OPONEO.PL S.A. in the amount of 2,720,220 pcs which, pursuant to Article 364§2 of the Code of Commercial Companies, are excluded from dividends.

4.3.16. Financial liabilities

OPONEO.PL S.A. has an option of using a multi-purpose credit facility contracted with BNP Paribas Bank Polska S.A. Total lending limit for three currencies: PLN, EUR, USD totalled PLN 180,000 thousand. The tenor of the loan is determined to 20 May 2033. The interest rate on the facility in PLN is the WIBOR base rate for monthly deposits, increased by a margin of 0.8 p.p The interest rate on the EUR loan is the sum of EURIBOR 1M and a margin of 1.9 p.p., while the interest rate on the USD loan is based on the SOFR ON. plus a 1.9 p.p. margin.

As at 31 December 2023, the Company had no recourse to the multi-purpose facility. At the end of the previous accounting period, i.e. 31 December 2022, the lending facility was also not used.

The liability under the lending facility is secured by:

- blank bill of exchange,
- collateral mortgage up to PLN 50,000 thousand,
- assignment of claims under the real estate and inventory insurance contract,
- Borrower's statement of submission to enforcement in favour of the Bank,
- registered pledge on warehouse stocks,

OPONEO.PL S.A. has a possibility with mBank S.A. to use a lending facility for financing current trade payments, granted under the agreement of 28 October 2020 and aexed on 21 July 2022. The limit arising from this line amounts to PLN 60,000.00 thousand. The tenor for using the facility is determined by 31 October 2024. The interest rate on the facility is the WIBOR base rate for monthly deposits, increased by a margin of 1.0 p.p
As at 31 December 2023, the Company used the lending facility in the amount of PLN 48,909 thousand.

The liability under the mBank S.A. facility for financing the current operations is secured by:
- a blank promissory note with a declaration
- 2 blank promissory notes with a declaration - for any guarantees issued under the guarantee line.

On 16 February 2021, the Company concluded a non-revolving loan agreement with BNP Paribas Bank Polska S.A. for the amount of PLN 31,500,000, which refinanced a significant part of own funds earmarked for the acquisition of ROTOPINO.PL SA. The loan bears interest based on a floating base rate of 3-month WIBOR + margin of 0.85 p.p. and is repayable in 60 monthly instalments (the last balancing instalment of PLN 12.6 million). As at 31 December 2023, the amount of PLN 20,586 thousand remained outstanding, of which PLN 3,852 thousand in 2024

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

The Dadelo S.A. Company has a lending facility with BNP Paribas Bank Polska S.A. in the amount of PLN 5,000 thousand. The tenor under this agreement shall expire on 20 May 2033. As at 31 December 2023, the Company had no recourse to the lending facility.

On 14 March 2022, ROTOPINO.PL S.A. signed an annex to the lending facility agreement with BNP Paribas Bank Polska S.A. increasing the amount of the limit to PLN 10,000 thousand The credit agreement was concluded on 1 July 2021 for a period of 120 months, i.e. until 30 June 2031. The liability under the facility to finance the company's current operations is secured by a blank promissory note; as at 31 December 2023, the utilisation rate of the lending facility amounts to PLN 2,895 thousand.

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

On 14 April 2022, OPONEO.PL S.A. granted a surety under civil law up to the amount of PLN 2,250 thousand as a collateral for a lending facility up to PLN 1,500 thousand as an overdraft granted by BNP Paribas Bank Polska S.A. to the LAM S.A. Company. The tenor of the loan is determined to 20

Data in PLN thousand

May 2033. As at 31 December 2023, the LAM S.A. Company used the amount of PLN 1,430 thousand under the lending facility.

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

4.3.17. Trade liabilities and other liabilities

Trade liabilities and other liabilities	31.12.2923	31.12.2022
Trade liabilities - other	157,827	135,648
Trade liabilities - related parties	1	22
Advance payments received	3,791	2,375
Bill-of-exchange liabilities	44,629	39,489
Liabilities due to other taxes, fees and social benefits	18,941	21,265
Payroll liabilities	2,565	2,093
Revenues of future periods - subsidies	0	0
Short-term prepayments	8	200
Other liabilities	226	398
Total trade liabilities and other liabilities	**227,988**	**201,489**

Trade liabilities	31.12.2023	31.12.2022
Timely	202,223	174,842
Overdue	233	317
up to 1 month	19	286
from 1 to 6 months	150	3
from 6 months to 1 year	32	11
over 1 year	31	16
Total trade liabilities	**202,456**	**175,159**

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

The accruals recognised in liabilities as at 31 December 2023 relate to settlements of EU grants received.

Prepayments and accruals	31.12.2023	31.12.2022
Settlement of subsidies	233	242

Data in PLN thousand

Other	0	192
Total prepayments and accruals	**233**	**434**
Short-term	8	200
Long-term	225	234

4.3.18 Other financial liabilities - leases

In the reporting period, the Group continued lease agreements with Millenium Leasing Sp. z o.o. in Warsaw concerning the purchase of forklifts used to handle orders in the warehouses of the OPONEO.PL S.A. company. The lease term covers the years 2019-2024 for the total amount of PLN 1,824 PLN

The Group has an agreement concluded with AIFM PL XI sp. z.o.o. for the lease of warehouse space for the gross value of PLN 3,324 thousand, presenting it in the ledgers as leases under IFRS "Leases". The values were measured as the value of the fees discounted using an annual discount rate of 1.76%. The Agreement covers the period up to 2025.

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

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

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

Within the Group, the agreement with AIFM PL XI sp. z.o.o for the long-term lease of warehouse space presented as a lease is continued. At the date of first-time adoption of IFRS 16 "Leases", lease liabilities were measured at the current value of the remaining payments, discounted using an annual discount rate depending on the currency, subject of use and term of the contracts of 1.67% for the total amount of PLN 3,324,109.86.

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

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

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

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

Data in PLN thousand

In 2023, the Group continued concluded long-term lease agreements for warehouse space intended for the storage of trade goods, presenting them as leases in the accounts under IFRS "Leases". The values were assessed as the value of the fees, discounted using an annual discount rate of 7.26% for an amount of PLN 61,397 thousand in relation to the lease agreement for warehouse space in Zelgoszcz and 7.26% for the amount of PLN 8,843 thousand in relation to the lease agreement for warehouse space in Bydgoszcz. The warehouse space in Bydgoszcz is used by companies in the Group.

Expansion of the Group's activities by traditional sales of bicycle accessories in the store in Warsaw required signing of a contract for the lease of retail space with Okęcie Park sp. z o.o. The contract is presented as lease in the Group based on IFRS 16 “Leases”. Lease liabilities were measured at the current value of the remaining payments, discounted using an annual discount rate depending on the EUR currency, subject of use and term of the contracts of 5.04% for the total amount of PLN 3,926 thousand.

On 6 October 2023, a lease agreement for retail space was signed between Dadelo S.A. and Ingka Centres Polska sp. z o.o. in the Aleja Bielany Shopping Centre in Wrocław. The contract was concluded for a period of five years and is presented in the financial statements as lease in accordance with IFRS 16. The values were measured as the value of the fees discounted using the annual discount rate of 5.95% for the amount of PLN 3,818 thousand.

The table below presents the forms of collaterals for the presented lease agreements and long-term lease agreements recognised as lease in the ledgers in accordance with IFRS 16 “Leases”.

Lease agreement	Collateral of the agreement
Agreements with Millenium Leasing sp. z o.o. - fork lifts	blank bill of exchange
Agreement with AIFM PL XI sp. z.o.o - lease of warehouse space	bank guarantee
Agreement with GETIN Noble Bank S.A. - car	bill of guarantee
Agreement with Volkswagen Financial Services Polska sp. z o.o. - cars	blank bill of exchange
Agreement with VB leasing - furniture	pledge on furniture
Agreement with AIFM PL XI sp. z o.o. - lease of warehouse space	bank guarantee
Agreement with Millenium Leasing sp. z o.o. - storage racks	blank bill of exchange
Agreement with FOR 2 sp. z o.o. - lease of warehouse space	deposit in the amount of PLN 179 thousand
Agreement with Grottgera4.pl sp. z o.o. - lease of warehouse space	lien on movable property
Agreement with Castleport Investments sp. z o. o. - lease of warehouse space	bank guarantee
Agreement with Okęcie Park sp. z o.o. - lease of retail space	bank guarantee
Agreement with Aleja Bielany Shopping Centre - lease of retail space	bank guarantee

Lease liabilities - current value of lease payments	31.12.2023	31.12.2022
Below one year	15,449	6,919
One to five years	64,614	68,102
Over five years	4,065	5,200

Data in PLN thousand

Total lease liabilities	**84,128**	**80,222**

Lease liabilities - minimum lease fees	31.12.2023	31.12.2022
Below one year	15,449	6,919
One to five years	64,614	68,102
Over five years	4,065	5,200
Total lease liabilities	**84,128**	**80,222**

4.3.19 Short-term provisions

Short-term provisions	31.12.2023	31.12.2022
Provision for unused holiday leave	1,593	1,313
Provisions for liabilities	245	255
Total short-term provisions	**1,839**	**1,568**

In the statement of financial position as at 31 December 2023, the Group recognises short-term provisions comprising provisions for employee benefits and the provision for costs of third-party services.

Provision for unused holiday leave	31.12.2023	31.12.2022
Opening balance	**1,313**	**1,256**
Increases	3,535	4,758
Decreases	3,255	4,700
Closing balance	**1,593**	**1,313**

Other provisions	31.12.2023	31.12.2022
Opening balance	255	99
Increases - charge to profit or loss	245	255
Decreases - recognition of profit or loss	255	99
Closing balance	**245**	**255**

Data in PLN thousand

5. OTHER INFORMATION

5.1. BASIC SEPARATE DATA OF SUBSIDIARIES

Basic data of subsidiaries	Fixed assets 2023-12-31	Balance sheet total 2023-12-31	Net result 01.01.2023-31.12.2023
Opony.pl Sp. z o.o.	719	1,535	-139
Oponeo International sp. z o.o.	4	2,955	72
Oponeo.de GmbH	0	4,234	237
OPONEO.CO.UK LTD	0	4,151	-284
Rotopino.pl S.A.	2,917	23,518	-4,119
Hurtopon.pl Sp. z o.o.	0	232	-9
Dadelo S.A.	25,390	141,651	82

The data presented in the table above refer to the financial results and financial position data of the companies as presented in their separate financial statements.

5.2. CONTINGENT LIABILITIES

In 2023, the Group used bank guarantees to secure the payment of rent for the lease of warehouse space.

For the purposes of the Group, the agreement for the lease of warehouse space with AIFM PL I Sp. z o.o. is continued, based on which it is obliged to provide the lessor with an unconditional, transferable and payable on first demand bank guarantee in euro within 21 days of its signing. The guarantee is to be maintained for the duration of the lease of the storage facilities. Accordingly, a bank guarantee of up to EUR 276 thousand was issued by BNP Paribas Bank Polska S.A. on 06 October 2023. The guarantee is valid until 11 October 2024.

On 11 October 2023 , the bank guarantee issued by BNP Paribas Bank Polska S.A. in favour of AIFM PL XI sp. z o.o. regarding Dadelo S.A.'s lease of warehouse space up to EUR 85,273.83 was amended. The guarantee is valid until 25 October 2024.

With effect from 23 February 2023, a new bank guarantee has been issued in connection with the execution of the agreement for retail space lease. The agreement of 06 October 2022 for the lease of retail space was concluded with Okęcie Park sp. z o.o. in Warsaw, under which Dadelo S.A. unconditionally and irrevocably undertakes towards the Beneficiary to pay a guarantee sum on the first demand resulting from the statement that the Tenant has not fulfilled its obligations under the lease agreement. The first Guarantee entered into force on 28 February 2023 and was effective until 27 February 2024; the guarantee will be maintained for the duration of the lease agreement of the retail premises.

Data in PLN thousand

The related company - Dadelo S.A. - signed an agreement with Ingka Centres Polska sp. z o.o. in October 2023 for the lease of retail space in the Aleja Bielany Shopping Centre in Wrocław with the intention of running a traditional store with bicycle articles in this location. A bank guarantee of up to the amount of EUR 89,509.29 was issued to the agreement at the tenant's request by BNP Paribas Bank Polska S.A. for the period from 27 October 2023 to 25 October 2024.

In connection with the use of the warehouse base in Zelgoszcz in 2023, a bank guarantee was issued by BNP Paribas Bank Polska S.A. in favour of Castleport Investments sp. z o.o., ul. Towarowa 28, 00-839 Warsaw up to the amount of EUR 1,118 thousand. The guarantee is valid until 30 December 2024.

5.3. OBJECTIVES AND PRINCIPLES OF FINANCIAL RISK MANAGEMENT

Financial risk

Elements affecting the operations of OPONEO PL Group:

5.3.1. Currency risk

Currency risk - the group conducts trading outside Poland, mainly in the territory of the European Union, resulting in currency fluctuations, particularly in relation to the USD and EUR affecting the results. The Group seeks to balance income and expenses in a given currency and enters into *forward* hedging contracts for payments and receivables in foreign currencies. The Group uses the business customer solution at Bank BNP Paribas Bank Polska when purchasing currencies and entering into *forward* contracts. 2023 was a challenging year for the Group in terms of currency hedging mainly in relation to the US dollar, due to rapid and unpredictable fluctuations in exchange rates and the payment of liabilities in this currency while there were no sales in USD. The Group also conducts transactions in EUR whose exchange rate stabilised at the end of 2022.

2023	Assets	Liabilities
Currency - EUR	83,678	90,987
Currency - GBP	5,625	1,920
Currency - USD	5,922	14,694
Currency - CZK	1,467	305
Currency - TRY	0	0
Currency - HUF	1,011	45

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

Data in PLN thousand

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

2023	Current Assets	Current Liabilities	Exchange rate increase of 15% - Assets	Exchange rate increase of 15% - Liabilities	Exchange rate decrease of 15% - Assets	Exchange rate decrease of 15% - Liabilities
Currency - EUR	83,678	90,987	96,230	104,635	71,134	176,237
Currency - GBP	5,625	1,920	6,469	2,208	4,781	-1,592
Currency - USD	5,922	14,694	6,810	16,898	5,034	12,490
Currency - CZK	1,467	305	1,687	351	1,247	259
Currency - TRY	0	0	0	0	0	0
Currency - HUF	1,011	45	1,163	51	860	38

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

5.3.2 Interest rate risk

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

Description - 2023	Value	Impact on result change +1%	Impact on result change -1%	Total
Financial assets				
Loans	1,337	13	-13	1,337
Cash	85,039	865	-865	85,039
Deposits	97	1	-1	97
Impact on financial assets before tax	86,473	880	-880	86,473
19% tax	0	157	-157	0
Impact on financial assets after taxation	86,473	1,037	-1,037	86,473
Financial liabilities				
Bank loans	68,006	680	-680	68,006
Impact on financial liabilities before tax	**68,006**	**680**	**-680**	**68,006**

Data in PLN thousand

19% tax	0	-129	129	0
Impact on financial liabilities after taxation	**68,006**	**551**	**-552**	**68,006**
Total	**18,468**	**486**	**-486**	**18,468**

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

5.3.3. Credit risk

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

Description	31.12.2023	31.12.2022
Loans	1,337	1,261
Trade liabilities	64,843	55,795
Other receivables	4,260	10,726
Forward contracts	0	0
Cash	85,434	125,916
Total	**155,874**	**193,398**

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

Description	31.12.2023	31.12.2022

Timely	63,261	50,730
Overdue	1,581	5,065
Up to one year	1,457	4,656
Over 1 year	124	410
Total	**64,843**	**55,795**

5.3.4. Liquidity risk

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

Maturities of financial liabilities -2023	up to 6 months	from 6 to 12 months	from 1 to 3 years	over 3 years
Non-derivative financial liabilities	**256,889**	**9,790**	**66,035**	**19,409**
trade liabilities	202,821	32	31	0
lease liabilities	7,617	7,832	49,270	19,409
bank loans	46,451	1,926	16,734	0
bonds issued	0	0	0	0
Derivatives	**0**	**0**	**0**	**0**
options	0	0	0	0
Total	**256,889**	**9,790**	**66,035**	**19,409**

Maturities of financial liabilities -2022	up to 6 months	from 6 to 12 months	from 1 to 3 years	over 3 years
Non-derivative financial liabilities	**186,722**	**6,962**	**58,904**	**31,160**
trade liabilities	182,649	261	27	0
lease liabilities	2,146	4,774	42,142	31,160
bank loans	1,927	1,927	16,734	0
bonds issued	0	0	0	0
Derivatives	**0**	**0**	**0**	**0**
options	0	0	0	0
Total	**186,722**	**6,962**	**58,904**	**31,160**

5.4. Equity management

Data in PLN thousand

The Group manages equity in order to provide for the ability of the Group to continue operations and to ensure the adequate level of liquidity and the expected rate of return for shareholders and other entities interested in the financial position of the OPONEO Group.
The Group monitors the level of financial security on the basis of, among other things, the Net Debt/EBITDA ratio, which is calculated based on the data contained in the Group's Consolidated Financial Statements.
Net debt is the sum of loans and leases payable less cash held. Its value for 2023 amounted to PLN 66,699 thousand. On the other hand, in the previous period it amounted to PLN -12,991 thousand.
EBITDA as the total operating profit plus depreciation and amortisation amounted to PLN 87,291 thousand for 2023 and PLN 82,252 thousand in 2022, respectively.
In both the current and in the previous period, the Net Debt/EBITDA ratio shows negative values, which means that the Group is not excessively indebted and is able to handle the burden of its loan and lease liabilities.

5.5. Litigation

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

In 2023, as well as by the date of submission of this annual report, there were no proceedings pending or in progress before any court, the authority competent for arbitration proceedings or the public administration body concerning liabilities or receivables of the Group, the value of which constitutes individually or jointly at least 10% of OPONEO.PL's equity.

5.6. Transactions with related parties

In the period covered by these financial statements neither one nor many transactions were concluded in the OPONEO.PL Group on terms other than arm's length basis. Transactions with related parties are recorded in the ledgers on separate booking accounts. The Group prepares the documentation of transfer prices in accordance with Article 11k of the Act on Corporate Income Tax. In the financial statements of the OPONEO.PL Group for the period from 1 January to 31 December 2023, mutual transactions of fully consolidated related parties have been eliminated. The tables below present the net values of the parent company's transactions with other entities in the Group.

Transactions between entities excluded from the report and fully consolidated are shown in the table below.

Description	31.12.2023	31.12.2022
Sale	53,778	52,010
Purchase	53,778	52,284
Sales of fixed assets and intangible assets	198	0
Purchase of fixed assets and intangible assets	198	0
Loans granted	0	0
Interest on loans granted	0	0
Dividend received	0	1,030

Data in PLN thousand

Transactions with other related parties

Description	31.12.2023	31.12.2022
Sale	358	944
Purchase	2,112	3,710
Dividend received	0	0

Receivables and liabilities with related parties

The table below presents the parent company's transactions with the other entities in the Group and the other entities' transactions with each other within the Group. Transactions and settlements with fully consolidated related parties have been eliminated for the purposes of the consolidated financial statements.

2023	Sale	Purchase	Receivables	Liabilities
Entities subject to full consolidation				
Opony.pl Sp. z o.o.	550	165	484	27
Oponeo.de GmbH	38,016	786	1,224	13
Oponeo.co.uk LTD	1,166	0	522	0
Hurtopon.pl Sp. z o.o.	18	210	0	41
Oponeo International sp. z o.o.	5,164	2,288	366	0
Rotopino.pl S.A.	322	309	78	3
Oponeo Brandhouse S.K.A.	0	0	0	0
Dadelo S.A.	6,105	202	460	78
Total entities subject to full consolidation	**51,341**	**3,960**	**3,134**	**162**
Other related parties				
Eximo Project Sp. z o.o.	48	618	5	0
LAM S.A.	306	2	12	1
Stratos Dariusz Topolewski	4	750	0	0
Escrita Monika Siarkowska	0	171	0	0
Echo-Port Krzysztof i Małgorzata Huss	0	649	0	0
Total other related parties	**358**	**2,191**	**17**	**1**

For 2022	Sale	Purchase	Receivables	Liabilities
Entities subject to full consolidation				
Opony.pl Sp. z o.o.	18	132	0	64
Oponeo.de GmbH	41,272	9	1,999	0
Oponeo.co.uk LTD	1,176	0	1,155	0
Hurtopon.pl Sp. z o.o.	18	199	0	18
Oponeo International sp. z o.o.	6,054	8	1,224	0

Data in PLN thousand

Rotopino.pl S.A.	3	2	0	0
Oponeo Brandhouse S.K.A.	0	0	0	0
Dadelo S.A.	1,722	1,399	471	881
Total entities subject to full consolidation	**52,010**	**1,749**	**4,849**	**963**
Other related parties				
Eximo Project Sp. z o.o.	50	2,492	5	38
LAM S.A.	884	67	33	0
Stratos Dariusz Topolewski	10	1,000	6	0
Escrita Monika Siarkowska	0	151	0	0
Echo-Port Krzysztof i Małgorzata Huss	0	0	0	0
Total other related parties	**944**	**3,710**	**44**	**38**

5.7. HEADCOUNT

Employment structure	31.12.2023	31.12.2022
Total headcount	562	485
Sales Department	283	240
IT Department	95	92
Warehouse	52	34
Other	132	119

Data in PLN thousand

5.8. REMUNERATION OF MANAGING AND SUPERVISING PERSONS IN THE COMPANIES

Management Board	Due to service on the Management Board - current period	Due to employment contract in the Company - current period	Due to service on the Management Board - previous period	Due to employment contract in the Company - previous period
Management Board in the parent company	7,376	221	7,498	221
Management Boards in other Group Companies	1,780	556	1,795	554

Supervisory Board	Due to service on the Supervisory Board - current period	Due to employment contract in the Company - current period	Due to service on the Supervisory Board - previous period	Due to employment contract in the Company - previous period
Supervisory Board in the Parent Company	97	0	34	0
Supervisory Boards in other Group Companies	91	0	92	0

5.9. STATUTORY AUDITOR'S REMUNERATION

Remuneration of the entity authorised to audit financial statements	31.12.2023	31.12.2022
Audit of the annual financial statements and consolidated financial statements	147	120
Other certifying services, including the review of the financial statements / consolidated financial statements	68	55
Tax advisory services	0	3
Other services (annual audit of subsidiaries' financial statements)	0	0
Total	**215**	**178**

In the period from 1 January to 31 December 2023, the amount of the remuneration paid to the statutory auditor for the audit and review of financial statements and other related services amounted to PLN 215 thousand net.
In the period from 1 January to 31 December 2022, the amount of the remuneration paid to the audit firm for the audit and review of financial statements and other related services amounted to PLN 178 thousand net.

5.10. Significant events after the balance sheet day

Prior to the publication of the report, there were significant changes in the Company's shareholding structure. On 8 February 2024, 2,200,000 shares were transferred by Dariusz Topolewski to the Topolewski Corvus Albus Family Foundation under a donation agreement.

Also on 8 February 2024, 2,185,247 shares were transferred by Dariusz Topolewski to the Topolewski Corvus Albus Family Foundation under a donation agreement.

This was followed by signing of the agreement on 9 February 2024 between the following shareholders: Dariusz Topolewski, Topolewski Corvus Albus Family Foundation, Ryszard Zawieruszyński, Zawieruszyński Family Foundation, Darayavahus sp. z o.o., Tyre Invest sp. z o.o.

On 5 March 2024, the acquisitions and transfers of the Company shares offered in response to the invitation to tender for the Company shares issued by Darayavahus sp. z o.o. and Tyre Invest sp. z o.o. on 13 February 2024, as amended by an update published on 23 February 2024, were settled. As a result of the concluded transactions, Darayavahus sp. z o.o. acquired 758,000 shares representing 5.44% of the share capital and authorising to 5.44% of the total number of votes at the general meeting of the Company and Tyre Invest sp. z o.o. acquired 758,000 shares representing 5.44% of the share capital and authorising to 5.44% of the total number of votes at the general meeting of the Company.

On 20 March 2024, as a result of the conclusion of an agreement for the sale of shares in the Company between Topolewski Corvus Albus Family Foundation and Darayavahus sp. z o.o., Darayavahus sp. z o.o. acquired 635,601 shares representing 4.56% of the share capital and authorising to 4.56% of the total number of votes at the general meeting of the Company. On 20 March 2024, an agreement for the sale of the Company shares was also concluded between Zawieruszyński Family Foundation and Tyre Invest sp. z o.o., as a result of which Tyre Invest sp. z o.o. acquired 635 601 shares representing 4.56% of the share capital and authorising to 4.56% of the total number of votes at the Company's general meeting.

On 29 March 2024, the shareholders' agreement concluded on 9 February 2024 on cooperation in the joint acquisition of up to 1,516,000 shares was terminated in connection with the fulfilment of the purpose of the agreement.

The shareholding structure as at the date of publication of the financial statements is presented in the Report of the Management Board in note 4.3.1.

On 20 March 2024, as announced in current report 10/2024, Mr Arkadiusz Kocemba was appointed to the Management Board.

5.11. Adjustment of previous years

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

5.12. Declaration of the Management Board

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The OPONEO.PL Group does not have any open financial instruments as at 31 December 2023, in particular: futures, forward contracts, option contracts, swap contracts, other than those shown and disclosed in the financial statements prepared as at 31 December 2023.

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

Furthermore, we declare that the entity authorised to audit the financial statements, HLB M2 AUDIT PIE Spółka z ograniczoną działalnością, which audited the annual consolidated financial statements of the OPONEO.PL Group for the period from 1 January to 31 December 2023, was selected in accordance with the provisions of the law and fulfilled the conditions for issuing an impartial and independent audit opinion, in accordance with the relevant regulations and professional standards.

These financial statements were adopted for publication on 29 April 2024.

APPROVAL FOR PUBLICATION

The consolidated financial statements were approved by the Management Board of OPONEO.PL S.A. on 29 April 2023. Shareholders of the entity are not authorised to make changes in the financial statements published.

Signatures of persons representing the Company:

Dariusz Topolewski

President of the Management Board

Michal Butkiewicz

Member of the Management Board

Ernest Pujszo

Member of the Management Board

Wojciech Topolewski

Member of the Management Board

Arkadiusz Kocemba

Member of the Management Board

Signature of the person in charge of bookkeeping:

Małgorzata Nowicka
Chief Accountant

Bydgoszcz, 29 April 2024

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